

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1087 be amended to read as follows:

- 1           Page 12, between lines 19 and 20, begin a new paragraph and insert:  
2           "SECTION 5. IC 6-3.5-7-5, AS AMENDED BY P.L.199-2011,  
3           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4           UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c),  
5           the county economic development income tax may be imposed on the  
6           adjusted gross income of county taxpayers. The entity that may impose  
7           the tax is:  
8           (1) the county income tax council (as defined in IC 6-3.5-6-1) if  
9           the county option income tax is in effect on March 31 of the year  
10           the county economic development income tax is imposed;  
11           (2) the county council if the county adjusted gross income tax is  
12           in effect on March 31 of the year the county economic  
13           development tax is imposed; or  
14           (3) the county income tax council or the county council,  
15           whichever acts first, for a county not covered by subdivision (1)  
16           or (2).  
17           To impose the county economic development income tax, a county  
18           income tax council shall use the procedures set forth in IC 6-3.5-6  
19           concerning the imposition of the county option income tax.  
20           (b) Except as provided in subsections (c), (g), (k), (p), and (r), and  
21           ~~section~~ **sections 28 and 29** of this chapter, the county economic  
22           development income tax may be imposed at a rate of:  
23           (1) one-tenth percent (0.1%);  
24           (2) two-tenths percent (0.2%);

- 1 (3) twenty-five hundredths percent (0.25%);
- 2 (4) three-tenths percent (0.3%);
- 3 (5) thirty-five hundredths percent (0.35%);
- 4 (6) four-tenths percent (0.4%);
- 5 (7) forty-five hundredths percent (0.45%); or
- 6 (8) five-tenths percent (0.5%);

7 on the adjusted gross income of county taxpayers.

8 (c) Except as provided in **section 29 of this chapter and** subsection  
 9 (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county  
 10 economic development income tax rate plus the county adjusted gross  
 11 income tax rate, if any, that are in effect on January 1 of a year may not  
 12 exceed one and twenty-five hundredths percent (1.25%). Except as  
 13 provided in **section 29 of this chapter and** subsection (g), (p), (r), (t),  
 14 (u), (w), (x), or (y), the county economic development tax rate plus the  
 15 county option income tax rate, if any, that are in effect on January 1 of  
 16 a year may not exceed one percent (1%).

17 (d) To impose, increase, decrease, or rescind the county economic  
 18 development income tax, the appropriate body must adopt an  
 19 ordinance.

20 (e) The ordinance to impose the tax must substantially state the  
 21 following:

22 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
 23 development income tax on the county taxpayers of \_\_\_\_\_  
 24 County. The county economic development income tax is imposed at  
 25 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
 26 county."

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

31 (g) This subsection applies to a county having a population of more  
 32 than one hundred ~~forty-eight~~ **seventy** thousand (~~148,000~~) (**170,000**) but  
 33 less than one hundred ~~seventy~~ **seventy-five** thousand (~~170,000~~)  
 34 (**175,000**). Except as provided in subsection (p), in addition to the rates  
 35 permitted by subsection (b), the:

36 (1) county economic development income tax may be imposed at  
 37 a rate of:

- 38 (A) fifteen-hundredths percent (0.15%);
- 39 (B) two-tenths percent (0.2%); or
- 40 (C) twenty-five hundredths percent (0.25%); and

41 (2) county economic development income tax rate plus the county  
 42 option income tax rate that are in effect on January 1 of a year  
 43 may equal up to one and twenty-five hundredths percent (1.25%);  
 44 if the county income tax council makes a determination to impose rates  
 45 under this subsection and section 22 of this chapter.

46 (h) For a county having a population of more than ~~forty-one~~

1 **forty-two** thousand ~~(41,000)~~ **three hundred (42,300)** but less than  
 2 forty-three thousand (43,000), except as provided in subsection (p), the  
 3 county economic development income tax rate plus the county adjusted  
 4 gross income tax rate that are in effect on January 1 of a year may not  
 5 exceed one and thirty-five hundredths percent (1.35%) if the county has  
 6 imposed the county adjusted gross income tax at a rate of one and  
 7 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

8 (i) For a county having a population of more than thirteen thousand  
 9 ~~five hundred (13,500)~~ **(13,000)** but less than fourteen thousand  
 10 (14,000), except as provided in subsection (p), the county economic  
 11 development income tax rate plus the county adjusted gross income tax  
 12 rate that are in effect on January 1 of a year may not exceed one and  
 13 fifty-five hundredths percent (1.55%).

14 (j) For a county having a population of more than ~~seventy-one~~  
 15 **sixty-eight** thousand ~~(71,000)~~ **nine hundred (68,900)** but less than  
 16 ~~seventy-one~~ **seventy** thousand ~~four hundred (71,400); (70,000)~~, except  
 17 as provided in subsection (p), the county economic development  
 18 income tax rate plus the county adjusted gross income tax rate that are  
 19 in effect on January 1 of a year may not exceed one and five-tenths  
 20 percent (1.5%).

21 (k) This subsection applies to a county having a population of more  
 22 than ~~twenty-seven~~ **twenty-six** thousand ~~four hundred (27,400) (26,000)~~  
 23 but less than ~~twenty-seven~~ **twenty-six** thousand five hundred ~~(27,500);~~  
 24 **(26,500)**. Except as provided in subsection (p), in addition to the rates  
 25 permitted under subsection (b):

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

28 (2) the sum of the county economic development income tax rate  
 29 and the county adjusted gross income tax rate that are in effect on  
 30 January 1 of a year may not exceed one and five-tenths percent  
 31 (1.5%);

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

34 (l) For a county having a population of more than ~~twenty-nine~~ **thirty**  
 35 thousand ~~(29,000) (30,000)~~ but less than ~~thirty~~ **thirty-two** thousand  
 36 ~~(30,000); (32,000)~~, except as provided in subsection (p), the county  
 37 economic development income tax rate plus the county adjusted gross  
 38 income tax rate that are in effect on January 1 of a year may not exceed  
 39 one and five-tenths percent (1.5%).

40 (m) For:

41 (1) a county having a population of more than one hundred  
 42 ~~eighty-two~~ **eighty-five** thousand ~~seven hundred ninety (182,790)~~  
 43 **(185,000)** but less than two hundred **fifty** thousand ~~(200,000);~~  
 44 **(250,000)**; or

45 (2) a county having a population of more than ~~forty-five~~  
 46 **forty-seven** thousand ~~(45,000) (47,000)~~ but less than ~~forty-five~~

1           **forty-seven** thousand ~~nine five~~ hundred ~~(45,900); (47,500);~~  
 2           except as provided in subsection (p), the county economic development  
 3           income tax rate plus the county adjusted gross income tax rate that are  
 4           in effect on January 1 of a year may not exceed one and five-tenths  
 5           percent (1.5%).

6           (n) For a county having a population of more than ~~six seven~~  
 7           thousand ~~(6,000) (7,000)~~ but less than eight thousand (8,000), except  
 8           as provided in subsection (p), the county economic development  
 9           income tax rate plus the county adjusted gross income tax rate that are  
 10          in effect on January 1 of a year may not exceed one and five-tenths  
 11          percent (1.5%).

12          (o) This subsection applies to a county having a population of more  
 13          than ~~thirty-nine~~ **thirty-eight** thousand ~~(39,000) two hundred (38,200)~~  
 14          but less than ~~thirty-nine~~ **thirty-eight** thousand ~~six five~~ hundred  
 15          ~~(39,600); (38,500)~~. Except as provided in subsection (p), in addition to  
 16          the rates permitted under subsection (b):

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

19           (2) the sum of the county economic development income tax rate  
 20           and:

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

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

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

29          (p) In addition:

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

34           (2) the:

35           (A) county economic development income tax; and

36           (B) county option income tax or county adjusted gross income  
 37           tax;

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

41          However, the additional rate imposed under this subsection may not  
 42          exceed the amount necessary to mitigate the increased ad valorem  
 43          property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (**repealed**)  
 44          before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
 45          residential property (as defined in section 26 of this chapter), as  
 46          appropriate under the ordinance adopted by the adopting body in the

1 county, resulting from the deduction of the assessed value of inventory  
 2 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
 3 exclusion in 2008 of inventory from the definition of personal property  
 4 in IC 6-1.1-1-11.

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

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

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

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

24 (s) 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%) if the county has imposed the county  
 28 adjusted gross income tax under IC 6-3.5-1.1-3.3.

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

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

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

44 (w) An additional county economic development income tax rate  
 45 imposed under section 28 of this chapter may not be considered in  
 46 calculating any limit under this section on the sum of:

- 1 (1) the county economic development income tax rate plus the
- 2 county adjusted gross income tax rate; or
- 3 (2) the county economic development tax rate plus the county
- 4 option income tax rate.
- 5 (x) The income tax rate limits imposed by subsection (c) or (y) or
- 6 any other provision of this chapter do not apply to:
- 7 (1) a county adjusted gross income tax rate imposed under
- 8 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 9 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
- 10 IC 6-3.5-6-31, or IC 6-3.5-6-32.

11 For purposes of computing the maximum combined income tax rate  
 12 under subsection (c) or (y) or any other provision of this chapter that  
 13 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this  
 14 chapter, a county's county adjusted gross income tax rate or county  
 15 option income tax rate for a particular year does not include the county  
 16 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,  
 17 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate  
 18 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

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

24 (z) This subsection applies to Perry County. Except as provided in  
 25 subsection (p), if an ordinance is adopted under section 27.5 of this  
 26 chapter, the county economic development income tax rate plus the  
 27 county option income tax rate that is in effect on January 1 of a year  
 28 may not exceed one and seventy-five hundredths percent (1.75%).

29 SECTION 6. IC 6-3.5-7-11, AS AMENDED BY P.L.229-2011,  
 30 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 UPON PASSAGE]: Sec. 11. (a) Revenue derived from the imposition  
 32 of the county economic development income tax shall, in the manner  
 33 prescribed by this section, be distributed to the county that imposed it.

34 (b) Before August 2 of each calendar year, the budget agency shall  
 35 certify to the county auditor of each adopting county the sum of the  
 36 amount of county economic development income tax revenue that the  
 37 budget agency determines has been:

- 38 (1) received from that county for a taxable year ending before the
- 39 calendar year in which the determination is made; and
- 40 (2) reported on an annual return or amended return processed by
- 41 the department in the state fiscal year ending before July 1 of the
- 42 calendar year in which the determination is made;

43 as adjusted for refunds of county economic development income tax  
 44 made in the state fiscal year plus the amount of interest in the county's  
 45 account that has been accrued and has not been included in a  
 46 certification made in a preceding year. The amount certified is the

1 county's certified distribution, which shall be distributed on the dates  
2 specified in section 16 of this chapter for the following calendar year.

3 (c) The amount certified under subsection (b) shall be adjusted  
4 under subsections (d), (e), (f), (g), and (h). The budget agency shall  
5 provide the county council with an informative summary of the  
6 calculations used to determine the certified distribution. The summary  
7 of calculations must include:

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

10 (2) adjustments for over distributions in prior years;

11 (3) adjustments for clerical or mathematical errors in prior years;

12 (4) adjustments for tax rate changes; and

13 (5) the amount of excess account balances to be distributed under  
14 IC 6-3.5-7-17.3.

15 (d) The budget agency shall certify an amount less than the amount  
16 determined under subsection (b) if the budget agency determines that  
17 the reduced distribution is necessary to offset overpayments made in a  
18 calendar year before the calendar year of the distribution. The budget  
19 agency may reduce the amount of the certified distribution over several  
20 calendar years so that any overpayments are offset over several years  
21 rather than in one (1) lump sum.

22 (e) The budget agency shall adjust the certified distribution of a  
23 county to correct for any clerical or mathematical errors made in any  
24 previous certification under this section. The budget agency may  
25 reduce the amount of the certified distribution over several calendar  
26 years so that any adjustment under this subsection is offset over several  
27 years rather than in one (1) lump sum.

28 (f) The budget agency shall adjust the certified distribution of a  
29 county to provide the county with the distribution required under  
30 section 16(b) of this chapter.

31 (g) The budget agency shall adjust the certified distribution of a  
32 county to provide the county with the amount of any tax increase  
33 imposed under section 25 or 26 of this chapter to provide additional  
34 homestead credits as provided in those provisions.

35 (h) This subsection applies to a county that:

36 (1) imposes, increases, decreases, or rescinds a tax or tax rate  
37 under this chapter before November 1 in the same calendar year  
38 in which the budget agency makes a certification under this  
39 section; **or**

40 (2) **adopts an ordinance imposing a tax rate under section 29**  
41 **of this chapter in the same calendar year in which the budget**  
42 **agency makes a certification under this section.**

43 The budget agency shall adjust the certified distribution of a county to  
44 provide for a distribution in the immediately following calendar year  
45 and in each calendar year thereafter. The budget agency shall provide  
46 for a full transition to certification of distributions as provided in

1 subsection (b)(1) through (b)(2) in the manner provided in subsection  
 2 (d). If the county imposes, increases, decreases, or rescinds a tax or tax  
 3 rate under this chapter after the date for which a certification under  
 4 subsection (b) is based, the budget agency shall adjust the certified  
 5 distribution of the county after August 1 of the calendar year. The  
 6 adjustment shall reflect any other adjustment authorized under  
 7 subsections (c), (d), (e), (f), and (g). The adjusted certification shall be  
 8 treated as the county's certified distribution for the immediately  
 9 succeeding calendar year. The budget agency shall certify the adjusted  
 10 certified distribution to the county auditor for the county and provide  
 11 the county council with an informative summary of the calculations  
 12 that revises the informative summary provided in subsection (c) and  
 13 reflects the changes made in the adjustment.

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

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

22 (k) The estimates under subsections (i) and (j) must specify the  
 23 amount of the estimated certified distributions that are attributable to  
 24 any additional rates authorized under this chapter.

25 SECTION 7. IC 6-3.5-7-12, AS AMENDED BY P.L.199-2011,  
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 UPON PASSAGE]: Sec. 12. (a) Except as provided in sections 23, 25,  
 28 26, 27, 27.5, ~~and 28~~, **and 29** of this chapter, the county auditor shall  
 29 distribute in the manner specified in this section the certified  
 30 distribution to the county.

31 (b) Except as provided in subsections (c) and (h) and sections 15  
 32 and 25 of this chapter, and subject to adjustment as provided in  
 33 IC 36-8-19-7.5, the amount of the certified distribution that the county  
 34 and each city or town in a county is entitled to receive during May and  
 35 November of each year equals the product of the following:

36 (1) The amount of the certified distribution for that month;  
 37 multiplied by

38 (2) A fraction. The numerator of the fraction equals the sum of:  
 39 (A) total property taxes that are first due and payable to the  
 40 county, city, or town during the calendar year in which the  
 41 month falls; plus

42 (B) for a county, the welfare allocation amount.

43 The denominator of the fraction equals the sum of the total  
 44 property taxes that are first due and payable to the county and all  
 45 cities and towns of the county during the calendar year in which  
 46 the month falls, plus the welfare allocation amount. The welfare

1 allocation amount is an amount equal to the sum of the property  
 2 taxes imposed by the county in 1999 for the county's welfare fund  
 3 and welfare administration fund and, if the county received a  
 4 certified distribution under this chapter in 2008, the property  
 5 taxes imposed by the county in 2008 for the county's county  
 6 medical assistance to wards fund, family and children's fund,  
 7 children's psychiatric residential treatment services fund, county  
 8 hospital care for the indigent fund, and children with special  
 9 health care needs county fund.

10 (c) This subsection applies to a county council or county income tax  
 11 council that imposes a tax under this chapter after June 1, 1992. The  
 12 body imposing the tax may adopt an ordinance before August 2 of a  
 13 year to provide for the distribution of certified distributions under this  
 14 subsection instead of a distribution under subsection (b). The following  
 15 apply if an ordinance is adopted under this subsection:

16 (1) The ordinance is effective January 1 of the following year.

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

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

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

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

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

36 (1) The county.

37 (2) A city or town in the county.

38 (3) A commission, a board, a department, or an authority that is  
 39 authorized by statute to pledge the county economic development  
 40 income tax.

41 (e) The department of local government finance shall provide each  
 42 county auditor with the fractional amount of the certified distribution  
 43 that the county and each city or town in the county is entitled to receive  
 44 under this section.

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

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

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

10 SECTION 8. IC 6-3.5-7-13.1, AS AMENDED BY P.L.199-2011,  
11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 UPON PASSAGE]: Sec. 13.1. (a) The fiscal officer of each county,  
13 city, or town for a county in which the county economic development  
14 tax is imposed shall establish an economic development income tax  
15 fund. Except as provided in sections 23, 25, 26, 27, ~~and 27.5~~, **and 28**  
16 of this chapter, the revenue received by a county, city, or town under  
17 this chapter shall be deposited in the unit's economic development  
18 income tax fund.

19 (b) As used in this subsection, "homestead" means a homestead that  
20 is eligible for a standard deduction under IC 6-1.1-12-37. Except as  
21 provided in sections 15, 23, 25, 26, 27, ~~and 27.5~~, **and 28** of this  
22 chapter, revenues from the county economic development income tax  
23 may be used as follows:

24 (1) By a county, city, or town for economic development projects,  
25 for paying, notwithstanding any other law, under a written  
26 agreement all or a part of the interest owed by a private developer  
27 or user on a loan extended by a financial institution or other  
28 lender to the developer or user if the proceeds of the loan are or  
29 are to be used to finance an economic development project, for  
30 the retirement of bonds under section 14 of this chapter for  
31 economic development projects, for leases under section 21 of  
32 this chapter, or for leases or bonds entered into or issued prior to  
33 the date the economic development income tax was imposed if  
34 the purpose of the lease or bonds would have qualified as a  
35 purpose under this chapter at the time the lease was entered into  
36 or the bonds were issued.

- 37 (2) By a county, city, or town for:
- 38 (A) the construction or acquisition of, or remedial action with
  - 39 respect to, a capital project for which the unit is empowered to
  - 40 issue general obligation bonds or establish a fund under any
  - 41 statute listed in IC 6-1.1-18.5-9.8;
  - 42 (B) the retirement of bonds issued under any provision of
  - 43 Indiana law for a capital project;
  - 44 (C) the payment of lease rentals under any statute for a capital
  - 45 project;
  - 46 (D) contract payments to a nonprofit corporation whose

- 1 primary corporate purpose is to assist government in planning
- 2 and implementing economic development projects;
- 3 (E) operating expenses of a governmental entity that plans or
- 4 implements economic development projects;
- 5 (F) to the extent not otherwise allowed under this chapter,
- 6 funding substance removal or remedial action in a designated
- 7 unit; or
- 8 (G) funding of a revolving fund established under
- 9 IC 5-1-14-14.
- 10 (3) By a county, city, or town for any lawful purpose for which
- 11 money in any of its other funds may be used.
- 12 (4) By a city or county described in IC 36-7.5-2-3(b) for making
- 13 transfers required by IC 36-7.5-4-2. If the county economic
- 14 development income tax rate is increased after April 30, 2005, in
- 15 a county having a population of more than one hundred ~~forty-five~~
- 16 **fifty** thousand ~~(145,000)~~ **(150,000)** but less than one hundred
- 17 ~~forty-eight~~ **seventy** thousand ~~(148,000)~~; **(170,000)**, the first three
- 18 million five hundred thousand dollars (\$3,500,000) of the tax
- 19 revenue that results each year from the tax rate increase shall be
- 20 used by the county or by eligible municipalities (as defined in
- 21 IC 36-7.5-1-11.3) in the county only to make the county's transfer
- 22 required by IC 36-7.5-4-2. The first three million five hundred
- 23 thousand dollars (\$3,500,000) of the tax revenue that results each
- 24 year from the tax rate increase shall be paid by the county
- 25 treasurer to the treasurer of the northwest Indiana regional
- 26 development authority under IC 36-7.5-4-2 before certified
- 27 distributions are made to the county or any cities or towns in the
- 28 county under this chapter from the tax revenue that results each
- 29 year from the tax rate increase. If a county having a population of
- 30 more than one hundred ~~forty-five~~ **fifty** thousand ~~(145,000)~~
- 31 **(150,000)** but less than one hundred ~~forty-eight~~ **seventy** thousand
- 32 ~~(148,000)~~ **(170,000)** ceases to be a member of the northwest
- 33 Indiana regional development authority under IC 36-7.5 but two
- 34 (2) or more municipalities in the county have become members
- 35 of the northwest Indiana regional development authority as
- 36 authorized by IC 36-7.5-2-3(i), the county treasurer shall continue
- 37 to transfer the three million five hundred thousand dollars
- 38 (\$3,500,000) to the treasurer of the northwest Indiana regional
- 39 development authority under IC 36-7.5-4-2 before certified
- 40 distributions are made to the county or any cities or towns in the
- 41 county. In a county having a population of more than one hundred
- 42 ~~forty-five~~ **fifty** thousand ~~(145,000)~~ **(150,000)** but less than one
- 43 hundred ~~forty-eight~~ **seventy** thousand ~~(148,000)~~; **(170,000)**, all of
- 44 the tax revenue that results each year from the tax rate increase
- 45 that is in excess of the first three million five hundred thousand
- 46 dollars (\$3,500,000) that results each year from the tax rate

1 increase must be used by the county and cities and towns in the  
2 county for homestead credits under subdivision (5).  
3 (5) This subdivision applies only in a county having a population  
4 of more than one hundred ~~forty-five~~ **fifty** thousand ~~(145,000)~~  
5 **(150,000)** but less than one hundred ~~forty-eight~~ **seventy** thousand  
6 ~~(148,000)~~ **(170,000)**. All of the tax revenue that results each year  
7 from a tax rate increase described in subdivision (4) that is in  
8 excess of the first three million five hundred thousand dollars  
9 (\$3,500,000) that results each year from the tax rate increase must  
10 be used by the county and cities and towns in the county for  
11 homestead credits under this subdivision. The following apply to  
12 homestead credits provided under this subdivision:  
13 (A) The homestead credits must be applied uniformly to  
14 provide a homestead credit for homesteads in the county, city,  
15 or town.  
16 (B) The homestead credits shall be treated for all purposes as  
17 property tax levies.  
18 (C) The homestead credits shall be applied to the net property  
19 taxes due on the homestead after the application of all other  
20 assessed value deductions or property tax deductions and  
21 credits that apply to the amount owed under IC 6-1.1.  
22 (D) The department of local government finance shall  
23 determine the homestead credit percentage for a particular  
24 year based on the amount of county economic development  
25 income tax revenue that will be used under this subdivision to  
26 provide homestead credits in that year.  
27 (6) This subdivision applies only in a county having a population  
28 of more than four hundred thousand (400,000) but less than seven  
29 hundred thousand (700,000). A county or a city or town in the  
30 county may use county economic development income tax  
31 revenue to provide homestead credits in the county, city, or town.  
32 The following apply to homestead credits provided under this  
33 subdivision:  
34 (A) The county, city, or town fiscal body must adopt an  
35 ordinance authorizing the homestead credits. The ordinance  
36 must specify the amount of county economic development  
37 income tax revenue that will be used to provide homestead  
38 credits in the following year.  
39 (B) A county, city, or town fiscal body that adopts an  
40 ordinance under this subdivision must forward a copy of the  
41 ordinance to the county auditor and the department of local  
42 government finance not more than thirty (30) days after the  
43 ordinance is adopted.  
44 (C) The homestead credits must be applied uniformly to  
45 increase the homestead credit under IC 6-1.1-20.9 (repealed)  
46 for homesteads in the county, city, or town (for property taxes

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first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).

(D) The homestead credits shall be treated for all purposes as property tax levies.

(E) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to a county:

(A) ~~that if the county~~ has a population of more than one hundred ~~ten eleven~~ thousand (~~110,000~~) **(111,000)** but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars

- 1 (\$3,500,000) that results each year from the tax rate increase must
- 2 be used by the county and cities and towns in the county for
- 3 homestead credits under subdivision (9).
- 4 (9) This subdivision applies only to a county described in
- 5 subdivision (8). All of the tax revenue that results each year from
- 6 a tax rate increase described in subdivision (8) that is in excess of
- 7 the first three million five hundred thousand dollars (\$3,500,000)
- 8 that results each year from the tax rate increase must be used by
- 9 the county and cities and towns in the county for homestead
- 10 credits under this subdivision. The following apply to homestead
- 11 credits provided under this subdivision:
- 12 (A) The homestead credits must be applied uniformly to
- 13 provide a homestead credit for homesteads in the county, city,
- 14 or town.
- 15 (B) The homestead credits shall be treated for all purposes as
- 16 property tax levies.
- 17 (C) The homestead credits shall be applied to the net property
- 18 taxes due on the homestead after the application of all other
- 19 assessed value deductions or property tax deductions and
- 20 credits that apply to the amount owed under IC 6-1.1.
- 21 (D) The department of local government finance shall
- 22 determine the homestead credit percentage for a particular
- 23 year based on the amount of county economic development
- 24 income tax revenue that will be used under this subdivision to
- 25 provide homestead credits in that year.
- 26 (c) As used in this section, an economic development project is any
- 27 project that:
- 28 (1) the county, city, or town determines will:
- 29 (A) promote significant opportunities for the gainful
- 30 employment of its citizens;
- 31 (B) attract a major new business enterprise to the unit; or
- 32 (C) retain or expand a significant business enterprise within
- 33 the unit; and
- 34 (2) involves an expenditure for:
- 35 (A) the acquisition of land;
- 36 (B) interests in land;
- 37 (C) site improvements;
- 38 (D) infrastructure improvements;
- 39 (E) buildings;
- 40 (F) structures;
- 41 (G) rehabilitation, renovation, and enlargement of buildings
- 42 and structures;
- 43 (H) machinery;
- 44 (I) equipment;
- 45 (J) furnishings;
- 46 (K) facilities;

1 (L) administrative expenses associated with such a project,  
 2 including contract payments authorized under subsection  
 3 (b)(2)(D);  
 4 (M) operating expenses authorized under subsection (b)(2)(E);  
 5 or  
 6 (N) to the extent not otherwise allowed under this chapter,  
 7 substance removal or remedial action in a designated unit;  
 8 or any combination of these.

9 (d) If there are bonds outstanding that have been issued under  
 10 section 14 of this chapter or leases in effect under section 21 of this  
 11 chapter, a county, city, or town may not expend money from its  
 12 economic development income tax fund for a purpose authorized under  
 13 subsection (b)(3) in a manner that would adversely affect owners of the  
 14 outstanding bonds or payment of any lease rentals due.

15 SECTION 9. IC 6-3.5-7-29, IS ADDED TO THE INDIANA CODE  
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]: **Sec. 29. (a) This section applies to any of the  
 18 following counties that enter into an interlocal agreement under  
 19 IC 36-1-7 in which Marion County is one (1) of the counties  
 20 entering into the interlocal agreement for an economic  
 21 development project related to providing regional transportation  
 22 services or regional transportation infrastructure:**

- 23 (1) Boone County.
- 24 (2) Hamilton County.
- 25 (3) Hancock County.
- 26 (4) Hendricks County.
- 27 (5) Johnson County.
- 28 (6) Madison County.
- 29 (7) Marion County.
- 30 (8) Morgan County.
- 31 (9) Shelby County.

32 (b) In addition to the rates permitted by section 5 of this  
 33 chapter, the entity that imposed the county economic development  
 34 income tax under section 5 of this chapter before January 1, 2012,  
 35 (or, in the case of a county that has not imposed the county  
 36 economic development income tax before January 1, 2012, the  
 37 entity that may impose the county economic development income  
 38 tax under section 5(a)(3) of this chapter) may by ordinance impose  
 39 an additional county economic development income tax at a rate of  
 40 not more than three-tenths of one percent (0.3%) on the adjusted  
 41 gross income of county taxpayers.

42 (c) If an additional county economic development income tax is  
 43 imposed under this section, the county treasurer shall establish a  
 44 county regional transportation interlocal agreement fund. The  
 45 county economic development income tax revenues derived from  
 46 the additional county economic development income tax imposed

1 under this section must be deposited in the county regional  
2 transportation interlocal agreement fund before any certified  
3 distributions are made under section 12 of this chapter.

4 (d) County economic development income tax revenues derived  
5 from the tax rate imposed under this section:

6 (1) may be used only for the purposes of the interlocal  
7 agreement described in subsection (a) but only in accordance  
8 with the terms of the interlocal agreement.

9 (2) may not be considered by the department of local  
10 government finance in determining the county's maximum  
11 permissible property tax levy limit under IC 6-1.1-18.5; and

12 (3) may be pledged to the repayment of bonds issued, or leases  
13 entered into, for the purposes of the interlocal agreement  
14 described in subsection (a), but only in accordance with the  
15 terms of the interlocal agreement.

16 (e) If a county described in subsection (a) ceases to be a party to  
17 an interlocal agreement described in subsection (a), the county's  
18 authority to impose an additional county economic development  
19 income tax rate under this section ceases when the county has  
20 raised sufficient revenue to meet its obligations under the interlocal  
21 agreement."

22 Renumber all SECTIONS consecutively.  
(Reference is to HB 1087 as printed January 28, 2012.)

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Representative DeLaney