

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 338, 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 Delete everything after the enacting clause and insert the
2 following:
3 SECTION 1. IC 6-3.5-1.1-9, AS AMENDED BY P.L.207-2005,
4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2007]: Sec. 9. (a) Revenue derived from the imposition of the
6 county adjusted gross income tax shall, in the manner prescribed by
7 this section, be distributed to the county that imposed it. The amount
8 to be distributed to a county during an ensuing calendar year equals the
9 amount of county adjusted gross income tax revenue that the
10 department, after reviewing the recommendation of the budget agency,
11 determines has been:
12 (1) received from that county for a taxable year ending before the
13 calendar year in which the determination is made; and
14 (2) reported on an annual return or amended return processed by
15 the department in the state fiscal year ending before July 1 of the
16 calendar year in which the determination is made;
17 as adjusted (as determined after review of the recommendation of the
18 budget agency) for refunds of county adjusted gross income tax made
19 in the state fiscal year.
20 (b) Before August 2 of each calendar year, the department, after
21 reviewing the recommendation of the budget agency, shall certify to the
22 county auditor of each adopting county the amount determined under
23 subsection (a) plus the amount of interest in the county's account that
24 has accrued and has not been included in a certification made in a
25 preceding year. The amount certified is the county's "certified
26 distribution" for the immediately succeeding calendar year. The amount

1 certified shall be adjusted under subsections (c), (d), (e), (f), **(g)** and
 2 ~~(g)~~: **(h)**. The department shall provide with the certification an
 3 informative summary of the calculations used to determine the certified
 4 distribution.

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

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

22 **(e) The department, after reviewing the recommendation of**
 23 **the budget agency, shall adjust the certified distribution of a**
 24 **county to include an amount withheld by an employer but not**
 25 **included on an annual income tax return or an amended return.**

26 ~~(e)~~ **(f)** The department, after reviewing the recommendation of the
 27 budget agency, shall adjust the certified distribution of a county to
 28 provide the county with the distribution required under section 10(b)
 29 of this chapter.

30 ~~(f)~~ **(g)** This subsection applies to a county that:

- 31 (1) initially imposes the county adjusted gross income tax; or
- 32 (2) increases the county adjusted income tax rate;

33 under this chapter in the same calendar year in which the department
 34 makes a certification under this section. The department, after
 35 reviewing the recommendation of the budget agency, shall adjust the
 36 certified distribution of a county to provide for a distribution in the
 37 immediately following calendar year and in each calendar year
 38 thereafter. The department shall provide for a full transition to
 39 certification of distributions as provided in subsection (a)(1) through
 40 (a)(2) in the manner provided in subsection (c).

41 ~~(g)~~ **(h)** The department, after reviewing the recommendation of the
 42 budget agency, shall adjust the certified distribution of a county to
 43 provide the county with the distribution required under section 3.3 of
 44 this chapter beginning not later than the tenth month after the month in
 45 which additional revenue from the tax authorized under section 3.3 of
 46 this chapter is initially collected.

47 SECTION 2. IC 6-3.5-6-17, AS AMENDED BY P.L.207-2005,
 48 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 JULY 1, 2007]: Sec. 17. (a) Revenue derived from the imposition of
 50 the county option income tax shall, in the manner prescribed by this

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

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

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

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

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

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

35 **(d) The department, after reviewing the recommendation of**
 36 **the budget agency, shall adjust the certified distribution of a**
 37 **county to include an amount withheld by an employer but not**
 38 **included on an annual income tax return or an amended return.**

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

47 ~~(e)~~ **(f)** This subsection applies to a county that:

48 (1) initially imposed the county option income tax; or

49 (2) increases the county option income tax rate;

50 under this chapter in the same calendar year in which the department

1 makes a certification under this section. The department, after
 2 reviewing the recommendation of the budget agency, shall adjust the
 3 certified distribution of a county to provide for a distribution in the
 4 immediately following calendar year and in each calendar year
 5 thereafter. The department shall provide for a full transition to
 6 certification of distributions as provided in subsection (a)(1) through
 7 (a)(2) in the manner provided in subsection (c).

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

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

16 ~~(h)~~ **(i)** All distributions from an account established under section
 17 16 of this chapter shall be made by warrants issued by the auditor of
 18 state to the treasurer of state ordering the appropriate payments.

19 SECTION 3. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005,
 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2007]: Sec. 11. (a) Revenue derived from the imposition of
 22 the county economic development income tax shall, in the manner
 23 prescribed by this section, be distributed to the county that imposed it.

24 (b) Before August 2 of each calendar year, the department, after
 25 reviewing the recommendation of the budget agency, shall certify to the
 26 county auditor of each adopting county the sum of the amount of
 27 county economic development income tax revenue that the department
 28 determines has been:

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

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

34 as adjusted (as determined after review of the recommendation of the
 35 budget agency) for refunds of county economic development income
 36 tax made in the state fiscal year plus the amount of interest in the
 37 county's account that has been accrued and has not been included in a
 38 certification made in a preceding year. The amount certified is the
 39 county's certified distribution, which shall be distributed on the dates
 40 specified in section 16 of this chapter for the following calendar year.
 41 The amount certified shall be adjusted under subsections (c), (d), (e),
 42 (f), ~~(g)~~ and ~~(g)~~ **(h)**. The department shall provide with the certification
 43 an informative summary of the calculations used to determine the
 44 certified distribution.

45 (c) The department shall certify an amount less than the amount
 46 determined under subsection (b) if the department, after reviewing the
 47 recommendation of the budget agency, determines that the reduced
 48 distribution is necessary to offset overpayments made in a calendar
 49 year before the calendar year of the distribution. The department, after
 50 reviewing the recommendation of the budget agency, may reduce the

1 amount of the certified distribution over several calendar years so that
 2 any overpayments are offset over several years rather than in one (1)
 3 lump sum.

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

12 (e) The department, after reviewing the recommendation of the
 13 budget agency, shall adjust the certified distribution of a county to
 14 provide the county with the distribution required under section 16(b)
 15 of this chapter.

16 **(f) The department, after reviewing the recommendation of the**
 17 **budget agency, shall adjust the certified distribution of a county to**
 18 **include an amount withheld by an employer but not included on an**
 19 **annual income tax return or an amended return.**

20 ~~(f)~~ (g) The department, after reviewing the recommendation of the
 21 budget agency, shall adjust the certified distribution of a county to
 22 provide the county with the amount of any tax increase imposed under
 23 section 25 or 26 of this chapter to provide additional homestead credits
 24 as provided in those provisions.

25 ~~(g)~~ (h) This subsection applies to a county that:

26 (1) initially imposed the county economic development income
 27 tax; or

28 (2) increases the county economic development income rate;
 29 under this chapter in the same calendar year in which the department
 30 makes a certification under this section. The department, after
 31 reviewing the recommendation of the budget agency, shall adjust the
 32 certified distribution of a county to provide for a distribution in the
 33 immediately following calendar year and in each calendar year
 34 thereafter. The department shall provide for a full transition to
 35 certification of distributions as provided in subsection (b)(1) through
 36 (b)(2) in the manner provided in subsection (c).

(Reference is to SB 338 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Tax and Fiscal Policy.

LONG, Chairperson

