

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 358, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 2, line 12, delete "subdivision (3)" and insert "**section 3.5 of**
- 2 **this chapter**".
- 3 Page 2, line 14, delete "(8,000)," and insert "(8,000)."
- 4 Page 2, line 14, delete "and the".
- 5 Page 2, delete line 15.
- 6 Page 2, line 16, reset in roman "(3)".
- 7 Page 2, line 16, after "(3)" insert "**The proposed zone must**
- 8 **comprise**".
- 9 Page 2, delete lines 26 through 42.
- 10 Page 3, delete lines 1 through 8.
- 11 Page 4, between lines 35 and 36, begin a new paragraph and
- 12 insert:
- 13 "SECTION 2. IC 4-4-6.1-3.5 IS ADDED TO THE INDIANA
- 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 15 [EFFECTIVE JULY 1, 1998]: **Sec. 3.5. (a) This section applies only**
- 16 **to a zone established in a county having a population of more than**
- 17 **twelve thousand six hundred (12,600) but less than thirteen**
- 18 **thousand (13,000).**
- 19 **(b) A municipality that is unable to satisfy the population**
- 20 **requirements for a proposed zone described in section 3(c) of this**

1 **chapter and that has a population of less than five thousand (5,000)**
 2 **must meet the following criteria for a proposed zone:**

3 **(1) At least fifty percent (50%) of the zone must be within the**
 4 **corporate limits of the municipality.**

5 **(2) The total area of the zone must be within or contiguous to**
 6 **the applicant municipality and be less than:**

7 **(A) three (3) square miles; or**

8 **(B) twenty-five percent (25%) of the area of the**
 9 **municipal applicant.**

10 **(3) A proposed zone that contains an area outside the**
 11 **corporate limits of the municipality must be approved by the**
 12 **adoption of a resolution of the legislative bodies of the**
 13 **municipality and the county.**

14 **(4) The part of a proposed zone outside the corporate limits**
 15 **of the municipality must be contiguous with the municipality**
 16 **by the greater of:**

17 **(A) one-fourth (1/4) of the aggregate external**
 18 **boundaries of the part of the proposed zone located**
 19 **outside the corporate limits of the municipality; or**

20 **(B) one hundred fifty (150) feet.**

21 **(5) The area of the proposed zone must be within the zoning**
 22 **jurisdiction of the municipality as determined under**
 23 **IC 36-7-4-205.**

24 **(c) Notwithstanding any other law, the only incentive to which**
 25 **a business located within the zone is entitled is the credit under**
 26 **IC 6-1.1-20.8."**

27 Page 5, line 24, delete "3(c)(3)" and insert "**3.5(b)**".

28 Page 5, after line 41, begin a new paragraph and insert:

29 "SECTION 4. IC 6-3-2-8 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. (a) For
 31 purposes of this section, "qualified employee" means an individual who
 32 **satisfies all of the following:**

33 **(1) The individual** is employed by a taxpayer or by an employer
 34 exempt from adjusted gross income tax (IC 6-3-1 through
 35 IC 6-3-7) under IC 6-3-2-2.8(3), ~~(4)~~, **IC 6-3-2-2.8(4)**, or ~~(5)~~ **and**
 36 ~~who~~ **IC 6-3-2-2.8(5).**

37 ~~(1)~~ **has (2) The employee's individual's principal place of**
 38 **residence is:**

- 1 (A) in the enterprise zone in which the employee is
 2 employed; **and**
 3 **(B) not located in a county having a population of more**
 4 **than twelve thousand six hundred (12,600) but less than**
 5 **thirteen thousand (13,000).**
- 6 ~~(2)~~ **(3) The individual** performs services for the taxpayer or
 7 employer, ninety percent (90%) of which are directly related to
 8 the conduct of the taxpayer's or employer's trade or business that
 9 is located in an enterprise zone. ~~and~~
- 10 ~~(3)~~ **(4) The individual** performs at least fifty percent (50%) of
 11 the ~~employee's~~ **individual's** service for the taxpayer or employer
 12 during the taxable year in the enterprise zone.
- 13 (b) Except as provided in subsection (c), a qualified employee is
 14 entitled to deduction from his adjusted gross income in each taxable
 15 year in the amount of the lesser of:
- 16 (1) one-half (1/2) of his adjusted gross income for the taxable
 17 year that he earns as a qualified employee; or
 18 (2) seven thousand five hundred dollars (\$7,500).
- 19 (c) No qualified employee is entitled to a deduction under this
 20 section for a taxable year that begins after the termination of the
 21 enterprise zone in which he resides."
- 22 Renumber all SECTIONS consecutively.
 (Reference is to SB 358 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

Senator Mills, Chairperson