

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1004

Citations Affected: IC 2-5-31.8; IC 2-7-5-6; IC 4-13.6; IC 4-30-11-11; IC 4-31-6-6; IC 4-35-8-1; IC 5-11; IC 5-14; IC 5-16-1; IC 5-22-15-20.9; IC 5-28; IC 6-1.1; IC 6-1.5-4-1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-5.5-1-2; IC 6-7-2; IC 6-8-5-1; IC 6-8.1; IC 6-9; IC 7.1-3-21-15; IC 13-14-1-9; IC 16-21; IC 16-25-3-4; IC 16-27-1-8; IC 16-28-2-3; IC 16-41-35-27; IC 20-19-2-14; IC 20-28; IC 20-46; IC 20-51-4-3; IC 21-18-8-5; IC 22-4-13-4; IC 22-4.1-4-5; IC 24-3-2-2; IC 25-1-6-8; IC 28-1-29-3; IC 28-7-5-5; IC 28-8; IC 34-30-2; IC 36-1-12; IC 36-7; IC 36-7.6-4-2; IC 36-8-19; IC 36-7-13-23.

Synopsis: State and local administration. Raises the maximum amount of public funds that a nonprofit corporation may spend and be subject only to a limited audit of the expenditures of the public funds from \$100,000 to \$200,000. Requires the auditor of state to work with the office of technology and other state agencies to post on the Indiana transparency Internet web site a data base of state expenditures and fund balances and property owned by the state. Specifies that the state and state officers, officials, and employees are immune from liability for posting confidential information if the information was posted in reliance on a determination by a state agency. Requires the commission for higher education to establish a web site where members of the public may view financial and other reports to a state agency that are public records. Requires information concerning local governments and local schools to be on the web site. Specifies when a standard property tax deduction shall be granted for an individual's homestead when the individual's spouse maintains a separate principal place of residence in another state. Requires a county auditor who determines that a property is ineligible for the standard deduction to inform the property owner of the county auditor's determination in writing. Makes the following changes to economic development programs and tax provisions: (1) Makes the economic development study committee a four year committee that expires December 31, 2014, and provides for certain studies. (2) Requires the Indiana economic development corporation (IEDC) to collaborate with local economic development organizations and submit an annual report to the study committee regarding collaboration. (3) Requires the state board of education, the commission for higher education, and the department of workforce development to work together to develop entrepreneurship education programs for elementary and secondary education, higher education, and individuals in the work force. (4) Requires the IEDC to conduct a statewide study to determine specific economic sectors that should be emphasized by the state and by local economic development organizations within geographic regions in Indiana. (5) Provides that a claim for a sales tax refund must be filed within 18 months if the claim is based

on the predominant use of electrical energy, natural or artificial gas, water, steam, and steam heat by certain businesses or based on the sales tax exemption for these services or commodities. (6) Decreases the corporate income tax rate from 8.5% to 6.5% over four years. (7) Provides that the adjusted gross income tax and financial institutions tax (for investment companies) apply to interest on state and local bonds that are issued by a state other than Indiana, or a political subdivision of such a state, and that are acquired by the taxpayer after December 31, 2011. (8) Revises the attribution rules applicable to business income and sales receipts from certain intangibles under the adjusted gross income tax. (9) Eliminates the carryback of net operating losses under the adjusted gross income tax. (10) Extends the time in which a person must file an amended Indiana adjusted gross income tax return to reflect modifications made in a federal income tax return. (11) Prohibits the department of state revenue from taking an action to collect a protested listed tax until the later of the time to file a tax appeal has expired or a final decision is made in a tax appeal. (12) Requires higher education institutions to expand technology and innovation commercialization programs. (13) Provides that in the case of a county that becomes a member of a regional development authority (other than the northwest Indiana regional development authority) after June 30, 2011, and before July 1, 2013, the county may impose an additional county economic development income tax at a rate of 0.025% (rather than 0.05%, under current law). (14) Removes outdated individual income tax adjustments. (15) Allows counties that are more than two years behind on issuing tax bills to petition the department of local government finance to postpone the deadline for paying the first installment on a 2011 provisional property tax statement. (16) Provides that the tobacco products tax on moist snuff is based on the weight of the moist snuff and calculated at the rate of \$0.40 per ounce. (17) Extends the time in which the city of Marion, a second class, or the city of Westfield may establish a professional sports development area. (18) Permits a person who received an overpayment of unemployment compensation to repay the excess over 36 months. (19) Removes and repeals restrictions on activating a third community revitalization enhancement district in Delaware County and claiming tax credits for investments in the third district. Provides new criteria for designating a community revitalization enhancement district after 2010. Increases the maximum amount of income tax credits available under the venture capital investment tax credit from \$500,000 to \$1,000,000. Extends from 2013 to 2015 the end date for investments eligible for the venture capital investment tax credit. Suspends, for two years, the application fee for applicants seeking certification for the venture capital investment tax credit. Eliminates an advanced earned income tax credit. Provides that the graduated slot machine wagering tax applies to 99% of the adjusted gross receipts received beginning July 1, 2012. Provides that when a tax warrant is filed in error, the warrant is to be removed from the judgment record. Permits local governments to pledge revenue from the county adjusted gross income tax and the county economic development income tax for redevelopment financing. Sets certain state credits to expire. Requires a nonprofit hospital to file its annual community benefits plan with the state department of health at the same time the nonprofit hospital files its annual information return with the Internal Revenue Service. Indicates that the delivery of services through a fire protection territory is not considered a municipal service for zoning outside the boundaries of the municipality. Specifies that a member of the legislative body of a unit may not vote on a proposed ordinance or resolution authorizing the unit to join or establish a fire protection territory if that member is also an employee of a participating unit or of another unit that is proposing to become a participating unit. Specifies that different tax rates may be levied for the participating units included within the territory. Specifies additional actions in order to become part of a fire protection territory and sets these additional requirements to expire on July 1, 2012. Requires the DLGF to review the tax rates and levies for each fire protection territory that is located in Hancock County and consider adjusting tax levies for participating units and whether different tax rates for fire protection services should be applied for the participating units included within the territory. Provides that a fire department, volunteer fire department, or emergency medical services provider may apply to the county to receive a distribution of the public safety local option income tax (LOIT) tax revenue before the remainder of the tax revenue is distributed to the county and to the municipalities in the county. Specifies that a municipality is entitled to receive a distribution of public safety LOIT revenue only if the municipality is providing public safety services. Increases the cost of projects

that may be performed without awarding a public works contract. Requires certain public works contract provisions for a public works project of more than \$1,000,000. Specifies notice and public meeting requirements that must be satisfied in certain circumstances before a public work project may be performed by the workforce of a municipality, county, state agency, or state educational institution. Adds requirements for examination reports prepared by the state board of accounts concerning certain public work projects. Increases the cost threshold at which bids and quotes are required under the local public works statute. Extends the time for amending a personal property tax return and provides for a reduction in a refund or credit based on the time of filing. Provides that the circuit breaker credit and certain property tax deductions are to be allowed in the year of a property transfer if the property is determined to be exempt in the year following the transfer year. Allows the DLGF to cancel any property taxes assessed against real property owned by a local port authority. Prohibits the DLGF from approving a budget until a taxing unit files a financial report with the state board of accounts in the immediately preceding year. Corrects a reference to the date of the 2015 general reassessment. Establishes a procedure for a taxpayer to appeal an error in a circuit breaker or other property tax credit. Changes the methodology for certain property tax levy and rate determinations after a reassessment. Allows a county treasurer to include a statement of delinquent taxes and special assessments, interest, and penalties on a provisional statement or reconciling statement. Specifies that the full amount of property taxes imposed after being approved in a referendum shall be deposited in the fund for which the property taxes were imposed without reduction for the circuit breaker credits granted to taxpayers. Provides that when assessed value is increased by more than 5% over the assessed value for the immediately preceding assessment date, the county assessor or township assessor making the assessment has the burden of proving that the assessment is correct. Repeals certain provisions concerning civil government property tax controls. Provides an exception to the confidential nature of information regarding an oil or gas interest for tax sale purposes. Requires an assessing official to make available certain information necessary to properly identify and determine the value of an oil or gas interest that is eligible for tax sale. Allows adjustments to the levies of certain local units. Provides that property taxes on property consisting primarily of onsite regulated amusement devices and related improvements may be allocated for purposes of tax increment financing (TIF). Removes the requirement that the IEDC approve enlargements of tax increment financing districts. Amends a provision added by SEA 1-2011 and amended by HEA 1001-2011. Amends a provision added by HEA 1003-2011 and amended by HEA 1001-2011. Deletes the prohibition for the Wabash River Enhancement Corporation from using any of its Tippecanoe County innkeeper's tax distributions for employee salaries or other ongoing administrative or operating costs. Changes the Lake County innkeepers tax to add members to the convention and visitor bureau in Lake County, to specify that the tax applies to the renting or furnishing of rooms for periods of less than 30 days and by the same party in the same room, to authorize the deposit of innkeepers' tax revenue into funds established by the convention and visitor bureau, and to change the budget and financial reporting deadline. Changes the membership of the Clark County and Floyd County special funds board of managers, specifies that the open door and public record laws apply to the board of managers, and requires the publication of financial information and an annual report. Provides that recipients of Clark County and Floyd County innkeeper's tax revenues are required to submit a report to the board of managers when requested by the board of managers. Authorizes the county council of White County to increase the county's innkeeper's tax rate to not more than 5% to be used to promote conventions, tourism, and economic development in the county. Extends the Nashville food and beverage tax to 2022. Provides that a school corporation's capital projects plan and school bus replacement plan must be adopted before November 1. Provides that for purposes of determining state minimum cigarette prices, the cost of doing business is presumed to be 10% of the basic cost of cigarettes. Legalizes an ordinance of a county adopted after December 31, 2006, and before February 1, 2007, that implemented a licensing system for dogs despite the fact that the county did not first adopt the county option dog tax. Allows certain nonprofit taxpayers that failed to timely file for property tax exemptions to file for the exemptions if certain conditions are satisfied. Provides a price preference to local Indiana businesses bidding on purchasing and public works contracts awarded by political subdivisions.

Specifies a maximum levy for the school bus replacement fund. Makes other changes related to taxation. Requires the office of management and budget and the commission on state tax and financing policy to study certain topics. Requires the legislative council to assign an interim study committee to study which state agency should control dangerous alcohol products. **(This conference committee report does the following: (1) Adds all the provisions described above that are not related to the transparency Internet web site. (2) Adds the provisions requiring information concerning local governments and local schools to be on the transparency Internet web site.)**

Effective: Upon passage; January 1, 2009 (retroactive); January 1, 2010 (retroactive); January 1, 2011 (retroactive); March 1, 2011 (retroactive); May 15, 2011 (retroactive); July 1, 2011; October 1, 2011; January 1, 2012.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1004 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
2 SECTION 1. IC 2-5-31.8 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2011]:
5 **Chapter 31.8. Interim Study Committee on Economic**
6 **Development**
7 **Sec. 1. The interim study committee on economic development**
8 **is established.**
9 **Sec. 2. (a) The committee consists of the following members:**
10 **(1) Two (2) members of the senate, who must be affiliated**
11 **with different political parties, appointed by the president pro**
12 **tempore of the senate.**
13 **(2) Two (2) members of the house of representatives, who**
14 **must be affiliated with different political parties, appointed by**
15 **the speaker of the house of representatives.**
16 **(3) The chief executive officer of the Indiana economic**
17 **development corporation (or the chief executive officer's**
18 **designee).**
19 **(4) The following twelve (12) members appointed as follows:**
20 **(A) The following four (4) members appointed by the**
21 **governor, not more than two (2) of whom may be affiliated**
22 **with the same political party and at least one (1) of whom**

1 must be a woman who is an owner of a women's business
 2 enterprise (as defined in IC 4-13-16.5-1.3) that is certified
 3 under IC 4-13-16.5 or a member of a minority group (as
 4 defined in IC 4-13-16.5-1) who is an owner of a minority
 5 business enterprise (as defined in IC 4-13-16.5-1) that is
 6 certified under IC 4-13-16.5:

- 7 (i) One (1) member to represent large businesses.
- 8 (ii) One (1) member to represent small businesses.
- 9 (iii) One (1) member to represent banking and finance.
- 10 (iv) One (1) member to represent labor interests.

11 (B) The following four (4) members appointed by the
 12 president pro tempore of the senate, not more than two (2)
 13 of whom may be affiliated with the same political party:

- 14 (i) One (1) member to represent higher education.
- 15 (ii) One (1) member to represent local economic
 16 development organizations and officials.
- 17 (iii) One (1) member to represent cities.
- 18 (iv) One (1) member to represent counties.

19 (C) The following four (4) members appointed by the
 20 speaker of the house of representatives, not more than two
 21 (2) of whom may be affiliated with the same political
 22 party:

- 23 (i) One (1) member to represent agricultural interests.
- 24 (ii) One (1) member to represent the public at large.
- 25 (iii) One (1) member to represent kindergarten through
 26 grade 12 education.
- 27 (iv) One (1) member to represent quality of life issues.

28 (b) The president pro tempore of the senate shall appoint one (1)
 29 of the members appointed by the president under subsection (a)(1)
 30 as a co-chair of the committee. The speaker of the house of
 31 representatives shall appoint one (1) of the members appointed by
 32 the speaker under subsection (a)(2) as a co-chair of the committee.

33 (c) The affirmative votes of a majority of the voting members
 34 appointed to the committee are required for the committee to take
 35 action on any measure, including final reports.

36 Sec. 3. The committee shall study the following during each
 37 interim:

- 38 (1) Best practices in state and local economic development
 39 policies and activities.
- 40 (2) The use and effectiveness of tax credits and deductions.
- 41 (3) Whether there are any specific sectors of the economy for
 42 which Indiana might have comparative advantages over other
 43 states.
- 44 (4) The extent to which Indiana's tax laws encourage business
 45 investment, and any improvements that might be made to
 46 Indiana's tax laws.
- 47 (5) The extent to which Indiana's education systems support
 48 economic development.
- 49 (6) The benefits of existing community revitalization
 50 enhancement districts and possible new community
 51 revitalization enhancement districts as an economic

1 **development tool.**

2 **(7) Any other issue assigned to the committee by the**
3 **legislative council or as directed by the committee's co-chairs.**

4 **Sec. 4. The committee shall issue a final report before November**
5 **1 each year to the legislative council containing any findings and**
6 **recommendations of the committee. The report must be in an**
7 **electronic format under IC 5-14-6.**

8 **Sec. 5. Except as otherwise provided in this chapter, the**
9 **committee shall operate under the policies governing study**
10 **committees adopted by the legislative council.**

11 **Sec. 6. This chapter expires December 31, 2014.**

12 SECTION 2. IC 2-7-5-6 IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2012]: Sec. 6. The following persons may
14 not be registered as a lobbyist under this article:

15 (1) Any individual convicted of a felony for violating any law
16 while the individual was an officer or employee of any agency of
17 state government or a unit of local government.

18 (2) Any person convicted of a felony relating to lobbying.

19 (3) Any person convicted of a felony and who:

20 (A) is in prison;

21 (B) is on probation; or

22 (C) has been in prison or on probation within the immediate
23 past one (1) year.

24 (4) Any person whose:

25 (A) statement or report required to be filed under this article
26 was found to be materially incorrect as a result of a
27 determination under IC 2-7-6-5; and

28 (B) who has not filed a corrected statement or report for that
29 year when requested to do so by the commission.

30 (5) Any person who has failed to pay a civil penalty assessed
31 under IC 2-7-6-5.

32 (6) Any person who is on the most recent tax warrant list supplied
33 to the commission by the department of state revenue until:

34 (A) the person provides a statement to the commission
35 indicating that the person's ~~delinquent tax liability tax~~
36 **warrant** has been satisfied; or

37 (B) the commission receives a notice from the commissioner
38 of the department of state revenue under IC 6-8.1-8-2(k).

39 SECTION 3. IC 4-13.6-3-2 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) The public works
41 division is established within the department. Subject to this article, the
42 division shall:

43 (1) prepare or supervise preparation of contract documents for
44 public works projects;

45 (2) approve contract documents for public works projects;

46 (3) advertise for bids for public works contracts;

47 (4) recommend to the commissioner award of public works
48 contracts;

49 (5) supervise and inspect all work relating to public works
50 projects;

51 (6) recommend to the commissioner approval of any necessary

- 1 lawful changes in contract documents relating to a public works
 2 contract that has been awarded;
 3 (7) approve or reject estimates for payment;
 4 (8) accept or reject a public works project; and
 5 (9) administer this article.

6 (b) Except as provided in ~~IC 4-13.6-5-4(b)~~ **IC 4-13.6-5-4(d)** and
 7 subject to IC 4-13.6-2-6, whenever in this article a duty is specified or
 8 authority is granted that relates to the estimated dollar value of a public
 9 works project, the director shall make the determination of the value of
 10 the project. Such a determination of the director is final and conclusive
 11 and is the amount against which the existence of the duty or the
 12 authority shall be determined, even if it is later found that the
 13 determination of the director was erroneous.

14 (c) The division may delegate any of its authority to a governmental
 15 body.

16 SECTION 4. IC 4-13.6-5-2 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Except as
 18 provided by this chapter and IC 16-33-4-10, if the estimated cost of a
 19 public works project is at least ~~seventy-five thousand dollars (\$75,000)~~,
 20 **one hundred fifty thousand dollars (\$150,000)**, the division shall
 21 award a contract for the project based on competitive bids.

22 (b) If the estimated cost of a public works project is at least
 23 ~~seventy-five thousand dollars (\$75,000)~~, **one hundred fifty thousand**
 24 **dollars (\$150,000)**, the division shall develop contract documents for
 25 a public works contract and keep the contract documents on file in its
 26 offices so that they may be inspected by contractors and members of
 27 the public.

28 (c) The division shall advertise for bids under section 8 of this
 29 chapter. The director shall award a contract under IC 4-13.6-6.

30 (d) A contractor shall submit under oath a financial statement as a
 31 part of the bid. The director may waive filing of the financial statement.

32 (e) After bids are opened but before a contract is awarded, the
 33 director may require a contractor to submit a statement of the
 34 contractor's experience, a proposed plan of performing the work, and
 35 a listing of the equipment that is available to the contractor for
 36 performance of the work.

37 (f) The statements required by this section shall be submitted on
 38 forms approved by the state board of accounts. The forms shall be
 39 based, so far as applicable, on standard questionnaires and financial
 40 statements for contractors used in investigating the qualifications of
 41 contractors on public construction work.

42 (g) The division shall reject the bid of a contractor if:

- 43 (1) the estimated cost of the public works project is one hundred
 44 fifty thousand dollars (\$150,000) or more and the contractor is not
 45 qualified under chapter 4 of this article;
 46 (2) the estimated cost of the public works project is less than one
 47 hundred fifty thousand dollars (\$150,000) and the director makes
 48 a written determination, based upon information provided under
 49 subsections (d) and (e), that the contractor is not qualified to
 50 perform the public works contract;
 51 (3) the contractor has failed to perform a previous contract with

1 the state satisfactorily and has submitted the bid during a period
 2 of suspension imposed by the director (the failure of the
 3 contractor to perform a contract satisfactorily must be based upon
 4 a written determination by the director);

5 (4) the contractor has not complied with a rule adopted under this
 6 article and the rule specifies that failure to comply with it is a
 7 ground for rejection of a bid; or

8 (5) the contractor has not complied with any requirement under
 9 section 2.5 of this chapter.

10 (h) The division shall keep a record of all bids. The state board of
 11 accounts shall approve the form of this record, and the record must
 12 include at least the following information:

13 (1) The name of each contractor.

14 (2) The amount bid by each contractor.

15 (3) The name of the contractor making the lowest bid.

16 (4) The name of the contractor to whom the contract was
 17 awarded.

18 (5) The reason the contract was awarded to a contractor other than
 19 the lowest bidder, if applicable.

20 (6) Purchase order numbers.

21 SECTION 5. IC 4-13.6-5-3 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) If the estimated
 23 cost of a public works project is less than ~~seventy-five thousand dollars~~
 24 ~~(\$75,000)~~, **one hundred fifty thousand dollars (\$150,000)**, the
 25 division may award a public works contract either under section 2 of
 26 this chapter or under this section, at the discretion of the director.

27 (b) If the director awards a contract under this section, the division
 28 shall invite quotations from at least three (3) contractors known to the
 29 division to deal in the work required to be done. However, if fewer than
 30 three (3) contractors are known to the division to be qualified to
 31 perform the work, the division shall invite quotations from as many
 32 contractors as are known to be qualified to perform the work. Failure
 33 to receive three (3) quotations shall not prevent an award from being
 34 made.

35 (c) The division may authorize the governmental body for which the
 36 public work is to be performed to invite quotations, but award of a
 37 contract based upon those quotations is the responsibility of the
 38 division.

39 (d) Quotations given by a contractor under this section must be in
 40 writing and sealed in an envelope, shall be considered firm, and may
 41 be the basis upon which the division awards a public works contract.

42 (e) The division shall award a contract to the lowest responsible and
 43 responsive contractor and in accordance with any requirement imposed
 44 under section 2.5 of this chapter.

45 SECTION 6. IC 4-13.6-5-4, AS AMENDED BY P.L.34-2005,
 46 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 47 JULY 1, 2011]: Sec. 4. (a) If the estimated cost of a public works
 48 project is less than ~~seventy-five thousand dollars (\$75,000)~~, **one**
 49 **hundred fifty thousand dollars (\$150,000)**, the division may perform
 50 the public work without awarding a public works contract under
 51 section 2 of this chapter. In performing the public work, the division

1 may authorize use of equipment owned, rented, or leased by the state,
 2 may authorize purchase of materials in the manner provided by law,
 3 and may authorize performance of the public work using employees of
 4 the state.

5 **(b) The workforce of a state agency may perform a public work**
 6 **described in subsection (a) only if:**

- 7 **(1) the workforce, through demonstrated skills, training, or**
 8 **expertise, is capable of performing the public work; and**
 9 **(2) for a public works project under subsection (a) whose cost**
 10 **is estimated to be more than one hundred thousand dollars**
 11 **(\$100,000), the agency:**

12 **(A) publishes a notice under IC 5-3-1 that:**

- 13 **(i) describes the public work that the agency intends to**
 14 **perform with its own workforce; and**
 15 **(ii) sets forth the projected cost of each component of the**
 16 **public work as described in subsection (a); and**

17 **(B) determines at a public meeting that it is in the public**
 18 **interest to perform the public work with the agency's own**
 19 **workforce.**

20 **A public works project performed by an agency's own workforce**
 21 **must be inspected and accepted as complete in the same manner as**
 22 **a public works project performed under a contract awarded after**
 23 **receiving bids.**

24 **(c) If a public works project involves a structure, an**
 25 **improvement, or a facility under the control of an agency, the**
 26 **agency may not artificially divide the project to bring any part of**
 27 **the project under this section.**

28 ~~(b)~~ **(d)** If a public works project involves a structure, improvement,
 29 or facility under the control of the department of natural resources, the
 30 department of natural resources may purchase materials for the project
 31 in the manner provided by law and without a contract being awarded,
 32 and may use its employees to perform the labor and supervision, if:

- 33 **(1) the department of natural resources uses equipment owned or**
 34 **leased by it; and**
 35 **(2) the division of engineering of the department of natural**
 36 **resources estimates the cost of the public works project will be**
 37 **less than ~~seventy-five~~ one hundred fifty thousand dollars**
 38 **(~~\$75,000~~): (\$150,000).**

39 ~~(c)~~ **(e)** If a public works project involves a structure, improvement,
 40 or facility under the control of the department of correction, the
 41 department of correction may purchase materials for the project in the
 42 manner provided by law and use inmates in the custody of the
 43 department of correction to perform the labor and use its own
 44 employees for supervisory purposes, without awarding a contract, if:

- 45 **(1) the department of correction uses equipment owned or leased**
 46 **by it; and**
 47 **(2) the estimated cost of the public works project using employee**
 48 **or inmate labor is less than the greater of:**
 49 **(A) fifty thousand dollars (\$50,000); or**
 50 **(B) the project cost limitation set by IC 4-13-2-11.1.**

51 **All public works projects covered by this subsection must comply with**

1 the remaining provisions of this article, and all plans and specifications
2 for the public works project must be approved by a licensed architect
3 or engineer.

4 SECTION 7. IC 4-13.6-7-2, AS AMENDED BY P.L.160-2006,
5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2011]: Sec. 2. (a) If the estimated cost of a public works
7 project is ~~one hundred fifty thousand dollars (\$150,000)~~ **one million**
8 **dollars (\$1,000,000)** or more, the division shall include as part of the
9 public works contract provisions for the retainage of portions of
10 payments by the division to the contractor, by the contractor to
11 subcontractors, and for the payment of subcontractors and suppliers by
12 the contractor. The contract must provide that the division may
13 withhold from the contractor sufficient funds from the contract price to
14 pay subcontractors and suppliers as provided in section 4 of this
15 chapter.

16 (b) A public works contract and contracts between contractors and
17 subcontractors, if portions of the public works contract are
18 subcontracted, may include a provision that at the time any retainage
19 is withheld, the division or the contractor, as the case may be, may
20 place the retainage in an escrow account, as mutually agreed, with:

- 21 (1) a bank;
- 22 (2) a savings and loan institution;
- 23 (3) the state of Indiana; or
- 24 (4) an instrumentality of the state of Indiana;

25 as escrow agent. The parties to the contract shall select the escrow
26 agent by mutual agreement. The parties to the agreement shall enter
27 into a written agreement with the escrow agent.

28 (c) The escrow agreement must provide the following:

- 29 (1) The escrow agent shall promptly invest all escrowed principal
30 in the obligations that the escrow agent selects, in its discretion.
- 31 (2) The escrow agent shall hold the escrowed principal and
32 income until it receives notice from both of the other parties to the
33 escrow agreement specifying the percentage of the escrowed
34 principal to be released from the escrow and the persons to whom
35 this percentage is to be released. When it receives this notice, the
36 escrow agent shall promptly pay the designated percentage of
37 escrowed principal and the same percentage of the accumulated
38 escrowed income to the persons designated in the notice.
- 39 (3) The escrow agent shall be compensated for its services as the
40 parties may agree. The compensation shall be a commercially
41 reasonable fee commensurate with fees being charged at the time
42 the escrow fund is established for the handling of escrow accounts
43 of like size and duration. The fee must be paid from the escrowed
44 income of the escrow account.

45 (d) The escrow agreement may include other terms and conditions
46 that are not inconsistent with subsection (c). Additional provisions may
47 include provisions authorizing the escrow agent to commingle the
48 escrowed funds held under other escrow agreements and provisions
49 limiting the liability of the escrow agent.

50 SECTION 8. IC 4-30-11-11, AS AMENDED BY P.L.108-2009,
51 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2012]: Sec. 11. (a) The treasurer of state, the department
 2 of state revenue, the department of administration, the Indiana
 3 department of transportation, the attorney general, and the courts shall
 4 identify to the commission, in the form and format prescribed by the
 5 commission and approved by the auditor of state, a person who:

- 6 (1) owes an outstanding debt to a state agency;
- 7 ~~(2) owes delinquent state taxes;~~
- 8 **(2) is on the department of state revenue's most recent tax**
 9 **warrant list;** or
- 10 (3) owes child support collected and paid to a recipient through
 11 a court.

12 (b) Before the payment of a prize of more than five hundred
 13 ninety-nine dollars (\$599) to a claimant identified under subsection (a),
 14 the commission shall deduct the amount of the obligation from the
 15 prize money and transmit the deducted amount to the auditor of state.
 16 The commission shall pay the balance of the prize money to the prize
 17 winner after deduction of the obligation. If a prize winner owes
 18 multiple obligations subject to offset under this section and the prize is
 19 insufficient to cover all obligations, the amount of the prize shall be
 20 applied as follows:

- 21 (1) First, to the child support obligations owed by the prize winner
 22 that are collected and paid to a recipient through a court.
- 23 (2) Second, to judgments owed by the prize winner.
- 24 (3) Third, to tax liens owed by the prize winner.
- 25 (4) Fourth, to unsecured debts owed by the prize winner.

26 Within each of the categories described in subdivisions (1) through (4),
 27 the amount and priority of the prize shall be applied in the manner that
 28 the auditor of state determines to be appropriate. The commission shall
 29 reimburse the auditor of state pursuant to an agreement under
 30 IC 4-30-15-5 for the expenses incurred by the auditor of state in
 31 carrying out the duties required by this section.

32 (c) As used in this section, "debt" means an obligation that is
 33 evidenced by an assessment or lien issued by a state agency, a
 34 judgment, or a final order of an administrative agency.

35 SECTION 9. IC 4-31-6-6 IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) The commission may
 37 refuse or deny a license application, revoke or suspend a license, or
 38 otherwise penalize a licensee, if:

- 39 (1) the refusal, denial, revocation, suspension, or other penalty is
 40 in the public interest for the purpose of maintaining proper control
 41 over horse racing meetings or pari-mutuel wagering; and
- 42 (2) any of the conditions listed in subsection (b) apply to the
 43 applicant or licensee.

44 (b) The conditions referred to in subsection (a) are as follows:

- 45 (1) The applicant or licensee has been convicted of a felony or
 46 misdemeanor that could compromise the integrity of racing by the
 47 applicant's or licensee's participation in racing.
- 48 (2) The applicant or licensee has had a license of the legally
 49 constituted racing authority of a state, province, or country
 50 denied, suspended, or revoked for cause within the preceding five
 51 (5) years.

- 1 (3) The applicant or licensee is presently under suspension for
 2 cause of a license by the legally constituted racing authority of a
 3 state, province, or country.
- 4 (4) The applicant or licensee has violated or attempted to violate
 5 a provision of this article, a rule adopted by the commission, or a
 6 law or rule with respect to horse racing in a jurisdiction.
- 7 (5) The applicant or licensee has perpetrated or attempted to
 8 perpetrate a fraud or misrepresentation in connection with the
 9 racing or breeding of horses or pari-mutuel wagering.
- 10 (6) The applicant or licensee has demonstrated financial
 11 irresponsibility by accumulating unpaid obligations, defaulting on
 12 obligations, or issuing drafts or checks that are dishonored or not
 13 paid.
- 14 (7) The applicant or licensee has made a material
 15 misrepresentation in an application for a license.
- 16 (8) The applicant or licensee has been convicted of a crime
 17 involving bookmaking, touting, or similar pursuits or has
 18 consorted with a person convicted of such an offense.
- 19 (9) The applicant or licensee has abandoned, mistreated, abused,
 20 neglected, or engaged in an act of cruelty to a horse.
- 21 (10) The applicant or licensee has engaged in conduct that is
 22 against the best interest of horse racing.
- 23 (11) The applicant or licensee has failed to comply with a written
 24 order or ruling of the commission or judges pertaining to a racing
 25 matter.
- 26 (12) The applicant or licensee has failed to answer correctly under
 27 oath, to the best of the applicant's or licensee's knowledge, all
 28 questions asked by the commission or its representatives
 29 pertaining to a racing matter.
- 30 (13) The applicant or licensee has failed to return to a permit
 31 holder any purse money, trophies, or awards paid in error or
 32 ordered redistributed by the commission.
- 33 (14) The applicant or licensee has had possession of an alcoholic
 34 beverage on a permit holder's premises, other than a beverage
 35 legally sold through the permit holder's concession operation.
- 36 (15) The applicant or licensee has interfered with or obstructed a
 37 member of the commission, a commission employee, or a racing
 38 official while performing official duties.
- 39 (16) The name of the applicant or licensee appears on the
 40 department of state revenue's most recent tax warrant list, and the
 41 person's ~~delinquent tax liability tax warrant~~ has not been
 42 satisfied.
- 43 (17) The applicant or licensee has pending criminal charges.
- 44 (18) The applicant or licensee has racing disciplinary charges
 45 pending in Indiana or another jurisdiction.
- 46 (19) The applicant or licensee is unqualified to perform the duties
 47 required under this article or the rules of the commission.
- 48 SECTION 10. IC 4-35-8-1, AS ADDED BY P.L.233-2007,
 49 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 50 JULY 1, 2011]: Sec. 1. (a) A graduated slot machine wagering tax is
 51 imposed as follows on **one hundred percent (100%)** of the adjusted

1 gross receipts received **before July 1, 2012, and on ninety-nine**
 2 **percent (99%) of the adjusted gross receipts received after June 30,**
 3 **2012**, from wagering on gambling games authorized by this article:

4 (1) Twenty-five percent (25%) of the first one hundred million
 5 dollars (\$100,000,000) of adjusted gross receipts received during
 6 the period beginning July 1 of each year and ending June 30 of
 7 the following year.

8 (2) Thirty percent (30%) of the adjusted gross receipts in excess
 9 of one hundred million dollars (\$100,000,000) but not exceeding
 10 two hundred million dollars (\$200,000,000) received during the
 11 period beginning July 1 of each year and ending June 30 of the
 12 following year.

13 (3) Thirty-five percent (35%) of the adjusted gross receipts in
 14 excess of two hundred million dollars (\$200,000,000) received
 15 during the period beginning July 1 of each year and ending June
 16 30 of the following year.

17 (b) A licensee shall remit the tax imposed by this section to the
 18 department before the close of the business day following the day the
 19 wagers are made.

20 (c) The department may require payment under this section to be
 21 made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

22 (d) If the department requires taxes to be remitted under this chapter
 23 through electronic funds transfer, the department may allow the
 24 licensee to file a monthly report to reconcile the amounts remitted to
 25 the department.

26 (e) The payment of the tax under this section must be on a form
 27 prescribed by the department.

28 SECTION 11. IC 5-11-1-4, AS AMENDED BY P.L.176-2009,
 29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2011]: Sec. 4. (a) The state examiner shall require from every
 31 municipality and every state or local governmental unit, entity, or
 32 instrumentality financial reports covering the full period of each fiscal
 33 year. These reports shall be prepared, verified, and filed with the state
 34 examiner not later than sixty (60) days after the close of each fiscal
 35 year. The reports must be filed electronically, in a manner prescribed
 36 by the state examiner that is compatible with the technology employed
 37 by the political subdivision.

38 (b) **The department of local government finance may not**
 39 **approve the budget of a political subdivision or a supplemental**
 40 **appropriation for a political subdivision until the political**
 41 **subdivision files an annual report under subsection (a) for the**
 42 **preceding calendar year.**

43 SECTION 12. IC 5-11-1-9, AS AMENDED BY P.L.217-2007,
 44 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 45 UPON PASSAGE]: Sec. 9. (a) The state examiner, personally or
 46 through the deputy examiners, field examiners, or private examiners,
 47 shall examine all accounts and all financial affairs of every public
 48 office and officer, state office, state institution, and entity.

49 (b) An examination of an entity deriving:

50 (1) less than fifty percent (50%); or

51 (2) at least fifty percent (50%) but less than ~~one~~ two hundred

1 thousand dollars (~~\$100,000~~) (**\$200,000**) if the entity is organized
2 as a not-for-profit corporation;
3 of its disbursements during the period of time subject to an
4 examination from appropriations, public funds, taxes, and other sources
5 of public expense shall be limited to matters relevant to the use of the
6 public money received by the entity.

7 (c) The examination of an entity described in subsection (b) may be
8 waived or deferred by the state examiner if the state examiner
9 determines in writing that all disbursements of public money during the
10 period subject to examination were made for the purposes for which the
11 money was received. However, the:

12 (1) Indiana economic development corporation created by
13 IC 5-28-3 and the corporation's funds, accounts, and financial
14 affairs; and

15 (2) department of financial institutions established by
16 IC 28-11-1-1 and the department's funds, accounts, and financial
17 affairs;

18 shall be examined biennially by the state board of accounts.

19 (d) On every examination under this section, inquiry shall be made
20 as to the following:

21 (1) The financial condition and resources of each municipality,
22 office, institution, or entity.

23 (2) Whether the laws of the state and the uniform compliance
24 guidelines of the state board of accounts established under section
25 24 of this chapter have been complied with.

26 (3) The methods and accuracy of the accounts and reports of the
27 person examined.

28 The examinations shall be made without notice.

29 (e) If during an examination of a state office under this chapter the
30 examiner encounters an inefficiency in the operation of the state office,
31 the examiner may comment on the inefficiency in the examiner's report.

32 (f) The state examiner, deputy examiners, any field examiner, or any
33 private examiner, when engaged in making any examination or when
34 engaged in any official duty devolved upon them by the state examiner,
35 is entitled to do the following:

36 (1) Enter into any state, county, city, township, or other public
37 office in this state, or any entity, agency, or instrumentality, and
38 examine any books, papers, documents, or electronically stored
39 information for the purpose of making an examination.

40 (2) Have access, in the presence of the custodian or the
41 custodian's deputy, to the cash drawers and cash in the custody of
42 the officer.

43 (3) During business hours, examine the public accounts in any
44 depository that has public funds in its custody pursuant to the
45 laws of this state.

46 (g) The state examiner, deputy examiner, or any field examiner,
47 when engaged in making any examination authorized by law, may issue
48 subpoenas for witnesses to appear before the examiner in person or to
49 produce books, papers, or other records (including records stored in
50 electronic data processing systems) for inspection and examination.

51 The state examiner, deputy examiner, and any field examiner may

1 administer oaths and examine witnesses under oath orally or by
 2 interrogatories concerning the matters under investigation and
 3 examination. Under the authority of the state examiner, the oral
 4 examinations may be transcribed with the reasonable expense paid by
 5 the examined person in the same manner as the compensation of the
 6 field examiner is paid. The subpoenas shall be served by any person
 7 authorized to serve civil process from any court in this state. If a
 8 witness duly subpoenaed refuses to attend, refuses to produce
 9 information required in the subpoena, or attends and refuses to be
 10 sworn or affirmed, or to testify when called upon to do so, the examiner
 11 may apply to the circuit court having jurisdiction of the witness for the
 12 enforcement of attendance and answers to questions as provided by the
 13 law governing the taking of depositions.

14 SECTION 13. IC 5-11-1-26 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 26. (a) If a state office,
 16 municipality, or other entity has authority to contract for the
 17 construction, reconstruction, alteration, repair, improvement, or
 18 maintenance of a public work, the state board of accounts shall include
 19 in each examination report concerning the state office, municipality, or
 20 entity:

- 21 (1) an opinion concerning whether the state office, municipality,
 22 or entity has complied with IC 5-16-8; and
- 23 (2) a brief description of each instance in which the state office,
 24 municipality, or entity has exercised its authority under
 25 IC 5-16-8-2(b) or IC 5-16-8-4.

26 **(b) If a municipality or a county performs a public work by
 27 means of its own workforce under IC 36-1-12-3, the state board of
 28 accounts shall include the following in each examination report
 29 concerning the municipality or county:**

- 30 **(1) An opinion concerning whether the municipality or county
 31 has complied with IC 36-1-12-3 for each public work
 32 performed by the entity's own workforce.**
- 33 **(2) A brief description of each public work that the
 34 municipality or county has performed with its own workforce
 35 under IC 36-1-12-3, including a calculation of the actual cost
 36 of each public work under IC 36-1-12-3.**
- 37 **(3) An opinion concerning whether the municipality or county
 38 has complied with IC 36-1-12-19 in calculating the actual
 39 costs of a public work project performed under IC 36-1-12-3.**

40 **(c) If a state agency performs a public work by means of its own
 41 workforce under IC 4-13.6-5-4, the state board of accounts shall
 42 include the following in each examination report concerning the
 43 agency:**

- 44 **(1) An opinion concerning whether the agency has complied
 45 with IC 4-13.6-5-4 for each public work performed by the
 46 agency's own workforce.**
- 47 **(2) A brief description of each public work that the agency has
 48 performed with its own workforce under IC 4-13.6-5-4,
 49 including a calculation of the actual cost of each public work
 50 under IC 4-13.6-5-4.**
- 51 **(3) An opinion concerning whether the agency has complied**

1 with IC 4-13.6-5-4(c) in calculating the actual costs of a public
2 work project performed under IC 4-13.6-5-4.

3 (d) If a state educational institution performs a public work by
4 means of its own workforce under IC 5-16-1-1.5, the state board of
5 accounts shall include the following in each examination report
6 concerning the state educational institution:

7 (1) An opinion concerning whether the state educational
8 institution has complied with IC 5-16-1-1.5 for each public
9 work performed by the state educational institution's own
10 workforce.

11 (2) A brief description of each public work that the state
12 educational institution has performed with its own workforce
13 under IC 5-16-1-1.5, including a calculation of the actual cost
14 of each public work under IC 5-16-1-1.5.

15 (3) An opinion concerning whether the state educational
16 institution has complied with IC 5-16-1-1.5 in calculating the
17 actual costs of a public work project performed under
18 IC 5-16-1-1.5.

19 ~~(b)~~ (e) The state board of accounts may exercise any of its powers
20 under this chapter concerning public accounts to carry out this section,
21 including the power to require a uniform system of accounting or the
22 use of forms prescribed by the state board of accounts.

23 SECTION 14. IC 5-11-13-1, AS AMENDED BY P.L.169-2006,
24 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2011]: Sec. 1. (a) Every state, county, city, town, township, or
26 school official, elective or appointive, who is the head of or in charge
27 of any office, department, board, or commission of the state or of any
28 county, city, town, or township, and every state, county, city, town, or
29 township employee or agent who is the head of, or in charge of, or the
30 executive officer of any department, bureau, board, or commission of
31 the state, county, city, town, or township, and every executive officer
32 by whatever title designated, who is in charge of any state educational
33 institution or of any other state, county, or city institution, shall during
34 the month of January of each year prepare, make, and sign a written or
35 printed certified report, correctly and completely showing the names
36 and business addresses of each and all officers, employees, and agents
37 in their respective offices, departments, boards, commissions, and
38 institutions, and the respective duties and compensation of each, and
39 shall forthwith file said report in the office of the state examiner of the
40 state board of accounts. However, no more than one (1) report covering
41 the same officers, employees, and agents need be made from the state
42 or any county, city, town, township, or school unit in any one year.

43 (b) The department of local government finance may not
44 approve the budget of a county, city, town, or township or a
45 supplemental appropriation for a county, city, town, or township
46 until the county, city, town, or township files an annual report
47 under subsection (a) for the preceding calendar year.

48 SECTION 15. IC 5-14-3.5 IS ADDED TO THE INDIANA CODE
49 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
50 UPON PASSAGE]:

51 Chapter 3.5. Access to Financial Data for State Agencies

1 **Sec. 1. (a) As used in this chapter, "state agency" means an**
 2 **authority, a board, a branch, a commission, a committee, a**
 3 **department, a division, or another instrumentality of government,**
 4 **including the administrative branch of state government, the**
 5 **legislative branch of state government, and the judicial branch of**
 6 **state government.**

7 **(b) The term does not include a state educational institution.**

8 **Sec. 2. (a) The auditor of state, working with the office of**
 9 **technology established by IC 4-13.1-2-1, or another organization**
 10 **that is part of a state educational institution, and the office of**
 11 **management and budget established by IC 4-3-22-3, shall post on**
 12 **the Indiana transparency Internet web site the following data:**

13 **(1) A listing of state expenditures and fund balances, including**
 14 **expenditures for contracts, grants, and leases.**

15 **(2) A listing of state owned real and personal property that**
 16 **has a value of more than twenty thousand dollars (\$20,000).**

17 **The web site must be electronically searchable by the public and**
 18 **must be intuitive to users of the web site.**

19 **(b) The data base must include for each state agency:**

20 **(1) the amount, date, payer, and payee of expenditures;**

21 **(2) a listing of state expenditures by:**

22 **(A) personal services;**

23 **(B) other operating expenses; or**

24 **(C) total operating expenses;**

25 **to reflect how the funds were appropriated in the state budget**
 26 **act;**

27 **(3) a listing of state fund balances; and**

28 **(4) a listing of property owned by the state.**

29 **Sec. 3. The auditor of state may enhance and organize the**
 30 **presentation of the information through the use of graphic**
 31 **representations.**

32 **Sec. 4. (a) The auditor of state may not allow public access**
 33 **under this section to:**

34 **(1) a payee's address;**

35 **(2) personal information that is protected under state or**
 36 **federal law or rule; or**

37 **(3) information that is protected as a trade secret under state**
 38 **or federal law or by rule.**

39 **(b) The auditor of state may make information protected under**
 40 **subsection (a) available in an aggregate format only.**

41 **Sec. 5. The state and state officers, officials, and employees are**
 42 **immune from any civil liability for posting confidential**
 43 **information under section 4 of this chapter if the information was**
 44 **posted in reliance on a determination made by a state agency about**
 45 **the confidentiality of information relating to the agency's**
 46 **expenditures or fund balances.**

47 **Sec. 6. To the extent any information required to be in the data**
 48 **base is collected or maintained by a state agency, the state agency**
 49 **shall provide that information to the auditor of state for inclusion**
 50 **in the data base.**

51 **Sec. 7. The auditor of state may not charge a fee for access to**

1 the data base.

2 **Sec. 8.** Except as provided in section 9 of this chapter, a state
3 agency shall cooperate with and provide information to the auditor
4 of state as necessary to implement and administer this chapter.

5 **Sec. 9.** This chapter does not require a state agency to record
6 information or expend resources for the purpose of computer
7 programming to make information reportable under this chapter.

8 **Sec. 10.** The office of technology established by IC 4-13.1-2-1
9 shall work with the auditor of state to include a link on the Internet
10 web site established under this chapter to the Internet web site of
11 each Internet web site operated by:

- 12 (1) the state; or
13 (2) a state agency.

14 **Sec. 11.** Each state agency shall include a link on the agency's
15 Internet web site to the Internet web site established under this
16 chapter.

17 **Sec. 12.** The auditor of state and the office of technology shall
18 initially complete the design of the Internet web site and establish
19 and post the information required under this chapter for all state
20 agencies.

21 **Sec. 13.** Not later than November 15, 2011, the auditor of state
22 shall provide a report to the state board of finance and the
23 legislative council that details the progress the auditor has made to
24 comply with this chapter. The report to the legislative council must
25 be in an electronic format under IC 5-14-6.

26 **Sec. 14.** In order to comply with this chapter, the auditor may
27 require that forms required to be submitted under this chapter be
28 submitted in an electronic format.

29 SECTION 16. IC 5-14-3.6 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 UPON PASSAGE]:

32 **Chapter 3.6. Access to Financial Data for State Educational**
33 **Institutions**

34 **Sec. 1.** As used in this chapter, "commission" refers to the
35 commission for higher education of the state of Indiana established
36 by IC 21-18-2.

37 **Sec. 2.** As used in this chapter, "state educational institution"
38 has the meaning set forth in IC 21-7-13-32.

39 **Sec. 3.** The commission shall establish a web site where
40 members of the public may view the following:

- 41 (1) The audited financial statement of each state educational
42 institution.
43 (2) A comparison between the amount appropriated to each
44 state educational institution and the amount allotted for
45 expenditure by the state educational institution.
46 (3) Information concerning the outstanding debt of each state
47 educational institution, the purposes for which the
48 outstanding debt was used, and the sources of repayment for
49 the outstanding debt.
50 (4) For each state educational institution, all financial and
51 other reports to a state agency that are public records.

1 **Sec. 4. Each state educational institution shall include a link on**
 2 **the state educational institution's Internet web site to the web site**
 3 **established under this chapter.**

4 **Sec. 5. Not later than November 15, 2011, the commission shall**
 5 **provide a report to the state board of finance and the legislative**
 6 **council on the progress the commission has made to comply with**
 7 **this chapter. The report to the legislative council must be in an**
 8 **electronic format under IC 5-14-6.**

9 SECTION 17. IC 5-14-3.7 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]:

12 **Chapter 3.7. Access to Financial Data for Local Schools**

13 **Sec. 1. As used in this chapter, "department" means the**
 14 **department of education established by IC 20-19-3-1.**

15 **Sec. 2. As used in this chapter, "public school" has the meaning**
 16 **set forth in IC 20-18-2-15.**

17 **Sec. 3. (a) The department, working with the office of**
 18 **technology established by IC 4-13.1-2-1 or another organization**
 19 **that is part of a state educational institution, the state board of**
 20 **accounts established by IC 5-11-1-1, the department of local**
 21 **government finance established under IC 6-1.1-30-1.1, and the**
 22 **office of management and budget established by IC 4-3-22-3, shall**
 23 **post on the Indiana transparency Internet web site a data base that**
 24 **lists expenditures and fund balances, including expenditures for**
 25 **contracts, grants, and leases, for public schools. The web site must**
 26 **be electronically searchable by the public.**

27 **(b) The data base must include for public schools:**

28 **(1) the amount, date, payer, and payee of expenditures;**

29 **(2) a listing of expenditures by:**

30 **(A) personal services;**

31 **(B) other operating expenses; or**

32 **(C) total operating expenses;**

33 **(3) a listing of fund balances;**

34 **(4) a listing of real and personal property owned by the public**
 35 **school; and**

36 **(5) the report required under IC 6-1.1-33.5-7.**

37 **Sec. 4. To the extent possible, the department shall present**
 38 **information in the data base established under this chapter in a**
 39 **manner that is searchable and intuitive to users.**

40 **Sec. 5. (a) The department may not allow public access under**
 41 **this section to:**

42 **(1) a payee's address;**

43 **(2) personal information that is protected under state or**
 44 **federal law or rule; or**

45 **(3) information that is protected as a trade secret under state**
 46 **or federal law or by rule.**

47 **(b) The department may make information protected under**
 48 **subsection (a) available in an aggregate format only.**

49 **Sec. 6. Employees of the state are immune from any civil**
 50 **liability for posting confidential information under section 5 of this**
 51 **chapter if an employee of the state posted the information in**

1 reliance on a determination made by a public school about the
2 confidentiality of information relating to the educational
3 institution's expenditures or fund balances.

4 **Sec. 7.** To the extent any information required to be in the data
5 base is collected or maintained by a public school, the public school
6 shall provide that information to the department for inclusion in
7 the data base.

8 **Sec. 8.** The department may not charge a fee for access to the
9 data base.

10 **Sec. 9.** Except as provided in section 10 of this chapter, a public
11 school shall cooperate with and provide information to the
12 department as necessary to implement and administer this chapter.

13 **Sec. 10.** This chapter does not require a public school or state
14 agency to record information or expend resources for the purpose
15 of computer programming to make information reportable under
16 this chapter. This section does not waive requirements under any
17 law that a prescribed form must be submitted electronically.

18 **Sec. 11.** The office of technology established by IC 4-13.1-2-1
19 shall work with the department to include a link on the Internet
20 web site established under this chapter to the Internet web site of
21 each Internet web site operated by:

- 22 (1) the state; or
- 23 (2) a public school.

24 **Sec. 12.** Each public school shall include a link on the public
25 school's Internet web site to the Internet web site established under
26 this chapter.

27 **Sec. 13.** The department and the office of technology shall
28 initially complete the design of the Internet web site and establish
29 and post the information required under this chapter for all public
30 schools.

31 **Sec. 14.** Not later than November 15, 2011, the department shall
32 provide a report to the state board of finance and the legislative
33 council on the progress the office has made to comply with this
34 chapter. The report to the legislative council must be in an
35 electronic format under IC 5-14-6.

36 **Sec. 15.** In order to comply with this chapter, the department
37 may require that forms required to be submitted under this
38 chapter be submitted in an electronic format.

39 SECTION 18. IC 5-14-3.8 IS ADDED TO THE INDIANA CODE
40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
41 UPON PASSAGE]:

42 **Chapter 3.8. Access to Financial Data for Local Units**

43 **Sec. 1.** As used in this chapter, "department" means the
44 department of local government finance established under
45 IC 6-1.1-30-1.1.

46 **Sec. 2.** As used in this chapter, "political subdivision" has the
47 meaning set forth in IC 5-11-10.5-1.

48 **Sec. 3.** (a) The department, working with the office of
49 technology established by IC 4-13.1-2-1, or another organization
50 that is part of a state educational institution, the office of
51 management and budget established by IC 4-3-22-3, and the state

1 board of accounts established by IC 5-11-1-1, shall post on the
2 Indiana transparency Internet web site the following:

3 (1) The financial reports required by IC 5-11-1-4.

4 (2) The report on expenditures per capita prepared under
5 IC 6-1.1-33.5-7.

6 (3) A listing of the property tax rates certified by the
7 department.

8 (4) An index of audit reports prepared by the state board of
9 accounts.

10 (5) Any other financial information deemed appropriate by
11 the department.

12 **Sec. 4. Employees of the department are immune from any civil**
13 **liability for posting confidential information under section 3 of this**
14 **chapter if an employee of the department posted the information**
15 **in reliance on a determination made by a political subdivision.**

16 **Sec. 5. This chapter does not require a political subdivision to**
17 **record information or expend resources for the purpose of**
18 **computer programming to make information reportable under this**
19 **chapter. This section does not waive requirements under any law**
20 **that a prescribed form must be submitted electronically.**

21 **Sec. 6. Not later than November 15, 2011, the department shall**
22 **provide a report to the state board of finance and the legislative**
23 **council that details the progress the department has made to**
24 **comply with this chapter. The report to the legislative council must**
25 **be in an electronic format under IC 5-14-6.**

26 **Sec. 7. The department may require that prescribed forms be**
27 **submitted in an electronic format.**

28 SECTION 19. IC 5-16-1-1.5 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1.5. (a) The governing
30 board of any state educational institution, acting on behalf of said
31 institution, may purchase materials in the manner provided by law and
32 perform any work by means of its own employees and owned or leased
33 equipment in the construction, rehabilitation, extension, maintenance,
34 or repair of any building, structure, improvement, or facility of said
35 institutions, without awarding a contract therefor, whenever the cost of
36 such work shall be estimated to be less than **one hundred** fifty
37 thousand dollars ~~(\$50,000)~~. **(\$150,000)**.

38 **(b) The workforce of a state educational institution may**
39 **perform a public work described in subsection (a) only if:**

40 **(1) the workforce, through demonstrated skills, training, or**
41 **expertise, is capable of performing the public work; and**

42 **(2) for a public work project under subsection (a) whose cost**
43 **is estimated to be more than one hundred thousand dollars**
44 **(\$100,000), the state educational institution:**

45 **(A) publishes a notice under IC 5-3-1 that:**

46 **(i) describes the public work that the state educational**
47 **institution intends to perform with its own workforce;**
48 **and**

49 **(ii) sets forth the projected cost of each component of the**
50 **public work as described in subsection (a); and**

51 **(B) determines at a public meeting that it is in the public**

1 interest to perform the public work with the state
2 educational institution's own workforce.

3 **A public work project performed by a state educational**
4 **institution's own workforce must be inspected and accepted as**
5 **complete in the same manner as a public work project performed**
6 **under a contract awarded after receiving bids.**

7 (c) **If a public work project involves a structure, an**
8 **improvement, or a facility under the control of a state educational**
9 **institution, the state educational institution may not artificially**
10 **divide the project to bring any part of the project under this**
11 **section.**

12 SECTION 20. IC 5-16-1-1.7 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1.7. On agricultural or
14 forestry land owned or occupied by Purdue University and used by it
15 for educational or research purposes, the trustees of the university may,
16 upon a declaration of necessity recorded in its minutes, award contracts
17 without advertising for bids or otherwise satisfying the requirements of
18 this chapter, if the cost of work is estimated to be less than **fifty two**
19 **hundred thousand dollars** (~~(\$50,000)~~; **(\$200,000)**). However, bids shall
20 be invited from at least three (3) or more persons, firms, limited
21 liability companies, or corporations known to deal in the work required
22 to be done. The minutes of the board shall show the names of those
23 invited to bid.

24 SECTION 21. IC 5-16-1-1.9, AS AMENDED BY P.L.2-2007,
25 SECTION 103, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2011]: Sec. 1.9. Notwithstanding this article, a
27 state educational institution may award a contract for any construction
28 or repair work to any building, structure, or improvement of the
29 institution without advertising for bids and meeting other contract
30 awarding requirements of this article whenever the estimated cost of
31 the project is less than **one hundred** fifty thousand dollars (~~(\$50,000)~~;
32 **(\$150,000)**). However, in awarding any contract under this section the
33 state educational institution must do the following:

34 (1) Invite bids from at least three (3) persons, firms, limited
35 liability companies, or corporations known to deal in the work
36 required to be done.

37 (2) Give notice of the project if the estimated cost of the project
38 is more than twenty-five thousand dollars (\$25,000). If required,
39 notice must include a description of the work to be done and be
40 given in at least one (1) newspaper of general circulation printed
41 and published in the county in which the work is to be done.

42 (3) Award the contract to the lowest and best bidder.

43 SECTION 22. IC 5-22-15-20.9 IS ADDED TO THE INDIANA
44 CODE AS A NEW SECTION TO READ AS FOLLOWS
45 [EFFECTIVE JULY 1, 2011]: **Sec. 20.9. (a) This section applies only**
46 **to a contract awarded by a political subdivision.**

47 **(b) As used in this section, "affected county" refers to a county:**

48 **(1) in which the political subdivision awarding a contract**
49 **under this article is located; or**

50 **(2) that is adjacent to the county described in subdivision (1).**

51 **(c) As used in this section, "local Indiana business" refers to any**

- 1 of the following:
- 2 (1) A business whose principal place of business is located in
- 3 an affected county.
- 4 (2) A business that pays a majority of its payroll (in dollar
- 5 volume) to residents of affected counties.
- 6 (3) A business that employs residents of affected counties as
- 7 a majority of its employees.
- 8 (4) A business that makes significant capital investments in
- 9 the affected counties as defined in rules adopted by the
- 10 political subdivision.
- 11 (5) A business that has a substantial positive economic impact
- 12 on the affected counties as defined by criteria in rules adopted
- 13 by the political subdivision.
- 14 (d) There are the following price preferences for supplies
- 15 purchased from a local Indiana business:
- 16 (1) Five percent (5%) for a purchase expected by the
- 17 purchasing agency to be less than fifty thousand dollars
- 18 (\$50,000).
- 19 (2) Three percent (3%) for a purchase expected by the
- 20 purchasing agency to be at least fifty thousand dollars
- 21 (\$50,000) but less than one hundred thousand dollars
- 22 (\$100,000).
- 23 (3) One percent (1%) for a purchase expected by the
- 24 purchasing agency to be at least one hundred thousand
- 25 dollars (\$100,000).
- 26 (e) Notwithstanding subsection (d), a purchasing agency may
- 27 award a contract to the lowest responsive and responsible offeror,
- 28 regardless of the preference provided in this section, if the lowest
- 29 responsive and responsible offeror is a local Indiana business.
- 30 (f) A business that wants to claim a preference provided under
- 31 this section must do all the following:
- 32 (1) State in the business's bid that the business claims the
- 33 preference provided by this section.
- 34 (2) Provide the following information to the purchasing
- 35 agency:
- 36 (A) The location of the business's principal place of
- 37 business. If the business claims the preference as a local
- 38 Indiana business described in subsection (c)(1), a statement
- 39 explaining the reasons the business considers the location
- 40 named as the business's principal place of business.
- 41 (B) The amount of the business's total payroll and the
- 42 amount of the business's payroll paid to residents of
- 43 affected counties.
- 44 (C) The number of the business's employees and the
- 45 number of the business's employees who are residents of
- 46 affected counties.
- 47 (D) If the business claims the preference as a local Indiana
- 48 business described in subsection (c)(4), a description of the
- 49 capital investments made in the affected counties and a
- 50 statement of the amount of those capital investments.
- 51 (E) If the business claims the preference as a local Indiana

1 **business described in subsection (c)(5), a description of the**
 2 **substantial positive economic impact the business has on**
 3 **the affected counties.**

4 SECTION 23. IC 5-28-6-1, AS ADDED BY P.L.4-2005, SECTION
 5 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 6 2011]: Sec. 1. The corporation shall do the following:

- 7 (1) Create and regularly update a strategic economic development
 8 plan.
 9 (2) Establish strategic benchmarks and performance measures.
 10 (3) Monitor and report on Indiana's economic performance.
 11 (4) Market Indiana to businesses worldwide.
 12 (5) Assist Indiana businesses that want to grow.
 13 (6) Solicit funding from the private sector for selected initiatives.
 14 (7) Provide for the orderly economic development and growth of
 15 Indiana.
 16 (8) Establish and coordinate the operation of programs commonly
 17 available to all citizens of Indiana to implement a strategic plan
 18 for the state's economic development and enhance the general
 19 welfare.
 20 (9) Evaluate and analyze the state's economy to determine the
 21 direction of future public and private actions, and report and make
 22 recommendations to the general assembly in an electronic format
 23 under IC 5-14-6 with respect to the state's economy.
 24 **(10) Conduct a statewide study to determine specific economic**
 25 **sectors that should be emphasized by the state and by local**
 26 **economic development organizations within geographic**
 27 **regions in Indiana.**
 28 **(11) Report in an electronic format under IC 5-14-6 the**
 29 **results of the study conducted under subdivision (10) to the**
 30 **interim study committee on economic development**
 31 **established by IC 2-5-31.8-1.**

32 SECTION 24. IC 5-28-6-2, AS AMENDED BY P.L.120-2008,
 33 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2011]: Sec. 2. (a) The corporation shall develop and promote
 35 programs designed to make the best use of Indiana resources to ensure
 36 a balanced economy and continuing economic growth for Indiana, and,
 37 for those purposes, may do the following:

- 38 (1) Cooperate with federal, state, and local governments and
 39 agencies in the coordination of programs to make the best use of
 40 Indiana resources, **based on a statewide study to determine**
 41 **specific economic sectors that should be emphasized by the**
 42 **state and by local economic development organizations within**
 43 **geographic regions in Indiana.**
 44 (2) Receive and expend funds, grants, gifts, and contributions of
 45 money, property, labor, interest accrued from loans made by the
 46 corporation, and other things of value from public and private
 47 sources, including grants from agencies and instrumentalities of
 48 the state and the federal government. The corporation:
 49 (A) may accept federal grants for providing planning
 50 assistance, making grants, or providing other services or
 51 functions necessary to political subdivisions, planning

- 1 commissions, or other public or private organizations;
 2 (B) shall administer these grants in accordance with the terms
 3 of the grants; and
 4 (C) may contract with political subdivisions, planning
 5 commissions, or other public or private organizations to carry
 6 out the purposes for which the grants were made.
- 7 (3) Direct that assistance, information, and advice regarding the
 8 duties and functions of the corporation be given to the corporation
 9 by an officer, agent, or employee of the executive branch of the
 10 state. The head of any other state department or agency may
 11 assign one (1) or more of the department's or agency's employees
 12 to the corporation on a temporary basis or may direct a division
 13 or an agency under the department's or agency's supervision and
 14 control to make a special study or survey requested by the
 15 corporation.
- 16 (b) The corporation shall perform the following duties:
- 17 (1) Develop and implement industrial development programs to
 18 encourage expansion of existing industrial, commercial, and
 19 business facilities in Indiana and to encourage new industrial,
 20 commercial, and business locations in Indiana.
- 21 (2) Assist businesses and industries in acquiring, improving, and
 22 developing overseas markets and encourage international plant
 23 locations in Indiana. The corporation, with the approval of the
 24 governor, may establish foreign offices to assist in this function.
- 25 (3) Promote the growth of minority business enterprises by doing
 26 the following:
- 27 (A) Mobilizing and coordinating the activities, resources, and
 28 efforts of governmental and private agencies, businesses, trade
 29 associations, institutions, and individuals.
- 30 (B) Assisting minority businesses in obtaining governmental
 31 or commercial financing for expansion or establishment of
 32 new businesses or individual development projects.
- 33 (C) Aiding minority businesses in procuring contracts from
 34 governmental or private sources, or both.
- 35 (D) Providing technical, managerial, and counseling assistance
 36 to minority business enterprises.
- 37 (4) Assist the office of the lieutenant governor in:
- 38 (A) community economic development planning;
 39 (B) implementation of programs designed to further
 40 community economic development; and
 41 (C) the development and promotion of Indiana's tourist
 42 resources.
- 43 (5) Assist the secretary of agriculture and rural development in
 44 promoting and marketing of Indiana's agricultural products and
 45 provide assistance to the director of the Indiana state department
 46 of agriculture.
- 47 (6) With the approval of the governor, implement federal
 48 programs delegated to the state to carry out the purposes of this
 49 article.
- 50 (7) Promote the growth of small businesses by doing the
 51 following:

- 1 (A) Assisting small businesses in obtaining and preparing the
 2 permits required to conduct business in Indiana.
 3 (B) Serving as a liaison between small businesses and state
 4 agencies.
 5 (C) Providing information concerning business assistance
 6 programs available through government agencies and private
 7 sources.
 8 (8) Establish a public information page on its current Internet site
 9 on the world wide web. The page must provide the following:
 10 (A) By program, cumulative information on the total amount
 11 of incentives awarded, the total number of companies that
 12 received the incentives and were assisted in a year, and the
 13 names and addresses of those companies.
 14 (B) A mechanism on the page whereby the public may request
 15 further information online about specific programs or
 16 incentives awarded.
 17 (C) A mechanism for the public to receive an electronic
 18 response.
 19 (c) The corporation may do the following:
 20 (1) Disseminate information concerning the industrial,
 21 commercial, governmental, educational, cultural, recreational,
 22 agricultural, and other advantages of Indiana.
 23 (2) Plan, direct, and conduct research activities.
 24 (3) Assist in community economic development planning and the
 25 implementation of programs designed to further community
 26 economic development.
 27 SECTION 25. IC 5-28-11-10 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2011]: **Sec. 10. The corporation shall**
 30 **collaborate with local economic development organizations**
 31 **throughout Indiana. Before August 1 each year through 2014, the**
 32 **corporation shall submit a written report to the interim study**
 33 **committee on economic development established by IC 2-5-31.8-1,**
 34 **indicating how the corporation has collaborated with local**
 35 **economic development organizations during the previous state**
 36 **fiscal year.**
 37 SECTION 26. IC 6-1.1-3-7.5 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE MAY 15, 2011 (RETROACTIVE)]: Sec.
 39 7.5. (a) A taxpayer may file an amended personal property tax return,
 40 in conformity with the rules adopted by the department of local
 41 government finance, not more than six (6) months, **if the filing date**
 42 **for the original personal property tax return is before May 15,**
 43 **2011, or twelve (12) months, if the filing date for the original**
 44 **personal property tax return is after May 14, 2011,** after the later of
 45 the following:
 46 (1) The filing date for the original personal property tax return, if
 47 the taxpayer is not granted an extension in which to file under
 48 section 7 of this chapter.
 49 (2) The extension date for the original personal property tax
 50 return, if the taxpayer is granted an extension under section 7 of
 51 this chapter.

1 (b) A tax adjustment related to an amended personal property tax
2 return shall be made in conformity with rules adopted under IC 4-22-2
3 by the department of local government finance.

4 (c) If a taxpayer wishes to correct an error made by the taxpayer on
5 the taxpayer's original personal property tax return, the taxpayer must
6 file an amended personal property tax return under this section within
7 the time required by subsection (a). A taxpayer may claim on an
8 amended personal property tax return any adjustment or exemption that
9 would have been allowable under any statute or rule adopted by the
10 department of local government finance if the adjustment or exemption
11 had been claimed on the original personal property tax return.

12 (d) Notwithstanding any other provision, if:

- 13 (1) a taxpayer files an amended personal property tax return under
14 this section in order to correct an error made by the taxpayer on
15 the taxpayer's original personal property tax return; and
16 (2) the taxpayer is entitled to a refund of personal property taxes
17 paid by the taxpayer under the original personal property tax
18 return;

19 the taxpayer is not entitled to interest on the refund.

20 (e) If a taxpayer files an amended personal property tax return for
21 a year before July 16 of that year, the taxpayer shall pay taxes payable
22 in the immediately succeeding year based on the assessed value
23 reported on the amended return.

24 (f) If a taxpayer files an amended personal property tax return for a
25 year after July 15 of that year, the taxpayer shall pay taxes payable in
26 the immediately succeeding year based on the assessed value reported
27 on the taxpayer's original personal property tax return. **Subject to**
28 **subsection (I)**, a taxpayer that paid taxes under this subsection is
29 entitled to a credit in the amount of taxes paid by the taxpayer on the
30 remainder of:

- 31 (1) the assessed value reported on the taxpayer's original personal
32 property tax return; minus
33 (2) the finally determined assessed value that results from the
34 filing of the taxpayer's amended personal property tax return.

35 Except as provided in subsection (k), the county auditor ~~shall~~ **may**
36 apply the credit against the taxpayer's property taxes on personal
37 property payable in the year **or years** that immediately ~~succeeds~~
38 **succeed** the year in which the taxes were paid, **as applicable. The**
39 **county is not required to pay interest on any amounts that a**
40 **taxpayer is entitled to receive as a credit under this section.**

41 (g) ~~If the amount of the~~ **A county auditor may carry a credit to**
42 **which the taxpayer is entitled under subsection (f) exceeds the amount**
43 **of the taxpayer's property taxes on personal property payable in the year**
44 **that immediately succeeds the year in which the taxes were paid; the**
45 **county auditor shall apply the amount of the excess forward to the**
46 **immediately succeeding year or years, as applicable, and use the**
47 **credit against the taxpayer's property taxes on personal property in the**
48 **next succeeding year. as follows:**

- 49 (1) **If the amount of the credit to which the taxpayer is**
50 **initially entitled under subsection (f) does not exceed**
51 **twenty-five thousand dollars (\$25,000), the county auditor**

1 **may carry the credit forward to the year immediately**
 2 **succeeding the year in which the taxes were paid.**

3 **(2) If the amount of the credit to which the taxpayer is**
 4 **initially entitled under subsection (f) exceeds twenty-five**
 5 **thousand dollars (\$25,000), the county auditor may carry the**
 6 **credit forward for not more than three (3) consecutive years**
 7 **immediately succeeding the year in which the taxes were paid.**

8 **The credit is reduced each time the credit is applied to the**
 9 **taxpayer's property taxes on personal property in succeeding years**
 10 **by the amount applied.**

11 (h) ~~Not later than December 31~~ of the year in which a credit is
 12 **applied under subsection (g), If an excess credit remains after the**
 13 **credit is applied in the final year to which the credit may be carried**
 14 **forward under subsection (g), the county auditor shall refund to the**
 15 **taxpayer the amount of any excess credit that remains after application**
 16 **of the credit under subsection (g) not later than December 31 of the**
 17 **final year to which the excess credit may be carried.**

18 (i) The taxpayer is not required to file an application for:

19 (1) a credit under subsection (f) or (g); or

20 (2) a refund under subsection (h).

21 (j) Before August 1 of each year, the county auditor shall provide to
 22 each taxing unit in the county an estimate of the total amount of the
 23 credits under subsection (f) or (g) that will be applied against taxes
 24 imposed by the taxing unit that are payable in the immediately
 25 succeeding year.

26 (k) A county auditor may refund a credit amount to a taxpayer
 27 before the time the credit would otherwise be applied against property
 28 tax payments under this section.

29 **(l) If a person:**

30 **(1) files an amended personal property tax return more than**
 31 **six (6) months, but less than twelve (12) months, after the**
 32 **filing date or (if the taxpayer is granted an extension under**
 33 **section 7 of this chapter) the extension date for the original**
 34 **personal property tax return being amended; and**

35 **(2) is entitled to a credit or refund as a result of the amended**
 36 **return;**

37 **the county auditor shall reduce the credit or refund payable to the**
 38 **person. The amount of the reduction is ten percent (10%) of the**
 39 **credit or refund amount.**

40 SECTION 27. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
 41 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2011]: Sec. 27.5. (a) The auditor of each county shall establish
 43 a property reassessment fund. The county treasurer shall deposit all
 44 collections resulting from the property taxes that the county levies for
 45 the county's property reassessment fund.

46 (b) With respect to the general reassessment of real property that is
 47 to commence on July 1, ~~2009~~, **2010**, the county council of each county
 48 shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in
 49 each year against all the taxable property in the county an amount equal
 50 to one-fourth (1/4) of the remainder of:

51 (1) the estimated costs referred to in section 28.5(a) of this

- 1 chapter; minus
- 2 (2) the amount levied under this section by the county council for
- 3 property taxes due in 2004 and 2005.
- 4 (c) With respect to a general reassessment of real property that is to
- 5 commence on July 1, ~~2014~~, **2015**, and each fifth year thereafter, the
- 6 county council of each county shall, for property taxes due in the year
- 7 that the general reassessment is to commence and the four (4) years
- 8 preceding that year, levy against all the taxable property in the county
- 9 an amount equal to one-fifth (1/5) of the estimated costs of the general
- 10 reassessment under section 28.5 of this chapter.
- 11 (d) The department of local government finance shall give to each
- 12 county council notice, before January 1 in a year, of the tax levies
- 13 required by this section for that year.
- 14 (e) The department of local government finance may raise or lower
- 15 the property tax levy under this section for a year if the department
- 16 determines it is appropriate because the estimated cost of:
- 17 (1) a general reassessment; or
- 18 (2) making annual adjustments under section 4.5 of this chapter;
- 19 has changed.
- 20 (f) The county assessor may petition the county fiscal body to
- 21 increase the levy under subsection (b) or (c) to pay for the costs of:
- 22 (1) a general reassessment;
- 23 (2) verification under 50 IAC 21-3-2 of sales disclosure forms
- 24 forwarded to the county assessor under IC 6-1.1-5.5-3; or
- 25 (3) processing annual adjustments under section 4.5 of this
- 26 chapter.
- 27 The assessor must document the needs and reasons for the increased
- 28 funding.
- 29 (g) If the county fiscal body denies a petition under subsection (f),
- 30 the county assessor may appeal to the department of local government
- 31 finance. The department of local government finance shall:
- 32 (1) hear the appeal; and
- 33 (2) determine whether the additional levy is necessary.
- 34 SECTION 28. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010,
- 35 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 MARCH 1, 2011 (RETROACTIVE)]: Sec. 37. (a) The following
- 37 definitions apply throughout this section:
- 38 (1) "Dwelling" means any of the following:
- 39 (A) Residential real property improvements that an individual
- 40 uses as the individual's residence, including a house or garage.
- 41 (B) A mobile home that is not assessed as real property that an
- 42 individual uses as the individual's residence.
- 43 (C) A manufactured home that is not assessed as real property
- 44 that an individual uses as the individual's residence.
- 45 (2) "Homestead" means an individual's principal place of
- 46 residence:
- 47 (A) that is located in Indiana;
- 48 (B) that:
- 49 (i) the individual owns;
- 50 (ii) the individual is buying under a contract; recorded in the
- 51 county recorder's office, that provides that the individual is

1 to pay the property taxes on the residence;
 2 (iii) the individual is entitled to occupy as a
 3 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 4 cooperative housing corporation (as defined in 26 U.S.C.
 5 216); or
 6 (iv) is a residence described in section 17.9 of this chapter
 7 that is owned by a trust if the individual is an individual
 8 described in section 17.9 of this chapter; and

9 (C) that consists of a dwelling and the real estate, not
 10 exceeding one (1) acre, that immediately surrounds that
 11 dwelling.

12 Except as provided in subsection (k), the term does not include
 13 property owned by a corporation, partnership, limited liability
 14 company, or other entity not described in this subdivision.

15 (b) Each year a homestead is eligible for a standard deduction from
 16 the assessed value of the homestead for an assessment date. The
 17 deduction provided by this section applies to property taxes first due
 18 and payable for an assessment date only if an individual has an interest
 19 in the homestead described in subsection (a)(2)(B) on:

- 20 (1) the assessment date; or
- 21 (2) any date in the same year after an assessment date that a
 22 statement is filed under subsection (e) or section 44 of this
 23 chapter, if the property consists of real property.

24 Subject to subsection (c), the auditor of the county shall record and
 25 make the deduction for the individual or entity qualifying for the
 26 deduction.

27 (c) Except as provided in section 40.5 of this chapter, the total
 28 amount of the deduction that a person may receive under this section
 29 for a particular year is the lesser of:

- 30 (1) sixty percent (60%) of the assessed value of the real property,
 31 mobile home not assessed as real property, or manufactured home
 32 not assessed as real property; or
- 33 (2) forty-five thousand dollars (\$45,000).

34 (d) A person who has sold real property, a mobile home not assessed
 35 as real property, or a manufactured home not assessed as real property
 36 to another person under a contract that provides that the contract buyer
 37 is to pay the property taxes on the real property, mobile home, or
 38 manufactured home may not claim the deduction provided under this
 39 section with respect to that real property, mobile home, or
 40 manufactured home.

41 (e) Except as provided in sections 17.8 and 44 of this chapter and
 42 subject to section 45 of this chapter, an individual who desires to claim
 43 the deduction provided by this section must file a certified statement in
 44 duplicate, on forms prescribed by the department of local government
 45 finance, with the auditor of the county in which the homestead is
 46 located. The statement must include:

- 47 (1) the parcel number or key number of the property and the name
 48 of the city, town, or township in which the property is located;
- 49 (2) the name of any other location in which the applicant or the
 50 applicant's spouse owns, is buying, or has a beneficial interest in
 51 residential real property;

- 1 (3) the names of:
- 2 (A) the applicant and the applicant's spouse (if any):
- 3 (i) as the names appear in the records of the United States
- 4 Social Security Administration for the purposes of the
- 5 issuance of a Social Security card and Social Security
- 6 number; or
- 7 (ii) that they use as their legal names when they sign their
- 8 names on legal documents;
- 9 if the applicant is an individual; or
- 10 (B) each individual who qualifies property as a homestead
- 11 under subsection (a)(2)(B) and the individual's spouse (if any):
- 12 (i) as the names appear in the records of the United States
- 13 Social Security Administration for the purposes of the
- 14 issuance of a Social Security card and Social Security
- 15 number; or
- 16 (ii) that they use as their legal names when they sign their
- 17 names on legal documents;
- 18 if the applicant is not an individual; and
- 19 (4) either:
- 20 (A) the last five (5) digits of the applicant's Social Security
- 21 number and the last five (5) digits of the Social Security
- 22 number of the applicant's spouse (if any); or
- 23 (B) if the applicant or the applicant's spouse (if any) do not
- 24 have a Social Security number, any of the following for that
- 25 individual:
- 26 (i) The last five (5) digits of the individual's driver's license
- 27 number.
- 28 (ii) The last five (5) digits of the individual's state
- 29 identification card number.
- 30 (iii) If the individual does not have a driver's license or a
- 31 state identification card, the last five (5) digits of a control
- 32 number that is on a document issued to the individual by the
- 33 federal government and determined by the department of
- 34 local government finance to be acceptable.
- 35 If a form or statement provided to the county auditor under this section,
- 36 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
- 37 part or all of the Social Security number of a party or other number
- 38 described in subdivision (4)(B) of a party, the telephone number and
- 39 the Social Security number or other number described in subdivision
- 40 (4)(B) included are confidential. The statement may be filed in person
- 41 or by mail. If the statement is mailed, the mailing must be postmarked
- 42 on or before the last day for filing. The statement applies for that first
- 43 year and any succeeding year for which the deduction is allowed. With
- 44 respect to real property, the statement must be completed and dated in
- 45 the calendar year for which the person desires to obtain the deduction
- 46 and filed with the county auditor on or before January 5 of the
- 47 immediately succeeding calendar year. With respect to a mobile home
- 48 that is not assessed as real property, the person must file the statement
- 49 during the twelve (12) months before March 31 of the year for which
- 50 the person desires to obtain the deduction.
- 51 (f) If an individual who is receiving the deduction provided by this

1 section or who otherwise qualifies property for a deduction under this
2 section:

3 (1) changes the use of the individual's property so that part or all
4 of the property no longer qualifies for the deduction under this
5 section; or
6 (2) is no longer eligible for a deduction under this section on
7 another parcel of property because:

8 (A) the individual would otherwise receive the benefit of more
9 than one (1) deduction under this chapter; or
10 (B) the individual maintains the individual's principal place of
11 residence with another individual who receives a deduction
12 under this section;

13 the individual must file a certified statement with the auditor of the
14 county, notifying the auditor of the change of use, not more than sixty
15 (60) days after the date of that change. An individual who fails to file
16 the statement required by this subsection is liable for any additional
17 taxes that would have been due on the property if the individual had
18 filed the statement as required by this subsection plus a civil penalty
19 equal to ten percent (10%) of the additional taxes due. The civil penalty
20 imposed under this subsection is in addition to any interest and
21 penalties for a delinquent payment that might otherwise be due. One
22 percent (1%) of the total civil penalty collected under this subsection
23 shall be transferred by the county to the department of local
24 government finance for use by the department in establishing and
25 maintaining the homestead property data base under subsection (i) and,
26 to the extent there is money remaining, for any other purposes of the
27 department. This amount becomes part of the property tax liability for
28 purposes of this article.

29 (g) The department of local government finance shall adopt rules or
30 guidelines concerning the application for a deduction under this
31 section.

32 (h) This subsection does not apply to property in the first year for
33 which a deduction is claimed under this section if the sole reason that
34 a deduction is claimed on other property is that the individual or
35 married couple maintained a principal residence at the other property
36 on March 1 in the same year in which an application for a deduction is
37 filed under this section or, if the application is for a homestead that is
38 assessed as personal property, on March 1 in the immediately
39 preceding year and the individual or married couple is moving the
40 individual's or married couple's principal residence to the property that
41 is the subject of the application. **Except as provided in subsection (n),**
42 the county auditor may not grant an individual or a married couple a
43 deduction under this section if:

44 (1) the individual or married couple, for the same year, claims the
45 deduction on two (2) or more different applications for the
46 deduction; and
47 (2) the applications claim the deduction for different property.

48 (i) The department of local government finance shall provide secure
49 access to county auditors to a homestead property data base that
50 includes access to the homestead owner's name and the numbers
51 required from the homestead owner under subsection (e)(4) for the sole

1 purpose of verifying whether an owner is wrongly claiming a deduction
2 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
3 IC 6-3.5.

4 (j) The department of local government finance shall work with
5 county auditors to develop procedures to determine whether a property
6 owner that is claiming a standard deduction or homestead credit is not
7 eligible for the standard deduction or homestead credit because the
8 property owner's principal place of residence is outside Indiana.

9 (k) As used in this section, "homestead" includes property that
10 satisfies each of the following requirements:

11 (1) The property is located in Indiana and consists of a dwelling
12 and the real estate, not exceeding one (1) acre, that immediately
13 surrounds that dwelling.

14 (2) The property is the principal place of residence of an
15 individual.

16 (3) The property is owned by an entity that is not described in
17 subsection (a)(2)(B).

18 (4) The individual residing on the property is a shareholder,
19 partner, or member of the entity that owns the property.

20 (5) The property was eligible for the standard deduction under
21 this section on March 1, 2009.

22 (l) If a county auditor terminates a deduction for property described
23 in subsection (k) with respect to property taxes that are:

24 (1) imposed for an assessment date in 2009; and

25 (2) first due and payable in 2010;

26 on the grounds that the property is not owned by an entity described in
27 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
28 the taxpayer provides proof that the property is eligible for the
29 deduction in accordance with subsection (k) and that the individual
30 residing on the property is not claiming the deduction for any other
31 property.

32 (m) For assessments dates after 2009, the term "homestead"
33 includes:

34 (1) a deck or patio;

35 (2) a gazebo; or

36 (3) another residential yard structure, as defined in rules adopted
37 by the department of local government finance (other than a
38 swimming pool);

39 that is assessed as real property and attached to the dwelling.

40 **(n) A county auditor shall grant an individual a deduction under**
41 **this section regardless of whether the individual and the**
42 **individual's spouse claim a deduction on two (2) different**
43 **applications and each application claims a deduction for different**
44 **property if the property owned by the individual's spouse is located**
45 **outside Indiana and the individual files an affidavit with the county**
46 **auditor containing the following information:**

47 (1) **The names of the county and state in which the**
48 **individual's spouse claims a deduction substantially similar to**
49 **the deduction allowed by this section.**

50 (2) **A statement made under penalty of perjury that the**
51 **following are true:**

- 1 (A) That the individual and the individual's spouse
 2 maintain separate principal places of residence.
 3 (B) That neither the individual nor the individual's spouse
 4 has an ownership interest in the other's principal place of
 5 residence.
 6 (C) That neither the individual nor the individual's spouse
 7 has, for that same year, claimed a standard or
 8 substantially similar deduction for any property other than
 9 the property maintained as a principal place of residence
 10 by the respective individuals.

11 A county auditor may require an individual or an individual's
 12 spouse to provide evidence of the accuracy of the information
 13 contained in an affidavit submitted under this subsection. The
 14 evidence required of the individual or the individual's spouse may
 15 include state income tax returns, excise tax payment information,
 16 property tax payment information, driver license information, and
 17 voter registration information.

18 (o) If:

- 19 (1) a property owner files a statement under subsection (e) to
 20 claim the deduction provided by this section for a particular
 21 property; and
 22 (2) the county auditor receiving the filed statement determines
 23 that the property owner's property is not eligible for the
 24 deduction;

25 the county auditor shall inform the property owner of the county
 26 auditor's determination in writing.

27 SECTION 29. IC 6-1.1-12-46 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: **Sec. 46. (a)**
 30 **This section applies to real property for an assessment date in 2011**
 31 **or a later year if:**

- 32 (1) the real property is not exempt from property taxation for
 33 the assessment date;
 34 (2) title to the real property is transferred after the
 35 assessment date and on or before the December 31 that next
 36 succeeds the assessment date;
 37 (3) the transferee of the real property applies for an
 38 exemption under IC 6-1.1-11 for the next succeeding
 39 assessment date; and
 40 (4) the county property tax assessment board of appeals
 41 determines that the real property is exempt from property
 42 taxation for that next succeeding assessment date.

43 (b) For the assessment date referred to in subsection (a)(1), real
 44 property is eligible for any deductions for which the transferor
 45 under subsection (a)(2) was eligible for that assessment date under
 46 the following:

- 47 (1) IC 6-1.1-12-1.
 48 (2) IC 6-1.1-12-9.
 49 (3) IC 6-1.1-12-11.
 50 (4) IC 6-1.1-12-13.
 51 (5) IC 6-1.1-12-14.

- 1 **(6) IC 6-1.1-12-16.**
- 2 **(7) IC 6-1.1-12-17.4.**
- 3 **(8) IC 6-1.1-12-18.**
- 4 **(9) IC 6-1.1-12-22.**
- 5 **(10) IC 6-1.1-12-37.**
- 6 **(11) IC 6-1.1-12-37.5.**

7 **(c) For the payment date applicable to the assessment date**
 8 **referred to in subsection (a)(1), real property is eligible for the**
 9 **credit for excessive residential property taxes under IC 6-1.1-20.6**
 10 **for which the transferor under subsection (a)(2) would be eligible**
 11 **for that payment date if the transfer had not occurred.**

12 SECTION 30. IC 6-1.1-15-1, AS AMENDED BY P.L.182-2009(ss),
 13 SECTION 111, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) A taxpayer may obtain a
 15 review by the county board of a county or township official's action
 16 with respect to either or both of the following:

- 17 (1) The assessment of the taxpayer's tangible property.
- 18 (2) A deduction for which a review under this section is
- 19 authorized by any of the following:
- 20 (A) IC 6-1.1-12-25.5.
- 21 (B) IC 6-1.1-12-28.5.
- 22 (C) IC 6-1.1-12-35.5.
- 23 (D) IC 6-1.1-12.1-5.
- 24 (E) IC 6-1.1-12.1-5.3.
- 25 (F) IC 6-1.1-12.1-5.4.

26 (b) At the time that notice of an action referred to in subsection (a)
 27 is given to the taxpayer, the taxpayer shall also be informed in writing
 28 of:

- 29 (1) the opportunity for a review under this section, including a
- 30 preliminary informal meeting under subsection (h)(2) with the
- 31 county or township official referred to in this subsection; and
- 32 (2) the procedures the taxpayer must follow in order to obtain a
- 33 review under this section.

34 (c) In order to obtain a review of an assessment or deduction
 35 effective for the assessment date to which the notice referred to in
 36 subsection (b) applies, the taxpayer must file a notice in writing with
 37 the county or township official referred to in subsection (a) not later
 38 than forty-five (45) days after the date of the notice referred to in
 39 subsection (b).

40 (d) A taxpayer may obtain a review by the county board of the
 41 assessment of the taxpayer's tangible property effective for an
 42 assessment date for which a notice of assessment is not given as
 43 described in subsection (b). To obtain the review, the taxpayer must file
 44 a notice in writing with the township assessor, or the county assessor
 45 if the township is not served by a township assessor. The right of a
 46 taxpayer to obtain a review under this subsection for an assessment
 47 date for which a notice of assessment is not given does not relieve an
 48 assessing official of the duty to provide the taxpayer with the notice of
 49 assessment as otherwise required by this article. The notice to obtain
 50 a review must be filed not later than the later of:

- 51 (1) May 10 of the year; or

- 1 (2) forty-five (45) days after the date of the tax statement mailed
 2 by the county treasurer, regardless of whether the assessing
 3 official changes the taxpayer's assessment.
- 4 (e) A change in an assessment made as a result of a notice for
 5 review filed by a taxpayer under subsection (d) after the time
 6 prescribed in subsection (d) becomes effective for the next assessment
 7 date. A change in an assessment made as a result of a notice for review
 8 filed by a taxpayer under subsection (c) or (d) remains in effect from
 9 the assessment date for which the change is made until the next
 10 assessment date for which the assessment is changed under this article.
- 11 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 12 must include the following information:
- 13 (1) The name of the taxpayer.
 14 (2) The address and parcel or key number of the property.
 15 (3) The address and telephone number of the taxpayer.
- 16 (g) The filing of a notice under subsection (c) or (d):
 17 (1) initiates a review under this section; and
 18 (2) constitutes a request by the taxpayer for a preliminary
 19 informal meeting with the official referred to in subsection (a).
- 20 (h) A county or township official who receives a notice for review
 21 filed by a taxpayer under subsection (c) or (d) shall:
- 22 (1) immediately forward the notice to the county board; and
 23 (2) attempt to hold a preliminary informal meeting with the
 24 taxpayer to resolve as many issues as possible by:
- 25 (A) discussing the specifics of the taxpayer's assessment or
 26 deduction;
 27 (B) reviewing the taxpayer's property record card;
 28 (C) explaining to the taxpayer how the assessment or
 29 deduction was determined;
 30 (D) providing to the taxpayer information about the statutes,
 31 rules, and guidelines that govern the determination of the
 32 assessment or deduction;
 33 (E) noting and considering objections of the taxpayer;
 34 (F) considering all errors alleged by the taxpayer; and
 35 (G) otherwise educating the taxpayer about:
 36 (i) the taxpayer's assessment or deduction;
 37 (ii) the assessment or deduction process; and
 38 (iii) the assessment or deduction appeal process.
- 39 (i) Not later than ten (10) days after the informal preliminary
 40 meeting, the official referred to in subsection (a) shall forward to the
 41 county auditor and the county board the results of the conference on a
 42 form prescribed by the department of local government finance that
 43 must be completed and signed by the taxpayer and the official. The
 44 form must indicate the following:
- 45 (1) If the taxpayer and the official agree on the resolution of all
 46 assessment or deduction issues in the review, a statement of:
 47 (A) those issues; and
 48 (B) the assessed value of the tangible property or the amount
 49 of the deduction that results from the resolution of those issues
 50 in the manner agreed to by the taxpayer and the official.
- 51 (2) If the taxpayer and the official do not agree on the resolution

- 1 of all assessment or deduction issues in the review:
 2 (A) a statement of those issues; and
 3 (B) the identification of:
 4 (i) the issues on which the taxpayer and the official agree;
 5 and
 6 (ii) the issues on which the taxpayer and the official
 7 disagree.
- 8 (j) If the county board receives a form referred to in subsection
 9 (i)(1) before the hearing scheduled under subsection (k):
 10 (1) the county board shall cancel the hearing;
 11 (2) the county official referred to in subsection (a) shall give
 12 notice to the taxpayer, the county board, the county assessor, and
 13 the county auditor of the assessment or deduction in the amount
 14 referred to in subsection (i)(1)(B); and
 15 (3) if the matter in issue is the assessment of tangible property,
 16 the county board may reserve the right to change the assessment
 17 under IC 6-1.1-13.
- 18 (k) If:
 19 (1) subsection (i)(2) applies; or
 20 (2) the county board does not receive a form referred to in
 21 subsection (i) not later than one hundred twenty (120) days after
 22 the date of the notice for review filed by the taxpayer under
 23 subsection (c) or (d);
 24 the county board shall hold a hearing on a review under this subsection
 25 not later than one hundred eighty (180) days after the date of that
 26 notice. The county board shall, by mail, give notice of the date, time,
 27 and place fixed for the hearing to the taxpayer and the county or
 28 township official with whom the taxpayer filed the notice for review.
 29 The taxpayer and the county or township official with whom the
 30 taxpayer filed the notice for review are parties to the proceeding before
 31 the county board.
- 32 (l) At the hearing required under subsection (k):
 33 (1) the taxpayer may present the taxpayer's reasons for
 34 disagreement with the assessment or deduction; and
 35 (2) the county or township official with whom the taxpayer filed
 36 the notice for review must present:
 37 (A) the basis for the assessment or deduction decision; and
 38 (B) the reasons the taxpayer's contentions should be denied.
- 39 (m) The official referred to in subsection (a) may not require the
 40 taxpayer to provide documentary evidence at the preliminary informal
 41 meeting under subsection (h). The county board may not require a
 42 taxpayer to file documentary evidence or summaries of statements of
 43 testimonial evidence before the hearing required under subsection (k).
 44 If the action for which a taxpayer seeks review under this section is the
 45 assessment of tangible property, the taxpayer is not required to have an
 46 appraisal of the property in order to do the following:
 47 (1) Initiate the review.
 48 (2) Prosecute the review.
- 49 (n) The county board shall prepare a written decision resolving all
 50 of the issues under review. The county board shall, by mail, give notice
 51 of its determination not later than one hundred twenty (120) days after

1 the hearing under subsection (k) to the taxpayer, the official referred to
2 in subsection (a), the county assessor, and the county auditor.

3 (o) If the maximum time elapses:

- 4 (1) under subsection (k) for the county board to hold a hearing; or
5 (2) under subsection (n) for the county board to give notice of its
6 determination;

7 the taxpayer may initiate a proceeding for review before the Indiana
8 board by taking the action required by section 3 of this chapter at any
9 time after the maximum time elapses.

10 (p) ~~This subsection applies if the assessment for which a notice of~~
11 ~~review is filed increased the assessed value of the assessed property by~~
12 ~~more than five percent (5%) over the assessed value finally determined~~
13 ~~for the immediately preceding assessment date. The county assessor or~~
14 ~~township assessor making the assessment has the burden of proving~~
15 ~~that the assessment is correct.~~

16 SECTION 31. IC 6-1.1-15-12, AS AMENDED BY
17 P.L.182-2009(ss), SECTION 112, IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) Subject to the
19 limitations contained in subsections (c) and (d), a county auditor shall
20 correct errors which are discovered in the tax duplicate for any one (1)
21 or more of the following reasons:

- 22 (1) The description of the real property was in error.
23 (2) The assessment was against the wrong person.
24 (3) Taxes on the same property were charged more than one (1)
25 time in the same year.
26 (4) There was a mathematical error in computing the taxes or
27 penalties on the taxes.
28 (5) There was an error in carrying delinquent taxes forward from
29 one (1) tax duplicate to another.
30 (6) The taxes, as a matter of law, were illegal.
31 (7) There was a mathematical error in computing an assessment.
32 (8) Through an error of omission by any state or county officer,
33 the taxpayer was not given:

34 **(A) the proper credit for under IC 6-1.1-20.6-7.5 for**
35 **property taxes imposed for an assessment date after**
36 **January 15, 2011;**

37 **(B) any other credit permitted by law;**

38 **(C) an exemption permitted by law; or**

39 **(D) a deduction permitted by law.**

40 (b) The county auditor shall correct an error described under
41 subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county
42 auditor finds that the error exists.

43 (c) If the tax is based on an assessment made or determined by the
44 department of local government finance, the county auditor shall not
45 correct an error described under subsection (a)(6), (a)(7), or (a)(8) until
46 after the correction is either approved by the department of local
47 government finance or ordered by the tax court.

48 (d) If the tax is not based on an assessment made or determined by
49 the department of local government finance, the county auditor shall
50 correct an error described under subsection (a)(6), (a)(7), or (a)(8) only
51 if the correction is first approved by at least two (2) of the following

1 officials:

2 (1) The township assessor (if any).

3 (2) The county auditor.

4 (3) The county assessor.

5 If two (2) of these officials do not approve such a correction, the county
6 auditor shall refer the matter to the county board for determination. The
7 county board shall provide a copy of the determination to the taxpayer
8 and to the county auditor.

9 (e) A taxpayer may appeal a determination of the county board to
10 the Indiana board for a final administrative determination. An appeal
11 under this section shall be conducted in the same manner as appeals
12 under sections 4 through 8 of this chapter. The Indiana board shall send
13 the final administrative determination to the taxpayer, the county
14 auditor, the county assessor, and the township assessor (if any).

15 (f) If a correction or change is made in the tax duplicate after it is
16 delivered to the county treasurer, the county auditor shall transmit a
17 certificate of correction to the county treasurer. The county treasurer
18 shall keep the certificate as the voucher for settlement with the county
19 auditor.

20 (g) A taxpayer that files a personal property tax return under
21 IC 6-1.1-3 may not petition under this section for the correction of an
22 error made by the taxpayer on the taxpayer's personal property tax
23 return. If the taxpayer wishes to correct an error made by the taxpayer
24 on the taxpayer's personal property tax return, the taxpayer must
25 instead file an amended personal property tax return under
26 IC 6-1.1-3-7.5.

27 (h) A taxpayer that files a statement under IC 6-1.1-8-19 may not
28 petition under this section for the correction of an error made by the
29 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct
30 an error made by the taxpayer on the taxpayer's statement, the taxpayer
31 must instead initiate an objection under IC 6-1.1-8-28 or an appeal
32 under IC 6-1.1-8-30.

33 SECTION 32. IC 6-1.1-15-17 IS ADDED TO THE INDIANA
34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2011]: **Sec. 17. This section applies to any**
36 **review or appeal of an assessment under this chapter if the**
37 **assessment that is the subject of the review or appeal increased the**
38 **assessed value of the assessed property by more than five percent**
39 **(5%) over the assessed value determined by the county assessor or**
40 **township assessor (if any) for the immediately preceding**
41 **assessment date for the same property. The county assessor or**
42 **township assessor making the assessment has the burden of**
43 **proving that the assessment is correct in any review or appeal**
44 **under this chapter and in any appeals taken to the Indiana board**
45 **of tax review or to the Indiana tax court.**

46 SECTION 33. IC 6-1.1-17-16.2 IS ADDED TO THE INDIANA
47 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
48 [EFFECTIVE JULY 1, 2011]: **Sec. 16.2. The department of local**
49 **government finance may not approve the budget of a taxing unit or**
50 **a supplemental appropriation for a taxing unit until the taxing unit**
51 **files an annual report under IC 5-11-1-4 or IC 5-11-13 for the**

1 preceding calendar year, unless the taxing unit did not exist as of
 2 March 1 of the calendar year preceding the ensuing calendar year
 3 by two (2) years. This section applies to a taxing unit that is the
 4 successor to another taxing unit or the result of a consolidation or
 5 merger of more than one (1) taxing unit, if an annual report under
 6 IC 5-11-1-4 or IC 5-11-13 has not been filed for each predecessor
 7 taxing unit.

8 SECTION 34. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
 9 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) For purposes of this section,
 11 "maximum rate" refers to the maximum:

12 (1) property tax rate or rates; or

13 (2) special benefits tax rate or rates;

14 referred to in the statutes listed in subsection (d).

15 (b) The maximum rate for taxes first due and payable after 2003 is
 16 the maximum rate that would have been determined under subsection
 17 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 18 for taxes first due and payable in 2003.

19 (c) The maximum rate must be adjusted each year to account for the
 20 change in assessed value of real property that results from:

21 (1) an annual adjustment of the assessed value of real property
 22 under IC 6-1.1-4-4.5; or

23 (2) a general reassessment of real property under IC 6-1.1-4-4.

24 (d) The statutes to which subsection (a) refers are:

25 (1) IC 8-10-5-17;

26 (2) IC 8-22-3-11;

27 (3) IC 8-22-3-25;

28 (4) IC 12-29-1-1;

29 (5) IC 12-29-1-2;

30 (6) IC 12-29-1-3;

31 (7) IC 12-29-3-6;

32 (8) IC 13-21-3-12;

33 (9) IC 13-21-3-15;

34 (10) IC 14-27-6-30;

35 (11) IC 14-33-7-3;

36 (12) IC 14-33-21-5;

37 (13) IC 15-14-7-4;

38 (14) IC 15-14-9-1;

39 (15) IC 15-14-9-2;

40 (16) IC 16-20-2-18;

41 (17) IC 16-20-4-27;

42 (18) IC 16-20-7-2;

43 (19) IC 16-22-14;

44 (20) IC 16-23-1-29;

45 (21) IC 16-23-3-6;

46 (22) IC 16-23-4-2;

47 (23) IC 16-23-5-6;

48 (24) IC 16-23-7-2;

49 (25) IC 16-23-8-2;

50 (26) IC 16-23-9-2;

51 (27) IC 16-41-15-5;

- 1 (28) IC 16-41-33-4;
 2 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 3 (30) IC 20-46-6-5;
 4 (31) IC 20-49-2-10;
 5 (32) IC 36-1-19-1;
 6 (33) IC 23-14-66-2;
 7 (34) IC 23-14-67-3;
 8 (35) IC 36-7-13-4;
 9 (36) IC 36-7-14-28;
 10 (37) IC 36-7-15.1-16;
 11 (38) IC 36-8-19-8.5;
 12 (39) IC 36-9-6.1-2;
 13 (40) IC 36-9-17.5-4;
 14 (41) IC 36-9-27-73;
 15 (42) IC 36-9-29-31;
 16 (43) IC 36-9-29.1-15;
 17 (44) IC 36-10-6-2;
 18 (45) IC 36-10-7-7;
 19 (46) IC 36-10-7-8;
 20 (47) IC 36-10-7.5-19;
 21 (48) IC 36-10-13-5;
 22 (49) IC 36-10-13-7;
 23 (50) IC 36-10-14-4;
 24 (51) IC 36-12-7-7;
 25 (52) IC 36-12-7-8;
 26 (53) IC 36-12-12-10; and
 27 (54) any statute enacted after December 31, 2003, that:
 28 (A) establishes a maximum rate for any part of the:
 29 (i) property taxes; or
 30 (ii) special benefits taxes;
 31 imposed by a political subdivision; and
 32 (B) does not exempt the maximum rate from the adjustment
 33 under this section.
 34 (e) The new maximum rate under a statute listed in subsection (d)
 35 is the tax rate determined under STEP SEVEN of the following STEPS:
 36 STEP ONE: Determine the maximum rate for the political
 37 subdivision levying a property tax or special benefits tax under
 38 the statute for the year preceding the year in which the annual
 39 adjustment or general reassessment takes effect.
 40 STEP TWO: **Except as provided in subsection (g)**, determine
 41 the actual percentage ~~increase~~ **change** (rounded to the nearest
 42 one-hundredth percent (0.01%)) in the assessed value (before the
 43 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
 44 from the year preceding the year the annual adjustment or general
 45 reassessment takes effect to the year that the annual adjustment or
 46 general reassessment takes effect.
 47 STEP THREE: Determine the three (3) calendar years that
 48 immediately precede the ensuing calendar year and in which a
 49 statewide general reassessment of real property does not first take
 50 effect.
 51 STEP FOUR: **Except as provided in subsection (g)**, compute

1 separately, for each of the calendar years determined in STEP
 2 THREE, the actual percentage ~~increase~~ **change** (rounded to the
 3 nearest one-hundredth percent (0.01%)) in the assessed value
 4 (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable
 5 property from the preceding year.

6 STEP FIVE: Divide the sum of the three (3) quotients computed
 7 in STEP FOUR by three (3).

8 STEP SIX: Determine the greater of the following:

9 (A) Zero (0).

10 (B) The result of the STEP TWO percentage minus the STEP
 11 FIVE percentage.

12 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 13 divided by the sum of one (1) plus the STEP SIX percentage
 14 increase.

15 (f) The department of local government finance shall compute the
 16 maximum rate allowed under subsection (e) and provide the rate to
 17 each political subdivision with authority to levy a tax under a statute
 18 listed in subsection (d).

19 **(g) This subsection applies to STEP TWO and STEP FOUR of**
 20 **subsection (e) for taxes first due and payable after 2011. If the**
 21 **assessed value change used in the STEPS was not an increase, the**
 22 **STEPS are applied using instead:**

23 **(1) the actual percentage decrease (rounded to the nearest**
 24 **one-hundredth percent (0.01%)) in the assessed value (before**
 25 **the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable**
 26 **property; or**

27 **(2) zero (0) if the assessed value did not increase or decrease.**

28 SECTION 35. IC 6-1.1-18.5-3, AS AMENDED BY SEA 295-2011,
 29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2012]: Sec. 3. (a) A civil taxing unit ~~that is treated as not~~
 31 ~~being located in an adopting county under section 4 of this chapter~~ may
 32 not impose an ad valorem property tax levy for an ensuing calendar
 33 year that exceeds the amount determined in the last STEP of the
 34 following STEPS:

35 STEP ONE: ~~Add~~ **Determine** the civil taxing unit's maximum
 36 permissible ad valorem property tax levy for the preceding
 37 calendar year. ~~to the part of the civil taxing unit's certified share;~~
 38 ~~if any, that was used to reduce the civil taxing unit's ad valorem~~
 39 ~~property tax levy under STEP EIGHT of subsection (b) for that~~
 40 ~~preceding calendar year.~~

41 STEP TWO: Multiply the amount determined in STEP ONE by
 42 the amount determined in the last STEP of section 2(b) of this
 43 chapter.

44 STEP THREE: Determine the lesser of one and fifteen hundredths
 45 (1.15) or the quotient (rounded to the nearest ten-thousandth
 46 (0.0001)), of the assessed value of all taxable property subject to
 47 the civil taxing unit's ad valorem property tax levy for the ensuing
 48 calendar year, divided by the assessed value of all taxable
 49 property that is subject to the civil taxing unit's ad valorem
 50 property tax levy for the ensuing calendar year and that is
 51 contained within the geographic area that was subject to the civil

- 1 taxing unit's ad valorem property tax levy in the preceding
 2 calendar year.
- 3 STEP FOUR: Determine the greater of the amount determined in
 4 STEP THREE or one (1).
- 5 STEP FIVE: Multiply the amount determined in STEP TWO by
 6 the amount determined in STEP FOUR.
- 7 STEP SIX: Add the amount determined under STEP TWO to the
 8 amount determined under subsection (c):
- 9 STEP SEVEN: Determine the greater of the amount determined
 10 under STEP FIVE or the amount determined under STEP SIX:
- 11 **STEP SIX: Add the amount determined under STEP TWO to
 12 the amount of an excessive levy appeal granted under section
 13 13 of this chapter for the ensuing calendar year.**
- 14 **STEP SEVEN: Determine the greater of STEP FIVE or STEP
 15 SIX.**
- 16 (b) Except as otherwise provided in this chapter, a civil taxing unit
 17 that is treated as being located in an adopting county under section 4 of
 18 this chapter may not impose an ad valorem property tax levy for an
 19 ensuing calendar year that exceeds the amount determined in the last
 20 STEP of the following STEPS:
- 21 STEP ONE: Add the civil taxing unit's maximum permissible ad
 22 valorem property tax levy for the preceding calendar year to the
 23 part of the civil taxing unit's certified share, if any, used to reduce
 24 the civil taxing unit's ad valorem property tax levy under STEP
 25 EIGHT of this subsection for that preceding calendar year.
- 26 STEP TWO: Multiply the amount determined in STEP ONE by
 27 the amount determined in the last STEP of section 2(b) of this
 28 chapter:
- 29 STEP THREE: Determine the lesser of one and fifteen hundredths
 30 (1.15) or the quotient of the assessed value of all taxable property
 31 subject to the civil taxing unit's ad valorem property tax levy for
 32 the ensuing calendar year divided by the assessed value of all
 33 taxable property that is subject to the civil taxing unit's ad
 34 valorem property tax levy for the ensuing calendar year and that
 35 is contained within the geographic area that was subject to the
 36 civil taxing unit's ad valorem property tax levy in the preceding
 37 calendar year:
- 38 STEP FOUR: Determine the greater of the amount determined in
 39 STEP THREE or one (1):
- 40 STEP FIVE: Multiply the amount determined in STEP TWO by
 41 the amount determined in STEP FOUR:
- 42 STEP SIX: Add the amount determined under STEP TWO to the
 43 amount determined under subsection (c):
- 44 STEP SEVEN: Determine the greater of the amount determined
 45 under STEP FIVE or the amount determined under STEP SIX:
- 46 STEP EIGHT: Subtract the amount determined under STEP FIVE
 47 of subsection (c) from the amount determined under STEP
 48 SEVEN of this subsection:
- 49 (c) The amount to be entered under STEP SIX of subsection (a) or
 50 STEP SIX of subsection (b), as applicable, equals the sum of the
 51 following:

1 (1) If a civil taxing unit in the immediately preceding calendar
 2 year provided an area outside its boundaries with services on a
 3 contractual basis and in the ensuing calendar year that area has
 4 been annexed by the civil taxing unit, the amount paid by the
 5 annexed area during the immediately preceding calendar year for
 6 services that the civil taxing unit must provide to that area during
 7 the ensuing calendar year as a result of the annexation:

8 (2) If the civil taxing unit has had an excessive levy appeal
 9 approved under section 13(1) of this chapter for the ensuing
 10 calendar year, an amount determined by the civil taxing unit for
 11 the ensuing calendar year that does not exceed the amount of that
 12 excessive levy:

13 In all other cases, the amount to be entered under STEP SIX of
 14 subsection (a) or STEP SIX of subsection (b), as the case may be,
 15 equals zero (0):

16 (d) This subsection applies only to civil taxing units located in a
 17 county having a county adjusted gross income tax rate for resident
 18 county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as
 19 of January 1 of the ensuing calendar year. For each civil taxing unit, the
 20 amount to be added to the amount determined in subsection (c), STEP
 21 FOUR, is determined using the following formula:

22 STEP ONE: Multiply the civil taxing unit's maximum permissible
 23 ad valorem property tax levy for the preceding calendar year by
 24 two percent (2%).

25 STEP TWO: For the determination year, the amount to be used as
 26 the STEP TWO amount is the amount determined in subsection
 27 (f) for the civil taxing unit. For each year following the
 28 determination year the STEP TWO amount is the lesser of:

29 (A) the amount determined in STEP ONE; or

30 (B) the amount determined in subsection (f) for the civil taxing
 31 unit.

32 STEP THREE: Determine the greater of:

33 (A) zero (0); or

34 (B) the civil taxing unit's certified share for the ensuing
 35 calendar year minus the greater of:

36 (i) the civil taxing unit's certified share for the calendar year
 37 that immediately precedes the ensuing calendar year; or

38 (ii) the civil taxing unit's base year certified share.

39 STEP FOUR: Determine the greater of:

40 (A) zero (0); or

41 (B) the amount determined in STEP TWO minus the amount
 42 determined in STEP THREE.

43 Add the amount determined in STEP FOUR to the amount determined
 44 in subsection (c), STEP THREE, as provided in subsection (c), STEP
 45 FOUR:

46 (e) For each civil taxing unit, the amount to be subtracted under
 47 subsection (b), STEP EIGHT, is determined using the following
 48 formula:

49 STEP ONE: Determine the lesser of the civil taxing unit's base
 50 year certified share for the ensuing calendar year, as determined
 51 under section 5 of this chapter, or the civil taxing unit's certified

1 share for the ensuing calendar year:
 2 STEP TWO: Determine the greater of:
 3 (A) zero (0); or
 4 (B) the remainder of:
 5 (i) the amount of federal revenue sharing money that was
 6 received by the civil taxing unit in 1985; minus
 7 (ii) the amount of federal revenue sharing money that will be
 8 received by the civil taxing unit in the year preceding the
 9 ensuing calendar year:

10 STEP THREE: Determine the lesser of:
 11 (A) the amount determined in STEP TWO; or
 12 (B) the amount determined in subsection (f) for the civil taxing
 13 unit:

14 STEP FOUR: Add the amount determined in subsection (d);
 15 STEP FOUR; to the amount determined in STEP THREE:

16 STEP FIVE: Subtract the amount determined in STEP FOUR
 17 from the amount determined in STEP ONE:

18 (f) As used in this section, a taxing unit's "determination year"
 19 means the latest of:

- 20 (1) calendar year 1987, if the taxing unit is treated as being
- 21 located in an adopting county for calendar year 1987 under
- 22 section 4 of this chapter;
- 23 (2) the taxing unit's base year, as defined in section 5 of this
- 24 chapter; if the taxing unit is treated as not being located in an
- 25 adopting county for calendar year 1987 under section 4 of this
- 26 chapter; or
- 27 (3) the ensuing calendar year following the first year that the
- 28 taxing unit is located in a county that has a county adjusted gross
- 29 income tax rate of more than one-half percent (0.5%) on July 1 of
- 30 that year:

31 The amount to be used in subsections (d) and (e) for a taxing unit
 32 depends upon the taxing unit's certified share for the ensuing calendar
 33 year, the taxing unit's determination year, and the county adjusted gross
 34 income tax rate for resident county taxpayers (as defined in
 35 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of
 36 the year preceding the ensuing calendar year. For the determination
 37 year and the ensuing calendar years following the taxing unit's
 38 determination year, the amount is the taxing unit's certified share for
 39 the ensuing calendar year multiplied by the appropriate factor
 40 prescribed in the following table:

41		COUNTIES WITH A TAX RATE OF 1/2%	
			Subsection (e)
	42		Factor
	43	Year	
	44	For the determination year and each ensuing	
	45	calendar year following the determination year	0
	46	COUNTIES WITH A TAX RATE OF 3/4%	
	47		Subsection (e)
	48	Year	Factor
	49	For the determination year and each ensuing	
	50	calendar year following the determination year	1/2
	51	COUNTIES WITH A TAX RATE OF 1.0%	

	Subsection (d)	Subsection (e)
Year	Factor	Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year following the determination year by two (2) years	1/3	1/3

(g) (b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter and except as provided in subsection (f); (c), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

(f) (c) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:

- (1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and
- (2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g); (b), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g); (b), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 36. IC 6-1.1-18.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. For purposes of determining whether a civil taxing unit is subject to the levy limit imposed by section 3(a) or 3(b) 3 of this chapter for an ensuing calendar year, the civil taxing unit shall be treated as being located in an adopting county if on September 1 of the preceding calendar year the county adjusted gross income tax was in effect in the county in which the civil taxing unit is located. In all other cases, civil taxing

1 units shall be treated as not being located in an adopting county for an
2 ensuing budget year.

3 SECTION 37. IC 6-1.1-18.5-6, AS AMENDED BY P.L.3-2008,
4 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2011]: Sec. 6. For purposes of STEP THREE of section 3(a)
6 of this chapter and STEP THREE of section 3(b) of this chapter, **3 of**
7 **this chapter**, the assessed value of taxable property is the assessed
8 value of that property as determined by the department of local
9 government finance in fixing the civil taxing unit's budget, levy, and
10 rate for the applicable calendar year, excluding deductions allowed
11 under IC 6-1.1-12 or IC 6-1.1-12.1.

12 SECTION 38. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,
13 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2011]: Sec. 9.8. (a) For purposes of determining the property
15 tax levy limit imposed on a city, town, or county under section 3 of this
16 chapter, the city, town, or county's ad valorem property tax levy for a
17 particular calendar year does not include an amount equal to the lesser
18 of:

19 (1) the amount of ad valorem property taxes that would be first
20 due and payable to the city, town, or county during the ensuing
21 calendar year if the taxing unit imposed the maximum permissible
22 property tax rate per one hundred dollars (\$100) of assessed
23 valuation that the civil taxing unit may impose for the particular
24 calendar year under the authority of IC 36-9-14.5 (in the case of
25 a county) or IC 36-9-15.5 (in the case of a city or town); or

26 (2) the excess, if any, of:

27 (A) the property taxes imposed by the city, town, or county
28 under the authority of:

29 IC 3-11-6-9;

30 IC 8-16-3;

31 IC 8-16-3.1;

32 IC 8-22-3-25;

33 IC 14-27-6-48;

34 IC 14-33-9-3;

35 IC 16-22-8-41;

36 IC 16-22-5-2 through IC 16-22-5-15;

37 IC 16-23-1-40;

38 IC 36-8-14;

39 IC 36-9-4-48;

40 IC 36-9-14;

41 IC 36-9-14.5;

42 IC 36-9-15;

43 IC 36-9-15.5;

44 IC 36-9-16;

45 IC 36-9-16.5;

46 IC 36-9-17;

47 IC 36-9-26;

48 IC 36-9-27-100;

49 IC 36-10-3-21; or

50 IC 36-10-4-36;

51 that are first due and payable during the ensuing calendar year;

- 1 over
- 2 (B) the property taxes imposed by the city, town, or county
- 3 under the authority of the citations listed in clause (A) that
- 4 were first due and payable during calendar year 1984.
- 5 (b) The maximum property tax rate levied under the statutes listed
- 6 in subsection (a) must be adjusted each year to account for the change
- 7 in assessed value of real property that results from:
- 8 (1) an annual adjustment of the assessed value of real property
- 9 under IC 6-1.1-4-4.5; or
- 10 (2) a general reassessment of real property under IC 6-1.1-4-4.
- 11 (c) The new maximum rate under a statute listed in subsection (a)
- 12 is the tax rate determined under STEP SEVEN of the following
- 13 formula:
- 14 STEP ONE: Determine the maximum rate for the political
- 15 subdivision levying a property tax under the statute for the year
- 16 preceding the year in which the annual adjustment or general
- 17 reassessment takes effect.
- 18 STEP TWO: **Subject to subsection (e)**, determine the actual
- 19 percentage ~~increase~~ **change** (rounded to the nearest
- 20 one-hundredth percent (0.01%)) in the assessed value (before the
- 21 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
- 22 from the year preceding the year the annual adjustment or general
- 23 reassessment takes effect to the year that the annual adjustment or
- 24 general reassessment is effective.
- 25 STEP THREE: Determine the three (3) calendar years that
- 26 immediately precede the ensuing calendar year and in which a
- 27 statewide general reassessment of real property does not first
- 28 become effective.
- 29 STEP FOUR: **Subject to subsection (e)**, compute separately, for
- 30 each of the calendar years determined in STEP THREE, the actual
- 31 percentage ~~increase~~ **change** (rounded to the nearest
- 32 one-hundredth percent (0.01%)) in the assessed value (before the
- 33 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
- 34 from the preceding year.
- 35 STEP FIVE: Divide the sum of the three (3) quotients computed
- 36 in STEP FOUR by three (3).
- 37 STEP SIX: Determine the greater of the following:
- 38 (A) Zero (0).
- 39 (B) The result of the STEP TWO percentage minus the STEP
- 40 FIVE percentage.
- 41 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
- 42 divided by the sum of one (1) plus the STEP SIX percentage
- 43 increase.
- 44 (d) The department of local government finance shall compute the
- 45 maximum rate allowed under subsection (c) and provide the rate to
- 46 each political subdivision with authority to levy a tax under a statute
- 47 listed in subsection (a).
- 48 **(e) This subsection applies to STEP TWO and STEP FOUR of**
- 49 **subsection (c) for taxes first due and payable after 2011. If the**
- 50 **assessed value change used in the STEPS was not an increase, the**
- 51 **STEPS are applied using instead:**

1 **(1) the actual percentage decrease (rounded to the nearest**
 2 **one-hundredth percent (0.01%)) in the assessed value (before**
 3 **the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable**
 4 **property; or**

5 **(2) zero (0) if the assessed value did not increase or decrease.**

6 SECTION 39. IC 6-1.1-18.5-13, AS AMENDED BY
 7 P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. **(a)** With respect to
 9 an appeal filed under section 12 of this chapter, the department may
 10 find that a civil taxing unit should receive any one (1) or more of the
 11 following types of relief:

12 (1) Permission to the civil taxing unit to increase its levy in excess
 13 of the limitations established under section 3 of this chapter, if in
 14 the judgment of the department the increase is reasonably
 15 necessary due to increased costs of the civil taxing unit resulting
 16 from annexation, consolidation, or other extensions of
 17 governmental services by the civil taxing unit to additional
 18 geographic areas or persons. With respect to annexation,
 19 consolidation, or other extensions of governmental services in a
 20 calendar year, if those increased costs are incurred by the civil
 21 taxing unit in that calendar year and more than one (1)
 22 immediately succeeding calendar year, the unit may appeal under
 23 section 12 of this chapter for permission to increase its levy under
 24 this subdivision based on those increased costs in any of the
 25 following:

26 (A) The first calendar year in which those costs are incurred.

27 (B) One (1) or more of the immediately succeeding four (4)
 28 calendar years.

29 (2) A levy increase may not be granted under this subdivision for
 30 property taxes first due and payable after December 31, 2008.
 31 Permission to the civil taxing unit to increase its levy in excess of
 32 the limitations established under section 3 of this chapter, if the
 33 local government tax control board finds that the civil taxing unit
 34 needs the increase to meet the civil taxing unit's share of the costs
 35 of operating a court established by statute enacted after December
 36 31, 1973. Before recommending such an increase, the local
 37 government tax control board shall consider all other revenues
 38 available to the civil taxing unit that could be applied for that
 39 purpose. The maximum aggregate levy increases that the local
 40 government tax control board may recommend for a particular
 41 court equals the civil taxing unit's estimate of the unit's share of
 42 the costs of operating a court for the first full calendar year in
 43 which it is in existence. For purposes of this subdivision, costs of
 44 operating a court include:

45 (A) the cost of personal services (including fringe benefits);

46 (B) the cost of supplies; and

47 (C) any other cost directly related to the operation of the court.

48 (3) Permission to the civil taxing unit to increase its levy in excess
 49 of the limitations established under section 3 of this chapter, if the
 50 department finds that the quotient determined under STEP SIX of
 51 the following formula is equal to or greater than one and

1 two-hundredths (1.02):

2 STEP ONE: Determine the three (3) calendar years that most

3 immediately precede the ensuing calendar year and in which

4 a statewide general reassessment of real property or the initial

5 annual adjustment of the assessed value of real property under

6 IC 6-1.1-4-4.5 does not first become effective.

7 STEP TWO: Compute separately, for each of the calendar

8 years determined in STEP ONE, the quotient (rounded to the

9 nearest ten-thousandth (0.0001)) of the sum of the civil taxing

10 unit's total assessed value of all taxable property and:

11 (i) for a particular calendar year before 2007, the total

12 assessed value of property tax deductions in the unit under

13 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar

14 year; or

15 (ii) for a particular calendar year after 2006, the total

16 assessed value of property tax deductions that applied in the

17 unit under IC 6-1.1-12-42 in 2006 plus for a particular

18 calendar year after 2009, the total assessed value of property

19 tax deductions that applied in the unit under

20 IC 6-1.1-12-37.5 in 2008;

21 divided by the sum determined under this STEP for the

22 calendar year immediately preceding the particular calendar

23 year.

24 STEP THREE: Divide the sum of the three (3) quotients

25 computed in STEP TWO by three (3).

26 STEP FOUR: Compute separately, for each of the calendar

27 years determined in STEP ONE, the quotient (rounded to the

28 nearest ten-thousandth (0.0001)) of the sum of the total

29 assessed value of all taxable property in all counties and:

30 (i) for a particular calendar year before 2007, the total

31 assessed value of property tax deductions in all counties

32 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular

33 calendar year; or

34 (ii) for a particular calendar year after 2006, the total

35 assessed value of property tax deductions that applied in all

36 counties under IC 6-1.1-12-42 in 2006 plus for a particular

37 calendar year after 2009, the total assessed value of property

38 tax deductions that applied in the unit under

39 IC 6-1.1-12-37.5 in 2008;

40 divided by the sum determined under this STEP for the

41 calendar year immediately preceding the particular calendar

42 year.

43 STEP FIVE: Divide the sum of the three (3) quotients

44 computed in STEP FOUR by three (3).

45 STEP SIX: Divide the STEP THREE amount by the STEP

46 FIVE amount.

47 The civil taxing unit may increase its levy by a percentage not

48 greater than the percentage by which the STEP THREE amount

49 exceeds the percentage by which the civil taxing unit may

50 increase its levy under section 3 of this chapter based on the

51 assessed value growth quotient determined under section 2 of this

- 1 chapter.
- 2 (4) A levy increase may not be granted under this subdivision for
3 property taxes first due and payable after December 31, 2008.
4 Permission to the civil taxing unit to increase its levy in excess of
5 the limitations established under section 3 of this chapter, if the
6 local government tax control board finds that the civil taxing unit
7 needs the increase to pay the costs of furnishing fire protection for
8 the civil taxing unit through a volunteer fire department. For
9 purposes of determining a township's need for an increased levy,
10 the local government tax control board shall not consider the
11 amount of money borrowed under IC 36-6-6-14 during the
12 immediately preceding calendar year. However, any increase in
13 the amount of the civil taxing unit's levy recommended by the
14 local government tax control board under this subdivision for the
15 ensuing calendar year may not exceed the lesser of:
- 16 (A) ten thousand dollars (\$10,000); or
 - 17 (B) twenty percent (20%) of:
 - 18 (i) the amount authorized for operating expenses of a
 - 19 volunteer fire department in the budget of the civil taxing
 - 20 unit for the immediately preceding calendar year; plus
 - 21 (ii) the amount of any additional appropriations authorized
 - 22 during that calendar year for the civil taxing unit's use in
 - 23 paying operating expenses of a volunteer fire department
 - 24 under this chapter; minus
 - 25 (iii) the amount of money borrowed under IC 36-6-6-14
 - 26 during that calendar year for the civil taxing unit's use in
 - 27 paying operating expenses of a volunteer fire department.
- 28 (5) A levy increase may not be granted under this subdivision for
29 property taxes first due and payable after December 31, 2008.
30 Permission to a civil taxing unit to increase its levy in excess of
31 the limitations established under section 3 of this chapter in order
32 to raise revenues for pension payments and contributions the civil
33 taxing unit is required to make under IC 36-8. The maximum
34 increase in a civil taxing unit's levy that may be recommended
35 under this subdivision for an ensuing calendar year equals the
36 amount, if any, by which the pension payments and contributions
37 the civil taxing unit is required to make under IC 36-8 during the
38 ensuing calendar year exceeds the product of one and one-tenth
39 (1.1) multiplied by the pension payments and contributions made
40 by the civil taxing unit under IC 36-8 during the calendar year that
41 immediately precedes the ensuing calendar year. For purposes of
42 this subdivision, "pension payments and contributions made by a
43 civil taxing unit" does not include that part of the payments or
44 contributions that are funded by distributions made to a civil
45 taxing unit by the state.
- 46 (6) A levy increase may not be granted under this subdivision for
47 property taxes first due and payable after December 31, 2008.
48 Permission to increase its levy in excess of the limitations
49 established under section 3 of this chapter if the local government
50 tax control board finds that:
- 51 (A) the township's township assistance ad valorem property

1 tax rate is less than one and sixty-seven hundredths cents
 2 (\$0.0167) per one hundred dollars (\$100) of assessed
 3 valuation; and
 4 (B) the township needs the increase to meet the costs of
 5 providing township assistance under IC 12-20 and IC 12-30-4.
 6 The maximum increase that the board may recommend for a
 7 township is the levy that would result from an increase in the
 8 township's township assistance ad valorem property tax rate of
 9 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 10 dollars (\$100) of assessed valuation minus the township's ad
 11 valorem property tax rate per one hundred dollars (\$100) of
 12 assessed valuation before the increase.

13 (7) A levy increase may not be granted under this subdivision for
 14 property taxes first due and payable after December 31, 2008.
 15 Permission to a civil taxing unit to increase its levy in excess of
 16 the limitations established under section 3 of this chapter if:
 17 (A) the increase has been approved by the legislative body of
 18 the municipality with the largest population where the civil
 19 taxing unit provides public transportation services; and
 20 (B) the local government tax control board finds that the civil
 21 taxing unit needs the increase to provide adequate public
 22 transportation services.

23 The local government tax control board shall consider tax rates
 24 and levies in civil taxing units of comparable population, and the
 25 effect (if any) of a loss of federal or other funds to the civil taxing
 26 unit that might have been used for public transportation purposes.
 27 However, the increase that the board may recommend under this
 28 subdivision for a civil taxing unit may not exceed the revenue that
 29 would be raised by the civil taxing unit based on a property tax
 30 rate of one cent (\$0.01) per one hundred dollars (\$100) of
 31 assessed valuation.

32 (8) A levy increase may not be granted under this subdivision for
 33 property taxes first due and payable after December 31, 2008.
 34 Permission to a civil taxing unit to increase the unit's levy in
 35 excess of the limitations established under section 3 of this
 36 chapter if the local government tax control board finds that:
 37 (A) the civil taxing unit is:
 38 (i) a county having a population of more than one hundred
 39 forty-eight thousand (148,000) but less than one hundred
 40 seventy thousand (170,000);
 41 (ii) a city having a population of more than fifty-five
 42 thousand (55,000) but less than fifty-nine thousand (59,000);
 43 (iii) a city having a population of more than twenty-eight
 44 thousand seven hundred (28,700) but less than twenty-nine
 45 thousand (29,000);
 46 (iv) a city having a population of more than fifteen thousand
 47 four hundred (15,400) but less than sixteen thousand six
 48 hundred (16,600); or
 49 (v) a city having a population of more than seven thousand
 50 (7,000) but less than seven thousand three hundred (7,300);
 51 and

1 (B) the increase is necessary to provide funding to undertake
 2 removal (as defined in IC 13-11-2-187) and remedial action
 3 (as defined in IC 13-11-2-185) relating to hazardous
 4 substances (as defined in IC 13-11-2-98) in solid waste
 5 disposal facilities or industrial sites in the civil taxing unit that
 6 have become a menace to the public health and welfare.

7 The maximum increase that the local government tax control
 8 board may recommend for such a civil taxing unit is the levy that
 9 would result from a property tax rate of six and sixty-seven
 10 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 11 of assessed valuation. For purposes of computing the ad valorem
 12 property tax levy limit imposed on a civil taxing unit under
 13 section 3 of this chapter, the civil taxing unit's ad valorem
 14 property tax levy for a particular year does not include that part of
 15 the levy imposed under this subdivision. In addition, a property
 16 tax increase permitted under this subdivision may be imposed for
 17 only two (2) calendar years.

18 (9) A levy increase may not be granted under this subdivision for
 19 property taxes first due and payable after December 31, 2008.
 20 Permission for a county:

21 (A) having a population of more than eighty thousand (80,000)
 22 but less than ninety thousand (90,000) to increase the county's
 23 levy in excess of the limitations established under section 3 of
 24 this chapter, if the local government tax control board finds
 25 that the county needs the increase to meet the county's share of
 26 the costs of operating a jail or juvenile detention center,
 27 including expansion of the facility, if the jail or juvenile
 28 detention center is opened after December 31, 1991;

29 (B) that operates a county jail or juvenile detention center that
 30 is subject to an order that:

- 31 (i) was issued by a federal district court; and
- 32 (ii) has not been terminated;

33 (C) that operates a county jail that fails to meet:

- 34 (i) American Correctional Association Jail Construction
 35 Standards; and
- 36 (ii) Indiana jail operation standards adopted by the
 37 department of correction; or

38 (D) that operates a juvenile detention center that fails to meet
 39 standards equivalent to the standards described in clause (C)
 40 for the operation of juvenile detention centers.

41 Before recommending an increase, the local government tax
 42 control board shall consider all other revenues available to the
 43 county that could be applied for that purpose. An appeal for
 44 operating funds for a jail or a juvenile detention center shall be
 45 considered individually, if a jail and juvenile detention center are
 46 both opened in one (1) county. The maximum aggregate levy
 47 increases that the local government tax control board may
 48 recommend for a county equals the county's share of the costs of
 49 operating the jail or a juvenile detention center for the first full
 50 calendar year in which the jail or juvenile detention center is in
 51 operation.

1 (10) A levy increase may not be granted under this subdivision for
 2 property taxes first due and payable after December 31, 2008.
 3 Permission for a township to increase its levy in excess of the
 4 limitations established under section 3 of this chapter, if the local
 5 government tax control board finds that the township needs the
 6 increase so that the property tax rate to pay the costs of furnishing
 7 fire protection for a township, or a portion of a township, enables
 8 the township to pay a fair and reasonable amount under a contract
 9 with the municipality that is furnishing the fire protection.
 10 However, for the first time an appeal is granted the resulting rate
 11 increase may not exceed fifty percent (50%) of the difference
 12 between the rate imposed for fire protection within the
 13 municipality that is providing the fire protection to the township
 14 and the township's rate. A township is required to appeal a second
 15 time for an increase under this subdivision if the township wants
 16 to further increase its rate. However, a township's rate may be
 17 increased to equal but may not exceed the rate that is used by the
 18 municipality. More than one (1) township served by the same
 19 municipality may use this appeal.

20 (11) A levy increase may not be granted under this subdivision for
 21 property taxes first due and payable after December 31, 2008.
 22 Permission for a township to increase its levy in excess of the
 23 limitations established under section 3 of this chapter, if the local
 24 government tax control board finds that the township has been
 25 required, for the three (3) consecutive years preceding the year for
 26 which the appeal under this subdivision is to become effective, to
 27 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 28 township or a part of the township. However, the maximum
 29 increase in a township's levy that may be allowed under this
 30 subdivision is the least of the amounts borrowed under
 31 IC 36-6-6-14 during the preceding three (3) calendar years. A
 32 township may elect to phase in an approved increase in its levy
 33 under this subdivision over a period not to exceed three (3) years.
 34 A particular township may appeal to increase its levy under this
 35 section not more frequently than every fourth calendar year.

36 (12) Permission to a city having a population of more than
 37 twenty-nine thousand (29,000) but less than thirty-one thousand
 38 (31,000) to increase its levy in excess of the limitations
 39 established under section 3 of this chapter if:

- 40 (A) an appeal was granted to the city under this section to
- 41 reallocate property tax replacement credits under IC 6-3.5-1.1
- 42 in 1998, 1999, and 2000; and
- 43 (B) the increase has been approved by the legislative body of
- 44 the city, and the legislative body of the city has by resolution
- 45 determined that the increase is necessary to pay normal
- 46 operating expenses.

47 The maximum amount of the increase is equal to the amount of
 48 property tax replacement credits under IC 6-3.5-1.1 that the city
 49 petitioned under this section to have reallocated in 2001 for a
 50 purpose other than property tax relief.

51 (13) A levy increase may be granted under this subdivision only

1 for property taxes first due and payable after December 31, 2008.
 2 Permission to a civil taxing unit to increase its levy in excess of
 3 the limitations established under section 3 of this chapter if the
 4 civil taxing unit cannot carry out its governmental functions for
 5 an ensuing calendar year under the levy limitations imposed by
 6 section 3 of this chapter due to a natural disaster, an accident, or
 7 another unanticipated emergency.

8 **(14) Permission to Jefferson County to increase its levy in**
 9 **excess of the limitations established under section 3 of this**
 10 **chapter if the department finds that the county experienced a**
 11 **property tax revenue shortfall that resulted from an**
 12 **erroneous estimate of the effect of the supplemental deduction**
 13 **under IC 6-1.1-12-37.5 on the county's assessed valuation. An**
 14 **appeal for a levy increase under this subdivision may not be**
 15 **denied because of the amount of cash balances in county**
 16 **funds. The maximum increase in the county's levy that may be**
 17 **approved under this subdivision is three hundred thousand**
 18 **dollars (\$300,000).**

19 **(b) The department of local government finance shall increase**
 20 **the maximum permissible ad valorem property tax levy under**
 21 **section 3 of this chapter for the city of Goshen for 2012 and**
 22 **thereafter by an amount equal to the greater of zero (0) or the**
 23 **result of:**

24 **(1) the city's total pension costs in 2009 for the 1925 police**
 25 **pension fund (IC 36-8-6) and the 1937 firefighters' pension**
 26 **fund (IC 36-8-7); minus**

27 **(2) the sum of:**

28 **(A) the total amount of state funds received in 2009 by the**
 29 **city and used to pay benefits to members of the 1925 police**
 30 **pension fund (IC 36-8-6) or the 1937 firefighters' pension**
 31 **fund (IC 36-8-7); plus**

32 **(B) any previous permanent increases to the city's levy that**
 33 **were authorized to account for the transfer to the state of**
 34 **the responsibility to pay benefits to members of the 1925**
 35 **police pension fund (IC 36-8-6) and the 1937 firefighters'**
 36 **pension fund (IC 36-8-7).**

37 **SECTION 40. IC 6-1.1-18.5-13.7 IS ADDED TO THE INDIANA**
 38 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 39 **[EFFECTIVE UPON PASSAGE]: Sec. 13.7. (a) Notwithstanding any**
 40 **other provision of this chapter, Fairfield Township in Tippecanoe**
 41 **County may request that the department of local government**
 42 **finance make an adjustment to the township's maximum**
 43 **permissible property tax levy. The request by the township under**
 44 **this SECTION must be filed before September 1, 2011.**

45 **(b) The amount of the requested adjustment may not exceed one**
 46 **hundred thirty thousand dollars (\$130,000) for each year.**

47 **(c) If the township makes a request for an adjustment in an**
 48 **amount not exceeding the limit prescribed by subsection (b), the**
 49 **department of local government finance shall make the adjustment**
 50 **each year (beginning with property taxes first due and payable in**
 51 **2012) to the township's maximum permissible ad valorem property**

1 **tax levy for the number of years requested by the township (but not**
2 **to exceed a total of four (4) years).**

3 **(d) This section expires July 1, 2016.**

4 SECTION 41. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006,
5 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: Sec. 9.5. (a) This section applies only to credits
7 under this chapter against property taxes first due and payable after
8 December 31, 2006.

9 (b) The application of the credit under this chapter results in a
10 reduction of the property tax collections of each political subdivision
11 in which the credit is applied. **Except as provided in IC 20-46-1**, a
12 political subdivision may not increase its property tax levy to make up
13 for that reduction.

14 (c) The county auditor shall in each calendar year notify each
15 political subdivision in which the credit under this chapter is applied
16 of the reduction of property tax collections referred to in subsection (b)
17 for the political subdivision for that year.

18 (d) A political subdivision may not borrow money to compensate
19 the political subdivision or any other political subdivision for the
20 reduction of property tax collections referred to in subsection (b).

21 SECTION 42. IC 6-1.1-20.6-9.8 IS ADDED TO THE INDIANA
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: **Sec. 9.8. (a)**
24 **This section applies to property taxes first due and payable after**
25 **December 31, 2009.**

26 **(b) As used in this section:**

27 **(1) "exempt taxes" refers to property taxes that are exempted**
28 **from the application of a credit granted under section 7 or 7.5**
29 **of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this**
30 **chapter or another law; and**

31 **(2) "nonexempt taxes" refers to property taxes that are not**
32 **exempt taxes.**

33 **(c) The total amount collected from exempt taxes shall be**
34 **allocated to the fund for which the exempt taxes were imposed as**
35 **if no credit were granted under section 7 or 7.5 of this chapter. The**
36 **total amount of the loss in revenue resulting from the granting of**
37 **credits under section 7 or 7.5 of this chapter must reduce only the**
38 **amount of nonexempt property taxes distributed to a fund in**
39 **proportion to the nonexempt rate tax imposed for that fund**
40 **relative to the total of all nonexempt tax rates imposed by the**
41 **taxing unit.**

42 SECTION 43. IC 6-1.1-20.6-10, AS ADDED BY P.L.146-2008,
43 SECTION 226, IS AMENDED TO READ AS FOLLOWS
44 [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 10. (a) As
45 used in this section, "debt service obligations of a political subdivision"
46 refers to:

47 (1) the principal and interest payable during a calendar year on
48 bonds; and

49 (2) lease rental payments payable during a calendar year on
50 leases;

51 of a political subdivision payable from ad valorem property taxes.

1 (b) Political subdivisions are required by law to fully fund the
 2 payment of their debt obligations in an amount sufficient to pay any
 3 debt service or lease rentals on outstanding obligations, regardless of
 4 any reduction in property tax collections due to the application of tax
 5 credits granted under this chapter. ~~Any reduction in collections must~~
 6 ~~be applied to the other funds of the political subdivision after debt~~
 7 ~~service or lease rentals have been fully funded. If the amount~~
 8 ~~deposited in a fund from which debt service obligations of the~~
 9 ~~political subdivision are paid is reduced as a result of the~~
 10 ~~application of a credit granted under this chapter below the~~
 11 ~~amount needed to meet the debt service obligations of a political~~
 12 ~~subdivision as the obligations come due, the political subdivision~~
 13 ~~may transfer funds from one (1) or more of the other funds of the~~
 14 ~~political subdivision.~~

15 (c) Upon the failure of a political subdivision to pay any of the
 16 political subdivision's debt service obligations during a calendar year
 17 when due, the treasurer of state, upon being notified of the failure by
 18 a claimant, shall pay the unpaid debt service obligations that are due
 19 from money in the possession of the state that would otherwise be
 20 available for distribution to the political subdivision under any other
 21 law, deducting the payment from the amount distributed. A deduction
 22 under this subsection must be made:

23 (1) first from distributions of county adjusted gross income tax
 24 distributions under IC 6-3.5-1.1, county option income tax
 25 distributions under IC 6-3.5-6, or county economic development
 26 income tax distributions under IC 6-3.5-7 that would otherwise be
 27 distributed to the county under the schedule in IC 6-3.5-1.1-10,
 28 IC 6-3.5-1.1-21.1, IC 6-3.5-6-16, IC 6-3.5-6-17.3, IC 6-3.5-7-17,
 29 and IC 6-3.5-7-17.3; and

30 (2) second from any other undistributed funds of the political
 31 subdivision in the possession of the state.

32 (d) This section shall be interpreted liberally so that the state shall
 33 to the extent legally valid ensure that the debt service obligations of
 34 each political subdivision are paid when due. However, this section
 35 does not create a debt of the state.

36 SECTION 44. IC 6-1.1-22.5-8, AS AMENDED BY P.L.89-2010,
 37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 8. (a) Subject to subsection (c), a provisional
 39 statement must:

40 (1) be on a form prescribed by the department of local
 41 government finance;

42 (2) except as provided in emergency rules adopted under section
 43 20 of this chapter and subsection (b):

44 (A) for property taxes first due and payable after 2010 and
 45 billed using a provisional statement under section 6 of this
 46 chapter, indicate:

47 (i) that the first installment of the taxpayer's tax liability is
 48 an amount equal to fifty percent (50%) of the tax liability
 49 that was payable in the same year as the assessment date for
 50 the property for which the provisional statement is issued,
 51 subject to any adjustments to the tax liability authorized by

1 the department of local government finance under
2 subsection (e) and approved by the county treasurer; and
3 (ii) that the second installment is either the amount specified
4 in a reconciling statement or, if a reconciling statement is
5 not sent until after the second installment is due, an amount
6 equal to fifty percent (50%) of the tax liability that was
7 payable in the same year as the assessment date for the
8 property for which the provisional statement is issued,
9 subject to any adjustments to the tax liability authorized by
10 the department of local government finance under
11 subsection (e) and approved by the county treasurer; and
12 (B) for property taxes billed using a provisional statement
13 under section 6.5 of this chapter, except as provided in
14 subsection (d), indicate tax liability in an amount determined
15 by the department of local government finance based on:
16 (i) subject to subsection (c), for the cross-county entity, the
17 property tax rate of the cross-county entity for taxes first due
18 and payable in the immediately preceding calendar year; and
19 (ii) for all other taxing units that make up the taxing district
20 or taxing districts that comprise the cross-county area, the
21 property tax rates of the taxing units for taxes first due and
22 payable in the current calendar year;
23 (3) indicate:
24 (A) that the tax liability under the provisional statement is
25 determined as described in subdivision (2); and
26 (B) that property taxes billed on the provisional statement:
27 (i) are due and payable in the same manner as property taxes
28 billed on a tax statement under IC 6-1.1-22-8.1; and
29 (ii) will be credited against a reconciling statement;
30 (4) for property taxes billed using a provisional statement under
31 section 6 of this chapter, include a statement in the following or
32 a substantially similar form, as determined by the department of
33 local government finance:
34 "Under Indiana law, _____ County (insert county) has sent
35 provisional statements. The statement is due to be paid in
36 installments on _____ (insert date) and _____ (insert
37 date). The first installment is equal to fifty percent (50%) of your
38 tax liability for taxes payable in _____ (insert year), subject to
39 adjustment to the tax liability authorized by the department of
40 local government finance and approved by the county treasurer.
41 The second installment is either the amount specified in a
42 reconciling statement that will be sent to you, or (if a reconciling
43 statement is not sent until after the second installment is due) an
44 amount equal to fifty percent (50%) of your tax liability for taxes
45 payable in _____ (insert year), subject to adjustment to the tax
46 liability authorized by the department of local government finance
47 and approved by the county treasurer. After the abstract of
48 property is complete, you will receive a reconciling statement in
49 the amount of your actual tax liability for taxes payable in _____
50 (insert year) minus the amount you pay under this provisional
51 statement.";

1 (5) for property taxes billed using a provisional statement under
2 section 6.5 of this chapter, include a statement in the following or
3 a substantially similar form, as determined by the department of
4 local government finance:

5 "Under Indiana law, _____ County (insert county) has elected
6 to send provisional statements for the territory of
7 _____ (insert cross-county entity) located in
8 _____ County (insert county) because the property tax rate for
9 _____ (insert cross-county entity) was not available
10 in time to prepare final tax statements. The statement is due to be
11 paid in installments on _____ (insert date) and _____
12 (insert date). The statement is based on the property tax rate of
13 _____ (insert cross-county entity) for taxes first
14 due and payable in _____ (insert immediately preceding calendar
15 year). After the property tax rate of _____ (insert
16 cross-county entity) is determined, you will receive a reconciling
17 statement in the amount of your actual tax liability for taxes
18 payable in _____ (insert year) minus the amount you pay under
19 this provisional statement.";

20 (6) ~~in the case of a reconciling statement only~~; indicate **any**
21 **adjustment to tax liability under subdivision (2) authorized by**
22 **the department of local government finance under subsection**
23 **(e) and approved by the county treasurer for:**

- 24 (A) delinquent:
 - 25 (i) taxes; and
 - 26 (ii) special assessments;
- 27 (B) penalties; and
- 28 (C) interest;

29 ~~is allowed to appear on the tax statement under IC 6-1.1-22-8.1~~
30 ~~for the first installment of property taxes in the year in which the~~
31 ~~provisional tax statement is issued;~~

32 (7) in the case of a reconciling statement only, include:

- 33 (A) a checklist that shows:
 - 34 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 35 another law and all property tax deductions; and
 - 36 (ii) whether each homestead credit and property tax
 - 37 deduction ~~was~~ **were** applied in the current provisional
 - 38 statement;
- 39 (B) an explanation of the procedure and deadline that a
- 40 taxpayer must follow and the forms that must be used if a
- 41 credit or deduction has been granted for the property and the
- 42 taxpayer is no longer eligible for the credit or deduction; and
- 43 (C) an explanation of the tax consequences and applicable
- 44 penalties if a taxpayer unlawfully claims a standard deduction
- 45 under IC 6-1.1-12-37 on:
 - 46 (i) more than one (1) parcel of property; or
 - 47 (ii) property that is not the taxpayer's principal place of
 - 48 residence or is otherwise not eligible for a standard
 - 49 deduction; and

50 (8) include any other information the county treasurer requires.
51 (b) ~~This subsection applies to property taxes first due and payable~~

1 for assessment dates after January 15, 2009. The county may apply a
 2 standard deduction, supplemental standard deduction, or homestead
 3 credit calculated by the county's property system on a provisional bill
 4 for a qualified property. If a provisional bill has been used for property
 5 tax billings for two (2) consecutive years and a property qualifies for
 6 a standard deduction, supplemental standard deduction, or homestead
 7 credit for the second year a provisional bill is used, the county shall
 8 apply the standard deduction, supplemental standard deduction, or
 9 homestead credit calculated by the county's property system on the
 10 provisional bill.

11 (c) For purposes of this section, property taxes that are:

- 12 (1) first due and payable in the current calendar year on a
 13 provisional statement under section 6 or 6.5 of this chapter; and
 14 (2) based on property taxes first due and payable in the
 15 immediately preceding calendar year or on a percentage of those
 16 property taxes;

17 are determined after excluding from the property taxes first due and
 18 payable in the immediately preceding calendar year property taxes
 19 imposed by one (1) or more taxing units in which the tangible property
 20 is located that are attributable to a levy that no longer applies for
 21 property taxes first due and payable in the current calendar year.

22 (d) If there was no property tax rate of the cross-county entity for
 23 taxes first due and payable in the immediately preceding calendar year
 24 for use under subsection (a)(2)(B), the department of local government
 25 finance shall provide an estimated tax rate calculated to approximate
 26 the actual tax rate that will apply when the tax rate is finally
 27 determined.

28 (e) The department of local government finance shall:

29 (1) authorize the types of adjustments to tax liability that a county
 30 treasurer may approve under subsection (a)(2)(A) including:

31 (A) adjustments for any new construction on the property or
 32 any damage to the property; ~~and~~

33 (B) any necessary adjustments for credits, deductions, or local
 34 option income taxes;

35 **(C) adjustments to include current year special**
 36 **assessments or exclude special assessments payable in the**
 37 **year of the assessment date but not payable in the current**
 38 **year;**

39 **(D) adjustments to include delinquent:**

40 **(i) taxes; and**

41 **(ii) special assessments;**

42 **(E) adjustments to include penalties that are due and**
 43 **owing; and**

44 **(F) adjustments to include interest that is due and owing;**
 45 **and**

46 (2) notify county treasurers in writing of the types of adjustments
 47 authorized under subdivision (1).

48 SECTION 45. IC 6-1.1-22.5-9, AS AMENDED BY P.L.89-2010,
 49 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 50 UPON PASSAGE]: Sec. 9. (a) Except as provided in **subsection (e)**
 51 **and** section 12(b) of this chapter, ~~property taxes~~ **tax liability** billed on

1 a provisional statement ~~are~~ **is** due in two (2) equal installments on May
 2 10 and November 10 of the year following the assessment date covered
 3 by the provisional statement.

4 (b) The county treasurer may mail or transmit the provisional
 5 statement one (1) time each year at least fifteen (15) days before the
 6 date on which the first installment is due under subsection (a) in the
 7 manner provided in IC 6-1.1-22-8.1, regardless of whether the notice
 8 required under section 6(b) of this chapter has been published.

9 (c) This subsection applies to a provisional statement issued under
 10 section 6 of this chapter. Except when the second installment of a
 11 provisional statement is replaced by a final reconciling statement
 12 providing for taxes to be due on November 10, the amount of tax
 13 **liability** due for each installment of a provisional statement issued for
 14 a year after 2010 is fifty percent (50%) of the tax that was due for the
 15 immediately preceding year under IC 6-1.1-22 subject to any
 16 adjustments to the tax liability as prescribed by the department of local
 17 government finance. If no bill was issued in the prior year, the
 18 provisional bill shall be based on the amount that would have been due
 19 if a provisional tax statement had been issued for the immediately
 20 preceding year. The department of local government finance may
 21 prescribe standards to implement this subsection, including a method
 22 of calculating the taxes due when an abstract or other information is not
 23 complete.

24 (d) This subsection applies only if a provisional statement for
 25 payment of property taxes, ~~and~~ special assessments, **and any**
 26 **adjustment included in the provisional statement under section 8(e)**
 27 **of this chapter** by electronic mail is transmitted to a person under
 28 IC 6-1.1-22-8.1(h). If a response to the transmission of electronic mail
 29 to a person indicates that the electronic mail was not received, the
 30 county treasurer shall mail to the person a hard copy of the provisional
 31 statement in the manner required by this chapter for persons who do
 32 not opt to receive statements by electronic mail. The due date for the
 33 property taxes, ~~and~~ special assessments, **and any adjustment included**
 34 **in the provisional statement under section 8(e) of this chapter** under
 35 a provisional statement mailed to a person under this subsection is the
 36 due date indicated in the statement transmitted to the person by
 37 electronic mail.

38 **(e) This subsection applies only to property taxes first due and**
 39 **payable in 2011. If a county is more than two (2) years behind in**
 40 **issuing property tax bills, the county treasurer of the county may**
 41 **petition the department in writing to extend the deadline for**
 42 **making the first installment payment on a provisional statement**
 43 **issued under this chapter. Upon receiving a petition under this**
 44 **subsection, the department may extend the payment deadline to a**
 45 **date that is not later than July 1, 2011.**

46 SECTION 46. IC 6-1.1-22.5-12, AS AMENDED BY
 47 P.L.182-2009(ss), SECTION 163, IS AMENDED TO READ AS
 48 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as
 49 provided by subsection (c), each reconciling statement must be on a
 50 form prescribed by the department of local government finance and
 51 must indicate:

- 1 (1) the actual property tax liability under this article for the
 2 calendar year for which the reconciling statement is issued;
 3 (2) the total amount paid under the provisional statement for the
 4 property for which the reconciling statement is issued;
 5 (3) if the amount under subdivision (1) exceeds the amount under
 6 subdivision (2), that the excess is payable by the taxpayer:
 7 (A) as a final reconciliation of the tax liability; and
 8 (B) not later than:
 9 (i) thirty (30) days after the date of the reconciling
 10 statement;
 11 (ii) if the county treasurer requests in writing that the
 12 commissioner designate a later date, the date designated by
 13 the commissioner; or
 14 (iii) the date specified in an ordinance adopted under section
 15 18.5 of this chapter; and
 16 (4) if the amount under subdivision (2) exceeds the amount under
 17 subdivision (1), that the taxpayer may claim a refund of the excess
 18 under IC 6-1.1-26.
- 19 (b) If, upon receipt of the abstract required by IC 6-1.1-22-5 or upon
 20 determination of the tax rate of the cross-county entity referred to in
 21 section 6.5 of this chapter, the county treasurer determines that it is
 22 possible to complete the:
 23 (1) preparation; and
 24 (2) mailing or transmittal;
 25 of the reconciling statement at least thirty (30) days before the due date
 26 of the second installment specified in the provisional statement, the
 27 county treasurer may request in writing that the department of local
 28 government finance permit the county treasurer to issue a reconciling
 29 statement that adjusts the amount of the second installment that was
 30 specified in the provisional statement. If the department approves the
 31 county treasurer's request, the county treasurer shall prepare and mail
 32 or transmit the reconciling statement at least thirty (30) days before the
 33 due date of the second installment specified in the provisional
 34 statement.
- 35 (c) A reconciling statement prepared under subsection (b) must
 36 indicate:
 37 (1) the actual property tax liability under this article for the
 38 calendar year for the property for which the reconciling statement
 39 is issued;
 40 (2) the total amount of the first installment paid under the
 41 provisional statement for the property for which the reconciling
 42 statement is issued;
 43 (3) if the amount under subdivision (1) exceeds the amount under
 44 subdivision (2), the adjusted amount of the second installment
 45 that is payable by the taxpayer:
 46 (A) as a final reconciliation of the tax liability; and
 47 (B) not later than:
 48 (i) November 10; or
 49 (ii) if the county treasurer requests in writing that the
 50 commissioner designate a later date, the date designated by
 51 the commissioner; and

1 (4) if the amount under subdivision (2) exceeds the amount under
 2 subdivision (1), that the taxpayer may claim a refund of the excess
 3 under IC 6-1.1-26.

4 (d) At the election of a county auditor, a checklist required by
 5 IC 6-1.1-22-8.1(b)(8) and a notice required by IC 6-1.1-22-8.1(b)(9)
 6 may be sent to a taxpayer with a reconciling statement under this
 7 section. This subsection expires January 1, 2013.

8 (e) In a county in which an authorizing ordinance is adopted under
 9 IC 6-1.1-22-8.1(h), a person may direct the county treasurer to transmit
 10 a reconciling statement by electronic mail under IC 6-1.1-22-8.1(h).

11 **(f) A reconciling statement may include any adjustment**
 12 **authorized by the department of local government finance under**
 13 **section 8(e) of this chapter and approved by the county treasurer.**

14 SECTION 47. IC 6-1.1-35-9, AS AMENDED BY P.L.182-2009(ss),
 15 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) All information that is
 17 related to earnings, income, profits, losses, or expenditures and that is:

18 (1) given by a person to:

19 (A) an assessing official;

20 (B) an employee of an assessing official; or

21 (C) an officer or employee of an entity that contracts with a
 22 board of county commissioners or a county assessor under
 23 IC 6-1.1-36-12; or

24 (2) acquired by:

25 (A) an assessing official;

26 (B) an employee of an assessing official; or

27 (C) an officer or employee of an entity that contracts with a
 28 board of county commissioners or a county assessor under
 29 IC 6-1.1-36-12;

30 in the performance of the person's duties;

31 is confidential. The assessed valuation of tangible property is a matter
 32 of public record and is thus not confidential. Confidential information
 33 may be disclosed only in a manner that is authorized under subsection
 34 (b), (c), ~~or~~ (d), **or (g).**

35 (b) Confidential information may be disclosed to:

36 (1) an official or employee of:

37 (A) this state or another state;

38 (B) the United States; or

39 (C) an agency or subdivision of this state, another state, or the
 40 United States;

41 if the information is required in the performance of the official
 42 duties of the official or employee;

43 (2) an officer or employee of an entity that contracts with a board
 44 of county commissioners or a county assessor under
 45 IC 6-1.1-36-12 if the information is required in the performance
 46 of the official duties of the officer or employee; or

47 (3) a state educational institution in order to develop data required
 48 under IC 6-1.1-4-42.

49 (c) The following state agencies, or their authorized representatives,
 50 shall have access to the confidential farm property records and
 51 schedules that are on file in the office of a county assessor:

- 1 (1) The Indiana state board of animal health, in order to perform
 2 its duties concerning the discovery and eradication of farm animal
 3 diseases.
- 4 (2) The department of agricultural statistics of Purdue University,
 5 in order to perform its duties concerning the compilation and
 6 dissemination of agricultural statistics.
- 7 (3) Any other state agency that needs the information in order to
 8 perform its duties.
- 9 (d) Confidential information may be disclosed during the course of
 10 a judicial proceeding in which the regularity of an assessment is
 11 questioned.
- 12 (e) Confidential information that is disclosed to a person under
 13 subsection (b) or (c) retains its confidential status. Thus, that person
 14 may disclose the information only in a manner that is authorized under
 15 subsection (b), (c), or (d).
- 16 (f) Notwithstanding any other provision of law:
- 17 (1) a person who:
- 18 (A) is an officer or employee of an entity that contracts with a
 19 board of county commissioners or a county assessor under
 20 IC 6-1.1-36-12; and
- 21 (B) obtains confidential information under this section;
 22 may not disclose that confidential information to any other
 23 person; and
- 24 (2) a person referred to in subdivision (1) must return all
 25 confidential information to the taxpayer not later than fourteen
 26 (14) days after the earlier of:
- 27 (A) the completion of the examination of the taxpayer's
 28 personal property return under IC 6-1.1-36-12; or
- 29 (B) the termination of the contract.
- 30 **(g) Confidential information concerning an oil or gas interest,**
 31 **as described in IC 6-1.1-4-12.4, may be disclosed by an assessing**
 32 **official if the interest has been listed on the delinquent property tax**
 33 **list pursuant to IC 6-1.1-24-1 and is not otherwise removed from**
 34 **the property tax sale under IC 6-1.1-24. A person who establishes**
 35 **that the person may bid on an oil or gas interest in the context of**
 36 **a property tax sale may request from an assessing official all**
 37 **information necessary to properly identify and determine the value**
 38 **of the gas or oil interest that is the subject of the property tax sale.**
 39 **The information that may be disclosed includes the following:**
- 40 (1) **Lease information.**
- 41 (2) **The type of property interest being sold.**
- 42 (3) **The applicable percentage interest and the allocation of**
 43 **the applicable percentage interest among the owners of the oil**
 44 **or gas interest (including the names and addresses of all**
 45 **owners).**
- 46 **The official shall make information covered by this subsection**
 47 **available for inspection and copying in accordance with IC 5-14-3.**
 48 **Confidential information that is disclosed to a person under this**
 49 **subsection loses its confidential status. A person that is denied the**
 50 **right to inspect or copy information covered by this subsection may**
 51 **file a formal complaint with the public access counselor under the**

1 **procedure prescribed by IC 5-14-5. However, a person is not**
 2 **required to file a complaint under IC 5-14-5 before filing an action**
 3 **under IC 5-14-3.**

4 SECTION 48. IC 6-1.1-36-7, AS AMENDED BY P.L.146-2008,
 5 SECTION 288, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The department of local
 7 government finance may cancel any property taxes assessed against
 8 real property owned by a county, a township, a city, or a town, or a
 9 **body corporate and politic established under IC 8-10-5-2(a)** if a
 10 petition requesting that the department cancel the taxes is submitted by
 11 the auditor, assessor, and treasurer of the county in which the real
 12 property is located.

13 (b) The department of local government finance may cancel any
 14 property taxes assessed against real property owned by this state if a
 15 petition requesting that the department cancel the taxes is submitted by:

16 (1) the governor; or

17 (2) the chief administrative officer of the state agency which
 18 supervises the real property.

19 However, if the petition is submitted by the chief administrative officer
 20 of a state agency, the governor must approve the petition.

21 (c) The department of local government finance may compromise
 22 the amount of property taxes, together with any interest or penalties on
 23 those taxes, assessed against the fixed or distributable property owned
 24 by a bankrupt railroad, which is under the jurisdiction of:

25 (1) a federal court under 11 U.S.C. 1163;

26 (2) Chapter X of the Acts of Congress Relating to Bankruptcy (11
 27 U.S.C. 701-799); or

28 (3) a comparable bankruptcy law.

29 (d) After making a compromise under subsection (c) and after
 30 receiving payment of the compromised amount, the department of local
 31 government finance shall distribute to each county treasurer an amount
 32 equal to the product of:

33 (1) the compromised amount; multiplied by

34 (2) a fraction, the numerator of which is the total of the particular
 35 county's property tax levies against the railroad for the
 36 compromised years, and the denominator of which is the total of
 37 all property tax levies against the railroad for the compromised
 38 years.

39 (e) After making the distribution under subsection (d), the
 40 department of local government finance shall direct the auditors of
 41 each county to remove from the tax rolls the amount of all property
 42 taxes assessed against the bankrupt railroad for the compromised years.

43 (f) The county auditor of each county receiving money under
 44 subsection (d) shall allocate that money among the county's taxing
 45 districts. The auditor shall allocate to each taxing district an amount
 46 equal to the product of:

47 (1) the amount of money received by the county under subsection
 48 (d); multiplied by

49 (2) a fraction, the numerator of which is the total of the taxing
 50 district's property tax levies against the railroad for the
 51 compromised years, and the denominator of which is the total of

1 all property tax levies against the railroad in that county for the
2 compromised years.

3 (g) The money allocated to each taxing district shall be apportioned
4 and distributed among the taxing units of that taxing district in the
5 same manner and at the same time that property taxes are apportioned
6 and distributed.

7 (h) The department of local government finance may, with the
8 approval of the attorney general, compromise the amount of property
9 taxes, together with any interest or penalties on those taxes, assessed
10 against property owned by a person that has a case pending under state
11 or federal bankruptcy law. Property taxes that are compromised under
12 this section shall be distributed and allocated at the same time and in
13 the same manner as regularly collected property taxes. The department
14 of local government finance may compromise property taxes under this
15 subsection only if:

16 (1) a petition is filed with the department of local government
17 finance that requests the compromise and is signed and approved
18 by the assessor, auditor, and treasurer of each county and the
19 assessor of each township (if any) that is entitled to receive any
20 part of the compromised taxes;

21 (2) the compromise significantly advances the time of payment of
22 the taxes; and

23 (3) the compromise is in the best interest of the state and the
24 taxing units that are entitled to receive any part of the
25 compromised taxes.

26 (i) A taxing unit that receives funds under this section is not
27 required to include the funds in its budget estimate for any budget year
28 which begins after the budget year in which it receives the funds.

29 (j) A county treasurer, with the consent of the county auditor and the
30 county assessor, may compromise the amount of property taxes,
31 interest, or penalties owed in a county by an entity that has a case
32 pending under Title 11 of the United States Code (Bankruptcy Code)
33 by accepting a single payment that must be at least seventy-five percent
34 (75%) of the total amount owed in the county.

35 SECTION 49. IC 6-1.5-4-1 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) The Indiana
37 board shall conduct an impartial review of all appeals concerning:

38 (1) the assessed valuation of tangible property;

39 (2) property tax deductions; **or**

40 (3) property tax exemptions; **or**

41 **(4) property tax credits;**

42 that are made from a determination by an assessing official or a county
43 property tax assessment board of appeals to the Indiana board under
44 any law.

45 (b) Appeals described in this section shall be conducted under
46 IC 6-1.1-15.

47 SECTION 50. IC 6-2.5-5-5.1 IS AMENDED TO READ AS
48 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5.1. (a) As used in this
49 section, "tangible personal property" includes electrical energy, natural
50 or artificial gas, water, steam, and steam heat.

51 (b) Transactions involving tangible personal property are exempt

1 from the state gross retail tax if the person acquiring the property
2 acquires it for direct consumption as a material to be consumed in the
3 direct production of other tangible personal property in the person's
4 business of manufacturing, processing, refining, repairing, mining,
5 agriculture, horticulture, floriculture, or arboriculture. This exemption
6 includes transactions involving acquisitions of tangible personal
7 property used in commercial printing.

8 **(c) A refund claim based on the exemption provided by this**
9 **section for electrical energy, natural or artificial gas, water, steam,**
10 **and steam heat may not cover transactions that occur more than**
11 **eighteen (18) months before the date of the refund claim.**

12 SECTION 51. IC 6-2.5-8-1, AS AMENDED BY P.L.146-2008,
13 SECTION 316, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. (a) A retail merchant may
15 not make a retail transaction in Indiana, unless the retail merchant has
16 applied for a registered retail merchant's certificate.

17 (b) A retail merchant may obtain a registered retail merchant's
18 certificate by filing an application with the department and paying a
19 registration fee of twenty-five dollars (\$25) for each place of business
20 listed on the application. The retail merchant shall also provide such
21 security for payment of the tax as the department may require under
22 IC 6-2.5-6-12.

23 (c) The retail merchant shall list on the application the location
24 (including the township) of each place of business where the retail
25 merchant makes retail transactions. However, if the retail merchant
26 does not have a fixed place of business, the retail merchant shall list the
27 retail merchant's residence as the retail merchant's place of business. In
28 addition, a public utility may list only its principal Indiana office as its
29 place of business for sales of public utility commodities or service, but
30 the utility must also list on the application the places of business where
31 it makes retail transactions other than sales of public utility
32 commodities or service.

33 (d) Upon receiving a proper application, the correct fee, and the
34 security for payment, if required, the department shall issue to the retail
35 merchant a separate registered retail merchant's certificate for each
36 place of business listed on the application. Each certificate shall bear
37 a serial number and the location of the place of business for which it is
38 issued.

39 (e) If a retail merchant intends to make retail transactions during a
40 calendar year at a new Indiana place of business, the retail merchant
41 must file a supplemental application and pay the fee for that place of
42 business.

43 (f) A registered retail merchant's certificate is valid for two (2) years
44 after the date the registered retail merchant's certificate is originally
45 issued or renewed. If the retail merchant has filed all returns and
46 remitted all taxes the retail merchant is currently obligated to file or
47 remit, the department shall renew the registered retail merchant's
48 certificate within thirty (30) days after the expiration date, at no cost to
49 the retail merchant.

50 (g) The department may not renew a registered retail merchant
51 certificate of a retail merchant who is delinquent in remitting

1 **withholding taxes required to be remitted under IC 6-3-4** or sales
 2 or use tax. The department, at least sixty (60) days before the date on
 3 which a retail merchant's registered retail merchant's certificate expires,
 4 shall notify a retail merchant who is delinquent in remitting
 5 **withholding taxes required to be remitted under IC 6-3-4** or sales
 6 or use tax that the department will not renew the retail merchant's
 7 registered retail merchant's certificate.

8 (h) A retail merchant engaged in business in Indiana as defined in
 9 IC 6-2.5-3-1(c) who makes retail transactions that are only subject to
 10 the use tax must obtain a registered retail merchant's certificate before
 11 making those transactions. The retail merchant may obtain the
 12 certificate by following the same procedure as a retail merchant under
 13 subsections (b) and (c), except that the retail merchant must also
 14 include on the application:

- 15 (1) the names and addresses of the retail merchant's principal
- 16 employees, agents, or representatives who engage in Indiana in
- 17 the solicitation or negotiation of the retail transactions;
- 18 (2) the location of all of the retail merchant's places of business in
- 19 Indiana, including offices and distribution houses; and
- 20 (3) any other information that the department requests.

21 (i) The department may permit an out-of-state retail merchant to
 22 collect the use tax. However, before the out-of-state retail merchant
 23 may collect the tax, the out-of-state retail merchant must obtain a
 24 registered retail merchant's certificate in the manner provided by this
 25 section. Upon receiving the certificate, the out-of-state retail merchant
 26 becomes subject to the same conditions and duties as an Indiana retail
 27 merchant and must then collect the use tax due on all sales of tangible
 28 personal property that the out-of-state retail merchant knows is
 29 intended for use in Indiana.

30 (j) Except as provided in subsection (k), the department shall submit
 31 to the township assessor, or the county assessor if there is no township
 32 assessor for the township, before July 15 of each year:

- 33 (1) the name of each retail merchant that has newly obtained a
- 34 registered retail merchant's certificate between March 2 of the
- 35 preceding year and March 1 of the current year for a place of
- 36 business located in the township or county; and
- 37 (2) the address of each place of business of the taxpayer in the
- 38 township or county.

39 (k) If the duties of the township assessor have been transferred to
 40 the county assessor as described in IC 6-1.1-1-24, the department shall
 41 submit the information listed in subsection (j) to the county assessor.

42 SECTION 52. IC 6-2.5-8-7, AS AMENDED BY P.L.227-2007,
 43 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JANUARY 1, 2012]: Sec. 7. (a) The department may, for good cause,
 45 revoke a certificate issued under section 1, 3, or 4 of this chapter.
 46 However, the department must give the certificate holder at least five
 47 (5) days notice before it revokes the certificate under this subsection.

48 (b) The department shall revoke a certificate issued under section
 49 1, 3, or 4 of this chapter if, for a period of three (3) years, the certificate
 50 holder fails to:

- 51 (1) file the returns required by IC 6-2.5-6-1; or

1 (2) report the collection of any state gross retail or use tax on the
2 returns filed under IC 6-2.5-6-1.

3 However, the department must give the certificate holder at least five
4 (5) days notice before it revokes the certificate.

5 (c) The department may, for good cause, revoke a certificate issued
6 under section 1 of this chapter after at least five (5) days notice to the
7 certificate holder if:

8 (1) the certificate holder is subject to an innkeeper's tax under
9 IC 6-9; and

10 (2) a board, bureau, or commission established under IC 6-9 files
11 a written statement with the department.

12 (d) The statement filed under subsection (c) must state that:

13 (1) information obtained by the board, bureau, or commission
14 under IC 6-8.1-7-1 indicates that the certificate holder has not
15 complied with IC 6-9; and

16 (2) the board, bureau, or commission has determined that
17 significant harm will result to the county from the certificate
18 holder's failure to comply with IC 6-9.

19 (e) The department shall revoke or suspend a certificate issued
20 under section 1 of this chapter after at least five (5) days notice to the
21 certificate holder if:

22 (1) the certificate holder owes taxes, penalties, fines, interest, or
23 costs due under IC 6-1.1 that remain unpaid at least sixty (60)
24 days after the due date under IC 6-1.1; and

25 (2) the treasurer of the county to which the taxes are due requests
26 the department to revoke or suspend the certificate.

27 (f) The department shall reinstate a certificate suspended under
28 subsection (e) if the taxes and any penalties due under IC 6-1.1 are paid
29 or the county treasurer requests the department to reinstate the
30 certificate because an agreement for the payment of taxes and any
31 penalties due under IC 6-1.1 has been reached to the satisfaction of the
32 county treasurer.

33 (g) The department shall revoke a certificate issued under section
34 1 of this chapter after at least five (5) days notice to the certificate
35 holder if the department finds in a public hearing by a preponderance
36 of the evidence that the certificate holder has violated IC 35-45-5-3,
37 IC 35-45-5-3.5, or IC 35-45-5-4.

38 **(h) If a person makes a payment for the certificate under section**
39 **1 or 3 of this chapter with a check, credit card, debit card, or**
40 **electronic funds transfer, and the department is unable to obtain**
41 **payment of the check, credit card, debit card, or electronic funds**
42 **transfer for its full face amount when the check, credit card, debit**
43 **card, or electronic funds transfer is presented for payment through**
44 **normal banking channels, the department shall notify the person**
45 **by mail that the check, credit card, debit card, or electronic funds**
46 **transfer was not honored and that the person has five (5) days after**
47 **the notice is mailed to pay the fee in cash, by certified check, or**
48 **other guaranteed payment. If the person fails to make the payment**
49 **within the five (5) day period, the department shall revoke the**
50 **certificate.**

51 SECTION 53. IC 6-3-1-3.5, AS AMENDED BY HEA 1001-2011,

1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
2 1, 2012]: Sec. 3.5. When used in this article, the term "adjusted gross
3 income" shall mean the following:

4 (a) In the case of all individuals, "adjusted gross income" (as
5 defined in Section 62 of the Internal Revenue Code), modified as
6 follows:

7 (1) Subtract income that is exempt from taxation under this article
8 by the Constitution and statutes of the United States.

9 (2) Add an amount equal to any deduction or deductions allowed
10 or allowable pursuant to Section 62 of the Internal Revenue Code
11 for taxes based on or measured by income and levied at the state
12 level by any state of the United States.

13 (3) Subtract one thousand dollars (\$1,000), or in the case of a
14 joint return filed by a husband and wife, subtract for each spouse
15 one thousand dollars (\$1,000).

16 (4) Subtract one thousand dollars (\$1,000) for:

17 (A) each of the exemptions provided by Section 151(c) of the
18 Internal Revenue Code;

19 (B) each additional amount allowable under Section 63(f) of
20 the Internal Revenue Code; and

21 (C) the spouse of the taxpayer if a separate return is made by
22 the taxpayer and if the spouse, for the calendar year in which
23 the taxable year of the taxpayer begins, has no gross income
24 and is not the dependent of another taxpayer.

25 (5) Subtract:

26 (A) ~~for taxable years beginning after December 31, 2004~~, one
27 thousand five hundred dollars (\$1,500) for each of the
28 exemptions allowed under Section 151(c)(1)(B) of the Internal
29 Revenue Code (as effective January 1, 2004); and

30 (B) five hundred dollars (\$500) for each additional amount
31 allowable under Section 63(f)(1) of the Internal Revenue Code
32 if the adjusted gross income of the taxpayer, or the taxpayer
33 and the taxpayer's spouse in the case of a joint return, is less
34 than forty thousand dollars (\$40,000).

35 This amount is in addition to the amount subtracted under
36 subdivision (4).

37 (6) Subtract an amount equal to the lesser of:

38 (A) that part of the individual's adjusted gross income (as
39 defined in Section 62 of the Internal Revenue Code) for that
40 taxable year that is subject to a tax that is imposed by a
41 political subdivision of another state and that is imposed on or
42 measured by income; or

43 (B) two thousand dollars (\$2,000).

44 (7) Add an amount equal to the total capital gain portion of a
45 lump sum distribution (as defined in Section 402(e)(4)(D) of the
46 Internal Revenue Code) if the lump sum distribution is received
47 by the individual during the taxable year and if the capital gain
48 portion of the distribution is taxed in the manner provided in
49 Section 402 of the Internal Revenue Code.

50 (8) Subtract any amounts included in federal adjusted gross
51 income under Section 111 of the Internal Revenue Code as a

- 1 recovery of items previously deducted as an itemized deduction
 2 from adjusted gross income.
- 3 (9) Subtract any amounts included in federal adjusted gross
 4 income under the Internal Revenue Code which amounts were
 5 received by the individual as supplemental railroad retirement
 6 annuities under 45 U.S.C. 231 and which are not deductible under
 7 subdivision (1).
- 8 ~~(10) Add an amount equal to the deduction allowed under Section~~
 9 ~~221 of the Internal Revenue Code for married couples filing joint~~
 10 ~~returns if the taxable year began before January 1, 1987.~~
- 11 ~~(11) Add an amount equal to the interest excluded from federal~~
 12 ~~gross income by the individual for the taxable year under Section~~
 13 ~~128 of the Internal Revenue Code if the taxable year began before~~
 14 ~~January 1, 1985.~~
- 15 ~~(12)~~ (10) Subtract an amount equal to the amount of federal
 16 Social Security and Railroad Retirement benefits included in a
 17 taxpayer's federal gross income by Section 86 of the Internal
 18 Revenue Code.
- 19 ~~(13)~~ (11) In the case of a nonresident taxpayer or a resident
 20 taxpayer residing in Indiana for a period of less than the taxpayer's
 21 entire taxable year, the total amount of the deductions allowed
 22 pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to
 23 an amount which bears the same ratio to the total as the taxpayer's
 24 income taxable in Indiana bears to the taxpayer's total income.
- 25 ~~(14)~~ (12) In the case of an individual who is a recipient of
 26 assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or
 27 IC 12-15-7, subtract an amount equal to that portion of the
 28 individual's adjusted gross income with respect to which the
 29 individual is not allowed under federal law to retain an amount to
 30 pay state and local income taxes.
- 31 ~~(15)~~ (13) In the case of an eligible individual, subtract the amount
 32 of a Holocaust victim's settlement payment included in the
 33 individual's federal adjusted gross income.
- 34 ~~(16)~~ For taxable years beginning after December 31, 1999; (14)
 35 Subtract an amount equal to the portion of any premiums paid
 36 during the taxable year by the taxpayer for a qualified long term
 37 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
 38 taxpayer's spouse, or both.
- 39 ~~(17)~~ (15) Subtract an amount equal to the lesser of:
 40 (A) for a taxable year:
 41 (i) including any part of 2004, the amount determined under
 42 subsection (f); and
 43 (ii) beginning after December 31, 2004, two thousand five
 44 hundred dollars (\$2,500); or
 45 (B) the amount of property taxes that are paid during the
 46 taxable year in Indiana by the individual on the individual's
 47 principal place of residence.
- 48 ~~(18)~~ (16) Subtract an amount equal to the amount of a September
 49 11 terrorist attack settlement payment included in the individual's
 50 federal adjusted gross income.
- 51 ~~(19)~~ (17) Add or subtract the amount necessary to make the

- 1 adjusted gross income of any taxpayer that owns property for
 2 which bonus depreciation was allowed in the current taxable year
 3 or in an earlier taxable year equal to the amount of adjusted gross
 4 income that would have been computed had an election not been
 5 made under Section 168(k) of the Internal Revenue Code to apply
 6 bonus depreciation to the property in the year that it was placed
 7 in service.
- 8 ~~(20)~~ **(18)** Add an amount equal to any deduction allowed under
 9 Section 172 of the Internal Revenue Code.
- 10 ~~(21)~~ **(19)** Add or subtract the amount necessary to make the
 11 adjusted gross income of any taxpayer that placed Section 179
 12 property (as defined in Section 179 of the Internal Revenue Code)
 13 in service in the current taxable year or in an earlier taxable year
 14 equal to the amount of adjusted gross income that would have
 15 been computed had an election for federal income tax purposes
 16 not been made for the year in which the property was placed in
 17 service to take deductions under Section 179 of the Internal
 18 Revenue Code in a total amount exceeding twenty-five thousand
 19 dollars (\$25,000).
- 20 ~~(22)~~ **(20)** Add an amount equal to the amount that a taxpayer
 21 claimed as a deduction for domestic production activities for the
 22 taxable year under Section 199 of the Internal Revenue Code for
 23 federal income tax purposes.
- 24 ~~(23)~~ **(21)** Subtract an amount equal to the amount of the taxpayer's
 25 qualified military income that was not excluded from the
 26 taxpayer's gross income for federal income tax purposes under
 27 Section 112 of the Internal Revenue Code.
- 28 ~~(24)~~ **(22)** Subtract income that is:
- 29 (A) exempt from taxation under IC 6-3-2-21.7; and
 30 (B) included in the individual's federal adjusted gross income
 31 under the Internal Revenue Code.
- 32 ~~(25)~~ **(23)** Subtract any amount of a credit (including an advance
 33 refund of the credit) that is provided to an individual under 26
 34 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and
 35 included in the individual's federal adjusted gross income.
- 36 ~~(26)~~ **(24)** Add any amount of unemployment compensation
 37 excluded from federal gross income, as defined in Section 61 of
 38 the Internal Revenue Code, under Section 85(c) of the Internal
 39 Revenue Code.
- 40 ~~(27)~~ **(25)** Add the amount excluded from gross income under
 41 Section 108(a)(1)(e) of the Internal Revenue Code for the
 42 discharge of debt on a qualified principal residence.
- 43 ~~(28)~~ **(26)** Add an amount equal to any income not included in
 44 gross income as a result of the deferral of income arising from
 45 business indebtedness discharged in connection with the
 46 reacquisition after December 31, 2008, and before January 1,
 47 2011, of an applicable debt instrument, as provided in Section
 48 108(i) of the Internal Revenue Code. Subtract the amount
 49 necessary from the adjusted gross income of any taxpayer that
 50 added an amount to adjusted gross income in a previous year to
 51 offset the amount included in federal gross income as a result of

1 the deferral of income arising from business indebtedness
 2 discharged in connection with the reacquisition after December
 3 31, 2008, and before January 1, 2011, of an applicable debt
 4 instrument, as provided in Section 108(i) of the Internal Revenue
 5 Code.

6 ~~(29)~~ **(27)** Add the amount necessary to make the adjusted gross
 7 income of any taxpayer that placed qualified restaurant property
 8 in service during the taxable year and that was classified as
 9 15-year property under Section 168(e)(3)(E)(v) of the Internal
 10 Revenue Code equal to the amount of adjusted gross income that
 11 would have been computed had the classification not applied to
 12 the property in the year that it was placed in service.

13 ~~(30)~~ **(28)** Add the amount necessary to make the adjusted gross
 14 income of any taxpayer that placed qualified retail improvement
 15 property in service during the taxable year and that was classified
 16 as 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 17 Revenue Code equal to the amount of adjusted gross income that
 18 would have been computed had the classification not applied to
 19 the property in the year that it was placed in service.

20 ~~(31)~~ **(29)** Add or subtract the amount necessary to make the
 21 adjusted gross income of any taxpayer that claimed the special
 22 allowance for qualified disaster assistance property under Section
 23 168(n) of the Internal Revenue Code equal to the amount of
 24 adjusted gross income that would have been computed had the
 25 special allowance not been claimed for the property.

26 ~~(32)~~ **(30)** Add or subtract the amount necessary to make the
 27 adjusted gross income of any taxpayer that made an election
 28 under Section 179C of the Internal Revenue Code to expense
 29 costs for qualified refinery property equal to the amount of
 30 adjusted gross income that would have been computed had an
 31 election for federal income tax purposes not been made for the
 32 year.

33 ~~(33)~~ **(31)** Add or subtract the amount necessary to make the
 34 adjusted gross income of any taxpayer that made an election
 35 under Section 181 of the Internal Revenue Code to expense costs
 36 for a qualified film or television production equal to the amount
 37 of adjusted gross income that would have been computed had an
 38 election for federal income tax purposes not been made for the
 39 year.

40 ~~(34)~~ **(32)** Add or subtract the amount necessary to make the
 41 adjusted gross income of any taxpayer that treated a loss from the
 42 sale or exchange of preferred stock in:

43 (A) the Federal National Mortgage Association, established
 44 under the Federal National Mortgage Association Charter Act
 45 (12 U.S.C. 1716 et seq.); or

46 (B) the Federal Home Loan Mortgage Corporation, established
 47 under the Federal Home Loan Mortgage Corporation Act (12
 48 U.S.C. 1451 et seq.);

49 as an ordinary loss under Section 301 of the Emergency
 50 Economic Stabilization Act of 2008 in the current taxable year or
 51 in an earlier taxable year equal to the amount of adjusted gross

- 1 income that would have been computed had the loss not been
2 treated as an ordinary loss.
- 3 **(33) Add the amount excluded from federal gross income**
4 **under Section 103 of the Internal Revenue Code for interest**
5 **received on an obligation of a state other than Indiana, or a**
6 **political subdivision of such a state, that is acquired by the**
7 **taxpayer after December 31, 2011.**
- 8 ~~(35)~~ **(34)** Add the amount deducted from gross income under
9 Section 198 of the Internal Revenue Code for the expensing of
10 environmental remediation costs.
- 11 ~~(36)~~ **(35)** Add the amount excluded from gross income under
12 Section 408(d)(8) of the Internal Revenue Code for a charitable
13 distribution from an individual retirement plan.
- 14 ~~(37)~~ **(36)** Add the amount deducted from gross income under
15 Section 222 of the Internal Revenue Code for qualified tuition and
16 related expenses.
- 17 ~~(38)~~ **(37)** Add the amount deducted from gross income under
18 Section 62(2)(D) of the Internal Revenue Code for certain
19 expenses of elementary and secondary school teachers.
- 20 ~~(39)~~ **(38)** Add the amount excluded from gross income under
21 Section 127 of the Internal Revenue Code as annual employer
22 provided education expenses.
- 23 ~~(40)~~ **(39)** Add the amount deducted from gross income under
24 Section 179E of the Internal Revenue Code for any qualified
25 advanced mine safety equipment property.
- 26 ~~(41)~~ **(40)** Add the monthly amount excluded from gross income
27 under Section 132(f)(1)(A) and 132(f)(1)(B) that exceeds one
28 hundred dollars (\$100) a month for a qualified transportation
29 fringe.
- 30 ~~(42)~~ **(41)** Add the amount deducted from gross income under
31 Section 221 of the Internal Revenue Code that exceeds the
32 amount the taxpayer could deduct under Section 221 of the
33 Internal Revenue Code before it was amended by the Tax Relief,
34 Unemployment Insurance Reauthorization, and Job Creation Act
35 of 2010 (P.L. 111-312).
- 36 ~~(43)~~ **(42)** Add the amount necessary to make the adjusted gross
37 income of any taxpayer that placed any qualified leasehold
38 improvement property in service during the taxable year and that
39 was classified as 15-year property under Section 168(e)(3)(E)(iv)
40 of the Internal Revenue Code equal to the amount of adjusted
41 gross income that would have been computed had the
42 classification not applied to the property in the year that it was
43 placed into service.
- 44 ~~(44)~~ **(43)** Add the amount necessary to make the adjusted gross
45 income of any taxpayer that placed a motorsports entertainment
46 complex in service during the taxable year and that was classified
47 as 7-year property under Section 168(e)(3)(C)(ii) of the Internal
48 Revenue Code equal to the amount of adjusted gross income that
49 would have been computed had the classification not applied to
50 the property in the year that it was placed into service.
- 51 ~~(45)~~ **(44)** Add the amount deducted under Section 195 of the

1 Internal Revenue Code for start-up expenditures that exceeds the
2 amount the taxpayer could deduct under Section 195 of the
3 Internal Revenue Code before it was amended by the Small
4 Business Jobs Act of 2010 (P.L. 111-240).

5 ~~(46)~~ (45) Add the amount necessary to make the adjusted gross
6 income of any taxpayer for which tax was not imposed on the net
7 recognized built-in gain of an S corporation under Section
8 1374(d)(7) of the Internal Revenue Code as amended by the
9 Small Business Jobs Act of 2010 (P.L. 111-240) equal to the
10 amount of adjusted gross income that would have been computed
11 before Section 1374(d)(7) of the Internal Revenue Code as
12 amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

13 (b) In the case of corporations, the same as "taxable income" (as
14 defined in Section 63 of the Internal Revenue Code) adjusted as
15 follows:

16 (1) Subtract income that is exempt from taxation under this article
17 by the Constitution and statutes of the United States.

18 (2) Add an amount equal to any deduction or deductions allowed
19 or allowable pursuant to Section 170 of the Internal Revenue
20 Code.

21 (3) Add an amount equal to any deduction or deductions allowed
22 or allowable pursuant to Section 63 of the Internal Revenue Code
23 for taxes based on or measured by income and levied at the state
24 level by any state of the United States.

25 (4) Subtract an amount equal to the amount included in the
26 corporation's taxable income under Section 78 of the Internal
27 Revenue Code.

28 (5) Add or subtract the amount necessary to make the adjusted
29 gross income of any taxpayer that owns property for which bonus
30 depreciation was allowed in the current taxable year or in an
31 earlier taxable year equal to the amount of adjusted gross income
32 that would have been computed had an election not been made
33 under Section 168(k) of the Internal Revenue Code to apply bonus
34 depreciation to the property in the year that it was placed in
35 service.

36 (6) Add an amount equal to any deduction allowed under Section
37 172 of the Internal Revenue Code.

38 (7) Add or subtract the amount necessary to make the adjusted
39 gross income of any taxpayer that placed Section 179 property (as
40 defined in Section 179 of the Internal Revenue Code) in service
41 in the current taxable year or in an earlier taxable year equal to
42 the amount of adjusted gross income that would have been
43 computed had an election for federal income tax purposes not
44 been made for the year in which the property was placed in
45 service to take deductions under Section 179 of the Internal
46 Revenue Code in a total amount exceeding twenty-five thousand
47 dollars (\$25,000).

48 (8) Add an amount equal to the amount that a taxpayer claimed as
49 a deduction for domestic production activities for the taxable year
50 under Section 199 of the Internal Revenue Code for federal
51 income tax purposes.

- 1 (9) Add to the extent required by IC 6-3-2-20 the amount of
2 intangible expenses (as defined in IC 6-3-2-20) and any directly
3 related intangible interest expenses (as defined in IC 6-3-2-20) for
4 the taxable year that reduced the corporation's taxable income (as
5 defined in Section 63 of the Internal Revenue Code) for federal
6 income tax purposes.
- 7 (10) Add an amount equal to any deduction for dividends paid (as
8 defined in Section 561 of the Internal Revenue Code) to
9 shareholders of a captive real estate investment trust (as defined
10 in section 34.5 of this chapter).
- 11 (11) Subtract income that is:
- 12 (A) exempt from taxation under IC 6-3-2-21.7; and
- 13 (B) included in the corporation's taxable income under the
14 Internal Revenue Code.
- 15 (12) Add an amount equal to any income not included in gross
16 income as a result of the deferral of income arising from business
17 indebtedness discharged in connection with the reacquisition after
18 December 31, 2008, and before January 1, 2011, of an applicable
19 debt instrument, as provided in Section 108(i) of the Internal
20 Revenue Code. Subtract from the adjusted gross income of any
21 taxpayer that added an amount to adjusted gross income in a
22 previous year the amount necessary to offset the amount included
23 in federal gross income as a result of the deferral of income
24 arising from business indebtedness discharged in connection with
25 the reacquisition after December 31, 2008, and before January 1,
26 2011, of an applicable debt instrument, as provided in Section
27 108(i) of the Internal Revenue Code.
- 28 (13) Add the amount necessary to make the adjusted gross income
29 of any taxpayer that placed qualified restaurant property in service
30 during the taxable year and that was classified as 15-year property
31 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
32 to the amount of adjusted gross income that would have been
33 computed had the classification not applied to the property in the
34 year that it was placed in service.
- 35 (14) Add the amount necessary to make the adjusted gross income
36 of any taxpayer that placed qualified retail improvement property
37 in service during the taxable year and that was classified as
38 15-year property under Section 168(e)(3)(E)(ix) of the Internal
39 Revenue Code equal to the amount of adjusted gross income that
40 would have been computed had the classification not applied to
41 the property in the year that it was placed in service.
- 42 (15) Add or subtract the amount necessary to make the adjusted
43 gross income of any taxpayer that claimed the special allowance
44 for qualified disaster assistance property under Section 168(n) of
45 the Internal Revenue Code equal to the amount of adjusted gross
46 income that would have been computed had the special allowance
47 not been claimed for the property.
- 48 (16) Add or subtract the amount necessary to make the adjusted
49 gross income of any taxpayer that made an election under Section
50 179C of the Internal Revenue Code to expense costs for qualified
51 refinery property equal to the amount of adjusted gross income

- 1 that would have been computed had an election for federal
2 income tax purposes not been made for the year.
- 3 (17) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that made an election under Section
5 181 of the Internal Revenue Code to expense costs for a qualified
6 film or television production equal to the amount of adjusted
7 gross income that would have been computed had an election for
8 federal income tax purposes not been made for the year.
- 9 (18) Add or subtract the amount necessary to make the adjusted
10 gross income of any taxpayer that treated a loss from the sale or
11 exchange of preferred stock in:
- 12 (A) the Federal National Mortgage Association, established
13 under the Federal National Mortgage Association Charter Act
14 (12 U.S.C. 1716 et seq.); or
- 15 (B) the Federal Home Loan Mortgage Corporation, established
16 under the Federal Home Loan Mortgage Corporation Act (12
17 U.S.C. 1451 et seq.);
- 18 as an ordinary loss under Section 301 of the Emergency
19 Economic Stabilization Act of 2008 in the current taxable year or
20 in an earlier taxable year equal to the amount of adjusted gross
21 income that would have been computed had the loss not been
22 treated as an ordinary loss.
- 23 (19) Add the amount deducted from gross income under Section
24 198 of the Internal Revenue Code for the expensing of
25 environmental remediation costs.
- 26 (20) Add the amount deducted from gross income under Section
27 179E of the Internal Revenue Code for any qualified advanced
28 mine safety equipment property.
- 29 (21) Add the amount necessary to make the adjusted gross income
30 of any taxpayer that placed any qualified leasehold improvement
31 property in service during the taxable year and that was classified
32 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
33 Revenue Code equal to the amount of adjusted gross income that
34 would have been computed had the classification not applied to
35 the property in the year that it was placed into service.
- 36 (22) Add the amount necessary to make the adjusted gross income
37 of any taxpayer that placed a motorsports entertainment complex
38 in service during the taxable year and that was classified as 7-year
39 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
40 Code equal to the amount of adjusted gross income that would
41 have been computed had the classification not applied to the
42 property in the year that it was placed into service.
- 43 (23) Add the amount deducted under Section 195 of the Internal
44 Revenue Code for start-up expenditures that exceeds the amount
45 the taxpayer could deduct under Section 195 of the Internal
46 Revenue Code before it was amended by the Small Business Jobs
47 Act of 2010 (P.L. 111-240).
- 48 **(24) Add the amount excluded from federal gross income**
49 **under Section 103 of the Internal Revenue Code for interest**
50 **received on an obligation of a state other than Indiana, or a**
51 **political subdivision of such a state, that is acquired by the**

1 **taxpayer after December 31, 2011.**

2 (c) In the case of life insurance companies (as defined in Section
3 816(a) of the Internal Revenue Code) that are organized under Indiana
4 law, the same as "life insurance company taxable income" (as defined
5 in Section 801 of the Internal Revenue Code), adjusted as follows:

6 (1) Subtract income that is exempt from taxation under this article
7 by the Constitution and statutes of the United States.

8 (2) Add an amount equal to any deduction allowed or allowable
9 under Section 170 of the Internal Revenue Code.

10 (3) Add an amount equal to a deduction allowed or allowable
11 under Section 805 or Section 831(c) of the Internal Revenue Code
12 for taxes based on or measured by income and levied at the state
13 level by any state.

14 (4) Subtract an amount equal to the amount included in the
15 company's taxable income under Section 78 of the Internal
16 Revenue Code.

17 (5) Add or subtract the amount necessary to make the adjusted
18 gross income of any taxpayer that owns property for which bonus
19 depreciation was allowed in the current taxable year or in an
20 earlier taxable year equal to the amount of adjusted gross income
21 that would have been computed had an election not been made
22 under Section 168(k) of the Internal Revenue Code to apply bonus
23 depreciation to the property in the year that it was placed in
24 service.

25 (6) Add an amount equal to any deduction allowed under Section
26 172 or Section 810 of the Internal Revenue Code.

27 (7) Add or subtract the amount necessary to make the adjusted
28 gross income of any taxpayer that placed Section 179 property (as
29 defined in Section 179 of the Internal Revenue Code) in service
30 in the current taxable year or in an earlier taxable year equal to
31 the amount of adjusted gross income that would have been
32 computed had an election for federal income tax purposes not
33 been made for the year in which the property was placed in
34 service to take deductions under Section 179 of the Internal
35 Revenue Code in a total amount exceeding twenty-five thousand
36 dollars (\$25,000).

37 (8) Add an amount equal to the amount that a taxpayer claimed as
38 a deduction for domestic production activities for the taxable year
39 under Section 199 of the Internal Revenue Code for federal
40 income tax purposes.

41 (9) Subtract income that is:

42 (A) exempt from taxation under IC 6-3-2-21.7; and

43 (B) included in the insurance company's taxable income under
44 the Internal Revenue Code.

45 (10) Add an amount equal to any income not included in gross
46 income as a result of the deferral of income arising from business
47 indebtedness discharged in connection with the reacquisition after
48 December 31, 2008, and before January 1, 2011, of an applicable
49 debt instrument, as provided in Section 108(i) of the Internal
50 Revenue Code. Subtract from the adjusted gross income of any
51 taxpayer that added an amount to adjusted gross income in a

- 1 previous year the amount necessary to offset the amount included
2 in federal gross income as a result of the deferral of income
3 arising from business indebtedness discharged in connection with
4 the reacquisition after December 31, 2008, and before January 1,
5 2011, of an applicable debt instrument, as provided in Section
6 108(i) of the Internal Revenue Code.
- 7 (11) Add the amount necessary to make the adjusted gross income
8 of any taxpayer that placed qualified restaurant property in service
9 during the taxable year and that was classified as 15-year property
10 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
11 to the amount of adjusted gross income that would have been
12 computed had the classification not applied to the property in the
13 year that it was placed in service.
- 14 (12) Add the amount necessary to make the adjusted gross income
15 of any taxpayer that placed qualified retail improvement property
16 in service during the taxable year and that was classified as
17 15-year property under Section 168(e)(3)(E)(ix) of the Internal
18 Revenue Code equal to the amount of adjusted gross income that
19 would have been computed had the classification not applied to
20 the property in the year that it was placed in service.
- 21 (13) Add or subtract the amount necessary to make the adjusted
22 gross income of any taxpayer that claimed the special allowance
23 for qualified disaster assistance property under Section 168(n) of
24 the Internal Revenue Code equal to the amount of adjusted gross
25 income that would have been computed had the special allowance
26 not been claimed for the property.
- 27 (14) Add or subtract the amount necessary to make the adjusted
28 gross income of any taxpayer that made an election under Section
29 179C of the Internal Revenue Code to expense costs for qualified
30 refinery property equal to the amount of adjusted gross income
31 that would have been computed had an election for federal
32 income tax purposes not been made for the year.
- 33 (15) Add or subtract the amount necessary to make the adjusted
34 gross income of any taxpayer that made an election under Section
35 181 of the Internal Revenue Code to expense costs for a qualified
36 film or television production equal to the amount of adjusted
37 gross income that would have been computed had an election for
38 federal income tax purposes not been made for the year.
- 39 (16) Add or subtract the amount necessary to make the adjusted
40 gross income of any taxpayer that treated a loss from the sale or
41 exchange of preferred stock in:
- 42 (A) the Federal National Mortgage Association, established
43 under the Federal National Mortgage Association Charter Act
44 (12 U.S.C. 1716 et seq.); or
- 45 (B) the Federal Home Loan Mortgage Corporation, established
46 under the Federal Home Loan Mortgage Corporation Act (12
47 U.S.C. 1451 et seq.);
- 48 as an ordinary loss under Section 301 of the Emergency
49 Economic Stabilization Act of 2008 in the current taxable year or
50 in an earlier taxable year equal to the amount of adjusted gross
51 income that would have been computed had the loss not been

- 1 treated as an ordinary loss.
- 2 (17) Add an amount equal to any exempt insurance income under
- 3 Section 953(e) of the Internal Revenue Code that is active
- 4 financing income under Subpart F of Subtitle A, Chapter 1,
- 5 Subchapter N of the Internal Revenue Code.
- 6 (18) Add the amount necessary to make the adjusted gross income
- 7 of any taxpayer that placed any qualified leasehold improvement
- 8 property in service during the taxable year and that was classified
- 9 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
- 10 Revenue Code equal to the amount of adjusted gross income that
- 11 would have been computed had the classification not applied to
- 12 the property in the year that it was placed into service.
- 13 (19) Add the amount necessary to make the adjusted gross income
- 14 of any taxpayer that placed a motorsports entertainment complex
- 15 in service during the taxable year and that was classified as 7-year
- 16 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
- 17 Code equal to the amount of adjusted gross income that would
- 18 have been computed had the classification not applied to the
- 19 property in the year that it was placed into service.
- 20 (20) Add the amount deducted under Section 195 of the Internal
- 21 Revenue Code for start-up expenditures that exceeds the amount
- 22 the taxpayer could deduct under Section 195 of the Internal
- 23 Revenue Code before it was amended by the Small Business Jobs
- 24 Act of 2010 (P.L. 111-240).
- 25 (21) Add the amount deducted from gross income under Section
- 26 198 of the Internal Revenue Code for the expensing of
- 27 environmental remediation costs.
- 28 (22) Add the amount deducted from gross income under Section
- 29 179E of the Internal Revenue Code for any qualified advanced
- 30 mine safety equipment property.
- 31 **(23) Add the amount excluded from federal gross income**
- 32 **under Section 103 of the Internal Revenue Code for interest**
- 33 **received on an obligation of a state other than Indiana, or a**
- 34 **political subdivision of such a state, that is acquired by the**
- 35 **taxpayer after December 31, 2011.**
- 36 (d) In the case of insurance companies subject to tax under Section
- 37 831 of the Internal Revenue Code and organized under Indiana law, the
- 38 same as "taxable income" (as defined in Section 832 of the Internal
- 39 Revenue Code), adjusted as follows:
- 40 (1) Subtract income that is exempt from taxation under this article
- 41 by the Constitution and statutes of the United States.
- 42 (2) Add an amount equal to any deduction allowed or allowable
- 43 under Section 170 of the Internal Revenue Code.
- 44 (3) Add an amount equal to a deduction allowed or allowable
- 45 under Section 805 or Section 831(c) of the Internal Revenue Code
- 46 for taxes based on or measured by income and levied at the state
- 47 level by any state.
- 48 (4) Subtract an amount equal to the amount included in the
- 49 company's taxable income under Section 78 of the Internal
- 50 Revenue Code.
- 51 (5) Add or subtract the amount necessary to make the adjusted

- 1 gross income of any taxpayer that owns property for which bonus
2 depreciation was allowed in the current taxable year or in an
3 earlier taxable year equal to the amount of adjusted gross income
4 that would have been computed had an election not been made
5 under Section 168(k) of the Internal Revenue Code to apply bonus
6 depreciation to the property in the year that it was placed in
7 service.
- 8 (6) Add an amount equal to any deduction allowed under Section
9 172 of the Internal Revenue Code.
- 10 (7) Add or subtract the amount necessary to make the adjusted
11 gross income of any taxpayer that placed Section 179 property (as
12 defined in Section 179 of the Internal Revenue Code) in service
13 in the current taxable year or in an earlier taxable year equal to
14 the amount of adjusted gross income that would have been
15 computed had an election for federal income tax purposes not
16 been made for the year in which the property was placed in
17 service to take deductions under Section 179 of the Internal
18 Revenue Code in a total amount exceeding twenty-five thousand
19 dollars (\$25,000).
- 20 (8) Add an amount equal to the amount that a taxpayer claimed as
21 a deduction for domestic production activities for the taxable year
22 under Section 199 of the Internal Revenue Code for federal
23 income tax purposes.
- 24 (9) Subtract income that is:
- 25 (A) exempt from taxation under IC 6-3-2-21.7; and
26 (B) included in the insurance company's taxable income under
27 the Internal Revenue Code.
- 28 (10) Add an amount equal to any income not included in gross
29 income as a result of the deferral of income arising from business
30 indebtedness discharged in connection with the reacquisition after
31 December 31, 2008, and before January 1, 2011, of an applicable
32 debt instrument, as provided in Section 108(i) of the Internal
33 Revenue Code. Subtract from the adjusted gross income of any
34 taxpayer that added an amount to adjusted gross income in a
35 previous year the amount necessary to offset the amount included
36 in federal gross income as a result of the deferral of income
37 arising from business indebtedness discharged in connection with
38 the reacquisition after December 31, 2008, and before January 1,
39 2011, of an applicable debt instrument, as provided in Section
40 108(i) of the Internal Revenue Code.
- 41 (11) Add the amount necessary to make the adjusted gross income
42 of any taxpayer that placed qualified restaurant property in service
43 during the taxable year and that was classified as 15-year property
44 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
45 to the amount of adjusted gross income that would have been
46 computed had the classification not applied to the property in the
47 year that it was placed in service.
- 48 (12) Add the amount necessary to make the adjusted gross income
49 of any taxpayer that placed qualified retail improvement property
50 in service during the taxable year and that was classified as
51 15-year property under Section 168(e)(3)(E)(ix) of the Internal

- 1 Revenue Code equal to the amount of adjusted gross income that
2 would have been computed had the classification not applied to
3 the property in the year that it was placed in service.
- 4 (13) Add or subtract the amount necessary to make the adjusted
5 gross income of any taxpayer that claimed the special allowance
6 for qualified disaster assistance property under Section 168(n) of
7 the Internal Revenue Code equal to the amount of adjusted gross
8 income that would have been computed had the special allowance
9 not been claimed for the property.
- 10 (14) Add or subtract the amount necessary to make the adjusted
11 gross income of any taxpayer that made an election under Section
12 179C of the Internal Revenue Code to expense costs for qualified
13 refinery property equal to the amount of adjusted gross income
14 that would have been computed had an election for federal
15 income tax purposes not been made for the year.
- 16 (15) Add or subtract the amount necessary to make the adjusted
17 gross income of any taxpayer that made an election under Section
18 181 of the Internal Revenue Code to expense costs for a qualified
19 film or television production equal to the amount of adjusted
20 gross income that would have been computed had an election for
21 federal income tax purposes not been made for the year.
- 22 (16) Add or subtract the amount necessary to make the adjusted
23 gross income of any taxpayer that treated a loss from the sale or
24 exchange of preferred stock in:
- 25 (A) the Federal National Mortgage Association, established
26 under the Federal National Mortgage Association Charter Act
27 (12 U.S.C. 1716 et seq.); or
- 28 (B) the Federal Home Loan Mortgage Corporation, established
29 under the Federal Home Loan Mortgage Corporation Act (12
30 U.S.C. 1451 et seq.);
- 31 as an ordinary loss under Section 301 of the Emergency
32 Economic Stabilization Act of 2008 in the current taxable year or
33 in an earlier taxable year equal to the amount of adjusted gross
34 income that would have been computed had the loss not been
35 treated as an ordinary loss.
- 36 (17) Add an amount equal to any exempt insurance income under
37 Section 953(e) of the Internal Revenue Code that is active
38 financing income under Subpart F of Subtitle A, Chapter 1,
39 Subchapter N of the Internal Revenue Code.
- 40 (18) Add the amount necessary to make the adjusted gross income
41 of any taxpayer that placed any qualified leasehold improvement
42 property in service during the taxable year and that was classified
43 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
44 Revenue Code equal to the amount of adjusted gross income that
45 would have been computed had the classification not applied to
46 the property in the year that it was placed into service.
- 47 (19) Add the amount necessary to make the adjusted gross income
48 of any taxpayer that placed a motorsports entertainment complex
49 in service during the taxable year and that was classified as 7-year
50 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
51 Code equal to the amount of adjusted gross income that would

- 1 have been computed had the classification not applied to the
 2 property in the year that it was placed into service.
- 3 (20) Add the amount deducted under Section 195 of the Internal
 4 Revenue Code for start-up expenditures that exceeds the amount
 5 the taxpayer could deduct under Section 195 of the Internal
 6 Revenue Code before it was amended by the Small Business Jobs
 7 Act of 2010 (P.L. 111-240).
- 8 (21) Add the amount deducted from gross income under Section
 9 198 of the Internal Revenue Code for the expensing of
 10 environmental remediation costs.
- 11 (22) Add the amount deducted from gross income under Section
 12 179E of the Internal Revenue Code for any qualified advanced
 13 mine safety equipment property.
- 14 **(23) Add the amount excluded from federal gross income**
 15 **under Section 103 of the Internal Revenue Code for interest**
 16 **received on an obligation of a state other than Indiana, or a**
 17 **political subdivision of such a state, that is acquired by the**
 18 **taxpayer after December 31, 2011.**
- 19 (e) In the case of trusts and estates, "taxable income" (as defined for
 20 trusts and estates in Section 641(b) of the Internal Revenue Code)
 21 adjusted as follows:
- 22 (1) Subtract income that is exempt from taxation under this article
 23 by the Constitution and statutes of the United States.
- 24 (2) Subtract an amount equal to the amount of a September 11
 25 terrorist attack settlement payment included in the federal
 26 adjusted gross income of the estate of a victim of the September
 27 11 terrorist attack or a trust to the extent the trust benefits a victim
 28 of the September 11 terrorist attack.
- 29 (3) Add or subtract the amount necessary to make the adjusted
 30 gross income of any taxpayer that owns property for which bonus
 31 depreciation was allowed in the current taxable year or in an
 32 earlier taxable year equal to the amount of adjusted gross income
 33 that would have been computed had an election not been made
 34 under Section 168(k) of the Internal Revenue Code to apply bonus
 35 depreciation to the property in the year that it was placed in
 36 service.
- 37 (4) Add an amount equal to any deduction allowed under Section
 38 172 of the Internal Revenue Code.
- 39 (5) Add or subtract the amount necessary to make the adjusted
 40 gross income of any taxpayer that placed Section 179 property (as
 41 defined in Section 179 of the Internal Revenue Code) in service
 42 in the current taxable year or in an earlier taxable year equal to
 43 the amount of adjusted gross income that would have been
 44 computed had an election for federal income tax purposes not
 45 been made for the year in which the property was placed in
 46 service to take deductions under Section 179 of the Internal
 47 Revenue Code in a total amount exceeding twenty-five thousand
 48 dollars (\$25,000).
- 49 (6) Add an amount equal to the amount that a taxpayer claimed as
 50 a deduction for domestic production activities for the taxable year
 51 under Section 199 of the Internal Revenue Code for federal

- 1 income tax purposes.
- 2 (7) Subtract income that is:
- 3 (A) exempt from taxation under IC 6-3-2-21.7; and
- 4 (B) included in the taxpayer's taxable income under the
- 5 Internal Revenue Code.
- 6 (8) Add an amount equal to any income not included in gross
- 7 income as a result of the deferral of income arising from business
- 8 indebtedness discharged in connection with the reacquisition after
- 9 December 31, 2008, and before January 1, 2011, of an applicable
- 10 debt instrument, as provided in Section 108(i) of the Internal
- 11 Revenue Code. Subtract from the adjusted gross income of any
- 12 taxpayer that added an amount to adjusted gross income in a
- 13 previous year the amount necessary to offset the amount included
- 14 in federal gross income as a result of the deferral of income
- 15 arising from business indebtedness discharged in connection with
- 16 the reacquisition after December 31, 2008, and before January 1,
- 17 2011, of an applicable debt instrument, as provided in Section
- 18 108(i) of the Internal Revenue Code.
- 19 (9) Add the amount necessary to make the adjusted gross income
- 20 of any taxpayer that placed qualified restaurant property in service
- 21 during the taxable year and that was classified as 15-year property
- 22 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 23 to the amount of adjusted gross income that would have been
- 24 computed had the classification not applied to the property in the
- 25 year that it was placed in service.
- 26 (10) Add the amount necessary to make the adjusted gross income
- 27 of any taxpayer that placed qualified retail improvement property
- 28 in service during the taxable year and that was classified as
- 29 15-year property under Section 168(e)(3)(E)(ix) of the Internal
- 30 Revenue Code equal to the amount of adjusted gross income that
- 31 would have been computed had the classification not applied to
- 32 the property in the year that it was placed in service.
- 33 (11) Add or subtract the amount necessary to make the adjusted
- 34 gross income of any taxpayer that claimed the special allowance
- 35 for qualified disaster assistance property under Section 168(n) of
- 36 the Internal Revenue Code equal to the amount of adjusted gross
- 37 income that would have been computed had the special allowance
- 38 not been claimed for the property.
- 39 (12) Add or subtract the amount necessary to make the adjusted
- 40 gross income of any taxpayer that made an election under Section
- 41 179C of the Internal Revenue Code to expense costs for qualified
- 42 refinery property equal to the amount of adjusted gross income
- 43 that would have been computed had an election for federal
- 44 income tax purposes not been made for the year.
- 45 (13) Add or subtract the amount necessary to make the adjusted
- 46 gross income of any taxpayer that made an election under Section
- 47 181 of the Internal Revenue Code to expense costs for a qualified
- 48 film or television production equal to the amount of adjusted
- 49 gross income that would have been computed had an election for
- 50 federal income tax purposes not been made for the year.
- 51 (14) Add or subtract the amount necessary to make the adjusted

1 gross income of any taxpayer that treated a loss from the sale or
2 exchange of preferred stock in:

3 (A) the Federal National Mortgage Association, established
4 under the Federal National Mortgage Association Charter Act
5 (12 U.S.C. 1716 et seq.); or

6 (B) the Federal Home Loan Mortgage Corporation, established
7 under the Federal Home Loan Mortgage Corporation Act (12
8 U.S.C. 1451 et seq.);

9 as an ordinary loss under Section 301 of the Emergency
10 Economic Stabilization Act of 2008 in the current taxable year or
11 in an earlier taxable year equal to the amount of adjusted gross
12 income that would have been computed had the loss not been
13 treated as an ordinary loss.

14 (15) Add the amount excluded from gross income under Section
15 108(a)(1)(e) of the Internal Revenue Code for the discharge of
16 debt on a qualified principal residence.

17 (16) Add the amount necessary to make the adjusted gross income
18 of any taxpayer that placed any qualified leasehold improvement
19 property in service during the taxable year and that was classified
20 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
21 Revenue Code equal to the amount of adjusted gross income that
22 would have been computed had the classification not applied to
23 the property in the year that it was placed into service.

24 (17) Add the amount necessary to make the adjusted gross income
25 of any taxpayer that placed a motorsports entertainment complex
26 in service during the taxable year and that was classified as 7-year
27 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
28 Code equal to the amount of adjusted gross income that would
29 have been computed had the classification not applied to the
30 property in the year that it was placed into service.

31 (18) Add the amount deducted under Section 195 of the Internal
32 Revenue Code for start-up expenditures that exceeds the amount
33 the taxpayer could deduct under Section 195 of the Internal
34 Revenue Code before it was amended by the Small Business Jobs
35 Act of 2010 (P.L. 111-240).

36 (19) Add the amount deducted from gross income under Section
37 198 of the Internal Revenue Code for the expensing of
38 environmental remediation costs.

39 (20) Add the amount deducted from gross income under Section
40 179E of the Internal Revenue Code for any qualified advanced
41 mine safety equipment property.

42 (21) Add the amount necessary to make the adjusted gross income
43 of any taxpayer for which tax was not imposed on the net
44 recognized built-in gain of an S corporation under Section
45 1374(d)(7) of the Internal Revenue Code as amended by the
46 Small Business Jobs Act of 2010 (P.L. 111-240) equal to the
47 amount of adjusted gross income that would have been computed
48 before Section 1374(d)(7) of the Internal Revenue Code as
49 amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

50 **(22) Add the amount excluded from federal gross income**
51 **under Section 103 of the Internal Revenue Code for interest**

1 **received on an obligation of a state other than Indiana, or a**
 2 **political subdivision of such a state, that is acquired by the**
 3 **taxpayer after December 31, 2011.**

4 (f) This subsection applies only to the extent that an individual paid
 5 property taxes in 2004 that were imposed for the March 1, 2002,
 6 assessment date or the January 15, 2003, assessment date. The
 7 maximum amount of the deduction under subsection (a)(17) is equal
 8 to the amount determined under STEP FIVE of the following formula:

9 **STEP ONE:** Determine the amount of property taxes that the
 10 taxpayer paid after December 31, 2003, in the taxable year for
 11 property taxes imposed for the March 1, 2002, assessment date
 12 and the January 15, 2003, assessment date.

13 **STEP TWO:** Determine the amount of property taxes that the
 14 taxpayer paid in the taxable year for the March 1, 2003,
 15 assessment date and the January 15, 2004, assessment date.

16 **STEP THREE:** Determine the result of the STEP ONE amount
 17 divided by the STEP TWO amount.

18 **STEP FOUR:** Multiply the STEP THREE amount by two
 19 thousand five hundred dollars (\$2,500).

20 **STEP FIVE:** Determine the sum of the STEP FOUR amount and
 21 two thousand five hundred dollars (\$2,500).

22 SECTION 54. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) Each taxable year, a tax at the
 24 rate of three and four-tenths percent (3.4%) of adjusted gross income
 25 is imposed upon the adjusted gross income of every resident person,
 26 and on that part of the adjusted gross income derived from sources
 27 within Indiana of every nonresident person.

28 (b) Except as provided in section 1.5 of this chapter, each taxable
 29 year, a tax at the **following** rate of ~~eight and five-tenths percent (8.5%)~~
 30 of adjusted gross income is imposed on that part of the adjusted gross
 31 income derived from sources within Indiana of every corporation:

32 **(1) Before July 1, 2012, eight and five-tenths percent (8.5%).**

33 **(2) After June 30, 2012, and before July 1, 2013, eight percent**
 34 **(8.0%).**

35 **(3) After June 30, 2013, and before July 1, 2014, seven and**
 36 **five-tenths percent (7.5%).**

37 **(4) After June 30, 2014, and before July 1, 2015, seven percent**
 38 **(7.0%).**

39 **(5) After June 30, 2015, six and five-tenths percent (6.5%).**

40 (c) If for any taxable year a taxpayer is subject to different tax
 41 rates under subsection (b), the taxpayer's tax rate for that taxable
 42 year is the rate determined in the last STEP of the following
 43 **STEPS:**

44 **STEP ONE:** Multiply the number of months in the taxpayer's
 45 taxable year that precede the month the rate changed by the
 46 rate in effect before the rate change.

47 **STEP TWO:** Multiply the number of months in the taxpayer's
 48 taxable year that follow the month before the rate changed by
 49 the rate in effect after the rate change.

50 **STEP THREE:** Divide the sum of the amounts determined
 51 under STEPS ONE and TWO by twelve (12).

1 **However, the rate determined under this subsection shall be**
 2 **rounded to the nearest one-hundredth of one percent (0.01%).**

3 SECTION 55. IC 6-3-2-2, AS AMENDED BY P.L.182-2009(ss),
 4 SECTION 191, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 2. (a) With
 6 regard to corporations and nonresident persons, "adjusted gross income
 7 derived from sources within Indiana", for the purposes of this article,
 8 shall mean and include:

9 (1) income from real or tangible personal property located in this
 10 state;

11 (2) income from doing business in this state;

12 (3) income from a trade or profession conducted in this state;

13 (4) compensation for labor or services rendered within this state;
 14 and

15 (5) income from stocks, bonds, notes, bank deposits, patents,
 16 copyrights, secret processes and formulas, good will, trademarks,
 17 trade brands, franchises, and other intangible personal property if
 18 ~~the receipt from the intangible is attributable to Indiana under~~
 19 ~~section 2.2 of this chapter. to the extent that the income is~~
 20 **apportioned to Indiana under this section or if the income is**
 21 **allocated to Indiana or considered to be derived from sources**
 22 **within Indiana under this section.**

23 Income from a pass through entity shall be characterized in a manner
 24 consistent with the income's characterization for federal income tax
 25 purposes and shall be considered Indiana source income as if the
 26 person, corporation, or pass through entity that received the income had
 27 directly engaged in the income producing activity. Income that is
 28 derived from one (1) pass through entity and is considered to pass
 29 through to another pass through entity does not change these
 30 characteristics or attribution provisions. In the case of nonbusiness
 31 income described in subsection (g), only so much of such income as is
 32 allocated to this state under the provisions of subsections (h) through
 33 (k) shall be deemed to be derived from sources within Indiana. In the
 34 case of business income, only so much of such income as is
 35 apportioned to this state under the provision of subsection (b) shall be
 36 deemed to be derived from sources within the state of Indiana. In the
 37 case of compensation of a team member (as defined in section 2.7 of
 38 this chapter), only the portion of income determined to be Indiana
 39 income under section 2.7 of this chapter is considered derived from
 40 sources within Indiana. In the case of a corporation that is a life
 41 insurance company (as defined in Section 816(a) of the Internal
 42 Revenue Code) or an insurance company that is subject to tax under
 43 Section 831 of the Internal Revenue Code, only so much of the income
 44 as is apportioned to Indiana under subsection (r) is considered derived
 45 from sources within Indiana.

46 (b) Except as provided in subsection (l), if business income of a
 47 corporation or a nonresident person is derived from sources within the
 48 state of Indiana and from sources without the state of Indiana, the
 49 business income derived from sources within this state shall be
 50 determined by multiplying the business income derived from sources
 51 both within and without the state of Indiana by the following:

- 1 (1) For all taxable years that begin after December 31, 2006, and
2 before January 1, 2008, a fraction. The:
- 3 (A) numerator of the fraction is the sum of the property factor
4 plus the payroll factor plus the product of the sales factor
5 multiplied by three (3); and
6 (B) denominator of the fraction is five (5).
- 7 (2) For all taxable years that begin after December 31, 2007, and
8 before January 1, 2009, a fraction. The:
- 9 (A) numerator of the fraction is the property factor plus the
10 payroll factor plus the product of the sales factor multiplied by
11 four and sixty-seven hundredths (4.67); and
12 (B) denominator of the fraction is six and sixty-seven
13 hundredths (6.67).
- 14 (3) For all taxable years beginning after December 31, 2008, and
15 before January 1, 2010, a fraction. The:
- 16 (A) numerator of the fraction is the property factor plus the
17 payroll factor plus the product of the sales factor multiplied by
18 eight (8); and
19 (B) denominator of the fraction is ten (10).
- 20 (4) For all taxable years beginning after December 31, 2009, and
21 before January 1, 2011, a fraction. The:
- 22 (A) numerator of the fraction is the property factor plus the
23 payroll factor plus the product of the sales factor multiplied by
24 eighteen (18); and
25 (B) denominator of the fraction is twenty (20).
- 26 (5) For all taxable years beginning after December 31, 2010, the
27 sales factor.
- 28 (c) The property factor is a fraction, the numerator of which is the
29 average value of the taxpayer's real and tangible personal property
30 owned or rented and used in this state during the taxable year and the
31 denominator of which is the average value of all the taxpayer's real and
32 tangible personal property owned or rented and used during the taxable
33 year. However, with respect to a foreign corporation, the denominator
34 does not include the average value of real or tangible personal property
35 owned or rented and used in a place that is outside the United States.
36 Property owned by the taxpayer is valued at its original cost. Property
37 rented by the taxpayer is valued at eight (8) times the net annual rental
38 rate. Net annual rental rate is the annual rental rate paid by the taxpayer
39 less any annual rental rate received by the taxpayer from subrentals.
40 The average of property shall be determined by averaging the values at
41 the beginning and ending of the taxable year, but the department may
42 require the averaging of monthly values during the taxable year if
43 reasonably required to reflect properly the average value of the
44 taxpayer's property.
- 45 (d) The payroll factor is a fraction, the numerator of which is the
46 total amount paid in this state during the taxable year by the taxpayer
47 for compensation, and the denominator of which is the total
48 compensation paid everywhere during the taxable year. However, with
49 respect to a foreign corporation, the denominator does not include
50 compensation paid in a place that is outside the United States.
51 Compensation is paid in this state if:

- 1 (1) the individual's service is performed entirely within the state;
 2 (2) the individual's service is performed both within and without
 3 this state, but the service performed without this state is incidental
 4 to the individual's service within this state; or
 5 (3) some of the service is performed in this state and:
 6 (A) the base of operations or, if there is no base of operations,
 7 the place from which the service is directed or controlled is in
 8 this state; or
 9 (B) the base of operations or the place from which the service
 10 is directed or controlled is not in any state in which some part
 11 of the service is performed, but the individual is a resident of
 12 this state.
- 13 (e) The sales factor is a fraction, the numerator of which is the total
 14 sales of the taxpayer in this state during the taxable year, and the
 15 denominator of which is the total sales of the taxpayer everywhere
 16 during the taxable year. Sales include receipts from intangible property
 17 and receipts from the sale or exchange of intangible property. However,
 18 with respect to a foreign corporation, the denominator does not include
 19 sales made in a place that is outside the United States. Receipts from
 20 intangible personal property are derived from sources within Indiana
 21 if the receipts from the intangible personal property are attributable to
 22 Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point
 23 or other conditions of the sale, sales of tangible personal property are
 24 in this state if:
 25 (1) the property is delivered or shipped to a purchaser that is
 26 within Indiana, other than the United States government; or
 27 (2) the property is shipped from an office, a store, a warehouse, a
 28 factory, or other place of storage in this state and:
 29 (A) the purchaser is the United States government; or
 30 (B) the taxpayer is not taxable in the state of the purchaser.
- 31 Gross receipts derived from commercial printing as described in
 32 IC 6-2.5-1-10 shall be treated as sales of tangible personal property for
 33 purposes of this chapter.
- 34 (f) Sales, other than receipts from intangible property covered by
 35 subsection (e) and sales of tangible personal property, are in this state
 36 if:
 37 (1) the income-producing activity is performed in this state; or
 38 (2) the income-producing activity is performed both within and
 39 without this state and a greater proportion of the
 40 income-producing activity is performed in this state than in any
 41 other state, based on costs of performance.
- 42 (g) Rents and royalties from real or tangible personal property,
 43 capital gains, interest, dividends, or patent or copyright royalties, to the
 44 extent that they constitute nonbusiness income, shall be allocated as
 45 provided in subsections (h) through (k).
- 46 (h)(1) Net rents and royalties from real property located in this state
 47 are allocable to this state.
- 48 (2) Net rents and royalties from tangible personal property are
 49 allocated to this state:
 50 (i) if and to the extent that the property is utilized in this state; or
 51 (ii) in their entirety if the taxpayer's commercial domicile is in this

- 1 state and the taxpayer is not organized under the laws of or
2 taxable in the state in which the property is utilized.
- 3 (3) The extent of utilization of tangible personal property in a state
4 is determined by multiplying the rents and royalties by a fraction, the
5 numerator of which is the number of days of physical location of the
6 property in the state during the rental or royalty period in the taxable
7 year, and the denominator of which is the number of days of physical
8 location of the property everywhere during all rental or royalty periods
9 in the taxable year. If the physical location of the property during the
10 rental or royalty period is unknown or unascertainable by the taxpayer,
11 tangible personal property is utilized in the state in which the property
12 was located at the time the rental or royalty payer obtained possession.
- 13 (i)(1) Capital gains and losses from sales of real property located in
14 this state are allocable to this state.
- 15 (2) Capital gains and losses from sales of tangible personal property
16 are allocable to this state if:
- 17 (i) the property had a situs in this state at the time of the sale; or
18 (ii) the taxpayer's commercial domicile is in this state and the
19 taxpayer is not taxable in the state in which the property had a
20 situs.
- 21 (3) Capital gains and losses from sales of intangible personal
22 property are allocable to this state if the taxpayer's commercial
23 domicile is in this state.
- 24 (j) Interest and dividends are allocable to this state if the taxpayer's
25 commercial domicile is in this state.
- 26 (k)(1) Patent and copyright royalties are allocable to this state:
- 27 (i) if and to the extent that the patent or copyright is utilized by
28 the taxpayer in this state; or
29 (ii) if and to the extent that the patent or copyright is utilized by
30 the taxpayer in a state in which the taxpayer is not taxable and the
31 taxpayer's commercial domicile is in this state.
- 32 (2) A patent is utilized in a state to the extent that it is employed
33 in production, fabrication, manufacturing, or other processing in
34 the state or to the extent that a patented product is produced in the
35 state. If the basis of receipts from patent royalties does not permit
36 allocation to states or if the accounting procedures do not reflect
37 states of utilization, the patent is utilized in the state in which the
38 taxpayer's commercial domicile is located.
- 39 (3) A copyright is utilized in a state to the extent that printing or
40 other publication originates in the state. If the basis of receipts
41 from copyright royalties does not permit allocation to states or if
42 the accounting procedures do not reflect states of utilization, the
43 copyright is utilized in the state in which the taxpayer's
44 commercial domicile is located.
- 45 (l) If the allocation and apportionment provisions of this article do
46 not fairly represent the taxpayer's income derived from sources within
47 the state of Indiana, the taxpayer may petition for or the department
48 may require, in respect to all or any part of the taxpayer's business
49 activity, if reasonable:
- 50 (1) separate accounting;
51 (2) for a taxable year beginning before January 1, 2011, the

- 1 exclusion of any one (1) or more of the factors, except the sales
2 factor;
- 3 (3) the inclusion of one (1) or more additional factors which will
4 fairly represent the taxpayer's income derived from sources within
5 the state of Indiana; or
- 6 (4) the employment of any other method to effectuate an equitable
7 allocation and apportionment of the taxpayer's income.
- 8 (m) In the case of two (2) or more organizations, trades, or
9 businesses owned or controlled directly or indirectly by the same
10 interests, the department shall distribute, apportion, or allocate the
11 income derived from sources within the state of Indiana between and
12 among those organizations, trades, or businesses in order to fairly
13 reflect and report the income derived from sources within the state of
14 Indiana by various taxpayers.
- 15 (n) For purposes of allocation and apportionment of income under
16 this article, a taxpayer is taxable in another state if:
- 17 (1) in that state the taxpayer is subject to a net income tax, a
18 franchise tax measured by net income, a franchise tax for the
19 privilege of doing business, or a corporate stock tax; or
- 20 (2) that state has jurisdiction to subject the taxpayer to a net
21 income tax regardless of whether, in fact, the state does or does
22 not.
- 23 (o) Notwithstanding subsections (l) and (m), the department may
24 not, under any circumstances, require that income, deductions, and
25 credits attributable to a taxpayer and another entity be reported in a
26 combined income tax return for any taxable year, if the other entity is:
- 27 (1) a foreign corporation; or
- 28 (2) a corporation that is classified as a foreign operating
29 corporation for the taxable year by section 2.4 of this chapter.
- 30 (p) Notwithstanding subsections (l) and (m), the department may not
31 require that income, deductions, and credits attributable to a taxpayer
32 and another entity not described in subsection (o)(1) or (o)(2) be
33 reported in a combined income tax return for any taxable year, unless
34 the department is unable to fairly reflect the taxpayer's adjusted gross
35 income for the taxable year through use of other powers granted to the
36 department by subsections (l) and (m).
- 37 (q) Notwithstanding subsections (o) and (p), one (1) or more
38 taxpayers may petition the department under subsection (l) for
39 permission to file a combined income tax return for a taxable year. The
40 petition to file a combined income tax return must be completed and
41 filed with the department not more than thirty (30) days after the end
42 of the taxpayer's taxable year. A taxpayer filing a combined income tax
43 return must petition the department within thirty (30) days after the end
44 of the taxpayer's taxable year to discontinue filing a combined income
45 tax return.
- 46 (r) This subsection applies to a corporation that is a life insurance
47 company (as defined in Section 816(a) of the Internal Revenue Code)
48 or an insurance company that is subject to tax under Section 831 of the
49 Internal Revenue Code. The corporation's adjusted gross income that
50 is derived from sources within Indiana is determined by multiplying the
51 corporation's adjusted gross income by a fraction:

1 (1) the numerator of which is the direct premiums and annuity
2 considerations received during the taxable year for insurance
3 upon property or risks in the state; and

4 (2) the denominator of which is the direct premiums and annuity
5 considerations received during the taxable year for insurance
6 upon property or risks everywhere.

7 The term "direct premiums and annuity considerations" means the
8 gross premiums received from direct business as reported in the
9 corporation's annual statement filed with the department of insurance.

10 SECTION 56. IC 6-3-2-2.5, AS AMENDED BY P.L.113-2010,
11 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JANUARY 1, 2012]: Sec. 2.5. (a) This section applies to a resident
13 person.

14 (b) Resident persons are entitled to a net operating loss deduction.
15 The amount of the deduction taken in a taxable year may not exceed
16 the taxpayer's unused Indiana net operating losses ~~carried back or~~
17 carried over to that year. **A taxpayer is not entitled to carryback any**
18 **net operating losses after December 31, 2011.**

19 (c) An Indiana net operating loss equals the taxpayer's federal net
20 operating loss for a taxable year as calculated under Section 172 of the
21 Internal Revenue Code, adjusted for the modifications required by
22 IC 6-3-1-3.5.

23 (d) The following provisions apply for purposes of subsection (c):

24 (1) The modifications that are to be applied are those
25 modifications required under IC 6-3-1-3.5 for the same taxable
26 year in which each net operating loss was incurred.

27 (2) An Indiana net operating loss includes a net operating loss that
28 arises when the modifications required by IC 6-3-1-3.5 exceed the
29 taxpayer's federal adjusted gross income (as defined in Section 62
30 of the Internal Revenue Code) for the taxable year in which the
31 Indiana net operating loss is determined.

32 (e) Subject to the limitations contained in subsection (g), an Indiana
33 net operating loss ~~carryback or~~ carryover shall be available as a
34 deduction from the taxpayer's adjusted gross income (as defined in
35 IC 6-3-1-3.5) in the ~~carryback or~~ carryover year provided in subsection
36 (f).

37 (f) ~~Carrybacks and~~ Carryovers shall be determined under this
38 subsection as follows:

39 ~~(1) An Indiana net operating loss shall be an Indiana net operating~~
40 ~~loss carryback to each of the carryback years preceding the~~
41 ~~taxable year of the loss.~~

42 ~~(2) (1) An Indiana net operating loss shall be an Indiana net~~
43 ~~operating loss carryover to each of the carryover years following~~
44 ~~the taxable year of the loss.~~

45 ~~(3) Carryback years shall be determined by reference to the~~
46 ~~number of years allowed for carrying back a net operating loss~~
47 ~~under Section 172(b) of the Internal Revenue Code. However,~~
48 ~~with respect to the carryback period for a net operating loss:~~

49 ~~(A) for which a taxpayer made an election to use five (5) years~~
50 ~~instead of two (2) years under Section 172(b)(1)(H) of the~~
51 ~~Internal Revenue Code; two (2) years shall be used instead of~~

1 five (5) years; or
 2 ~~(B)~~ that is a qualified disaster loss for which the taxpayer
 3 elected to have the net operating loss carryback period with
 4 respect to the loss year determined without regard to Section
 5 172(b)(1)(J) of the Internal Revenue Code; five (5) years shall
 6 be used.

7 ~~(4)~~ (2) Carryover years shall be determined by reference to the
 8 number of years allowed for carrying over net operating losses
 9 under Section 172(b) of the Internal Revenue Code.

10 ~~(5)~~ A taxpayer who makes an election under Section 172(b)(3) of
 11 the Internal Revenue Code to relinquish the carryback period with
 12 respect to a net operating loss for any taxable year shall be
 13 considered to have also relinquished the carryback of the Indiana
 14 net operating loss for purposes of this section.

15 (g) The entire amount of the Indiana net operating loss for any
 16 taxable year shall be carried to the earliest of the taxable years to which
 17 (as determined under subsection (f)) the loss may be carried. The
 18 amount of the Indiana net operating loss remaining after the deduction
 19 is taken under this section in a taxable year may be ~~carried back or~~
 20 carried over as provided in subsection (f). The amount of the Indiana
 21 net operating loss ~~carried back or~~ carried over from year to year shall
 22 be reduced to the extent that the Indiana net operating loss ~~carryback~~
 23 or carryover is used by the taxpayer to obtain a deduction in a taxable
 24 year until the occurrence of the earlier of the following:

25 (1) The entire amount of the Indiana net operating loss has been
 26 used as a deduction.

27 (2) The Indiana net operating loss has been carried over to each
 28 of the carryover years provided by subsection (f).

29 SECTION 57. IC 6-3-2-2.6, AS AMENDED BY P.L.113-2010,
 30 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2012]: Sec. 2.6. (a) This section applies to a corporation
 32 or a nonresident person.

33 (b) Corporations and nonresident persons are entitled to a net
 34 operating loss deduction. The amount of the deduction taken in a
 35 taxable year may not exceed the taxpayer's unused Indiana net
 36 operating losses ~~carried back or~~ carried over to that year. **A taxpayer**
 37 **is not entitled to carryback any net operating losses after**
 38 **December 31, 2011.**

39 (c) An Indiana net operating loss equals the taxpayer's federal net
 40 operating loss for a taxable year as calculated under Section 172 of the
 41 Internal Revenue Code, derived from sources within Indiana and
 42 adjusted for the modifications required by IC 6-3-1-3.5.

43 (d) The following provisions apply for purposes of subsection (c):

44 (1) The modifications that are to be applied are those
 45 modifications required under IC 6-3-1-3.5 for the same taxable
 46 year in which each net operating loss was incurred.

47 (2) The amount of the taxpayer's net operating loss that is derived
 48 from sources within Indiana shall be determined in the same
 49 manner that the amount of the taxpayer's adjusted income derived
 50 from sources within Indiana is determined under section 2 of this
 51 chapter for the same taxable year during which each loss was

1 incurred.
 2 (3) An Indiana net operating loss includes a net operating loss that
 3 arises when the modifications required by IC 6-3-1-3.5 exceed the
 4 taxpayer's federal taxable income (as defined in Section 63 of the
 5 Internal Revenue Code), if the taxpayer is a corporation, or when
 6 the modifications required by IC 6-3-1-3.5 exceed the taxpayer's
 7 federal adjusted gross income (as defined by Section 62 of the
 8 Internal Revenue Code), if the taxpayer is a nonresident person,
 9 for the taxable year in which the Indiana net operating loss is
 10 determined.

11 (e) Subject to the limitations contained in subsection (g), an Indiana
 12 net operating loss ~~carryback or~~ carryover shall be available as a
 13 deduction from the taxpayer's adjusted gross income derived from
 14 sources within Indiana (as defined in section 2 of this chapter) in the
 15 ~~carryback or~~ carryover year provided in subsection (f).

16 (f) ~~Carrybacks and~~ Carryovers shall be determined under this
 17 subsection as follows:

18 ~~(1) An Indiana net operating loss shall be an Indiana net operating~~
 19 ~~loss carryback to each of the carryback years preceding the~~
 20 ~~taxable year of the loss.~~

21 ~~(2) (1) An Indiana net operating loss shall be an Indiana net~~
 22 ~~operating loss carryover to each of the carryover years following~~
 23 ~~the taxable year of the loss.~~

24 ~~(3) Carryback years shall be determined by reference to the~~
 25 ~~number of years allowed for carrying back a net operating loss~~
 26 ~~under Section 172(b) of the Internal Revenue Code. However,~~
 27 ~~with respect to the carryback period for a net operating loss:~~

28 ~~(A) for which a taxpayer made an election to use five (5) years~~
 29 ~~instead of two (2) years under Section 172(b)(1)(H) of the~~
 30 ~~Internal Revenue Code; two (2) years shall be used instead of~~
 31 ~~five (5) years; or~~

32 ~~(B) that is a qualified disaster loss for which the taxpayer~~
 33 ~~elected to have the net operating loss carryback period with~~
 34 ~~respect to the loss year determined without regard to Section~~
 35 ~~172(b)(1)(J) of the Internal Revenue Code; five (5) years shall~~
 36 ~~be used.~~

37 ~~(4) (2) Carryover years shall be determined by reference to the~~
 38 ~~number of years allowed for carrying over net operating losses~~
 39 ~~under Section 172(b) of the Internal Revenue Code.~~

40 ~~(5) A taxpayer who makes an election under Section 172(b)(3) of~~
 41 ~~the Internal Revenue Code to relinquish the carryback period with~~
 42 ~~respect to a net operating loss for any taxable year shall be~~
 43 ~~considered to have also relinquished the carryback of the Indiana~~
 44 ~~net operating loss for purposes of this section.~~

45 (g) The entire amount of the Indiana net operating loss for any
 46 taxable year shall be carried to the earliest of the taxable years to which
 47 (as determined under subsection (f)) the loss may be carried. The
 48 amount of the Indiana net operating loss remaining after the deduction
 49 is taken under this section in a taxable year may be ~~carried back or~~
 50 carried over as provided in subsection (f). The amount of the Indiana
 51 net operating loss ~~carried back or~~ carried over from year to year shall

1 be reduced to the extent that the Indiana net operating loss ~~carryback~~
 2 ~~or~~ carryover is used by the taxpayer to obtain a deduction in a taxable
 3 year until the occurrence of the earlier of the following:

4 (1) The entire amount of the Indiana net operating loss has been
 5 used as a deduction.

6 (2) The Indiana net operating loss has been carried over to each
 7 of the carryover years provided by subsection (f).

8 (h) An Indiana net operating loss deduction determined under this
 9 section shall be allowed notwithstanding the fact that in the year the
 10 taxpayer incurred the net operating loss the taxpayer was not subject to
 11 the tax imposed under section 1 of this chapter because the taxpayer
 12 was:

13 (1) a life insurance company (as defined in Section 816(a) of the
 14 Internal Revenue Code); or

15 (2) an insurance company subject to tax under Section 831 of the
 16 Internal Revenue Code.

17 (i) In the case of a life insurance company that claims an operations
 18 loss deduction under Section 810 of the Internal Revenue Code, this
 19 section shall be applied by:

20 (1) substituting the corresponding provisions of Section 810 of the
 21 Internal Revenue Code in place of references to Section 172 of
 22 the Internal Revenue Code; and

23 (2) substituting life insurance company taxable income (as
 24 defined in Section 801 the Internal Revenue Code) in place of
 25 references to taxable income (as defined in Section 63 of the
 26 Internal Revenue Code).

27 (j) ~~For purposes of an amended return filed to carry back an Indiana~~
 28 ~~net operating loss:~~

29 (1) ~~the term "due date of the return", as used in IC 6-8.1-9-1(a)(1),~~
 30 ~~means the due date of the return for the taxable year in which the~~
 31 ~~net operating loss was incurred; and~~

32 (2) ~~the term "date the payment was due", as used in~~
 33 ~~IC 6-8.1-9-2(c), means the due date of the return for the taxable~~
 34 ~~year in which the net operating loss was incurred.~~

35 SECTION 58. IC 6-3-4-3 IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2012]: Sec. 3. Returns required to be
 37 made pursuant to section 1 of this chapter shall be filed with the
 38 department on or before the **later of the following:**

39 (1) **The 15th day of the fourth month following the close of the**
 40 **taxable year.**

41 (2) **For a corporation whose federal tax return is due on or**
 42 **after the date set forth in subdivision (1), as determined**
 43 **without regard to any extensions, weekends, or holidays, the**
 44 **15th day of the month following the due date of the federal tax**
 45 **return.**

46 SECTION 59. IC 6-3-4-6 IS AMENDED TO READ AS FOLLOWS
 47 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 6. (a) Any
 48 taxpayer, upon request by the department, shall furnish to the
 49 department a true and correct copy of any tax return which ~~he~~ **the**
 50 **taxpayer** has filed with the United States Internal Revenue Service
 51 which copy shall be certified to by the taxpayer under penalties of

1 perjury.

2 (b) Each taxpayer shall notify the department of any modification
3 of:

4 (1) a federal income tax return filed by the taxpayer after January
5 1, 1978; or

6 (2) the taxpayer's federal income tax liability for a taxable year
7 which begins after December 31, 1977.

8 The taxpayer shall file the notice on the form prescribed by the
9 department within one hundred twenty (120) days after the
10 modification is made **if the modification was made before January**
11 **1, 2011, and one hundred eighty (180) days after the modification**
12 **is made if the modification is made after December 31, 2010.**

13 (c) If the federal modification results in a change in the taxpayer's
14 federal or Indiana adjusted gross income, the taxpayer shall file an
15 Indiana amended return within one hundred twenty (120) days after the
16 modification is made **if the modification was made before January**
17 **1, 2011, and one hundred eighty (180) days after the modification**
18 **is made if the modification is made after December 31, 2010.**

19 SECTION 60. IC 6-3-4-8, AS AMENDED BY P.L.131-2008,
20 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 8. (a) Except as provided
22 in subsection (d), ~~or (f)~~, every employer making payments of wages
23 subject to tax under this article, regardless of the place where such
24 payment is made, who is required under the provisions of the Internal
25 Revenue Code to withhold, collect, and pay over income tax on wages
26 paid by such employer to such employee, shall, at the time of payment
27 of such wages, deduct and retain therefrom the amount prescribed in
28 withholding instructions issued by the department. The department
29 shall base its withholding instructions on the adjusted gross income tax
30 rate for persons, on the total rates of any income taxes that the taxpayer
31 is subject to under IC 6-3.5, and on the total amount of exclusions the
32 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
33 However, the withholding instructions on the adjusted gross income of
34 a nonresident alien (as defined in Section 7701 of the Internal Revenue
35 Code) are to be based on applying not more than one (1) withholding
36 exclusion, regardless of the total number of exclusions that
37 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
38 on the taxpayer's final return for the taxable year. Such employer
39 making payments of any wages:

40 (1) shall be liable to the state of Indiana for the payment of the tax
41 required to be deducted and withheld under this section and shall
42 not be liable to any individual for the amount deducted from the
43 individual's wages and paid over in compliance or intended
44 compliance with this section; and

45 (2) shall make return of and payment to the department monthly
46 of the amount of tax which under this article and IC 6-3.5 the
47 employer is required to withhold.

48 (b) An employer shall pay taxes withheld under subsection (a)
49 during a particular month to the department no later than thirty (30)
50 days after the end of that month. However, in place of monthly
51 reporting periods, the department may permit an employer to report and

1 pay the tax for:

- 2 (1) a calendar year reporting period, if the average monthly
 3 amount of all tax required to be withheld by the employer in the
 4 previous calendar year does not exceed ten dollars (\$10);
 5 (2) a six (6) month reporting period, if the average monthly
 6 amount of all tax required to be withheld by the employer in the
 7 previous calendar year does not exceed twenty-five dollars (\$25);
 8 or
 9 (3) a three (3) month reporting period, if the average monthly
 10 amount of all tax required to be withheld by the employer in the
 11 previous calendar year does not exceed seventy-five dollars (\$75).

12 An employer using a reporting period (other than a monthly reporting
 13 period) must file the employer's return and pay the tax for a reporting
 14 period no later than the last day of the month immediately following
 15 the close of the reporting period. If an employer files a combined sales
 16 and withholding tax report, the reporting period for the combined
 17 report is the shortest period required under this section, section 8.1 of
 18 this chapter, or IC 6-2.5-6-1.

19 (c) For purposes of determining whether an employee is subject to
 20 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 21 of an employee as to the employee's county of residence as represented
 22 by the statement of address in forms claiming exemptions for purposes
 23 of withholding, regardless of when the employee supplied the forms.
 24 Every employee shall notify the employee's employer within five (5)
 25 days after any change in the employee's county of residence.

26 (d) A county that makes payments of wages subject to tax under this
 27 article:

- 28 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and
 29 (2) for the performance of the duties of the precinct election
 30 officer imposed by IC 3 that are performed on election day;
 31 is not required, at the time of payment of the wages, to deduct and
 32 retain from the wages the amount prescribed in withholding
 33 instructions issued by the department.

34 (e) Every employer shall, at the time of each payment made by the
 35 employer to the department, deliver to the department a return upon the
 36 form prescribed by the department showing:

- 37 (1) the total amount of wages paid to the employer's employees;
 38 (2) the amount deducted therefrom in accordance with the
 39 provisions of the Internal Revenue Code;
 40 (3) the amount of adjusted gross income tax deducted therefrom
 41 in accordance with the provisions of this section;
 42 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
 43 deducted therefrom in accordance with this section; and
 44 (5) any other information the department may require.

45 Every employer making a declaration of withholding as provided in this
 46 section shall furnish the employer's employees annually, but not later
 47 than thirty (30) days after the end of the calendar year, a record of the
 48 total amount of adjusted gross income tax and the amount of each
 49 income tax, if any, imposed under IC 6-3.5, withheld from the
 50 employees, on the forms prescribed by the department.

51 (f) All money deducted and withheld by an employer shall

1 immediately upon such deduction be the money of the state, and every
2 employer who deducts and retains any amount of money under the
3 provisions of this article shall hold the same in trust for the state of
4 Indiana and for payment thereof to the department in the manner and
5 at the times provided in this article. Any employer may be required to
6 post a surety bond in the sum the department determines to be
7 appropriate to protect the state with respect to money withheld pursuant
8 to this section.

9 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
10 delinquency and penalties shall apply to employers subject to the
11 provisions of this section, and for these purposes any amount deducted
12 or required to be deducted and remitted to the department under this
13 section shall be considered to be the tax of the employer, and with
14 respect to such amount the employer shall be considered the taxpayer.
15 In the case of a corporate or partnership employer, every officer,
16 employee, or member of such employer, who, as such officer,
17 employee, or member is under a duty to deduct and remit such taxes
18 shall be personally liable for such taxes, penalties, and interest.

19 (h) Amounts deducted from wages of an employee during any
20 calendar year in accordance with the provisions of this section shall be
21 considered to be in part payment of the tax imposed on such employee
22 for the employee's taxable year which begins in such calendar year, and
23 a return made by the employer under subsection (b) shall be accepted
24 by the department as evidence in favor of the employee of the amount
25 so deducted from the employee's wages. Where the total amount so
26 deducted exceeds the amount of tax on the employee as computed
27 under this article and IC 6-3.5, the department shall, after examining
28 the return or returns filed by the employee in accordance with this
29 article and IC 6-3.5, refund the amount of the excess deduction.
30 However, under rules promulgated by the department, the excess or any
31 part thereof may be applied to any taxes or other claim due from the
32 taxpayer to the state of Indiana or any subdivision thereof. No refund
33 shall be made to an employee who fails to file the employee's return or
34 returns as required under this article and IC 6-3.5 within two (2) years
35 from the due date of the return or returns. In the event that the excess
36 tax deducted is less than one dollar (\$1), no refund shall be made.

37 (i) This section shall in no way relieve any taxpayer from the
38 taxpayer's obligation of filing a return or returns at the time required
39 under this article and IC 6-3.5, and, should the amount withheld under
40 the provisions of this section be insufficient to pay the total tax of such
41 taxpayer, such unpaid tax shall be paid at the time prescribed by
42 section 5 of this chapter.

43 (j) Notwithstanding subsection (b), an employer of a domestic
44 service employee that enters into an agreement with the domestic
45 service employee to withhold federal income tax under Section 3402
46 of the Internal Revenue Code may withhold Indiana income tax on the
47 domestic service employee's wages on the employer's Indiana
48 individual income tax return in the same manner as allowed by Section
49 3510 of the Internal Revenue Code.

50 (k) To the extent allowed by Section 1137 of the Social Security
51 Act, an employer of a domestic service employee may report and remit

1 state unemployment insurance contributions on the employee's wages
2 on the employer's Indiana individual income tax return in the same
3 manner as allowed by Section 3510 of the Internal Revenue Code.

4 (t) The department shall adopt rules under IC 4-22-2 to exempt an
5 employer from the duty to deduct and remit from the wages of an
6 employee adjusted gross income tax withholding that would otherwise
7 be required under this section whenever:

8 (1) an employee has at least one (1) qualifying child, as
9 determined under Section 32 of the Internal Revenue Code;

10 (2) the employee is eligible for an earned income tax credit under
11 IC 6-3.1-21;

12 (3) the employee elects to receive advance payments of the earned
13 income tax credit under IC 6-3.1-21 from money that would
14 otherwise be withheld from the employee's wages for adjusted
15 gross income taxes; and

16 (4) the amount that is not deducted and remitted is distributed to
17 the employee, in accordance with the procedures prescribed by
18 the department, as an advance payment of the earned income tax
19 credit for which the employee is eligible under IC 6-3.1-21.

20 The rules must establish the procedures and reports required to carry
21 out this subsection:

22 (m) (l) A person who knowingly fails to remit trust fund money as
23 set forth in this section commits a Class D felony.

24 SECTION 61. IC 6-3.1-2-8 IS ADDED TO THE INDIANA CODE
25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
26 1, 2011]: **Sec. 8. (a) A tax credit may not be awarded under this
27 chapter after December 31, 2011.**

28 **(b) This chapter expires January 1, 2020.**

29 SECTION 62. IC 6-3.1-14-9 IS ADDED TO THE INDIANA CODE
30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
31 1, 2011]: **Sec. 9. (a) A tax credit may not be awarded under this
32 chapter for the providing, after December 31, 2011, of a temporary
33 residence.**

34 **(b) Any tax credit previously awarded but not claimed may not
35 be carried over to a taxable year beginning during the period
36 January 1, 2012, through December 31, 2013, and must be carried
37 forward to a taxable year that begins after December 31, 2013, and
38 before January 1, 2016.**

39 SECTION 63. IC 6-3.1-14-10 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2011]: **Sec. 10. This chapter expires January
42 1, 2020.**

43 SECTION 64. IC 6-3.1-19-3, AS AMENDED BY P.L.113-2010,
44 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
45 UPON PASSAGE]: **Sec. 3. (a) Except as provided in section 5 or 5.5**
46 **of this chapter, a taxpayer is entitled to a credit against the taxpayer's**
47 **state and local tax liability for a taxable year if the taxpayer makes a**
48 **qualified investment in that year.**

49 **(b) The amount of the credit to which a taxpayer is entitled is the**
50 **qualified investment made by the taxpayer during the taxable year**
51 **multiplied by twenty-five percent (25%).**

1 (c) A taxpayer may assign any part of the credit to which the
2 taxpayer is entitled under this chapter to a lessee of property
3 redeveloped or rehabilitated under section 2 of this chapter. A credit
4 that is assigned under this subsection remains subject to this chapter.

5 (d) An assignment under subsection (c) must be in writing and both
6 the taxpayer and the lessee must report the assignment on their state tax
7 return for the year in which the assignment is made, in the manner
8 prescribed by the department. The taxpayer may not receive value in
9 connection with the assignment under subsection (c) that exceeds the
10 value of the part of the credit assigned.

11 (e) If a pass through entity is entitled to a credit under this chapter
12 but does not have state and local tax liability against which the tax
13 credit may be applied, a shareholder, partner, or member of the pass
14 through entity is entitled to a tax credit equal to:

15 (1) the tax credit determined for the pass through entity for the
16 taxable year; multiplied by

17 (2) the percentage of the pass through entity's distributive income
18 to which the shareholder, partner, or member is entitled.

19 The credit provided under this subsection is in addition to a tax credit
20 to which a shareholder, partner, or member of a pass through entity is
21 otherwise entitled under this chapter. However, a pass through entity
22 and an individual who is a shareholder, partner, or member of the pass
23 through entity may not claim more than one (1) credit for the same
24 investment.

25 (f) A taxpayer that is otherwise entitled to a credit under this chapter
26 for a taxable year may claim the credit regardless of whether any
27 income tax incremental amount or gross retail incremental amount has
28 been:

29 (1) deposited in the incremental tax financing fund established for
30 the community revitalization enhancement district; or

31 (2) allocated to the district.

32 SECTION 65. IC 6-3.1-21-8 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. To obtain a credit
34 under this chapter, ~~or the advance payment of a credit under this~~
35 ~~chapter provided under IC 6-3-4-8~~; a taxpayer must claim the advance
36 payment or credit in the manner prescribed by the department of state
37 revenue. The taxpayer shall submit to the department of state revenue
38 all information that the department of state revenue determines is
39 necessary for the calculation of the credit provided by this chapter.

40 SECTION 66. IC 6-3.1-24-7, AS AMENDED BY P.L.193-2005,
41 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2011]: Sec. 7. (a) The Indiana economic development
43 corporation shall certify that a business is a qualified Indiana business
44 if the corporation determines that the business:

45 (1) has its headquarters in Indiana;

46 (2) is primarily focused on professional motor vehicle racing,
47 commercialization of research and development, technology
48 transfers, or the application of new technology, or is determined
49 by the Indiana economic development corporation to have
50 significant potential to:

51 (A) bring substantial capital into Indiana;

- 1 (B) create jobs;
 2 (C) diversify the business base of Indiana; or
 3 (D) significantly promote the purposes of this chapter in any
 4 other way;
 5 (3) has had average annual revenues of less than ten million
 6 dollars (\$10,000,000) in the two (2) years preceding the year in
 7 which the business received qualified investment capital from a
 8 taxpayer claiming a credit under this chapter;
 9 (4) has:
 10 (A) at least fifty percent (50%) of its employees residing in
 11 Indiana; or
 12 (B) at least seventy-five percent (75%) of its assets located in
 13 Indiana; and
 14 (5) is not engaged in a business involving:
 15 (A) real estate;
 16 (B) real estate development;
 17 (C) insurance;
 18 (D) professional services provided by an accountant, a lawyer,
 19 or a physician;
 20 (E) retail sales, except when the primary purpose of the
 21 business is the development or support of electronic commerce
 22 using the Internet; or
 23 (F) oil and gas exploration.
- 24 (b) A business shall apply to be certified as a qualified Indiana
 25 business on a form prescribed by the Indiana economic development
 26 corporation.
- 27 (c) If a business is certified as a qualified Indiana business under
 28 this section, the Indiana economic development corporation shall
 29 provide a copy of the certification to the investors in the qualified
 30 Indiana business for inclusion in tax filings.
- 31 (d) **Except as provided in subsection (e)**, the Indiana economic
 32 development corporation may impose an application fee of not more
 33 than two hundred dollars (\$200).
- 34 (e) **The Indiana economic development corporation may not
 35 impose the application fee authorized by subsection (d) for
 36 applications submitted during the period beginning July 1, 2011,
 37 and ending June 30, 2013.**
- 38 SECTION 67. IC 6-3.1-24-8 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]:
 40 Sec. 8. (a) A certification provided under section 7 of this chapter must
 41 include notice to the investors of the maximum amount of tax credits
 42 available under this chapter for the provision of qualified investment
 43 capital to the qualified Indiana business.
- 44 (b) **For a calendar year ending before January 1, 2011**, the
 45 maximum amount of tax credits available under this chapter for the
 46 provision of qualified investment capital to a particular qualified
 47 Indiana business equals the lesser of:
 48 (1) the total amount of qualified investment capital provided to
 49 the qualified Indiana business in the calendar year, multiplied by
 50 twenty percent (20%); or
 51 (2) five hundred thousand dollars (\$500,000).

1 **(c) For a calendar year beginning after December 31, 2010, the**
 2 **maximum amount of tax credits available under this chapter for**
 3 **the provision of qualified investment capital to a particular**
 4 **qualified Indiana business equals the lesser of the following:**

5 **(1) The total amount of qualified investment capital provided**
 6 **to the qualified Indiana business in the calendar year,**
 7 **multiplied by twenty percent (20%).**

8 **(2) One million dollars (\$1,000,000).**

9 SECTION 68. IC 6-3.1-24-9, AS AMENDED BY P.L.211-2007,
 10 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2011]: Sec. 9. (a) The total amount of tax credits that may be
 12 allowed under this chapter in a particular calendar year for qualified
 13 investment capital provided during that calendar year may not exceed
 14 twelve million five hundred thousand dollars (\$12,500,000). The
 15 Indiana economic development corporation may not certify a proposed
 16 investment plan under section 12.5 of this chapter if the proposed
 17 investment would result in the total amount of the tax credits certified
 18 for the calendar year exceeding twelve million five hundred thousand
 19 dollars (\$12,500,000). An amount of an unused credit carried over by
 20 a taxpayer from a previous calendar year may not be considered in
 21 determining the amount of proposed investments that the Indiana
 22 economic development corporation may certify under this chapter.

23 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 24 is not entitled to a credit for providing qualified investment capital to
 25 a qualified Indiana business after December 31, ~~2012~~. **2014.** However,
 26 this subsection may not be construed to prevent a taxpayer from
 27 carrying over to a taxable year beginning after December 31, ~~2012~~;
 28 **2014**, an unused tax credit attributable to an investment occurring
 29 before January 1, ~~2013~~. **2015.**

30 SECTION 69. IC 6-3.1-31-14 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2011]: **Sec. 14. (a) A tax credit may not be**
 33 **awarded under this chapter for making available after December**
 34 **31, 2011, a health benefit plan.**

35 **(b) Any tax credit previously awarded but not claimed may not**
 36 **be carried over to a taxable year beginning during the period**
 37 **January 1, 2012, through December 31, 2013, and must be carried**
 38 **forward to a taxable year that begins after December 31, 2013, and**
 39 **before January 1, 2016.**

40 SECTION 70. IC 6-3.1-31-15 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2011]: **Sec. 15. This chapter expires January**
 43 **1, 2020.**

44 SECTION 71. IC 6-3.1-31.2-11 IS ADDED TO THE INDIANA
 45 CODE AS A NEW SECTION TO READ AS FOLLOWS
 46 [EFFECTIVE JULY 1, 2011]: **Sec. 11. (a) A tax credit may not be**
 47 **awarded under this chapter for costs incurred after December 31,**
 48 **2011.**

49 **(b) Any tax credit previously awarded but not claimed may not**
 50 **be carried over to a taxable year beginning during the period**
 51 **January 1, 2012, through December 31, 2013, and must be carried**

1 **forward to a taxable year that begins after December 31, 2013, and**
 2 **before January 1, 2016.**

3 SECTION 72. IC 6-3.1-31.2-12 IS ADDED TO THE INDIANA
 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2011]: **Sec. 12. This chapter expires January**
 6 **1, 2020.**

7 SECTION 73. IC 6-3.5-1.1-24, AS AMENDED BY P.L.146-2008,
 8 SECTION 331, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2011]: Sec. 24. (a) In a county in which the
 10 county adjusted gross income tax is in effect, the county council may,
 11 before August 1 of a year, adopt an ordinance to impose or increase (as
 12 applicable) a tax rate under this section.

13 (b) In a county in which neither the county adjusted gross income
 14 tax nor the county option income tax is in effect, the county council
 15 may, before August 1 of a year, adopt an ordinance to impose a tax rate
 16 under this section.

17 (c) An ordinance adopted under this section takes effect October 1
 18 of the year in which the ordinance is adopted. If a county council
 19 adopts an ordinance to impose or increase a tax rate under this section,
 20 the county auditor shall send a certified copy of the ordinance to the
 21 department and the department of local government finance by
 22 certified mail.

23 (d) A tax rate under this section is in addition to any other tax rates
 24 imposed under this chapter and does not affect the purposes for which
 25 other tax revenue under this chapter may be used.

26 (e) The following apply only in the year in which a county council
 27 first imposes a tax rate under this section.

28 (1) The county council shall, in the ordinance imposing the tax
 29 rate, specify the tax rate for each of the following two (2) years.

30 (2) The tax rate that must be imposed in the county from October
 31 1 of the year in which the tax rate is imposed through September
 32 30 of the following year is equal to the result of:

33 (A) the tax rate determined for the county under
 34 IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased;
 35 multiplied by

36 (B) two (2).

37 (3) The tax rate that must be imposed in the county from October
 38 1 of the following year through September 30 of the year after the
 39 following year is the tax rate determined for the county under
 40 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
 41 in effect in later years unless the tax rate is increased under this
 42 section.

43 (4) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~, ~~IC 6-1.1-18.5-3(h)~~,
 44 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before
 45 its repeal), IC 12-19-7.5-6(b) (before its repeal), and
 46 IC 12-29-2-2(c) apply to property taxes first due and payable in
 47 the ensuing calendar year and to property taxes first due and
 48 payable in the calendar year after the ensuing calendar year.

49 (f) The following apply only in a year in which a county council
 50 increases a tax rate under this section:

51 (1) The county council shall, in the ordinance increasing the tax

- 1 rate, specify the tax rate for the following year.
- 2 (2) The tax rate that must be imposed in the county from October
- 3 1 of the year in which the tax rate is increased through September
- 4 30 of the following year is equal to the result of:
- 5 (A) the tax rate determined for the county under
- 6 IC 6-3.5-1.5-1(a) in that year; plus
- 7 (B) the tax rate currently in effect in the county under this
- 8 section.
- 9 The tax rate under this subdivision continues in effect in later
- 10 years unless the tax rate is increased under this section.
- 11 (3) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~, ~~IC 6-1.1-18.5-3(h)~~,
- 12 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before
- 13 its repeal), IC 12-19-7.5-6(b) (before its repeal), and
- 14 IC 12-29-2-2(c) apply to property taxes first due and payable in
- 15 the ensuing calendar year.
- 16 (g) The department of local government finance shall determine the
- 17 following property tax replacement distribution amounts:
- 18 STEP ONE: Determine the sum of the amounts determined under
- 19 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
- 20 county in the preceding year.
- 21 STEP TWO: For distribution to each civil taxing unit that in the
- 22 year had a maximum permissible property tax levy limited under
- 23 ~~IC 6-1.1-18.5-3(g)~~, **IC 6-1.1-18.5-3(b)**, determine the result of:
- 24 (1) the quotient of:
- 25 (A) the part of the amount determined under STEP ONE of
- 26 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
- 27 to the civil taxing unit; divided by
- 28 (B) the STEP ONE amount; multiplied by
- 29 (2) the tax revenue received by the county treasurer under this
- 30 section.
- 31 STEP THREE: For distributions in 2009 and thereafter, the result
- 32 of this STEP is zero (0). For distribution to the county for deposit
- 33 in the county family and children's fund before 2009, determine
- 34 the result of:
- 35 (1) the quotient of:
- 36 (A) the amount determined under STEP TWO of
- 37 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 38 (B) the STEP ONE amount; multiplied by
- 39 (2) the tax revenue received by the county treasurer under this
- 40 section.
- 41 STEP FOUR: For distributions in 2009 and thereafter, the result
- 42 of this STEP is zero (0). For distribution to the county for deposit
- 43 in the county children's psychiatric residential treatment services
- 44 fund before 2009, determine the result of:
- 45 (1) the quotient of:
- 46 (A) the amount determined under STEP THREE of
- 47 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 48 (B) the STEP ONE amount; multiplied by
- 49 (2) the tax revenue received by the county treasurer under this
- 50 section.
- 51 STEP FIVE: For distribution to the county for community mental

1 health center purposes, determine the result of:

2 (1) the quotient of:

3 (A) the amount determined under STEP FOUR of
4 IC 6-3.5-1.5-1(a) in the preceding year; divided by

5 (B) the STEP ONE amount; multiplied by

6 (2) the tax revenue received by the county treasurer under this
7 section.

8 Except as provided in subsection (m), the county treasurer shall
9 distribute the portion of the certified distribution that is attributable to
10 a tax rate under this section as specified in this section. The county
11 treasurer shall make the distributions under this subsection at the same
12 time that distributions are made to civil taxing units under section 15
13 of this chapter.

14 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
15 council may not decrease or rescind a tax rate imposed under this
16 chapter.

17 (i) The tax rate under this section shall not be considered for
18 purposes of computing:

19 (1) the maximum income tax rate that may be imposed in a county
20 under section 2 of this chapter or any other provision of this
21 chapter; or

22 (2) the maximum permissible property tax levy under ~~STEP~~
23 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3.~~

24 (j) The tax levy under this section shall not be considered for
25 purposes of computing the total county tax levy under
26 ~~IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before~~
27 ~~the repeal of those provisions)~~ or for purposes of the credit under
28 IC 6-1.1-20.6.

29 (k) A distribution under this section shall be treated as a part of the
30 receiving civil taxing unit's property tax levy for that year for purposes
31 of fixing the budget of the civil taxing unit and for determining the
32 distribution of taxes that are distributed on the basis of property tax
33 levies.

34 (l) If a county council imposes a tax rate under this section, the
35 portion of county adjusted gross income tax revenue dedicated to
36 property tax replacement credits under section 11 of this chapter may
37 not be decreased.

38 (m) In the year following the year in a which a county first imposes
39 a tax rate under this section, one-half (1/2) of the tax revenue that is
40 attributable to the tax rate under this section must be deposited in the
41 county stabilization fund established under subsection (o).

42 (n) A pledge of county adjusted gross income taxes does not apply
43 to revenue attributable to a tax rate under this section.

44 (o) A county stabilization fund is established in each county that
45 imposes a tax rate under this section. The county stabilization fund
46 shall be administered by the county auditor. If for a year the certified
47 distributions attributable to a tax rate under this section exceed the
48 amount calculated under STEP ONE through STEP FOUR of
49 IC 6-3.5-1.5-1(a) that is used by the department of local government
50 finance and the department of state revenue to determine the tax rate
51 under this section, the excess shall be deposited in the county

1 stabilization fund. Money shall be distributed from the county
 2 stabilization fund in a year by the county auditor to political
 3 subdivisions entitled to a distribution of tax revenue attributable to the
 4 tax rate under this section if:

5 (1) the certified distributions attributable to a tax rate under this
 6 section are less than the amount calculated under STEP ONE
 7 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
 8 department of local government finance and the department of
 9 state revenue to determine the tax rate under this section for a
 10 year; or

11 (2) the certified distributions attributable to a tax rate under this
 12 section in a year are less than the certified distributions
 13 attributable to a tax rate under this section in the preceding year.

14 However, subdivision (2) does not apply to the year following the first
 15 year in which certified distributions of revenue attributable to the tax
 16 rate under this section are distributed to the county.

17 (p) Notwithstanding any other provision, a tax rate imposed under
 18 this section may not exceed one percent (1%).

19 (q) A county council must each year hold at least one (1) public
 20 meeting at which the county council discusses whether the tax rate
 21 under this section should be imposed or increased.

22 (r) The department of local government finance and the department
 23 of state revenue may take any actions necessary to carry out the
 24 purposes of this section.

25 SECTION 74. IC 6-3.5-1.1-25, AS AMENDED BY P.L.146-2008,
 26 SECTION 332, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) As used in this section,
 28 "public safety" refers to the following:

29 (1) A police and law enforcement system to preserve public peace
 30 and order.

31 (2) A firefighting and fire prevention system.

32 (3) Emergency ambulance services (as defined in
 33 IC 16-18-2-107).

34 (4) Emergency medical services (as defined in IC 16-18-2-110).

35 (5) Emergency action (as defined in IC 13-11-2-65).

36 (6) A probation department of a court.

37 (7) Confinement, supervision, services under a community
 38 corrections program (as defined in IC 35-38-2.6-2), or other
 39 correctional services for a person who has been:

40 (A) diverted before a final hearing or trial under an agreement
 41 that is between the county prosecuting attorney and the person
 42 or the person's custodian, guardian, or parent and that provides
 43 for confinement, supervision, community corrections services,
 44 or other correctional services instead of a final action
 45 described in clause (B) or (C);

46 (B) convicted of a crime; or

47 (C) adjudicated as a delinquent child or a child in need of
 48 services.

49 (8) A juvenile detention facility under IC 31-31-8.

50 (9) A juvenile detention center under IC 31-31-9.

51 (10) A county jail.

- 1 (11) A communications system (as defined in IC 36-8-15-3) or an
 2 enhanced emergency telephone system (as defined in
 3 IC 36-8-16-2).
- 4 (12) Medical and health expenses for jail inmates and other
 5 confined persons.
- 6 (13) Pension payments for any of the following:
- 7 (A) A member of the fire department (as defined in
 8 IC 36-8-1-8) or any other employee of a fire department.
- 9 (B) A member of the police department (as defined in
 10 IC 36-8-1-9), a police chief hired under a waiver under
 11 IC 36-8-4-6.5, or any other employee hired by a police
 12 department.
- 13 (C) A county sheriff or any other member of the office of the
 14 county sheriff.
- 15 (D) Other personnel employed to provide a service described
 16 in this section.
- 17 (b) If a county council has imposed a tax rate of at least twenty-five
 18 hundredths of one percent (0.25%) under section 24 of this chapter, a
 19 tax rate of at least twenty-five hundredths of one percent (0.25%) under
 20 section 26 of this chapter, or a total combined tax rate of at least
 21 twenty-five hundredths of one percent (0.25%) under sections 24 and
 22 26 of this chapter, the county council may also adopt an ordinance to
 23 impose an additional tax rate under this section to provide funding for
 24 public safety.
- 25 (c) A tax rate under this section may not exceed twenty-five
 26 hundredths of one percent (0.25%).
- 27 (d) If a county council adopts an ordinance to impose a tax rate
 28 under this section, the county auditor shall send a certified copy of the
 29 ordinance to the department and the department of local government
 30 finance by certified mail.
- 31 (e) A tax rate under this section is in addition to any other tax rates
 32 imposed under this chapter and does not affect the purposes for which
 33 other tax revenue under this chapter may be used.
- 34 (f) Except as provided in subsection (k) **or (l)**, the county auditor
 35 shall distribute the portion of the certified distribution that is
 36 attributable to a tax rate under this section to the county and to each
 37 municipality in the county **that is carrying out or providing at least**
 38 **one (1) of the public safety purposes described in subsection (a).**
 39 The amount that shall be distributed to the county or municipality is
 40 equal to the result of:
- 41 (1) the portion of the certified distribution that is attributable to a
 42 tax rate under this section; multiplied by
- 43 (2) a fraction equal to:
- 44 (A) the attributed allocation amount (as defined in
 45 IC 6-3.5-1.1-15) of the county or municipality for the calendar
 46 year; divided by
- 47 (B) the sum of the attributed allocation amounts of the county
 48 and each municipality in the county **that is entitled to a**
 49 **distribution under this section** for the calendar year.
- 50 The county auditor shall make the distributions required by this
 51 subsection not more than thirty (30) days after receiving the portion of

1 the certified distribution that is attributable to a tax rate under this
 2 section. Tax revenue distributed to a county or municipality under this
 3 subsection must be deposited into a separate account or fund and may
 4 be appropriated by the county or municipality only for public safety
 5 purposes.

6 (g) The department of local government finance may not require a
 7 county or municipality receiving tax revenue under this section to
 8 reduce the county's or municipality's property tax levy for a particular
 9 year on account of the county's or municipality's receipt of the tax
 10 revenue.

11 (h) The tax rate under this section and the tax revenue attributable
 12 to the tax rate under this section shall not be considered for purposes
 13 of computing:

14 (1) the maximum income tax rate that may be imposed in a county
 15 under section 2 of this chapter or any other provision of this
 16 chapter;

17 (2) the maximum permissible property tax levy under ~~STEP~~
 18 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~

19 ~~(3) the total county tax levy under IC 6-1.1-21-2(g)(3);~~
 20 ~~IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeal of~~
 21 ~~IC 6-1.1-21); or~~

22 ~~(4) (3) the credit under IC 6-1.1-20.6.~~

23 (i) The tax rate under this section may be imposed or rescinded at
 24 the same time and in the same manner that the county may impose or
 25 increase a tax rate under section 24 of this chapter.

26 (j) The department of local government finance and the department
 27 of state revenue may take any actions necessary to carry out the
 28 purposes of this section.

29 (k) Two (2) or more political subdivisions that are entitled to receive
 30 a distribution under this section may adopt resolutions providing that
 31 some part or all of those distributions shall instead be paid to one (1)
 32 political subdivision in the county to carry out specific public safety
 33 purposes specified in the resolutions.

34 **(l) A fire department, volunteer fire department, or emergency**
 35 **medical services provider that:**

36 **(1) provides fire protection or emergency medical services**
 37 **within the county; and**

38 **(2) is operated by or serves a political subdivision that is not**
 39 **otherwise entitled to receive a distribution of tax revenue**
 40 **under this section;**

41 **may before July 1 of a year apply to the county council for a**
 42 **distribution of tax revenue under this section during the following**
 43 **calendar year. The county council shall review an application**
 44 **submitted under this subsection and may before September 1 of a**
 45 **year adopt a resolution requiring that one (1) or more of the**
 46 **applicants shall receive a specified amount of the tax revenue to be**
 47 **distributed under this section during the following calendar year.**
 48 **A resolution approved under this subsection providing for a**
 49 **distribution to one (1) or more fire departments, volunteer fire**
 50 **departments, or emergency medical services providers applies only**
 51 **to distributions in the following calendar year. Any amount of tax**

1 **revenue distributed under this subsection to a fire department,**
 2 **volunteer fire department, or emergency medical services provider**
 3 **shall be distributed before the remainder of the tax revenue is**
 4 **distributed under subsection (f).**

5 SECTION 75. IC 6-3.5-1.1-26, AS AMENDED BY P.L.146-2008,
 6 SECTION 333, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 26. (a) A
 8 county council may impose a tax rate under this section to provide
 9 property tax relief to ~~political subdivisions~~ **taxpayers** in the county. A
 10 county council is not required to impose any other tax before imposing
 11 a tax rate under this section.

12 (b) A tax rate under this section may be imposed in increments of
 13 five hundredths of one percent (0.05%) determined by the county
 14 council. A tax rate under this section may not exceed one percent (1%).

15 (c) A tax rate under this section is in addition to any other tax rates
 16 imposed under this chapter and does not affect the purposes for which
 17 other tax revenue under this chapter may be used.

18 (d) If a county council adopts an ordinance to impose or increase a
 19 tax rate under this section, the county auditor shall send a certified
 20 copy of the ordinance to the department and the department of local
 21 government finance by certified mail.

22 (e) A tax rate under this section may be imposed, increased,
 23 decreased, or rescinded by a county council at the same time and in the
 24 same manner that the county council may impose or increase a tax rate
 25 under section 24 of this chapter.

26 (f) Tax revenue attributable to a tax rate under this section may be
 27 used for any combination of the following purposes, as specified by
 28 ordinance of the county council:

29 (1) Except as provided in subsection (j), the tax revenue may be
 30 used to provide local property tax replacement credits at a
 31 uniform rate to all taxpayers in the county. The local property tax
 32 replacement credits shall be treated for all purposes as property
 33 tax levies. The county auditor shall determine the local property
 34 tax replacement credit percentage for a particular year based on
 35 the amount of tax revenue that will be used under this subdivision
 36 to provide local property tax replacement credits in that year. A
 37 county council may not adopt an ordinance determining that tax
 38 revenue shall be used under this subdivision to provide local
 39 property tax replacement credits at a uniform rate to all taxpayers
 40 in the county unless the county council has done the following:

41 (A) Made available to the public the county council's best
 42 estimate of the amount of property tax replacement credits to
 43 be provided under this subdivision to homesteads, other
 44 residential property, commercial property, industrial property,
 45 and agricultural property.

46 (B) Adopted a resolution or other statement acknowledging
 47 that some taxpayers in the county that do not pay the tax rate
 48 under this section will receive a property tax replacement
 49 credit that is funded with tax revenue from the tax rate under
 50 this section.

51 (2) The tax revenue may be used to ~~uniformly increase~~ ~~(before~~

1 ~~January 1, 2009)~~ or uniformly provide ~~(after December 31, 2008)~~
 2 the homestead credit percentage in the county. The homestead
 3 credits shall be treated for all purposes as property tax levies. The
 4 homestead credits do not reduce the basis for determining ~~the any~~
 5 state homestead credit. ~~under IC 6-1.1-20.9 (before its repeal)~~.
 6 The homestead credits shall be applied to the net property taxes
 7 due on the homestead after the application of all other assessed
 8 value deductions or property tax deductions and credits that apply
 9 to the amount owed under IC 6-1.1. The ~~department of local~~
 10 **government finance county auditor** shall determine the
 11 homestead credit percentage for a particular year based on the
 12 amount of tax revenue that will be used under this subdivision to
 13 provide homestead credits in that year.

14 (3) The tax revenue may be used to provide local property tax
 15 replacement credits at a uniform rate for all qualified residential
 16 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
 17 and as defined in section 1 of this chapter after December 31,
 18 2008) in the county. The local property tax replacement credits
 19 shall be treated for all purposes as property tax levies. The county
 20 auditor shall determine the local property tax replacement credit
 21 percentage for a particular year based on the amount of tax
 22 revenue that will be used under this subdivision to provide local
 23 property tax replacement credits in that year.

24 (4) This subdivision applies only to Lake County. The Lake
 25 County council may adopt an ordinance providing that the tax
 26 revenue from the tax rate under this section is used for any of the
 27 following:

28 (A) To reduce all property tax levies imposed by the county by
 29 the granting of property tax replacement credits against those
 30 property tax levies.

31 (B) To provide local property tax replacement credits in Lake
 32 County in the following manner:

33 (i) The tax revenue under this section that is collected from
 34 taxpayers within a particular municipality in Lake County
 35 (as determined by the department based on the department's
 36 best estimate) shall be used only to provide a local property
 37 tax credit against property taxes imposed by that
 38 municipality.

39 (ii) The tax revenue under this section that is collected from
 40 taxpayers within the unincorporated area of Lake County (as
 41 determined by the department) shall be used only to provide
 42 a local property tax credit against property taxes imposed by
 43 the county. The local property tax credit for the
 44 unincorporated area of Lake County shall be available only
 45 to those taxpayers within the unincorporated area of the
 46 county.

47 (C) To provide property tax credits in the following manner:

48 (i) Sixty percent (60%) of the tax revenue under this section
 49 shall be used as provided in clause (B).

50 (ii) Forty percent (40%) of the tax revenue under this section
 51 shall be used to provide property tax replacement credits

1 against property tax levies of the county and each township
 2 and municipality in the county. The percentage of the tax
 3 revenue distributed under this item that shall be used as
 4 credits against the county's levies or against a particular
 5 township's or municipality's levies is equal to the percentage
 6 determined by dividing the population of the county,
 7 township, or municipality by the sum of the total population
 8 of the county, each township in the county, and each
 9 municipality in the county.

10 The Lake County council shall determine whether the credits
 11 under clause (A), (B), or (C) shall be provided to homesteads, to
 12 all qualified residential property, or to all taxpayers. The
 13 department of local government finance, with the assistance of the
 14 budget agency, shall certify to the county auditor and the fiscal
 15 body of the county and each township and municipality in the
 16 county the amount of property tax credits under this subdivision.
 17 Except as provided in subsection (g), the tax revenue under this
 18 section that is used to provide credits under this subdivision shall
 19 be treated for all purposes as property tax levies.

20 The county council may ~~before October 1 of a year~~ adopt an ordinance
 21 changing the purposes for which tax revenue attributable to a tax rate
 22 under this section shall be used in the following year.

23 (g) The tax rate under this section and the tax revenue attributable
 24 to the tax rate under this section shall not be considered for purposes
 25 of computing:

26 (1) the maximum income tax rate that may be imposed in a county
 27 under section 2 of this chapter or any other provision of this
 28 chapter;

29 (2) the maximum permissible property tax levy under ~~STEP~~
 30 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~

31 ~~(3) before January 1, 2009; the total county tax levy under~~
 32 ~~IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5)~~
 33 ~~(before the repeal of those provisions); or~~

34 ~~(4) (3) the credit under IC 6-1.1-20.6.~~

35 (h) Tax revenue under this section shall be treated as a part of the
 36 receiving civil taxing unit's or school corporation's property tax levy for
 37 that year for purposes of fixing the budget of the civil taxing unit or
 38 school corporation and for determining the distribution of taxes that are
 39 distributed on the basis of property tax levies. **To the extent the**
 40 **county auditor determines that there is income tax revenue**
 41 **remaining from the tax under this section after providing the**
 42 **property tax replacement credits, the excess shall be credited to a**
 43 **dedicated county account and may be used only for property tax**
 44 **replacement credits under this section in subsequent years.**

45 (i) The department of local government finance and the department
 46 of state revenue may take any actions necessary to carry out the
 47 purposes of this section.

48 (j) A taxpayer that owns an industrial plant located in Jasper County
 49 is ineligible for a local property tax replacement credit under this
 50 section against the property taxes due on the industrial plant if the
 51 assessed value of the industrial plant as of March 1, 2006, exceeds

1 twenty percent (20%) of the total assessed value of all taxable property
 2 in the county on that date. The general assembly finds that the
 3 provisions of this subsection are necessary because the industrial plant
 4 represents such a large percentage of Jasper County's assessed
 5 valuation.

6 SECTION 76. IC 6-3.5-6-30, AS AMENDED BY SEA 62-2011,
 7 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2011]: Sec. 30. (a) In a county in which the county option
 9 income tax is in effect, the county income tax council may adopt an
 10 ordinance to impose or increase (as applicable) a tax rate under this
 11 section.

12 (b) In a county in which neither the county option adjusted gross
 13 income tax nor the county option income tax is in effect, the county
 14 income tax council may adopt an ordinance to impose a tax rate under
 15 this section.

16 (c) If a county income tax council adopts an ordinance to impose or
 17 increase a tax rate under this section, the county auditor shall send a
 18 certified copy of the ordinance to the department and the department
 19 of local government finance by certified mail.

20 (d) A tax rate under this section is in addition to any other tax rates
 21 imposed under this chapter and does not affect the purposes for which
 22 other tax revenue under this chapter may be used.

23 (e) The following apply only in the year in which a county income
 24 tax council first imposes a tax rate under this section:

25 (1) The county income tax council shall, in the ordinance
 26 imposing the tax rate, specify the tax rate for each of the
 27 following two (2) years.

28 (2) The tax rate that must be imposed in the county in the first
 29 year is equal to the result of:

30 (A) the tax rate determined for the county under
 31 IC 6-3.5-1.5-1(a) in that year; multiplied by

32 (B) the following:

33 (i) In a county containing a consolidated city, one and
 34 five-tenths (1.5).

35 (ii) In a county other than a county containing a consolidated
 36 city, two (2).

37 (3) The tax rate that must be imposed in the county in the second
 38 year is the tax rate determined for the county under
 39 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
 40 in effect in later years unless the tax rate is increased under this
 41 section.

42 (4) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~; ~~IC 6-1.1-18.5-3(h)~~;
 43 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before
 44 its repeal), IC 12-19-7.5-6(b) (before its repeal), and
 45 IC 12-29-2-2(c) apply to property taxes first due and payable in
 46 the ensuing calendar year and to property taxes first due and
 47 payable in the calendar year after the ensuing calendar year.

48 (f) The following apply only in a year in which a county income tax
 49 council increases a tax rate under this section:

50 (1) The county income tax council shall, in the ordinance
 51 increasing the tax rate, specify the tax rate for the following year.

- 1 (2) The tax rate that must be imposed in the county is equal to the
 2 result of:
- 3 (A) the tax rate determined for the county under
 4 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
 5 (B) the tax rate currently in effect in the county under this
 6 section.
- 7 The tax rate under this subdivision continues in effect in later
 8 years unless the tax rate is increased under this section.
- 9 (3) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~; ~~IC 6-1.1-18.5-3(h)~~;
 10 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before
 11 its repeal), IC 12-19-7.5-6(b) (before its repeal), and
 12 IC 12-29-2-2(c) apply to property taxes first due and payable in
 13 the ensuing calendar year.
- 14 (g) The department of local government finance shall determine the
 15 following property tax replacement distribution amounts:
- 16 STEP ONE: Determine the sum of the amounts determined under
 17 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
 18 county in the preceding year.
- 19 STEP TWO: For distribution to each civil taxing unit that in the
 20 year had a maximum permissible property tax levy limited under
 21 ~~IC 6-1.1-18.5-3(g)~~; **IC 6-1.1-18.5-3(b)**, determine the result of:
- 22 (1) the quotient of:
- 23 (A) the part of the amount determined under STEP ONE of
 24 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 25 to the civil taxing unit; divided by
 26 (B) the STEP ONE amount; multiplied by
- 27 (2) the tax revenue received by the county treasurer under this
 28 section.
- 29 STEP THREE: For distributions in 2009 and thereafter, the result
 30 of this STEP is zero (0). For distribution to the county for deposit
 31 in the county family and children's fund before 2009, determine
 32 the result of:
- 33 (1) the quotient of:
- 34 (A) the amount determined under STEP TWO of
 35 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 36 (B) the STEP ONE amount; multiplied by
- 37 (2) the tax revenue received by the county treasurer under this
 38 section.
- 39 STEP FOUR: For distributions in 2009 and thereafter, the result
 40 of this STEP is zero (0). For distribution to the county for deposit
 41 in the county children's psychiatric residential treatment services
 42 fund before 2009, determine the result of:
- 43 (1) the quotient of:
- 44 (A) the amount determined under STEP THREE of
 45 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 46 (B) the STEP ONE amount; multiplied by
- 47 (2) the tax revenue received by the county treasurer under this
 48 section.
- 49 STEP FIVE: For distribution to the county for community mental
 50 health center purposes, determine the result of:
- 51 (1) the quotient of:

- 1 (A) the amount determined under STEP FOUR of
 2 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 3 (B) the STEP ONE amount; multiplied by
 4 (2) the tax revenue received by the county treasurer under this
 5 section.

6 Except as provided in subsection (m), the county treasurer shall
 7 distribute the portion of the certified distribution that is attributable to
 8 a tax rate under this section as specified in this section. The county
 9 treasurer shall make the distributions under this subsection at the same
 10 time that distributions are made to civil taxing units under section 18
 11 of this chapter.

12 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
 13 income tax council may not decrease or rescind a tax rate imposed
 14 under this section.

15 (i) The tax rate under this section shall not be considered for
 16 purposes of computing:

- 17 (1) the maximum income tax rate that may be imposed in a county
 18 under section 8 or 9 of this chapter or any other provision of this
 19 chapter; or
 20 (2) the maximum permissible property tax levy under ~~STEP~~
 21 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3.~~

22 (j) The tax levy under this section shall not be considered for
 23 purposes of the credit under IC 6-1.1-20.6.

24 (k) A distribution under this section shall be treated as a part of the
 25 receiving civil taxing unit's property tax levy for that year for purposes
 26 of fixing its budget and for determining the distribution of taxes that
 27 are distributed on the basis of property tax levies.

28 (l) If a county income tax council imposes a tax rate under this
 29 section, the county option income tax rate dedicated to locally funded
 30 homestead credits in the county may not be decreased.

31 (m) In the year following the year in which a county first imposes
 32 a tax rate under this section:

- 33 (1) one-third (1/3) of the tax revenue that is attributable to the tax
 34 rate under this section must be deposited in the county
 35 stabilization fund established under subsection (o), in the case of
 36 a county containing a consolidated city; and
 37 (2) one-half (1/2) of the tax revenue that is attributable to the tax
 38 rate under this section must be deposited in the county
 39 stabilization fund established under subsection (o), in the case of
 40 a county not containing a consolidated city.

41 (n) A pledge of county option income taxes does not apply to
 42 revenue attributable to a tax rate under this section.

43 (o) A county stabilization fund is established in each county that
 44 imposes a tax rate under this section. The county stabilization fund
 45 shall be administered by the county auditor. If for a year the certified
 46 distributions attributable to a tax rate under this section exceed the
 47 amount calculated under STEP ONE through STEP FOUR of
 48 IC 6-3.5-1.5-1(a) that is used by the department of local government
 49 finance and the department of state revenue to determine the tax rate
 50 under this section, the excess shall be deposited in the county
 51 stabilization fund. Money shall be distributed from the county

1 stabilization fund in a year by the county auditor to political
 2 subdivisions entitled to a distribution of tax revenue attributable to the
 3 tax rate under this section if:

4 (1) the certified distributions attributable to a tax rate under this
 5 section are less than the amount calculated under STEP ONE
 6 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
 7 department of local government finance and the department of
 8 state revenue to determine the tax rate under this section for a
 9 year; or

10 (2) the certified distributions attributable to a tax rate under this
 11 section in a year are less than the certified distributions
 12 attributable to a tax rate under this section in the preceding year.

13 However, subdivision (2) does not apply to the year following the first
 14 year in which certified distributions of revenue attributable to the tax
 15 rate under this section are distributed to the county.

16 (p) Notwithstanding any other provision, a tax rate imposed under
 17 this section may not exceed one percent (1%).

18 (q) A county income tax council must each year hold at least one (1)
 19 public meeting at which the county council discusses whether the tax
 20 rate under this section should be imposed or increased.

21 (r) The department of local government finance and the department
 22 of state revenue may take any actions necessary to carry out the
 23 purposes of this section.

24 (s) Notwithstanding any other provision, in Lake County the county
 25 council (and not the county income tax council) is the entity authorized
 26 to take actions concerning the additional tax rate under this section.

27 SECTION 77. IC 6-3.5-6-31, AS AMENDED BY P.L.146-2008,
 28 SECTION 342, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) As used in this section,
 30 "public safety" refers to the following:

31 (1) A police and law enforcement system to preserve public peace
 32 and order.

33 (2) A firefighting and fire prevention system.

34 (3) Emergency ambulance services (as defined in
 35 IC 16-18-2-107).

36 (4) Emergency medical services (as defined in IC 16-18-2-110).

37 (5) Emergency action (as defined in IC 13-11-2-65).

38 (6) A probation department of a court.

39 (7) Confinement, supervision, services under a community
 40 corrections program (as defined in IC 35-38-2.6-2), or other
 41 correctional services for a person who has been:

42 (A) diverted before a final hearing or trial under an agreement
 43 that is between the county prosecuting attorney and the person
 44 or the person's custodian, guardian, or parent and that provides
 45 for confinement, supervision, community corrections services,
 46 or other correctional services instead of a final action
 47 described in clause (B) or (C);

48 (B) convicted of a crime; or

49 (C) adjudicated as a delinquent child or a child in need of
 50 services.

51 (8) A juvenile detention facility under IC 31-31-8.

- 1 (9) A juvenile detention center under IC 31-31-9.
 2 (10) A county jail.
 3 (11) A communications system (as defined in IC 36-8-15-3) or an
 4 enhanced emergency telephone system (as defined in
 5 IC 36-8-16-2).
 6 (12) Medical and health expenses for jail inmates and other
 7 confined persons.
 8 (13) Pension payments for any of the following:
 9 (A) A member of the fire department (as defined in
 10 IC 36-8-1-8) or any other employee of a fire department.
 11 (B) A member of the police department (as defined in
 12 IC 36-8-1-9), a police chief hired under a waiver under
 13 IC 36-8-4-6.5, or any other employee hired by a police
 14 department.
 15 (C) A county sheriff or any other member of the office of the
 16 county sheriff.
 17 (D) Other personnel employed to provide a service described
 18 in this section.
- 19 (b) The county income tax council may adopt an ordinance to
 20 impose an additional tax rate under this section to provide funding for
 21 public safety if:
 22 (1) the county income tax council has imposed a tax rate under
 23 section 30 of this chapter, in the case of a county containing a
 24 consolidated city; or
 25 (2) the county income tax council has imposed a tax rate of at
 26 least twenty-five hundredths of one percent (0.25%) under section
 27 30 of this chapter, a tax rate of at least twenty-five hundredths of
 28 one percent (0.25%) under section 32 of this chapter, or a total
 29 combined tax rate of at least twenty-five hundredths of one
 30 percent (0.25%) under sections 30 and 32 of this chapter, in the
 31 case of a county other than a county containing a consolidated
 32 city.
- 33 (c) A tax rate under this section may not exceed the following:
 34 (1) Five-tenths of one percent (0.5%), in the case of a county
 35 containing a consolidated city.
 36 (2) Twenty-five hundredths of one percent (0.25%), in the case of
 37 a county other than a county containing a consolidated city.
- 38 (d) If a county income tax council adopts an ordinance to impose a
 39 tax rate under this section, the county auditor shall send a certified
 40 copy of the ordinance to the department and the department of local
 41 government finance by certified mail.
- 42 (e) A tax rate under this section is in addition to any other tax rates
 43 imposed under this chapter and does not affect the purposes for which
 44 other tax revenue under this chapter may be used.
- 45 (f) Except as provided in ~~subsection~~ **subsections (l) and (m)**, the
 46 county auditor shall distribute the portion of the certified distribution
 47 that is attributable to a tax rate under this section to the county and to
 48 each municipality in the county **that is carrying out or providing at**
 49 **least one (1) of the public safety purposes described in subsection**
 50 **(a)**. The amount that shall be distributed to the county or municipality
 51 is equal to the result of:

1 (1) the portion of the certified distribution that is attributable to a
2 tax rate under this section; multiplied by

3 (2) a fraction equal to:

4 (A) the total property taxes being collected in the county by
5 the county or municipality for the calendar year; divided by

6 (B) the sum of the total property taxes being collected in the
7 county by the county and each municipality in the county **that**
8 **is entitled to a distribution under this section** for the
9 calendar year.

10 The county auditor shall make the distributions required by this
11 subsection not more than thirty (30) days after receiving the portion of
12 the certified distribution that is attributable to a tax rate under this
13 section. Tax revenue distributed to a county or municipality under this
14 subsection must be deposited into a separate account or fund and may
15 be appropriated by the county or municipality only for public safety
16 purposes.

17 (g) The department of local government finance may not require a
18 county or municipality receiving tax revenue under this section to
19 reduce the county's or municipality's property tax levy for a particular
20 year on account of the county's or municipality's receipt of the tax
21 revenue.

22 (h) The tax rate under this section and the tax revenue attributable
23 to the tax rate under this section shall not be considered for purposes
24 of computing:

25 (1) the maximum income tax rate that may be imposed in a county
26 under section 8 or 9 of this chapter or any other provision of this
27 chapter;

28 (2) the maximum permissible property tax levy under ~~STEP~~
29 ~~EIGHT~~ of ~~IC 6-1.1-18.5-3(b)~~; **IC 6-1.1-18.5-3**;

30 ~~(3) the total county tax levy under IC 6-1.1-21-2(g)(3);~~
31 ~~IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeal of~~
32 ~~IC 6-1.1-21); or~~

33 ~~(4) (3)~~ **(3)** the credit under IC 6-1.1-20.6.

34 (i) The tax rate under this section may be imposed or rescinded at
35 the same time and in the same manner that the county may impose or
36 increase a tax rate under section 30 of this chapter.

37 (j) The department of local government finance and the department
38 of state revenue may take any actions necessary to carry out the
39 purposes of this section.

40 (k) Notwithstanding any other provision, in Lake County the county
41 council (and not the county income tax council) is the entity authorized
42 to take actions concerning the additional tax rate under this section.

43 (l) Two (2) or more political subdivisions that are entitled to receive
44 a distribution under this section may adopt resolutions providing that
45 some part or all of those distributions shall instead be paid to one (1)
46 political subdivision in the county to carry out specific public safety
47 purposes specified in the resolutions.

48 **(m) A fire department, volunteer fire department, or emergency**
49 **medical services provider that:**

50 **(1) provides fire protection or emergency medical services**
51 **within the county; and**

1 **(2) is operated by or serves a political subdivision that is not**
 2 **otherwise entitled to receive a distribution of tax revenue**
 3 **under this section;**

4 **may before July 1 of a year apply to the county income tax council**
 5 **for a distribution of tax revenue under this section during the**
 6 **following calendar year. The county income tax council shall**
 7 **review an application submitted under this subsection and may**
 8 **before September 1 of a year adopt a resolution requiring that one**
 9 **(1) or more of the applicants shall receive a specified amount of the**
 10 **tax revenue to be distributed under this section during the**
 11 **following calendar year. A resolution approved under this**
 12 **subsection providing for a distribution to one (1) or more fire**
 13 **departments, volunteer fire departments, or emergency services**
 14 **providers applies only to distributions in the following calendar**
 15 **year. Any amount of tax revenue distributed under this subsection**
 16 **to a fire department, volunteer fire department, or emergency**
 17 **medical services provider shall be distributed before the remainder**
 18 **of the tax revenue is distributed under subsection (f).**

19 SECTION 78. IC 6-3.5-6-32, AS AMENDED BY P.L.113-2010,
 20 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 OCTOBER 1, 2011]: Sec. 32. (a) A county income tax council may
 22 impose a tax rate under this section to provide property tax relief to
 23 taxpayers in the county. A county income tax council is not required to
 24 impose any other tax before imposing a tax rate under this section.

25 (b) A tax rate under this section may be imposed in increments of
 26 five-hundredths of one percent (0.05%) determined by the county
 27 income tax council. A tax rate under this section may not exceed one
 28 percent (1%).

29 (c) A tax rate under this section is in addition to any other tax rates
 30 imposed under this chapter and does not affect the purposes for which
 31 other tax revenue under this chapter may be used.

32 (d) If a county income tax council adopts an ordinance to impose or
 33 increase a tax rate under this section, the county auditor shall send a
 34 certified copy of the ordinance to the department, **the budget agency**,
 35 and the department of local government finance by certified mail.

36 (e) A tax rate under this section may be imposed, increased,
 37 decreased, or rescinded at the same time and in the same manner that
 38 the county income tax council may impose or increase a tax rate under
 39 section 30 of this chapter.

40 (f) Tax revenue attributable to a tax rate under this section may be
 41 used for any combination of the following purposes, as specified by
 42 ordinance of the county income tax council:

43 (1) The tax revenue may be used to provide local property tax
 44 replacement credits at a uniform rate to all taxpayers in the
 45 county. The local property tax replacement credits shall be treated
 46 for all purposes as property tax levies. The county auditor shall
 47 determine the local property tax replacement credit percentage for
 48 a particular year based on the amount of tax revenue that will be
 49 used under this subdivision to provide local property tax
 50 replacement credits in that year. A county income tax council may
 51 not adopt an ordinance determining that tax revenue shall be used

1 under this subdivision to provide local property tax replacement
2 credits at a uniform rate to all taxpayers in the county unless the
3 county council has done the following:

4 (A) Made available to the public the county council's best
5 estimate of the amount of property tax replacement credits to
6 be provided under this subdivision to homesteads, other
7 residential property, commercial property, industrial property,
8 and agricultural property.

9 (B) Adopted a resolution or other statement acknowledging
10 that some taxpayers in the county that do not pay the tax rate
11 under this section will receive a property tax replacement
12 credit that is funded with tax revenue from the tax rate under
13 this section.

14 (2) The tax revenue may be used to uniformly increase (before
15 January 1, 2011) or uniformly provide (after December 31, 2010)
16 the homestead credit percentage in the county. The homestead
17 credits shall be treated for all purposes as property tax levies. The
18 homestead credits do not reduce the basis for determining any
19 state homestead credit. The homestead credits shall be applied to
20 the net property taxes due on the homestead after the application
21 of all other assessed value deductions or property tax deductions
22 and credits that apply to the amount owed under IC 6-1.1. The
23 county auditor shall determine the homestead credit percentage
24 for a particular year based on the amount of tax revenue that will
25 be used under this subdivision to provide homestead credits in
26 that year.

27 (3) The tax revenue may be used to provide local property tax
28 replacement credits at a uniform rate for all qualified residential
29 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
30 and as defined in section 1 of this chapter after December 31,
31 2008) in the county. The local property tax replacement credits
32 shall be treated for all purposes as property tax levies. The county
33 auditor shall determine the local property tax replacement credit
34 percentage for a particular year based on the amount of tax
35 revenue that will be used under this subdivision to provide local
36 property tax replacement credits in that year.

37 (4) This subdivision applies only to Lake County. The Lake
38 County council may adopt an ordinance providing that the tax
39 revenue from the tax rate under this section is used for any of the
40 following:

41 (A) To reduce all property tax levies imposed by the county by
42 the granting of property tax replacement credits against those
43 property tax levies.

44 (B) To provide local property tax replacement credits in Lake
45 County in the following manner:

46 (i) The tax revenue under this section that is collected from
47 taxpayers within a particular municipality in Lake County
48 (as determined by the department based on the department's
49 best estimate) shall be used only to provide a local property
50 tax credit against property taxes imposed by that
51 municipality.

1 (ii) The tax revenue under this section that is collected from
 2 taxpayers within the unincorporated area of Lake County (as
 3 determined by the department) shall be used only to provide
 4 a local property tax credit against property taxes imposed by
 5 the county. The local property tax credit for the
 6 unincorporated area of Lake County shall be available only
 7 to those taxpayers within the unincorporated area of the
 8 county.

9 (C) To provide property tax credits in the following manner:

10 (i) Sixty percent (60%) of the tax revenue under this section
 11 shall be used as provided in clause (B).

12 (ii) Forty percent (40%) of the tax revenue under this section
 13 shall be used to provide property tax replacement credits
 14 against property tax levies of the county and each township
 15 and municipality in the county. The percentage of the tax
 16 revenue distributed under this item that shall be used as
 17 credits against the county's levies or against a particular
 18 township's or municipality's levies is equal to the percentage
 19 determined by dividing the population of the county,
 20 township, or municipality by the sum of the total population
 21 of the county, each township in the county, and each
 22 municipality in the county.

23 The Lake County council shall determine whether the credits
 24 under clause (A), (B), or (C) shall be provided to homesteads, to
 25 all qualified residential property, or to all taxpayers. The
 26 department of local government finance, with the assistance of the
 27 budget agency, shall certify to the county auditor and the fiscal
 28 body of the county and each township and municipality in the
 29 county the amount of property tax credits under this subdivision.
 30 Except as provided in subsection (g), the tax revenue under this
 31 section that is used to provide credits under this subdivision shall
 32 be treated for all purposes as property tax levies.

33 The county income tax council may adopt an ordinance changing the
 34 purposes for which tax revenue attributable to a tax rate under this
 35 section shall be used in the following year.

36 (g) The tax rate under this section shall not be considered for
 37 purposes of computing:

38 (1) the maximum income tax rate that may be imposed in a county
 39 under section 8 or 9 of this chapter or any other provision of this
 40 chapter;

41 (2) the maximum permissible property tax levy under ~~STEP~~
 42 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~ or

43 (3) the credit under IC 6-1.1-20.6.

44 (h) Tax revenue under this section shall be treated as a part of the
 45 receiving civil taxing unit's or school corporation's property tax levy for
 46 that year for purposes of fixing the budget of the civil taxing unit or
 47 school corporation and for determining the distribution of taxes that are
 48 distributed on the basis of property tax levies. To the extent the county
 49 auditor determines that there is income tax revenue remaining from the
 50 tax under this section after providing the property tax replacement, the
 51 excess shall be credited to a dedicated county account and may be used

1 only for property tax replacement under this section in subsequent
2 years.

3 (i) The department of local government finance, and the department
4 of state revenue may take any actions necessary to carry out the
5 purposes of this section.

6 (j) Notwithstanding any other provision, in Lake County the county
7 council (and not the county income tax council) is the entity authorized
8 to take actions concerning the tax rate under this section.

9 SECTION 79. IC 6-3.5-7-28, AS AMENDED BY SEA 62-2011,
10 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2011]: Sec. 28. (a) This section applies only to a county that
12 is a member of a regional development authority under IC 36-7.6.

13 (b) In addition to the rates permitted by section 5 of this chapter, the
14 entity that imposed the county economic development income tax
15 under section 5 of this chapter (or, in the case of a county that has not
16 imposed the county economic development income tax, the entity that
17 may impose the county economic development income tax under
18 section 5(a)(3) of this chapter) may by ordinance impose an additional
19 county economic development income tax at a rate of:

- 20 **(1) in the case of a county described in IC 36-7.6-4-2(b)(2),**
21 **twenty-five thousandths of one percent (0.025%); or**
22 **(2) in the case of any other county to which this section**
23 **applies, five-hundredths of one percent (0.05%);**

24 on the adjusted gross income of county taxpayers.

25 (c) If an additional county economic development income tax is
26 imposed under this section, the county treasurer shall establish a county
27 regional development authority fund. Notwithstanding any other
28 provision of this chapter, the county economic development income tax
29 revenues derived from the additional county economic development
30 income tax imposed under this section must be deposited in the county
31 regional development authority fund before any certified distributions
32 are made under section 12 of this chapter.

33 (d) County economic development income tax revenues derived
34 from the additional county economic development income tax imposed
35 under this section and deposited in the county regional development
36 authority fund:

- 37 (1) shall, not more than thirty (30) days after being deposited in
38 the county regional development authority fund, be transferred as
39 provided in IC 36-7.6-4-2 to the development fund of the regional
40 development authority for which the county is a member; and
41 (2) may not be considered by the department of local government
42 finance in determining the county's maximum permissible
43 property tax levy under IC 6-1.1-18.5.

44 (e) Notwithstanding sections 5 and 6 of this chapter, if a county
45 becomes a member of a regional development authority under
46 IC 36-7.6 and imposes an additional county economic development
47 income tax under this section before July 1 of a year, then,
48 notwithstanding section 11 or any other provision of this chapter, the
49 initial certified distribution of the tax revenue that results from the
50 additional tax shall be distributed to the county treasurer from the
51 account established for the county under this chapter according to the

1 following schedule during the eighteen (18) month period beginning on
 2 July 1 of the year in which the county adopts the ordinance to impose
 3 the additional tax:

4 (1) One-fourth (1/4) on October 1 of the year in which the
 5 ordinance to impose the additional tax is adopted.

6 (2) One-fourth (1/4) on January 1 of the calendar year following
 7 the year in which the ordinance to impose the additional tax is
 8 adopted.

9 (3) One-fourth (1/4) on May 1 of the calendar year following the
 10 year in which the ordinance to impose the additional tax is
 11 adopted.

12 (4) One-fourth (1/4) on November 1 of the calendar year
 13 following the year in which the ordinance to impose the additional
 14 tax is adopted.

15 SECTION 80. IC 6-5.5-1-2, AS AMENDED BY P.L.182-2009(ss),
 16 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2012]: Sec. 2. (a) Except as provided in
 18 subsections (b) through (d), "adjusted gross income" means taxable
 19 income as defined in Section 63 of the Internal Revenue Code, adjusted
 20 as follows:

21 (1) Add the following amounts:

22 (A) An amount equal to a deduction allowed or allowable
 23 under Section 166, Section 585, or Section 593 of the Internal
 24 Revenue Code.

25 (B) An amount equal to a deduction allowed or allowable
 26 under Section 170 of the Internal Revenue Code.

27 (C) An amount equal to a deduction or deductions allowed or
 28 allowable under Section 63 of the Internal Revenue Code for
 29 taxes based on or measured by income and levied at the state
 30 level by a state of the United States or levied at the local level
 31 by any subdivision of a state of the United States.

32 (D) The amount of interest excluded under Section 103 of the
 33 Internal Revenue Code or under any other federal law, minus
 34 the associated expenses disallowed in the computation of
 35 taxable income under Section 265 of the Internal Revenue
 36 Code.

37 (E) An amount equal to the deduction allowed under Section
 38 172 or 1212 of the Internal Revenue Code for net operating
 39 losses or net capital losses.

40 (F) For a taxpayer that is not a large bank (as defined in
 41 Section 585(c)(2) of the Internal Revenue Code), an amount
 42 equal to the recovery of a debt, or part of a debt, that becomes
 43 worthless to the extent a deduction was allowed from gross
 44 income in a prior taxable year under Section 166(a) of the
 45 Internal Revenue Code.

46 (G) Add the amount necessary to make the adjusted gross
 47 income of any taxpayer that owns property for which bonus
 48 depreciation was allowed in the current taxable year or in an
 49 earlier taxable year equal to the amount of adjusted gross
 50 income that would have been computed had an election not
 51 been made under Section 168(k) of the Internal Revenue Code

- 1 to apply bonus depreciation to the property in the year that it
2 was placed in service.
- 3 (H) Add the amount necessary to make the adjusted gross
4 income of any taxpayer that placed Section 179 property (as
5 defined in Section 179 of the Internal Revenue Code) in
6 service in the current taxable year or in an earlier taxable year
7 equal to the amount of adjusted gross income that would have
8 been computed had an election for federal income tax
9 purposes not been made for the year in which the property was
10 placed in service to take deductions under Section 179 of the
11 Internal Revenue Code in a total amount exceeding
12 twenty-five thousand dollars (\$25,000).
- 13 (I) Add an amount equal to the amount that a taxpayer claimed
14 as a deduction for domestic production activities for the
15 taxable year under Section 199 of the Internal Revenue Code
16 for federal income tax purposes.
- 17 (J) Add an amount equal to any income not included in gross
18 income as a result of the deferral of income arising from
19 business indebtedness discharged in connection with the
20 reacquisition after December 31, 2008, and before January 1,
21 2011, of an applicable debt instrument, as provided in Section
22 108(i) of the Internal Revenue Code. Subtract from the
23 adjusted gross income of any taxpayer that added an amount
24 to adjusted gross income in a previous year the amount
25 necessary to offset the amount included in federal gross
26 income as a result of the deferral of income arising from
27 business indebtedness discharged in connection with the
28 reacquisition after December 31, 2008, and before January 1,
29 2011, of an applicable debt instrument, as provided in Section
30 108(i) of the Internal Revenue Code.
- 31 (K) Add the amount necessary to make the adjusted gross
32 income of any taxpayer that placed qualified restaurant
33 property in service during the taxable year and that was
34 classified as 15-year property under Section 168(e)(3)(E)(v) of
35 the Internal Revenue Code equal to the amount of adjusted
36 gross income that would have been computed had the
37 classification not applied to the property in the year that it was
38 placed in service.
- 39 (L) Add the amount necessary to make the adjusted gross
40 income of any taxpayer that placed qualified retail
41 improvement property in service during the taxable year and
42 that was classified as 15-year property under Section
43 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the
44 amount of adjusted gross income that would have been
45 computed had the classification not applied to the property in
46 the year that it was placed in service.
- 47 (M) Add or subtract the amount necessary to make the
48 adjusted gross income of any taxpayer that claimed the special
49 allowance for qualified disaster assistance property under
50 Section 168(n) of the Internal Revenue Code equal to the
51 amount of adjusted gross income that would have been

- 1 computed had the special allowance not been claimed for the
2 property.
- 3 (N) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that made an election under
5 Section 179C of the Internal Revenue Code to expense costs
6 for qualified refinery property equal to the amount of adjusted
7 gross income that would have been computed had an election
8 for federal income tax purposes not been made for the year.
- 9 (O) Add or subtract the amount necessary to make the adjusted
10 gross income of any taxpayer that made an election under
11 Section 181 of the Internal Revenue Code to expense costs for
12 a qualified film or television production equal to the amount
13 of adjusted gross income that would have been computed had
14 an election for federal income tax purposes not been made for
15 the year.
- 16 (P) Add or subtract the amount necessary to make the adjusted
17 gross income of any taxpayer that treated a loss from the sale
18 or exchange of preferred stock in:
- 19 (i) the Federal National Mortgage Association, established
20 under the Federal National Mortgage Association Charter
21 Act (12 U.S.C. 1716 et seq.); or
- 22 (ii) the Federal Home Loan Mortgage Corporation,
23 established under the Federal Home Loan Mortgage
24 Corporation Act (12 U.S.C. 1451 et seq.);
- 25 as an ordinary loss under Section 301 of the Emergency
26 Economic Stabilization Act of 2008 in the current taxable year
27 or in an earlier taxable year equal to the amount of adjusted
28 gross income that would have been computed had the loss not
29 been treated as an ordinary loss.
- 30 (Q) Add an amount equal to any exempt insurance income
31 under Section 953(e) of the Internal Revenue Code for active
32 financing income under Subpart F, Subtitle A, Chapter 1,
33 Subchapter N of the Internal Revenue Code.
- 34 (2) Subtract the following amounts:
- 35 (A) Income that the United States Constitution or any statute
36 of the United States prohibits from being used to measure the
37 tax imposed by this chapter.
- 38 (B) Income that is derived from sources outside the United
39 States, as defined by the Internal Revenue Code.
- 40 (C) An amount equal to a debt or part of a debt that becomes
41 worthless, as permitted under Section 166(a) of the Internal
42 Revenue Code.
- 43 (D) An amount equal to any bad debt reserves that are
44 included in federal income because of accounting method
45 changes required by Section 585(c)(3)(A) or Section 593 of
46 the Internal Revenue Code.
- 47 (E) The amount necessary to make the adjusted gross income
48 of any taxpayer that owns property for which bonus
49 depreciation was allowed in the current taxable year or in an
50 earlier taxable year equal to the amount of adjusted gross
51 income that would have been computed had an election not

- 1 been made under Section 168(k) of the Internal Revenue Code
2 to apply bonus depreciation.
- 3 (F) The amount necessary to make the adjusted gross income
4 of any taxpayer that placed Section 179 property (as defined
5 in Section 179 of the Internal Revenue Code) in service in the
6 current taxable year or in an earlier taxable year equal to the
7 amount of adjusted gross income that would have been
8 computed had an election for federal income tax purposes not
9 been made for the year in which the property was placed in
10 service to take deductions under Section 179 of the Internal
11 Revenue Code in a total amount exceeding twenty-five
12 thousand dollars (\$25,000).
- 13 (G) Income that is:
- 14 (i) exempt from taxation under IC 6-3-2-21.7; and
15 (ii) included in the taxpayer's taxable income under the
16 Internal Revenue Code.
- 17 (b) In the case of a credit union, "adjusted gross income" for a
18 taxable year means the total transfers to undivided earnings minus
19 dividends for that taxable year after statutory reserves are set aside
20 under IC 28-7-1-24.
- 21 (c) In the case of an investment company, "adjusted gross income"
22 means the company's federal taxable income **plus the amount**
23 **excluded from federal gross income under Section 103 of the**
24 **Internal Revenue Code for interest received on an obligation of a**
25 **state other than Indiana, or a political subdivision of such a state,**
26 **that is acquired by the taxpayer after December 31, 2011,**
27 multiplied by the quotient of:
- 28 (1) the aggregate of the gross payments collected by the company
29 during the taxable year from old and new business upon
30 investment contracts issued by the company and held by residents
31 of Indiana; divided by
32 (2) the total amount of gross payments collected during the
33 taxable year by the company from the business upon investment
34 contracts issued by the company and held by persons residing
35 within Indiana and elsewhere.
- 36 (d) As used in subsection (c), "investment company" means a
37 person, copartnership, association, limited liability company, or
38 corporation, whether domestic or foreign, that:
- 39 (1) is registered under the Investment Company Act of 1940 (15
40 U.S.C. 80a-1 et seq.); and
41 (2) solicits or receives a payment to be made to itself and issues
42 in exchange for the payment:
- 43 (A) a so-called bond;
44 (B) a share;
45 (C) a coupon;
46 (D) a certificate of membership;
47 (E) an agreement;
48 (F) a pretended agreement; or
49 (G) other evidences of obligation;
50 entitling the holder to anything of value at some future date, if the
51 gross payments received by the company during the taxable year

1 on outstanding investment contracts, plus interest and dividends
 2 earned on those contracts (by prorating the interest and dividends
 3 earned on investment contracts by the same proportion that
 4 certificate reserves (as defined by the Investment Company Act
 5 of 1940) is to the company's total assets) is at least fifty percent
 6 (50%) of the company's gross payments upon investment
 7 contracts plus gross income from all other sources except
 8 dividends from subsidiaries for the taxable year. The term
 9 "investment contract" means an instrument listed in clauses (A)
 10 through (G).

11 SECTION 81. IC 6-7-2-2.1 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2012]: **Sec. 2.1. As used in this chapter, "moist snuff"**
 14 **means any finely cut, ground, or powdered tobacco that is not**
 15 **intended to be:**

- 16 (1) **smoked; or**
- 17 (2) **placed in the nasal cavity.**

18 SECTION 82. IC 6-7-2-5 IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2012]: Sec. 5. As used in this chapter,
 20 "tobacco product" means:

- 21 (1) any product made from tobacco, other than a cigarette (as
 22 defined in IC 6-7-1-2), that is made for smoking, chewing, or
 23 both; or
- 24 (2) snuff, **including moist snuff.**

25 SECTION 83. IC 6-7-2-7, AS AMENDED BY P.L.234-2007,
 26 SECTION 201, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JANUARY 1, 2012]: Sec. 7. (a) A tax is imposed on the
 28 distribution of tobacco products in Indiana at the rate of:

- 29 (1) twenty-four percent (24%) of the wholesale price of ~~the~~
 30 tobacco products **other than moist snuff; or**
- 31 (2) **for moist snuff, forty cents (\$0.40) per ounce, and a**
 32 **proportionate tax at the same rate on all fractional parts of an**
 33 **ounce. If the tax calculated for a fractional part of an ounce**
 34 **carried to the third decimal place results in the numeral in the**
 35 **third decimal place being greater than four (4), the amount of**
 36 **the tax shall be rounded to the next additional cent.**

37 (b) The distributor of the tobacco products is liable for the tax
 38 **imposed under subsection (a).** The tax is imposed at the time the
 39 distributor:

- 40 (1) brings or causes tobacco products to be brought into Indiana
 41 for distribution;
- 42 (2) manufactures tobacco products in Indiana for distribution; or
- 43 (3) transports tobacco products to retail dealers in Indiana for
 44 resale by those retail dealers.

45 (c) **The Indiana general assembly finds that the tax rate on**
 46 **smokeless tobacco should reflect the relative risk between such**
 47 **products and cigarettes.**

48 SECTION 84. IC 6-7-2-12 IS AMENDED TO READ AS
 49 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 12. (a) Before the
 50 fifteenth day of each month, each distributor liable for the tax imposed
 51 by this chapter shall:

1 (1) file a return with the department that includes all information
2 required by the department including, but not limited to:

3 (A) name of distributor;

4 (B) address of distributor;

5 (C) license number of distributor;

6 (D) invoice date;

7 (E) invoice number;

8 (F) name and address of person from whom tobacco products
9 were purchased or name and address of person to whom
10 tobacco products were sold; ~~and~~

11 (G) **the wholesale price for tobacco products other than**
12 **moist snuff; and**

13 **(H) for moist snuff, the weight of the moist snuff; and**

14 (2) pay the tax for which it is liable under this chapter for the
15 preceding month minus the amount specified in section 13 of this
16 chapter.

17 SECTION 85. IC 6-8-5-1, AS AMENDED BY P.L.2-2007,
18 SECTION 128, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. (a) All bonds issued after
20 March 11, 1959, or notes, warrants, or other evidences of indebtedness
21 issued in the state of Indiana by or in the name of any **Indiana** county,
22 township, city, incorporated town, school corporation, state educational
23 institution, or any other **Indiana** political, municipal, public or
24 quasi-public corporation or body, or in the name of any special
25 assessment or taxing district or in the name of any authorized body of
26 any such corporation or district, the interest thereon, the proceeds
27 received by a holder from the sale of such obligations to the extent of
28 the holder's cost of acquisition, or proceeds received upon redemption
29 prior to maturity, or proceeds received at maturity, and the receipt of
30 such interest and proceeds, shall be exempt from taxation in the state
31 of Indiana for all purposes except a state inheritance tax imposed under
32 IC 6-4.1.

33 (b) All bonds issued after March 11, 1933, and before March 12,
34 1959, by any municipality in this state under the provisions of any
35 statute whereby the terms thereof provide for the payment of such
36 bonds out of the funds derived from the revenues of any municipally
37 owned utility or which are to be paid by pledging the physical property
38 of any such municipally owned utility, or any bonds issued pledging
39 both the physical property and the revenues of such utility, or any
40 bonds issued for additions to or improvements to be made to such
41 municipally owned utility, or any bonds issued by any municipality to
42 be paid out of taxes levied by such municipality for the acquiring,
43 purchase, construction, or the reconstruction of a utility, or any part
44 thereof, shall be exempt from taxation for all purposes except a state
45 inheritance tax imposed under IC 6-4.1.

46 (c) This section does not apply to measuring the franchise tax
47 imposed on the privilege of transacting the business of a financial
48 institution in Indiana under IC 6-5.5.

49 (d) No other statute exempting interest paid on debt obligations of:

50 (1) a state or local public entity, including an agency, a
51 government corporation, or an authority; or

1 (2) a corporation or other entity leasing real or personal property
2 to an entity described in subdivision (1);
3 applies to measuring of the franchise tax imposed on financial
4 institutions under IC 6-5.5.

5 SECTION 86. IC 6-8.1-5-1, AS AMENDED BY P.L.1-2007,
6 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 1. (a) As used in this
8 section, "letter of findings" includes a supplemental letter of findings.

9 (b) If the department reasonably believes that a person has not
10 reported the proper amount of tax due, the department shall make a
11 proposed assessment of the amount of the unpaid tax on the basis of the
12 best information available to the department. The amount of the
13 assessment is considered a tax payment not made by the due date and
14 is subject to IC 6-8.1-10 concerning the imposition of penalties and
15 interest. The department shall send the person a notice of the proposed
16 assessment through the United States mail.

17 (c) If the person has a surety bond guaranteeing payment of the tax
18 for which the proposed assessment is made, the department shall
19 furnish a copy of the proposed assessment to the surety. The notice of
20 proposed assessment is prima facie evidence that the department's
21 claim for the unpaid tax is valid. The burden of proving that the
22 proposed assessment is wrong rests with the person against whom the
23 proposed assessment is made.

24 (d) The notice shall state that the person has forty-five (45) days
25 from the date the notice is mailed, **if the notice was mailed before**
26 **January 1, 2011, and sixty (60) days from the date the notice is**
27 **mailed, if the notice was mailed after December 31, 2010**, to pay the
28 assessment or to file a written protest. If the person files a protest and
29 requires a hearing on the protest, the department shall:

30 (1) set the hearing at the department's earliest convenient time;
31 and

32 (2) notify the person by United States mail of the time, date, and
33 location of the hearing.

34 (e) The department may hold the hearing at the location of its choice
35 within Indiana if that location complies with IC 6-8.1-3-8.5.

36 (f) No later than sixty (60) days after conducting a hearing on a
37 protest, or after making a decision on a protest when no hearing is
38 requested, the department shall issue a letter of findings and shall send
39 a copy of the letter through the United States mail to the person who
40 filed the protest and to the person's surety, if the surety was notified of
41 the proposed assessment under subsection (b). The department may
42 continue the hearing until a later date if the taxpayer presents
43 additional information at the hearing or the taxpayer requests an
44 opportunity to present additional information after the hearing.

45 (g) A person that disagrees with a decision in a letter of findings
46 may request a rehearing not more than thirty (30) days after the date on
47 which the letter of findings is issued by the department. The
48 department shall consider the request and may grant the rehearing if the
49 department reasonably believes that a rehearing would be in the best
50 interests of the taxpayer and the state.

51 (h) If a person disagrees with a decision in a letter of findings, the

1 person may appeal the decision to the tax court. However, the tax court
 2 does not have jurisdiction to hear an appeal that is filed more than sixty
 3 (60) days after the date on which:

4 (1) the letter of findings is issued by the department, if the person
 5 does not make a timely request for a rehearing under subsection
 6 (g) on the letter of findings; or

7 (2) the department issues a denial of the person's timely request
 8 for a rehearing under subsection (g) on the letter of findings.

9 (i) The tax court shall hear an appeal under subsection (h) de novo
 10 and without a jury. The tax court may do the following:

11 (1) Uphold or deny any part of the assessment that is appealed.

12 (2) Assess the court costs in a manner that the court believes to be
 13 equitable.

14 (3) Enjoin the collection of a listed tax under IC 33-26-6-2.

15 (j) The department shall demand payment, as provided in
 16 IC 6-8.1-8-2(a), of any part of the proposed tax assessment, interest,
 17 and penalties that it finds owing because:

18 (1) the person failed to properly respond within the forty-five (45)
 19 day period;

20 (2) the person requested a hearing but failed to appear at that
 21 hearing; or

22 (3) after consideration of the evidence presented in the protest or
 23 hearing, the department finds that the person still owes tax.

24 (k) The department shall make the demand for payment in the
 25 manner provided in IC 6-8.1-8-2.

26 (l) Subsection (b) does not apply to a motor carrier fuel tax return.

27 SECTION 87. IC 6-8.1-8-2, AS AMENDED BY P.L.111-2006,
 28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 2. (a) Except as provided in IC 6-8.1-5-3 **and**
 30 **section 16 of this chapter**, the department must issue a demand notice
 31 for the payment of a tax and any interest or penalties accrued on the
 32 tax, if a person files a tax return without including full payment of the
 33 tax or if the department, after ruling on a protest, finds that a person
 34 owes the tax before the department issues a tax warrant. The demand
 35 notice must state the following:

36 (1) That the person has ten (10) days from the date the department
 37 mails the notice to either pay the amount demanded or show
 38 reasonable cause for not paying the amount demanded.

39 (2) The statutory authority of the department for the issuance of
 40 a tax warrant.

41 (3) The earliest date on which a tax warrant may be filed and
 42 recorded.

43 (4) The statutory authority for the department to levy against a
 44 person's property that is held by a financial institution.

45 (5) The remedies available to the taxpayer to prevent the filing
 46 and recording of the judgment.

47 If the department files a tax warrant in more than one (1) county, the
 48 department is not required to issue more than one (1) demand notice.

49 (b) If the person does not pay the amount demanded or show
 50 reasonable cause for not paying the amount demanded within the ten
 51 (10) day period, the department may issue a tax warrant for the amount

1 of the tax, interest, penalties, collection fee, sheriff's costs, clerk's costs,
2 and fees established under section 4(b) of this chapter when applicable.
3 When the department issues a tax warrant, a collection fee of ten
4 percent (10%) of the unpaid tax is added to the total amount due.

5 (c) When the department issues a tax warrant, it may not file the
6 warrant with the circuit court clerk of any county in which the person
7 owns property until at least twenty (20) days after the date the demand
8 notice was mailed to the taxpayer. The department may also send the
9 warrant to the sheriff of any county in which the person owns property
10 and direct the sheriff to file the warrant with the circuit court clerk:

11 (1) at least twenty (20) days after the date the demand notice was
12 mailed to the taxpayer; and

13 (2) no later than five (5) days after the date the department issues
14 the warrant.

15 (d) When the circuit court clerk receives a tax warrant from the
16 department or the sheriff, the clerk shall record the warrant by making
17 an entry in the judgment debtor's column of the judgment record,
18 listing the following:

19 (1) The name of the person owing the tax.

20 (2) The amount of the tax, interest, penalties, collection fee,
21 sheriff's costs, clerk's costs, and fees established under section
22 4(b) of this chapter when applicable.

23 (3) The date the warrant was filed with the clerk.

24 (e) When the entry is made, the total amount of the tax warrant
25 becomes a judgment against the person owing the tax. The judgment
26 creates a lien in favor of the state that attaches to all the person's
27 interest in any:

28 (1) chose in action in the county; and

29 (2) real or personal property in the county;
30 excepting only negotiable instruments not yet due.

31 (f) A judgment obtained under this section is valid for ten (10) years
32 from the date the judgment is filed. The department may renew the
33 judgment for additional ten (10) year periods by filing an alias tax
34 warrant with the circuit court clerk of the county in which the judgment
35 previously existed.

36 (g) A judgment arising from a tax warrant in a county may be
37 released by the department:

38 (1) after the judgment, including all accrued interest to the date of
39 payment, has been fully satisfied; or

40 (2) if the department determines that the tax assessment or the
41 issuance of the tax warrant was in error.

42 (h) If the department determines that the filing of a tax warrant was
43 in error, the department shall mail a release of the judgment to the
44 taxpayer and the circuit court clerk of each county where the warrant
45 was filed. **The circuit court clerk of each county where the warrant**
46 **was filed shall expunge the warrant from the judgment debtor's**
47 **column of the judgment record.** The department shall mail the
48 release **and the order for the warrant to be expunged** as soon as
49 possible but no later than seven (7) days after:

50 (1) the determination by the department that the filing of the
51 warrant was in error; and

1 (2) the receipt of information by the department that the judgment
2 has been recorded under subsection (d).

3 (i) If the department determines that a judgment described in
4 subsection (h) is obstructing a lawful transaction, the department shall
5 **immediately upon making the determination** mail a release of the
6 judgment to the taxpayer and **an order requiring** the circuit court clerk
7 of each county where the judgment was filed ~~immediately upon making~~
8 ~~the determination:~~ **to expunge the warrant.**

9 (j) A release issued under subsection (h) or (i) must state that the
10 filing of the tax warrant was in error. Upon the request of the taxpayer,
11 the department shall mail a copy of a release **and the order for the**
12 **warrant to be expunged** issued under subsection (h) or (i) to each
13 major credit reporting company located in each county where the
14 judgment was filed.

15 (k) The commissioner shall notify each state agency or officer
16 supplied with a tax warrant list of the issuance of a release under
17 subsection (h) or (i).

18 (l) If the sheriff collects the full amount of a tax warrant, the sheriff
19 shall disburse the money collected in the manner provided in section
20 3(c) of this chapter. If a judgment has been partially or fully satisfied
21 by a person's surety, the surety becomes subrogated to the department's
22 rights under the judgment. If a sheriff releases a judgment:

- 23 (1) before the judgment is fully satisfied;
24 (2) before the sheriff has properly disbursed the amount collected;
25 or
26 (3) after the sheriff has returned the tax warrant to the department;
27 the sheriff commits a Class B misdemeanor and is personally liable for
28 the part of the judgment not remitted to the department.

29 SECTION 88. IC 6-8.1-8-16 IS ADDED TO THE INDIANA CODE
30 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
31 UPON PASSAGE]: **Sec. 16. (a) This section applies without an**
32 **injunction from the tax court to any assessment that is made or**
33 **pending after April 30, 2011.**

34 (b) **Except as provided in IC 6-8.1-5-3, no demand notice,**
35 **warrant, levy, or proceeding in court for the collection of a**
36 **protested listed tax or any penalties and interest on a listed tax may**
37 **be issued, commenced, or conducted against a taxpayer and no lien**
38 **on the taxpayer's property may be imposed until after the later of**
39 **the following:**

- 40 (1) **The expiration of the period in which the taxpayer may**
41 **appeal the listed tax to the tax court.**
42 (2) **A decision of the tax court concerning the listed tax**
43 **becomes final, if the taxpayer filed a timely appeal.**

44 SECTION 89. IC 6-8.1-9-1, AS AMENDED BY P.L.182-2009(ss),
45 SECTION 256, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:
46 Sec. 1. (a) If a person has paid more tax than the person determines is
47 legally due for a particular taxable period, the person may file a claim for
48 a refund with the department. Except as provided in subsections (f), ~~and~~ (g),
49 **and (h)**, in order to obtain the refund, the person must file the claim
50 with the department within three (3) years after the latter of the following:
51

1 (1) The due date of the return.

2 (2) The date of payment.

3 For purposes of this section, the due date for a return filed for the state
4 gross retail or use tax, the gasoline tax, the special fuel tax, the motor
5 carrier fuel tax, the oil inspection fee, or the petroleum severance tax
6 is the end of the calendar year which contains the taxable period for
7 which the return is filed. The claim must set forth the amount of the
8 refund to which the person is entitled and the reasons that the person
9 is entitled to the refund.

10 (b) ~~When the department receives a claim for refund, the~~
11 ~~department shall consider the claim for refund and shall, if the taxpayer~~
12 ~~requests, hold a hearing on the claim for refund to obtain and consider~~
13 ~~additional evidence.~~ After considering the claim and all evidence
14 relevant to the claim, the department shall issue a decision on the
15 claim, stating the part, if any, of the refund allowed and containing a
16 statement of the reasons for any part of the refund that is denied. The
17 department shall mail a copy of the decision to the person who filed the
18 claim. **If the person disagrees with a part of the decision, the person**
19 **may file a protest and request a hearing with the department. The**
20 **department shall mail a copy of the decision to the person who filed**
21 **the protest.** If the department allows the full amount of the refund
22 claim, a warrant for the payment of the claim is sufficient notice of the
23 decision.

24 (c) If the person disagrees with any part of the department's
25 decision, the person may appeal the decision, regardless of whether or
26 not the person protested the tax payment or whether or not the person
27 has accepted a refund. The person must file the appeal with the tax
28 court. The tax court does not have jurisdiction to hear a refund appeal
29 suit, if:

30 (1) the appeal is filed more than three (3) years after the date the
31 claim for refund was filed with the department;

32 (2) the appeal is filed more than ninety (90) days after **the later**
33 **of** the date the department mails:

34 (A) the decision of denial **of the claim** to the person; or

35 (B) **the decision made on the protest filed under subsection**
36 **(b); or**

37 (3) the appeal is filed both before the decision is issued and
38 before the one hundred eighty-first day after the date the person
39 files the claim for refund with the department.

40 (d) The tax court shall hear the appeal de novo and without a jury,
41 and after the hearing may order or deny any part of the appealed
42 refund. The court may assess the court costs in any manner that it feels
43 is equitable. The court may enjoin the collection of any of the listed
44 taxes under IC 33-26-6-2. The court may also allow a refund of taxes,
45 interest, and penalties that have been paid to and collected by the
46 department.

47 (e) With respect to the motor vehicle excise tax, this section applies
48 only to penalties and interest paid on assessments of the motor vehicle
49 excise tax. Any other overpayment of the motor vehicle excise tax is
50 subject to IC 6-6-5.

51 (f) If a taxpayer's federal income tax liability for a taxable year is

1 modified by the Internal Revenue Service, and the modification would
 2 result in a reduction of the tax legally due, the due date by which the
 3 taxpayer must file a claim for refund with the department is the later of:

- 4 (1) the date determined under subsection (a); or
 5 (2) the date that is ~~six (6) months~~ **one hundred eighty (180) days**
 6 after the date on which the taxpayer is notified of the modification
 7 by the Internal Revenue Service.

8 (g) If an agreement to extend the assessment time period is entered
 9 into under IC 6-8.1-5-2(h), the period during which a person may file
 10 a claim for a refund under subsection (a) is extended to the same date
 11 to which the assessment time period is extended.

12 **(h) If a taxpayer's claim for a refund of gross retail or use tax is**
 13 **based on:**

- 14 **(1) IC 6-2.5-4-5(c)(3); or**
 15 **(2) the exemption provided by IC 6-2.5-5-5.1 for electrical**
 16 **energy, natural or artificial gas, water, steam, and steam heat;**
 17 **the person must file the claim with the department within eighteen**
 18 **(18) months after the date of payment.**

19 SECTION 90. IC 6-9-2-1, AS AMENDED BY P.L.2-2007,
 20 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) A county having a population
 22 of more than four hundred thousand (400,000) but less than seven
 23 hundred thousand (700,000) that establishes a medical center
 24 development agency pursuant to IC 16-23.5-2 may levy each year a tax
 25 on every person engaged in the business of renting or furnishing, for
 26 periods of less than thirty (30) days **by the same party in the same**
 27 **room**, any room or rooms, lodgings, or accommodations, in any hotel,
 28 motel, inn, tourist camp, tourist cabin, or any other place in which
 29 rooms, lodgings, or accommodations are regularly furnished for a
 30 consideration.

31 (b) Such tax shall be at a rate of five percent (5%) on the gross retail
 32 income derived therefrom and ~~shall be~~ **is** in addition to the state gross
 33 retail tax imposed on ~~such persons by law:~~ **the retail transaction.**

34 (c) The county fiscal body may adopt an ordinance to require that
 35 the tax be reported on forms approved by the county treasurer and that
 36 the tax shall be paid monthly to the county treasurer. If such an
 37 ordinance is adopted. The tax shall be paid to the county treasurer not
 38 more than twenty (20) days after the end of the month the tax is
 39 collected. If such an ordinance is not adopted, the tax shall be imposed,
 40 paid, and collected in exactly the same manner as the state gross retail
 41 tax is imposed, paid, and collected.

42 (d) All of the provisions of the state gross retail tax (IC 6-2.5)
 43 relating to rights, duties, liabilities, procedures, penalties, definitions,
 44 exemptions, and administration shall be applicable to the imposition
 45 and administration of the tax imposed by this section except to the
 46 extent such provisions are in conflict or inconsistent with the specific
 47 provisions of this chapter or the requirements of the county treasurer.
 48 Specifically and not in limitation of the foregoing sentence, the terms
 49 "person" and "gross retail income" shall have the same meaning in this
 50 section as they have in the state gross retail tax (IC 6-2.5). If the tax is
 51 paid to the department of state revenue, the returns to be filed for the

1 payment of the tax under this section may be either a separate return or
 2 may be combined with the return filed for the payment of the state
 3 gross retail tax as the department of state revenue may, by rule,
 4 determine.

5 (e) If the tax is paid to the department of state revenue, the amounts
 6 received from the tax shall be paid by the end of the next succeeding
 7 month by the treasurer of state to the county treasurer upon warrants
 8 issued by the auditor of state. The county treasurer shall deposit the
 9 revenue received under this chapter as provided in section 2 of this
 10 chapter.

11 SECTION 91. IC 6-9-2-2, AS AMENDED BY P.L.113-2010,
 12 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2011]: Sec. 2. (a) The revenue received by the county
 14 treasurer under this chapter shall be allocated to the Lake County
 15 convention and visitor bureau, Indiana University-Northwest, Purdue
 16 University-Calumet, municipal public safety departments, municipal
 17 physical and economic development divisions, and the cities and towns
 18 in the county as provided in this section. Subsections (b) through (g) do
 19 not apply to the distribution of revenue received under section 1 of this
 20 chapter from hotels, motels, inns, tourist camps, tourist cabins, and
 21 other lodgings or accommodations built or refurbished after June 30,
 22 1993, that are located in the largest city of the county.

23 (b) The Lake County convention and visitor bureau shall establish
 24 a convention, tourism, and visitor promotion fund (referred to in this
 25 chapter as the "promotion fund"). The county treasurer shall transfer to
 26 the Lake County convention and visitor bureau for deposit in the
 27 promotion fund thirty-five percent (35%) of the first one million two
 28 hundred thousand dollars (\$1,200,000) of revenue received from the
 29 tax imposed under this chapter in each year. The promotion fund
 30 consists of:

- 31 (1) money in the promotion fund on June 30, 2005;
- 32 (2) revenue deposited in the promotion fund under this subsection
 33 after June 30, 2005; and
- 34 (3) investment income earned on the promotion fund's assets.

35 Money in the ~~bureau's~~ funds **established by the bureau** may be
 36 expended to promote and encourage conventions, trade shows, special
 37 events, recreation, and visitors. Money may be paid from the ~~promotion~~
 38 ~~fund;~~ **funds established by the bureau**, by claim in the same manner
 39 as municipalities may pay claims under IC 5-11-10-1.6.

40 (c) This subsection applies to the first one million two hundred
 41 thousand dollars (\$1,200,000) of revenue received from the tax
 42 imposed under this chapter in each year. During each year, the county
 43 treasurer shall transfer to Indiana University-Northwest forty-four and
 44 thirty-three hundredths percent (44.33%) of the revenue received under
 45 this chapter for that year to be used as follows:

- 46 (1) Seventy-five percent (75%) of the revenue received under this
 47 subsection may be used only for the university's medical
 48 education programs.
- 49 (2) Twenty-five percent (25%) of the revenue received under this
 50 subsection may be used only for the university's allied health
 51 education programs.

1 (d) This subsection applies to the first one million two hundred
 2 thousand dollars (\$1,200,000) of revenue received from the tax
 3 imposed under this chapter in each year. During each year, the county
 4 treasurer shall allocate among the cities and towns throughout the
 5 county nine percent (9%) of the revenue received under this chapter for
 6 that year as follows:

7 (1) Ten percent (10%) of the revenue covered by this subsection
 8 shall be distributed to cities having a population of more than
 9 ninety thousand (90,000) but less than one hundred five thousand
 10 (105,000).

11 (2) Ten percent (10%) of the revenue covered by this subsection
 12 shall be distributed to cities having a population of more than
 13 seventy-five thousand (75,000) but less than ninety thousand
 14 (90,000).

15 (3) Ten percent (10%) of the revenue covered by this subsection
 16 shall be distributed to cities having a population of more than
 17 thirty-two thousand (32,000) but less than thirty-two thousand
 18 eight hundred (32,800).

19 (4) Seventy percent (70%) of the revenue covered by this
 20 subsection shall be distributed in equal amounts to each town and
 21 each city not receiving a distribution under subdivisions (1)
 22 through (3).

23 The money distributed under this subsection may be used only for
 24 tourism and economic development projects. The county treasurer shall
 25 make the distributions on or before December 1 of each year.

26 (e) This subsection applies to the first one million two hundred
 27 thousand dollars (\$1,200,000) of revenue received from the tax
 28 imposed under this chapter in each year. During each year, the county
 29 treasurer shall transfer to Purdue University-Calumet nine percent (9%)
 30 of the revenue received under this chapter for that year. The money
 31 received by Purdue University-Calumet may be used by the university
 32 only for nursing education programs.

33 (f) This subsection applies to the first one million two hundred
 34 thousand dollars (\$1,200,000) of revenue received from the tax
 35 imposed under this chapter in each year. During each year, the county
 36 treasurer shall transfer two and sixty-seven hundredths percent (2.67%)
 37 of the revenue received under this chapter for that year to the following
 38 cities:

39 (1) Fifty percent (50%) of the revenue covered by this subsection
 40 shall be transferred to cities having a population of more than
 41 ninety thousand (90,000) but less than one hundred five thousand
 42 (105,000).

43 (2) Fifty percent (50%) of the revenue covered by this subsection
 44 shall be transferred to cities having a population of more than
 45 seventy-five thousand (75,000) but less than ninety thousand
 46 (90,000).

47 Money transferred under this subsection may be used only for
 48 convention facilities located within the city. In addition, the money may
 49 be used only for facility marketing, sales, and public relations
 50 programs. Money transferred under this subsection may not be used for
 51 salaries, facility operating costs, or capital expenditures related to the

1 convention facilities. The county treasurer shall make the transfers on
2 or before December 1 of each year.

3 (g) This subsection applies to the revenue received from the tax
4 imposed under this chapter in each year that exceeds one million two
5 hundred thousand dollars (\$1,200,000). During each year, the county
6 treasurer shall distribute money in the promotion fund as follows:

7 (1) Eighty-five percent (85%) of the revenue covered by this
8 subsection shall be deposited in the convention, tourism, and
9 visitor promotion fund. The money deposited in the fund under
10 this subdivision may be used only for the purposes for which
11 other money in the fund may be used.

12 (2) Five percent (5%) of the revenue covered by this subsection
13 shall be transferred to Purdue University-Calumet. The money
14 received by Purdue University-Calumet under this subdivision
15 may be used by the university only for nursing education
16 programs.

17 (3) Five percent (5%) of the revenue covered by this subsection
18 shall be transferred to Indiana University-Northwest. The money
19 received by Indiana University-Northwest under this subdivision
20 may be used only for the university's medical education programs.

21 (4) Five percent (5%) of the revenue covered by this subsection
22 shall be transferred to Indiana University-Northwest. The money
23 received by Indiana University-Northwest under this subdivision
24 may be used only for the university's allied health education
25 programs.

26 (h) This subsection applies only to the distribution of revenue
27 received from the tax imposed under section 1 of this chapter from
28 hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or
29 accommodations built or refurbished after June 30, 1993, that are
30 located in the largest city of the county. During each year, the county
31 treasurer shall transfer:

32 (1) seventy-five percent (75%) of the revenues under this
33 subsection to the department of public safety; and

34 (2) twenty-five percent (25%) of the revenues under this
35 subsection to the division of physical and economic development;
36 of the largest city of the county.

37 (i) The Lake County convention and visitor bureau shall assist the
38 county treasurer, as needed, with the calculation of the amounts that
39 must be deposited and transferred under this section.

40 SECTION 92. IC 6-9-2-3, AS AMENDED BY P.L.223-2007,
41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2011]: Sec. 3. (a) For purposes of this section, the size of a
43 political subdivision is based on the population determined in the last
44 federal decennial census.

45 (b) A convention and visitor bureau having ~~fifteen (15)~~ **nineteen**
46 **(19)** members is created to promote the development and growth of the
47 convention, tourism, and visitor industry in the county.

48 (c) The executives (as defined by IC 36-1-2-5) of the ~~eight (8)~~
49 **largest municipalities (as defined by IC 36-1-2-11) five (5) largest**
50 **cities and the seven (7) largest towns** in the county shall each appoint
51 one (1) member to the bureau. The legislative body (as defined in

1 IC 36-1-2-9) of the two (2) largest municipalities in the county shall
2 each appoint one (1) member to the bureau.

3 (d) The county council shall appoint two (2) members to the bureau.
4 One (1) of the appointees must be a resident of the **fifth** largest
5 **township city** in the county, and one (1) of the appointees must be a
6 resident of the ~~second eighth~~ largest **township town** in the county. **The**
7 **appointees may not be of the same political party.**

8 (e) The county commissioners shall appoint two (2) members to the
9 bureau. ~~Each appointee~~ **One (1) of the appointees** must be a resident
10 of the ~~fifth, sixth seventh, eighth, ninth, tenth, or eleventh~~ largest
11 **township town** in the county. ~~These appointees must be residents of~~
12 ~~different townships.~~ **One (1) of the appointees must be a resident of**
13 **the seventh largest town in the county. The appointees may not be**
14 **of the same political party.**

15 (f) The lieutenant governor shall appoint one (1) member to the
16 bureau.

17 (g) ~~One (1) of the appointees under subsection (d) and one (1) of the~~
18 ~~appointees under subsection (e) must be members of the political party~~
19 ~~that received the highest number of votes in the county in the last~~
20 ~~preceding election for the office of secretary of state. One (1) of the~~
21 ~~appointees under subsection (d) and one (1) of the appointees under~~
22 ~~subsection (e) must be members of the political party that received the~~
23 ~~second highest number of votes in the county in the election for that~~
24 ~~office.~~ No appointee under this section may hold an elected or
25 appointed political office while serving on the bureau.

26 (h) In making appointments under this section, the appointing
27 authority shall give sole consideration to individuals who are
28 knowledgeable about or employed as executives or managers in at least
29 one (1) of the following businesses in the county:

- 30 (1) Hotel.
- 31 (2) Motel.
- 32 (3) Restaurant.
- 33 (4) Travel.
- 34 (5) Transportation.
- 35 (6) Convention.
- 36 (7) Trade show.
- 37 (8) A riverboat licensed under IC 4-33.
- 38 (9) Banking.
- 39 (10) Real estate.
- 40 (11) Construction.

41 However, an individual employed by a riverboat may not be appointed
42 under this section unless the individual holds a Level 1 occupational
43 license issued under IC 4-33-8. This subsection does not apply to board
44 members appointed before July 1, 2007, who are eligible for
45 reappointment after June 30, 2007.

46 (i) All terms of office of bureau members begin on July 1. Members
47 of the bureau serve terms of three (3) years. A member whose term
48 expires may be reappointed to serve another term. If a vacancy occurs,
49 the appointing authority shall appoint a qualified person to serve for the
50 remainder of the term. If an appointment is not made before July 16 or
51 a vacancy is not filled within thirty (30) days, the member appointed by

1 the lieutenant governor under subsection (f) shall appoint a qualified
2 person.

3 (j) A member of the bureau may be removed for cause by the
4 member's appointing authority.

5 (k) Members of the bureau may not receive a salary. However,
6 bureau members are entitled to reimbursement for necessary expenses
7 incurred in the performance of their respective duties.

8 (l) Each bureau member, before entering the member's duties, shall
9 take an oath of office in the usual form, to be endorsed upon the
10 member's certificate of appointment and promptly filed with the clerk
11 of the circuit court of the county.

12 (m) The bureau shall meet after July 1 each year for the purpose of
13 organization. The bureau shall elect a chairman from its members. The
14 bureau shall also elect from its members a vice chairman, a secretary,
15 and a treasurer. The members serving in those offices shall perform the
16 duties pertaining to the offices. The first officers chosen shall serve
17 until their successors are elected and qualified. A majority of the
18 bureau constitutes a quorum, and the concurrence of a majority of those
19 present is necessary to authorize any action.

20 (n) If the county and one (1) or more adjoining counties desire to
21 establish a joint bureau, the counties shall enter into an agreement
22 under IC 36-1-7.

23 (o) Notwithstanding any other law, any bureau member appointed
24 as of January 1, 2007, is eligible for reappointment.

25 SECTION 93. IC 6-9-2-4, AS AMENDED BY P.L.223-2007,
26 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2011]: Sec. 4. (a) The bureau may:

28 (1) accept and use gifts, grants, and contributions from any public
29 or private source, under terms and conditions that the bureau
30 considers necessary and desirable;

31 (2) sue and be sued;

32 (3) enter into contracts and agreements;

33 (4) make rules necessary for the conduct of its business and the
34 accomplishment of its purposes;

35 (5) receive and approve, alter, or reject requests and proposals for
36 funding by corporations qualified under subdivision (6);

37 (6) after its approval of a proposal, transfer money from **any fund**
38 **established by the bureau**, the promotion fund, or ~~from~~ the
39 alternate revenue fund to any Indiana nonprofit corporation to
40 promote and encourage conventions, trade shows, visitors, or
41 special events in the county;

42 (7) require financial or other reports from any corporation that
43 receives funds under this chapter;

44 (8) enter into leases under IC 36-1-10 for the construction,
45 acquisition, and equipping of a visitor center; and

46 (9) exercise the power of eminent domain to acquire property to
47 promote and encourage conventions, trade shows, special events,
48 recreation, and visitors within the county.

49 (b) All expenses of the bureau shall be paid from funds established
50 by the bureau. Before ~~September~~ **December 20** of each year, the
51 bureau shall prepare a budget for expenditures during the following

1 year, taking into consideration the recommendations made by a
 2 corporation qualified under subsection (a)(6). A budget prepared under
 3 this section must be submitted to the department of local government
 4 finance and placed on file with the county auditor.

5 (c) All money in the bureau's funds shall be deposited, held,
 6 secured, invested, and paid in accordance with statutes relating to the
 7 handling of public funds. The handling and expenditure of money in
 8 the bureau's funds are subject to audit and supervision by the state
 9 board of accounts.

10 SECTION 94. IC 6-9-2-4.3, AS ADDED BY P.L.168-2005,
 11 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2011]: Sec. 4.3. (a) The Lake County convention and visitor
 13 bureau shall establish a convention, tourism, and visitor promotion
 14 alternate revenue fund (referred to in this chapter as the "alternate
 15 revenue fund"). The bureau may deposit in the alternate revenue fund
 16 all money received by the bureau after June 30, 2005, that is not
 17 required to be deposited in the promotion fund under section 2 of this
 18 chapter **or a fund established by the bureau**, including
 19 appropriations, gifts, grants, membership dues, and contributions from
 20 any public or private source.

21 (b) The bureau may, without appropriation by the county council,
 22 expend money from the alternate revenue fund to promote and
 23 encourage conventions, trade shows, visitors, special events, sporting
 24 events, and exhibitions in the county. Money may be paid from the
 25 alternate revenue fund by claim in the same manner as municipalities
 26 may pay claims under IC 5-11-10-1.6.

27 (c) All money in the alternate revenue fund shall be deposited, held,
 28 secured, invested, and paid in accordance with statutes relating to the
 29 handling of public funds. The handling and expenditure of money in
 30 the alternate revenue fund is subject to audit and supervision by the
 31 state board of accounts.

32 (d) Money derived from the taxes imposed under IC 4-33-12 and
 33 IC 4-33-13 may not be transferred to the alternate revenue fund.

34 SECTION 95. IC 6-9-2-9, AS AMENDED BY P.L.223-2007,
 35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2011]: Sec. 9. (a) The legislative body of a county that
 37 imposes a tax under section 1 of this chapter shall annually prepare a
 38 report concerning the disbursement and use of the money collected
 39 under this chapter during the preceding calendar year. The report shall
 40 be prepared before ~~March~~ **April** 15 each year and shall be made
 41 available to the public.

42 (b) If in any year an entity receiving money under this chapter fails
 43 to provide the county legislative body with sufficient information, as
 44 reasonably requested by the county legislative body:

- 45 (1) for the county legislative body to comply with this section;
- 46 and
- 47 (2) before the date specified by the county legislative body;

48 the county legislative body may direct the county treasurer by
 49 resolution to stop deposits and transfers under this chapter to the entity.
 50 When an entity provides the information that is the subject of the
 51 resolution, the county legislative body shall as soon as practicable

1 direct the county treasurer, by resolution, to resume making deposits
 2 and transfers to the entity, including any deposits and transfers that
 3 would otherwise have been made to the entity during the time that
 4 deposits and transfers were stopped under this subsection. A copy of a
 5 resolution adopted under this subsection must be distributed to the
 6 county treasurer and the entity that is the subject of the resolution
 7 within ten (10) business days after the resolution is adopted. The
 8 county treasurer shall comply with a resolution adopted under this
 9 subsection.

10 SECTION 96. IC 6-9-3-1 IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. (a) This chapter applies to
 12 each of two (2) adjacent counties when: **the following counties:**

13 ~~(1) one (1) of the counties has a population of more than seventy~~
 14 ~~thousand (70,000) but less than seventy-one thousand (71,000);~~
 15 ~~and~~

16 ~~(2) the other county has a population of more than ninety~~
 17 ~~thousand (90,000) but less than one hundred thousand (100,000):~~

18 **(1) Clark County.**

19 **(2) Floyd County.**

20 (b) In these counties, there is created a special funds board of
 21 managers. As used in this chapter, the term "board of managers" means
 22 a special funds board of managers.

23 (c) **Beginning January 15, 2012**, the board of managers is
 24 composed of thirteen (13) members as follows:

25 ~~(1) Four (4) Three (3) members appointed by the executive of the~~
 26 ~~second class city having the largest population; city of New~~
 27 ~~Albany, including at least one (1) member who is engaged in the~~
 28 ~~lodging business: two (2) members who are:~~

29 ~~(A) engaged in a convention, visitor, or tourism business;~~
 30 ~~or~~

31 ~~(B) involved in or promoting conventions, visitors, or~~
 32 ~~tourism.~~

33 ~~(2) Three (3) members appointed by the executive of the third~~
 34 ~~class city having the largest population; city of Jeffersonville,~~
 35 ~~including at least one (1) member who is engaged in the lodging~~
 36 ~~business or the restaurant business: two (2) members who are:~~

37 ~~(A) engaged in a convention, visitor, or tourism business;~~
 38 ~~or~~

39 ~~(B) involved in or promoting conventions, visitors, or~~
 40 ~~tourism.~~

41 ~~(3) Two (2) members appointed by the legislative body of the~~
 42 ~~town having the largest population: of Clarksville, including at~~
 43 ~~least one (1) member who is:~~

44 ~~(A) engaged in a convention, visitor, or tourism business;~~
 45 ~~or~~

46 ~~(B) involved in or promoting conventions, visitors, or~~
 47 ~~tourism.~~

48 ~~(4) One (1) member Two (2) members appointed by the~~
 49 ~~executive of the Floyd County, with the smaller population:~~
 50 ~~including at least one (1) member who is:~~

51 ~~(A) engaged in a convention, visitor, or tourism business;~~

1 **or**
 2 **(B) involved in or promoting conventions, visitors, or**
 3 **tourism.**

4 (5) Three (3) members appointed by the executive of ~~the Clark~~
 5 County, ~~with the larger population,~~ including at least ~~one (1)~~
 6 member who is engaged in the lodging business: ~~two (2)~~
 7 **members who are:**

8 **(A) engaged in a convention, visitor, or tourism business;**
 9 **or**
 10 **(B) involved in or promoting conventions, visitors, or**
 11 **tourism.**

12 (d) The terms of office for the members of the board of managers
 13 are for two (2) years and end as follows:

14 (1) For each of the following members, the term of office ends on
 15 January 15 of each odd-numbered year:

16 (A) ~~The One (1)~~ member appointed by the ~~less populated~~
 17 county's executive **of Floyd County.**

18 (B) One (1) member appointed by the ~~more populated county's~~
 19 executive **of Clark County.**

20 (C) One (1) member appointed by each of the city executives
 21 referred to in this section.

22 (2) For all other members, the terms of office end on January 15
 23 of each even-numbered year.

24 **The term of the second member appointed under subsection (c)(4)**
 25 **by the executive of Floyd County begins January 15, 2012.**

26 (e) At the end of the term of a member of the board of managers, the
 27 person or body making the original appointment may reappoint a
 28 person whose term has expired or appoint a new member for a two (2)
 29 year term. If a vacancy occurs in the board of managers during a term,
 30 a successor for the vacancy shall be appointed by the person or body
 31 making the original appointment, and the successor shall serve for the
 32 remainder of the vacated term.

33 (f) A member of the board of managers may be removed for cause
 34 by the person or body making the original appointment.

35 (g) ~~No more than two (2) members of the board of managers~~
 36 appointed by the executive of the third class city may be of the same
 37 political party. ~~The two (2) members of following apply to the board~~
 38 of managers appointed by the town legislative body may not be of the
 39 same political party. ~~No more than three (3) members of the board of~~
 40 managers appointed by the executive of the second class city having
 41 the largest population may be of the same political party. **under this**
 42 **section:**

43 **(1) If an entity is authorized to appoint three (3) members, not**
 44 **more than two (2) of the members appointed by the entity**
 45 **may belong to the same political party.**

46 **(2) If an entity is authorized to appoint two (2) members, the**
 47 **members appointed by the entity must belong to different**
 48 **political parties.**

49 (h) Each member of the board of managers, before entering upon the
 50 member's duties, shall take an oath of office in the usual form, to be
 51 endorsed upon the member's certificate of appointment, which shall be

1 promptly filed with the clerk of the circuit court of the member's county
2 of residence.

3 (i) A person may not be appointed as a member who has not been
4 a resident of one (1) of the two (2) counties for a period of two (2)
5 years immediately preceding the person's appointment.

6 (j) A member may receive no salary but is entitled to reimbursement
7 for any expenses necessarily incurred in the performance of the
8 member's duties.

9 SECTION 97. IC 6-9-3-2.5 IS ADDED TO THE INDIANA CODE
10 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
11 1, 2011]: **Sec. 2.5. Except as otherwise specifically provided by law,**
12 **the board of managers is subject to IC 5-14-1.5 and IC 5-14-3.**

13 SECTION 98. IC 6-9-3-3.5 IS ADDED TO THE INDIANA CODE
14 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
15 1, 2011]: **Sec. 3.5. (a) Before January 1 of each year, the board of**
16 **managers shall annually publish a financial report summarizing**
17 **the income and expenses of the board of managers for the previous**
18 **twelve (12) months.**

19 **(b) The report required by subsection (a) must be published two**
20 **(2) times, one (1) week apart, in a daily or weekly newspaper**
21 **published in the English language and of general circulation in**
22 **both Clark County and Floyd County.**

23 **(c) Before January 1 of each year, the board of managers shall**
24 **prepare a written report generally summarizing the board's**
25 **activities for the previous twelve (12) months. The report shall be**
26 **made available on an Internet web site maintained by the board of**
27 **managers.**

28 SECTION 99. IC 6-9-3-8 IS ADDED TO THE INDIANA CODE
29 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
30 1, 2011]: **Sec. 8. Any entity that receives funds under this chapter**
31 **shall make a financial or other report upon request of the board of**
32 **managers.**

33 SECTION 100. IC 6-9-7-7, AS AMENDED BY P.L.1-2009,
34 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 UPON PASSAGE]: **Sec. 7. (a) The county treasurer shall establish an**
36 **innkeeper's tax fund. The treasurer shall deposit in that fund all money**
37 **received under section 6 of this chapter that is attributable to an**
38 **innkeeper's tax rate that is not more than five percent (5%).**

39 **(b) Money in the innkeeper's tax fund shall be distributed as**
40 **follows:**

41 (1) Thirty percent (30%) shall be distributed to the department of
42 natural resources for the development of projects in the state park
43 on the county's largest river, including its tributaries.

44 (2) Forty percent (40%) shall be distributed to the commission to
45 carry out its purposes, including making any distributions or
46 payments to the Lafayette - West Lafayette Convention and
47 Visitors Bureau, Inc.

48 (3) Ten percent (10%) shall be distributed to a community
49 development corporation that serves a metropolitan area in the
50 county that includes:

51 (A) a city having a population of more than fifty-five thousand

- 1 (55,000) but less than fifty-nine thousand (59,000); and
 2 (B) a city having a population of more than twenty-eight
 3 thousand seven hundred (28,700) but less than twenty-nine
 4 thousand (29,000);
 5 for the community development corporation's use in tourism,
 6 recreation, and economic development activities.
 7 (4) Ten percent (10%) shall be distributed to Historic
 8 Prophetstown to be used by Historic Prophetstown for carrying
 9 out its purposes.
 10 (5) Ten percent (10%) shall be distributed to the Wabash River
 11 Enhancement Corporation to assist the Wabash River
 12 Enhancement Corporation in carrying out its purposes. ~~Money~~
 13 ~~distributed under this subdivision may not be used to pay any:~~
 14 (A) ~~employee salaries; or~~
 15 (B) ~~other ongoing administrative or operating costs;~~
 16 ~~of the Wabash River Enhancement Corporation.~~
 17 (c) An advisory commission consisting of the following members is
 18 established:
 19 (1) The director of the department of natural resources or the
 20 director's designee.
 21 (2) The public finance director or the public finance director's
 22 designee.
 23 (3) A member appointed by the Native American Indian affairs
 24 commission.
 25 (4) A member appointed by Historic Prophetstown.
 26 (5) A member appointed by the community development
 27 corporation described in subsection (b)(3).
 28 (6) A member appointed by the Wabash River Enhancement
 29 Corporation.
 30 (7) A member appointed by the commission.
 31 (8) A member appointed by the county fiscal body.
 32 (9) A member appointed by the town board of the town of
 33 Battleground.
 34 (10) A member appointed by the mayor of the city of Lafayette.
 35 (11) A member appointed by the mayor of the city of West
 36 Lafayette.
 37 (d) The following apply to the advisory commission:
 38 (1) The governor shall appoint a member of the advisory
 39 commission as chairman of the advisory commission.
 40 (2) Six (6) members of the advisory commission constitute a
 41 quorum. The affirmative votes of at least six (6) advisory
 42 commission members are necessary for the advisory commission
 43 to take official action other than to adjourn or to meet to hear
 44 reports or testimony.
 45 (3) The advisory commission shall make recommendations
 46 concerning the use of any proceeds of bonds issued to finance the
 47 development of Prophetstown State Park.
 48 (4) Members of the advisory commission who are state
 49 employees:
 50 (A) are not entitled to any salary per diem; and
 51 (B) are entitled to reimbursement for traveling expenses as

1 provided under IC 4-13-1-4 and to reimbursement for other
 2 expenses actually incurred in connection with the member's
 3 duties as provided in the state policies and procedures
 4 established by the Indiana department of administration and
 5 approved by the budget agency.

6 (e) The Indiana finance authority, in its capacity as the recreational
 7 development commission, may issue bonds for the development of
 8 Prophetstown State Park under IC 14-14-1.

9 SECTION 101. IC 6-9-10.5-1.5 IS ADDED TO THE INDIANA
 10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2011]: **Sec. 1.5. As used in this chapter,**
 12 **"commission" means a commission created under section 9 of this**
 13 **chapter.**

14 SECTION 102. IC 6-9-10.5-6 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) The fiscal body
 16 of a county may levy a tax on every person engaged in the business of
 17 renting or furnishing, for periods of less than thirty (30) days, any room
 18 or rooms, lodgings, or accommodations in any:

- 19 (1) hotel;
- 20 (2) motel;
- 21 (3) inn;
- 22 (4) tourist cabin; or
- 23 (5) campground space;

24 located in the county.

25 (b) The tax may not exceed the rate of ~~three~~ **five** percent (~~3%~~) (**5%**)
 26 on the gross retail income derived from lodging income only and is in
 27 addition to the state gross retail tax imposed under IC 6-2.5.

28 (c) The county fiscal body may adopt an ordinance to require that
 29 the tax be reported on forms approved by the county treasurer and that
 30 the tax shall be paid monthly to the county treasurer. If such an
 31 ordinance is adopted, the tax shall be paid to the county treasurer not
 32 more than twenty (20) days after the end of the month the tax is
 33 collected. If such an ordinance is not adopted, the tax shall be imposed,
 34 paid, and collected in exactly the same manner as the state gross retail
 35 tax is imposed, paid, and collected under IC 6-2.5.

36 (d) All of the provisions of IC 6-2.5 relating to rights, duties,
 37 liabilities, procedures, penalties, definitions, exemptions, and
 38 administration are applicable to the imposition and administration of
 39 the tax imposed under this section except to the extent those provisions
 40 are in conflict or inconsistent with the specific provisions of this
 41 chapter or the requirements of the county treasurer. If the tax is paid to
 42 the department of state revenue, the return to be filed for the payment
 43 of the tax under this section may be either a separate return or may be
 44 combined with the return filed for the payment of the state gross retail
 45 tax as the department of state revenue may, by rule, determine.

46 (e) If the tax is paid to the department of state revenue, the taxes the
 47 department of state revenue receives under this section during a month
 48 shall be paid, by the end of the next succeeding month, to the county
 49 treasurer upon warrants issued by the auditor of state.

50 SECTION 103. IC 6-9-10.5-7 IS AMENDED TO READ AS
 51 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) If a tax is levied

1 under section 6 of this chapter, the county treasurer shall establish a
 2 lake enhancement fund. **Except as provided in subsection (c) and**
 3 **section 8 of this chapter**, the county treasurer shall deposit in this fund
 4 all amounts received under section 6 of this chapter.

5 (b) Money in this fund may be expended only to enhance lakes
 6 located in the county, including silt trap maintenance.

7 (c) **This subsection applies if the tax levied under section 6 of**
 8 **this chapter is increased by an ordinance adopted by the county**
 9 **fiscal body after June 30, 2011. The county treasurer shall deposit**
 10 **in the lake enhancement fund:**

11 (1) the amount received under section 6 of this chapter;
 12 multiplied by

13 (2) a fraction, the numerator of which is three (3) and the
 14 denominator of which is the product of:

15 (A) the tax rate in effect after the adoption of the
 16 ordinance to increase the tax; multiplied by

17 (B) one hundred (100).

18 SECTION 104. IC 6-9-10.5-8 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2011]: **Sec. 8. (a) If the tax levied under**
 21 **section 6 of this chapter is increased by an ordinance adopted by**
 22 **the county fiscal body after June 30, 2011, the county treasurer**
 23 **shall establish a county promotion fund. The county treasurer shall**
 24 **deposit in the county promotion fund the difference between:**

25 (1) the amount received under section 6 of this chapter; minus

26 (2) the amount deposited in the lake enhancement fund under
 27 section 7(c) of this chapter.

28 (b) In a county in which a commission has been established
 29 under section 9 of this chapter, the county auditor shall issue a
 30 warrant directing the county treasurer to transfer money from the
 31 county promotion fund to the commission's treasurer if the
 32 commission submits a written request for the transfer.

33 (c) Money in a county promotion fund, or money transferred
 34 from such a fund under subsection (b), may be expended only to
 35 promote and encourage conventions, visitors, tourism, and
 36 economic development within the county. Expenditures that may
 37 be made under this subsection include expenditures for advertising,
 38 promotional activities, trade shows, special events, and recreation,
 39 and expenditures that are authorized by IC 6-3.5-7-13.1 with
 40 respect to the county's economic development income tax fund.

41 SECTION 105. IC 6-9-10.5-9 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS
 43 [EFFECTIVE JULY 1, 2011]: **Sec. 9. (a) If the tax levied under**
 44 **section 6 of this chapter is increased by an ordinance of the county**
 45 **fiscal body, the county executive shall create a commission to**
 46 **promote:**

47 (1) economic development; and

48 (2) the development and growth of the convention, visitor, and
 49 tourism industry;

50 in the county.

51 (b) The composition and appointment of the membership of a

- 1 **commission created under subsection (a) must be as follows:**
- 2 **(1) Subject to subdivision (2), the county executive shall**
- 3 **determine the number of members of the commission.**
- 4 **(2) The commission must be composed of an odd number of**
- 5 **members.**
- 6 **(3) A simple majority of the members must be:**
- 7 **(A) engaged in the convention or tourism business;**
- 8 **(B) involved in or promoting conventions, visitors, or**
- 9 **tourism; or**
- 10 **(C) involved in promoting economic development in the**
- 11 **county.**
- 12 **(4) At least two (2) members must be engaged in the business**
- 13 **of renting or furnishing rooms, lodging, or accommodations**
- 14 **(as described in section 6 of this chapter) if at least two (2)**
- 15 **such individuals are available and willing to serve on the**
- 16 **commission.**
- 17 **(5) Not more than a simple majority of the members may be**
- 18 **affiliated with the same political party.**
- 19 **(6) Each member must reside in the county.**
- 20 **(7) The executive of the largest municipality of the county**
- 21 **shall appoint a number of members equal to:**
- 22 **(A) the total number of members of the commission;**
- 23 **multiplied by**
- 24 **(B) a fraction:**
- 25 **(i) the numerator of which is equal to the population of**
- 26 **the largest municipality in the county; and**
- 27 **(ii) the denominator of which is equal to the total**
- 28 **population of the county;**
- 29 **rounded to the nearest whole number. The county executive**
- 30 **shall determine who appoints the members of the commission**
- 31 **not appointed by the executive of the largest municipality of**
- 32 **the county.**
- 33 **(c) All terms of office of commission members begin on January**
- 34 **1. Initial appointments must be for staggered terms, with**
- 35 **subsequent appointments for two (2) year terms. A member whose**
- 36 **term expires may be reappointed to serve another term. If a**
- 37 **vacancy occurs, the appointing authority shall appoint a qualified**
- 38 **person to serve for the remainder of the term. If an initial**
- 39 **appointment is not made by February 1 or a vacancy is not filled**
- 40 **within thirty (30) days after the vacancy occurs, the commission**
- 41 **shall appoint a member by majority vote.**
- 42 **(d) A member of the commission may be removed for cause by**
- 43 **the member's appointing authority.**
- 44 **(e) Members of the commission may not receive a salary.**
- 45 **However, commission members are entitled to reimbursement for**
- 46 **necessary expenses incurred in the performance of their respective**
- 47 **duties.**
- 48 **(f) Each commission member, before entering the member's**
- 49 **duties, shall take an oath of office in the usual form, to be endorsed**
- 50 **upon the member's certificate of appointment and promptly filed**
- 51 **with the clerk of the circuit court of the county.**

1 **(g) The commission shall meet after January 1 each year for the**
 2 **purpose of organization. The commission shall elect one (1) of its**
 3 **members president, another vice president, another secretary, and**
 4 **another treasurer. The members elected to those offices shall**
 5 **perform the duties pertaining to the offices. The first officers**
 6 **chosen shall serve from the date of their election until their**
 7 **successors are elected and qualified. A majority of the commission**
 8 **constitutes a quorum, and the concurrence of a majority of the**
 9 **commission is necessary to authorize any action.**

10 SECTION 106. IC 6-9-10.5-10 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2011]: **Sec. 10. (a) A commission created**
 13 **under section 9 of this chapter may:**

14 **(1) accept and use gifts, grants, and contributions from any**
 15 **public or private source, under terms and conditions that the**
 16 **commission considers necessary and desirable;**

17 **(2) sue and be sued;**

18 **(3) enter into contracts and agreements;**

19 **(4) make rules necessary for the conduct of its business and**
 20 **the accomplishment of its purposes;**

21 **(5) receive and approve, alter, or reject requests and**
 22 **proposals for funding by corporations described in**
 23 **subdivision (6);**

24 **(6) after its approval of a proposal, transfer money, quarterly**
 25 **or less frequently, from the fund established under section**
 26 **8(a) of this chapter, or from money transferred from that**
 27 **fund to the commission's treasurer under section 8(b) of this**
 28 **chapter, to any Indiana nonprofit corporation to promote and**
 29 **encourage conventions, tourism, or economic development in**
 30 **the county; and**

31 **(7) require financial or other reports from any corporation**
 32 **that receives funds under this chapter.**

33 **(b) All expenses of the commission shall be paid from the fund**
 34 **established under section 8(a) of this chapter or from money**
 35 **transferred from that fund to the commission's treasurer under**
 36 **section 8(b) of this chapter. The commission shall annually prepare**
 37 **a budget, taking into consideration the recommendations made by**
 38 **a corporation described in subsection (a)(6), and submit the budget**
 39 **to the county fiscal body for review and approval. An expenditure**
 40 **may not be made under this chapter unless the expenditure is in**
 41 **accordance with an appropriation made by the county fiscal body**
 42 **in the manner provided by law.**

43 SECTION 107. IC 6-9-10.5-11 IS ADDED TO THE INDIANA
 44 CODE AS A NEW SECTION TO READ AS FOLLOWS
 45 [EFFECTIVE JULY 1, 2011]: **Sec. 11. All money coming into the**
 46 **possession of a commission created under section 9 of this chapter**
 47 **shall be deposited, held, secured, invested, and paid in accordance**
 48 **with statutes relating to the handling of public funds. The handling**
 49 **and expenditure of money coming into possession of the**
 50 **commission is subject to audit and supervision by the state board**
 51 **of accounts.**

1 SECTION 108. IC 6-9-10.5-12 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2011]: **Sec. 12. (a) A member of a**
 4 **commission created under section 9 of this chapter who knowingly:**

5 **(1) approves the transfer of money to any person or**
 6 **corporation not qualified under law to receive the transfer; or**

7 **(2) approves a transfer for a purpose not permitted under**
 8 **law;**

9 **commits a Class D felony.**

10 **(b) A person who receives a transfer of money under this**
 11 **chapter and knowingly uses the money for any purpose not**
 12 **permitted under this chapter commits a Class D felony.**

13 SECTION 109. IC 6-9-24-1 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter
 15 applies to a municipality (as defined in ~~IC 36-1-2-11~~) located in a
 16 county having a population of more than fourteen thousand nine
 17 hundred (14,900) but less than sixteen thousand (16,000): **the town of**
 18 **Nashville.**

19 SECTION 110. IC 6-9-24-9, AS AMENDED BY P.L.184-2006,
 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 9. (a) If the tax is imposed by a municipality
 22 under this chapter, the tax terminates January 1, ~~2012~~: **2022.**

23 (b) This chapter expires July 1, ~~2012~~: **2022.**

24 SECTION 111. IC 6-9-39-9, AS ADDED BY P.L.162-2006,
 25 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]: Sec. 9. **(a) Except as provided in subsection (b),**
 27 after July 1, 2006, a county or a municipality (as defined in
 28 IC 36-1-2-11) of the county may not adopt an ordinance implementing
 29 a licensing system for dogs unless the county option dog tax under this
 30 chapter is in effect in the county.

31 **(b) If:**

32 **(1) a county adopted an ordinance implementing a licensing**
 33 **system for dogs:**

34 **(A) after December 31, 2006; and**

35 **(B) before February 1, 2007; and**

36 **(2) the county did not first adopt the county option dog tax;**
 37 **the ordinance is legalized.**

38 SECTION 112. IC 7.1-3-21-15, AS AMENDED BY P.L.224-2005,
 39 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2012]: Sec. 15. (a) The commission shall not issue,
 41 renew, or transfer a wholesaler, retailer, dealer, or other permit of any
 42 type if the applicant:

43 (1) is seeking a renewal and the applicant has not paid all the
 44 property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9
 45 that are due currently;

46 (2) is seeking a transfer and the applicant has not paid all the
 47 property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for
 48 the assessment periods during which the transferor held the
 49 permit; or

50 (3) is on the most recent tax warrant list supplied to the
 51 commission by the department of state revenue.

1 (b) The commission shall issue, renew, or transfer a permit that the
 2 commission denied under subsection (a) when the appropriate one (1)
 3 of the following occurs:

4 (1) The person, if seeking a renewal, provides to the commission
 5 a statement from the county treasurer of the county in which the
 6 property of the applicant was assessed indicating that all the
 7 property taxes under IC 6-1.1 and, in a county where the county
 8 treasurer collects the innkeeper's tax, the innkeeper's tax under
 9 IC 6-9 that were delinquent have been paid.

10 (2) The person, if seeking a transfer of ownership, provides to the
 11 commission a statement from the county treasurer of the county
 12 in which the property of the transferor was assessed indicating
 13 that all the property taxes under IC 6-1.1 and, in a county where
 14 the county treasurer collects the innkeeper's tax, the innkeeper's
 15 tax under IC 6-9 have been paid for the assessment periods during
 16 which the transferor held the permit.

17 (3) The person provides to the commission a statement from the
 18 commissioner of the department of state revenue indicating that
 19 the person's ~~delinquent tax liability tax warrant~~ has been
 20 satisfied, including any delinquency in innkeeper's tax if the state
 21 collects the innkeeper's tax for the county in which the person
 22 seeks the permit.

23 (4) The commission receives a notice from the commissioner of
 24 the department of state revenue under IC 6-8.1-8-2(k).

25 (c) An applicant may not be considered delinquent in the payment
 26 of listed taxes if the applicant has filed a proper protest under
 27 IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant
 28 shall be considered delinquent in the payment of those taxes if the
 29 applicant does not remit the taxes owed to the state department of
 30 revenue after a final determination on the protest is made by the
 31 department of state revenue.

32 (d) The commission may require that an applicant for the issuance,
 33 renewal, or transfer of a wholesaler's, retailer's, or dealer's, or other
 34 permit of any type furnish proof of the payment of a listed tax (as
 35 defined by IC 6-8.1-1-1), ~~tax warrant~~, or taxes imposed by IC 6-1.1.
 36 ~~The commission shall allow the applicant to certify, under the penalties~~
 37 ~~for perjury, that the applicant is not delinquent in filing returns or~~
 38 ~~remitting taxes.~~

39 SECTION 113. IC 13-14-1-9 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. (a) The
 41 commissioner shall issue permits, licenses, orders, and variances as
 42 authorized by:

- 43 (1) this title;
- 44 (2) other statutes; and
- 45 (3) rules of the boards.

46 (b) If the commissioner is notified by the department of state
 47 revenue that a person is on the most recent tax warrant list, the
 48 commissioner may not issue a permit or license to the applicant until:

- 49 (1) the applicant provides a statement to the commissioner from
 50 the department of state revenue indicating that the applicant's
 51 ~~delinquent tax liability tax warrant~~ has been satisfied; or

1 (2) the commissioner receives a notice from the commissioner of
2 the department of state revenue under IC 6-8.1-8-2(k).

3 SECTION 114. IC 16-21-2-11, AS AMENDED BY P.L.96-2005,
4 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2012]: Sec. 11. (a) An applicant must submit an
6 application for a license on a form prepared by the state department
7 showing that:

- 8 (1) the applicant is of reputable and responsible character;
- 9 (2) the applicant is able to comply with the minimum standards
10 for a hospital, an ambulatory outpatient surgical center, an
11 abortion clinic, or a birthing center, and with rules adopted under
12 this chapter; and
- 13 (3) the applicant has complied with section 15.4 of this chapter.

14 (b) The application must contain the following additional
15 information:

- 16 (1) The name of the applicant.
- 17 (2) The type of institution to be operated.
- 18 (3) The location of the institution.
- 19 (4) The name of the person to be in charge of the institution.
- 20 (5) If the applicant is a hospital, the range and types of services to
21 be provided under the general hospital license, including any
22 service that would otherwise require licensure by the state
23 department under the authority of IC 16-19.
- 24 (6) Other information the state department requires.

25 **(c) If the department of state revenue notifies the department**
26 **that a person is on the most recent tax warrant list, the department**
27 **shall not issue or renew the person's license until:**

- 28 **(1) the person provides to the department a statement from**
29 **the department of state revenue that the person's tax warrant**
30 **has been satisfied; or**
- 31 **(2) the department receives a notice from the commissioner of**
32 **the department of state revenue under IC 6-8.1-8-2(k).**

33 SECTION 115. IC 16-21-9-7 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) Each nonprofit
35 hospital shall prepare an annual report of the community benefits plan.
36 The report must include, in addition to the community benefits plan
37 itself, the following background information:

- 38 (1) The hospital's mission statement.
- 39 (2) A disclosure of the health care needs of the community that
40 were considered in developing the hospital's community benefits
41 plan.
- 42 (3) A disclosure of the amount and types of community benefits
43 actually provided, including charity care. Charity care must be
44 reported as a separate item from other community benefits.

45 (b) Each nonprofit hospital shall annually file a report of the
46 community benefits plan with the state department. **For a hospital's**
47 **fiscal year that ends before July 1, 2011,** the report must be filed not
48 later than one hundred twenty (120) days after the close of the
49 hospital's fiscal year. **For a hospital's fiscal year that ends after June**
50 **30, 2011, the report must be filed at the same time the nonprofit**
51 **hospital files its annual return described under Section 6033 of the**

1 **Internal Revenue Code that is timely filed under Section 6072(e) of**
 2 **the Internal Revenue Code, including any applicable extension**
 3 **authorized under Section 6081 of the Internal Revenue Code.**

4 (c) Each nonprofit hospital shall prepare a statement that notifies the
 5 public that the annual report of the community benefits plan is:

- 6 (1) public information;
- 7 (2) filed with the state department; and
- 8 (3) available to the public on request from the state department.

9 This statement shall be posted in prominent places throughout the
 10 hospital, including the emergency room waiting area and the
 11 admissions office waiting area. The statement shall also be printed in
 12 the hospital patient guide or other material that provides the patient
 13 with information about the admissions criteria of the hospital.

14 (d) Each nonprofit hospital shall develop a written notice about any
 15 charity care program operated by the hospital and how to apply for
 16 charity care. The notice must be in appropriate languages if possible.
 17 The notice must also be conspicuously posted in the following areas:

- 18 (1) The general waiting area.
- 19 (2) The waiting area for emergency services.
- 20 (3) The business office.
- 21 (4) Any other area that the hospital considers an appropriate area
 22 in which to provide notice of a charity care program.

23 SECTION 116. IC 16-25-3-4 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. (a) To obtain
 25 a license or approval under this chapter, the hospice program owned or
 26 operated by the applicant must:

- 27 (1) meet the minimum standards for certification under the
 28 Medicare program (42 U.S.C. 1395 et seq.) and comply with the
 29 regulations for hospices under 42 CFR 418.1 et seq.; or
- 30 (2) be certified by the Medicare program.

31 **(b) If the department of state revenue notifies the department**
 32 **that a person is on the most recent tax warrant list, the department**
 33 **shall not issue or renew the person's license until:**

- 34 **(1) the person provides to the department a statement from**
 35 **the department of state revenue indicating that the person's**
 36 **tax warrant has been satisfied; or**
- 37 **(2) the department receives a notice from the commissioner of**
 38 **the department of state revenue under IC 6-8.1-8-2(k).**

39 SECTION 117. IC 16-27-1-8 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) To operate
 41 a home health agency, a person must first obtain a license from the
 42 state health commissioner, unless the person is exempted by a rule
 43 adopted by the state department.

44 (b) The state health commissioner may also permit persons who are
 45 not required to be licensed under this chapter to be voluntarily licensed
 46 if:

- 47 (1) the services provided by the person are substantially similar
 48 to those provided by licensed home health agencies under this
 49 chapter; and
- 50 (2) licensure will assist the person in obtaining:
 51 (A) payment for services; or

- 1 (B) certification.
- 2 **(c) If the department of state revenue notifies the department**
 3 **that a person is on the most recent tax warrant list, the department**
 4 **shall not issue or renew the person's license until:**
- 5 **(1) the person provides to the department a statement from**
 6 **the department of state revenue indicating that the person's**
 7 **tax warrant has been satisfied; or**
- 8 **(2) the department receives a notice from the commissioner of**
 9 **the department of state revenue under IC 6-8.1-8-2(k).**

10 SECTION 118. IC 16-28-2-3 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) Before the
 12 director may issue a license to a health facility, the director must find
 13 that the health facility, within the care category for which license is
 14 sought, is adequate in each of the following respects:

- 15 (1) The physical structure in which the service is to be performed.
 16 (2) The educational level, number, and personal health of the
 17 staff.
 18 (3) The financial ability to provide the service to be performed.
 19 (4) The equipment with which to perform the service.
 20 (5) The operating history of other health facilities owned or
 21 managed by the same person who owns or manages the facility.
 22 The director may recommend denial of licensure to a new facility
 23 or facility applying for licensure under new ownership where the
 24 owner or manager has a record of operation of other health
 25 facilities in substantial breach of this chapter or any other law
 26 governing health facilities.

- 27 **(b) If the department of state revenue notifies the department**
 28 **that a person is on the most recent tax warrant list, the department**
 29 **shall not issue or renew the person's license until:**
- 30 **(1) the person provides to the department a statement from**
 31 **the department of state revenue indicating that the person's**
 32 **tax warrant has been satisfied; or**
- 33 **(2) the department receives a notice from the commissioner of**
 34 **the department of state revenue under IC 6-8.1-8-2(k).**

35 SECTION 119. IC 16-41-35-27 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 27. (a) A
 37 registration under section 26(d) of this chapter is effective until there
 38 is a change that may significantly increase the number of sources,
 39 source strength, or output of energy of radiation produced. A
 40 registration that includes at least one (1) source that subsequently
 41 requires licensing under section 26(a) of this chapter expires with
 42 respect to that particular source upon the effective date of the license.
 43 If a change occurs, the change shall be registered with the state
 44 department within thirty (30) days as an amendment to the original
 45 registration, unless exempted under rules adopted under this chapter.

46 (b) The state department shall specify the expiration date for a
 47 license in the license.

48 (c) The governor may, on behalf of the state, enter into an agreement
 49 with the federal government providing for discontinuance of certain of
 50 the federal government's responsibilities with respect to sources of
 51 radiation and the assumption of those responsibilities by the state.

1 (d) A person who, on the effective date of an agreement under
 2 subsection (c), possesses a license issued by the federal government is
 3 considered to possess an equivalent license issued under this chapter
 4 that expires:

5 (1) ninety (90) days after receipt from the state department of a
 6 notice of expiration of the license; or

7 (2) on the date of expiration specified in the federal license;
 8 whichever is earlier.

9 (e) The term of a license issued under this section by the state
 10 department is twenty-four (24) months.

11 (f) The license fee for a new or renewal license is two hundred fifty
 12 dollars (\$250).

13 **(g) If the department of state revenue notifies the department**
 14 **that a person is on the most recent tax warrant list, the department**
 15 **shall not issue or renew the person's license until:**

16 **(1) the person provides to the department a statement from**
 17 **the department of state revenue indicating that the person's**
 18 **tax warrant has been satisfied; or**

19 **(2) the department receives a notice from the commissioner of**
 20 **the department of state revenue under IC 6-8.1-8-2(k).**

21 SECTION 120. IC 20-19-2-14, AS ADDED BY P.L.1-2005,
 22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2011]: Sec. 14. The state board shall do the following:

24 (1) Establish the educational goals of the state, developing
 25 standards and objectives for local school corporations.

26 (2) Assess the attainment of the established goals.

27 (3) Assure compliance with established standards and objectives.

28 **(4) Coordinate with the commission for higher education (IC**
 29 **21-18-1) and the department of workforce development (IC**
 30 **22-4.1-2) to develop entrepreneurship education programs for**
 31 **elementary and secondary education, higher education, and**
 32 **individuals in the work force.**

33 ~~(4)~~ **(5) Make recommendations to the governor and general**
 34 **assembly concerning the educational needs of the state, including**
 35 **financial needs.**

36 SECTION 121. IC 20-28-5-14, AS AMENDED BY SEA 1-2011,
 37 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2012]: Sec. 14. If the department is notified by the
 39 department of state revenue that an individual is on the most recent tax
 40 warrant list, the department ~~may~~ **shall** not grant a license to the
 41 individual until:

42 (1) the individual provides the department with a statement from
 43 the department of state revenue indicating that the individual's
 44 ~~delinquent tax liability tax warrant~~ **tax warrant** has been satisfied; or

45 (2) the department receives a notice from the commissioner of the
 46 department of state revenue under IC 6-8.1-8-2(k).

47 SECTION 122. IC 20-28-11.5-3, AS AMENDED BY HEA
 48 1001-2011, SECTION 176, IS AMENDED TO READ AS FOLLOWS
 49 [EFFECTIVE JULY 1, 2011]: Sec. 3. As used in this chapter, "school
 50 corporation" includes:

51 (1) a school corporation;

- 1 (2) a school created by an interlocal agreement under IC 36-1-7;
 2 (3) a special education cooperative under IC 20-35-5; and
 3 (4) a joint career and technical education program created under
 4 IC 20-37-1.

5 However, for purposes of section 4(a) and 4(b) of this chapter, "school
 6 corporation" includes a charter school, a virtual charter school, an
 7 eligible school (as defined in IC 20-51-1-4.7). ~~and a participating~~
 8 ~~school (as defined in IC 20-51-1-6).~~

9 SECTION 123. IC 20-46-5-4, AS ADDED BY P.L.2-2006,
 10 SECTION 169, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2011]: Sec. 4. Each school corporation may
 12 levy for a calendar year a property tax for the fund in accordance with
 13 the school bus acquisition plan adopted under this chapter. **The levy**
 14 **imposed for the March 1, 2011, and January 15, 2012, assessment**
 15 **dates may not exceed the amount approved by the department of**
 16 **local government finance under section 5 of this chapter and**
 17 **IC 6-1.1-17. In setting the levy for the March 1, 2011, and January**
 18 **15, 2012, assessment dates, the department of local government**
 19 **finance shall evaluate whether the levy proposed by a school**
 20 **corporation exceeds the reasonable needs of the school corporation**
 21 **to carry out the purposes of the fund and approve a levy that does**
 22 **not exceed the reasonable needs of the school corporation to carry**
 23 **out the purposes of this chapter. In making its determination, the**
 24 **department of local government finance may consider whether a**
 25 **school corporation has in a previous year transferred money from**
 26 **the fund to the school corporation's rainy day fund or a fund other**
 27 **than the school bus replacement fund. A levy imposed for an**
 28 **assessment date after January 15, 2012, may not exceed an amount**
 29 **determined by multiplying:**

- 30 (1) the school corporation's maximum permissible levy
 31 determined under this section for the previous year, after
 32 eliminating the effects of temporary excessive levy appeals
 33 and any other temporary adjustments made to the levy for the
 34 calendar year (regardless of whether the school corporation
 35 imposed the entire amount of the maximum permissible levy
 36 in the immediately preceding year); by
 37 (2) the assessed value growth quotient determined under
 38 IC 6-1.1-18.5-2.

39 SECTION 124. IC 20-46-5-6.1, AS AMENDED BY P.L.111-2010,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2011]: Sec. 6.1. (a) This section does not apply to a school
 42 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless
 43 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body
 44 of the school corporation is in effect.

45 (b) Before a governing body may collect property taxes for the fund
 46 in a particular calendar year, the governing body must, after January 1
 47 and not later than ~~September 20~~ **November 1** of the immediately
 48 preceding year:

- 49 (1) conduct a public hearing on; and
 50 (2) pass a resolution to adopt;

51 a plan.

1 SECTION 125. IC 20-46-6-8.1, AS AMENDED BY P.L.111-2010,
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2011]: Sec. 8.1. (a) This section does not apply to a school
 4 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless
 5 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body
 6 of the school corporation is in effect.

7 (b) Before a governing body may collect property taxes for a capital
 8 projects fund in a particular year, the governing body must:

9 (1) after January 1; and

10 (2) not later than ~~September 20~~, **November 1**;

11 of the immediately preceding year, hold a public hearing on a proposed
 12 or amended plan and pass a resolution to adopt the proposed or
 13 amended plan.

14 SECTION 126. IC 20-51-4-3, AS AMENDED BY HEA 1001-2011,
 15 SECTION 222, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) An eligible school may not
 17 discriminate on the basis of race, color, or national origin.

18 (b) An eligible school shall abide by the school's written admission
 19 policy fairly and without discrimination with regard to students who:

20 (1) apply for; or

21 (2) are awarded;

22 scholarships under this chapter.

23 (c) If the number of applicants for enrollment in an eligible school
 24 under a choice scholarship exceeds the number of choice scholarships
 25 available to the eligible school, the eligible school must draw at
 26 random in a public meeting the applications of applicants who are
 27 entitled to a choice scholarship from among the applicants who meet
 28 the requirements for admission to the eligible school.

29 (d) The department shall make random visits to **at least five**
 30 **percent (5%) of** eligible schools and charter schools to verify that the
 31 eligible school or charter school complies with the provisions of
 32 IC 20-51-4, the Constitutions of the state of Indiana and the United
 33 States.

34 (e) Each eligible school, public school, and charter school shall
 35 grant the department reasonable access to its premises, including
 36 access to the school's grounds, buildings, and property.

37 (f) Each year the principal of each eligible school shall certify
 38 **under penalties of perjury** to the department that the eligible school
 39 is complying with the requirements of this chapter. The department
 40 shall develop a process for eligible schools to follow to make
 41 certifications.

42 SECTION 127. IC 21-18-8-5 IS ADDED TO THE INDIANA
 43 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 44 [EFFECTIVE JULY 1, 2011]: **Sec. 5. (a) The commission shall**
 45 **coordinate with the Indiana state board of education (IC 20-19-2)**
 46 **and the department of workforce development (IC 22-4.1-2) to**
 47 **develop entrepreneurship education programs for elementary and**
 48 **secondary education, higher education, and individuals in the work**
 49 **force.**

50 **(b) The commission shall require each state educational**
 51 **institution to expand technology and innovation commercialization**

- 1 **programs.**
- 2 SECTION 128. IC 22-4-13-4 IS ADDED TO THE INDIANA
- 3 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
- 4 [EFFECTIVE JULY 1, 2011]: **Sec. 4. (a) This section applies to an**
- 5 **individual:**
- 6 **(1) for whom the department has established an overpayment**
- 7 **by a final written determination under section 1(a) or 1(b) of**
- 8 **this chapter; and**
- 9 **(2) whose overpayment amount that is due and payable equals**
- 10 **or exceeds:**
- 11 **(A) the individual's weekly benefit amount; multiplied by**
- 12 **(B) four (4).**
- 13 **(b) Notwithstanding any other law and subject to subsection (c),**
- 14 **an individual is entitled to repay the established amount of an**
- 15 **overpayment over a period:**
- 16 **(1) beginning on the date the determination of the amount of**
- 17 **the overpayment is final; and**
- 18 **(2) ending on a date not later than the date occurring**
- 19 **thirty-six (36) months after the date specified in subdivision**
- 20 **(1).**
- 21 **(c) An individual to whom this section applies may repay an**
- 22 **overpayment over time as provided in subsection (b) not more than**
- 23 **once during the individual's lifetime.**
- 24 SECTION 129. IC 22-4.1-4-5 IS ADDED TO THE INDIANA
- 25 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
- 26 [EFFECTIVE JULY 1, 2011]: **Sec. 5. The department shall**
- 27 **coordinate with the commission for higher education (IC 21-18-1)**
- 28 **and the Indiana state board of education (IC 20-19-2) to develop**
- 29 **entrepreneurship education programs for elementary and**
- 30 **secondary education, higher education, and individuals in the work**
- 31 **force.**
- 32 SECTION 130. IC 24-3-2-2 IS AMENDED TO READ AS
- 33 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. Unless the**
- 34 **context in this chapter requires otherwise, the term:**
- 35 **(a) "Cigarette" shall mean and include any roll for smoking made**
- 36 **wholly or in part of tobacco, irrespective of size or shape and**
- 37 **irrespective of tobacco being flavored, adulterated, or mixed with any**
- 38 **other ingredient, where such roll has a wrapper or cover made of paper**
- 39 **or any other material; provided the definition in this paragraph shall not**
- 40 **be construed to include cigars.**
- 41 **(b) "Person" or the term "company", used in this chapter**
- 42 **interchangeably, means and includes any individual, assignee, receiver,**
- 43 **commissioner, fiduciary, trustee, executor, administrator, institution,**
- 44 **bank, consignee, firm, partnership, limited liability company, joint**
- 45 **vendor, pool, syndicate, bureau, association, cooperative association,**
- 46 **society, club, fraternity, sorority, lodge, corporation, municipal**
- 47 **corporation, or other political subdivision of the state engaged in**
- 48 **private or proprietary activities or business, estate, trust, or any other**
- 49 **group or combination acting as a unit, and the plural as well as the**
- 50 **singular number, unless the intention to give a more limited meaning**
- 51 **is disclosed by the context.**

1 (c) "Distributor" shall mean and include every person who sells,
2 barter, exchanges, or distributes cigarettes in the state of Indiana to
3 retail dealers for the purpose of resale, or who purchases for resale
4 cigarettes from a manufacturer of cigarettes or from a wholesaler,
5 jobber, or distributor outside the state of Indiana who is not a
6 distributor holding a registration certificate issued under the provisions
7 of IC 6-7-1.

8 (d) "Retailer" shall mean every person, other than a distributor, who
9 purchases, sells, offers for sale, or distributes cigarettes to consumers
10 or to any person for any purpose other than resale, irrespective of
11 quantity or amount or the number of sales.

12 (e) "Sell at retail", "sale at retail", and "retail sales" shall mean and
13 include any transfer of title to cigarettes for a valuable consideration
14 made in the ordinary course of trade or usual conduct of the seller's
15 business to the purchaser for consummation or use.

16 (f) "Sell at wholesale", "sale at wholesale", and "wholesale sales"
17 shall mean and include any transfer of title to cigarettes for a valuable
18 consideration made in the ordinary course of trade or usual conduct of
19 a distributor's business.

20 (g) "Basic cost of cigarettes" shall mean the invoice cost of
21 cigarettes to the retailer or distributor, as the case may be, or the
22 replacement cost of cigarettes to the retailer or distributor, as the case
23 may be, within thirty (30) days prior to the date of sale, in the quantity
24 last purchased, whichever is the lower, less all trade discounts and
25 customary discounts for cash, plus the cost at full face value of any
26 stamps which may be required by IC 6-7-1, if not included by the
27 manufacturer in his selling price to the distributor.

28 (h) "Department" shall mean the alcohol and tobacco commission
29 or its duly authorized assistants and employees.

30 (i) "Cost to the retailer" shall mean the basic cost of cigarettes to the
31 retailer, plus the cost of doing business by the retailer as evidenced by
32 the standards and methods of accounting regularly employed by him in
33 his allocation of overhead costs and expenses paid or incurred and must
34 include without limitation labor (including salaries of executives and
35 officers), rent, depreciation, selling costs, maintenance of equipment,
36 delivery costs, all types of licenses, taxes, insurance, and advertising;
37 however, any retailer who, in connection with the retailer's purchase,
38 receives not only the discounts ordinarily allowed upon purchases by
39 a retailer, but also, in whole or in part, discounts ordinarily allowed on
40 purchases by a distributor shall, in determining costs to the retailer
41 pursuant to this section, add the cost to the distributor, as defined in
42 paragraph (j), to the basic cost of cigarettes to said retailer as well as
43 the cost of doing business by the retailer. In the absence of proof of a
44 lesser or higher cost of doing business by the retailer making the sale,
45 the cost of doing business by the retailer shall be presumed to be ~~eight~~
46 **ten percent (8%) (10%)** of the basic cost of cigarettes to the retailer.
47 In the absence of proof of a lesser or higher cost of doing business, the
48 cost of doing business by the retailer, who in connection with the
49 retailer's purchase receives not only the discounts ordinarily allowed
50 upon purchases by a retailer, but also, in whole or in part, the discounts
51 ordinarily allowed upon purchases by a distributor, shall be presumed

1 to be ~~eight ten~~ percent ~~(8%)~~ **(10%)** of the sum of the basic cost of
2 cigarettes plus the cost of doing business by the distributor.

3 (j) "Cost to the distributor" shall mean the basic cost of cigarettes to
4 the distributor, plus the cost of doing business by the distributor as
5 evidenced by the standards and methods of accounting regularly
6 employed by him in his allocation of overhead costs and expenses, paid
7 or incurred, and must include without limitation labor costs (including
8 salaries of executives and officers), rent, depreciation, selling costs,
9 maintenance of equipment, delivery costs, all types of licenses, taxes,
10 insurance, and advertising. In the absence of proof of a lesser or higher
11 cost of doing business by the distributor making the sale, the cost of
12 doing business by the wholesaler shall be presumed to be four percent
13 (4%) of the basic cost of cigarettes to the distributor, plus cartage to the
14 retail outlet, if performed or paid for by the distributor, which cartage
15 cost, in the absence of proof of a lesser or higher cost, shall be deemed
16 to be one-half of one percent (0.5%) of the basic cost of cigarettes to
17 the distributor.

18 (k) "Registration certificate" refers to the registration certificate
19 issued to cigarette distributors by the department of state revenue under
20 IC 6-7-1-16.

21 SECTION 131. IC 25-1-6-8, AS AMENDED BY P.L.206-2005,
22 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2012]: Sec. 8. (a) The licensing agency and the boards
24 may allow the department of state revenue access to the name of each
25 person who:

- 26 (1) is licensed under this chapter or IC 25-1-5; or
- 27 (2) has applied for a license under this chapter or IC 25-1-5.

28 (b) If the department of state revenue notifies the licensing agency
29 that a person is on the most recent tax warrant list, the licensing agency
30 ~~may~~ **shall** not issue or renew the person's license until:

- 31 (1) the person provides to the licensing agency a statement from
32 the department of **state** revenue **indicating** that the person's
33 ~~delinquent tax liability tax warrant~~ has been satisfied; or
- 34 (2) the licensing agency receives a notice from the commissioner
35 of the department of state revenue under IC 6-8.1-8-2(k).

36 SECTION 132. IC 28-1-29-3, AS AMENDED BY HEA 1528-2011,
37 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2012]: Sec. 3. (a) No person shall operate a debt
39 management company in Indiana without having obtained a license
40 from the department. For purposes of this section, a person is operating
41 in Indiana if:

- 42 (1) the person or any of the person's employees or agents are
43 located in Indiana; or
- 44 (2) the person:
 - 45 (A) contracts with debtors who are residents of Indiana; or
 - 46 (B) solicits business from residents of Indiana by
47 advertisements or other communications sent or delivered
48 through any of the following means:
 - 49 (i) Mail.
 - 50 (ii) Personal delivery.
 - 51 (iii) Telephone.

- 1 (iv) Radio.
 2 (v) Television.
 3 (vi) The Internet or other electronic communications.
 4 (vii) Any other means of communication.
- 5 (b) The director may request evidence of compliance with this
 6 section at:
 7 (1) the time of application;
 8 (2) the time of renewal of a license; or
 9 (3) any other time considered necessary by the director.
- 10 (c) For purposes of subsection (b), evidence of compliance with this
 11 section may include:
 12 (1) criminal background checks, including a national criminal
 13 history background check (as defined in IC 10-13-3-12) by the
 14 Federal Bureau of Investigation for any individual described in
 15 section 5(b)(2) or 5(b)(3) of this chapter;
 16 (2) credit histories; and
 17 (3) other background checks considered necessary by the director.
- 18 If the director requests a national criminal history background check
 19 under subdivision (1) for an individual described in that subdivision,
 20 the director shall require the individual to submit fingerprints to the
 21 department or to the state police department, as appropriate, at the time
 22 evidence of compliance is requested under subsection (b). The
 23 individual to whom the request is made shall pay any fees or costs
 24 associated with the fingerprints and the national criminal history
 25 background check. The national criminal history background check
 26 may be used by the director to determine the individual's compliance
 27 with this section. The director or the department may not release the
 28 results of the national criminal history background check to any private
 29 entity.
- 30 (d) The fee for a license or renewal of a license shall be fixed by the
 31 department under IC 28-11-3-5 and shall be nonrefundable. The
 32 department may impose a fee under IC 28-11-3-5 for each day that a
 33 renewal fee and any related documents that are required to be
 34 submitted with a renewal application are delinquent.
- 35 (e) If a person knowingly acts as a debt management company in
 36 violation of this chapter, any agreement the person has made under this
 37 chapter is void and the debtor under the agreement is not obligated to
 38 pay any fees. If the debtor has paid any amounts to the person, the
 39 debtor, or the department on behalf of the debtor, may recover the
 40 payment from the person that violated this section.
- 41 (f) A license issued under this section:
 42 (1) except in a transaction approved under section 3.1 of this
 43 chapter, is not assignable or transferable; and
 44 (2) in order to remain in force, must be renewed every year in the
 45 manner prescribed by the director of the department.
- 46 The director of the department shall prescribe the form of the renewal
 47 application. In order to be accepted for processing, a renewal
 48 application must be accompanied by the license renewal fee imposed
 49 under subsection (d) and all information and documents requested by
 50 the director of the department.
- 51 **(g) If the department of state revenue notifies the department**

1 **that a person is on the most recent tax warrant list, the department**
 2 **shall not issue or renew the person's license until:**

3 **(1) the person provides to the department a statement from**
 4 **the department of state revenue that the person's tax warrant**
 5 **has been satisfied; or**

6 **(2) the department receives a notice from the commissioner of**
 7 **the department of state revenue under IC 6-8.1-8-2(k).**

8 SECTION 133. IC 28-7-5-5, AS AMENDED BY P.L.57-2006,
 9 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2012]: Sec. 5. (a) The initial application and any renewal
 11 application shall be accompanied by a fee fixed by the department
 12 under IC 28-11-3-5. The initial application and any renewal application
 13 must include a financial statement that:

14 (1) is prepared in accordance with standards adopted by the
 15 director;

16 (2) indicates the applicant meets minimum financial responsibility
 17 standards adopted by the director; and

18 (3) is prepared by a third party acceptable to the director.

19 (b) The initial application and any renewal application must be
 20 accompanied by proof that the applicant:

21 (1) has executed a bond, payable to the state, in an amount
 22 determined by the director; and

23 (2) has obtained property and casualty insurance coverage, in an
 24 amount determined by the director;

25 in accordance with standards adopted by the director.

26 (c) Any standards adopted by the director and described in
 27 subsection (a)(1), (a)(2), or (b) must be made available:

28 (1) for public inspection and copying at the offices of the
 29 department under IC 5-14-3; and

30 (2) electronically through the computer gateway administered by
 31 the office of technology established by IC 4-13.1-2-1.

32 **(d) If the department of state revenue notifies the department**
 33 **that a person is on the most recent tax warrant list, the department**
 34 **shall not issue or renew the person's license until:**

35 **(1) the person provides to the department a statement from**
 36 **the department of state revenue that the person's tax warrant**
 37 **has been satisfied; or**

38 **(2) the department receives a notice from the commissioner of**
 39 **the department of state revenue under IC 6-8.1-8-2(k).**

40 SECTION 134. IC 28-8-4-20, AS AMENDED BY P.L.35-2010,
 41 SECTION 180, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 2012]: Sec. 20. (a) A person may not
 43 engage in the business of money transmission without a license
 44 required by this chapter.

45 (b) An application for a license must be submitted on a form
 46 prescribed by the department and must include the information
 47 required by the department.

48 (c) An application submitted under this section must indicate
 49 whether any individuals described in section 35(b)(2) or 35(b)(3) of
 50 this chapter:

51 (1) are, at the time of the application, under indictment for a

1 felony under the laws of Indiana or any other jurisdiction; or
 2 (2) have been convicted of or pleaded guilty or nolo contendere
 3 to a felony under the laws of Indiana or any other jurisdiction.

4 (d) The director may request evidence of compliance with this
 5 section at:

- 6 (1) the time of application;
- 7 (2) the time of renewal of a license; or
- 8 (3) any other time considered necessary by the director.

9 (e) For purposes of subsection (d), evidence of compliance may
 10 include:

- 11 (1) criminal background checks, including a national criminal
 12 history background check (as defined in IC 10-13-3-12) by the
 13 Federal Bureau of Investigation for an individual described in
 14 section 35(b)(2) or 35(b)(3) of this chapter;
- 15 (2) credit histories; and
- 16 (3) other background checks considered necessary by the director.

17 If the director requests a national criminal history background check
 18 under subdivision (1) for an individual described in that subdivision,
 19 the director shall require the individual to submit fingerprints to the
 20 department or to the state police department, as appropriate, at the time
 21 evidence of compliance is requested under subsection (d). The
 22 individual to whom the request is made shall pay any fees or costs
 23 associated with the fingerprints and the national criminal history
 24 background check. The national criminal history background check
 25 may be used by the director to determine the individual's compliance
 26 with this section. The director or the department may not release the
 27 results of the national criminal history background check to any private
 28 entity.

29 **(f) If the department of state revenue notifies the department**
 30 **that a person is on the most recent tax warrant list, the department**
 31 **shall not issue or renew the person's license until:**

- 32 **(1) the person provides to the department a statement from**
 33 **the department of state revenue that the person's tax warrant**
 34 **has been satisfied; or**
- 35 **(2) the department receives a notice from the commissioner of**
 36 **the department of state revenue under IC 6-8.1-8-2(k).**

37 SECTION 135. IC 28-8-5-11, AS AMENDED BY P.L.35-2010,
 38 SECTION 185, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2012]: Sec. 11. (a) A person shall not
 40 engage in the business of cashing checks for consideration without first
 41 obtaining a license.

42 (b) Each application for a license shall be in writing in such form as
 43 the director may prescribe and shall include all of the following:

- 44 (1) The following information pertaining to the applicant:
 - 45 (A) Name.
 - 46 (B) Residence address.
 - 47 (C) Business address.
- 48 (2) The following information pertaining to any individual
 49 described in section 12(b)(1) of this chapter:
 - 50 (A) Name.
 - 51 (B) Residence address.

- 1 (C) Business address.
- 2 (D) Whether the person:
- 3 (i) is, at the time of the application, under indictment for a
- 4 felony under the laws of Indiana or any other jurisdiction; or
- 5 (ii) has been convicted of or pleaded guilty or nolo
- 6 contendere to a felony under the laws of Indiana or any other
- 7 jurisdiction.
- 8 (3) The address where the applicant's office or offices will be
- 9 located. If any business, other than the business of cashing checks
- 10 under this chapter, will be conducted by the applicant or another
- 11 person at any of the locations identified under this subdivision,
- 12 the applicant shall indicate for each location at which another
- 13 business will be conducted:
- 14 (A) the nature of the other business;
- 15 (B) the name under which the other business operates;
- 16 (C) the address of the principal office of the other business;
- 17 (D) the name and address of the business's resident agent in
- 18 Indiana; and
- 19 (E) any other information that the director may require.
- 20 **(4) If the department of state revenue notifies the department**
- 21 **that a person is on the most recent tax warrant list, the**
- 22 **department shall not issue or renew the person's license until:**
- 23 **(A) the person provides to the department a statement**
- 24 **from the department of state revenue that the person's tax**
- 25 **warrant has been satisfied; or**
- 26 **(B) the department receives a notice from the**
- 27 **commissioner of the department of state revenue under**
- 28 **IC 6-8.1-8-2(k).**
- 29 ~~(4)~~ **(5)** Such other data, financial statements, and pertinent
- 30 information as the director may require.
- 31 (c) The application shall be filed with a nonrefundable fee fixed by
- 32 the department under IC 28-11-3-5.
- 33 SECTION 136. IC 34-30-2-14.7 IS ADDED TO THE INDIANA
- 34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 35 [EFFECTIVE UPON PASSAGE]: **Sec. 14.7. IC 5-14-3.5-5**
- 36 **(Concerning state and state officers, officials, and employees for**
- 37 **posting certain confidential information).**
- 38 SECTION 137. IC 34-30-2-14.9 IS ADDED TO THE INDIANA
- 39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 40 [EFFECTIVE UPON PASSAGE]: **Sec. 14.9. IC 5-14-3.7-6 and**
- 41 **IC 5-14-3.8-4 (Concerning state employees for posting certain**
- 42 **confidential information).**
- 43 SECTION 138. IC 36-1-12-3 IS AMENDED TO READ AS
- 44 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The board may
- 45 purchase or lease materials in the manner provided in IC 5-22 and
- 46 perform any public work, by means of its own workforce, without
- 47 awarding a contract whenever the cost of that public work project is
- 48 estimated to be less than one hundred **fifty** thousand dollars
- 49 ~~(\$100,000): (\$150,000).~~ Before a board may perform any work under
- 50 this section by means of its own workforce, the political subdivision or
- 51 agency must have a group of employees on its staff who are capable of

1 performing the construction, maintenance, and repair applicable to that
 2 work. For purposes of this subsection, the cost of a public work project
 3 includes:

- 4 (1) the actual cost of materials, labor, equipment, **and** rental;
- 5 (2) a reasonable rate for use of trucks and heavy equipment
 6 owned; and
- 7 (3) all other expenses incidental to the performance of the project.

8 **(b) This subsection applies only to a municipality or a county.**
 9 **The workforce of a municipality or county may perform a public**
 10 **work described in subsection (a) only if:**

- 11 (1) the workforce, through demonstrated skills, training, or
 12 expertise, is capable of performing the public work; and
- 13 (2) for a public work project under subsection (a) whose cost
 14 is estimated to be more than one hundred thousand dollars
 15 (\$100,000), the board:

16 (A) publishes a notice under IC 5-3-1 that:

- 17 (i) describes the public work that the board intends to
 18 perform with its own workforce; and
- 19 (ii) sets forth the projected cost of each component of the
 20 public work as described in subsection (a); and

21 (B) determines at a public meeting that it is in the public
 22 interest to perform the public work with the board's own
 23 workforce.

24 **A public work project performed by a board's own workforce must**
 25 **be inspected and accepted as complete in the same manner as a**
 26 **public work project performed under a contract awarded after**
 27 **receiving bids.**

28 ~~(b)~~ (c) When the project involves the rental of equipment with an
 29 operator furnished by the owner, or the installation or application of
 30 materials by the supplier of the materials, the project is considered to
 31 be a public work project and subject to this chapter. However, an
 32 annual contract may be awarded for equipment rental and materials to
 33 be installed or applied during a calendar or fiscal year if the proposed
 34 project or projects are described in the bid specifications.

35 ~~(c)~~ (d) A board of aviation commissioners or an airport authority
 36 board may purchase or lease materials in the manner provided in
 37 IC 5-22 and perform any public work by means of its own workforce
 38 and owned or leased equipment, in the construction, maintenance, and
 39 repair of any airport roadway, runway, taxiway, or aircraft parking
 40 apron whenever the cost of that public work project is estimated to be
 41 less than **fifty one hundred** thousand dollars ~~(\$50,000)~~. **(\$100,000)**.

42 ~~(d)~~ (e) Municipal and county hospitals must comply with this
 43 chapter for all contracts for public work that are financed in whole or
 44 in part with cumulative building fund revenue, as provided in section
 45 1(c) of this chapter. However, if the cost of the public work is
 46 estimated to be less than fifty thousand dollars (\$50,000), as reflected
 47 in the board minutes, the hospital board may have the public work done
 48 without receiving bids, by purchasing the materials and performing the
 49 work by means of its own workforce and owned or leased equipment.

50 ~~(e)~~ (f) If a public works project involves a structure, an
 51 improvement, or a facility under the control of a department (as defined

1 in IC 4-3-19-2(2)), the department may not artificially divide the
2 project to bring any part of the project under this section.

3 SECTION 139. IC 36-1-12-4, AS AMENDED BY P.L.113-2010,
4 SECTION 108, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) This section applies whenever
6 the cost of a public work project will be:

7 ~~(1) at least seventy-five thousand dollars (\$75,000) in:~~

8 ~~(A) a consolidated city or second class city;~~

9 ~~(B) a county containing a consolidated city or second class
10 city; or~~

11 ~~(C) a regional water or sewage district established under
12 IC 13-26; or~~

13 ~~(2) at least fifty thousand dollars (\$50,000) in a political
14 subdivision or an agency not described in subdivision (1).~~

15 ~~(1) except as provided in subdivision (2), at least one hundred
16 fifty thousand dollars (\$150,000); or~~

17 ~~(2) in the case of a board of aviation commissioners or an
18 airport authority board, at least one hundred thousand
19 dollars (\$100,000).~~

20 (b) The board must comply with the following procedure:

21 (1) The board shall prepare general plans and specifications
22 describing the kind of public work required, but shall avoid
23 specifications which might unduly limit competition. If the
24 project involves the resurfacing (as defined by IC 8-14-2-1) of a
25 road, street, or bridge, the specifications must show how the
26 weight or volume of the materials will be accurately measured
27 and verified.

28 (2) The board shall file the plans and specifications in a place
29 reasonably accessible to the public, which shall be specified in the
30 notice required by subdivision (3).

31 (3) Upon the filing of the plans and specifications, the board shall
32 publish notice in accordance with IC 5-3-1 calling for sealed
33 proposals for the public work needed.

34 (4) The notice must specify the place where the plans and
35 specifications are on file and the date fixed for receiving bids.

36 (5) The period of time between the date of the first publication
37 and the date of receiving bids shall be governed by the size of the
38 contemplated project in the discretion of the board. The period of
39 time between the date of the first publication and receiving bids
40 may not be more than:

41 (A) six (6) weeks if the estimated cost of the public works
42 project is less than twenty-five million dollars (\$25,000,000);
43 and

44 (B) ten (10) weeks if the estimated cost of the public works
45 project is at least twenty-five million dollars (\$25,000,000).

46 ~~(6) If the cost of a project is one hundred thousand dollars
47 (\$100,000) or more;~~ The board shall require the bidder to submit
48 a financial statement, a statement of experience, a proposed plan
49 or plans for performing the public work, and the equipment that
50 the bidder has available for the performance of the public work.
51 The statement shall be submitted on forms prescribed by the state

- 1 board of accounts.
- 2 (7) The board may not require a bidder to submit a bid before the
- 3 meeting at which bids are to be received. The meeting for
- 4 receiving bids must be open to the public. All bids received shall
- 5 be opened publicly and read aloud at the time and place
- 6 designated and not before.
- 7 (8) Except as provided in subsection (c) **or (after June 30, 2011)**
- 8 **section 22 of this chapter**, the board shall:
- 9 (A) award the contract for public work or improvements to the
- 10 lowest responsible and responsive bidder; or
- 11 (B) reject all bids submitted.
- 12 (9) If the board awards the contract to a bidder other than the
- 13 lowest bidder, the board must state in the minutes or memoranda,
- 14 at the time the award is made, the factors used to determine which
- 15 bidder is the lowest responsible and responsive bidder and to
- 16 justify the award. The board shall keep a copy of the minutes or
- 17 memoranda available for public inspection.
- 18 (10) In determining whether a bidder is responsive, the board may
- 19 consider the following factors:
- 20 (A) Whether the bidder has submitted a bid or quote that
- 21 conforms in all material respects to the specifications.
- 22 (B) Whether the bidder has submitted a bid that complies
- 23 specifically with the invitation to bid and the instructions to
- 24 bidders.
- 25 (C) Whether the bidder has complied with all applicable
- 26 statutes, ordinances, resolutions, or rules pertaining to the
- 27 award of a public contract.
- 28 (11) In determining whether a bidder is a responsible bidder, the
- 29 board may consider the following factors:
- 30 (A) The ability and capacity of the bidder to perform the work.
- 31 (B) The integrity, character, and reputation of the bidder.
- 32 (C) The competence and experience of the bidder.
- 33 (12) The board shall require the bidder to submit an affidavit:
- 34 (A) that the bidder has not entered into a combination or
- 35 agreement:
- 36 (i) relative to the price to be bid by a person;
- 37 (ii) to prevent a person from bidding; or
- 38 (iii) to induce a person to refrain from bidding; and
- 39 (B) that the bidder's bid is made without reference to any other
- 40 bid.
- 41 (c) Notwithstanding subsection (b)(8), a county may award sand,
- 42 gravel, asphalt paving materials, or crushed stone contracts to more
- 43 than one (1) responsible and responsive bidder if the specifications
- 44 allow for bids to be based upon service to specific geographic areas and
- 45 the contracts are awarded by geographic area. The geographic areas do
- 46 not need to be described in the specifications.
- 47 SECTION 140. IC 36-1-12-4.7, AS AMENDED BY P.L.195-2007,
- 48 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 49 JULY 1, 2011]: Sec. 4.7. (a) This section applies whenever a public
- 50 work project is estimated to cost:
- 51 ~~(1) at least twenty-five thousand dollars (\$25,000) and less than~~

1 one hundred thousand dollars (\$100,000) in:

2 (A) a consolidated city, second class city, or third class city
3 with a population of fifteen thousand (15,000) or more;

4 (B) a county containing a consolidated city or second class
5 city; or

6 (C) a regional water or sewage district established under
7 IC 13-26; or

8 (2) at least twenty-five thousand dollars (\$25,000) and less than
9 fifty thousand dollars (\$50,000) in a political subdivision or
10 agency not described in subdivision (1).

11 (1) **except as provided in subdivision (2), at least fifty**
12 **thousand dollars (\$50,000) and less than one hundred fifty**
13 **thousand dollars (\$150,000); or**

14 (2) **in the case of a board of aviation commissioners or an**
15 **airport authority board, at least fifty thousand dollars**
16 **(\$50,000) and less than one hundred thousand dollars**
17 **(\$100,000).**

18 (b) The board must proceed under the following provisions:

19 (1) The board shall invite quotes from at least three (3) persons
20 known to deal in the class of work proposed to be done by mailing
21 them a notice stating that plans and specifications are on file in a
22 specified office. The notice must be mailed not less than seven (7)
23 days before the time fixed for receiving quotes.

24 (2) The board may not require a person to submit a quote before
25 the meeting at which quotes are to be received. The meeting for
26 receiving quotes must be open to the public. All quotes received
27 shall be opened publicly and read aloud at the time and place
28 designated and not before.

29 (3) **Except as permitted in section 22 of this chapter after June**
30 **30, 2011,** the board shall award the contract for the public work
31 to the lowest responsible and responsive quoter.

32 (4) The board may reject all quotes submitted.

33 SECTION 141. IC 36-1-12-5, AS AMENDED BY P.L.195-2007,
34 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2011]: Sec. 5. (a) This section applies whenever a public work
36 project is estimated to cost less than fifty thousand dollars (\$50,000).
37 Except as provided in subsection (g) for local boards of aviation
38 commissioners and local airport authorities, if a contract is to be
39 awarded, the board may proceed under section 4 of this chapter or
40 under subsection (b) or (c).

41 (b) The board must proceed under the following provisions:

42 (1) The board shall invite quotes from at least three (3) persons
43 known to deal in the class of work proposed to be done by mailing
44 them a notice stating that plans and specifications are on file in a
45 specified office. The notice must be mailed not less than seven (7)
46 days before the time fixed for receiving quotes.

47 (2) The board may not require a person to submit a quote before
48 the meeting at which quotes are to be received. The meeting for
49 receiving quotes must be open to the public. All quotes received
50 shall be opened publicly and read aloud at the time and place
51 designated and not before.

1 (3) **Except as permitted in section 22 of this chapter**, the board
2 shall award the contract for the public work to the lowest
3 responsible and responsive quoter.

4 (4) The board may reject all quotes submitted.

5 (5) If the board rejects all quotes under subdivision (4), ~~of this~~
6 ~~section~~, the board may negotiate and enter into agreements for the
7 work in the open market without inviting or receiving quotes if
8 the board establishes in writing the reasons for rejecting the
9 quotes.

10 (c) The board may not proceed under subsection (b) for the
11 resurfacing (as defined in IC 8-14-2-1) of a road, street, or bridge,
12 unless:

13 (1) the weight or volume of the materials in the project is capable
14 of accurate measurement and verification; and

15 (2) the specifications define the geographic points at which the
16 project begins and ends.

17 (d) For the purposes of this section, if contiguous sections of a road,
18 street, or bridge are to be resurfaced in a calendar year, all of the work
19 shall be considered to comprise a single public work project.

20 (e) The board may purchase or lease supplies in the manner
21 provided in IC 5-22 and perform the public work by means of its own
22 workforce without awarding a public work contract.

23 (f) Before the board may perform any work under this section by
24 means of its own workforce, the political subdivision or agency must
25 have a group of employees on its staff who are capable of performing
26 the construction, maintenance, and repair applicable to that work.

27 (g) This subsection applies to local boards of aviation
28 commissioners operating under IC 8-22-2 and local airport authorities
29 operating under IC 8-22-3. If the contract is to be awarded by a board
30 to which this subsection applies, or to a designee of the board under
31 subsection (h), the board or its designee may proceed under section 4
32 of this chapter or under the following provisions. The board or its
33 designee may invite quotes from at least three (3) persons known to
34 deal in the class of work proposed to be done by mailing the persons a
35 copy of the plans and specifications for the work not less than seven (7)
36 days before the time fixed for receiving quotes. If the board or its
37 designee receives a satisfactory quote, the board or its designee shall
38 award the contract to the lowest responsible and responsive quoter for
39 the class of work required **except as permitted in section 22 of this**
40 **chapter**. The board or its designee may reject all quotes submitted and,
41 if no valid quotes are received for the class of work, contract for the
42 work without further invitations for quotes.

43 (h) The board may delegate its authority to award a contract for a
44 public works project that is estimated to cost less than fifty thousand
45 dollars (\$50,000) to the airport personnel in charge of airport public
46 works projects.

47 (i) Quotes for public works projects costing less than twenty-five
48 thousand dollars (\$25,000) may be obtained by soliciting at least three
49 (3) quotes by telephone or facsimile transmission. The seven (7) day
50 waiting period required by subsection (b)(1) does not apply to quotes
51 solicited under this subsection.

1 SECTION 142. IC 36-1-12-22 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2011]: Sec. 22. (a) The definitions in
 4 IC 5-22-15, including the definitions in IC 5-22-15-20.9, apply in
 5 this section.

6 (b) The procedures described in IC 5-22-15 for determining
 7 adjusted offers, price preference percentage, and total adjusted
 8 offers apply in this section.

9 (c) The price preferences stated in IC 5-22-15-20.9 apply in this
 10 section.

11 (d) Notwithstanding provisions of this chapter that require the
 12 award of a contract to the lowest responsive and responsible bidder
 13 or the lowest responsive and responsible quoter, but subject to
 14 subsection (e), a contract shall be awarded to the lowest responsive
 15 and responsible local Indiana business that claims the preference
 16 provided by this section.

17 (e) Notwithstanding subsection (d), a contract shall be awarded
 18 to the lowest responsive and responsible bidder or quoter,
 19 regardless of the preference provided in this section, if the lowest
 20 responsive and responsible bidder or quoter is a local Indiana
 21 business.

22 (f) A bidder or quoter that wants to claim the preference under
 23 this section must claim the preference in the same manner that a
 24 business claims the preference under IC 5-22-15-20.9(f).

25 SECTION 143. IC 36-7-4-205 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 205. (a)
 27 ADVISORY. A municipal plan commission shall adopt a
 28 comprehensive plan, as provided for under the 500 series of the
 29 advisory planning law, for the development of the municipality. For
 30 comprehensive plans adopted after July 1, 1999, if:

31 (1) the municipality provides municipal services to the contiguous
 32 unincorporated area; or

33 (2) the municipal plan commission obtains the approval of the
 34 county legislative body of each affected county;

35 the municipal plan commission may provide in the comprehensive plan
 36 for the development of the contiguous unincorporated area, designated
 37 by the commission, that is outside the corporate boundaries of the
 38 municipality, and that, in the judgment of the commission, bears
 39 reasonable relation to the development of the municipality. **For
 40 purposes of this section, participation of a municipality in a fire
 41 protection territory established under IC 36-8-19 that includes
 42 unincorporated areas contiguous to the municipality may not be
 43 treated as providing municipal services to the contiguous
 44 unincorporated areas.**

45 (b) ADVISORY. Except as limited by the boundaries of
 46 unincorporated areas subject to the jurisdiction of other municipal plan
 47 commissions, an area designated under this section may include any
 48 part of the contiguous unincorporated area within two (2) miles from
 49 the corporate boundaries of the municipality. If, however, the corporate
 50 boundaries of the municipality or the boundaries of that contiguous
 51 unincorporated area include any part of the public waters or shoreline

1 of a lake (which lies wholly within Indiana), the designated area may
2 also include:

- 3 (1) any part of those public waters and shoreline of the lake; and
- 4 (2) any land area within two thousand five hundred (2,500) feet
5 from that shoreline.

6 (c) ADVISORY. Before exercising their rights, powers, and duties
7 of the advisory planning law with respect to an area designated under
8 this section, a municipal plan commission must file, with the recorder
9 of the county in which the municipality is located, a description or map
10 defining the limits of that area. If the commission revises the limits, it
11 shall file, with the recorder, a revised description or map defining those
12 revised limits.

13 (d) ADVISORY. If any part of the contiguous unincorporated area
14 within the potential jurisdiction of a municipal plan commission is also
15 within the potential jurisdiction of another municipal plan commission,
16 the first municipal plan commission may exercise territorial jurisdiction
17 over that part of the area within the potential jurisdiction of both
18 municipal plan commissions that equals the product obtained by
19 multiplying a fraction, the numerator of which is the area within the
20 corporate boundaries of that municipality and the denominator of
21 which is the total area within the corporate boundaries of both
22 municipalities times the area within the potential jurisdiction of both
23 municipal plan commissions. Furthermore, this commission may
24 exercise territorial jurisdiction within those boundaries, enclosing an
25 area reasonably compact and regular in shape, that the municipal plan
26 commission first acting designates.

27 (e) ADVISORY. If the legislative body of a county adopts a
28 comprehensive plan and ordinance covering the unincorporated areas
29 of the county, a municipal plan commission may not exercise
30 jurisdiction, as provided in this section, over any part of that
31 unincorporated area unless it is authorized by ordinance of the
32 legislative body of the county. This ordinance may be initiated by the
33 county legislative body or by petition duly signed and presented to the
34 county auditor by:

- 35 (1) not less than fifty (50) property owners residing in the area
36 involved in the petition;
- 37 (2) the county plan commission; or
- 38 (3) the municipal plan commission.

39 Before final action on the ordinance by the county legislative body, the
40 county plan commission must hold an advertised public hearing as
41 required for other actions of the county plan commission under the
42 advisory planning law. Upon the passage of the ordinance by the
43 county legislative body and the subsequent acceptance of jurisdiction
44 by the municipal plan commission, the municipal plan commission
45 shall exercise the same rights, powers, and duties conferred in this
46 section exclusively with respect to the contiguous unincorporated area.
47 The jurisdiction of a municipal plan commission, as authorized under
48 this subsection, may be terminated by ordinance at the discretion of the
49 legislative body of the county, but only if the county has adopted a
50 comprehensive plan for that area that is as comprehensive in scope and
51 subject matter as that in effect by municipal ordinance.

1 (f) ADVISORY. Each municipal plan commission in a municipality
2 located in a county having:

- 3 (1) a population of less than ninety-five thousand (95,000); and
- 4 (2) a county plan commission that has adopted, in accord with the
5 advisory planning law, a comprehensive plan and ordinance
6 covering the unincorporated areas of the county;

7 may, at any time, after filing notice with the county recorder and the
8 county plan commission, exercise or reject territorial jurisdiction over
9 any part of the area within two (2) miles of the corporate boundaries of
10 that municipality and within that county, whether or not that
11 commission has previously exercised that jurisdiction, if the
12 municipality is providing municipal services to the area. Within sixty
13 (60) days after receipt of that notice, the county plan commission and
14 the county legislative body shall have the county comprehensive plan
15 and ordinance revised to reflect the decision of the municipal plan
16 commission exercising the option provided for in this subsection. If the
17 municipality is not providing municipal services to the area, the
18 municipal plan commission must obtain the approval of the county
19 legislative body of each affected county before exercising jurisdiction.

20 (g) AREA. Wherever in the area planning law authority is conferred
21 to establish a comprehensive plan or an ordinance for its enforcement,
22 the authority applies everywhere:

- 23 (1) within the county that is outside the municipalities; and
- 24 (2) within each participating municipality.

25 (h) ADVISORY—AREA. Whenever a new town is incorporated in
26 a county having a county plan commission or an area plan commission,
27 that plan commission and its board of zoning appeals shall continue to
28 exercise territorial jurisdiction within the town until the effective date
29 of a town ordinance:

- 30 (1) establishing an advisory plan commission under section
31 202(a) of this chapter; or
- 32 (2) adopting the area planning law under section 202(b) or 204 of
33 this chapter.

34 Beginning on that effective date, the planning and zoning functions of
35 the town shall be exercised under the advisory planning law or area
36 planning law, as the case may be.

37 SECTION 144. IC 36-7-13-12.3 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: **Sec. 12.3. (a)**
40 **Notwithstanding any other provision of this chapter, the**
41 **designation of any district after December 31, 2010, is subject to**
42 **the requirements of this section.**

43 **(b) An advisory commission on industrial development may not**
44 **designate a district under section 12 or 12.1 of this chapter unless**
45 **the advisory commission makes the following findings of fact:**

- 46 **(1) That the county or municipality applying for the**
47 **designation satisfies each of the following requirements:**
 - 48 **(A) That, as reported by the Indiana Real Estate Markets**
49 **Report, the average selling price of homes located in the**
50 **county or municipality has declined by at least fourteen**
51 **percent (14%) over a one (1) year period occurring within**

1 the four (4) calendar years preceding the calendar year in
 2 which the application of the county or municipality is filed
 3 with the advisory commission on industrial development.
 4 (B) That, as reported by the Indiana department of
 5 workforce development, the unemployment rate of the
 6 county or municipality was at least ten and four-tenths
 7 percent (10.4%) for any calendar month occurring in the
 8 calendar year preceding the calendar year in which the
 9 application of the county or municipality is filed with the
 10 advisory commission on industrial development.

11 (2) That the proposed district contains a site that is suitable
 12 for revitalization under this chapter and satisfies the following
 13 requirements:

14 (A) The site contains a vacated industrial building
 15 consisting of at least one million three hundred thousand
 16 (1,300,000) square feet of space.

17 (B) The vacated industrial building described by clause (A)
 18 contains at least eighty thousand (80,000) square feet of
 19 office space.

20 (C) The site contains a reinforced concrete pad suitable for
 21 expanding the vacated industrial building by at least two
 22 hundred thousand (200,000) square feet.

23 (D) The site is serviced by a water treatment facility
 24 capable of treating all of the effluent discharged from the
 25 site.

26 (E) The site consists of at least one hundred twenty (120)
 27 acres of land.

28 (c) The legislative body of a county or municipality may not
 29 adopt an ordinance designating a district under section 10.5 of this
 30 chapter unless the legislative body makes the following findings of
 31 fact:

32 (1) That the county or municipality governed by the legislative
 33 body satisfies each of the following requirements:

34 (A) That, as reported by the Indiana Real Estate Markets
 35 Report, the average selling price of homes located in the
 36 county or municipality has declined by at least fourteen
 37 percent (14%) over a one (1) year period occurring within
 38 the four (4) calendar years preceding the calendar year in
 39 which the proposed ordinance is adopted.

40 (B) That, as reported by the Indiana department of
 41 workforce development, the unemployment rate of the
 42 county or municipality was at least ten and four-tenths
 43 percent (10.4%) for any calendar month occurring in the
 44 calendar year preceding the calendar year in which the
 45 proposed ordinance is adopted.

46 (2) That the proposed district contains a site that is suitable
 47 for revitalization under this chapter and satisfies the following
 48 requirements:

49 (A) The site contains a vacated industrial building
 50 consisting of at least one million three hundred thousand
 51 (1,300,000) square feet of space.

- 1 **(B) The vacated industrial building described by clause (A)**
 2 **contains at least eighty thousand (80,000) square feet of**
 3 **office space.**
 4 **(C) The site contains a reinforced concrete pad suitable for**
 5 **expanding the vacated industrial building by at least two**
 6 **hundred thousand (200,000) square feet.**
 7 **(D) The site is serviced by a water treatment facility**
 8 **capable of treating all of the effluent discharged from the**
 9 **site.**
 10 **(E) The site consists of at least one hundred twenty (120)**
 11 **acres of land.**

12 **(d) An advisory commission on industrial development or a**
 13 **legislative body that designates a district under this chapter shall**
 14 **include a copy of the findings made under subsection (b) or (c)**
 15 **when sending a copy of the resolution or ordinance designating the**
 16 **district to the budget agency for its approval.**

17 **(e) The budget agency may not approve the designation of a**
 18 **district until the budget agency confirms the findings of fact**
 19 **submitted under this section. If a resolution or ordinance is**
 20 **submitted to the budget agency without the findings of fact**
 21 **required by this section, the time in which the budget agency must**
 22 **take action on the resolution or ordinance as set forth in sections**
 23 **10.5, 12, and 12.1 of this chapter is tolled until the findings of fact**
 24 **are submitted to the budget agency.**

25 SECTION 145. IC 36-7-13-14, AS AMENDED BY P.L.113-2010,
 26 SECTION 132, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: Sec. 14. ~~(a) This section does not~~
 28 ~~apply to a district that:~~

- 29 ~~(1) is described in section 23(a) of this chapter; and~~
 30 ~~(2) is not selected by the advisory commission to receive an~~
 31 ~~allocation of income tax incremental amount and the gross retail~~
 32 ~~incremental amount under this chapter.~~

33 ~~(b) (a) Before the first business day in October of each year, the~~
 34 ~~department shall calculate the income tax incremental amount and the~~
 35 ~~gross retail incremental amount for the preceding state fiscal year for~~
 36 ~~each district designated under this chapter.~~

37 ~~(c) (b) Businesses operating in the district shall report, in the~~
 38 ~~manner and in the form prescribed by the department, information that~~
 39 ~~the department determines necessary to calculate incremental gross~~
 40 ~~retail, use, and income taxes.~~

41 ~~(d) (c) Not later than sixty (60) days after receiving a certification~~
 42 ~~of a district's modified boundaries under section 12.5(c) of this chapter,~~
 43 ~~the department shall recalculate the income tax incremental amount~~
 44 ~~and the gross retail incremental amount for the preceding state fiscal~~
 45 ~~year for a district modified under section 12.5 of this chapter.~~

46 SECTION 146. IC 36-7-13-15, AS AMENDED BY P.L.113-2010,
 47 SECTION 133, IS AMENDED TO READ AS FOLLOWS
 48 [EFFECTIVE UPON PASSAGE]: Sec. 15. ~~(a) This section does not~~
 49 ~~apply to a district that:~~

- 50 ~~(1) is described in section 23(a) of this chapter; and~~
 51 ~~(2) is not selected by the advisory commission to receive an~~

1 allocation of income tax incremental amount and the gross retail
2 incremental amount under this chapter.

3 ~~(b)~~ (a) If an advisory commission on industrial development
4 designates a district under this chapter or the legislative body of a
5 county or municipality adopts an ordinance designating a district under
6 section 10.5 of this chapter, the treasurer of state shall establish an
7 incremental tax financing fund for the district. The fund shall be
8 administered by the treasurer of state. Money in the fund does not
9 revert to the state general fund at the end of a state fiscal year.

10 ~~(c)~~ (b) Subject to subsection ~~(d)~~; (c), the following amounts shall be
11 deposited during each state fiscal year in the incremental tax financing
12 fund established for the district under subsection (a):

13 (1) The aggregate amount of state gross retail and use taxes that
14 are remitted under IC 6-2.5 by businesses operating in the district,
15 until the amount of state gross retail and use taxes deposited
16 equals the gross retail incremental amount for the district.

17 (2) The aggregate amount of state and local income taxes paid by
18 employees employed in the district with respect to wages earned
19 for work in the district, until the amount of state and local income
20 taxes deposited equals the income tax incremental amount.

21 ~~(d)~~ (c) **Except as provided in subsection (e),** the aggregate amount
22 of revenues that is:

23 (1) attributable to:

24 (A) the state gross retail and use taxes established under
25 IC 6-2.5; and

26 (B) the adjusted gross income tax established under IC 6-3-1
27 through IC 6-3-7; and

28 (2) deposited during any state fiscal year in each incremental tax
29 financing fund established for a district;

30 may not exceed one million dollars (\$1,000,000) per district designated
31 under section 10.5 or 12 of this chapter and seven hundred fifty
32 thousand dollars (\$750,000) per district for a district designated under
33 section 10.1 or 12.1 of this chapter.

34 ~~(e)~~ (d) On or before the twentieth day of each month, all amounts
35 held in the incremental tax financing fund established for a district
36 shall be distributed to the district's advisory commission on industrial
37 development for deposit in the industrial development fund of the unit
38 that requested designation of the district.

39 (e) **The aggregate amount of revenues that is:**

40 (1) **attributable to:**

41 (A) **the state gross retail and use taxes established under**
42 **IC 6-2.5; and**

43 (B) **the adjusted gross income tax established under**
44 **IC 6-3-1 through IC 6-3-7; and**

45 (2) **deposited during any state fiscal year in the incremental**
46 **tax financing funds established for the districts located in**
47 **Delaware County;**

48 **may not exceed two million dollars (\$2,000,000).**

49 SECTION 147. IC 36-7-14-15, AS AMENDED BY P.L.146-2008,
50 SECTION 725, IS AMENDED TO READ AS FOLLOWS
51 [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) Whenever the

- 1 redevelopment commission finds that:
- 2 (1) an area in the territory under its jurisdiction is an area needing
- 3 redevelopment;
- 4 (2) the conditions described in IC 36-7-1-3 cannot be corrected in
- 5 the area by regulatory processes or the ordinary operations of
- 6 private enterprise without resort to this chapter;
- 7 (3) the public health and welfare will be benefited by:
- 8 (A) the acquisition and redevelopment of the area under this
- 9 chapter as a redevelopment project area; or
- 10 (B) the amendment of the resolution or plan, or both, for an
- 11 existing redevelopment project area; and
- 12 (4) in the case of an amendment to the resolution or plan for an
- 13 existing redevelopment project area:
- 14 (A) the amendment is reasonable and appropriate when
- 15 considered in relation to the original resolution or plan and the
- 16 purposes of this chapter; **and**
- 17 (B) the resolution or plan, with the proposed amendment,
- 18 conforms to the comprehensive plan for the unit; **and**
- 19 ~~(C) except as provided by subsection (f), if the amendment~~
- 20 ~~enlarges the boundaries of the area, the existing area does not~~
- 21 ~~generate sufficient revenue to meet the financial obligations of~~
- 22 ~~the original project;~~
- 23 the commission shall cause to be prepared the data described in
- 24 subsection (b).
- 25 (b) After making a finding under subsection (a), the commission
- 26 shall cause to be prepared:
- 27 (1) maps and plats showing:
- 28 (A) the boundaries of the area in which property would be
- 29 acquired for, or otherwise affected by, the establishment of a
- 30 redevelopment project area or the amendment of the resolution
- 31 or plan for an existing area;
- 32 (B) the location of the various parcels of property, streets,
- 33 alleys, and other features affecting the acquisition, clearance,
- 34 remediation, replatting, replanning, rezoning, or
- 35 redevelopment of the area, indicating any parcels of property
- 36 to be excluded from the acquisition or otherwise excluded
- 37 from the effects of the establishment of the redevelopment
- 38 project area or the amendment of the resolution or plan for an
- 39 existing area; and
- 40 (C) the parts of the area acquired, if any, that are to be devoted
- 41 to public ways, levees, sewerage, parks, playgrounds, and
- 42 other public purposes under the redevelopment plan;
- 43 (2) lists of the owners of the various parcels of property proposed
- 44 to be acquired for, or otherwise affected by, the establishment of
- 45 an area or the amendment of the resolution or plan for an existing
- 46 area; and
- 47 (3) an estimate of the costs, if any, to be incurred for the
- 48 acquisition and redevelopment of property.
- 49 (c) This subsection applies to the initial establishment of a
- 50 redevelopment project area. After completion of the data required by
- 51 subsection (b), the redevelopment commission shall adopt a resolution

1 declaring that:

- 2 (1) the area needing redevelopment is a menace to the social and
 3 economic interest of the unit and its inhabitants;
 4 (2) it will be of public utility and benefit to acquire the area and
 5 redevelop it under this chapter; and
 6 (3) the area is designated as a redevelopment project area for
 7 purposes of this chapter.

8 The resolution must state the general boundaries of the redevelopment
 9 project area, and that the department of redevelopment proposes to
 10 acquire all of the interests in the land within the boundaries, with
 11 certain designated exceptions, if there are any.

12 (d) This subsection applies to the amendment of the resolution or
 13 plan for an existing redevelopment project area. After completion of
 14 the data required by subsection (b), the redevelopment commission
 15 shall adopt a resolution declaring that:

- 16 ~~(1) except as provided by subsection (f), if the amendment~~
 17 ~~enlarges the boundaries of the area, the existing area does not~~
 18 ~~generate sufficient revenue to meet the financial obligations of the~~
 19 ~~original project;~~
 20 ~~(2) (1) it will be of public utility and benefit to amend the~~
 21 ~~resolution or plan for the area; and~~
 22 ~~(3) (2) any additional area to be acquired under the amendment is~~
 23 ~~designated as part of the existing redevelopment project area for~~
 24 ~~purposes of this chapter.~~

25 The resolution must state the general boundaries of the redevelopment
 26 project area, including any changes made to those boundaries by the
 27 amendment, and describe the activities that the department of
 28 redevelopment is permitted to take under the amendment, with any
 29 designated exceptions.

30 (e) For the purpose of adopting a resolution under subsection (c) or
 31 (d), it is sufficient to describe the boundaries of the redevelopment
 32 project area by its location in relation to public ways or streams, or
 33 otherwise, as determined by the commissioners. Property excepted
 34 from the application of a resolution may be described by street numbers
 35 or location.

36 ~~(f) The redevelopment commission is not required to make the~~
 37 ~~finding and declaration described in subsections (a)(4)(C) and (d)(1)~~
 38 ~~concerning the enlargement of the boundaries of an existing~~
 39 ~~redevelopment project area if, before the adoption of the resolution~~
 40 ~~under subsection (d), the Indiana economic development corporation~~
 41 ~~issues a finding approving the enlargement of the boundaries. Before~~
 42 ~~issuing a finding under this subsection, the Indiana economic~~
 43 ~~development corporation must consider whether the enlargement of the~~
 44 ~~boundaries will:~~

- 45 ~~(1) lead to increased investment in Indiana;~~
 46 ~~(2) foster job creation or job retention in Indiana;~~
 47 ~~(3) have a positive impact on the unit in which the redevelopment~~
 48 ~~project area is located; or~~
 49 ~~(4) otherwise benefit the people of Indiana by increasing~~
 50 ~~opportunities for employment in Indiana and strengthening the~~
 51 ~~economy of Indiana.~~

1 SECTION 148. IC 36-7-14-25.5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 25.5. (a)
 3 Notwithstanding any other law, the legislative body may pledge
 4 revenues received or to be received by the unit from:

5 (1) the unit's:

6 **(A) certified shares of the county adjusted gross income tax**
 7 **under IC 6-3.5-1.1;**

8 **(B) distributive share of the county option income tax under**
 9 **IC 6-3.5-6; or**

10 **(C) distributions of county economic development income**
 11 **tax revenue under IC 6-3.5-7;**

12 (2) any other source legally available to the unit for the purposes
 13 of this chapter; or

14 (3) any combination of revenues under subdivisions (1) through
 15 (2);

16 in any amount to pay amounts payable under section 25.1 or 25.2 of
 17 this chapter.

18 (b) The legislative body may covenant to adopt an ordinance to
 19 increase its tax rate under the county option income tax or any other
 20 revenues at the time it is necessary to raise funds to pay any amounts
 21 payable under section 25.1 or 25.2 of this chapter.

22 (c) The commission may pledge revenues received or to be received
 23 from any source legally available to the commission for the purposes
 24 of this chapter in any amount to pay amounts payable under section
 25 25.1 or 25.2 of this chapter.

26 (d) The pledge or the covenant under this section may be for the life
 27 of the bonds issued under section 25.1 of this chapter, the term of a
 28 lease entered into under section 25.2 of this chapter, or for a shorter
 29 period as determined by the legislative body. Money pledged by the
 30 legislative body under this section shall be considered revenues or
 31 other money available to the commission under sections 25.1 through
 32 25.2 of this chapter.

33 (e) The general assembly covenants not to impair this pledge or
 34 covenant so long as any bonds issued under section 25.1 of this chapter
 35 are outstanding or as long as any lease entered into under section 25.2
 36 of this chapter is still in effect. The pledge or covenant shall be
 37 enforced as provided in IC 5-1-14-4.

38 SECTION 149. IC 36-7-14-39.3 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39.3. (a) As used
 40 in this section, "depreciable personal property" refers to:

41 (1) all of the designated taxpayer's depreciable personal property
 42 that is located in the allocation area; and

43 (2) all other depreciable property located and taxable on the
 44 designated taxpayer's site of operations within the allocation area.

45 (b) As used in this section, "designated taxpayer" means any
 46 taxpayer designated by the commission in a declaratory resolution
 47 adopted or amended under section 15 or 17.5 of this chapter, and with
 48 respect to which the commission finds that taxes to be derived from the
 49 depreciable personal property in the allocation area, in excess of the
 50 taxes attributable to the base assessed value of that personal property,
 51 are needed to pay debt service or to provide security for bonds issued

1 under section 25.1 of this chapter or to make payments or to provide
 2 security on leases payable under section 25.2 of this chapter in order to
 3 provide local public improvements for a particular allocation area.
 4 However, a commission may not designate a taxpayer after June 30,
 5 1992, unless the commission also finds that:

6 (1) the taxpayer's property in the allocation area will consist
 7 primarily of industrial, manufacturing, warehousing, research and
 8 development, processing, distribution, or transportation related
 9 projects **or regulated amusement devices (as defined in**
 10 **IC 22-12-1-19.1) and related improvements;** and

11 (2) the taxpayer's property in the allocation area will not consist
 12 primarily of retail, commercial, or residential projects, **other than**
 13 **an amusement park or tourism industry project.**

14 (c) The allocation provision of a declaratory resolution may modify
 15 the definition of "property taxes" under section 39(a) of this chapter to
 16 include taxes imposed under IC 6-1.1 on the depreciable personal
 17 property located and taxable on the site of operations of the designated
 18 taxpayers in accordance with the procedures and limitations set forth
 19 in this section and section 39 of this chapter. If such a modification is
 20 included in the resolution, for purposes of section 39 of this chapter the
 21 term "base assessed value" with respect to the depreciable personal
 22 property means the net assessed value of all the depreciable personal
 23 property as finally determined for the assessment date immediately
 24 preceding:

25 (1) the effective date of the modification, for modifications
 26 adopted before July 1, 1995; and

27 (2) the adoption date of the modification for modifications
 28 adopted after June 30, 1995;

29 as adjusted under section 39(h) of this chapter.

30 SECTION 150. IC 36-7-14-41, AS AMENDED BY P.L.146-2008,
 31 SECTION 739, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2011]: Sec. 41. (a) The commission may, by
 33 following the procedures set forth in sections 15 through 17 of this
 34 chapter, approve a plan for and determine that a geographic area in the
 35 redevelopment district is an economic development area. Designation
 36 of an economic development area is subject to judicial review in the
 37 manner prescribed in section 18 of this chapter.

38 (b) The commission may determine that a geographic area is an
 39 economic development area if it finds that:

40 (1) the plan for the economic development area:

41 (A) promotes significant opportunities for the gainful
 42 employment of its citizens;

43 (B) attracts a major new business enterprise to the unit;

44 (C) retains or expands a significant business enterprise
 45 existing in the boundaries of the unit; or

46 (D) meets other purposes of this section and sections 2.5 and
 47 43 of this chapter;

48 (2) the plan for the economic development area cannot be
 49 achieved by regulatory processes or by the ordinary operation of
 50 private enterprise without resort to the powers allowed under this
 51 section and sections 2.5 and 43 of this chapter because of:

- 1 (A) lack of local public improvement;
 2 (B) existence of improvements or conditions that lower the
 3 value of the land below that of nearby land;
 4 (C) multiple ownership of land; or
 5 (D) other similar conditions;
 6 (3) the public health and welfare will be benefited by
 7 accomplishment of the plan for the economic development area;
 8 (4) the accomplishment of the plan for the economic development
 9 area will be a public utility and benefit as measured by:
 10 (A) the attraction or retention of permanent jobs;
 11 (B) an increase in the property tax base;
 12 (C) improved diversity of the economic base; or
 13 (D) other similar public benefits; and
 14 (5) the plan for the economic development area conforms to other
 15 development and redevelopment plans for the unit.
- 16 (c) The determination that a geographic area is an economic
 17 development area must be approved by the unit's legislative body. The
 18 approval may be given either before or after judicial review is
 19 requested. The requirement that the unit's legislative body approve
 20 economic development areas does not prevent the commission from
 21 amending the plan for the economic development area. However, the
 22 enlargement of any boundary in the economic development area must
 23 be approved by the unit's legislative body. ~~and a boundary may not be~~
 24 ~~enlarged unless:~~
- 25 ~~(1) the existing area does not generate sufficient revenue to meet~~
 26 ~~the financial obligations of the original project; or~~
 27 ~~(2) the Indiana economic development corporation has, in the~~
 28 ~~manner provided by section 15(f) of this chapter, made a finding~~
 29 ~~approving the enlargement of the boundary.~~
- 30 SECTION 151. IC 36-7-15.1-8, AS AMENDED BY P.L.146-2008,
 31 SECTION 745, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2011]: Sec. 8. (a) Whenever the commission
 33 finds that:
- 34 (1) an area in the redevelopment district is an area needing
 35 redevelopment;
 36 (2) the conditions described in IC 36-7-1-3 cannot be corrected in
 37 the area by regulatory processes or by the ordinary operations of
 38 private enterprise without resort to this chapter; and
 39 (3) the public health and welfare will be benefited by:
 40 (A) the acquisition and redevelopment of the area under this
 41 chapter as a redevelopment project area or an urban renewal
 42 area; or
 43 (B) the amendment of the resolution or plan, or both, for an
 44 existing redevelopment project area or urban renewal area; and
 45 (4) in the case of an amendment to the resolution or plan for an
 46 existing redevelopment project area or urban renewal area:
 47 (A) the amendment is reasonable and appropriate when
 48 considered in relation to the original resolution or plan and the
 49 purposes of this chapter; **and**
 50 (B) the resolution or plan, with the proposed amendment,
 51 conforms to the comprehensive plan for the unit; ~~and~~

1 ~~(C) except as provided by subsection (f); if the amendment~~
 2 ~~enlarges the boundaries of the area; the existing area does not~~
 3 ~~generate sufficient revenue to meet the financial obligations of~~
 4 ~~the original project;~~

5 the commission shall cause to be prepared a redevelopment or urban
 6 renewal plan.

7 (b) The redevelopment or urban renewal plan must include:

- 8 (1) maps, plats, or maps and plats, showing:
- 9 (A) the boundaries of the area in which property would be
 10 acquired for, or otherwise affected by, the establishment of a
 11 redevelopment project area or urban renewal area, or the
 12 amendment of the resolution or plan for an existing area;
- 13 (B) the location of the various parcels of property, public
 14 ways, and other features affecting the acquisition, clearance,
 15 replatting, replanning, rezoning, or redevelopment of the area
 16 or areas, indicating any parcels of property to be excluded
 17 from the acquisition or otherwise excluded from the effects of
 18 the establishment of the redevelopment project area or the
 19 amendment of the resolution or plan for an existing area; and
- 20 (C) the parts of the area acquired that are to be devoted to
 21 public ways, levees, sewerage, parks, playgrounds, and other
 22 public purposes;
- 23 (2) lists of the owners of the various parcels of property proposed
 24 to be acquired for, or otherwise affected by, the establishment of
 25 an area or the amendment of the resolution or plan for an existing
 26 area; and
- 27 (3) an estimate of the costs, if any, to be incurred for the
 28 acquisition and redevelopment of property.

29 (c) This subsection applies to the initial establishment of a
 30 redevelopment project area or urban renewal area. After completion of
 31 the data required by subsection (b), the commission shall adopt a
 32 resolution declaring that:

- 33 (1) the area needing redevelopment is a detriment to the social or
 34 economic interests of the consolidated city and its inhabitants;
- 35 (2) it will be of public utility and benefit to acquire the area and
 36 redevelop it under this chapter; and
- 37 (3) the area is designated as a redevelopment project area for
 38 purposes of this chapter.

39 The resolution must state the general boundaries of the redevelopment
 40 project area and identify the interests in real or personal property, if
 41 any, that the department proposes to acquire in the area.

42 (d) This subsection applies to the amendment of the resolution or
 43 plan for an existing redevelopment project area or urban renewal area.
 44 After completion of the data required by subsection (b), the
 45 redevelopment commission shall adopt a resolution declaring that:

- 46 ~~(1) except as provided by subsection (f); if the amendment~~
 47 ~~enlarges the boundaries of the area; the existing area does not~~
 48 ~~generate sufficient revenue to meet the financial obligations of the~~
 49 ~~original project;~~
- 50 ~~(2) (1) it will be of public utility and benefit to amend the~~
 51 ~~resolution or plan for the area; and~~

1 ~~(3)~~ **(2)** any additional area to be acquired under the amendment is
 2 designated as part of the existing redevelopment project area or
 3 urban renewal area for purposes of this chapter.

4 The resolution must state the general boundaries of the redevelopment
 5 project area or urban renewal area, including any changes made to
 6 those boundaries by the amendment, and describe the activities that the
 7 department is permitted to take under the amendment, with any
 8 designated exceptions.

9 (e) For the purpose of adopting a resolution under subsection (c) or
 10 (d), it is sufficient to describe the boundaries of the redevelopment
 11 project area by its location in relation to public ways or streams, or
 12 otherwise, as determined by the commission. Property proposed for
 13 acquisition may be described by street numbers or location.

14 ~~(f) The commission is not required to make the finding and
 15 declaration described in subsections (a)(4)(C) and (d)(1) concerning
 16 the enlargement of the boundaries of an existing redevelopment project
 17 area or urban renewal area if, before the adoption of the resolution
 18 under subsection (d), the Indiana economic development corporation
 19 issues a finding approving the enlargement of the boundaries. Before
 20 issuing a finding under this subsection, the Indiana economic
 21 development corporation must consider whether the enlargement of the
 22 boundaries will:~~

- 23 ~~(1) lead to increased investment in Indiana;~~
- 24 ~~(2) foster job creation or job retention in Indiana;~~
- 25 ~~(3) have a positive impact on the unit in which the area is located;~~
- 26 ~~or~~
- 27 ~~(4) otherwise benefit the people of Indiana by increasing
 28 opportunities for employment in Indiana and strengthening the
 29 economy of Indiana.~~

30 SECTION 152. IC 36-7-15.1-17.5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17.5. (a)
 32 Notwithstanding any other law, the legislative body may pledge
 33 revenues received or to be received by the unit from:

- 34 (1) the unit's:
 - 35 **(A) certified shares of the county adjusted gross income tax**
 - 36 **under IC 6-3.5-1.1;**
 - 37 **(B) distributive share of the county option income tax under**
 - 38 **IC 6-3.5-6; or**
 - 39 **(C) distributions of county economic development income**
 - 40 **tax revenue under IC 6-3.5-7;**

41 (2) any other source legally available to the unit for the purposes
 42 of this chapter; or

43 (3) combination of revenues under subdivisions (1) through (2);
 44 in any amount to pay amounts payable under section 17 or 17.1 of this
 45 chapter.

46 (b) The legislative body may covenant to adopt an ordinance to
 47 increase its tax rate under the county option income tax or any other
 48 revenues at the time it is necessary to raise funds to pay any amounts
 49 payable under section 17 or 17.1 of this chapter.

50 (c) The commission may pledge revenues received or to be received
 51 from any source legally available to it for the purposes of this chapter

1 in any amount to pay amounts payable under section 17 or 17.1 of this
2 chapter.

3 (d) The pledge or the covenant under this section may be for the life
4 of the bonds issued under section 17 of this chapter, the term of a lease
5 entered into under section 17.1 of this chapter, or for a shorter period
6 as determined by the legislative body. Money pledged by the legislative
7 body under this section shall be considered revenues or other money
8 available to the commission under sections 17 through 17.1 of this
9 chapter.

10 (e) The general assembly covenants not to impair this pledge or
11 covenant so long as any bonds issued under section 17 of this chapter
12 are outstanding or as long as any lease entered into under section 17.1
13 of this chapter is still in effect. The pledge or covenant shall be
14 enforced as provided in IC 5-1-14-4.

15 SECTION 153. IC 36-7-15.1-26.2, AS AMENDED BY
16 P.L.234-2007, SECTION 205, IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 26.2. (a) As used in this
18 section, "depreciable personal property" refers to all of the designated
19 taxpayer's depreciable personal property that is located in the allocation
20 area.

21 (b) As used in this section, "designated taxpayer" means a taxpayer
22 designated by the commission in a declaratory resolution adopted or
23 amended under section 8 or 10.5 of this chapter, and with respect to
24 which the commission finds that:

25 (1) taxes to be derived from the taxpayer's depreciable personal
26 property in the allocation area, in excess of the taxes attributable
27 to the base assessed value of that personal property, are needed to
28 pay debt service for bonds issued under section 17 of this chapter
29 or to make payments on leases payable under section 17.1 of this
30 chapter in order to provide local public improvements for a
31 particular allocation area;

32 (2) the taxpayer's property in the allocation area will consist
33 primarily of industrial, manufacturing, warehousing, research and
34 development, processing, distribution, transportation, or
35 convention center hotel related projects **or regulated amusement
36 devices (as defined in IC 22-12-1-19.1) and related
37 improvements;** and

38 (3) the taxpayer's property in the allocation area will not consist
39 primarily of retail, commercial, or residential projects, **other than
40 an amusement park or tourism industry project.**

41 For purposes of subdivision (3), a convention center hotel project is not
42 considered a retail, commercial, or residential project.

43 (c) The allocation provision of a declaratory resolution may modify
44 the definition of "property taxes" under section 26(a) of this chapter to
45 include taxes imposed under IC 6-1.1 on the depreciable personal
46 property of designated taxpayers in accordance with the procedures and
47 limitations set forth in this section and section 26 of this chapter. If
48 such a modification is included in the resolution, for purposes of
49 section 26 of this chapter the term "base assessed value" with respect
50 to the depreciable personal property of designated taxpayers means the
51 net assessed value of the depreciable personal property as finally

1 determined for the assessment date immediately preceding:

- 2 (1) the effective date of the modification, for modifications
 3 adopted before July 1, 1995; and
 4 (2) the adoption date of the modification for modifications
 5 adopted after June 30, 1995;

6 as adjusted under section 26(h) of this chapter.

7 SECTION 154. IC 36-7-15.1-29, AS AMENDED BY P.L.146-2008,
 8 SECTION 757, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2011]: Sec. 29. (a) The commission may, by
 10 following the procedures set forth in sections 8, 9, and 10 of this
 11 chapter, approve a plan for and determine that a geographic area in the
 12 redevelopment district is an economic development area. Designation
 13 of an economic development area is subject to judicial review in the
 14 manner prescribed in section 11 of this chapter.

15 (b) The commission may determine that a geographic area is an
 16 economic development area if it finds:

- 17 (1) the plan for the economic development area:
 18 (A) promotes significant opportunities for the gainful
 19 employment of its citizens;
 20 (B) attracts a major new business enterprise to the unit;
 21 (C) retains or expands a significant business enterprise
 22 existing in the boundaries of the unit; or
 23 (D) meets other purposes of this section and sections 28 and
 24 30 of this chapter;

25 (2) the plan for the economic development area cannot be
 26 achieved by regulatory processes or by the ordinary operation of
 27 private enterprise without resort to the powers allowed under this
 28 section and sections 28 and 30 of this chapter because of:

- 29 (A) lack of local public improvement;
 30 (B) existence of improvements or conditions that lower the
 31 value of the land below that of nearby land;
 32 (C) multiple ownership of land; or
 33 (D) other similar conditions;

34 (3) the public health and welfare will be benefited by
 35 accomplishment of the plan for the economic development area;

36 (4) the accomplishment of the plan for the economic development
 37 area will be a public utility and benefit as measured by:

- 38 (A) attraction or retention of permanent jobs;
 39 (B) increase in the property tax base;
 40 (C) improved diversity of the economic base; or
 41 (D) other similar public benefits; and

42 (5) the plan for the economic development area conforms to the
 43 comprehensive plan of development for the consolidated city.

44 (c) The determination that a geographic area is an economic
 45 development area must be approved by the city-county legislative body.
 46 The approval may be given either before or after judicial review is
 47 requested. The requirement that the city-county legislative body
 48 approve economic development areas does not prevent the commission
 49 from amending the plan for the economic development area. ~~However,~~
 50 ~~the enlargement of any boundary in the economic development area~~
 51 ~~must be approved by the city-county legislative body, and a boundary~~

1 may not be enlarged unless:

- 2 (1) the existing area does not generate sufficient revenue to meet
 3 the financial obligations of the original project; or
 4 (2) the Indiana economic development corporation has, in the
 5 manner provided by section 8(f) of this chapter, made a finding
 6 approving the enlargement of the boundary.

7 SECTION 155. IC 36-7-15.1-55 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 55. (a) As used in this
 9 section, "depreciable personal property" refers to all of the designated
 10 taxpayer's depreciable personal property that is located in the allocation
 11 area.

12 (b) As used in this section, "designated taxpayer" means a taxpayer
 13 designated by the commission in a declaratory resolution adopted or
 14 amended under section 40(a) or 40(b) of this chapter, and with respect
 15 to which the commission finds that:

- 16 (1) taxes to be derived from the taxpayer's depreciable personal
 17 property in the allocation area, in excess of the taxes attributable
 18 to the base assessed value of that personal property, are needed to
 19 pay debt service for bonds issued under section 45 of this chapter
 20 to make payments on leases payable under section 46 of this
 21 chapter in order to provide local public improvements for a
 22 particular allocation area;
 23 (2) the taxpayer's property in the allocation area will consist
 24 primarily of industrial, manufacturing, warehousing, research and
 25 development, processing, distribution, or transportation related
 26 projects **or regulated amusement devices (as defined in**
 27 **IC 22-12-1-19.1) and related improvements;** and
 28 (3) the taxpayer's property in the allocation area will not consist
 29 primarily of retail, commercial, or residential projects, **other than**
 30 **an amusement park or tourism industry project.**

31 (c) The allocation provision of a declaratory resolution may modify
 32 the definition of "property taxes" under section 53(a) of this chapter to
 33 include taxes imposed under IC 6-1.1 on the depreciable personal
 34 property of designated taxpayers in accordance with the procedures and
 35 limitations set forth in this section and section 53 of this chapter. If
 36 such a modification is included in the resolution, for purposes of
 37 section 53 of this chapter, the term "base assessed value" with respect
 38 to the depreciable personal property of designated taxpayers means the
 39 net assessed value of the depreciable personal property as finally
 40 determined for the assessment date immediately preceding the adoption
 41 date of the modification as adjusted under section 53(h) of this chapter.

42 SECTION 156. IC 36-7-15.1-57, AS AMENDED BY P.L.146-2008,
 43 SECTION 766, IS AMENDED TO READ AS FOLLOWS
 44 [EFFECTIVE JULY 1, 2011]: Sec. 57. (a) The commission may, by
 45 following the procedures set forth in sections 8, 9, and 10 of this
 46 chapter, approve a plan for and determine that a geographic area in the
 47 redevelopment district is an economic development area. Designation
 48 of an economic development area is subject to judicial review in the
 49 manner prescribed in section 11 of this chapter.

50 (b) The commission may determine that a geographic area is an
 51 economic development area if it finds that:

- 1 (1) the plan for the economic development area:
 2 (A) promotes significant opportunities for the gainful
 3 employment of its citizens;
 4 (B) attracts a major new business enterprise to the unit;
 5 (C) retains or expands a significant business enterprise
 6 existing in the boundaries of the unit; or
 7 (D) meets other purposes of this section and sections 28 and
 8 58 of this chapter;
- 9 (2) the plan for the economic development area cannot be
 10 achieved by regulatory processes or by the ordinary operation of
 11 private enterprise without resort to the powers allowed under this
 12 section and sections 28 and 58 of this chapter because of:
 13 (A) lack of local public improvement;
 14 (B) existence of improvements or conditions that lower the
 15 value of the land below that of nearby land;
 16 (C) multiple ownership of land; or
 17 (D) other similar conditions;
- 18 (3) the public health and welfare will be benefited by
 19 accomplishment of the plan for the economic development area;
 20 (4) the accomplishment of the plan for the economic development
 21 area will be of public utility and benefit as measured by:
 22 (A) attraction or retention of permanent jobs;
 23 (B) increase in the property tax base;
 24 (C) improved diversity of the economic base; or
 25 (D) other similar public benefits; and
- 26 (5) the plan for the economic development area conforms to the
 27 comprehensive plan of development for the county.
- 28 (c) The determination that a geographic area is an economic
 29 development area must be approved by the excluded city legislative
 30 body. The approval may be given either before or after judicial review
 31 is requested. The requirement that the excluded city legislative body
 32 approve economic development areas does not prevent the commission
 33 from amending the plan for the economic development area. ~~However,~~
 34 ~~the enlargement of any boundary in the economic development area~~
 35 ~~must be approved by the excluded city legislative body; and a boundary~~
 36 ~~may not be enlarged unless:~~
- 37 ~~(1) the existing area does not generate sufficient revenue to meet~~
 38 ~~the financial obligations of the original project; or~~
 39 ~~(2) the Indiana economic development corporation has, in the~~
 40 ~~manner provided by section 8(f) of this chapter, made a finding~~
 41 ~~approving the enlargement of the boundary.~~
- 42 SECTION 157. IC 36-7-31.3-9, AS AMENDED BY P.L.214-2005,
 43 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 UPON PASSAGE]: Sec. 9. (a) A tax area must be initially established
 45 by resolution:
- 46 (1) except as provided in subdivision (2) before July 1, 1999; or
 47 (2) before January 1, ~~2005~~, **2013**, in the case of:
 48 (A) a second class city; ~~or~~
 49 (B) the city of Marion; ~~or~~
 50 **(C) the city of Westfield;**
 51 according to the procedures set forth for the establishment of an

1 economic development area under IC 36-7-14. Before May 15, 2005,
 2 a tax area **established before January 1, 2005**, may be changed or the
 3 terms governing the tax area revised in the same manner as the
 4 establishment of the initial tax area. After May 14, 2005, a tax area
 5 **established before January 1, 2005**, may not be changed and the
 6 terms governing a tax area may not be revised. Only one (1) tax area
 7 may be created in each county.

8 (b) In establishing the tax area, the designating body must make the
 9 following findings instead of the findings required for the
 10 establishment of economic development areas:

11 (1) Except for a tax area in a city having a population of:

12 (A) more than one hundred fifty thousand (150,000) but less
 13 than five hundred thousand (500,000); or

14 (B) more than ninety thousand (90,000) but less than one
 15 hundred five thousand (105,000);

16 there is a capital improvement that will be undertaken or has been
 17 undertaken in the tax area for a facility that is used by a
 18 professional sports franchise for practice or competitive sporting
 19 events. A tax area to which this subdivision applies may also
 20 include a capital improvement that will be undertaken or has been
 21 undertaken in the tax area for a facility that is used for any
 22 purpose specified in section 8(a)(2) of this chapter.

23 (2) For a tax area in a city having a population of more than one
 24 hundred fifty thousand (150,000) but less than five hundred
 25 thousand (500,000), there is a capital improvement that will be
 26 undertaken or has been undertaken in the tax area for a facility
 27 that is used for any purpose specified in section 8(a) of this
 28 chapter.

29 (3) For a tax area in a city having a population of more than
 30 ninety thousand (90,000) but less than one hundred five thousand
 31 (105,000), there is a capital improvement that will be undertaken
 32 or has been undertaken in the tax area for a facility that is used for
 33 any purpose specified in section 8(a)(2) of this chapter.

34 (4) The capital improvement that will be undertaken or that has
 35 been undertaken in the tax area will benefit the public health and
 36 welfare and will be of public utility and benefit.

37 (5) The capital improvement that will be undertaken or that has
 38 been undertaken in the tax area will protect or increase state and
 39 local tax bases and tax revenues.

40 (c) The tax area established under this chapter is a special taxing
 41 district authorized by the general assembly to enable the designating
 42 body to provide special benefits to taxpayers in the tax area by
 43 promoting economic development that is of public use and benefit.

44 SECTION 158. IC 36-7.6-4-2, AS ADDED BY P.L.232-2007,
 45 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 2011]: Sec. 2. (a) Beginning January 1 of the year following
 47 the year in which a development authority is established, the fiscal
 48 officer of each county and each municipality that is a member of the
 49 development authority shall transfer the amount determined under
 50 subsection (b) to the development authority for deposit in the
 51 development authority fund.

1 (b) The amount of the transfer required each year by subsection (a)
2 from each county and each municipality is equal to **the following:**

3 (1) **Except as provided in subdivision (2),** the amount that
4 would be distributed to the county or the municipality as certified
5 distributions of county economic development income tax
6 revenue raised from a county economic development income tax
7 rate of five-hundredths of one percent (0.05%) in the county.

8 (2) **In the case of a county or municipality that becomes a**
9 **member of a development authority after June 30, 2011, and**
10 **before July 1, 2013, the amount that would be distributed to**
11 **the county or municipality as certified distributions of county**
12 **economic development income tax revenue raised from a**
13 **county economic development income tax rate of twenty-five**
14 **thousandths of one percent (0.025%) in the county.**

15 (c) Notwithstanding subsection (b), if the additional county
16 economic development income tax under IC 6-3.5-7-28 is in effect in
17 a county, the obligations of the county and each municipality in the
18 county under this section are satisfied by the transfer to the
19 development fund of all county economic development income tax
20 revenue derived from the additional tax and deposited in the county
21 regional development authority fund.

22 (d) The following apply to the transfers required by this section:

23 (1) The transfers shall be made without appropriation by the fiscal
24 body of the county or the fiscal body of the municipality.

25 (2) Except as provided in subdivision (3), the fiscal officer of
26 each county and each municipality that is a member of the
27 development authority shall transfer twenty-five percent (25%) of
28 the total transfers due for the year before the last business day of
29 January, April, July, and October of each year.

30 (3) County economic development income tax revenue derived
31 from the additional county economic development income tax
32 under IC 6-3.5-7-28 must be transferred to the development fund
33 not more than thirty (30) days after being deposited in the county
34 regional development fund.

35 (4) This subdivision does not apply to a county in which the
36 additional county economic development income tax under
37 IC 6-3.5-7-28 has been imposed or to any municipality in the
38 county. The transfers required by this section may be made from
39 any local revenue (other than property tax revenue) of the county
40 or municipality, including excise tax revenue, income tax
41 revenue, local option tax revenue, riverboat tax revenue,
42 distributions, incentive payments, or money deposited in the
43 county's or municipality's local major moves construction fund
44 under IC 8-14-16.

45 SECTION 159. IC 36-8-19-6.3 IS ADDED TO THE INDIANA
46 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
47 [EFFECTIVE UPON PASSAGE]: **Sec. 6.3. A member of the**
48 **legislative body of a unit may not vote on a proposed ordinance or**
49 **resolution authorizing the unit to become a party to an agreement**
50 **to join or establish a fire protection territory if that member is also**
51 **an employee of:**

1 **(1) another unit that is a participating unit in the fire**
 2 **protection territory; or**

3 **(2) another unit that is proposing to become a participating**
 4 **unit in the fire protection territory.**

5 SECTION 160. IC 36-8-19-7 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** A tax levied
 7 under this chapter ~~must~~ **may** be levied at:

8 (1) a uniform rate upon all taxable property within the territory;
 9 or

10 (2) different rates for the **participating** units included within the
 11 territory, so long as a tax rate applies uniformly to all of a unit's
 12 taxable property within the territory.

13 **(b) If a uniform tax rate is levied upon all taxable property**
 14 **within a territory upon the formation of the territory, different tax**
 15 **rates may be levied for the participating units included within the**
 16 **territory in subsequent years.**

17 SECTION 161. THE FOLLOWING ARE REPEALED
 18 [EFFECTIVE JANUARY 1, 2012]: IC 6-1.1-18.5-4; IC 6-1.1-18.5-5.

19 SECTION 162. THE FOLLOWING ARE REPEALED
 20 [EFFECTIVE UPON PASSAGE]: IC 6-3.1-19-5.5; IC 36-7-13-23.

21 SECTION 163. [EFFECTIVE UPON PASSAGE] **(a) In addition**
 22 **to any other requirements under IC 36-8-19-6(a), before the**
 23 **legislative body of a unit that desires to become part of a fire**
 24 **protection territory may adopt an ordinance or a resolution to**
 25 **form a territory, the legislative body of the unit must**
 26 **(notwithstanding IC 36-8-19-6(a)) do the following:**

27 **(1) Hold a public hearing at least thirty (30) days before**
 28 **adopting an ordinance or a resolution to form a territory at**
 29 **which the legislative body makes available to the public the**
 30 **following information:**

31 **(A) The property tax levy, property tax rate, and budget to**
 32 **be imposed or adopted during the first year of the territory**
 33 **for each of the units that would participate in the proposed**
 34 **fire protection territory.**

35 **(B) The estimated effect of the proposed reorganization in**
 36 **the following years on taxpayers in each of the units that**
 37 **would participate in the proposed fire protection territory,**
 38 **including the expected property tax rates, property tax**
 39 **levies, expenditure levels, service levels, and annual debt**
 40 **service payments.**

41 **(C) The estimated effect of the proposed reorganization to**
 42 **other units in the county in the following years and to local**
 43 **option income taxes, excise taxes, and property tax circuit**
 44 **breaker credits.**

45 **(D) A description of the planned services and staffing levels**
 46 **to be provided in the proposed fire protection territory.**

47 **(E) A description of any capital improvements to be**
 48 **provided in the proposed fire protection territory.**

49 **(2) Hold at least one (1) additional public hearing before**
 50 **adopting an ordinance or a resolution to form a territory to**
 51 **receive public comment on the proposed ordinance or**

1 resolution.
 2 The legislative body must give notice of the hearings under
 3 IC 5-3-1.

4 (b) In addition to the information required by IC 36-8-19-6(b),
 5 the notice required under that section must include the proposed
 6 levies and tax rates for each participating unit.

7 (c) This SECTION expires June 30, 2012.

8 SECTION 164. [EFFECTIVE UPON PASSAGE] (a) The
 9 department of local government finance shall review the tax rates
 10 and levies for each fire protection territory that is located in
 11 Hancock County and that has a uniform tax rate throughout the
 12 territory. The department of local government finance shall
 13 reconsider adjusting the tax levies for the participating units and
 14 whether different tax rates for fire protection services should be
 15 applied for the participating units included within the territory. In
 16 conducting its review, the department of local government finance
 17 shall consider the following factors and discuss the factors with
 18 each participating unit in the territory:

- 19 (1) The population and change in population of each unit in
 20 the territory.
- 21 (2) The assessed valuation and change of assessed valuation of
 22 real property in each unit in the territory.
- 23 (3) The cost of providing fire service to each unit in the
 24 territory.
- 25 (4) Comparisons to other jurisdictions providing similar fire
 26 service.
- 27 (5) Previous tax rates and levies for fire protection.
- 28 (6) Future needs and planned or expected expenses for fire
 29 service.
- 30 (7) Other factors as determined by the department.

31 (b) This SECTION expires June 30, 2012.

32 SECTION 165. [EFFECTIVE JANUARY 1, 2011
 33 (RETROACTIVE)] (a) IC 6-3-2-2, as amended by this act, applies
 34 to taxable years beginning after December 31, 2010.

35 (b) This SECTION expires January 1, 2014.

36 SECTION 166. [EFFECTIVE UPON PASSAGE] (a) The office of
 37 management and budget shall, with the assistance of the
 38 department of state revenue and the family and social services
 39 administration, conduct a study of the following:

- 40 (1) Issues related earned income tax credits provided under
 41 IC 6-3.1-21.
- 42 (2) Issues related to Medicaid fraud.

43 (b) The office of management and budget shall prepare a report
 44 containing its findings and recommendations and submit the report
 45 to the commission on state tax and financing policy in an electronic
 46 format under IC 5-14-6.

47 (c) This SECTION expires January 1, 2012.

48 SECTION 167. [EFFECTIVE UPON PASSAGE] (a) The
 49 commission on state tax and financing policy established under
 50 IC 2-5-3 shall, during the interim in 2011 between sessions of the
 51 general assembly, study the following:

- 1 **(1) Issues related to fire protection territories, including the**
 2 **following:**
 3 **(A) The formation process for territories.**
 4 **(B) The establishment of tax rates and tax levies for**
 5 **territories, including tax rates for agricultural land.**
 6 **(C) Other issues as determined by the commission.**
 7 **(2) All aspects, including the advantages and disadvantages,**
 8 **of phasing out the state inheritance tax.**
 9 **(3) Issues related to township assistance provided in Calumet**
 10 **Township in Lake County, including any effects on taxpayers**
 11 **in the town of Griffith.**
 12 **(4) Whether commercial rental property should for property**
 13 **tax purposes be valued by using the lowest valuation**
 14 **determined by applying each of the appraisal approaches used**
 15 **for determining the assessed valuation of residential rental**
 16 **property under IC 6-1.1-4-39.**
 17 **(5) Issues related to periodic or "rolling" reassessment.**
 18 **(6) Whether a tax incentive for logistics and homeland**
 19 **security expenditures will provide a net gain in tax revenue**
 20 **and investment in Indiana.**
 21 **(7) Methods for eliminating or reducing the personal property**
 22 **tax statewide and the appropriateness of allowing local**
 23 **government the option of eliminating or abating personal**
 24 **property tax, including the authority to offer deductions or**
 25 **exemptions for new investment and economic development**
 26 **purposes.**
 27 **(8) Differences between the eligibility of nonprofit entities for**
 28 **federal income tax exemptions and the eligibility of nonprofit**
 29 **entities for Indiana property tax exemptions.**
 30 **(9) Issues related to sales tax holidays.**
 31 **(10) Internet sales and taxation.**
 32 **(b) Before November 1, 2011, the commission on state tax and**
 33 **financing policy shall report its findings and any recommendations**
 34 **concerning the study topics described in subsection (a) in a final**
 35 **report to the legislative council in an electronic format under**
 36 **IC 5-14-6. The commission on state tax and financing policy shall**
 37 **also report its findings and any recommendations concerning**
 38 **issues related to township assistance provided in Calumet**
 39 **Township in Lake County (including any effects on taxpayers in**
 40 **the town of Griffith) to the House Committee on Government and**
 41 **Regulatory Reform. The House Committee on Government and**
 42 **Regulatory Reform shall review these findings and**
 43 **recommendations during the 2012 session of the general assembly.**
 44 **(c) This SECTION expires January 1, 2012.**
 45 SECTION 168. [EFFECTIVE JANUARY 1, 2009
 46 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer,**
 47 **notwithstanding IC 6-1.1-3, IC 6-1.1-11, IC 6-1.1-17, IC 6-1.1-37,**
 48 **50 IAC 4.2, 50 IAC 16, or any other statute or administrative rule.**
 49 **(b) This section applies to an assessment date (as defined in**
 50 **IC 6-1.1-1-2) occurring after December 31, 2008, and before**
 51 **January 1, 2011.**

1 (c) As used in this SECTION, "taxpayer" refers to an Indiana
 2 nonprofit corporation or trust that owns real and personal
 3 property located at one (1) of the following street addresses in
 4 Marion County:

- 5 (1) 1544 Columbia Avenue.
- 6 (2) 1926 Georgetown Road.
- 7 (3) 4107 East Washington Street.
- 8 (4) 7435 North Keystone Avenue.
- 9 (5) 8741 Founders Road.
- 10 (6) 9230 Hawkins Road.
- 11 (7) 1400 North Meridian Street.
- 12 (8) 901 Shelby Street.

13 (d) A taxpayer, after April 1, 2011, but before June 1, 2011, may
 14 file or refile in person or in any other manner consistent with
 15 IC 6-1.1-36-1.5:

- 16 (1) a Form 136 property tax exemption application, along
 17 with any supporting documents, schedules, or attachments,
 18 claiming an exemption from real property taxes or personal
 19 property taxes, or both under IC 6-1.1-10-16, for any
 20 assessment date described in subsection (b); and
- 21 (2) a personal property tax return, along with any supporting
 22 documents, schedules, or attachments, relating to any
 23 personal property under IC 6-1.1-10-16, for any assessment
 24 date for which an exemption is claimed on a Form 136
 25 property tax exemption application that is filed under this
 26 subsection.

27 (e) Any property tax exemption application or personal
 28 property tax return filed or refiled under subsection (d):

- 29 (1) is, subject to this SECTION, allowed; and
- 30 (2) is considered to have been timely filed.

31 (f) If the taxpayer demonstrates in the application or by other
 32 means that the property that is subject to the exemption would
 33 have qualified for an exemption under IC 6-1.1-10-16 as owned,
 34 occupied, and used for an educational, religious, or charitable
 35 purpose, if the application had been filed under IC 6-1.1-11 in a
 36 timely manner:

- 37 (1) the taxpayer is entitled to the exemptions from real
 38 property taxes or personal property taxes, or both, as claimed
 39 on the property tax exemption applications filed or refiled by
 40 the taxpayer under subsection (d); and
- 41 (2) the taxpayer is not required to pay any property taxes,
 42 penalties, or interest with respect to the exempt property.

43 (g) For its property to be exempt under this SECTION, the
 44 taxpayer must have received for an assessment date preceding or
 45 following any assessment date described in subsection (b) an
 46 exemption or partial exemption from property taxes for property
 47 identified by the same parcel or key numbers or the same parcel
 48 and key numbers included on the property tax exemption
 49 applications filed or refiled by the taxpayer under subsection (d).

50 (h) This SECTION expires January 1, 2013.

51 SECTION 169. [EFFECTIVE JANUARY 1, 2010

1 (RETROACTIVE)] (a) This SECTION applies to a taxpayer
2 notwithstanding IC 6-1.1-11 or any other law or administrative
3 rule or provision.

4 (b) This SECTION applies to the March 1, 2010, and March 1,
5 2011, assessment dates.

6 (c) As used in this SECTION, "taxpayer" refers to an Indiana
7 limited liability company that:

8 (1) owns real property used as part of or in connection with
9 an ice skating rink and activities associated with the operation
10 of an ice skating rink; and

11 (2) as of the assessment dates referred to in subsection (b),
12 leases or rents all or part of the real property to an Indiana
13 nonprofit corporation that is exempt from federal income tax
14 under Section 5019(c)(3) of the Internal Revenue Code that
15 predominantly uses the leased or rented property for ice
16 skating purposes, including public skating, skating lessons,
17 instructional clinics, youth and adult sports leagues, and
18 conducting various sporting events related to ice sports.

19 (d) As used in this SECTION, "eligible property" means real
20 and personal property owned by the taxpayer that was granted a
21 full or partial exemption from property taxation for an assessment
22 date occurring before the assessment dates described in subsection
23 (b), regardless of the ownership of the property at the time the full
24 or partial exemption was previously granted or received.

25 (e) Any real property tax exemption application relating to the
26 eligible property filed by the taxpayer for an assessment date
27 described in subsection (b) is allowed. The exemption application
28 is considered to include all parcel or key numbers for the land and
29 improvements comprising the eligible property. The eligible
30 property is considered tangible property owned, occupied, and
31 used for the educational, scientific, or charitable purposes
32 described in IC 6-1.1-10-16. Taxpayer's property tax exemption
33 application is considered to have been filed properly for an
34 educational, scientific, or charitable use under IC 6-1.1-10-16. The
35 property tax exemptions allowed by this SECTION shall be applied
36 regardless of the result of any appeal or challenge to a decision by
37 the property tax assessment board of appeals of the county in
38 which the eligible property is located.

39 (f) A taxpayer is entitled to a one hundred percent (100%)
40 exemption under IC 6-1.1-10-16 from property taxation for the
41 taxpayer's eligible property and is not required to pay property
42 taxes, penalties, or interest with respect to the eligible property for
43 the assessment dates described in subsection (b).

44 (g) The exemption allowed by this SECTION shall be applied
45 without need of any further ruling or action by the county assessor
46 or the county property tax assessment board of appeals of the
47 county in which the property is located or by the Indiana board of
48 tax review. Any actions by the county assessor or the county
49 property tax assessment board of appeals of the county in which
50 the property is located or by the Indiana board of tax review that
51 are contrary to or inconsistent with the intent of this SECTION are

1 **invalid, null, and void.**

2 **(h) This SECTION expires December 31, 2012.**

3 SECTION 170. [EFFECTIVE JULY 1, 2011] **(a) Notwithstanding**
4 **IC 20-46-4-6, the Lake Central School Corporation, Lake County,**
5 **may request that the department of local government finance make**
6 **an adjustment to its transportation fund property tax levy for**
7 **property taxes first due and payable in 2012. The request must be**
8 **filed before September 1, 2011.**

9 **(b) The amount of the requested adjustment may not exceed**
10 **seven hundred thousand dollars (\$700,000).**

11 **(c) If the school corporation makes a request for an adjustment**
12 **in an amount not exceeding the limit prescribed by subsection (b),**
13 **the department of local government finance shall make the**
14 **adjustment to the school corporation's transportation fund**
15 **property tax levy for property taxes first due and payable in 2012.**

16 **(d) The school corporation's transportation fund property tax**
17 **levy determined under this SECTION for 2012 shall be used as the**
18 **basis for determining the property tax levy for property taxes first**
19 **due and payable after 2012.**

20 **(e) This SECTION expires January 1, 2014.**

21 SECTION 171. [EFFECTIVE UPON PASSAGE] **(a) This**
22 **SECTION applies only to Marion County.**

23 **(b) The county may for property taxes first due and payable in**
24 **2012 impose a property tax levy as provided in this SECTION. The**
25 **property tax levy under this SECTION may not be imposed for any**
26 **year after 2012.**

27 **(c) A property tax levy imposed under this SECTION:**

28 **(1) is in addition to any other property tax levies imposed by**
29 **the county; and**

30 **(2) shall not be considered as part of the county's property tax**
31 **levy for purposes of applying the limitations under**
32 **IC 6-1.1-18.5.**

33 **(d) The department of local government finance shall determine**
34 **the difference between the following:**

35 **(1) The result of:**

36 **(A) the total amount of expenses paid by the county after**
37 **December 31, 2008, for child services (as defined in**
38 **IC 12-19-7-1, before its repeal) and for other services**
39 **described in IC 31-40-1-2 (as effective December 31, 2008)**
40 **that would have been payable from the county's family and**
41 **children's fund if IC 12-19-7 had not been repealed by**
42 **P.L.146-2008; minus**

43 **(B) the sum of:**

44 **(i) the unencumbered balance on December 31, 2008, of**
45 **the county's family and children's fund; plus**

46 **(ii) any delinquent property tax payments and other**
47 **amounts collected by the county after December 31,**
48 **2008, that would have been deposited in the county's**
49 **family and children's fund if IC 12-19-7 had not been**
50 **repealed by P.L.146-2008.**

51 **(2) The amount of the property tax levy imposed by the**

1 county in 2009 under SECTION 823(e) of P.L.146-2008.

2 (e) The amount of a property tax levy imposed by the county
3 under this SECTION may not exceed the difference determined
4 under subsection (d).

5 (f) Property taxes collected from a property tax levy imposed by
6 the county under this SECTION shall be deposited in the county
7 general fund.

8 (g) This SECTION expires June 30, 2012.

9 SECTION 172. [EFFECTIVE JULY 1, 2011] (a) Notwithstanding
10 IC 6-1.1-18.5-1, the following townships may request that the
11 department of local government finance make an adjustment to its
12 maximum permissible property tax levy for property taxes first
13 due and payable in 2012:

14 (1) Washington Township, Allen County.

15 (2) Lafayette Township, Allen County.

16 The request by a township under this SECTION must be filed
17 before September 1, 2011.

18 (b) The amount of the requested adjustment may not exceed the
19 difference between:

20 (1) the civil taxing unit's maximum permissible property tax
21 levy for the calendar year in which the civil taxing unit used
22 cash balances that resulted in a reduction in the civil taxing
23 unit's maximum permissible property tax levy the following
24 year; minus

25 (2) the civil taxing unit's 2011 maximum permissible ad
26 valorem property tax levy.

27 (c) If a civil taxing unit makes a request for an adjustment in an
28 amount not exceeding the limit prescribed by subsection (b), the
29 department of local government finance shall make the adjustment
30 to the civil taxing unit's maximum permissible ad valorem
31 property tax levy for 2012.

32 (d) The maximum permissible property tax levy determined
33 under this SECTION for 2012 shall be used as the basis for
34 determining the civil taxing unit's maximum permissible property
35 tax levy for property taxes first due and payable after 2012.

36 (e) This SECTION expires January 1, 2014.

37 SECTION 173. [EFFECTIVE JULY 1, 2011] (a) The department
38 of local government finance may adjust a civil taxing unit's
39 maximum permissible ad valorem property tax levy determined
40 under IC 6-1.1-18.5-3, as amended by this act, for property taxes
41 first due and payable in 2012, if the department of local
42 government finance determines that the civil taxing unit's
43 maximum permissible ad valorem property tax levy was reduced
44 as a direct result of the amendment of IC 6-1.1-18.5-3 by this act.
45 The amount of the adjustment may not exceed the greater of zero
46 (0) or the difference between the civil taxing unit's maximum
47 permissible ad valorem property tax levy, as determined without
48 applying the amendment made to IC 6-1.1-18.5-3 by this act, and
49 the civil taxing unit's maximum permissible ad valorem property
50 tax levy, as determined after applying the amendment made to
51 IC 6-1.1-18.5-3 by this act. An adjustment under this SECTION

1 shall be treated as a permanent adjustment in the civil taxing unit's
2 maximum permissible ad valorem property tax levy.

3 (b) The department of local government finance may make an
4 adjustment under subsection (a) on its own motion or on appeal by
5 the civil taxing unit. A civil taxing unit may appeal for an
6 adjustment under this SECTION in the same manner as an appeal
7 under IC 6-1.1-18.5-12.

8 (c) This SECTION expires January 1, 2013.

9 SECTION 174. [EFFECTIVE JULY 1, 2011] (a) IC 6-7-2-2.1, as
10 added by this act, and IC 6-7-2-5, IC 6-7-2-7, and IC 6-7-2-12, all
11 as amended by this act, apply to a tobacco product:

- 12 (1) brought into Indiana for distribution;
- 13 (2) manufactured in Indiana for distribution; or
- 14 (3) transported to a retail dealer in Indiana for resale by the
15 retail dealer;

16 by a distributor after December 31, 2011.

17 (b) This SECTION expires January 1, 2012.

18 SECTION 175. [EFFECTIVE JULY 1, 2011] (a) IC 6-3-1-3.5,
19 IC 6-3-2-1, IC 6-5.5-1-2, and IC 6-8-5-1, all as amended or added
20 by this act, apply to taxable years beginning after December 31,
21 2011.

22 (b) This SECTION expires January 1, 2016.

23 SECTION 176. [EFFECTIVE JANUARY 1, 2011
24 (RETROACTIVE)] (a) IC 6-3-2-2, as amended by this act, applies
25 to taxable years beginning after December 31, 2010.

26 (b) This SECTION expires January 1, 2014.

27 SECTION 177. [EFFECTIVE UPON PASSAGE] (a)
28 IC 6-3.5-1.1-25 and IC 6-3.5-6-31, both as amended by this act,
29 apply to distributions of tax revenue made under those sections
30 after December 31, 2011.

31 (b) This SECTION expires July 1, 2013.

32 SECTION 178. [EFFECTIVE UPON PASSAGE] (a) The
33 legislative council shall assign an interim study committee to study
34 which state agency should have authority to control dangerous
35 alcohol products.

36 (b) An interim study committee assigned to study the issue
37 described in subsection (a) shall submit a final report to the
38 legislative council before November 1, 2011. The report must
39 include the interim study committee's findings and
40 recommendations, including any recommended legislation
41 concerning the issue.

42 (c) This SECTION expires January 1, 2012.

43 SECTION 179. An emergency is declared for this act.

(Reference is to EHB 1004 as printed April 15, 2011.)

Conference Committee Report
on
Engrossed House Bill 1004

Signed by:

Representative Turner
Chairperson

Senator Hershman

Representative Thompson

Senator Mishler

House Conferees

Senate Conferees