



Understanding Indiana Property Tax Prorations

Indiana property taxes are paid in arrears. Property tax prorations include any unpaid taxes for the previous year plus the prorated amount for the current year. Taxes are typically paid to the County Treasurer on May 10th and November 10th. Taxes paid in May 2011 are for January 1, 2010 through June 30, 2010 and taxes paid in November 2011 are for July 1, 2010 through December 31, 2010. Here's how to calculate your prorated taxes:

- Take prior year taxes divide by 365 = daily tax rate
- Daily tax rate x days passed in current year = Current year taxes accrued
- Current taxes accrued + Prior Year unpaid Taxes = Total Tax Proration



In this example we will assume annual taxes prior year are \$1,000. Closing date: March 31, 2011

\$1,000	Annual taxes (prior year)
÷ 365	
= \$2.74	Daily Tax Rate
X 89	January 1st through March 30th
243.86	Current year taxes for 89 days
+ \$1,000	Annual prior year taxes - unpaid
\$1,243.86	Total Tax Proration

In this example we will assume annual taxes prior year are \$1,000. Closing date: June 16th, 2011. May 2011 installment has been paid.

\$1,000	Annual taxes (prior year)
÷ 365	
= \$2.74	Daily Tax Rate
X 166	January 1st through June 15th
454.84	Current year taxes for 166 days
+ \$500	November Installment (\$500 was paid for May)
\$954.84	Total Tax Proration

Prorating property taxes can be a complex subject for all, and costly if not done accurately. Let us help! Contact your Metropolitan Title office and allow one of our team members to assist, and truly be “Your Partner for Success!”