

# TIF Division Newsletter



## Correction of TIF Errors

The TIF Act allows a county auditor to correct many types of errors or mistakes that might occur in the administration of a TIF district without having to seek special legislation.

After notifying the authority and municipality in writing at least 30 days before taking any action, the county auditor may correct an error by taking one or more of the following actions:

1. Certify the original tax capacity of affected parcels at the appropriate value for a later taxes-payable year and extend the duration of the district, in whole or in part, to compensate;
2. Recertify the affected parcels and extend duration of the district, in whole or in part, to compensate;
3. Recertify or correct the original tax capacity rate for the district;
4. Adjust the tax rates of one or more of the taxing districts imposing taxes in the TIF districts for one or more years to recoup amounts advanced by the county or other entity to the authority to replace the reduced increments; or
5. Take other appropriate action so that the amount of increment compensates for or offsets the error or mistake and correctly reflects application of the law.

Please remember County Auditors must notify the Commissioner of Revenue and the State Auditor of any corrections made.

For more information regarding correction of TIF errors, please see our Statement of Position entitled [Correction of TIF Errors](#).

## Revised TIF Statement of Position

The Statement of Position entitled [TIF Interfund Loans](#) has been updated and revised for clarity.

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**TIF Videos**

TIF Videos are available on the State Auditor’s website. The videos cover educational and instructional topics, including:

- [Introduction to Tax Increment Financing](#)
- [The History of TIF and Why It Matters](#)
- [TIF District Types](#)
- [TIF Pooling](#)
- [Excess Increments vs. Excess Taxes](#)
- [Instructions for Completing the TIF Plan Collection Form for New Districts](#)
- [Instructions for Completing the TIF Plan Collection Form for Modified Districts](#)

**Election to Delay First Receipt of Increment**

A TIF district’s duration begins the year it receives its first tax increment distribution from the county. Most TIF plans will include an estimate of when the district will receive its first increment. Usually, a district will receive its first increment within two years after it requests certification.

The certification request date largely controls when the first receipt of increment will occur. If a request is made on or prior to June 30th, the district could receive increment as early as the next year. If the request is made after June 30th, the earliest the district could receive its first increment would be the year after next. For example, if an authority requested certification for a district on June 29, 2015, the district could receive increment in 2016. If the request was made July 6, 2015, the earliest the district could receive increment would be in 2017.

An authority can elect to delay the first receipt of increment for any type of TIF district except for economic development districts. The election to delay may be up to four years following the year of approval of the district. An election must be explicitly stated and should reference the statute authorizing the election. The specific year for first receipt must be identified.

For more information please see our Statement of Position, [Election to Delay Receipt of First TIF Revenues](#).

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