

# TIF Division Newsletter



## Updated TIF Statement of Position

The Statement of Position regarding [Small Cities' Expanded TIF Powers](#) has been updated and can be downloaded from the OSA website. The changes are not substantive.

## Excess Increment Deadline Reminder

September 30th is the annual deadline for the proper expenditure or return of excess tax increment. Excess increments, in general terms, are tax increments that exceed the amount necessary to pay the costs authorized by the TIF plan.

An authority may only use the excess increment to:

- Prepay any outstanding bonds;
- Discharge the pledge of tax increment for any outstanding bonds;
- Pay into an escrow account dedicated to the payment of any outstanding bonds; or
- Return the excess amount to the county auditor.

The TIF Act requires development authorities to annually determine the amount of excess tax increment for districts. The Excess Increment Calculation (EIC) Tab of the TIF Annual Reporting Form is used to determine and report the existence of excess increment. That determination must be based on the TIF plan in effect for the district on December 31 of the previous year, and on the increments and other revenues received by the district through that year.

The county auditor must redistribute any returned excess increment to the city or town, county, and school district in which the TIF district is located in direct proportion to their respective local tax rates.

For more information, please refer to our Statement of Position [Redistribution of Tax Increment](#).

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**TIF Videos**

TIF Videos are available on the State Auditor’s website

**Education Series**

[Introduction to TIF](#)

[The History of TIF and Why It Matters](#)

[TIF District Types](#)

[TIF Pooling](#)

[Excess Increments vs. Excess Taxes](#)

**Instruction Series**

[Completing the Pooled Debt Form](#)

[Completing the TIF Annual Reporting Form](#)

[Completing the TIF Plan Collection Form for New Districts](#)

[Completing the TIF Plan Collection Form for Modified Districts](#)

**Segregation of TIF Funds**

Each TIF authority is required to account for the revenues and expenditures of tax increment for each district separately from the revenues and expenditures of all other money – including tax increment from other TIF districts.

The TIF Act requires authorities to segregate each district’s tax increment in a special account (or accounts) on the TIF authority’s official books and records (or it may establish, by resolution, for the increment to otherwise be held by a trustee or trustees for the benefit of holders of bonds).

For more information regarding the segregation of TIF funds, please refer to our Statement of Position [TIF Segregation of Funds](#).

**Increases in the Cost of the Project**

If an authority expects to exceed the estimated cost of the project (including administrative expenses) stated in the TIF plan, the plan can be amended. Please note, however, that an amendment to increase the estimated cost of the project (including administrative expenses) requires using the same notice and hearing required for approval of the original plan. A notice and hearing is required even if interest as a financing cost is reduced to offset increases to the cost of the project.

For more information please see our Statement of Position on [TIF Plan Requirements](#).

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