



February 9, 2005

## SENATE BILL No. 609

DIGEST OF SB 609 (Updated February 8, 2005 11:14 am - DI 44)

**Citations Affected:** IC 6-3.5; noncode.

**Synopsis:** County income tax distributions. Distributes county adjusted gross income tax (CAGIT) revenue to civil taxing units and school corporations according to a formula based on budget appropriations. Makes related changes. Provides that the department of state revenue (department) shall make adjustments to increase a county's certified distribution of CAGIT revenue when a county increases the tax rate, in the same manner required when the county initially imposes CAGIT. Distributes county option income tax (COIT) revenue to civil taxing units according to a formula based on budget appropriations. Makes related changes. Provides that the department shall make adjustments to increase a county's certified distribution of COIT revenue when a county increases the tax rate, in the same manner required when the county initially imposes COIT. Distributes county economic development income tax (CEDIT) revenue to counties, cities, and towns according to a formula based on budget appropriations. Makes related changes. Provides that the department shall make adjustments to increase a county's certified distribution of CEDIT revenue when a county increases the CEDIT tax rate, in the same manner required when the county initially imposes CEDIT.

**Effective:** Upon passage; January 1, 2006.

**Kenley, Hume**

January 24, 2005, read first time and referred to Committee on Tax and Fiscal Policy.  
February 8, 2005, reported favorably — Do Pass.

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SB 609—LS 7754/DI 113+



February 9, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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## SENATE BILL No. 609

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-3.5-1.1-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. ~~As used~~ (a)  
3 **The definitions in this section apply throughout this chapter.**  
4 (b) "Adjusted gross income" has the same definition that the term  
5 is given in IC 6-3-1-3.5(a), except that in the case of a county taxpayer  
6 who is not a resident of a county that has imposed the county adjusted  
7 gross income tax, the term includes only adjusted gross income derived  
8 from his principal place of business or employment.  
9 (c) "Annual budget" refers to the amount appropriated:  
10 (1) in the budget for a year that is certified by the department  
11 of local government finance for a civil taxing unit or school  
12 corporation under IC 6-1.1-17-16; or  
13 (2) if the department does not review the annual budget of a  
14 civil taxing unit or school corporation, in the budget for a  
15 year that is finally adopted by the civil taxing unit or school  
16 corporation, excluding any additional appropriations made  
17 after the budget is finally adopted under IC 6-1.1-18.

SB 609—LS 7754/DI 113+



1 (d) "Civil taxing unit" means any entity having the power to impose  
2 ad valorem property taxes except a school corporation. The term does  
3 not include a solid waste management district that is not entitled to a  
4 distribution under section 1.3 of this chapter. However, in the case of  
5 a consolidated city, the term "civil taxing unit" includes the  
6 consolidated city and all special taxing districts, all special service  
7 districts, and all entities whose budgets and property tax levies are  
8 subject to review under IC 36-3-6-9.

9 (e) "County council" includes the city-county council of a  
10 consolidated city.

11 (f) "County taxpayer" as it relates to a county for a year means any  
12 individual:

13 (1) who resides in that county on the date specified in section 16  
14 of this chapter; or

15 (2) who maintains ~~his~~ **the individual's** principal place of business  
16 or employment in that county on the date specified in section 16  
17 of this chapter and who does not on that same date reside in  
18 another county in which the county adjusted gross income tax, the  
19 county option income tax, or the county economic development  
20 income tax is in effect.

21 (g) "Department" refers to the ~~Indiana~~ department of state revenue.

22 (h) "Nonresident county taxpayer" as it relates to a county for a year  
23 means any county taxpayer for that county for that year who is not a  
24 resident county taxpayer of that county for that year.

25 (i) **"Operating budget" refers to the remainder of the annual  
26 budget of a civil taxing unit or school corporation determined after  
27 deducting the appropriations described in section 1.1 of this  
28 chapter.**

29 (j) "Resident county taxpayer" as it relates to a county for a year  
30 means any county taxpayer who resides in that county on the date  
31 specified in section 16 of this chapter.

32 (k) "School corporation" means any public school corporation  
33 established under Indiana law.

34 SECTION 2. IC 6-3.5-1.1-1.1 IS ADDED TO THE INDIANA  
35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
36 [EFFECTIVE JANUARY 1, 2006]: **Sec. 1.1. (a) For purposes of  
37 allocating the certified distribution made to a county under this  
38 chapter among the civil taxing units and school corporations in the  
39 county, the operating budget of a civil taxing unit or school  
40 corporation is the amount determined under STEP FIVE of the  
41 following formula:**

42 **STEP ONE: Determine the annual budget of the civil taxing**

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**unit or school corporation.**

**STEP TWO: Determine the sum of the following:**

(A) Amounts appropriated to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that is:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

(D) Appropriations of federal grants to the civil taxing unit or school corporation.

**STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.**

**STEP FOUR: If a civil taxing unit or school corporation is completely located within one (1) county, the result under this STEP is one (1). If a civil taxing unit or school corporation is located within more than one (1) county, divide:**

(A) the population of the civil taxing unit or school corporation in the county; by

(B) the population of the civil taxing unit or school corporation in all counties.

**STEP FIVE: Multiply the STEP THREE result by the STEP FOUR result.**

(b) Except as provided in this subsection, an appropriation to repay interest and principal of a debt obligation is not deducted from the operating budget of a civil taxing unit or school corporation if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation related to a debt obligation issued after June 30, 2005, is deducted to the extent that the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that

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1 must be paid on a debt or lease in excess of the amount that would  
2 have been paid if the debt or lease had not been refinanced.

3 (c) Except as provided in this subsection, an appropriation to  
4 make payments on a lease is not deducted from the operating  
5 budget of a civil taxing unit or school corporation if:

- 6 (1) the lease was issued; and
  - 7 (2) the proceeds were appropriated;
- 8 to refinance a debt obligation or lease issued before July 1, 2005.  
9 However, an appropriation related to a lease entered into after  
10 June 30, 2005, is deducted to the extent that the lease extends  
11 payments on a debt or lease beyond the time in which the debt or  
12 lease would have been payable if the debt or lease had not been  
13 refinanced or increases the total amount that must be paid on a  
14 debt or lease in excess of the amount that would have been paid if  
15 the debt or lease had not been refinanced.

16 SECTION 3. IC 6-3.5-1.1-9 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9. (a) Revenue  
18 derived from the imposition of the county adjusted gross income tax  
19 shall, in the manner prescribed by this section, be distributed to the  
20 county that imposed it. The amount to be distributed to a county during  
21 an ensuing calendar year equals the amount of county adjusted gross  
22 income tax revenue that the department, after reviewing the  
23 recommendation of the budget agency, determines has been:

- 24 (1) received from that county for a taxable year ending before the  
25 calendar year in which the determination is made; and
- 26 (2) reported on an annual return or amended return processed by  
27 the department in the state fiscal year ending before July 1 of the  
28 calendar year in which the determination is made;

29 as adjusted (as determined after review of the recommendation of the  
30 budget agency) for refunds of county adjusted gross income tax made  
31 in the state fiscal year.

32 (b) Before August 2 of each calendar year, the department, after  
33 reviewing the recommendation of the budget agency, shall certify to the  
34 county auditor of each adopting county the amount determined under  
35 subsection (a) plus the amount of interest in the county's account that  
36 has accrued and has not been included in a certification made in a  
37 preceding year. The amount certified is the county's "certified  
38 distribution" for the immediately succeeding calendar year. The amount  
39 certified shall be adjusted under subsections (c), (d), (e), (f), and (g).  
40 The department shall provide with the certification an informative  
41 summary of the calculations used to determine the certified  
42 distribution.

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1 (c) The department shall certify an amount less than the amount  
 2 determined under subsection (b) if the department, after reviewing the  
 3 recommendation of the budget agency, determines that the reduced  
 4 distribution is necessary to offset overpayments made in a calendar  
 5 year before the calendar year of the distribution. The department, after  
 6 reviewing the recommendation of the budget agency, may reduce the  
 7 amount of the certified distribution over several calendar years so that  
 8 any overpayments are offset over several years rather than in one (1)  
 9 lump sum.

10 (d) The department, after reviewing the recommendation of the  
 11 budget agency, shall adjust the certified distribution of a county to  
 12 correct for any clerical or mathematical errors made in any previous  
 13 certification under this section. The department, after reviewing the  
 14 recommendation of the budget agency, may reduce the amount of the  
 15 certified distribution over several calendar years so that any adjustment  
 16 under this subsection is offset over several years rather than in one (1)  
 17 lump sum.

18 (e) The department, after reviewing the recommendation of the  
 19 budget agency, shall adjust the certified distribution of a county to  
 20 provide the county with the distribution required under section 10(b)  
 21 of this chapter.

22 (f) This subsection applies to a county that:

- 23 (1) initially imposes ~~a~~ **the county adjusted gross income tax; or**  
 24 (2) **increases the county adjusted income tax rate;**

25 under this chapter in the same calendar year in which the department  
 26 makes a certification under this section. The department, after  
 27 reviewing the recommendation of the budget agency, shall adjust the  
 28 certified distribution of a county to provide for a distribution in the  
 29 immediately following calendar year and in each calendar year  
 30 thereafter. The department shall provide for a full transition to  
 31 certification of distributions as provided in subsection (a)(1) through  
 32 (a)(2) in the manner provided in subsection (c).

33 (g) The department, after reviewing the recommendation of the  
 34 budget agency, shall adjust the certified distribution of a county to  
 35 provide the county with the distribution required under section 3.3 of  
 36 this chapter beginning not later than the tenth month after the month in  
 37 which additional revenue from the tax authorized under section 3.3 of  
 38 this chapter is initially collected.

39 SECTION 4. IC 6-3.5-1.1-11 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 11. (a) Except for:

- 41 (1) revenue that must be used to pay the costs of operating a jail  
 42 and juvenile detention center under section 2.5(d) of this chapter;

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- 1 (2) revenue that must be used to pay the costs of:
- 2 (A) financing, constructing, acquiring, improving, renovating,
- 3 or equipping facilities and buildings;
- 4 (B) debt service on bonds; or
- 5 (C) lease rentals;
- 6 under section 2.8 of this chapter;
- 7 (3) revenue that must be used to pay the costs of construction,
- 8 improvement, renovation, or remodeling of a jail and related
- 9 buildings and parking structures under section 2.7, 2.9, or 3.3 of
- 10 this chapter;
- 11 (4) revenue that must be used to pay the costs of operating and
- 12 maintaining a jail and justice center under section 3.5(d) of this
- 13 chapter; or
- 14 (5) revenue that must be used to pay the costs of constructing,
- 15 acquiring, improving, renovating, or equipping a county
- 16 courthouse under section 3.6 of this chapter;

17 the certified distribution received by a county treasurer shall, in the  
 18 manner prescribed in this section, be allocated, distributed, and used  
 19 by the civil taxing units and school corporations of the county as  
 20 certified shares and property tax replacement credits.

21 (b) Before August 10 of each calendar year, each county auditor  
 22 shall determine the part of the certified distribution for the next  
 23 succeeding calendar year that will be allocated as property tax  
 24 replacement credits and the part that will be allocated as certified  
 25 shares. The percentage of a certified distribution that will be allocated  
 26 as property tax replacement credits or as certified shares depends upon  
 27 the county adjusted gross income tax rate for resident county taxpayers  
 28 in effect on August 1 of the calendar year that precedes the year in  
 29 which the certified distribution will be received by two (2) years. The  
 30 percentages are set forth in the following table:

31	PROPERTY		
32	COUNTY	TAX	
33	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
34	INCOME TAX RATE	CREDITS	SHARES
35	0.5%	50%	50%
36	0.75%	33 1/3%	66 2/3%
37	1%	25%	75%

38 (c) The part of a certified distribution that constitutes property tax  
 39 replacement credits shall be distributed as provided under sections 12  
 40 ~~13~~; and 14 of this chapter.

41 (d) The part of a certified distribution that constitutes certified  
 42 shares shall be distributed as provided by section 15 of this chapter.

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1 SECTION 5. IC 6-3.5-1.1-12 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 12. (a) The part  
 3 of a county's certified distribution for a calendar year that is to be used  
 4 as property tax replacement credits shall be allocated by the county  
 5 auditor among the civil taxing units and school corporations of the  
 6 county.

7 (b) ~~Except as provided in section 13 of this chapter,~~ The amount of  
 8 property tax replacement credits that each civil taxing unit and school  
 9 corporation in a county is entitled to receive during a calendar year  
 10 equals the product of:

11 (1) that part of the county's certified distribution that is dedicated  
 12 to providing property tax replacement credits for that same  
 13 calendar year; multiplied by

14 (2) a fraction:

15 (A) The numerator of the fraction equals the ~~sum of the total~~  
 16 ~~property taxes being collected by the civil taxing unit or school~~  
 17 ~~corporation during that calendar year; plus with respect to a~~  
 18 ~~civil taxing unit, the amount of federal revenue sharing funds~~  
 19 ~~and certified shares received by it during that calendar year to~~  
 20 ~~the extent that they are used to reduce its property tax levy~~  
 21 ~~below the limit imposed by IC 6-1.1-18.5 for that same~~  
 22 ~~calendar year~~ **operating budget of the civil taxing unit or**  
 23 **school corporation during that calendar year.**

24 (B) The denominator of the fraction equals the sum of the ~~total~~  
 25 ~~property taxes being collected by all civil taxing units and~~  
 26 ~~school corporations; plus the amount of federal revenue~~  
 27 ~~sharing funds and certified shares received by all civil taxing~~  
 28 ~~units in the county to the extent that they are used to reduce~~  
 29 ~~the civil taxing units' property tax levies below the limits~~  
 30 ~~imposed by IC 6-1.1-18.5 for that same calendar year~~  
 31 **operating budgets for all the civil taxing units and school**  
 32 **corporations of the county for that calendar year.**

33 (c) The department of local government finance shall provide each  
 34 county auditor with the amount of property tax replacement credits that  
 35 each civil taxing unit and school corporation in the auditor's county is  
 36 entitled to receive **under this section.** The county auditor shall then  
 37 certify to each civil taxing unit and school corporation the amount of  
 38 property tax replacement credits it is entitled to receive ~~(after~~  
 39 ~~adjustment made under section 13 of this chapter)~~ **under this section**  
 40 during that calendar year. The county auditor shall also certify these  
 41 distributions to the county treasurer.

42 SECTION 6. IC 6-3.5-1.1-14 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. ~~(a)~~ In  
2 determining the amount of property tax replacement credits civil taxing  
3 units and school corporations of a county are entitled to receive during  
4 a calendar year, the department of local government finance shall  
5 consider only property taxes imposed on tangible property that was  
6 assessed in that county.

7 ~~(b)~~ (a) If a civil taxing unit or a school corporation is located in  
8 more than one (1) county and receives property tax replacement credits  
9 from one (1) or more of the counties, then the property tax replacement  
10 credits received from each county shall be used only to reduce the  
11 property tax rates that are imposed within the county that distributed  
12 the property tax replacement credits.

13 ~~(c)~~ (b) A civil taxing unit shall treat any property tax replacement  
14 credits that it receives or is to receive during a particular calendar year  
15 as a part of its property tax levy for that same calendar year for  
16 purposes of fixing its budget and for purposes of the property tax levy  
17 limits imposed by IC 6-1.1-18.5.

18 (c) **Subject to subsection (d), if a civil taxing unit or school**  
19 **corporation of an adopting county does not impose a property tax**  
20 **levy that is first due and payable in a calendar year in which**  
21 **property tax replacement credits are being distributed, the civil**  
22 **taxing unit or school corporation is entitled to use the property tax**  
23 **replacement credits distributed to the civil taxing unit or school**  
24 **corporation for any purpose for which a property tax levy could be**  
25 **used.**

26 (d) A school corporation shall treat any property tax replacement  
27 credits that the school corporation receives or is to receive during a  
28 particular calendar year as a part of its property tax levy for its general  
29 fund, debt service fund, capital projects fund, transportation fund,  
30 **school bus replacement fund**, and special education preschool fund  
31 in proportion to the levy for each of these funds for that same calendar  
32 year for purposes of fixing its budget and for purposes of the property  
33 tax levy limits imposed by IC 6-1.1-19. A school corporation shall  
34 allocate the property tax replacement credits described in this  
35 subsection to all ~~five (5)~~ **six (6)** funds in proportion to the levy for each  
36 fund.

37 SECTION 7. IC 6-3.5-1.1-15 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 15. (a) As used  
39 in this section, "attributed levy" "**attributed operating budget**" of a  
40 civil taxing unit **for a calendar year** means the sum of:

- 41 (1) the ad valorem property tax levy of the civil taxing unit that is  
42 currently being collected at the time the allocation is made; plus

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1           **operating budget of the civil taxing unit for that calendar**  
2           **year; and**  
3           (2) the current ad valorem property tax levy **operating budget** of  
4           any special taxing district, authority, board, or other entity formed  
5           to discharge governmental services or functions on behalf of or  
6           ordinarily attributable to the civil taxing unit. ~~plus~~  
7           (3) the amount of federal revenue sharing funds and certified  
8           shares that were used by the civil taxing unit (or any special  
9           taxing district, authority, board, or other entity formed to  
10          discharge governmental services or functions on behalf of or  
11          ordinarily attributable to the civil taxing unit) to reduce its ad  
12          valorem property tax levies below the limits imposed by  
13          ~~IC 6-1.1-18.5; plus~~  
14          (4) in the case of a county, an amount equal to the property taxes  
15          imposed by the county in 1999 for the county's welfare fund and  
16          welfare administration fund.  
17          (b) The part of a county's certified distribution that is to be used as  
18          certified shares shall be allocated only among the county's civil taxing  
19          units. Each civil taxing unit of a county is entitled to receive a  
20          percentage of the certified shares to be distributed in the county equal  
21          to the ratio of its attributed levy to the total attributed levies of all civil  
22          taxing units of the county: **certified share during a calendar year in**  
23          **an amount determined in STEP TWO of the following formula:**  
24                  **STEP ONE: Divide:**  
25                          **(A) the attributed operating budget of the civil taxing unit**  
26                          **during that calendar year; by**  
27                          **(B) the sum of the attributed operating budgets of all the**  
28                          **civil taxing units of the county during that calendar year.**  
29                  **STEP TWO: Multiply the part of the county's certified**  
30                  **distribution that is to be used as certified shares by the STEP**  
31                  **ONE amount.**  
32          (c) The local government tax control board established by  
33          ~~IC 6-1.1-18.5-11~~ shall determine the attributed levies of civil taxing  
34          units that are entitled to receive certified shares during a calendar year.  
35          If the ad valorem property tax levy of any special taxing district,  
36          authority, board, or other entity is attributed to another civil taxing unit  
37          under subsection (b)(2), then the special taxing district, authority,  
38          board, or other entity shall not be treated as having an attributed levy  
39          of its own. The local government tax control board shall certify the  
40          attributed levy amounts to the appropriate county auditor: **The county**  
41          **auditor shall determine the certified shares that each civil taxing**  
42          **unit is to receive during a calendar year.** The county auditor shall

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1 then allocate the certified shares among the civil taxing units of the  
2 auditor's county.

3 (d) Certified shares received by a civil taxing unit shall be treated  
4 as additional revenue for the purpose of fixing its budget for the  
5 calendar year during which the certified shares will be received. The  
6 certified shares may be allocated to or appropriated for any purpose,  
7 including property tax relief or a transfer of funds to another civil  
8 taxing unit whose ~~levy~~ **operating budget** was attributed to the civil  
9 taxing unit in the determination of its attributed ~~levy~~ **operating budget**.

10 SECTION 8. IC 6-3.5-6-1 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. ~~As used~~ (a)  
12 **The definitions** in this **section apply throughout this** chapter.

13 (b) "Adjusted gross income" has the same definition that the term  
14 is given in IC 6-3-1-3.5. However, in the case of a county taxpayer who  
15 is not treated as a resident county taxpayer of a county, the term  
16 includes only adjusted gross income derived from his principal place  
17 of business or employment.

18 (c) **"Annual budget" refers to the amount appropriated:**  
19 (1) **in the budget for a year that is certified by the department**  
20 **of local government finance for a civil taxing unit under**  
21 **IC 6-1.1-17-16; or**  
22 (2) **if the department does not review the annual budget of a**  
23 **civil taxing unit, in the budget for a year that is finally**  
24 **adopted by the civil taxing unit, excluding any additional**  
25 **appropriations made after the budget is finally adopted under**  
26 **IC 6-1.1-18.**

27 (d) "Civil taxing unit" means any entity, except a school  
28 corporation, that has the power to impose ad valorem property taxes.  
29 The term does not include a solid waste management district that is not  
30 entitled to a distribution under section 1.3 of this chapter. However, in  
31 the case of a county in which a consolidated city is located, the  
32 consolidated city, the county, all special taxing districts, special service  
33 districts, included towns (as defined in IC 36-3-1-7), and all other  
34 political subdivisions except townships, excluded cities (as defined in  
35 IC 36-3-1-7), and school corporations shall be deemed to comprise one  
36 (1) civil taxing unit whose fiscal body is the fiscal body of the  
37 consolidated city.

38 (e) "County income tax council" means a council established by  
39 section 2 of this chapter.

40 (f) "County taxpayer", as it relates to a particular county, means any  
41 individual:

42 (1) who resides in that county on the date specified in section 20

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1 of this chapter; or  
2 (2) who maintains ~~his~~ **the individual's** principal place of business  
3 or employment in that county on the date specified in section 20  
4 of this chapter and who does not reside on that same date in  
5 another county in which the county option income tax, the county  
6 adjusted income tax, or the county economic development income  
7 tax is in effect.

8 (g) "Department" refers to the ~~Indiana~~ department of state revenue.

9 (h) "Fiscal body" has the same definition that the term is given in  
10 IC 36-1-2-6.

11 (i) **"Operating budget" refers to the remainder of the annual**  
12 **budget of a civil taxing unit determined after deducting the**  
13 **appropriations described in section 1.1 of this chapter.**

14 (j) "Resident county taxpayer", as it relates to a particular county,  
15 means any county taxpayer who resides in that county on the date  
16 specified in section 20 of this chapter.

17 (k) "School corporation" has the same definition that the term is  
18 given in IC 6-1.1-1-16.

19 SECTION 9. IC 6-3.5-6-1.1 IS ADDED TO THE INDIANA CODE  
20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
21 JANUARY 1, 2006]: **Sec. 1.1. (a) For purposes of allocating the**  
22 **certified distribution made to a county under this chapter among**  
23 **the civil taxing units in the county, the operating budget of a civil**  
24 **taxing unit is the amount determined under STEP FIVE of the**  
25 **following formula:**

26 **STEP ONE: Determine the annual budget of the civil taxing**  
27 **unit.**

28 **STEP TWO: Determine the sum of the following:**

29 (A) **Amounts appropriated to pay the principal of or**  
30 **interest on any debenture or other debt obligation issued**  
31 **after June 30, 2005, other than an obligation described in**  
32 **subsection (b).**

33 (B) **Amounts appropriated to make payments on any lease**  
34 **entered into after June 30, 2005, other than a lease**  
35 **described in subsection (c).**

36 (C) **The proceeds of any property that is:**

37 (i) **received as the result of the issuance of a debt**  
38 **obligation described in clause (A) or a lease described in**  
39 **clause (B); and**

40 (ii) **appropriated for any purpose other than to refund or**  
41 **otherwise refinance a debt obligation or lease described**  
42 **in subsection (b) or (c).**

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**(D) Appropriations of federal grants to the civil taxing unit.**

**STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.**

**STEP FOUR: If a civil taxing unit is completely located within one (1) county, the result under this STEP is one (1). But if a civil taxing unit is located within more than one (1) county, divide:**

- (A) the population of the civil taxing unit in the county; by**
- (B) the population of the civil taxing unit in all counties.**

**STEP FIVE: Multiply the STEP THREE result by the STEP FOUR result.**

**(b) Except as provided in this subsection, an appropriation to repay interest and principal of a debt obligation is not deducted from the operating budget of a civil taxing unit if:**

- (1) the debt obligation was issued; and**
- (2) the proceeds appropriated;**

**to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation related to a debt obligation issued after June 30, 2005, is deducted to the extent that the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced.**

**(c) Except as provided in this subsection, an appropriation to make payments on a lease is not deducted from the operating budget of a civil taxing unit if:**

- (1) the lease was issued; and**
- (2) the proceeds were appropriated;**

**to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation related to a lease entered into after June 30, 2005, is deducted to the extent that the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced.**

**SECTION 10. IC 6-3.5-6-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that**

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1 imposed it. The amount that is to be distributed to a county during an  
2 ensuing calendar year equals the amount of county option income tax  
3 revenue that the department, after reviewing the recommendation of the  
4 budget agency, determines has been:

5 (1) received from that county for a taxable year ending in a  
6 calendar year preceding the calendar year in which the  
7 determination is made; and

8 (2) reported on an annual return or amended return processed by  
9 the department in the state fiscal year ending before July 1 of the  
10 calendar year in which the determination is made;

11 as adjusted (as determined after review of the recommendation of the  
12 budget agency) for refunds of county option income tax made in the  
13 state fiscal year.

14 (b) Before August 2 of each calendar year, the department, after  
15 reviewing the recommendation of the budget agency, shall certify to the  
16 county auditor of each adopting county the amount determined under  
17 subsection (a) plus the amount of interest in the county's account that  
18 has accrued and has not been included in a certification made in a  
19 preceding year. The amount certified is the county's "certified  
20 distribution" for the immediately succeeding calendar year. The amount  
21 certified shall be adjusted, as necessary, under subsections (c), (d), and  
22 (e). The department shall provide with the certification an informative  
23 summary of the calculations used to determine the certified  
24 distribution.

25 (c) The department shall certify an amount less than the amount  
26 determined under subsection (b) if the department, after reviewing the  
27 recommendation of the budget agency, determines that the reduced  
28 distribution is necessary to offset overpayments made in a calendar  
29 year before the calendar year of the distribution. The department, after  
30 reviewing the recommendation of the budget agency, may reduce the  
31 amount of the certified distribution over several calendar years so that  
32 any overpayments are offset over several years rather than in one (1)  
33 lump sum.

34 (d) The department, after reviewing the recommendation of the  
35 budget agency, shall adjust the certified distribution of a county to  
36 correct for any clerical or mathematical errors made in any previous  
37 certification under this section. The department, after reviewing the  
38 recommendation of the budget agency, may reduce the amount of the  
39 certified distribution over several calendar years so that any adjustment  
40 under this subsection is offset over several years rather than in one (1)  
41 lump sum.

42 (e) This subsection applies to a county that:

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**(1) initially imposed a county option income tax; or**  
**(2) increases the county option income tax rate;**  
under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(g) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(h) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 11. IC 6-3.5-6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection ~~(f)~~ (g); and
- (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net

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1 revenue loss due to the allowance of an increased homestead credit.

2 (c) The county auditor shall retain the amount, if any, specified by

3 the county fiscal body for a particular calendar year under subsection

4 ~~(f)~~; **(g)**, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from

5 the county's certified distribution for that same calendar year. The

6 county auditor shall distribute amounts retained under this subsection

7 to the county.

8 (d) All certified distribution revenues that are not retained and

9 distributed under subsections (b) and (c) shall be distributed to the civil

10 taxing units of the county as distributive shares.

11 (e) The amount of distributive shares that each civil taxing unit in

12 a county is entitled to receive during a month equals the product of the

13 following:

14 (1) The amount of revenue that is to be distributed as distributive

15 shares during that month; multiplied by

16 (2) A fraction. The numerator of the fraction equals the ~~total~~

17 **property taxes that are first due and payable to the civil taxing**

18 **unit during the calendar year in which the month falls; plus; for a**

19 **county; an amount equal to the property taxes imposed by the**

20 **county in 1999 for the county's welfare fund and welfare**

21 **administration fund ~~operating budget of the civil taxing unit for~~**

22 **the calendar year in which the month falls.** The denominator of

23 the fraction equals the sum of the ~~total property taxes that are first~~

24 ~~due and payable to all civil taxing units of the county during the~~

25 ~~calendar year in which the month falls; plus an amount equal to~~

26 ~~the property taxes imposed by the county in 1999 for the county's~~

27 ~~welfare fund and welfare administration fund ~~operating budgets~~~~

28 ~~of all the civil taxing units of the county for the calendar year~~

29 ~~in which the month falls.~~

30 (f) The department of local government finance shall provide each

31 county auditor with the fractional amount of distributive shares that

32 each civil taxing unit in the auditor's county is entitled to receive

33 monthly under this section.

34 ~~(g) Notwithstanding subsection (e); if a civil taxing unit of an~~

35 ~~adopting county does not impose a property tax levy that is first due~~

36 ~~and payable in a calendar year in which distributive shares are being~~

37 ~~distributed under this section; that civil taxing unit is entitled to receive~~

38 ~~a part of the revenue to be distributed as distributive shares under this~~

39 ~~section within the county. The fractional amount such a civil taxing~~

40 ~~unit is entitled to receive each month during that calendar year equals~~

41 ~~the product of the following:~~

42 ~~(1) The amount to be distributed as distributive shares during that~~

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1 month; multiplied by  
 2 (2) A fraction: The numerator of the fraction equals the budget of  
 3 that civil taxing unit for that calendar year. The denominator of  
 4 the fraction equals the aggregate budgets of all civil taxing units  
 5 of that county for that calendar year.

6 (h) If for a calendar year a civil taxing unit is allocated a part of a  
 7 county's distributive shares by subsection (g); then the formula used in  
 8 subsection (e) to determine all other civil taxing units' distributive  
 9 shares shall be changed each month for that same year by reducing the  
 10 amount to be distributed as distributive shares under subsection (e) by  
 11 the amount of distributive shares allocated under subsection (g) for that  
 12 same month. The department of local government finance shall make  
 13 any adjustments required by this subsection and provide them to the  
 14 appropriate county auditors.

15 (i) (g) Notwithstanding any other law, a county fiscal body may  
 16 pledge revenues received under this chapter to the payment of bonds  
 17 or lease rentals to finance a qualified economic development tax  
 18 project under IC 36-7-27 in that county or in any other county if the  
 19 county fiscal body determines that the project will promote significant  
 20 opportunities for the gainful employment or retention of employment  
 21 of the county's residents.

22 SECTION 12. IC 6-3.5-6-19 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 19. (a) Except as  
 24 provided in sections 18(e) and 18.5(b)(3) of this chapter, in  
 25 determining the fractional share of distributive shares the civil taxing  
 26 units of a county are entitled to receive under section 18 of this chapter  
 27 during a calendar year, the department of local government finance  
 28 shall consider only property taxes imposed on tangible property subject  
 29 to assessment in that county.

30 (b) In determining the amount of distributive shares a civil taxing  
 31 unit is entitled to receive under section 18(g) of this chapter, the  
 32 department of local government finance shall consider only the  
 33 percentage of the civil taxing unit's budget that equals the ratio that the  
 34 total assessed valuation that lies within the civil taxing unit and the  
 35 county that has adopted the county option tax bears to the total assessed  
 36 valuation that lies within the civil taxing unit.

37 (c) (a) The distributive shares to be allocated and distributed under  
 38 this chapter shall be treated by each civil taxing unit as additional  
 39 revenue for the purpose of fixing its budget for the budget year during  
 40 which the distributive shares is to be distributed to the civil taxing unit.

41 (d) (b) In the case of a civil taxing unit that includes a consolidated  
 42 city its fiscal body may distribute any revenue it receives under this

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1 chapter to any governmental entity located in its county except an  
2 excluded city, a township, or a school corporation.

3 SECTION 13. IC 6-3.5-7-1.3 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JANUARY 1, 2006]: **Sec. 1.3. As used in this chapter,**  
6 **"annual budget" refers to the amount appropriated:**

7 (1) **in the budget for a year that is certified by the department**  
8 **of local government finance for a county, city, or town under**  
9 **IC 6-1.1-17-16; or**

10 (2) **if the department does not review the annual budget of a**  
11 **county, city, or town, in the budget for a year that is finally**  
12 **adopted by the county, city, or town, excluding any additional**  
13 **appropriations made after the budget is finally adopted under**  
14 **IC 6-1.1-18.**

15 SECTION 14. IC 6-3.5-7-4.5 IS ADDED TO THE INDIANA  
16 CODE AS A NEW SECTION TO READ AS FOLLOWS  
17 [EFFECTIVE JANUARY 1, 2006]: **Sec. 4.5. As used in this chapter,**  
18 **"operating budget" refers to the remainder of the annual budget**  
19 **of a county, city, or town determined after deducting the**  
20 **appropriations described in section 4.9 of this chapter.**

21 SECTION 15. IC 6-3.5-7-4.9 IS ADDED TO THE INDIANA  
22 CODE AS A NEW SECTION TO READ AS FOLLOWS  
23 [EFFECTIVE JANUARY 1, 2006]: **Sec. 4.9. (a) For purposes of**  
24 **allocating the certified distribution made to a county under this**  
25 **chapter among the county and each city or town in the county, the**  
26 **operating budget of a county, city, or town is the amount**  
27 **determined under STEP FIVE of the following formula:**

28 **STEP ONE: Determine the annual budget of the county, city,**  
29 **or town.**

30 **STEP TWO: Determine the sum of the following:**

31 (A) **Amounts appropriated to pay the principal of or**  
32 **interest on any debenture or other debt obligation issued**  
33 **after June 30, 2005, other than an obligation described in**  
34 **subsection (b).**

35 (B) **Amounts appropriated to make payments on any lease**  
36 **entered into after June 30, 2005, other than a lease**  
37 **described in subsection (c).**

38 (C) **The proceeds of any property that is:**

39 (i) **received as the result of the issuance of a debt**  
40 **obligation described in clause (A) or a lease described in**  
41 **clause (B); and**

42 (ii) **appropriated for any purpose other than to refund or**

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otherwise refinance a debt obligation or lease described in subsection (b) or (c).

(D) Appropriations of federal grants to the county, city, or town.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: If the entity is a county or the entity is a city or town that is completely located within one (1) county, the result under this STEP is one (1). But if a city or town is located within more than one (1) county, divide:

- (A) the population of the city or town in the county; by
- (B) the population of the city or town in all counties.

STEP FIVE: Multiply the STEP THREE result by the STEP FOUR result.

(b) Except as provided in this subsection, an appropriation to repay interest and principal of a debt obligation is not deducted from the operating budget of a county, city, or town if:

- (1) the debt obligation was issued; and
- (2) the proceeds were appropriated;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation related to a debt obligation issued after June 30, 2005, is deducted to the extent that the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced.

(c) Except as provided in this subsection, an appropriation to make payments on a lease is not deducted from the operating budget of a county, city, or town if:

- (1) the lease was issued; and
- (2) the proceeds were appropriated;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation related to a lease entered into after June 30, 2005, is deducted to the extent that the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced.

SECTION 16. IC 6-3.5-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 11. (a) Revenue

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1 derived from the imposition of the county economic development  
2 income tax shall, in the manner prescribed by this section, be  
3 distributed to the county that imposed it.

4 (b) Before August 2 of each calendar year, the department, after  
5 reviewing the recommendation of the budget agency, shall certify to the  
6 county auditor of each adopting county the sum of the amount of  
7 county economic development income tax revenue that the department  
8 determines has been:

9 (1) received from that county for a taxable year ending before the  
10 calendar year in which the determination is made; and

11 (2) reported on an annual return or amended return processed by  
12 the department in the state fiscal year ending before July 1 of the  
13 calendar year in which the determination is made;

14 as adjusted (as determined after review of the recommendation of the  
15 budget agency) for refunds of county economic development income  
16 tax made in the state fiscal year plus the amount of interest in the  
17 county's account that has been accrued and has not been included in a  
18 certification made in a preceding year. The amount certified is the  
19 county's certified distribution, which shall be distributed on the dates  
20 specified in section 16 of this chapter for the following calendar year.  
21 The amount certified shall be adjusted under subsections (c), (d), (e),  
22 (f), and (g). The department shall provide with the certification an  
23 informative summary of the calculations used to determine the certified  
24 distribution.

25 (c) The department shall certify an amount less than the amount  
26 determined under subsection (b) if the department, after reviewing the  
27 recommendation of the budget agency, determines that the reduced  
28 distribution is necessary to offset overpayments made in a calendar  
29 year before the calendar year of the distribution. The department, after  
30 reviewing the recommendation of the budget agency, may reduce the  
31 amount of the certified distribution over several calendar years so that  
32 any overpayments are offset over several years rather than in one (1)  
33 lump sum.

34 (d) After reviewing the recommendation of the budget agency, the  
35 department shall adjust the certified distribution of a county to correct  
36 for any clerical or mathematical errors made in any previous  
37 certification under this section. The department, after reviewing the  
38 recommendation of the budget agency, may reduce the amount of the  
39 certified distribution over several calendar years so that any adjustment  
40 under this subsection is offset over several years rather than in one (1)  
41 lump sum.

42 (e) The department, after reviewing the recommendation of the

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1 budget agency, shall adjust the certified distribution of a county to  
2 provide the county with the distribution required under section 16(b)  
3 of this chapter.

4 (f) The department, after reviewing the recommendation of the  
5 budget agency, shall adjust the certified distribution of a county to  
6 provide the county with the amount of any tax increase imposed under  
7 section 25 or 26 of this chapter to provide additional homestead credits  
8 as provided in those provisions.

9 (g) This subsection applies to a county that:

10 (1) initially imposed ~~a~~ **the county economic development**  
11 **income tax; or**

12 (2) **increases the county economic development income rate;**  
13 under this chapter in the same calendar year in which the department  
14 makes a certification under this section. The department, after  
15 reviewing the recommendation of the budget agency, shall adjust the  
16 certified distribution of a county to provide for a distribution in the  
17 immediately following calendar year and in each calendar year  
18 thereafter. The department shall provide for a full transition to  
19 certification of distributions as provided in subsection (b)(1) through  
20 (b)(2) in the manner provided in subsection (c).

21 SECTION 17. IC 6-3.5-7-12 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 12. (a) Except as  
23 provided in sections 23, 25, 26, and 27 of this chapter, the county  
24 auditor shall distribute in the manner specified in this section the  
25 certified distribution to the county.

26 (b) Except as provided in subsections (c) and ~~(h)~~ (g) and sections 15  
27 and 25 of this chapter, the amount of the certified distribution that the  
28 county and each city or town in a county is entitled to receive during  
29 May and November of each year equals the product of the following:

30 (1) The amount of the certified distribution for that month;  
31 multiplied by

32 (2) A fraction **as follows:** The numerator of the fraction equals  
33 the sum of the following:

34 (A) Total property taxes that are first due and payable to the  
35 county, city, or town during the calendar year in which the  
36 month falls; plus

37 (B) For a county, an amount equal to the property taxes  
38 imposed by the county in 1999 for the county's welfare fund  
39 and welfare administration fund

40 (A) **The numerator of the fraction equals the operating**  
41 **budget of the entity for which the calculation is being**  
42 **performed during the calendar year in which the month**

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1 falls.

2 **(B) The denominator equals the sum of the operating**  
 3 **budgets of the county and all cities and towns of the county**  
 4 **during the calendar year in which the month falls.**

5 The denominator of the fraction equals the sum of the total  
 6 property taxes that are first due and payable to the county and all  
 7 cities and towns of the county during the calendar year in which  
 8 the month falls; plus an amount equal to the property taxes  
 9 imposed by the county in 1999 for the county's welfare fund and  
 10 welfare administration fund.

11 (c) This subsection applies to a county council or county income tax  
 12 council that imposes a tax under this chapter after June 1, 1992. The  
 13 body imposing the tax may adopt an ordinance before July 1 of a year  
 14 to provide for the distribution of certified distributions under this  
 15 subsection instead of a distribution under subsection (b). The following  
 16 apply if an ordinance is adopted under this subsection:

17 (1) The ordinance is effective January 1 of the following year.  
 18 (2) Except as provided in sections 25 and 26 of this chapter, the  
 19 amount of the certified distribution that the county and each city  
 20 and town in the county is entitled to receive during May and  
 21 November of each year equals the product of:

22 (A) the amount of the certified distribution for the month;  
 23 multiplied by

24 (B) a fraction. For a city or town, the numerator of the fraction  
 25 equals the population of the city or the town. For a county, the  
 26 numerator of the fraction equals the population of the part of  
 27 the county that is not located in a city or town. The  
 28 denominator of the fraction equals the sum of the population  
 29 of all cities and towns located in the county and the population  
 30 of the part of the county that is not located in a city or town.

31 (3) The ordinance may be made irrevocable for the duration of  
 32 specified lease rental or debt service payments.

33 (d) The body imposing the tax may not adopt an ordinance under  
 34 subsection (c) if, before the adoption of the proposed ordinance, any of  
 35 the following have pledged the county economic development income  
 36 tax for any purpose permitted by IC 5-1-14 or any other statute:

37 (1) The county.  
 38 (2) A city or town in the county.  
 39 (3) A commission, a board, a department, or an authority that is  
 40 authorized by statute to pledge the county economic development  
 41 income tax.

42 (e) The department of local government finance shall provide each

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1 county auditor ~~with~~ **shall compute** the fractional amount of the  
2 certified distribution that the county and each city or town in the county  
3 is entitled to receive under this section.

4 (f) Money received by a county, city, or town under this section  
5 shall be deposited in the unit's economic development income tax fund.

6 (g) Except as provided in subsection (b)(2)(B); in determining the  
7 fractional amount of the certified distribution the county and its cities  
8 and towns are entitled to receive under subsection (b) during a calendar  
9 year, the department of local government finance shall consider only  
10 property taxes imposed on tangible property subject to assessment in  
11 that county

12 (h) (g) In a county having a consolidated city, only the consolidated  
13 city is entitled to the certified distribution, subject to the requirements  
14 of sections 15, 25, and 26 of this chapter.

15 SECTION 18. IC 6-3.5-1.1-13 IS REPEALED [EFFECTIVE  
16 JANUARY 1, 2006].

17 SECTION 19. [EFFECTIVE JANUARY 1, 2006] (a) **The**  
18 **definitions in IC 6-3.5 apply throughout this SECTION.**

19 (b) **IC 6-3.5-1.1-1, IC 6-3.5-1.1-12, IC 6-3.5-1.1-14, and**  
20 **IC 6-3.5-1.1-15, all as amended by this act, and IC 6-3.5-1.1-1.1, as**  
21 **added by this act, apply to the allocation among the civil taxing**  
22 **units and school corporations of the certified distribution of county**  
23 **adjusted gross income tax revenue made to a county for a year**  
24 **beginning after December 31, 2005.**

25 (c) **IC 6-3.5-6-1, IC 6-3.5-6-18, and IC 6-3.5-1.1-19, all as**  
26 **amended by this act, and IC 6-3.5-6-1.1, as added by this act, apply**  
27 **to the allocation among the civil taxing units of the certified**  
28 **distribution of county option income tax revenue made to a county**  
29 **for a year beginning after December 31, 2005.**

30 (d) **IC 6-3.5-7-12, as amended by this act, and IC 6-3.5-7-1.3,**  
31 **IC 6-3.5-7-4.5, and IC 6-3.5-4.9, all as added by this act, apply to**  
32 **the allocation among the county, cities, and towns of the certified**  
33 **distribution of county economic development income tax revenue**  
34 **made to a county for a year beginning after December 31, 2005.**

35 SECTION 20. [EFFECTIVE UPON PASSAGE] **Notwithstanding**  
36 **IC 6-3.5-1.1-11(b), IC 6-3.5-6-17(b), and IC 6-3.5-7-11(b), all as**  
37 **amended by this act, the department of state revenue shall, before**  
38 **August 2, 2005, adjust the certified distribution of a county made**  
39 **on or before August 2, 2004, in accordance with IC 6-3.5-1.1-9(f),**  
40 **IC 6-3.5-6-17(e), and IC 6-3.5-7-11(g), all as amended by this act.**

41 SECTION 21. **An emergency is declared for this act.**

**C**  
**O**  
**P**  
**Y**



SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Bill 609.

KENLEY

**C  
o  
p  
y**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 609, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 609 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

**C  
o  
p  
y**

