

**To:** President and Members of the Munster Town Council

**From:** Patricia Abbott  
Controller

**Date:** September 15, 2025

**Re:** FIT and CVET Allocations

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HEA 1392 changed how the Financial Institution Tax (FIT) and Commercial Vehicle Excise Tax (CVET) will be distributed. Historically, each of these taxes was distributed on a pro-rated basis among the funds that receive property tax. Under HEA 1392, municipalities will determine which fund(s) will receive these distributions.

These taxes are received from Lake County in June and December of each year. For 2025 the estimated FIT distribution is \$33,950.00 and the estimated CVET distribution is \$33,154.00. Appropriations for 2025 were based on both FIT and CVET being divided proportionally among each of the property tax-supported funds. Staff recommends following through with that method for 2025.

With the changes being faced by SEA1, Staff recommends having all future FIT and CVET distributions go into the General Fund. This fund can be used for any government purpose. For 2026, the estimated FIT is \$27,161.00 and the estimated CVET is \$32,548.00. The 2026 budget has been prepared to reflect these amounts going into the General Fund.

Council must take an action to approve how the FIT and CVET distributions will be allocated among the property tax-supported funds. This allocation will remain in place moving forward unless Council takes an action to formally change it.

**Recommendation:**

By motion and roll call vote, approve the allocation of FIT and CVET distributions on a pro-rated basis among the property tax-supported funds for fiscal year 2025 and to approve the allocation of FIT and CVET distributions to the General Fund thereafter.