

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1478 be amended to read as follows:

- 1 Page 1, delete lines 1 through 17.
- 2 Delete page 2.
- 3 Page 3, delete lines 1 through 24.
- 4 Page 4, delete lines 41 through 42.
- 5 Page 5, delete lines 1 through 28.
- 6 Page 10, delete lines 4 through 42.
- 7 Delete pages 11 through 44.
- 8 Page 45, delete lines 1 through 7.
- 9 Delete pages 49 through 56.
- 10 Page 57, delete lines 1 through 8.
- 11 Page 59, line 36, delete "reduction or".
- 12 Page 59, line 37, delete "IC 20-45-3-11(b) through" and insert "**IC**
- 13 **20-45**".
- 14 Page 59, line 38, delete "IC 20-45-3-11(c)".
- 15 Page 62, between lines 3 and 4, begin a new paragraph and insert:
- 16 "**(d) For purposes of computing a credit under IC 6-1.1-20.6, a**
- 17 **taxpayer's property tax liability does not include the liability for a**
- 18 **tax levied under this chapter. A tax levied under this chapter may**
- 19 **not be reduced on account of a credit under IC 6-1.1-20.6. A credit**
- 20 **under IC 6-1.1-20.6 may not be increased on account of a tax levied**
- 21 **under this chapter.**".
- 22 Page 62, line 4, "delete "(d)" and insert "(e)".
- 23 Page 62, delete lines 8 through 42.
- 24 Delete pages 63 through 73.
- 25 Page 74, delete lines 1 through 34.
- 26 Page 76, between lines 9 and 10, begin a new paragraph and insert:
- 27 "SECTION 10. IC 6-3-2-1 IS AMENDED TO READ AS
- 28 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Each
- 29 taxable year, a tax at the ~~rate of three and four-tenths percent (3.4%)~~ of
- 30 **adjusted gross income following rates** is imposed upon the adjusted
- 31 gross income of every resident person, and on that part of the adjusted

1 gross income derived from sources within Indiana of every nonresident
2 person:

3 **(1) Three and four-tenths percent (3.4%) of the part of**
4 **adjusted gross income that is less than forty-nine thousand**
5 **nine hundred ninety-nine dollars (\$49,999).**

6 **(2) Three and eight-tenths percent (3.8%) of the part of**
7 **adjusted gross income that is at least fifty thousand dollars**
8 **(\$50,000) but less than seventy-four thousand nine hundred**
9 **ninety-nine dollars (\$74,999).**

10 **(3) Five percent (5%) of the part of adjusted gross income**
11 **that is at least seventy-five thousand dollars (\$75,000) but less**
12 **than one hundred forty-nine thousand nine hundred**
13 **ninety-nine dollars (\$149,999).**

14 **(4) Six percent (6%) of the part of adjusted gross income that**
15 **equals or exceeds one hundred fifty thousand dollars**
16 **(\$150,000).**

17 (b) Except as provided in section 1.5 of this chapter, each taxable
18 year, a tax at the rate of ~~eight seven~~ and five-tenths percent (~~8.5%~~)
19 **(7.5%)** of adjusted gross income is imposed on that part of the adjusted
20 gross income derived from sources within Indiana of every
21 corporation."

22 Page 77, delete lines 31 through 42, begin a new paragraph and
23 insert:

24 **"(d) Notwithstanding any other provision of this section, the**
25 **department of local government finance shall for each year after**
26 **2007 adjust the allocation amount of each school corporation to**
27 **ensure that the school corporation's allocation amount is not**
28 **reduced (as a percentage of the part of certified distributions that**
29 **constitute property tax replacement credits) because of the**
30 **elimination of the school corporation's tuition support levy."**

31 Delete pages 78 through 107.

32 Page 108, delete lines 1 through 13.

33 Page 108, line 32, delete "30, 31, 32,".

34 Page 109, line 4, delete "30, 31, 32,".

35 Page 110, line 6, delete "(other than revenues").

36 Page 110, delete line 7.

37 Page 110, line 8, delete "chapter").

38 Page 110, run in lines 6 through 8.

39 Page 110, delete lines 13 through 42.

40 Delete pages 111 through 120.

41 Page 121, delete lines 1 through 13.

42 Page 122, delete line 42, begin a new paragraph and insert:

43 "SECTION 91. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006,
44 SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8,
45 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
46 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
47 subsection (c), the county economic development income tax may be

1 imposed on the adjusted gross income of county taxpayers. The entity
2 that may impose the tax is:

- 3 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
4 the county option income tax is in effect on January 1 of the year
5 the county economic development income tax is imposed;
6 (2) the county council if the county adjusted gross income tax is
7 in effect on January 1 of the year the county economic
8 development tax is imposed; or
9 (3) the county income tax council or the county council,
10 whichever acts first, for a county not covered by subdivision (1)
11 or (2).

12 To impose the county economic development income tax, a county
13 income tax council shall use the procedures set forth in IC 6-3.5-6
14 concerning the imposition of the county option income tax.

15 (b) Except as provided in subsections (c), (g), (k), (p), and (r), the
16 county economic development income tax may be imposed at a rate of:

- 17 (1) one-tenth percent (0.1%);
18 (2) two-tenths percent (0.2%);
19 (3) twenty-five hundredths percent (0.25%);
20 (4) three-tenths percent (0.3%);
21 (5) thirty-five hundredths percent (0.35%);
22 (6) four-tenths percent (0.4%);
23 (7) forty-five hundredths percent (0.45%); or
24 (8) five-tenths percent (0.5%);

25 on the adjusted gross income of county taxpayers.

26 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
27 (p), ~~or~~ (s), *or* (v), the county economic development income tax rate
28 plus the county adjusted gross income tax rate, if any, that are in effect
29 on January 1 of a year may not exceed one and twenty-five hundredths
30 percent (1.25%). Except as provided in subsection (g), (p), (r), (t), ~~or~~
31 (u), **or** (w), the county economic development tax rate plus the county
32 option income tax rate, if any, that are in effect on January 1 of a year
33 may not exceed one percent (1%).

34 (d) To impose, increase, decrease, or rescind the county economic
35 development income tax, the appropriate body must, after January 1 but
36 before April 1 of a year, adopt an ordinance. The ordinance to impose
37 the tax must substantially state the following:

38 "The _____ County _____ imposes the county economic
39 development income tax on the county taxpayers of _____
40 County. The county economic development income tax is imposed at
41 a rate of _____ percent (____%) on the county taxpayers of the
42 county. This tax takes effect July 1 of this year."

43 (e) Any ordinance adopted under this chapter takes effect July 1 of
44 the year the ordinance is adopted.

45 (f) The auditor of a county shall record all votes taken on ordinances
46 presented for a vote under the authority of this chapter and shall, not
47 more than ten (10) days after the vote, send a certified copy of the

- 1 results to the commissioner of the department by certified mail.
- 2 (g) This subsection applies to a county having a population of more
3 than one hundred forty-eight thousand (148,000) but less than one
4 hundred seventy thousand (170,000). Except as provided in subsection
5 (p), in addition to the rates permitted by subsection (b), the:
- 6 (1) county economic development income tax may be imposed at
7 a rate of:
- 8 (A) fifteen-hundredths percent (0.15%);
9 (B) two-tenths percent (0.2%); or
10 (C) twenty-five hundredths percent (0.25%); and
- 11 (2) county economic development income tax rate plus the county
12 option income tax rate that are in effect on January 1 of a year
13 may equal up to one and twenty-five hundredths percent (1.25%);
14 if the county income tax council makes a determination to impose rates
15 under this subsection and section 22 of this chapter.
- 16 (h) For a county having a population of more than forty-one
17 thousand (41,000) but less than forty-three thousand (43,000), except
18 as provided in subsection (p), the county economic development
19 income tax rate plus the county adjusted gross income tax rate that are
20 in effect on January 1 of a year may not exceed one and thirty-five
21 hundredths percent (1.35%) if the county has imposed the county
22 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
23 under IC 6-3.5-1.1-2.5.
- 24 (i) For a county having a population of more than thirteen thousand
25 five hundred (13,500) but less than fourteen thousand (14,000), except
26 as provided in subsection (p), the county economic development
27 income tax rate plus the county adjusted gross income tax rate that are
28 in effect on January 1 of a year may not exceed one and fifty-five
29 hundredths percent (1.55%).
- 30 (j) For a county having a population of more than seventy-one
31 thousand (71,000) but less than seventy-one thousand four hundred
32 (71,400), except as provided in subsection (p), the county economic
33 development income tax rate plus the county adjusted gross income tax
34 rate that are in effect on January 1 of a year may not exceed one and
35 five-tenths percent (1.5%).
- 36 (k) This subsection applies to a county having a population of more
37 than twenty-seven thousand four hundred (27,400) but less than
38 twenty-seven thousand five hundred (27,500). Except as provided in
39 subsection (p), in addition to the rates permitted under subsection (b):
- 40 (1) the county economic development income tax may be imposed
41 at a rate of twenty-five hundredths percent (0.25%); and
42 (2) the sum of the county economic development income tax rate
43 and the county adjusted gross income tax rate that are in effect on
44 January 1 of a year may not exceed one and five-tenths percent
45 (1.5%);
46 if the county council makes a determination to impose rates under this
47 subsection and section 22.5 of this chapter.

1 (l) For a county having a population of more than twenty-nine
 2 thousand (29,000) but less than thirty thousand (30,000), except as
 3 provided in subsection (p), the county economic development income
 4 tax rate plus the county adjusted gross income tax rate that are in effect
 5 on January 1 of a year may not exceed one and five-tenths percent
 6 (1.5%).

7 (m) For:

8 (1) a county having a population of more than one hundred
 9 eighty-two thousand seven hundred ninety (182,790) but less than
 10 two hundred thousand (200,000); or

11 (2) a county having a population of more than forty-five thousand
 12 (45,000) but less than forty-five thousand nine hundred (45,900);
 13 except as provided in subsection (p), the county economic development
 14 income tax rate plus the county adjusted gross income tax rate that are
 15 in effect on January 1 of a year may not exceed one and five-tenths
 16 percent (1.5%).

17 (n) For a county having a population of more than six thousand
 18 (6,000) but less than eight thousand (8,000), except as provided in
 19 subsection (p), the county economic development income tax rate plus
 20 the county adjusted gross income tax rate that are in effect on January
 21 1 of a year may not exceed one and five-tenths percent (1.5%).

22 (o) This subsection applies to a county having a population of more
 23 than thirty-nine thousand (39,000) but less than thirty-nine thousand
 24 six hundred (39,600). Except as provided in subsection (p), in addition
 25 to the rates permitted under subsection (b):

26 (1) the county economic development income tax may be imposed
 27 at a rate of twenty-five hundredths percent (0.25%); and

28 (2) the sum of the county economic development income tax rate
 29 and:

30 (A) the county adjusted gross income tax rate that are in effect
 31 on January 1 of a year may not exceed one and five-tenths
 32 percent (1.5%); or

33 (B) the county option income tax rate that are in effect on
 34 January 1 of a year may not exceed one and twenty-five
 35 hundredths percent (1.25%);

36 if the county council makes a determination to impose rates under this
 37 subsection and section 24 of this chapter.

38 (p) In addition:

39 (1) the county economic development income tax may be imposed
 40 at a rate that exceeds by not more than twenty-five hundredths
 41 percent (0.25%) the maximum rate that would otherwise apply
 42 under this section; and

43 (2) the:

44 (A) county economic development income tax; and

45 (B) county option income tax or county adjusted gross income
 46 tax;

47 may be imposed at combined rates that exceed by not more than

1 twenty-five hundredths percent (0.25%) the maximum combined
2 rates that would otherwise apply under this section.

3 However, the additional rate imposed under this subsection may not
4 exceed the amount necessary to mitigate the increased ad valorem
5 property taxes on homesteads (as defined in IC 6-1.1-20.9-1) *or*
6 *residential property (as defined in section 26 of this chapter), as*
7 *appropriate under the ordinance adopted by the adopting body in the*
8 *county, resulting from the deduction of the assessed value of inventory*
9 *in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.*

10 (q) If the county economic development income tax is imposed as
11 authorized under subsection (p) at a rate that exceeds the maximum
12 rate that would otherwise apply under this section, the certified
13 distribution must be used for the purpose provided in section 25(e) or
14 26 of this chapter to the extent that the certified distribution results
15 from the difference between:

- 16 (1) the actual county economic development tax rate; and
17 (2) the maximum rate that would otherwise apply under this
18 section.

19 (r) This subsection applies only to a county described in section 27
20 of this chapter. Except as provided in subsection (p), in addition to the
21 rates permitted by subsection (b), the:

- 22 (1) county economic development income tax may be imposed at
23 a rate of twenty-five hundredths percent (0.25%); and
24 (2) county economic development income tax rate plus the county
25 option income tax rate that are in effect on January 1 of a year
26 may equal up to one and twenty-five hundredths percent (1.25%);
27 if the county council makes a determination to impose rates under this
28 subsection and section 27 of this chapter.

29 (s) Except as provided in subsection (p), the county economic
30 development income tax rate plus the county adjusted gross income tax
31 rate that are in effect on January 1 of a year may not exceed one and
32 five-tenths percent (1.5%) if the county has imposed the county
33 adjusted gross income tax under IC 6-3.5-1.1-3.3.

34 (t) This subsection applies to Howard County. Except as provided
35 in subsection (p), the sum of the county economic development income
36 tax rate and the county option income tax rate that are in effect on
37 January 1 of a year may not exceed one and twenty-five hundredths
38 percent (1.25%).

39 (u) This subsection applies to Scott County. Except as provided in
40 subsection (p), the sum of the county economic development income
41 tax rate and the county option income tax rate that are in effect on
42 January 1 of a year may not exceed one and twenty-five hundredths
43 percent (1.25%).

44 (v) *This subsection applies to Jasper County. Except as provided in*
45 *subsection (p), the sum of the county economic development income tax*
46 *rate and the county adjusted gross income tax rate that are in effect on*
47 *January 1 of a year may not exceed one and five-tenths percent (1.5%).*

1 **(w) This subsection applies to Monroe County. Except as**
 2 **provided in subsection (p), if an ordinance is adopted under**
 3 **IC 6-3.5-6-33, the sum of the county economic development income**
 4 **tax rate and the county option income tax rate that are in effect on**
 5 **January 1 of a year may not exceed one and twenty-five**
 6 **hundredths percent (1.25%)."**

7 Delete pages 123 through 129.

8 Page 130, delete lines 1 through 37.

9 Page 133, delete lines 30 through 42, begin a new paragraph and
 10 insert:

11 **"(h) Notwithstanding any other provision of this section, the**
 12 **department of local government finance shall for each year after**
 13 **2007 certify to the county auditor an adjustment to the amount of**
 14 **the guaranteed distribution and supplemental distribution that**
 15 **each school corporation in the county is entitled to receive under**
 16 **this section to ensure that the school corporation's guaranteed**
 17 **distribution and supplemental distribution amount is not reduced**
 18 **(as a percentage of the total guaranteed distributions and**
 19 **supplemental distributions in the county) because of the**
 20 **elimination of the school corporation's tuition support levy under**
 21 **IC 20-45."**

22 Delete pages 134 through 141.

23 Page 142, delete lines 1 through 13.

24 Page 143, delete lines 15 through 31, begin a new paragraph and
 25 insert:

26 **"(d) Notwithstanding any other provision of this section, the**
 27 **department of local government finance shall for each year after**
 28 **2007 certify to the county auditor an adjustment to the distribution**
 29 **of excise taxes to ensure that the school corporation's amount of**
 30 **excise tax revenue under this chapter is not reduced (as a**
 31 **percentage of the total excise tax distributions in the county)**
 32 **because of the elimination of the school corporation's tuition**
 33 **support levy under IC 20-45."**

34 Page 144, delete lines 33 through 42, begin a new paragraph and
 35 insert:

36 **"(f) Notwithstanding any other provision of this section, the**
 37 **department of local government finance shall for each year after**
 38 **2007 certify to the county auditor an adjustment to the distribution**
 39 **of excise taxes to ensure that the school corporation's amount of**
 40 **excise tax revenue under this chapter is not reduced (as a**
 41 **percentage of the total excise tax distributions in the county)**
 42 **because of the elimination of the school corporation's tuition**
 43 **support levy under IC 20-45."**

44 Page 145, delete lines 1 through 7.

45 Page 146, delete lines 1 through 17, begin a new line blocked left
 46 and insert:

47 **"Notwithstanding any other provision of this section, the**

1 department of local government finance shall for each year after
 2 2007 certify to the county auditor an adjustment to the distribution
 3 of excise taxes to ensure that the school corporation's amount of
 4 excise tax revenue under this chapter is not reduced (as a
 5 percentage of the total excise tax distributions in the county)
 6 because of the elimination of the school corporation's tuition
 7 support levy under IC 20-45."

8 Page 146, delete lines 39 through 42, begin a new paragraph and
 9 insert:

10 "(c) Notwithstanding any other provision of this section, the
 11 department of local government finance shall for each year after
 12 2007 certify to the county auditor an adjustment to the distribution
 13 of excise taxes to ensure that the school corporation's amount of
 14 boat excise tax revenue under this chapter is not reduced (as a
 15 percentage of the total boat excise tax distributions in the county)
 16 because of the elimination of the school corporation's tuition
 17 support levy under IC 20-45."

18 Page 147, delete lines 1 through 13.

19 Page 149, delete lines 14 through 42, begin a new paragraph and
 20 insert:

21 "SECTION 107. IC 20-43-6-4, AS ADDED BY P.L.2-2006,
 22 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) A school corporation's
 24 local contribution for a calendar year is the amount determined under
 25 the applicable provision of this section.

26 (b) This subsection applies to a school corporation that is not a
 27 charter school. Determine the ~~sum of the following~~:

28 ~~(1) The school corporation's adjusted tuition support levy.~~

29 ~~(2) The school corporation's excise tax revenue for the year that~~
 30 precedes the current year by one (1) year.

31 (c) This subsection applies to a charter school. ~~Determine the~~
 32 ~~product of:~~

33 ~~(1) the charter school's guaranteed minimum revenue for the~~
 34 ~~calendar year; multiplied by~~

35 ~~(2) thirty-five hundredths (0.35). The charter school's local~~
 36 ~~contribution is zero dollars (\$0).~~

37 SECTION 108. IC 20-44-2-2, AS ADDED BY P.L.2-2006,
 38 SECTION 167, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2008]: Sec. 2. **Except as provided in**
 40 **IC 20-45-3-11**, each governing body may annually levy the amount of
 41 taxes that:

42 (1) in the judgment of the governing body; and

43 (2) after being made a matter of record in the minutes;

44 should be levied to produce income sufficient to conduct and carry on
 45 the public schools committed to the governing body.

46 SECTION 109. IC 20-45-2-1, AS ADDED BY P.L.2-2006,
 47 SECTION 168, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2008]: Sec. 1. **Except as provided in**
 2 **IC 20-45-3-11**, the governing body of each school corporation shall
 3 levy a property tax for the school corporation's general fund.

4 SECTION 110. IC 20-45-3-1, AS ADDED BY P.L.2-2006,
 5 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 1. A school corporation may
 7 **not** impose a tuition support levy for the school corporation's general
 8 fund **after December 31, 2007**.

9 SECTION 111. IC 20-45-3-11, AS ADDED BY P.L.2-2006,
 10 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2008]: Sec. 11. **(a) Except as provided**
 12 **in subsection (b)**, a school corporation's tuition support levy for a
 13 calendar year is the sum of the following:

- 14 (1) The school corporation's equalized levy for the calendar year.
- 15 (2) An amount equal to the annual decrease in federal aid to
 16 impacted areas from the year preceding the ensuing calendar year
 17 by three (3) years to the year preceding the ensuing calendar year
 18 by two (2) years.
- 19 (3) The part of the maximum permissible tuition support levy for
 20 the year that equals the original amount of the levy by the school
 21 corporation to cover the costs of opening a new school facility or
 22 reopening an existing facility during the preceding year.
- 23 (4) The amount determined under STEP FOUR of the following
 24 formula:

25 STEP ONE: Determine the target revenue per ADM for each
 26 charter school that included at least one (1) student who has
 27 legal settlement in the school corporation in the charter
 28 school's current ADM.

29 STEP TWO: For each charter school, multiply the STEP ONE
 30 amount by the number of students who have legal settlement
 31 in the school corporation and who are included in the charter
 32 school's current ADM.

33 STEP THREE: Determine the sum of the STEP TWO
 34 amounts.

35 STEP FOUR: Multiply the STEP THREE amount by
 36 thirty-five hundredths (0.35).

37 **(b) For calendar year 2008 and thereafter, a school corporation**
 38 **may not impose a tuition support levy.**

39 SECTION 112. IC 20-45-6-1.5 IS ADDED TO THE INDIANA
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2008]: **Sec. 1.5. The elimination of a**
 42 **school corporation's tuition support levy does not prohibit a school**
 43 **corporation from imposing an excessive tax levy authorized under**
 44 **this chapter.**

45 SECTION 113. IC 20-45-7-1.5 IS ADDED TO THE INDIANA
 46 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 47 [EFFECTIVE JANUARY 1, 2008]: **Sec. 1.5. The elimination of a**

1 **school corporation's tuition support levy does not prohibit a county**
2 **council from imposing a tax under this chapter.**

3 SECTION 114. IC 20-45-8-1.5 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2008]: **Sec. 1.5. The elimination of a**
6 **school corporation's tuition support levy does not prohibit a board**
7 **of county commissioners from imposing a county supplemental**
8 **school financing tax under this chapter.**

9 SECTION 115. IC 20-46-1-18, AS ADDED BY P.L.2-2006,
10 SECTION 169, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2008]: Sec. 18. **(a)** A school corporation's
12 levy may not be considered in the determination of the school
13 corporation's state tuition support under IC 20-43 or the determination
14 of the school corporation's maximum permissible tuition support levy
15 under IC 20-45-3.

16 **(b) The elimination of a school corporation's tuition support**
17 **levy does not affect:**

18 **(1) the authority for voters to approve a referendum tax levy**
19 **in a referendum under this chapter; and**

20 **(2) the authority for a school corporation to collect a**
21 **referendum tax levy approved in a referendum under this**
22 **chapter."**

- 23 Delete pages 150 through 177.
- 24 Page 178, delete lines 1 through 29.
- 25 Page 185, delete lines 37 through 42.
- 26 Delete pages 186 through 199.
- 27 Page 200, delete lines 1 through 31.
- 28 Page 200, delete lines 37 through 40.
- 29 Page 203, delete lines 2 through 4, begin a new paragraph and
- 30 insert:

31 "SECTION 171. [EFFECTIVE JANUARY 1, 2008] **IC 6-3-2-1, as**
32 **amended by this act, applies to taxable years beginning after**
33 **December 31, 2007."**

34 Renumber all SECTIONS consecutively.
(Reference is to EHB 1478 as printed April 6, 2007.)

Senator BRODEN

