

WHAT KINDS OF INCOME ARE SUBJECT TO COUNTY INCOME TAX?

Basically, county tax is assessed on the same kind of income as is Indiana's adjusted gross income tax.

Here is a list of some of the kinds of income subject to Indiana county income tax:

Wages

Interest

Dividends

Alimony Received

Business Income

Capital Gains

IRA Distributions

Pensions and Annuities

Rental Real Estate, Royalties, Partnerships, S Corporation and Trust Income

Farm Income

Unemployment Compensation

Here is a list of some of the kinds of income NOT subject to Indiana County Income Tax:

Social Security

Railroad Retirement issued by the U.S. Railroad Retirement Board (Both Tier I and Tier II)

Combat Zone Pay

Who Owes County Income Tax?

An individual who lives or works in an Indiana County that has a county tax is subject to county tax.

Tax is due to the county where the individual **LIVED** on January 1 regardless of where he/she worked. No tax will be due to the county where he worked.

Employees working in Lake County and residing in Lake County pay 1.5% (.3750% for 2013).

Employees working in Lake County and residing in another Indiana county pay their county rate (i.e., Porter .5%).

Employees working in Lake County and residing in another state pay Lake County "non-resident" rate or .5625%, per recommendation of Dept. of Revenue.