

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 345 be amended to read as follows:

- 1 Page 6, between lines 2 and 3, begin a new paragraph and insert:
2 "SECTION 3. IC 6-3.5-1.1-2, AS AMENDED BY P.L.77-2011,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2012]: Sec. 2. (a) The county council of any county in which
5 the county option income tax will not be in effect on December 1 of a
6 year under an ordinance adopted during a previous calendar year may
7 impose the county adjusted gross income tax on the adjusted gross
8 income of county taxpayers of its county.
9 (b) Except as provided in section 2.3, 2.5, 2.6, 2.7, 2.8, 2.9, 3.3, 3.5,
10 3.6, 24, 25, ~~or~~ 26, **or 27** of this chapter, the county adjusted gross
11 income tax may be imposed at a rate of one-half of one percent (0.5%),
12 three-fourths of one percent (0.75%), or one percent (1%) on the
13 adjusted gross income of resident county taxpayers of the county. Any
14 county imposing the county adjusted gross income tax must impose the
15 tax on the nonresident county taxpayers at a rate of one-fourth of one
16 percent (0.25%) on their adjusted gross income. If the county council
17 elects to decrease the county adjusted gross income tax, the county
18 council may decrease the county adjusted gross income tax rate in
19 increments of one-tenth of one percent (0.1%).
20 (c) To impose the county adjusted gross income tax, the county
21 council must adopt an ordinance. The ordinance must substantially
22 state the following:
23 "The _____ County Council imposes the county adjusted
24 gross income tax on the county taxpayers of _____ County.

1 The county adjusted gross income tax is imposed at a rate of
2 _____ percent (_____%) on the resident county taxpayers of the
3 county and one-fourth of one percent (0.25%) on the nonresident
4 county taxpayers of the county."

5 (d) The auditor of a county shall record all votes taken on
6 ordinances presented for a vote under the authority of this section and
7 immediately send a certified copy of the results to the department by
8 certified mail.

9 (e) If the county adjusted gross income tax had previously been
10 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
11 1983) and that tax was in effect at the time of the enactment of this
12 chapter, then the county adjusted gross income tax continues in that
13 county at the rates in effect at the time of enactment until the rates are
14 modified or the tax is rescinded in the manner prescribed by this
15 chapter. If a county's adjusted gross income tax is continued under this
16 subsection, then the tax shall be treated as if it had been imposed under
17 this chapter and is subject to rescission or reduction as authorized in
18 this chapter.

19 SECTION 4. IC 6-3.5-1.1-9, AS AMENDED BY P.L.229-2011,
20 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2012]: Sec. 9. (a) Revenue derived from the imposition of the
22 county adjusted gross income tax shall, in the manner prescribed by
23 this section, be distributed to the county that imposed it. The amount
24 to be distributed to a county during an ensuing calendar year equals the
25 amount of county adjusted gross income tax revenue that the budget
26 agency determines has been:

27 (1) received from that county for a taxable year ending before the
28 calendar year in which the determination is made; and
29 (2) reported on an annual return or amended return processed by
30 the department in the state fiscal year ending before July 1 of the
31 calendar year in which the determination is made;
32 as adjusted for refunds of county adjusted gross income tax made in the
33 state fiscal year.

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

45 (1) the amount reported on individual income tax returns
46 processed by the department during the previous fiscal year;

- 1 (2) adjustments for over distributions in prior years;
 2 (3) adjustments for clerical or mathematical errors in prior years;
 3 (4) adjustments for tax rate changes; and
 4 (5) the amount of excess account balances to be distributed under
 5 IC 6-3.5-1.1-21.1.
- 6 The budget agency shall also certify information concerning the part of
 7 the certified distribution that is attributable to a tax rate under section
 8 24, 25, ~~or 26~~, **or 27** of this chapter. This information must be certified
 9 to the county auditor, the department, and the department of local
 10 government finance not later than September 1 of each calendar year.
 11 The part of the certified distribution that is attributable to a tax rate
 12 under section 24, 25, ~~or 26~~, **or 27** of this chapter may be used only as
 13 specified in those provisions.
- 14 (c) The budget agency shall certify an amount less than the amount
 15 determined under subsection (b) if the budget agency determines that
 16 the reduced distribution is necessary to offset overpayments made in a
 17 calendar year before the calendar year of the distribution. The budget
 18 agency may reduce the amount of the certified distribution over several
 19 calendar years so that any overpayments are offset over several years
 20 rather than in one (1) lump sum.
- 21 (d) The budget agency shall adjust the certified distribution of a
 22 county to correct for any clerical or mathematical errors made in any
 23 previous certification under this section. The budget agency may
 24 reduce the amount of the certified distribution over several calendar
 25 years so that any adjustment under this subsection is offset over several
 26 years rather than in one (1) lump sum.
- 27 (e) The budget agency shall adjust the certified distribution of a
 28 county to provide the county with the distribution required under
 29 section 10(b) of this chapter.
- 30 (f) This subsection applies to a county that initially imposes,
 31 increases, decreases, or rescinds a tax or tax rate under this chapter
 32 before November 1 in the same calendar year in which the budget
 33 agency makes a certification under this section. The budget agency
 34 shall adjust the certified distribution of a county to provide for a
 35 distribution in the immediately following calendar year and in each
 36 calendar year thereafter. The budget agency shall provide for a full
 37 transition to certification of distributions as provided in subsection
 38 (a)(1) through (a)(2) in the manner provided in subsection (c). If the
 39 county imposes, increases, decreases, or rescinds a tax or tax rate under
 40 this chapter after the date for which a certification under subsection (b)
 41 is based, the budget agency shall adjust the certified distribution of the
 42 county after August 1 of the calendar year. The adjustment shall reflect
 43 any other adjustment required under subsections (c), (d), (e), (g), and
 44 (h). The adjusted certification shall be treated as the county's "certified
 45 distribution" for the immediately succeeding calendar year. The budget
 46 agency shall certify the adjusted certified distribution to the county

1 auditor for the county and provide the county council with an
 2 informative summary of the calculations that revises the informative
 3 summary provided in subsection (b) and reflects the changes made in
 4 the adjustment.

5 (g) The budget agency shall adjust the certified distribution of a
 6 county to provide the county with the distribution required under
 7 section 3.3 of this chapter beginning not later than the tenth month after
 8 the month in which additional revenue from the tax authorized under
 9 section 3.3 of this chapter is initially collected.

10 (h) This subsection applies in the year in which a county initially
 11 imposes a tax rate under section 24 of this chapter. Notwithstanding
 12 any other provision, the budget agency shall adjust the part of the
 13 county's certified distribution that is attributable to the tax rate under
 14 section 24 of this chapter to provide for a distribution in the
 15 immediately following calendar year equal to the result of:

16 (1) the sum of the amounts determined under STEP ONE through
 17 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
 18 initially imposes a tax rate under section 24 of this chapter;
 19 multiplied by

20 (2) two (2).

21 (i) The budget agency shall before May 1 of every odd-numbered
 22 year publish an estimate of the statewide total amount of certified
 23 distributions to be made under this chapter during the following two (2)
 24 calendar years.

25 (j) The budget agency shall before May 1 of every even-numbered
 26 year publish an estimate of the statewide total amount of certified
 27 distributions to be made under this chapter during the following
 28 calendar year.

29 (k) The estimates under subsections (i) and (j) must specify the
 30 amount of the estimated certified distributions that are attributable to
 31 the additional rate authorized under section 24 of this chapter, the
 32 additional rate authorized under section 25 of this chapter, the
 33 additional rate authorized under section 26 of this chapter, **the**
 34 **additional rate authorized under section 27 of this chapter**, and any
 35 other additional rates authorized under this chapter.

36 SECTION 5. IC 6-3.5-1.1-10, AS AMENDED BY P.L.77-2011,
 37 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 10. (a) Except as provided in subsection (b),
 39 one-half (1/2) of each adopting county's certified distribution for a
 40 calendar year shall be distributed from its account established under
 41 section 8 of this chapter to the appropriate county treasurer on May 1
 42 and the other one-half (1/2) on November 1 of that calendar year.

43 (b) This subsection applies to a county having a population of more
 44 than one hundred forty-five thousand (145,000) but less than one
 45 hundred forty-eight thousand (148,000), if an ordinance imposing the
 46 tax is adopted before July 1 of a year. Notwithstanding section 9 of this

1 chapter the initial certified distribution certified for a county under
 2 section 9 of this chapter shall be distributed to the county treasurer
 3 from the account established for the county under section 8 of this
 4 chapter according to the following schedule during the eighteen (18)
 5 month period beginning on July 1 of the year in which the county
 6 initially adopts an ordinance under section 2 of this chapter:

7 (1) One-fourth (1/4) on October 1 of the calendar year in which
 8 the ordinance was adopted.

9 (2) One-fourth (1/4) on January 1 of the calendar year following
 10 the year in which the ordinance was adopted.

11 (3) One-fourth (1/4) on May 1 of the calendar year following the
 12 year in which the ordinance was adopted.

13 (4) One-fourth (1/4) on November 1 of the calendar year
 14 following the year in which the ordinance was adopted.

15 Notwithstanding section 11 of this chapter, the part of the certified
 16 distribution received under subdivision (1) that would otherwise be
 17 allocated to a civil taxing unit or school corporation as property tax
 18 replacement credits under section 11 of this chapter shall be set aside
 19 and treated for the calendar year when received by the civil taxing unit
 20 or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or
 21 IC 20-44-3. Certified distributions made to the county treasurer for
 22 calendar years following the eighteen (18) month period described in
 23 this subsection shall be made as provided in subsection (a).

24 (c) Except for:

25 (1) revenue that must be used to pay the costs of:

26 (A) financing, constructing, acquiring, improving, renovating,
 27 equipping, operating, or maintaining facilities and buildings;

28 (B) debt service on bonds; or

29 (C) lease rentals;

30 under section 2.3 of this chapter;

31 (2) revenue that must be used to pay the costs of operating a jail
 32 and juvenile detention center under section 2.5 of this chapter;

33 (3) revenue that must be used to pay the costs of:

34 (A) financing, constructing, acquiring, improving, renovating,
 35 equipping, operating, or maintaining facilities and buildings;

36 (B) debt service on bonds; or

37 (C) lease rentals;

38 under section 2.8 of this chapter;

39 (4) revenue that must be used to pay the costs of construction,
 40 improvement, renovation, or remodeling of a jail and related
 41 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 42 this chapter;

43 (5) revenue that must be used to pay the costs of operating and
 44 maintaining a jail and justice center under section 3.5(d) of this
 45 chapter;

46 (6) revenue that must be used to pay the costs of constructing,

- 1 acquiring, improving, renovating, or equipping a county
2 courthouse under section 3.6 of this chapter;
3 (7) revenue under section 2.6 of this chapter; or
4 (8) revenue attributable to a tax rate under section 24, 25, ~~or~~ 26,
5 **or 27** of this chapter;
6 distributions made to a county treasurer under subsections (a) and (b)
7 shall be treated as though they were property taxes that were due and
8 payable during that same calendar year. Except as provided by
9 subsection (b) and sections 24, 25, ~~and~~ 26, **and 27** of this chapter, the
10 certified distribution shall be distributed and used by the taxing units
11 and school corporations as provided in sections 11 through 15 of this
12 chapter.
- 13 (d) All distributions from an account established under section 8 of
14 this chapter shall be made by warrants issued by the auditor of the state
15 to the treasurer of the state ordering the appropriate payments.
- 16 SECTION 6. IC 6-3.5-1.1-11, AS AMENDED BY P.L.77-2011,
17 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2012]: Sec. 11. (a) Except for:
- 19 (1) revenue that must be used to pay the costs of:
20 (A) financing, constructing, acquiring, improving, renovating,
21 equipping, operating, or maintaining facilities and buildings;
22 (B) debt service on bonds; or
23 (C) lease rentals;
24 under section 2.3 of this chapter;
- 25 (2) revenue that must be used to pay the costs of operating a jail
26 and juvenile detention center under section 2.5 of this chapter;
- 27 (3) revenue that must be used to pay the costs of:
28 (A) financing, constructing, acquiring, improving, renovating,
29 equipping, operating, or maintaining facilities and buildings;
30 (B) debt service on bonds; or
31 (C) lease rentals;
32 under section 2.8 of this chapter;
- 33 (4) revenue that must be used to pay the costs of construction,
34 improvement, renovation, or remodeling of a jail and related
35 buildings and parking structures under section 2.7, 2.9, or 3.3 of
36 this chapter;
- 37 (5) revenue that must be used to pay the costs of operating and
38 maintaining a jail and justice center under section 3.5(d) of this
39 chapter;
- 40 (6) revenue that must be used to pay the costs of constructing,
41 acquiring, improving, renovating, or equipping a county
42 courthouse under section 3.6 of this chapter; or
43 (7) revenue attributable to a tax rate under section 24, 25, ~~or~~ 26,
44 **or 27** of this chapter;
- 45 the certified distribution received by a county treasurer shall, in the
46 manner prescribed in this section, be allocated, distributed, and used

1 by the civil taxing units and school corporations of the county as
2 certified shares and property tax replacement credits.

3 (b) Before August 10 of each calendar year, each county auditor
4 shall determine the part of the certified distribution for the next
5 succeeding calendar year that will be allocated as property tax
6 replacement credits and the part that will be allocated as certified
7 shares. The percentage of a certified distribution that will be allocated
8 as property tax replacement credits or as certified shares depends upon
9 the county adjusted gross income tax rate for resident county taxpayers
10 in effect on December 1 of the calendar year that precedes the year in
11 which the certified distribution will be received by two (2) years. The
12 percentages are set forth in the following table:

13	PROPERTY		
14	COUNTY	TAX	
15	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
16	INCOME TAX RATE	CREDITS	SHARES
17	0.5%	50%	50%
18	0.75%	33 1/3%	66 2/3%
19	1%	25%	75%

20 (c) The part of a certified distribution that constitutes property tax
21 replacement credits shall be distributed as provided under sections 12,
22 13, and 14 of this chapter.

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

25 Page 9, between lines 7 and 8, begin a new paragraph and insert:

26 "SECTION 8. IC 6-3.5-1.1-27 IS ADDED TO THE INDIANA
27 CODE AS A NEW SECTION TO READ AS FOLLOWS
28 [EFFECTIVE JULY 1, 2012]: **Sec. 27. (a) As used in this section,**
29 **"PSAP" has the meaning set forth in IC 36-8-16.7-20.**

30 **(b) A county council may adopt an ordinance to impose an**
31 **additional tax rate under this section to provide funding for the**
32 **PSAPs located in the county.**

33 **(c) Under this section, a county council may not impose a tax**
34 **rate on the adjusted gross income of county taxpayers that exceeds**
35 **twenty-five hundredths percent (0.25%).**

36 **(d) If a county council adopts an ordinance to impose a tax rate**
37 **under this section, the county auditor shall send a certified copy of**
38 **the ordinance to the department and the department of local**
39 **government finance by certified mail.**

40 **(e) A tax rate under this section is in addition to any other tax**
41 **rates imposed under this chapter and does not affect the purposes**
42 **for which other tax revenue under this chapter may be used.**

43 **(f) The county auditor shall deposit the portion of the certified**
44 **distribution that is attributable to a tax rate under this section in**
45 **a separate account for distribution to the PSAPs located in the**
46 **county in the amounts determined by the county council.**

1 **(g) The county auditor shall make the distributions to the PSAPs**
2 **as directed by the county council not more than thirty (30) days**
3 **after receiving the portion of the certified distribution that is**
4 **attributable to a tax rate under this section.**

5 **(h) Tax revenue distributed to a PSAP must be deposited into a**
6 **separate account or fund and must be used by the PSAP for the**
7 **purposes permitted by IC 36-8-16.7-38.**

8 **(i) The department of local government finance may not require**
9 **a county or municipality receiving tax revenue under this section**
10 **to reduce the county's or municipality's property tax levy for a**
11 **particular year on account of the county's or municipality's receipt**
12 **of the tax revenue.**

13 **(j) The tax rate under this section and the tax revenue**
14 **attributable to the tax rate under this section shall not be**
15 **considered for purposes of computing:**

16 **(1) the maximum income tax rate that may be imposed in a**
17 **county under section 2 of this chapter or any other provision**
18 **of this chapter;**

19 **(2) the maximum permissible property tax levy under**
20 **IC 6-1.1-18.5-3; or**

21 **(3) the credit under IC 6-1.1-20.6.**

22 **(k) The tax rate under this section may be imposed at the same**
23 **time and in the same manner that the county may impose or**
24 **increase a tax rate under section 24 of this chapter. However, a**
25 **county council is not required to impose additional rates under**
26 **section 24, 25, or 26 of this chapter before imposing an additional**
27 **rate under this section.**

28 **(l) The department of local government finance and the**
29 **department of state revenue may take any actions necessary to**
30 **carry out the purposes of this section.**

31 SECTION 9. IC 6-3.5-6-8, AS AMENDED BY P.L.77-2011,
32 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2012]: Sec. 8. (a) The county income tax council of any
34 county in which the county adjusted gross income tax will not be in
35 effect on December 1 of a year under an ordinance adopted during a
36 previous calendar year may impose the county option income tax on the
37 adjusted gross income of county taxpayers of its county.

38 (b) Except as provided in sections 30, 31, ~~and 32~~, **and 34** of this
39 chapter, the county option income tax may initially be imposed at a rate
40 of two-tenths of one percent (0.2%) on the resident county taxpayers of
41 the county and at a rate of five-hundredths of one percent (0.05%) for
42 all other county taxpayers.

43 (c) To impose the county option income tax, a county income tax
44 council must pass an ordinance. The ordinance must substantially state
45 the following:

46 "The _____ County Income Tax Council imposes the

1 county option income tax on the county taxpayers of
2 _____ County. The county option income tax is
3 imposed at a rate of two-tenths of one percent (0.2%) on the
4 resident county taxpayers of the county and at a rate of
5 five-hundredths of one percent (0.05%) on all other county
6 taxpayers."

7 (d) Except as provided in sections 30, 31, ~~and 32~~, **and 34** of this
8 chapter, if the county option income tax is imposed on the county
9 taxpayers of a county, then the county option income tax rate that is in
10 effect for resident county taxpayers of that county increases by
11 one-tenth of one percent (0.1%) on each succeeding October 1 until the
12 rate equals six-tenths of one percent (0.6%).

13 (e) The county option income tax rate in effect for the county
14 taxpayers of a county who are not resident county taxpayers of that
15 county is at all times one-fourth (1/4) of the tax rate imposed upon
16 resident county taxpayers.

17 (f) The auditor of a county shall record all votes taken on ordinances
18 presented for a vote under this section and immediately send a certified
19 copy of the results to the department by certified mail.

20 SECTION 10. IC 6-3.5-6-9, AS AMENDED BY P.L.77-2011,
21 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2012]: Sec. 9. (a) If on March 31 of a calendar year the county
23 option income tax rate in effect for resident county taxpayers equals six
24 tenths of one percent (0.6%), excluding a tax rate imposed under
25 section 30, 31, ~~or 32~~, **or 34** of this chapter, the county income tax
26 council of that county may pass an ordinance to increase its tax rate for
27 resident county taxpayers. If a county income tax council passes an
28 ordinance under this section, its county option income tax rate for
29 resident county taxpayers increases by one-tenth of one percent (0.1%)
30 in the year in which the ordinance is adopted, as provided in section 1.5
31 of this chapter, and on each succeeding October 1 until its rate reaches
32 a maximum of one percent (1%), excluding a tax rate imposed under
33 section 30, 31, ~~or 32~~, **or 34** of this chapter.

34 (b) The auditor of the county shall record any vote taken on a
35 ordinance proposed under the authority of this section and immediately
36 send a certified copy of the results to the department by certified mail.

37 SECTION 11. IC 6-3.5-6-17, AS AMENDED BY P.L.229-2011,
38 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2012]: Sec. 17. (a) Revenue derived from the imposition of
40 the county option income tax shall, in the manner prescribed by this
41 section, be distributed to the county that imposed it. The amount that
42 is to be distributed to a county during an ensuing calendar year equals
43 the amount of county option income tax revenue that the budget agency
44 determines has been:

- 45 (1) received from that county for a taxable year ending in a
46 calendar year preceding the calendar year in which the

1 determination is made; and
 2 (2) reported on an annual return or amended return processed by
 3 the department in the state fiscal year ending before July 1 of the
 4 calendar year in which the determination is made;
 5 as adjusted (as determined after review of the recommendation of the
 6 budget agency) for refunds of county option income tax made in the
 7 state fiscal year.

8 (b) Before August 2 of each calendar year, the budget agency shall
 9 certify to the county auditor of each adopting county the amount
 10 determined under subsection (a) plus the amount of interest in the
 11 county's account that has accrued and has not been included in a
 12 certification made in a preceding year. The amount certified is the
 13 county's "certified distribution" for the immediately succeeding
 14 calendar year. The amount certified shall be adjusted, as necessary,
 15 under subsections (c), (d), (e), and (f). The budget agency shall provide
 16 the county council with an informative summary of the calculations
 17 used to determine the certified distribution. The summary of
 18 calculations must include:

- 19 (1) the amount reported on individual income tax returns
- 20 processed by the department during the previous fiscal year;
- 21 (2) adjustments for over distributions in prior years;
- 22 (3) adjustments for clerical or mathematical errors in prior years;
- 23 (4) adjustments for tax rate changes; and
- 24 (5) the amount of excess account balances to be distributed under
- 25 IC 6-3.5-6-17.3.

26 The budget agency shall also certify information concerning the part of
 27 the certified distribution that is attributable to a tax rate under section
 28 30, 31, ~~or 32~~, **or 34** of this chapter. This information must be certified
 29 to the county auditor and to the department of local government finance
 30 not later than September 1 of each calendar year. The part of the
 31 certified distribution that is attributable to a tax rate under section 30,
 32 31, ~~or 32~~, **or 34** of this chapter may be used only as specified in those
 33 provisions.

34 (c) The budget agency shall certify an amount less than the amount
 35 determined under subsection (b) if the budget agency determines that
 36 the reduced distribution is necessary to offset overpayments made in a
 37 calendar year before the calendar year of the distribution. The budget
 38 agency may reduce the amount of the certified distribution over several
 39 calendar years so that any overpayments are offset over several years
 40 rather than in one (1) lump sum.

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

1 (e) This subsection applies to a county that imposes, increases,
 2 decreases, or rescinds a tax or tax rate under this chapter before
 3 November 1 in the same calendar year in which the budget agency
 4 makes a certification under this section. The budget agency shall adjust
 5 the certified distribution of a county to provide for a distribution in the
 6 immediately following calendar year and in each calendar year
 7 thereafter. The budget agency shall provide for a full transition to
 8 certification of distributions as provided in subsection (a)(1) through
 9 (a)(2) in the manner provided in subsection (c). If the county imposes,
 10 increases, decreases, or rescinds a tax or tax rate under this chapter
 11 after the date for which a certification under subsection (b) is based, the
 12 budget agency shall adjust the certified distribution of the county after
 13 August 1 of the calendar year. The adjustment shall reflect any other
 14 adjustment required under subsections (c), (d), and (f). The adjusted
 15 certification shall be treated as the county's "certified distribution" for
 16 the immediately succeeding calendar year. The budget agency shall
 17 certify the adjusted certified distribution to the county auditor for the
 18 county and provide the county council with an informative summary of
 19 the calculations that revises the informative summary provided in
 20 subsection (b) and reflects the changes made in the adjustment.

21 (f) This subsection applies in the year a county initially imposes a
 22 tax rate under section 30 of this chapter. Notwithstanding any other
 23 provision, the budget agency shall adjust the part of the county's
 24 certified distribution that is attributable to the tax rate under section 30
 25 of this chapter to provide for a distribution in the immediately
 26 following calendar year equal to the result of:

27 (1) the sum of the amounts determined under STEP ONE through
 28 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
 29 initially imposes a tax rate under section 30 of this chapter;
 30 multiplied by

31 (2) the following:

32 (A) In a county containing a consolidated city, one and
 33 five-tenths (1.5).

34 (B) In a county other than a county containing a consolidated
 35 city, two (2).

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

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

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

1 (j) The budget agency shall before May 1 of every odd-numbered
 2 year publish an estimate of the statewide total amount of certified
 3 distributions to be made under this chapter during the following two (2)
 4 calendar years.

5 (k) The budget agency shall before May 1 of every even-numbered
 6 year publish an estimate of the statewide total amount of certified
 7 distributions to be made under this chapter during the following
 8 calendar year.

9 (l) The estimates under subsections (j) and (k) must specify the
 10 amount of the estimated certified distributions that are attributable to
 11 the additional rate authorized under section 30 of this chapter, the
 12 additional rate authorized under section 31 of this chapter, the
 13 additional rate authorized under section 32 of this chapter, **the**
 14 **additional rate authorized under section 34 of this chapter**, and any
 15 other additional rates authorized under this chapter."

16 Page 9, line 30, strike "and".

17 Page 9, line 30, after "33" insert ", **and 34**".

18 Page 10, line 3, strike "or".

19 Page 10, line 3, after "33" insert ", **or 34**".

20 Page 11, line 6, strike "or".

21 Page 11, line 6, after "32" insert ", **or 34**".

22 Page 14, between lines 28 and 29, begin a new paragraph and insert:
 23 "SECTION 14. IC 6-3.5-6-34 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2012]: **Sec. 34. (a) This section does not apply**
 26 **to a county containing a consolidated city.**

27 **(b) As used in this section, "PSAP" has the meaning set forth in**
 28 **IC 36-8-16.7-20.**

29 **(c) A county income tax council may adopt an ordinance to**
 30 **impose an additional tax rate under this section to provide funding**
 31 **for the PSAPs located in the county.**

32 **(d) Under this section, a county income tax council may not**
 33 **impose a tax rate on the adjusted gross income of county taxpayers**
 34 **that exceeds twenty-five hundredths percent (0.25%).**

35 **(e) If a county income tax council adopts an ordinance to impose**
 36 **a tax rate under this section, the county auditor shall send a**
 37 **certified copy of the ordinance to the department and the**
 38 **department of local government finance by certified mail.**

39 **(f) A tax rate under this section is in addition to any other tax**
 40 **rates imposed under this chapter and does not affect the purposes**
 41 **for which other tax revenue under this chapter may be used.**

42 **(g) The county auditor shall deposit the portion of the certified**
 43 **distribution that is attributable to a tax rate under this section in**
 44 **a separate account for distribution to the PSAPs located in the**
 45 **county in the amounts determined by the county income tax**
 46 **council.**

1 **(h) The county auditor shall make the distributions to the**
 2 **PSAPs as directed by the county income tax council not more than**
 3 **thirty (30) days after receiving the portion of the certified**
 4 **distribution that is attributable to a tax rate under this section.**

5 **(i) Tax revenue distributed to a PSAP must be deposited into a**
 6 **separate account or fund and must be used by the PSAP for the**
 7 **purposes permitted by IC 36-8-16.7-38.**

8 **(j) The department of local government finance may not require**
 9 **a county or municipality receiving tax revenue under this section**
 10 **to reduce the county's or municipality's property tax levy for a**
 11 **particular year on account of the county's or municipality's receipt**
 12 **of the tax revenue.**

13 **(k) The tax rate under this section and the tax revenue**
 14 **attributable to the tax rate under this section shall not be**
 15 **considered for purposes of computing:**

16 **(1) the maximum income tax rate that may be imposed in a**
 17 **county under section 8 or 9 of this chapter or any other**
 18 **provision of this chapter;**

19 **(2) the maximum permissible property tax levy under**
 20 **IC 6-1.1-18.5-3; or**

21 **(3) the credit under IC 6-1.1-20.6.**

22 **(l) The tax rate under this section may be imposed at the same**
 23 **time and in the same manner that the county may impose or**
 24 **increase a tax rate under section 30 of this chapter. However, the**
 25 **county income tax council is not required to impose additional**
 26 **rates under section 30, 31, or 32 of this chapter before imposing an**
 27 **additional rate under this section.**

28 **(m) The department of local government finance and the**
 29 **department of state revenue may take any actions necessary to**
 30 **carry out the purposes of this section.**

31 **(n) Notwithstanding any other provision, in Lake County the**
 32 **county council (and not the county income tax council) is the entity**
 33 **authorized to take actions concerning the additional tax rate under**
 34 **this section.**

35 SECTION 15. IC 6-3.5-7-5, AS AMENDED BY P.L.199-2011,
 36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2012]: Sec. 5. (a) Except as provided in subsection (c), the
 38 county economic development income tax may be imposed on the
 39 adjusted gross income of county taxpayers. The entity that may impose
 40 the tax is:

41 **(1) the county income tax council (as defined in IC 6-3.5-6-1) if**
 42 **the county option income tax is in effect on March 31 of the year**
 43 **the county economic development income tax is imposed;**

44 **(2) the county council if the county adjusted gross income tax is**
 45 **in effect on March 31 of the year the county economic**
 46 **development tax is imposed; or**

47 **(3) the county income tax council or the county council,**

1 whichever acts first, for a county not covered by subdivision (1)
2 or (2).

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

6 (b) Except as provided in subsections (c), (g), (k), (p), and (r) and
7 section 28 of this chapter, the county economic development income
8 tax may be imposed at a rate of:

- 9 (1) one-tenth percent (0.1%);
- 10 (2) two-tenths percent (0.2%);
- 11 (3) twenty-five hundredths percent (0.25%);
- 12 (4) three-tenths percent (0.3%);
- 13 (5) thirty-five hundredths percent (0.35%);
- 14 (6) four-tenths percent (0.4%);
- 15 (7) forty-five hundredths percent (0.45%); or
- 16 (8) five-tenths percent (0.5%);

17 on the adjusted gross income of county taxpayers.

18 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
19 (p), (s), (v), (w), (x), or (y), the county economic development income
20 tax rate plus the county adjusted gross income tax rate, if any, that are
21 in effect on January 1 of a year may not exceed one and twenty-five
22 hundredths percent (1.25%). Except as provided in subsection (g), (p),
23 (r), (t), (u), (w), (x), or (y), the county economic development tax rate
24 plus the county option income tax rate, if any, that are in effect on
25 January 1 of a year may not exceed one percent (1%).

26 (d) To impose, increase, decrease, or rescind the county economic
27 development income tax, the appropriate body must adopt an
28 ordinance.

29 (e) The ordinance to impose the tax must substantially state the
30 following:

31 "The _____ County _____ imposes the county economic
32 development income tax on the county taxpayers of _____
33 County. The county economic development income tax is imposed at
34 a rate of _____ percent (____%) on the county taxpayers of the
35 county."

36 (f) The auditor of a county shall record all votes taken on ordinances
37 presented for a vote under the authority of this chapter and shall, not
38 more than ten (10) days after the vote, send a certified copy of the
39 results to the commissioner of the department by certified mail.

40 (g) This subsection applies to a county having a population of more
41 than one hundred forty-eight thousand (148,000) but less than one
42 hundred seventy thousand (170,000). Except as provided in subsection
43 (p), in addition to the rates permitted by subsection (b), the:

- 44 (1) county economic development income tax may be imposed at
45 a rate of:
- 46 (A) fifteen-hundredths percent (0.15%);

1 (B) two-tenths percent (0.2%); or
 2 (C) twenty-five hundredths percent (0.25%); and
 3 (2) county economic development income tax rate plus the county
 4 option income tax rate that are in effect on January 1 of a year
 5 may equal up to one and twenty-five hundredths percent (1.25%);
 6 if the county income tax council makes a determination to impose rates
 7 under this subsection and section 22 of this chapter.

8 (h) For a county having a population of more than forty-one
 9 thousand (41,000) but less than forty-three thousand (43,000), except
 10 as provided in subsection (p), the county economic development
 11 income tax rate plus the county adjusted gross income tax rate that are
 12 in effect on January 1 of a year may not exceed one and thirty-five
 13 hundredths percent (1.35%) if the county has imposed the county
 14 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
 15 under IC 6-3.5-1.1-2.5.

16 (i) For a county having a population of more than thirteen thousand
 17 five hundred (13,500) but less than fourteen thousand (14,000), except
 18 as provided in subsection (p), the county economic development
 19 income tax rate plus the county adjusted gross income tax rate that are
 20 in effect on January 1 of a year may not exceed one and fifty-five
 21 hundredths percent (1.55%).

22 (j) For a county having a population of more than seventy-one
 23 thousand (71,000) but less than seventy-one thousand four hundred
 24 (71,400), except as provided in subsection (p), the county economic
 25 development income tax rate plus the county adjusted gross income tax
 26 rate that are in effect on January 1 of a year may not exceed one and
 27 five-tenths percent (1.5%).

28 (k) This subsection applies to a county having a population of more
 29 than twenty-seven thousand four hundred (27,400) but less than
 30 twenty-seven thousand five hundred (27,500). Except as provided in
 31 subsection (p), in addition to the rates permitted under subsection (b):

- 32 (1) the county economic development income tax may be imposed
- 33 at a rate of twenty-five hundredths percent (0.25%); and
- 34 (2) the sum of the county economic development income tax rate
- 35 and the county adjusted gross income tax rate that are in effect on
- 36 January 1 of a year may not exceed one and five-tenths percent
- 37 (1.5%);

38 if the county council makes a determination to impose rates under this
 39 subsection and section 22.5 of this chapter.

40 (l) For a county having a population of more than twenty-nine
 41 thousand (29,000) but less than thirty thousand (30,000), except as
 42 provided in subsection (p), the county economic development income
 43 tax rate plus the county adjusted gross income tax rate that are in effect
 44 on January 1 of a year may not exceed one and five-tenths percent
 45 (1.5%).

46 (m) For:

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

4 (2) a county having a population of more than forty-five thousand
5 (45,000) but less than forty-five thousand nine hundred (45,900);
6 except as provided in subsection (p), the county economic development
7 income tax rate plus the county adjusted gross income tax rate that are
8 in effect on January 1 of a year may not exceed one and five-tenths
9 percent (1.5%).

10 (n) For a county having a population of more than six thousand
11 (6,000) but less than eight thousand (8,000), except as provided in
12 subsection (p), the county economic development income tax rate plus
13 the county adjusted gross income tax rate that are in effect on January
14 1 of a year may not exceed one and five-tenths percent (1.5%).

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

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

21 (2) the sum of the county economic development income tax rate
22 and:

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

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

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

31 (p) In addition:

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

36 (2) the:

37 (A) county economic development income tax; and

38 (B) county option income tax or county adjusted gross income
39 tax;

40 may be imposed at combined rates that exceed by not more than
41 twenty-five hundredths percent (0.25%) the maximum combined
42 rates that would otherwise apply under this section.

43 However, the additional rate imposed under this subsection may not
44 exceed the amount necessary to mitigate the increased ad valorem
45 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before
46 January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or

1 residential property (as defined in section 26 of this chapter), as
 2 appropriate under the ordinance adopted by the adopting body in the
 3 county, resulting from the deduction of the assessed value of inventory
 4 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 5 exclusion in 2008 of inventory from the definition of personal property
 6 in IC 6-1.1-1-11.

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

- 13 (1) the actual county economic development tax rate; and
- 14 (2) the maximum rate that would otherwise apply under this
 15 section.

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

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

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

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

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

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

46 (w) An additional county economic development income tax rate

1 imposed under section 28 of this chapter may not be considered in
 2 calculating any limit under this section on the sum of:
 3 (1) the county economic development income tax rate plus the
 4 county adjusted gross income tax rate; or
 5 (2) the county economic development tax rate plus the county
 6 option income tax rate.
 7 (x) The income tax rate limits imposed by subsection (c) or (y) or
 8 any other provision of this chapter do not apply to:
 9 (1) a county adjusted gross income tax rate imposed under
 10 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, ~~or~~ IC 6-3.5-1.1-26, **or**
 11 **IC 6-3.5-1.1-27**; or
 12 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
 13 IC 6-3.5-6-31, ~~or~~ IC 6-3.5-6-32, **or IC 6-3.5-6-34.**
 14 For purposes of computing the maximum combined income tax rate
 15 under subsection (c) or (y) or any other provision of this chapter that
 16 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
 17 chapter, a county's county adjusted gross income tax rate or county
 18 option income tax rate for a particular year does not include the county
 19 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
 20 IC 6-3.5-1.1-25, ~~or~~ IC 6-3.5-1.1-26, **or IC 6-3.5-1.1-27** or the county
 21 option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, ~~or~~
 22 IC 6-3.5-6-32, **or IC 6-3.5-6-34.**
 23 (y) This subsection applies to Monroe County. Except as provided
 24 in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the
 25 sum of the county economic development income tax rate and the
 26 county option income tax rate that are in effect on January 1 of a year
 27 may not exceed one and twenty-five hundredths percent (1.25%).
 28 (z) This subsection applies to Perry County. Except as provided in
 29 subsection (p), if an ordinance is adopted under section 27.5 of this
 30 chapter, the county economic development income tax rate plus the
 31 county option income tax rate that is in effect on January 1 of a year
 32 may not exceed one and seventy-five hundredths percent (1.75%)."
 33 Renumber all SECTIONS consecutively.
 (Reference is to ESB 345 as printed February 24, 2012.)

Representative Soliday