



Reprinted
January 28, 2012

HOUSE BILL No. 1072

DIGEST OF HB 1072 (Updated January 27, 2012 12:47 pm - DI 92)

Citations Affected: IC 4-10; IC 5-1; IC 5-11; IC 5-14; IC 5-22; IC 5-28; IC 6-1.1; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-9; IC 36-1; IC 36-2; IC 36-3; IC 36-12.

Synopsis: Tax administration. Changes dates for budget and levy adoption actions. Changes certain property tax related reporting requirements. Provides that the local Indiana business preference applies to a contract for a purchase made by a political subdivision only if the political subdivision provides that the preference is applicable to the purchase. Provides that the projection of the jobs to be created by a project funded from the Indiana twenty-first century research and technology fund (the fund) may not be kept confidential. Requires semiannual reporting of the activity of the fund. Requires the report to include information concerning the number of jobs projected for a recipient's project. Specifically includes grants and loans from the fund in the economic incentives and compliance report prepared by the Indiana economic development corporation. Returns the economic incentives and compliance report to the semiannual schedule required before 2010. Provides that the budget committee is a recipient of both reports. Specifies that the amount that may be excluded from assessed value for the purposes of calculating budgets, property tax rates, and property tax levies may not exceed 2% of net assessed value, rather than 2% of assessed value, without approval by the department of local government finance. Specifies that notices concerning final actions on
(Continued next page)

Effective: Upon passage; January 1, 2011 (retroactive); January 1, 2012 (retroactive); July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.
January 23, 2012, amended, reported — Do Pass.
January 27, 2012, read second time, amended, ordered engrossed.

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budgets, property tax rates, and property tax levies shall be given electronically rather than in writing. Changes the formula for applying the circuit breaker among debt and nondebt levies. Makes political subdivisions with nonelected governing bodies (other than libraries outside of Marion County) subject to review and adoption of the political subdivision's budget by a county, city, or town fiscal body. Requires approval of the supplemental appropriations of a political subdivision with a nonelected governing body (other than a library outside Marion County) by a county, city, or town fiscal body. Replaces a separate certification by county auditors concerning the amount of circuit breaker credits granted to taxpayers with an annual report by the department of local government finance. Permits waiver of tax bills under \$5. Extends period in which to file for a property tax appeal from 45 days to 60 days. Specifies when receipts received by designated contract markets, swap execution facilities, or derivatives clearing organizations or from market data service revenue are subject to the state adjusted gross income tax. Eliminates the requirement to add back amounts excluded from gross income for federal income tax purposes as annual employer provided education expenses and qualified transportation fringe benefits exceeding \$100 a month. Extends the sunset date for the Hoosier business investment tax credit from December 31, 2013, to December 31, 2015. Changes the procedures for submitting a certified copy of ordinances related to local income taxes to the state to require in all cases that the certified copy be sent to the commissioner of the department of state revenue, the director of the budget agency, and the commissioner of the department of local government finance by certified mail or in an approved electronic format within 10 days after adoption. Changes the schedule on which revenue from county adjusted gross income taxes and county economic development taxes are distributed to counties from a biannual schedule to a monthly schedule. Eliminates provisions that provide for distribution of revenues from certain local income taxes on a quarterly basis in the initial year of adoption. Repeals: (1) authority to impose a local income tax to fund the expenses of prosecuting a capital case in Parke County; (2) authority to impose a local income tax to provide revenue for remediation of a superfund site in Tippecanoe County; and (3) expired authority to grant a tax rate to replace revenue lost from elimination of the inventory tax. Provides that Henry County food and beverage tax revenues may be used for road improvements to foster economic development and tourism in the county. (Current law allows road improvements for an industrial park.) Removes provisions prohibiting the county from pledging the tax revenues for the repayment of bonds or lease rentals after December 31, 2015. Requires the county capital improvements committee (CCIC) to meet at least once per year and submit an annual report to the county council. Removes provisions terminating the CCIC and the county food and beverage tax council on January 1, 2016. Specifies that the county may use the food and beverage tax revenues to pay all or part of the costs associated with the construction of a facility that enhances educational opportunities, economic development, or tourism in the county or issue bonds, enter into leases, or incur other obligations to pay any costs associated with the construction of such a facility. Replaces population references in the local income tax law to certain counties with the names of the counties. Makes technical corrections. Repeals the local Indiana business preference for public works projects. Repeals an obsolete statute governing Henry County food and beverage tax revenue received before July 1, 1994.

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Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1072

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-10-13-5 IS REPEALED [EFFECTIVE JULY 1,
2 2012]. Sec. 5: (a) The department of local government finance shall
3 prepare and publish each year the following report which must contain
4 the following property tax data by counties or by appropriate taxing
5 jurisdictions:
6 (1) The tax rates of the various taxing jurisdictions;
7 (2) An abstract of taxable real property including a recital of the
8 number of parcels and the gross assessed valuation of nonfarm
9 residential property including improvements thereon; the number
10 of parcels and the gross assessed valuation of commercial and
11 industrial real property, including improvements thereon; the
12 number of parcels and the gross assessed valuation of unimproved
13 real property; the number of parcels and the gross assessed
14 valuation of agricultural acreage including improvements thereon;
15 and the total amount of the gross assessed valuation of real estate

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1 and the total assessed valuation of improvements thereon. The
 2 abstract shall also include a recital of the total amount of net
 3 valuation of real property.
 4 (3) The total assessed valuation of personal property belonging to
 5 steam and electric railways and to public utilities.
 6 (4) The total number of taxpayers and the total assessed valuation
 7 of household goods and personal effects, excluding boats subject
 8 to the boat excise tax under IC 6-6-11.
 9 (5) The total number of units assessed and the assessed valuation
 10 of each of the following items of personal property:
 11 (A) Privately owned, noncommercial passenger cars.
 12 (B) Commercial passenger cars:
 13 (C) Trucks and tractors:
 14 (D) Motorcycles:
 15 (E) Buses:
 16 (F) Mobile homes:
 17 (G) Boats:
 18 (H) Airplanes:
 19 (I) Farm machinery:
 20 (J) Livestock:
 21 (K) Crops:
 22 (6) The total number of taxpayers and the total valuation of
 23 inventories and other personal property belonging to retail
 24 establishments; wholesale establishments; manufacturing
 25 establishments; and commercial establishments.
 26 (b) The department of local government finance is hereby
 27 authorized to prescribe and promulgate the forms as are necessary for
 28 the obtaining of such information from local assessing officials. The
 29 local assessing officials are directed to comply with this section.
 30 SECTION 2. IC 5-1-18-6, AS AMENDED BY P.L.219-2007,
 31 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2012]: Sec. 6. A political subdivision that issues bonds or
 33 enters into a lease after December 31, 2005, shall supply the
 34 department with information concerning the bond issue or lease not
 35 later than December 31 of the year in a **debt issuance report not later**
 36 **than one (1) month after the date on** which the bonds are issued or
 37 the lease is executed.
 38 SECTION 3. IC 5-1-18-7, AS ADDED BY P.L.199-2005,
 39 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2012]: Sec. 7. (a) Except as provided by subsection (b), the
 41 **bond issue information debt issuance report** required by section 6 of
 42 this chapter must be submitted on a form prescribed by the department

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- 1 and must include **the following information concerning bonds:**
- 2 (1) The par value of the bond issue.
- 3 (2) A schedule of maturities and interest rates.
- 4 (3) The purposes of the bond issue.
- 5 (4) The itemized costs of issuance information, including fees for
- 6 bond counsel, other legal counsel, underwriters, and financial
- 7 advisors.
- 8 (5) The type of bonds that are issued. ~~and~~
- 9 (6) Other information as required by the department.

10 A copy of the official statement and bond covenants, if any, must be
 11 supplied with this information.

12 (b) ~~The department may establish a procedure that permits A~~
 13 ~~political subdivision or a person acting on behalf of a political~~
 14 ~~subdivision to transfer all or part of the information shall submit the~~
 15 **debt issuance report information** described in subsection (a) to the
 16 department in a uniform format through a secure connection over the
 17 Internet or through other electronic means. **electronically, in the**
 18 **manner prescribed by the department.**

19 (c) **For taxes due and payable for an assessment date after**
 20 **January 15, 2012, the department may not approve an**
 21 **appropriation or a property tax levy that is associated with a debt**
 22 **unless the debt issuance report for the debt has been submitted to**
 23 **the department.**

24 SECTION 4. IC 5-1-18-8, AS ADDED BY P.L.199-2005,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2012]: Sec. 8. (a) Except as provided by subsection (b), the
 27 lease information required by section 6 of this chapter must be
 28 submitted on a form prescribed by the department and must include **the**
 29 **following information concerning leases:**

- 30 (1) The term of the lease.
- 31 (2) The annual and total amount of lease rental payments due
- 32 under the lease.
- 33 (3) The purposes of the lease.
- 34 (4) The itemized costs incurred by the political subdivision with
- 35 respect to the preparation and execution of the lease, including
- 36 fees for legal counsel and other professional advisors.
- 37 (5) If all or part of the lease rental payments are used by the lessor
- 38 as debt service payments for bonds issued for the acquisition,
- 39 construction, renovation, improvement, expansion, or use of a
- 40 building, structure, or other public improvement for the political
- 41 subdivision:
- 42 (A) the name of the lessor;

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1 (B) the par value of the bond issue; and
 2 (C) the purposes of the bond issue. ~~and~~
 3 (6) Other information as required by the department.
 4 (b) ~~The department may establish a procedure that permits A~~
 5 ~~political subdivision or a person acting on behalf of a political~~
 6 ~~subdivision to transfer all or part of the information shall submit the~~
 7 **debt issuance report information** described in subsection (a) to the
 8 department in a uniform format through the Internet or other electronic
 9 means, as determined electronically, in the manner prescribed by the
 10 department.

11 (c) **For taxes due and payable for an assessment date after**
 12 **January 15, 2012, the department may not approve an**
 13 **appropriation or a property tax levy that is associated with a debt**
 14 **unless the debt issuance report for the debt has been submitted to**
 15 **the department.**

16 SECTION 5. IC 5-1-18-9, AS ADDED BY P.L.199-2005,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 9. (a) **This subsection applies to reporting that**
 19 **occurs before January 1, 2013.** Each political subdivision that has any
 20 outstanding bonds or leases shall submit a report to the department
 21 before March 1 of 2006 and each year thereafter that includes a
 22 summary of all the outstanding bonds of the political subdivision as of
 23 January 1 of that year. The report must:

- 24 (1) distinguish the outstanding bond issues and leases on the basis
- 25 of the type of bond or lease, as determined by the department;
- 26 (2) include a comparison of the political subdivision's outstanding
- 27 indebtedness compared to any applicable statutory or
- 28 constitutional limitations on indebtedness;
- 29 (3) include other information as required by the department; and
- 30 (4) be submitted on a form prescribed by the department or
- 31 through the Internet or other electronic means, as determined by
- 32 the department.

33 (b) **This subsection applies to reporting that occurs after**
 34 **December 31, 2012. The department may annually require each**
 35 **political subdivision to verify to the department that the list of**
 36 **indebtedness and related details in the department's database are**
 37 **current and accurate.**

38 SECTION 6. IC 5-11-1-4, AS AMENDED BY P.L.172-2011,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 4. (a) The state examiner shall require from
 41 every municipality and every state or local governmental unit, entity,
 42 or instrumentality financial reports covering the full period of each

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1 fiscal year. These reports shall be prepared, verified, and filed with the
 2 state examiner not later than sixty (60) days after the close of each
 3 fiscal year. ~~The reports must be filed electronically, in a manner~~
 4 ~~prescribed by the state examiner that is compatible with the technology~~
 5 ~~employed by the political subdivision. The reports must be in the~~
 6 **form and content prescribed by the state examiner and filed**
 7 **electronically in the manner prescribed under IC 5-14-3.8-7.**

8 (b) The department of local government finance may not approve
 9 the budget of a political subdivision or a supplemental appropriation
 10 for a political subdivision until the political subdivision files an annual
 11 report under subsection (a) for the preceding calendar year.

12 SECTION 7. IC 5-11-13-1, AS AMENDED BY P.L.172-2011,
 13 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 1. (a) Every state, county, city, town,
 15 township, or school official, elective or appointive, who is the head of
 16 or in charge of any office, department, board, or commission of the
 17 state or of any county, city, town, or township, and every state, county,
 18 city, town, or township employee or agent who is the head of, or in
 19 charge of, or the executive officer of any department, bureau, board, or
 20 commission of the state, county, city, town, or township, and every
 21 executive officer by whatever title designated, who is in charge of any
 22 state educational institution or of any other state, county, or city
 23 institution, shall during the month of January of each year prepare,
 24 make, and sign a ~~written or printed~~ certified report, correctly and
 25 completely showing the names and business addresses of each and all
 26 officers, employees, and agents in their respective offices, departments,
 27 boards, commissions, and institutions, and the respective duties and
 28 compensation of each, and shall forthwith file said report in the office
 29 of the state examiner of the state board of accounts. **The report must**
 30 **also indicate whether the political subdivision offers a health plan,**
 31 **a pension, and other benefits to full-time and part-time employees.**
 32 However, no more than one (1) report covering the same officers,
 33 employees, and agents need be made from the state or any county, city,
 34 town, township, or school unit in any one year. **The certification must**
 35 **be filed electronically in the manner prescribed under**
 36 **IC 5-14-3.8-7.**

37 (b) The department of local government finance may not approve
 38 the budget of a county, city, town, or township or a supplemental
 39 appropriation for a county, city, town, or township until the county,
 40 city, town, or township files an annual report under subsection (a) for
 41 the preceding calendar year.

42 SECTION 8. IC 5-14-3.8-7, AS ADDED BY P.L.172-2011,



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1 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 UPON PASSAGE]: Sec. 7. The department may require that prescribed
 3 forms be submitted in an electronic format. **The department, working**
 4 **with the office of technology established by IC 4-13.1-2-1 or**
 5 **another organization that is part of a state educational institution,**
 6 **shall develop and maintain a secure, web-based system that**
 7 **facilitates electronic submission of the forms under this section.**
 8 **Political subdivisions shall submit forms under this section through**
 9 **the web-based system as prescribed by the department.**

10 SECTION 9. IC 5-22-15-20.9, AS ADDED BY P.L.172-2011,
 11 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 20.9. (a) ~~This section applies only to a contract~~
 13 ~~awarded by a political subdivision.~~

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

- 15 (1) in which the political subdivision awarding a contract under
 16 this article is located; or
- 17 (2) that is adjacent to the county described in subdivision (1).

18 ~~(c)~~ **(b)** As used in this section, "local Indiana business" refers to any
 19 of the following:

- 20 (1) A business whose principal place of business is located in an
 21 affected county.
- 22 (2) A business that pays a majority of its payroll (in dollar
 23 volume) to residents of affected counties.
- 24 (3) A business that employs residents of affected counties as a
 25 majority of its employees.
- 26 (4) A business that makes significant capital investments in the
 27 affected counties as defined in rules adopted by the political
 28 subdivision.
- 29 (5) A business that has a substantial positive economic impact on
 30 the affected counties as defined by criteria in rules adopted by the
 31 political subdivision.

32 ~~(d)~~ **(c)** ~~There are~~ **A political subdivision may apply** the following
 33 price preferences for supplies purchased from a local Indiana business:

- 34 (1) Five percent (5%) for a purchase expected by the purchasing
 35 agency to be less than fifty thousand dollars (\$50,000).
- 36 (2) Three percent (3%) for a purchase expected by the purchasing
 37 agency to be at least fifty thousand dollars (\$50,000) but less than
 38 one hundred thousand dollars (\$100,000).
- 39 (3) One percent (1%) for a purchase expected by the purchasing
 40 agency to be at least one hundred thousand dollars (\$100,000).

41 **However, to apply a price preference authorized by this subsection**
 42 **to a purchase of supplies, the political subdivision must state in the**

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1 **solicitation for supplies that the political subdivision will apply this**
 2 **section.**

3 ~~(e)~~ **(d)** Notwithstanding subsection ~~(d)~~; **(c)**, a purchasing agency
 4 may award a contract to the lowest responsive and responsible offeror,
 5 regardless of the preference provided in this section, if the lowest
 6 responsive and responsible offeror is a local Indiana business.

7 ~~(f)~~ **(e)** A business that wants to claim a preference provided under
 8 this section must do all the following:

9 (1) State in the business's bid that the business claims the
 10 preference provided by this section.

11 (2) Provide the following information to the purchasing agency:

12 (A) The location of the business's principal place of business.

13 If the business claims the preference as a local Indiana
 14 business described in subsection ~~(c)(1)~~; **(b)(1)**, a statement
 15 explaining the reasons the business considers the location
 16 named as the business's principal place of business.

17 (B) The amount of the business's total payroll and the amount
 18 of the business's payroll paid to residents of affected counties.

19 (C) The number of the business's employees and the number
 20 of the business's employees who are residents of affected
 21 counties.

22 (D) If the business claims the preference as a local Indiana
 23 business described in subsection ~~(c)(4)~~; **(b)(4)**, a description
 24 of the capital investments made in the affected counties and a
 25 statement of the amount of those capital investments.

26 (E) If the business claims the preference as a local Indiana
 27 business described in subsection ~~(c)(5)~~; **(b)(5)**, a description
 28 of the substantial positive economic impact the business has
 29 on the affected counties.

30 SECTION 10. IC 5-28-16-3, AS ADDED BY P.L.4-2005,
 31 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 3. (a) An application requesting a grant or
 33 loan from the fund must be targeted to one (1) or more of the areas
 34 listed in section 2 of this chapter.

35 (b) A successful applicant for a grant or loan from the fund must
 36 meet the requirements of this section and be approved by the board. An
 37 application for a grant or loan from the fund must be made on an
 38 application form prescribed by the board. An applicant shall provide all
 39 information that the board finds necessary to make the determinations
 40 required by this chapter.

41 (c) All applications for a grant or loan from the fund must include
 42 the following:

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1 (1) A fully elaborated technical research or business plan,
 2 whichever applies, that is appropriate for review by outside
 3 experts as provided in this chapter.

4 (2) A detailed financial analysis that includes the commitment of
 5 resources by other entities that will be involved in the project.

6 (3) A statement of the economic development potential of the
 7 project, such as:

8 (A) a statement of the way in which support from the fund will
 9 lead to significantly increased funding from federal or private
 10 sources and from private sector research partners; or

11 (B) a projection of the jobs to be created.

12 (4) The identity, qualifications, and obligations of the applicant.

13 (5) Any other information that the board considers appropriate.

14 An applicant for a grant or loan from the fund may request that certain
 15 information that is submitted by the applicant be kept confidential.

16 **However, an applicant's projection of the jobs to be created by a**
 17 **project may not be kept confidential.** The board shall make a
 18 determination of confidentiality as soon as is practicable. If the board
 19 determines that the information should not be kept confidential, the
 20 applicant may withdraw the application, and the board must return the
 21 information before making it part of any public record.

22 (d) An application for a grant or loan from the fund submitted by an
 23 academic researcher must be made through the office of the president
 24 of the researcher's academic institution with the express endorsement
 25 of the institution's president. An application for a grant or loan from the
 26 fund submitted by a private researcher must be made through the office
 27 of the highest ranking officer of the researcher's institution with the
 28 express endorsement of the institution. Any other application must be
 29 made through the office of the highest ranking officer of the entity
 30 submitting the application. In the case of an application for a grant or
 31 loan from the fund that is submitted jointly by one (1) or more
 32 researchers or entities, the application must be endorsed by each
 33 institution or entity as required by this subsection.

34 SECTION 11. IC 5-28-16-6, AS ADDED BY P.L.4-2005,
 35 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 6. The board shall submit ~~an annual~~ a report
 37 to **the budget committee and** the legislative council before ~~September~~
 38 **± February 1 and August 1 of each year that covers the six (6)**
 39 **month period that ends one (1) month before the report is due.** The
 40 report must be in an electronic format under IC 5-14-6 and must
 41 contain the following information concerning fund activity in the
 42 preceding ~~state fiscal year:~~ **six (6) month period:**

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- 1 (1) The name of each entity receiving a grant from the fund.
 2 (2) The location of each entity sorted by:
 3 (A) county, in the case of an entity located in Indiana; or
 4 (B) state, in the case of an entity located outside Indiana.
 5 (3) The amount of each grant awarded to each entity.
 6 **(4) The projection of the number of jobs to be created by the**
 7 **entity's project.**

8 SECTION 12. IC 5-28-28-2, AS ADDED BY P.L.222-2007,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 2. As used in this chapter, "grant" refers to a
 11 grant given by the corporation, **including a grant from the Indiana**
 12 **twenty-first century research and technology fund.**

13 SECTION 13. IC 5-28-28-3, AS ADDED BY P.L.222-2007,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 3. As used in this chapter, "loan":

- 16 (1) refers to a loan made by the corporation, regardless of whether
 17 the loan is forgivable; ~~and~~
 18 (2) includes a loan guarantee made by the corporation; ~~and~~
 19 **(3) includes a loan from the Indiana twenty-first century**
 20 **research and technology fund.**

21 SECTION 14. IC 5-28-28-5, AS ADDED BY P.L.222-2007,
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 5. (a) Beginning February 1, 2008, the
 24 corporation shall:

- 25 (1) submit an economic incentives and compliance report to:
 26 (A) the governor; ~~and~~
 27 **(B) the budget committee; and**
 28 ~~(B)~~ **(C) the legislative council in an electronic format under**
 29 **IC 5-14-6; and**
 30 (2) publish the report on the corporation's Internet web site;
 31 on the schedule specified in subsection (b).

32 ~~(b) Before August 2, 2009,~~ The corporation shall submit and publish
 33 before February 1 and August 1 of each year an incentives and
 34 compliance report that covers the six (6) month period that ends one
 35 (1) month before the report is due. ~~After August 1, 2009,~~ the
 36 ~~corporation shall submit and publish before August 1 of each year an~~
 37 ~~incentives and compliance report that covers the twelve (12) month~~
 38 ~~period that ends one (1) month before the report is due.~~

39 SECTION 15. IC 6-1.1-1-3, AS AMENDED BY P.L.146-2008,
 40 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2012]: Sec. 3. (a) Except as provided in subsection (b),
 42 "assessed value" or "assessed valuation" means an amount equal to:

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1 (1) for assessment dates before March 1, 2001, thirty-three and
 2 one-third percent (33 1/3%) of the true tax value of property; and
 3 (2) for assessment dates after February 28, 2001, the true tax
 4 value of property.

5 (b) For purposes of calculating a budget, rate, or levy under
 6 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, IC 20-46-4,
 7 IC 20-46-5, and IC 20-46-6, "assessed value" or "assessed valuation"
 8 does not include the **net** assessed value of tangible property excluded
 9 and kept separately on a tax duplicate by a county auditor under
 10 IC 6-1.1-17-0.5.

11 SECTION 16. IC 6-1.1-11-8 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) On or before
 13 August 1 of each year, the county auditor of each county shall forward
 14 to the department of local government finance the duplicate copies of
 15 all approved exemption applications.

16 (b) The department of local government finance ~~shall~~ **may** review
 17 the approved applications forwarded under subsection (a). The
 18 department of local government finance may deny an exemption if the
 19 department determines that the property is not tax exempt under the
 20 laws of this state. However, before denying an exemption, the
 21 department of local government finance must give notice to the
 22 applicant, and the department must hold a hearing on the exemption
 23 application.

24 (c) ~~With respect to the approved applications forwarded under~~
 25 ~~subsection (a); the department shall annually report to the executive~~
 26 ~~director of the legislative services agency:~~

- 27 (1) ~~the number forwarded;~~
- 28 (2) ~~the number subjected to field investigation by the department;~~
- 29 ~~and~~
- 30 (3) ~~the number denied by the department;~~

31 ~~during the year ending on July 1 of the year. The department must~~
 32 ~~submit the report under this subsection not later than August 1 of the~~
 33 ~~year and in an electronic format under IC 5-14-6.~~

34 (d) (c) The department shall adopt rules under IC 4-22-2 with
 35 respect to exempt real property to:

- 36 (1) provide just valuations; and
- 37 (2) ensure that assessments are:
 - 38 (A) made; and
 - 39 (B) recorded;
- 40 in accordance with law.

41 SECTION 17. IC 6-1.1-12-41, AS AMENDED BY P.L.146-2008,
 42 SECTION 118, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2012]: Sec. 41. (a) This section does not apply
2 to assessment years beginning after December 31, 2005.

3 (b) As used in this section, "assessed value of inventory" means the
4 assessed value determined after the application of any deductions or
5 adjustments that apply by statute or rule to the assessment of inventory,
6 other than the deduction allowed under subsection (f).

7 (c) As used in this section, "county income tax council" means a
8 council established by IC 6-3.5-6-2.

9 (d) As used in this section, "fiscal body" has the meaning set forth
10 in IC 36-1-2-6.

11 (e) As used in this section, "inventory" has the meaning set forth in
12 IC 6-1.1-3-11 (repealed).

13 (f) An ordinance may be adopted in a county to provide that a
14 deduction applies to the assessed value of inventory located in the
15 county. The deduction is equal to one hundred percent (100%) of the
16 assessed value of inventory located in the county for the appropriate
17 year of assessment. An ordinance adopted under this section in a
18 particular year applies:

19 (1) if adopted before March 31, 2004, to each subsequent
20 assessment year ending before January 1, 2006; and

21 (2) if adopted after March 30, 2004, and before June 1, 2005, to
22 the March 1, 2005, assessment date.

23 An ordinance adopted under this section may be consolidated with an
24 ordinance adopted under ~~IC 6-3.5-7-25~~ or IC 6-3.5-7-26. The
25 consolidation of an ordinance adopted under this section with an
26 ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance
27 adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

28 (g) An ordinance may not be adopted under subsection (f) after May
29 30, 2005. However, an ordinance adopted under this section:

30 (1) before March 31, 2004, may be amended after March 30,
31 2004; and

32 (2) before June 1, 2005, may be amended after May 30, 2005;
33 to consolidate an ordinance adopted under IC 6-3.5-7-26.

34 (h) The entity that may adopt the ordinance permitted under
35 subsection (f) is:

36 (1) the county income tax council if the county option income tax
37 is in effect on January 1 of the year in which an ordinance under
38 this section is adopted;

39 (2) the county fiscal body if the county adjusted gross income tax
40 is in effect on January 1 of the year in which an ordinance under
41 this section is adopted; or

42 (3) the county income tax council or the county fiscal body,

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1 whichever acts first, for a county not covered by subdivision (1)
2 or (2).
3 To adopt an ordinance under subsection (f), a county income tax
4 council shall use the procedures set forth in IC 6-3.5-6 concerning the
5 imposition of the county option income tax. The entity that adopts the
6 ordinance shall provide a certified copy of the ordinance to the
7 department of local government finance before February 1.
8 (i) A taxpayer is not required to file an application to qualify for the
9 deduction permitted under subsection (f).
10 (j) The department of local government finance shall incorporate the
11 deduction established in this section in the personal property return
12 form to be used each year for filing under IC 6-1.1-3-7 or
13 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the
14 form. If a taxpayer fails to enter the deduction on the form, the
15 township assessor, or the county assessor if there is no township
16 assessor for the township, shall:
17 (1) determine the amount of the deduction; and
18 (2) within the period established in IC 6-1.1-16-1, issue a notice
19 of assessment to the taxpayer that reflects the application of the
20 deduction to the inventory assessment.
21 (k) The deduction established in this section must be applied to any
22 inventory assessment made by:
23 (1) an assessing official;
24 (2) a county property tax board of appeals; or
25 (3) the department of local government finance.
26 SECTION 18. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011,
27 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
29 county board of a county or township official's action with respect to
30 either or both of the following:
31 (1) The assessment of the taxpayer's tangible property.
32 (2) A deduction for which a review under this section is
33 authorized by any of the following:
34 (A) IC 6-1.1-12-25.5.
35 (B) IC 6-1.1-12-28.5.
36 (C) IC 6-1.1-12-35.5.
37 (D) IC 6-1.1-12.1-5.
38 (E) IC 6-1.1-12.1-5.3.
39 (F) IC 6-1.1-12.1-5.4.
40 (b) At the time that notice of an action referred to in subsection (a)
41 is given to the taxpayer, the taxpayer shall also be informed in writing
42 of:

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

6 (c) In order to obtain a review of an assessment or deduction
 7 effective for the assessment date to which the notice referred to in
 8 subsection (b) applies, the taxpayer must file a notice in writing with
 9 the county or township official referred to in subsection (a) not later
 10 than forty-five (45) days after the date of the notice referred to in
 11 subsection (b) **for a review related to an assessment date before**
 12 **January 16, 2012, and sixty (60) days after the date of the notice**
 13 **for a review related to an assessment date after January 15, 2012.**

14 (d) A taxpayer may obtain a review by the county board of the
 15 assessment of the taxpayer's tangible property effective for an
 16 assessment date for which a notice of assessment is not given as
 17 described in subsection (b). To obtain the review, the taxpayer must file
 18 a notice in writing with the township assessor, or the county assessor
 19 if the township is not served by a township assessor. The right of a
 20 taxpayer to obtain a review under this subsection for an assessment
 21 date for which a notice of assessment is not given does not relieve an
 22 assessing official of the duty to provide the taxpayer with the notice of
 23 assessment as otherwise required by this article. The notice to obtain
 24 a review must be filed not later than the later of:

- 25 (1) May 10 of the year; or
- 26 (2) **either:**
 - 27 (A) forty-five (45) days after the date of the tax statement
 - 28 mailed by the county treasurer **for a review related to an**
 - 29 **assessment date before January 16, 2012; or**
 - 30 (B) **sixty (60) days after the date of the tax statement for a**
 - 31 **review related to an assessment date after January 15,**
 - 32 **2012;**

33 regardless of whether the assessing official changes the taxpayer's
 34 assessment.

35 (e) A change in an assessment made as a result of a notice for
 36 review filed by a taxpayer under subsection (d) after the time
 37 prescribed in subsection (d) becomes effective for the next assessment
 38 date. A change in an assessment made as a result of a notice for review
 39 filed by a taxpayer under subsection (c) or (d) remains in effect from
 40 the assessment date for which the change is made until the next
 41 assessment date for which the assessment is changed under this article.

42 (f) The written notice filed by a taxpayer under subsection (c) or (d)

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

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

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1 assessment of tangible property, the taxpayer is not required to have an
2 appraisal of the property in order to do the following:

- 3 (1) Initiate the review.
- 4 (2) Prosecute the review.

5 (n) The county board shall prepare a written decision resolving all
6 of the issues under review. The county board shall, by mail, give notice
7 of its determination not later than one hundred twenty (120) days after
8 the hearing under subsection (k) to the taxpayer, the official referred to
9 in subsection (a), the county assessor, and the county auditor.

- 10 (o) If the maximum time elapses:
 - 11 (1) under subsection (k) for the county board to hold a hearing; or
 - 12 (2) under subsection (n) for the county board to give notice of its
 - 13 determination;

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

17 SECTION 19. IC 6-1.1-15-10, AS AMENDED BY P.L.146-2008,
18 SECTION 139, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) If a petition for review to
20 any board or a proceeding for judicial review in the tax court regarding
21 an assessment or increase in assessment is pending, the taxes resulting
22 from the assessment or increase in assessment are, notwithstanding the
23 provisions of IC 6-1.1-22-9, not due until after the petition for review,
24 or the proceeding for judicial review, is finally adjudicated and the
25 assessment or increase in assessment is finally determined. However,
26 even though a petition for review or a proceeding for judicial review is
27 pending, the taxpayer shall pay taxes on the tangible property when the
28 property tax installments come due, unless the collection of the taxes
29 is enjoined under IC 33-26-6-2 pending a final determination in the
30 proceeding for judicial review. The amount of taxes which the taxpayer
31 is required to pay, pending the final determination of the assessment or
32 increase in assessment, shall be based on:

- 33 (1) the assessed value reported by the taxpayer on the taxpayer's
34 personal property return if a personal property assessment, or an
35 increase in such an assessment, is involved; or
- 36 (2) an amount based on the immediately preceding year's
37 assessment of real property if an assessment, or increase in
38 assessment, of real property is involved.

39 (b) If the petition for review or the proceeding for judicial review is
40 not finally determined by the last installment date for the taxes, the
41 taxpayer, upon showing of cause by a taxing official or at the tax court's
42 discretion, may be required to post a bond or provide other security in

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1 an amount not to exceed the taxes resulting from the contested
2 assessment or increase in assessment.

3 (c) Each county auditor shall keep separate on the tax duplicate a
4 record of that portion of the assessed value of property that is described
5 in IC 6-1.1-17-0.5(b). When establishing rates and calculating state
6 school support, the department of local government finance shall
7 exclude from assessed value in the county the **net** assessed value of
8 property kept separate on the tax duplicate by the county auditor under
9 IC 6-1.1-17-0.5.

10 SECTION 20. IC 6-1.1-17-0.5, AS AMENDED BY
11 P.L.182-2009(ss), SECTION 113, IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 0.5. (a) For purposes
13 of this section, "**net assessed value**" ~~has the meaning set forth in~~
14 ~~IC 6-1.1-1-3(a)~~: **means assessed value after the application of**
15 **deductions, exemptions, and abatelements.**

16 (b) The county auditor may exclude and keep separate on the tax
17 duplicate for taxes payable in a calendar year the **net** assessed value of
18 tangible property that meets the following conditions:

- 19 (1) The **net** assessed value of the property is at least nine percent
20 (9%) of the **net** assessed value of all tangible property subject to
21 taxation by a taxing ~~unit~~: **district.**
- 22 (2) The property is or has been part of a bankruptcy estate that is
23 subject to protection under the federal bankruptcy code.
- 24 (3) The owner of the property has discontinued all business
25 operations on the property.
- 26 (4) There is a high probability that the taxpayer will not pay
27 property taxes due on the property in the following year.

28 (c) This section does not limit, restrict, or reduce in any way the
29 property tax liability on the property.

30 (d) For each taxing ~~unit~~ **district** located in the county, the county
31 auditor may reduce for a calendar year the taxing ~~unit's~~ **district's net**
32 assessed value that is certified to the department of local government
33 finance under section 1 of this chapter and used to set tax rates for the
34 taxing ~~unit~~ **district** for taxes first due and payable in the immediately
35 succeeding calendar year. The county auditor may reduce a taxing
36 ~~unit's~~ **district's net** assessed value under this subsection only to enable
37 the taxing ~~unit~~ **district** to absorb the effects of reduced property tax
38 collections in the immediately succeeding calendar year that are
39 expected to result from any or a combination of the following:

- 40 (1) Successful appeals of the assessed value of property located
41 in the taxing ~~unit~~: **district.**
- 42 (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that

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1 result from the granting of applications for the standard deduction
2 for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after
3 the county auditor certifies **net** assessed value as described in this
4 section.

5 (3) Deductions that result from the granting of applications for
6 deductions for the calendar year under IC 6-1.1-12-44 after the
7 county auditor certifies **net** assessed value as described in this
8 section.

9 (4) Reassessments of real property under IC 6-1.1-4-11.5.
10 Not later than December 31 of each year, the county auditor shall send
11 a certified statement, under the seal of the board of county
12 commissioners, to the fiscal officer of each political subdivision of the
13 county and to the department of local government finance. The
14 certified statement must list any adjustments to the amount of the
15 reduction under this subsection and the information submitted under
16 section 1 of this chapter that are necessary. The county auditor shall
17 keep separately on the tax duplicate the amount of any reductions made
18 under this subsection. The maximum amount of the reduction
19 authorized under this subsection is determined under subsection (e).

20 (e) The amount of the reduction in a taxing ~~unit's~~ **district's net**
21 assessed value for a calendar year under subsection (d) may not exceed
22 two percent (2%) of the **net** assessed value of tangible property subject
23 to assessment in the taxing ~~unit~~ **district** in that calendar year.

24 (f) The amount of a reduction under subsection (d) may not be
25 offered in a proceeding before the:

- 26 (1) county property tax assessment board of appeals;
- 27 (2) Indiana board; or
- 28 (3) Indiana tax court;

29 as evidence that a particular parcel has been improperly assessed.

30 SECTION 21. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,
31 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2012]: Sec. 1. (a) On or before August 1 of each year, the
33 county auditor shall send a certified statement, under the seal of the
34 board of county commissioners, to the fiscal officer of each political
35 subdivision of the county and the department of local government
36 finance. The statement shall contain:

- 37 (1) information concerning the assessed valuation in the political
38 subdivision for the next calendar year;
- 39 (2) an estimate of the taxes to be distributed to the political
40 subdivision during the last six (6) months of the current calendar
41 year;
- 42 (3) the current assessed valuation as shown on the abstract of

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- 1 charges;
- 2 (4) the average growth in assessed valuation in the political
- 3 subdivision over the preceding three (3) budget years, excluding
- 4 years in which a general reassessment occurs, determined
- 5 according to procedures established by the department of local
- 6 government finance;
- 7 (5) the amount of the political subdivision's **net** assessed
- 8 valuation reduction determined under section 0.5(d) of this
- 9 chapter;
- 10 (6) for counties with taxing units that cross into or intersect with
- 11 other counties, the assessed valuation as shown on the most
- 12 current abstract of property; and
- 13 (7) any other information at the disposal of the county auditor that
- 14 might affect the assessed value used in the budget adoption
- 15 process.
- 16 (b) The estimate of taxes to be distributed shall be based on:
- 17 (1) the abstract of taxes levied and collectible for the current
- 18 calendar year, less any taxes previously distributed for the
- 19 calendar year; and
- 20 (2) any other information at the disposal of the county auditor
- 21 which might affect the estimate.
- 22 (c) The fiscal officer of each political subdivision shall present the
- 23 county auditor's statement to the proper officers of the political
- 24 subdivision.
- 25 (d) Subject to subsection (e), after the county auditor sends a
- 26 certified statement under subsection (a) or an amended certified
- 27 statement under this subsection with respect to a political subdivision
- 28 and before the department of local government finance certifies its
- 29 action with respect to the political subdivision under section 16(f) of
- 30 this chapter, the county auditor may amend the information concerning
- 31 assessed valuation included in the earlier certified statement. The
- 32 county auditor shall send a certified statement amended under this
- 33 subsection, under the seal of the board of county commissioners, to:
- 34 (1) the fiscal officer of each political subdivision affected by the
- 35 amendment; and
- 36 (2) the department of local government finance.
- 37 (e) Except as provided in subsection (f), before the county auditor
- 38 makes an amendment under subsection (d), the county auditor must
- 39 provide an opportunity for public comment on the proposed
- 40 amendment at a public hearing. The county auditor must give notice of
- 41 the hearing under IC 5-3-1. If the county auditor makes the amendment
- 42 as a result of information provided to the county auditor by an assessor,

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1 the county auditor shall give notice of the public hearing to the
2 assessor.

3 (f) The county auditor is not required to hold a public hearing under
4 subsection (e) if:

- 5 (1) the amendment under subsection (d) is proposed to correct a
- 6 mathematical error made in the determination of the amount of
- 7 assessed valuation included in the earlier certified statement;
- 8 (2) the amendment under subsection (d) is proposed to add to the
- 9 amount of assessed valuation included in the earlier certified
- 10 statement assessed valuation of omitted property discovered after
- 11 the county auditor sent the earlier certified statement; or
- 12 (3) the county auditor determines that the amendment under
- 13 subsection (d) will not result in an increase in the tax rate or tax
- 14 rates of the political subdivision.

15 SECTION 22. IC 6-1.1-17-3, AS AMENDED BY P.L.182-2009(ss),
16 SECTION 114, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The proper officers of a
18 political subdivision shall formulate its estimated budget and its
19 proposed tax rate and tax levy on the form prescribed by the
20 department of local government finance and approved by the state
21 board of accounts. The political subdivision **or appropriate fiscal**
22 **body, if the political subdivision is subject to section 20 of this**
23 **chapter**, shall give notice by publication to taxpayers of:

- 24 (1) the estimated budget;
- 25 (2) the estimated maximum permissible levy;
- 26 (3) the current and proposed tax levies of each fund; and
- 27 (4) the amounts of excessive levy appeals to be requested.

28 ~~In the notice~~, The political subdivision **or appropriate fiscal body**
29 shall also state the time and place at which **the political subdivision**
30 **or appropriate fiscal body will hold** a public hearing ~~will be held~~ on
31 these items. The **political subdivision or appropriate fiscal body**
32 **shall publish the notice shall be published** twice in accordance with
33 IC 5-3-1 with the first publication at least ten (10) days before the date
34 fixed for the public hearing. ~~Beginning in 2009, The duties required by~~
35 ~~this subsection must be completed before September 10 of the calendar~~
36 ~~year. The first publication must be before September 14, and the~~
37 ~~second publication must be before September 21 of the year. The~~
38 **political subdivision shall pay for the publishing of the notice.**

39 (b) The board of directors of a solid waste management district
40 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
41 conduct the public hearing required under subsection (a):

- 42 (1) in any county of the solid waste management district; and

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1 (2) in accordance with the annual notice of meetings published
 2 under IC 13-21-5-2.

3 (c) The trustee of each township in the county shall estimate the
 4 amount necessary to meet the cost of township assistance in the
 5 township for the ensuing calendar year. The township board shall adopt
 6 with the township budget a tax rate sufficient to meet the estimated cost
 7 of township assistance. The taxes collected as a result of the tax rate
 8 adopted under this subsection are credited to the township assistance
 9 fund.

10 (d) ~~This subsection expires January 1, 2009. A county shall adopt~~
 11 ~~with the county budget and the department of local government finance~~
 12 ~~shall certify under section 16 of this chapter a tax rate sufficient to raise~~
 13 ~~the levy necessary to pay the following:~~

14 (1) ~~The cost of child services (as defined in IC 12-19-7-1) of the~~
 15 ~~county payable from the family and children's fund.~~

16 (2) ~~The cost of children's psychiatric residential treatment~~
 17 ~~services (as defined in IC 12-19-7.5-1) of the county payable from~~
 18 ~~the children's psychiatric residential treatment services fund.~~

19 ~~A budget, tax rate, or tax levy adopted by a county fiscal body or~~
 20 ~~approved or modified by a county board of tax adjustment that is less~~
 21 ~~than the levy necessary to pay the costs described in subdivision (1) or~~
 22 ~~(2) shall not be treated as a final budget, tax rate, or tax levy under~~
 23 ~~section 11 of this chapter.~~

24 SECTION 23. IC 6-1.1-17-3.5, AS AMENDED BY
 25 P.L.182-2009(ss), SECTION 115, IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.5. (a) This section
 27 does not apply to ~~civil~~ taxing units located in a county in which a
 28 county board of tax adjustment reviews budgets, tax rates, and tax
 29 levies. This section does not apply to a ~~civil~~ taxing unit that has its
 30 proposed budget and proposed property tax levy approved under
 31 section 20 of this chapter or IC 36-3-6-9.

32 (b) This section applies to a ~~civil~~ taxing unit other than a county. If
 33 a ~~civil~~ taxing unit will impose property taxes due and payable in the
 34 ensuing calendar year, the ~~civil~~ taxing unit shall file **the following**
 35 **information in the manner prescribed by the department of local**
 36 **government finance** with the fiscal body of the county in which the
 37 ~~civil~~ taxing unit is located:

38 (1) A statement of the proposed or estimated tax rate and tax levy
 39 for the ~~civil~~ taxing unit for the ensuing budget year. ~~and~~

40 (2) **In the case of a taxing unit other than a school**
 41 **corporation**, a copy of the ~~civil~~ taxing unit's proposed budget for
 42 the ensuing budget year.

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1 (c) In the case of a ~~civil~~ taxing unit located in more than one (1)
 2 county, the ~~civil~~ taxing unit shall file the information under subsection
 3 (b) with the fiscal body of the county in which the greatest part of the
 4 ~~civil~~ taxing unit's net assessed valuation is located.

5 (d) A ~~civil~~ taxing unit must file the information under subsection (b)
 6 at least forty-five (45) days before the ~~civil~~ taxing unit fixes its tax rate
 7 and tax levy and adopts its budget under this chapter: **before**
 8 **September 2 of a year.**

9 (e) A county fiscal body shall complete the following at least fifteen
 10 (15) days before the ~~civil~~ taxing unit fixes its tax rate and tax levy and
 11 adopts its budget under this chapter: **in a manner prescribed by the**
 12 **department of local government finance before October 2 of a**
 13 **year:**

14 (1) Review any proposed or estimated tax rate or tax levy or
 15 proposed budget filed by a ~~civil~~ taxing unit with the county fiscal
 16 body under this section.

17 **(2) In the case of a taxing unit other than a school**
 18 **corporation, review any proposed or estimated budget filed by**
 19 **a taxing unit with the county fiscal body under this section.**

20 ~~(2)~~ **(3) Issue a nonbinding recommendation to a ~~civil~~ taxing unit**
 21 **regarding the ~~civil~~ taxing unit's proposed or estimated tax rate or**
 22 **tax levy. or proposed budget.**

23 **(4) In the case of a taxing unit other than a school**
 24 **corporation, issue a nonbinding recommendation to a taxing**
 25 **unit regarding the taxing unit's proposed budget.**

26 (f) The recommendation under subsection (e) must include a
 27 comparison of any increase in the ~~civil~~ taxing unit's budget or tax levy
 28 to:

29 (1) the average increase in Indiana nonfarm personal income for
 30 the preceding six (6) calendar years and the average increase in
 31 nonfarm personal income for the county for the preceding six (6)
 32 calendar years; and

33 (2) increases in the budgets and tax levies of other ~~civil~~ taxing
 34 units in the county.

35 (g) The department of local government finance must provide each
 36 county fiscal body with the most recent available information
 37 concerning increases in Indiana nonfarm personal income and
 38 increases in county nonfarm personal income.

39 (h) If a ~~civil~~ taxing unit fails to file the information required by
 40 subsection (b) with the fiscal body of the county in which the ~~civil~~
 41 taxing unit is located by the time prescribed in subsection (d), the most
 42 recent annual appropriations and annual tax levy of that ~~civil~~ taxing



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1 unit are continued for the ensuing budget year.

2 (i) If a county fiscal body fails to complete the requirements of
3 subsection (e) before the deadline in subsection (e) for any ~~civil~~ taxing
4 unit subject to this section, the most recent annual appropriations and
5 annual tax levy of the county are continued for the ensuing budget year.

6 SECTION 24. IC 6-1.1-17-8.5, AS ADDED BY P.L.154-2006,
7 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2012]: Sec. 8.5. (a) If a county auditor reduces a taxing unit's
9 **net** assessed valuation under section 0.5(d) of this chapter, the
10 department of local government finance shall, in the manner prescribed
11 in section 16 of this chapter, review the budget, tax rate, and tax levy
12 of the taxing unit.

13 (b) The county auditor may appeal to the department of local
14 government finance to reduce a taxing unit's **net** assessed valuation by
15 an amount that exceeds the limits set forth in section 0.5(e) of this
16 chapter. The department of local government finance:

17 (1) may require the county auditor to submit supporting
18 information with the county auditor's appeal;

19 (2) shall consider the appeal at the time of the review required by
20 subsection (a); and

21 (3) may approve, modify and approve, or reject the amount of the
22 reduction sought in the appeal.

23 SECTION 25. IC 6-1.1-17-16, AS AMENDED BY
24 P.L.182-2009(ss), SECTION 123, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 16. (a) Subject to the
26 limitations and requirements prescribed in this section, the department
27 of local government finance may revise, reduce, or increase a political
28 subdivision's budget by fund, tax rate, or tax levy which the department
29 reviews under section 8 or 10 of this chapter.

30 (b) Subject to the limitations and requirements prescribed in this
31 section, the department of local government finance may review,
32 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
33 any of the political subdivisions whose tax rates compose the aggregate
34 tax rate within a political subdivision whose budget, tax rate, or tax
35 levy is the subject of an appeal initiated under this chapter.

36 (c) Except as provided in subsections (j) and (k), before the
37 department of local government finance reviews, revises, reduces, or
38 increases a political subdivision's budget by fund, tax rate, or tax levy
39 under this section, the department must hold a public hearing on the
40 budget, tax rate, and tax levy. The department of local government
41 finance shall hold the hearing in the county in which the political
42 subdivision is located. The department of local government finance

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1 may consider the budgets by fund, tax rates, and tax levies of several
 2 political subdivisions at the same public hearing. At least five (5) days
 3 before the date fixed for a public hearing, the department of local
 4 government finance shall give notice of the time and place of the
 5 hearing and of the budgets by fund, levies, and tax rates to be
 6 considered at the hearing. The department of local government finance
 7 shall publish the notice in two (2) newspapers of general circulation
 8 published in the county. However, if only one (1) newspaper of general
 9 circulation is published in the county, the department of local
 10 government finance shall publish the notice in that newspaper.

11 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
 12 the department of local government finance may not increase a political
 13 subdivision's budget by fund, tax rate, or tax levy to an amount which
 14 exceeds the amount originally fixed by the political subdivision.
 15 However, if the department of local government finance determines
 16 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
 17 political subdivision, the maximum amount by which the department
 18 may increase the tax rate, tax levy, or budget is the amount originally
 19 fixed by the political subdivision, and not the amount that was
 20 incorrectly published or omitted in the notice described in
 21 IC 5-3-1-2.3(b). The department of local government finance shall give
 22 the political subdivision ~~written~~ notification **electronically in the**
 23 **manner prescribed by the department of local government finance**
 24 specifying any revision, reduction, or increase the department proposes
 25 in a political subdivision's tax levy or tax rate. The political subdivision
 26 has ten (10) calendar days from the date the political subdivision
 27 receives the notice to provide a ~~written~~ response **to electronically in**
 28 **the manner prescribed by** the department of local government
 29 ~~finance's Indianapolis office.~~ **finance.** The response may include
 30 budget reductions, reallocation of levies, a revision in the amount of
 31 miscellaneous revenues, and further review of any other item about
 32 which, in the view of the political subdivision, the department is in
 33 error. The department of local government finance shall consider the
 34 adjustments as specified in the political subdivision's response if the
 35 response is provided as required by this subsection and shall deliver a
 36 final decision to the political subdivision.

37 (e) The department of local government finance may not approve a
 38 levy for lease payments by a city, town, county, library, or school
 39 corporation if the lease payments are payable to a building corporation
 40 for use by the building corporation for debt service on bonds and if:

- 41 (1) no bonds of the building corporation are outstanding; or
- 42 (2) the building corporation has enough legally available funds on



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1 hand to redeem all outstanding bonds payable from the particular
2 lease rental levy requested.

3 (f) The department of local government finance shall certify its
4 action to:

- 5 (1) the county auditor;
- 6 (2) the political subdivision if the department acts pursuant to an
7 appeal initiated by the political subdivision;
- 8 (3) the taxpayer that initiated an appeal under section 13 of this
9 chapter, or, if the appeal was initiated by multiple taxpayers, the
10 first ten (10) taxpayers whose names appear on the statement filed
11 to initiate the appeal; and
- 12 (4) a taxpayer that owns property that represents at least ten
13 percent (10%) of the taxable assessed valuation in the political
14 subdivision.

15 (g) The following may petition for judicial review of the final
16 determination of the department of local government finance under
17 subsection (f):

- 18 (1) If the department acts under an appeal initiated by a political
19 subdivision, the political subdivision.
- 20 (2) If the department:
 - 21 (A) acts under an appeal initiated by one (1) or more taxpayers
22 under section 13 of this chapter; or
 - 23 (B) fails to act on the appeal before the department certifies its
24 action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- 25 (3) If the department acts under an appeal initiated by the county
26 auditor under section 14 of this chapter, the county auditor.
- 27 (4) A taxpayer that owns property that represents at least ten
28 percent (10%) of the taxable assessed valuation in the political
29 subdivision.
30

31 The petition must be filed in the tax court not more than forty-five (45)
32 days after the department certifies its action under subsection (f).

33 (h) The department of local government finance is expressly
34 directed to complete the duties assigned to it under this section not later
35 than February 15th of each year for taxes to be collected during that
36 year.

37 (i) Subject to the provisions of all applicable statutes, the
38 department of local government finance may increase a political
39 subdivision's tax levy to an amount that exceeds the amount originally
40 fixed by the political subdivision if the increase is:

- 41 (1) requested in writing by the officers of the political
42 subdivision;

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- 1 (2) either:
- 2 (A) based on information first obtained by the political
- 3 subdivision after the public hearing under section 3 of this
- 4 chapter; or
- 5 (B) results from an inadvertent mathematical error made in
- 6 determining the levy; and
- 7 (3) published by the political subdivision according to a notice
- 8 provided by the department.

9 (j) The department of local government finance shall annually
 10 review the budget by fund of each school corporation not later than
 11 April 1. The department of local government finance shall give the
 12 school corporation written notification specifying any revision,
 13 reduction, or increase the department proposes in the school
 14 corporation's budget by fund. A public hearing is not required in
 15 connection with this review of the budget.

16 (k) The department of local government finance may hold a hearing
 17 under subsection (c) only if the notice required in section 12 of this
 18 chapter is published at least ten (10) days before the date of the
 19 hearing.

20 SECTION 26. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010,
 21 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2012]: Sec. 20. (a) This section applies to each governing
 23 body of a taxing unit that

24 ~~(1)~~ is not comprised of a majority of officials who are elected to
 25 serve on the governing body. ~~and~~

- 26 ~~(2)~~ either:
- 27 ~~(A)~~ is:
 - 28 ~~(i)~~ a conservancy district subject to IC 14-33-9;
 - 29 ~~(ii)~~ a solid waste management district subject to IC 13-21;
 - 30 or
 - 31 ~~(iii)~~ a fire protection district subject to IC 36-8-11-18; or
- 32 ~~(B)~~ has a percentage increase in the proposed budget for the
 33 taxing unit for the ensuing calendar year that is more than the
 34 result of:
 - 35 ~~(i)~~ the assessed value growth quotient determined under
 - 36 IC 6-1.1-18.5-2 for the ensuing calendar year; minus
 - 37 ~~(ii)~~ one ~~(1)~~.

38 For purposes of this section, an individual who qualifies to be
 39 appointed to a governing body or serves on a governing body because
 40 of the individual's status as an elected official of another taxing unit
 41 shall be treated as an official who was not elected to serve on the
 42 governing body.

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1 (b) As used in this section, "taxing unit" has the meaning set forth
2 in IC 6-1.1-1-21, except that the term does not include:

3 ~~(1) a school corporation; or~~

4 **(1) a public library whose levies are subject to review and**
5 **modification under section 20.3 of this chapter; or**

6 (2) an entity whose tax levies are subject to review and
7 modification by a city-county legislative body under IC 36-3-6-9.

8 (c) If:

9 (1) the assessed valuation of a taxing unit is entirely contained
10 within a city or town; or

11 (2) the assessed valuation of a taxing unit is not entirely contained
12 within a city or town but the taxing unit was originally established
13 by the city or town;

14 the governing body shall submit its proposed budget and property tax
15 levy to the city or town fiscal body. The proposed budget and levy shall
16 be submitted at least thirty (30) days before the city or town fiscal body
17 is required to hold budget approval hearings under this chapter.
18 However, in the case of a public library that is subject to this section
19 and is described in subdivision (2), the public library shall submit its
20 proposed budget and property tax levy to the county fiscal body in the
21 manner provided in subsection (d), rather than to the city or town fiscal
22 body, if more than fifty percent (50%) of the parcels of real property
23 within the jurisdiction of the public library are located outside the city
24 or town. **to the city or town fiscal body in the manner prescribed by**
25 **the department of local government finance before September 2 of**
26 **a year.**

27 (d) If subsection (c) does not apply, the governing body of the taxing
28 unit shall submit its proposed budget and property tax levy to the
29 county fiscal body in the county where the taxing unit has the most
30 assessed valuation. The proposed budget and levy shall be submitted
31 at least thirty (30) days before the county fiscal body is required to hold
32 budget approval hearings under this chapter. **to the county fiscal body**
33 **in the manner prescribed by the department of local government**
34 **finance before September 2 of a year.**

35 (e) The fiscal body of the city, town, or county (whichever applies)
36 shall review each budget and proposed tax levy and adopt a final
37 budget and tax levy for the taxing unit. The fiscal body may reduce or
38 modify but not increase the proposed budget or tax levy.

39 (f) If a taxing unit fails to file the information required in subsection
40 (c) or (d), whichever applies, with the appropriate fiscal body by the
41 time prescribed by this section, the most recent annual appropriations
42 and annual tax levy of that taxing unit are continued for the ensuing

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1 budget year.

2 (g) If the appropriate fiscal body fails to complete the requirements
3 of subsection (e) before the adoption deadline in section 5 of this
4 chapter for any taxing unit subject to this section, the most recent
5 annual appropriations and annual tax levy of the city, town, or county,
6 whichever applies, are continued for the ensuing budget year.

7 SECTION 27. IC 6-1.1-17-20.3 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2012]: **Sec. 20.3. (a) This section applies to**
10 **each governing body of a public library that:**

11 **(1) is not comprised of a majority of officials who are elected**
12 **to serve on the governing body; and**

13 **(2) has a percentage increase in the proposed budget for the**
14 **taxing unit for the ensuing calendar year that is more than the**
15 **result of:**

16 **(A) the assessed value growth quotient determined under**
17 **IC 6-1.1-18.5-2 for the ensuing calendar year; minus**

18 **(B) one (1).**

19 **For purposes of this section, an individual who qualifies to be**
20 **appointed to a governing body or serves on a governing body**
21 **because of the individual's status as an elected official of another**
22 **taxing unit shall be treated as an official who was not elected to**
23 **serve on the governing body.**

24 **(b) This section does not apply to:**

25 **(1) a school corporation;**

26 **(2) an entity whose tax levies are subject to review and**
27 **modification by a fiscal body under section 20 of this chapter;**
28 **or**

29 **(3) an entity whose tax levies are subject to review and**
30 **modification by a city-county legislative body under**
31 **IC 36-3-6-9.**

32 **(c) If:**

33 **(1) the assessed valuation of a public library is entirely**
34 **contained within a city or town; or**

35 **(2) the assessed valuation of a public library is not entirely**
36 **contained within a city or town but the public library was**
37 **originally established by the city or town;**

38 **the governing body shall submit its proposed budget and property**
39 **tax levy to the city or town fiscal body. The proposed budget and**
40 **levy shall be submitted at least thirty (30) days before the city or**
41 **town fiscal body is required to hold budget approval hearings**
42 **under this chapter. However, the governing body shall submit its**



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1 proposed budget and property tax levy to the county fiscal body in
 2 the manner provided in subsection (d), rather than to the city or
 3 town fiscal body, if more than fifty percent (50%) of the parcels of
 4 real property within the jurisdiction of the public library are
 5 located outside the city or town.

6 (d) If subsection (c) does not apply, the governing body of the
 7 public library shall submit its proposed budget and property tax
 8 levy to the county fiscal body in the county where the public
 9 library has the most assessed valuation. The proposed budget and
 10 levy shall be submitted at least thirty (30) days before the county
 11 fiscal body is required to hold budget approval hearings under this
 12 chapter.

13 (e) The fiscal body of the city, town, or county (whichever
 14 applies) shall review each budget and proposed tax levy and adopt
 15 a final budget and tax levy for the public library. The fiscal body
 16 may reduce or modify but not increase the proposed budget or tax
 17 levy.

18 (f) If a public library fails to file the information required in
 19 subsection (c) or (d), whichever applies, with the appropriate fiscal
 20 body by the time prescribed by this section, the most recent annual
 21 appropriations and annual tax levy of that public library are
 22 continued for the ensuing budget year.

23 (g) If the appropriate fiscal body fails to complete the
 24 requirements of subsection (e) before the adoption deadline in
 25 section 5 of this chapter for any public library subject to this
 26 section, the most recent annual appropriations and annual tax levy
 27 of the city, town, or county, whichever applies, are continued for
 28 the ensuing budget year.

29 SECTION 28. IC 6-1.1-18-5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) If the proper
 31 officers of a political subdivision desire to appropriate more money for
 32 a particular year than the amount prescribed in the budget for that year
 33 as finally determined under this article, they shall give notice of their
 34 proposed additional appropriation. The notice shall state the time and
 35 place at which a public hearing will be held on the proposal. The notice
 36 shall be given once in accordance with IC 5-3-1-2(b).

37 (b) If the additional appropriation by the political subdivision is
 38 made from a fund that receives:

- 39 (1) distributions from the motor vehicle highway account
 40 established under IC 8-14-1-1 or the local road and street account
 41 established under IC 8-14-2-4; or
 42 (2) revenue from property taxes levied under IC 6-1.1;



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1 the political subdivision must report the additional appropriation to the
 2 department of local government finance. If the additional appropriation
 3 is made from a fund described under this subsection, subsections (f),
 4 (g), (h), and (i) apply to the political subdivision.

5 (c) However, if the additional appropriation is not made from a fund
 6 described under subsection (b), subsections (f), (g), (h), and (i) do not
 7 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 8 not apply to an additional appropriation made from the cumulative
 9 bridge fund if the appropriation meets the requirements under
 10 IC 8-16-3-3(c).

11 (d) A political subdivision may make an additional appropriation
 12 without approval of the department of local government finance if the
 13 additional appropriation is made from a fund that is not described
 14 under subsection (b). However, the fiscal officer of the political
 15 subdivision shall report the additional appropriation to the department
 16 of local government finance.

17 (e) After the public hearing, the proper officers of the political
 18 subdivision shall file a certified copy of their final proposal and any
 19 other relevant information to the department of local government
 20 finance.

21 (f) When the department of local government finance receives a
 22 certified copy of a proposal for an additional appropriation under
 23 subsection (e), the department shall determine whether sufficient funds
 24 are available or will be available for the proposal. The determination
 25 shall be made in writing and sent to the political subdivision not more
 26 than fifteen (15) days after the department of local government finance
 27 receives the proposal.

28 (g) In making the determination under subsection (f), the
 29 department of local government finance shall limit the amount of the
 30 additional appropriation to revenues available, or to be made available,
 31 which have not been previously appropriated.

32 (h) If the department of local government finance disapproves an
 33 additional appropriation under subsection (f), the department shall
 34 specify the reason for its disapproval on the determination sent to the
 35 political subdivision.

36 (i) A political subdivision may request a reconsideration of a
 37 determination of the department of local government finance under this
 38 section by filing a written request for reconsideration. A request for
 39 reconsideration must:

- 40 (1) be filed with the department of local government finance
 41 within fifteen (15) days of the receipt of the determination by the
 42 political subdivision; and

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1 (2) state with reasonable specificity the reason for the request.
2 The department of local government finance must act on a request for
3 reconsideration within fifteen (15) days of receiving the request.

4 **(j) This subsection applies to an additional appropriation by a**
5 **political subdivision that must have the political subdivision's**
6 **annual appropriations and annual tax levy adopted by a city, town,**
7 **or county fiscal body under IC 6-1.1-17-20 or by a legislative or**
8 **fiscal body under IC 36-3-6-9. The fiscal or legislative body of the**
9 **city, town, or county that adopted the political subdivision's annual**
10 **appropriation and annual tax levy must adopt the additional**
11 **appropriation by ordinance before the department of local**
12 **government finance may approve the additional appropriation.**

13 SECTION 29. IC 6-1.1-20.6-9.8, AS ADDED BY P.L.172-2011,
14 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]: Sec. 9.8. (a) This section applies to property taxes first
16 due and payable after December 31, 2009.

17 (b) ~~As used in The following definitions this section:~~ apply
18 throughout this section:

19 (1) ~~"exempt taxes"~~ **"Debt service obligations of a political**
20 **subdivision"** refers to:

21 (A) the principal and interest payable during a calendar
22 year on bonds; and

23 (B) lease rental payments payable during a calendar year
24 on leases;

25 of a political subdivision payable from ad valorem property
26 taxes.

27 (2) **"Protected taxes"** refers to the following:

28 (A) Property taxes that are exempted from the application of
29 a credit granted under section 7 or 7.5 of this chapter by
30 section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another
31 law. and (2) ~~"nonexempt taxes"~~

32 (B) **Property taxes imposed by a political subdivision to**
33 **pay for debt service obligations of a political subdivision**
34 **that are not exempted from the application of a credit**
35 **granted under section 7 or 7.5 of this chapter by section**
36 **7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or any other law.**
37 **Property taxes described in this subsection are subject to**
38 **the credit granted under section 7 or 7.5 of this chapter by**
39 **section 7(b), 7(c), 7.5(b), or 7.5(c) regardless of their**
40 **designation as protected taxes.**

41 (3) **"Unprotected taxes"** refers to property taxes that are not
42 **exempt protected taxes.**

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1 (c) The total amount collected from ~~exempt protected~~ taxes shall be
 2 allocated to the fund for which the ~~exempt protected~~ taxes were
 3 imposed as if no credit were granted under section 7 or 7.5 of this
 4 chapter. The total amount of the loss in revenue resulting from the
 5 granting of credits under section 7 or 7.5 of this chapter must reduce
 6 only the amount of ~~nonexempt unprotected~~ property taxes distributed
 7 to a fund in proportion to the ~~nonexempt unprotected~~ rate tax imposed
 8 for that fund relative to the total of all ~~nonexempt unprotected~~ tax
 9 rates imposed by the taxing unit.

10 SECTION 30. IC 6-1.1-20.6-10, AS AMENDED BY P.L.172-2011,
 11 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 10. (a) As used in this section, "debt service
 13 obligations of a political subdivision" refers to:

- 14 (1) the principal and interest payable during a calendar year on
 15 bonds; and
 16 (2) lease rental payments payable during a calendar year on
 17 leases;

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

19 (b) Political subdivisions are required by law to fully fund the
 20 payment of their debt obligations in an amount sufficient to pay any
 21 debt service or lease rentals on outstanding obligations, regardless of
 22 any reduction in property tax collections due to the application of tax
 23 credits granted under this chapter. ~~If the amount deposited in a fund~~
 24 ~~from which debt service obligations of the political subdivision are~~
 25 ~~paid is reduced as a result of the application of a credit granted under~~
 26 ~~this chapter below the amount needed to meet the debt service~~
 27 ~~obligations of a political subdivision as the obligations come due, the~~
 28 ~~political subdivision may transfer funds from one (1) or more of the~~
 29 ~~other funds of the political subdivision.~~

30 (c) Upon the failure of a political subdivision to pay any of the
 31 political subdivision's debt service obligations during a calendar year
 32 when due, the treasurer of state, upon being notified of the failure by
 33 a claimant, shall pay the unpaid debt service obligations that are due
 34 from money in the possession of the state that would otherwise be
 35 available for distribution to the political subdivision under any other
 36 law, deducting the payment from the amount distributed. A deduction
 37 under this subsection must be made:

- 38 (1) first from distributions of county adjusted gross income tax
 39 distributions under IC 6-3.5-1.1, county option income tax
 40 distributions under IC 6-3.5-6, or county economic development
 41 income tax distributions under IC 6-3.5-7 that would otherwise be
 42 distributed to the county under the schedule in IC 6-3.5-1.1-10,



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1 IC 6-3.5-1.1-21.1, IC 6-3.5-6-16, IC 6-3.5-6-17.3, IC 6-3.5-7-17,
2 and IC 6-3.5-7-17.3; and
3 (2) second from any other undistributed funds of the political
4 subdivision in the possession of the state.

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

9 SECTION 31. IC 6-1.1-20.6-11, AS ADDED BY P.L.146-2008,
10 SECTION 227, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2012]: Sec. 11. The ~~county auditor of each~~
12 ~~county shall certify to the~~ department of local government finance

13 ~~(1) the total amount of credits that are allowed under this chapter~~
14 ~~in the county for the calendar year; and~~

15 ~~(2) shall annually publish a report on its Internet web site that~~
16 ~~lists~~ the amount that each taxing unit's distribution of property
17 taxes will be reduced under section 9.5 of this chapter as a result
18 of the granting of the credits.

19 ~~If the amount of credits granted changes after the date the certification~~
20 ~~is made, the county auditor shall submit an amended certification to the~~
21 ~~department of local government finance. The initial certification and~~
22 ~~the amended certifications shall be submitted to the department of local~~
23 ~~government finance on the schedule prescribed by the department of~~
24 ~~local government finance.~~

25 SECTION 32. IC 6-1.1-21.8-5, AS AMENDED BY P.L.146-2008,
26 SECTION 245, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2012]: Sec. 5. The maximum amount that the
28 board may loan to a qualified taxing unit is determined under STEP
29 FOUR of the following formula:

30 STEP ONE: Determine the amount of the taxpayer's property
31 taxes due and payable in November 2001 that are attributable to
32 the qualified taxing unit as determined by the department of local
33 government finance.

34 STEP TWO: Multiply the STEP ONE amount by one and
35 thirty-one thousandths (1.031).

36 STEP THREE: Multiply the STEP TWO product by two (2).

37 STEP FOUR: Add the STEP ONE amount to the STEP THREE
38 product.

39 However, in the case of a qualified taxing unit that is a school
40 corporation, the amount determined under STEP FOUR shall be
41 reduced by the board to the extent that the school corporation receives
42 relief in the form of adjustments to the school corporation's **net**

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1 assessed valuation under IC 6-1.1-17-0.5 or **assessed valuation under**
 2 IC 6-1.1-19-5.3.

3 SECTION 33. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010,
 4 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2012]: Sec. 8.1. (a) The county treasurer shall:

6 (1) except as provided in ~~subsection~~ **subsections (h) and (i)**, mail
 7 to the last known address of each person liable for any property
 8 taxes or special assessment, as shown on the tax duplicate or
 9 special assessment records, or to the last known address of the
 10 most recent owner shown in the transfer book; and

11 (2) transmit by written, electronic, or other means to a mortgagee
 12 maintaining an escrow account for a person who is liable for any
 13 property taxes or special assessments, as shown on the tax
 14 duplicate or special assessment records;

15 a statement in the form required under subsection (b). ~~However, for~~
 16 ~~property taxes first due and payable in 2008, the county treasurer may~~
 17 ~~choose to use a tax statement that is different from the tax statement~~
 18 ~~prescribed by the department under subsection (b).~~ If a county chooses
 19 to use a different tax statement, the county must still transmit (with the
 20 tax bill) the statement in either color type or black-and-white type.

21 (b) The department of local government finance shall prescribe a
 22 form, subject to the approval of the state board of accounts, for the
 23 statement under subsection (a) that includes at least the following:

24 (1) A statement of the taxpayer's current and delinquent taxes and
 25 special assessments.

26 (2) A breakdown showing the total property tax and special
 27 assessment liability and the amount of the taxpayer's liability that
 28 will be distributed to each taxing unit in the county.

29 (3) An itemized listing for each property tax levy, including:

30 (A) the amount of the tax rate;

31 (B) the entity levying the tax owed; and

32 (C) the dollar amount of the tax owed.

33 (4) Information designed to show the manner in which the taxes
 34 and special assessments billed in the tax statement are to be used.

35 (5) A comparison showing any change in the assessed valuation
 36 for the property as compared to the previous year.

37 (6) A comparison showing any change in the property tax and
 38 special assessment liability for the property as compared to the
 39 previous year. The information required under this subdivision
 40 must identify:

41 (A) the amount of the taxpayer's liability distributable to each
 42 taxing unit in which the property is located in the current year

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- 1 and in the previous year; and
- 2 (B) the percentage change, if any, in the amount of the
- 3 taxpayer's liability distributable to each taxing unit in which
- 4 the property is located from the previous year to the current
- 5 year.
- 6 (7) An explanation of the following:
 - 7 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 8 another law that are available in the taxing district where the
 - 9 property is located.
 - 10 (B) All property tax deductions that are available in the taxing
 - 11 district where the property is located.
 - 12 (C) The procedure and deadline for filing for any available
 - 13 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 14 another law and each deduction.
 - 15 (D) The procedure that a taxpayer must follow to:
 - 16 (i) appeal a current assessment; or
 - 17 (ii) petition for the correction of an error related to the
 - 18 taxpayer's property tax and special assessment liability.
 - 19 (E) The forms that must be filed for an appeal or a petition
 - 20 described in clause (D).
 - 21 (F) The procedure and deadline that a taxpayer must follow
 - 22 and the forms that must be used if a credit or deduction has
 - 23 been granted for the property and the taxpayer is no longer
 - 24 eligible for the credit or deduction.
 - 25 (G) Notice that an appeal described in clause (D) requires
 - 26 evidence relevant to the true tax value of the taxpayer's
 - 27 property as of the assessment date that is the basis for the taxes
 - 28 payable on that property.
- 29 The department of local government finance shall provide the
- 30 explanation required by this subdivision to each county treasurer.
- 31 (8) A checklist that shows:
 - 32 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 33 another law and all property tax deductions; and
 - 34 (B) whether each homestead credit and property tax deduction
 - 35 applies in the current statement for the property transmitted
 - 36 under subsection (a).
- 37 (9) This subdivision applies to any property for which a deduction
- 38 or credit is listed under subdivision (8) if the notice required
- 39 under this subdivision was not provided to a taxpayer on a
- 40 reconciling statement under IC 6-1.1-22.5-12. The statement must
- 41 include in 2010, 2011, and 2012, a notice that must be returned
- 42 by the taxpayer to the county auditor with the taxpayer's

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1 verification of the items required by this subdivision. The notice
 2 must explain the tax consequences and applicable penalties if a
 3 taxpayer unlawfully claims a standard deduction under
 4 IC 6-1.1-12-37 on:

5 (A) more than one (1) parcel of property; or

6 (B) property that is not the taxpayer's principal place of
 7 residence or is otherwise not eligible for the standard
 8 deduction.

9 The notice must include a place for the taxpayer to indicate, under
 10 penalties of perjury, for each deduction and credit listed under
 11 subdivision (8), whether the property is eligible for the deduction
 12 or credit listed under subdivision (8). The notice must also
 13 include a place for each individual who qualifies the property for
 14 a deduction or credit listed in subdivision (8) to indicate the name
 15 of the individual and the name of the individual's spouse (if any),
 16 as the names appear in the records of the United States Social
 17 Security Administration for the purposes of the issuance of a
 18 Social Security card and Social Security number (or that they use
 19 as their legal names when they sign their names on legal
 20 documents), and either the last five (5) digits of each individual's
 21 Social Security number or, if an individual does not have a Social
 22 Security number, the numbers required from the individual under
 23 IC 6-1.1-12-37(e)(4)(B). The notice must explain that the
 24 taxpayer must complete and return the notice with the required
 25 information and that failure to complete and return the notice may
 26 result in disqualification of property for deductions and credits
 27 listed in subdivision (8), must explain how to return the notice,
 28 and must be on a separate form printed on paper that is a different
 29 color than the tax statement. The notice must be prepared in the
 30 form prescribed by the department of local government finance
 31 and include any additional information required by the
 32 department of local government finance. This subdivision expires
 33 January 1, 2015.

34 (c) The county treasurer may mail or transmit the statement one (1)
 35 time each year at least fifteen (15) days before the date on which the
 36 first or only installment is due. Whenever a person's tax liability for a
 37 year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this
 38 chapter, a statement that is mailed must include the date on which the
 39 installment is due and denote the amount of money to be paid for the
 40 installment. Whenever a person's tax liability is due in two (2)
 41 installments, a statement that is mailed must contain the dates on which
 42 the first and second installments are due and denote the amount of

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1 money to be paid for each installment. If a statement is returned to the
 2 county treasurer as undeliverable and the forwarding order is expired,
 3 the county treasurer shall notify the county auditor of this fact. Upon
 4 receipt of the county treasurer's notice, the county auditor may, at the
 5 county auditor's discretion, treat the property as not being eligible for
 6 any deductions under IC 6-1.1-12 or any homestead credits under
 7 IC 6-1.1-20.4 and IC 6-3.5-6-13.

8 (d) All payments of property taxes and special assessments shall be
 9 made to the county treasurer. The county treasurer, when authorized by
 10 the board of county commissioners, may open temporary offices for the
 11 collection of taxes in cities and towns in the county other than the
 12 county seat.

13 (e) The county treasurer, county auditor, and county assessor shall
 14 cooperate to generate the information to be included in the statement
 15 under subsection (b).

16 (f) The information to be included in the statement under subsection
 17 (b) must be simply and clearly presented and understandable to the
 18 average individual.

19 (g) After December 31, 2007, a reference in a law or rule to
 20 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated
 21 as a reference to this section.

22 (h) Transmission of statements and other information under this
 23 subsection applies in a county only if the county legislative body adopts
 24 an authorizing ordinance. Subject to subsection (i); (j), in a county in
 25 which an ordinance is adopted under this subsection for property taxes
 26 and special assessments first due and payable after 2009, a person may
 27 direct the county treasurer and county auditor to transmit the following
 28 to the person by electronic mail:

29 (1) A statement that would otherwise be sent by the county
 30 treasurer to the person by regular mail under subsection (a)(1),
 31 including a statement that reflects installment payment due dates
 32 under section 9.5 or 9.7 of this chapter.

33 (2) A provisional tax statement that would otherwise be sent by
 34 the county treasurer to the person by regular mail under
 35 IC 6-1.1-22.5-6.

36 (3) A reconciling tax statement that would otherwise be sent by
 37 the county treasurer to the person by regular mail under any of the
 38 following:

39 (A) Section 9 of this chapter.

40 (B) Section 9.7 of this chapter.

41 (C) IC 6-1.1-22.5-12, including a statement that reflects
 42 installment payment due dates under IC 6-1.1-22.5-18.5.

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- 1 ~~(4)~~ A statement that would otherwise be sent by the county
- 2 auditor to the person by regular mail under IC 6-1.1-17-3(b).
- 3 ~~(5)~~ **(4)** Any other information that:
- 4 (A) concerns the property taxes or special assessments; and
- 5 (B) would otherwise be sent:
 - 6 (i) by the county treasurer or the county auditor to the person
 - 7 by regular mail; and
 - 8 (ii) before the last date the property taxes or special
 - 9 assessments may be paid without becoming delinquent.
- 10 **(i) A county council may pass an ordinance to refrain from**
- 11 **collecting tax and special assessment liabilities from taxpayers that**
- 12 **each have total tax and special assessment liability of not more**
- 13 **than five dollars (\$5).**
- 14 ~~(j)~~ **(j)** For property with respect to which more than one (1) person
- 15 is liable for property taxes and special assessments, subsection (h)
- 16 applies only if all the persons liable for property taxes and special
- 17 assessments designate the electronic mail address for only one (1)
- 18 individual authorized to receive the statements and other information
- 19 referred to in subsection (h).
- 20 ~~(j)~~ **(k)** ~~Before 2010~~; The department of local government finance
- 21 shall create a form to be used to implement subsection (h). The county
- 22 treasurer and county auditor shall:
 - 23 (1) make the form created under this subsection available to the
 - 24 public;
 - 25 (2) transmit a statement or other information by electronic mail
 - 26 under subsection (h) to a person who, at least thirty (30) days
 - 27 before the anticipated general mailing date of the statement or
 - 28 other information, files the form created under this subsection:
 - 29 (A) with the county treasurer; or
 - 30 (B) with the county auditor; and
 - 31 (3) publicize the availability of the electronic mail option under
 - 32 this subsection through appropriate media in a manner reasonably
 - 33 designed to reach members of the public.
- 34 ~~(k)~~ **(l)** The form referred to in subsection ~~(j)~~ **(k)** must:
 - 35 (1) explain that a form filed as described in subsection ~~(j)~~**(2)**
 - 36 **(k)****(2)** remains in effect until the person files a replacement form
 - 37 to:
 - 38 (A) change the person's electronic mail address; or
 - 39 (B) terminate the electronic mail option under subsection (h);
 - 40 and
 - 41 (2) allow a person to do at least the following with respect to the
 - 42 electronic mail option under subsection (h):

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- 1 (A) Exercise the option.
- 2 (B) Change the person's electronic mail address.
- 3 (C) Terminate the option.
- 4 (D) For a person other than an individual, designate the
- 5 electronic mail address for only one (1) individual authorized
- 6 to receive the statements and other information referred to in
- 7 subsection (h).
- 8 (E) For property with respect to which more than one (1)
- 9 person is liable for property taxes and special assessments,
- 10 designate the electronic mail address for only one (1)
- 11 individual authorized to receive the statements and other
- 12 information referred to in subsection (h).

13 ~~(j)~~ **(m)** The form created under subsection ~~(j)~~ **(k)** is considered filed
 14 with the county treasurer or the county auditor on the postmark date. If
 15 the postmark is missing or illegible, the postmark is considered to be
 16 one (1) day before the date of receipt of the form by the county
 17 treasurer or the county auditor.

18 ~~(m)~~ **(n)** The county treasurer shall maintain a record that shows at
 19 least the following:

- 20 (1) Each person to whom a statement or other information is
- 21 transmitted by electronic mail under this section.
- 22 (2) The information included in the statement.
- 23 (3) Whether the person received the statement.

24 SECTION 34. IC 6-1.1-30-17, AS ADDED BY P.L.146-2008,
 25 SECTION 268, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2012]: Sec. 17. (a) Except as provided in
 27 subsection (c) and subject to subsection (d), the department of state
 28 revenue and the auditor of state shall, when requested by the
 29 department of local government finance, withhold a percentage of the
 30 distributions of county adjusted gross income tax distributions under
 31 IC 6-3.5-1.1, county option income tax distributions under IC 6-3.5-6,
 32 or county economic development income tax distributions under
 33 IC 6-3.5-7 that would otherwise be distributed to the county under the
 34 schedules in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-17,
 35 IC 6-3.5-6-17.3, IC 6-3.5-7-16, and IC 6-3.5-7-17.3, if:

- 36 ~~(1) local assessing officials have not provided information to the~~
- 37 ~~department of local government finance in a timely manner under~~
- 38 ~~IC 4-10-13-5(b);~~
- 39 ~~(2)~~ **(1)** the county assessor has not transmitted to the department
- 40 of local government finance by October 1 of the year in which the
- 41 distribution is scheduled to be made the data for all townships in
- 42 the county required to be transmitted under IC 6-1.1-4-25;

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- 1 ~~(3)~~ **(2)** the county auditor has not paid a bill for services under
- 2 IC 6-1.1-4-31.5 to the department of local government finance in
- 3 a timely manner;
- 4 ~~(4)~~ **(3)** the county assessor has not forwarded to the department of
- 5 local government finance in a timely manner sales disclosure
- 6 form data under IC 6-1.1-5.5-3;
- 7 ~~(5)~~ **(4)** the county auditor has not forwarded to the department of
- 8 local government finance the duplicate copies of all approved
- 9 exemption applications required to be forwarded by that date
- 10 under IC 6-1.1-11-8(a);
- 11 ~~(6)~~ **(5)** by the date the distribution is scheduled to be made, the
- 12 county auditor has not sent a certified statement required to be
- 13 sent by that date under IC 6-1.1-17-1 to the department of local
- 14 government finance;
- 15 ~~(7)~~ **(6)** the county does not maintain a certified computer system
- 16 that meets the requirements of IC 6-1.1-31.5-3.5;
- 17 ~~(8)~~ **(7)** the county auditor has not transmitted the data described
- 18 in IC 36-2-9-20 to the department of local government finance in
- 19 the form and on the schedule specified by IC 36-2-9-20;
- 20 ~~(9)~~ **(8)** the county has not established a parcel index numbering
- 21 system under 50 IAC 23-8-1 in a timely manner; or
- 22 ~~(10)~~ **(9)** a county official has not provided other information to the
- 23 department of local government finance in a timely manner as
- 24 required by the department of local government finance.

25 The percentage to be withheld is the percentage determined by the
 26 department of local government finance.

27 (b) Except as provided in subsection (e), money not distributed for
 28 the reasons stated in subsection (a) shall be distributed to the county
 29 when the department of local government finance determines that the
 30 failure to:

- 31 (1) provide information; or
- 32 (2) pay a bill for services;

33 has been corrected.

34 (c) The restrictions on distributions under subsection (a) do not
 35 apply if the department of local government finance determines that the
 36 failure to:

- 37 (1) provide information; or
- 38 (2) pay a bill for services;

39 in a timely manner is justified by unusual circumstances.

40 (d) The department of local government finance shall give the
 41 county auditor at least thirty (30) days notice in writing before the
 42 department of state revenue or the auditor of state withholds a

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1 distribution under subsection (a).

2 (e) Money not distributed for the reason stated in subsection (a)(3)
3 may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money
4 deposited under this subsection is not subject to distribution under
5 subsection (b).

6 (f) This subsection applies to a county that will not receive a
7 distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request
8 of the department of local government finance, an amount permitted to
9 be withheld under subsection (a) may be withheld from any state
10 revenues that would otherwise be distributed to the county or one (1)
11 or more taxing units in the county.

12 SECTION 35. IC 6-1.1-37-11 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) If a taxpayer is
14 entitled to a property tax refund or credit because an assessment is
15 decreased, the taxpayer shall also be paid, or credited with, interest on
16 the excess taxes that ~~he~~ **the taxpayer** paid at the rate of four percent
17 (4%) per annum.

18 (b) For purposes of this section and except as provided in subsection
19 (c), the interest shall be computed from the date on which the taxes
20 were paid or due, whichever is later, to the date of the refund or credit.
21 **If a taxpayer is sent a provisional tax statement and is later sent a**
22 **final or reconciling tax statement, interest shall be computed after**
23 **the date on which the taxes were paid or first due under the**
24 **provisional tax statement, whichever is later, through the date of**
25 **the refund or credit.**

26 (c) This subsection applies if a taxpayer who is entitled to a refund
27 or credit does not make a written request for the refund or credit to the
28 county auditor within forty-five (45) days after the final determination
29 of the county property tax assessment board of appeals, the state board
30 of tax commissioners, the department of local government finance, the
31 Indiana board, or the tax court that entitles the taxpayer to the refund
32 or credit. In the case of a taxpayer described in this subsection, the
33 interest shall be computed from the date on which the taxes were paid
34 or due to the date that is forty-five (45) days after the final
35 determination of the county property tax assessment board of appeals,
36 the state board of tax commissioners, the department of local
37 government finance, the Indiana board of tax review, or the Indiana tax
38 court. In any event, a property tax refund or credit must be issued not
39 later than ninety (90) days after the request is received.

40 SECTION 36. IC 6-1.1-41-3 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A political
42 subdivision that decides to establish a fund under this chapter must:

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1 (1) give notice of the proposal to the affected taxpayers; and
 2 (2) hold a public hearing on the proposal;
 3 before presenting the proposal to the department of local government
 4 finance for approval.

5 (b) Notice of the proposal and of the public hearing shall be given
 6 by publication in accordance with IC 5-3-1.

7 (c) For a cumulative fund authorized under IC 3-11-6 or
 8 IC 8-10-5-17, the political subdivision imposing a property tax levy
 9 shall post a notice of the proposal and the public hearing in three (3)
 10 public places in the political subdivision.

11 (d) A notice required by this section must describe the tax levy that
 12 will be imposed for the fund.

13 **(e) If a political subdivision adopts a proposal to establish a fund**
 14 **or modify a tax rate under this chapter at a public hearing held in**
 15 **accordance with this section, the political subdivision shall publish**
 16 **notice of adoption in accordance with IC 5-3-1-2(i) in a manner**
 17 **prescribed by the department of local government finance.**

18 SECTION 37. IC 6-1.1-41-5 IS REPEALED [EFFECTIVE JULY
 19 1, 2012]. Sec. 5: The department of local government finance shall
 20 require that a notice of submission under section 3 of this chapter be
 21 given to the taxpayers of the county. The notice shall be published in
 22 one (1) publication and posted in the same manner as required by
 23 section 3 of this chapter.

24 SECTION 38. IC 6-1.1-41-6 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. Not later than noon
 26 thirty (30) days after the publication of the notice of adoption required
 27 by section 3 of this chapter:

28 (1) at least ten (10) taxpayers in the taxing district, if the fund is
 29 authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4,
 30 IC 14-27-6-48, IC 14-33-21-2, IC 36-8-14-2, IC 36-9-4-48, or
 31 IC 36-10-4-36;

32 (2) at least twenty (20) taxpayers in a county served by a hospital,
 33 if the fund is authorized under IC 16-22-4-1;

34 (3) at least thirty (30) taxpayers in a tax district, if the fund is
 35 authorized under IC 36-10-3-21 or IC 36-10-7.5-19;

36 (4) at least fifty (50) taxpayers in a municipality, **township, or**
 37 **county**, if subdivision (1), (2), (3), or (5) does not apply; or

38 (5) at least one hundred (100) taxpayers in the county, if the fund
 39 is authorized by IC 3-11-6;

40 may file a petition with the county auditor stating their objections to an
 41 action described in section 2 of this chapter. Upon the filing of the
 42 petition, the county auditor shall immediately certify the petition to the

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1 department of local government finance.
2 SECTION 39. IC 6-1.1-41-9 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) After a hearing
4 upon a proposal **under section 7 of this chapter**, the department of
5 local government finance shall certify approval, disapproval, or
6 modification of the proposal to the county auditor.

7 (b) A:
8 (1) taxpayer who signed a petition filed under section 6 of this
9 chapter; or
10 (2) political subdivision against which a petition under section 6
11 of this chapter is filed;

12 may petition for judicial review of the final determination of the
13 department of local government finance under subsection (a). The
14 petition must be filed in the tax court not more than forty-five (45) days
15 after the department certifies its action under subsection (a).

16 SECTION 40. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011,
17 SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND
18 AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED
19 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 3.5. When used in this
21 article, the term "adjusted gross income" shall mean the following:

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

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

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

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

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

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

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

38 (C) the spouse of the taxpayer if a separate return is made by
39 the taxpayer and if the spouse, for the calendar year in which
40 the taxable year of the taxpayer begins, has no gross income
41 and is not the dependent of another taxpayer.

42 (5) Subtract:

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- 1 (A) *for taxable years beginning after December 31, 2004*, one
 2 thousand five hundred dollars (\$1,500) for each of the
 3 exemptions allowed under Section 151(c)(1)(B) of the Internal
 4 Revenue Code (as effective January 1, 2004); and
 5 (B) five hundred dollars (\$500) for each additional amount
 6 allowable under Section 63(f)(1) of the Internal Revenue Code
 7 if the adjusted gross income of the taxpayer, or the taxpayer
 8 and the taxpayer's spouse in the case of a joint return, is less
 9 than forty thousand dollars (\$40,000).
 10 This amount is in addition to the amount subtracted under
 11 subdivision (4).
 12 (6) Subtract an amount equal to the lesser of:
 13 (A) that part of the individual's adjusted gross income (as
 14 defined in Section 62 of the Internal Revenue Code) for that
 15 taxable year that is subject to a tax that is imposed by a
 16 political subdivision of another state and that is imposed on or
 17 measured by income; or
 18 (B) two thousand dollars (\$2,000).
 19 (7) Add an amount equal to the total capital gain portion of a
 20 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 21 Internal Revenue Code) if the lump sum distribution is received
 22 by the individual during the taxable year and if the capital gain
 23 portion of the distribution is taxed in the manner provided in
 24 Section 402 of the Internal Revenue Code.
 25 (8) Subtract any amounts included in federal adjusted gross
 26 income under Section 111 of the Internal Revenue Code as a
 27 recovery of items previously deducted as an itemized deduction
 28 from adjusted gross income.
 29 (9) Subtract any amounts included in federal adjusted gross
 30 income under the Internal Revenue Code which amounts were
 31 received by the individual as supplemental railroad retirement
 32 annuities under 45 U.S.C. 231 and which are not deductible under
 33 subdivision (1).
 34 ~~(10) Add an amount equal to the deduction allowed under Section~~
 35 ~~221 of the Internal Revenue Code for married couples filing joint~~
 36 ~~returns if the taxable year began before January 1, 1987.~~
 37 ~~(11) Add an amount equal to the interest excluded from federal~~
 38 ~~gross income by the individual for the taxable year under Section~~
 39 ~~128 of the Internal Revenue Code if the taxable year began before~~
 40 ~~January 1, 1985.~~
 41 ~~(12) (10) Subtract an amount equal to the amount of federal~~
 42 Social Security and Railroad Retirement benefits included in a

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1 taxpayer's federal gross income by Section 86 of the Internal
2 Revenue Code.

3 ~~(13)~~ (11) In the case of a nonresident taxpayer or a resident
4 taxpayer residing in Indiana for a period of less than the taxpayer's
5 entire taxable year, the total amount of the deductions allowed
6 pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to
7 an amount which bears the same ratio to the total as the taxpayer's
8 income taxable in Indiana bears to the taxpayer's total income.

9 ~~(14)~~ (12) In the case of an individual who is a recipient of
10 assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or
11 IC 12-15-7, subtract an amount equal to that portion of the
12 individual's adjusted gross income with respect to which the
13 individual is not allowed under federal law to retain an amount to
14 pay state and local income taxes.

15 ~~(15)~~ (13) In the case of an eligible individual, subtract the amount
16 of a Holocaust victim's settlement payment included in the
17 individual's federal adjusted gross income.

18 ~~(16)~~ For taxable years beginning after December 31, 1999, (14)
19 Subtract an amount equal to the portion of any premiums paid
20 during the taxable year by the taxpayer for a qualified long term
21 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
22 taxpayer's spouse, or both.

23 ~~(17)~~ (15) Subtract an amount equal to the lesser of:

24 (A) for a taxable year:

25 (i) including any part of 2004, the amount determined under
26 subsection (f); and

27 (ii) beginning after December 31, 2004, two thousand five
28 hundred dollars (\$2,500); or

29 (B) the amount of property taxes that are paid during the
30 taxable year in Indiana by the individual on the individual's
31 principal place of residence.

32 ~~(18)~~ (16) Subtract an amount equal to the amount of a September
33 11 terrorist attack settlement payment included in the individual's
34 federal adjusted gross income.

35 ~~(19)~~ (17) Add or subtract the amount necessary to make the
36 adjusted gross income of any taxpayer that owns property for
37 which bonus depreciation was allowed in the current taxable year
38 or in an earlier taxable year equal to the amount of adjusted gross
39 income that would have been computed had an election not been
40 made under Section 168(k) of the Internal Revenue Code to apply
41 bonus depreciation to the property in the year that it was placed
42 in service.

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

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1 added an amount to adjusted gross income in a previous year to
 2 offset the amount included in federal gross income as a result of
 3 the deferral of income arising from business indebtedness
 4 discharged in connection with the reacquisition after December
 5 31, 2008, and before January 1, 2011, of an applicable debt
 6 instrument, as provided in Section 108(i) of the Internal Revenue
 7 Code.

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

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

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

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

35 ~~(32)~~ (31) Add or subtract the amount necessary to make the
 36 adjusted gross income of any taxpayer that made an election
 37 under Section 181 of the Internal Revenue Code to expense costs
 38 for a qualified film or television production equal to the amount
 39 of adjusted gross income that would have been computed had an
 40 election for federal income tax purposes not been made for the
 41 year.

42 ~~(34)~~ (32) Add or subtract the amount necessary to make the

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

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

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

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

14 *(33) Add the amount excluded from federal gross income under*
15 *Section 103 of the Internal Revenue Code for interest received on*
16 *an obligation of a state other than Indiana, or a political*
17 *subdivision of such a state, that is acquired by the taxpayer after*
18 *December 31, 2011.*

19 ~~(35)~~ *(34) Add the amount deducted from gross income under*
20 *Section 198 of the Internal Revenue Code for the expensing of*
21 *environmental remediation costs.*

22 ~~(36)~~ *(35) Add the amount excluded from gross income under*
23 *Section 408(d)(8) of the Internal Revenue Code for a charitable*
24 *distribution from an individual retirement plan.*

25 ~~(37)~~ *(36) Add the amount deducted from gross income under*
26 *Section 222 of the Internal Revenue Code for qualified tuition*
27 *and related expenses.*

28 ~~(38)~~ *(37) Add the amount deducted from gross income under*
29 *Section 62(2)(D) of the Internal Revenue Code for certain*
30 *expenses of elementary and secondary school teachers.*

31 ~~(39)~~ *(38) Add the amount excluded from gross income under*
32 *Section 127 of the Internal Revenue Code as annual employer*
33 *provided education expenses.*

34 ~~(40)~~ ~~(39)~~ *(38) Add the amount deducted from gross income under*
35 *Section 179E of the Internal Revenue Code for any qualified*
36 *advanced mine safety equipment property.*

37 ~~(41)~~ ~~(40)~~ *Add the monthly amount excluded from gross income*
38 *under Section 132(f)(1)(A) and 132(f)(1)(B) that exceeds one*
39 *hundred dollars (\$100) a month for a qualified transportation*
40 *fringe.*

41 ~~(42)~~ ~~(41)~~ *(39) Add the amount deducted from gross income under*
42 *Section 221 of the Internal Revenue Code that exceeds the*

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1 amount the taxpayer could deduct under Section 221 of the
 2 Internal Revenue Code before it was amended by the Tax Relief,
 3 Unemployment Insurance Reauthorization, and Job Creation Act
 4 of 2010 (P.L. 111-312).

5 ~~(43)~~ ~~(42)~~ **(40)** Add the amount necessary to make the adjusted
 6 gross income of any taxpayer that placed any qualified leasehold
 7 improvement property in service during the taxable year and that
 8 was classified as 15-year property under Section 168(e)(3)(E)(iv)
 9 of the Internal Revenue Code equal to the amount of adjusted
 10 gross income that would have been computed had the
 11 classification not applied to the property in the year that it was
 12 placed into service.

13 ~~(44)~~ ~~(43)~~ **(41)** Add the amount necessary to make the adjusted
 14 gross income of any taxpayer that placed a motorsports
 15 entertainment complex in service during the taxable year and that
 16 was classified as 7-year property under Section 168(e)(3)(C)(ii)
 17 of the Internal Revenue Code equal to the amount of adjusted
 18 gross income that would have been computed had the
 19 classification not applied to the property in the year that it was
 20 placed into service.

21 ~~(45)~~ ~~(44)~~ **(42)** Add the amount deducted under Section 195 of the
 22 Internal Revenue Code for start-up expenditures that exceeds the
 23 amount the taxpayer could deduct under Section 195 of the
 24 Internal Revenue Code before it was amended by the Small
 25 Business Jobs Act of 2010 (P.L. 111-240).

26 ~~(46)~~ ~~(45)~~ **(43)** Add the amount necessary to make the adjusted
 27 gross income of any taxpayer for which tax was not imposed on
 28 the net recognized built-in gain of an S corporation under Section
 29 1374(d)(7) of the Internal Revenue Code as amended by the Small
 30 Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of
 31 adjusted gross income that would have been computed before
 32 Section 1374(d)(7) of the Internal Revenue Code as amended by
 33 the Small Business Jobs Act of 2010 (P.L. 111-240).

34 ~~(35)~~ **(44)** This subdivision does not apply to payments made for
 35 services provided to a business that was enrolled and
 36 participated in the E-Verify program (as defined in
 37 IC 22-5-1.7-3) during the time the taxpayer conducted business
 38 in Indiana in the taxable year. For a taxable year beginning after
 39 June 30, 2011, add the amount of any trade or business deduction
 40 allowed under the Internal Revenue Code for wages,
 41 reimbursements, or other payments made for services provided
 42 in Indiana by an individual for services as an employee, if the

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- 1 *individual was, during the period of service, prohibited from*
2 *being hired as an employee under 8 U.S.C. 1324a.*
- 3 (b) In the case of corporations, the same as "taxable income" (as
4 defined in Section 63 of the Internal Revenue Code) adjusted as
5 follows:
- 6 (1) Subtract income that is exempt from taxation under this article
7 by the Constitution and statutes of the United States.
- 8 (2) Add an amount equal to any deduction or deductions allowed
9 or allowable pursuant to Section 170 of the Internal Revenue
10 Code.
- 11 (3) Add an amount equal to any deduction or deductions allowed
12 or allowable pursuant to Section 63 of the Internal Revenue Code
13 for taxes based on or measured by income and levied at the state
14 level by any state of the United States.
- 15 (4) Subtract an amount equal to the amount included in the
16 corporation's taxable income under Section 78 of the Internal
17 Revenue Code.
- 18 (5) Add or subtract the amount necessary to make the adjusted
19 gross income of any taxpayer that owns property for which bonus
20 depreciation was allowed in the current taxable year or in an
21 earlier taxable year equal to the amount of adjusted gross income
22 that would have been computed had an election not been made
23 under Section 168(k) of the Internal Revenue Code to apply bonus
24 depreciation to the property in the year that it was placed in
25 service.
- 26 (6) Add an amount equal to any deduction allowed under Section
27 172 of the Internal Revenue Code.
- 28 (7) Add or subtract the amount necessary to make the adjusted
29 gross income of any taxpayer that placed Section 179 property (as
30 defined in Section 179 of the Internal Revenue Code) in service
31 in the current taxable year or in an earlier taxable year equal to the
32 amount of adjusted gross income that would have been computed
33 had an election for federal income tax purposes not been made for
34 the year in which the property was placed in service to take
35 deductions under Section 179 of the Internal Revenue Code in a
36 total amount exceeding twenty-five thousand dollars (\$25,000).
- 37 (8) Add an amount equal to the amount that a taxpayer claimed as
38 a deduction for domestic production activities for the taxable year
39 under Section 199 of the Internal Revenue Code for federal
40 income tax purposes.
- 41 (9) Add to the extent required by IC 6-3-2-20 the amount of
42 intangible expenses (as defined in IC 6-3-2-20) and any directly

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1 related intangible interest expenses (as defined in IC 6-3-2-20) for
2 the taxable year that reduced the corporation's taxable income (as
3 defined in Section 63 of the Internal Revenue Code) for federal
4 income tax purposes.

5 (10) Add an amount equal to any deduction for dividends paid (as
6 defined in Section 561 of the Internal Revenue Code) to
7 shareholders of a captive real estate investment trust (as defined
8 in section 34.5 of this chapter).

9 (11) Subtract income that is:

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

11 (B) included in the corporation's taxable income under the
12 Internal Revenue Code.

13 (12) Add an amount equal to any income not included in gross
14 income as a result of the deferral of income arising from business
15 indebtedness discharged in connection with the reacquisition after
16 December 31, 2008, and before January 1, 2011, of an applicable
17 debt instrument, as provided in Section 108(i) of the Internal
18 Revenue Code. Subtract from the adjusted gross income of any
19 taxpayer that added an amount to adjusted gross income in a
20 previous year the amount necessary to offset the amount included
21 in federal gross income as a result of the deferral of income
22 arising from business indebtedness discharged in connection with
23 the reacquisition after December 31, 2008, and before January 1,
24 2011, of an applicable debt instrument, as provided in Section
25 108(i) of the Internal Revenue Code.

26 (13) Add the amount necessary to make the adjusted gross income
27 of any taxpayer that placed qualified restaurant property in service
28 during the taxable year and that was classified as 15-year property
29 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
30 to the amount of adjusted gross income that would have been
31 computed had the classification not applied to the property in the
32 year that it was placed in service.

33 (14) Add the amount necessary to make the adjusted gross income
34 of any taxpayer that placed qualified retail improvement property
35 in service during the taxable year and that was classified as
36 15-year property under Section 168(e)(3)(E)(ix) of the Internal
37 Revenue Code equal to the amount of adjusted gross income that
38 would have been computed had the classification not applied to
39 the property in the year that it was placed in service.

40 (15) Add or subtract the amount necessary to make the adjusted
41 gross income of any taxpayer that claimed the special allowance
42 for qualified disaster assistance property under Section 168(n) of

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1 the Internal Revenue Code equal to the amount of adjusted gross
2 income that would have been computed had the special allowance
3 not been claimed for the property.

4 (16) Add or subtract the amount necessary to make the adjusted
5 gross income of any taxpayer that made an election under Section
6 179C of the Internal Revenue Code to expense costs for qualified
7 refinery property equal to the amount of adjusted gross income
8 that would have been computed had an election for federal
9 income tax purposes not been made for the year.

10 (17) Add or subtract the amount necessary to make the adjusted
11 gross income of any taxpayer that made an election under Section
12 181 of the Internal Revenue Code to expense costs for a qualified
13 film or television production equal to the amount of adjusted
14 gross income that would have been computed had an election for
15 federal income tax purposes not been made for the year.

16 (18) Add or subtract the amount necessary to make the adjusted
17 gross income of any taxpayer that treated a loss from the sale or
18 exchange of preferred stock in:

19 (A) the Federal National Mortgage Association, established
20 under the Federal National Mortgage Association Charter Act
21 (12 U.S.C. 1716 et seq.); or

22 (B) the Federal Home Loan Mortgage Corporation, established
23 under the Federal Home Loan Mortgage Corporation Act (12
24 U.S.C. 1451 et seq.);

25 as an ordinary loss under Section 301 of the Emergency Economic
26 Stabilization Act of 2008 in the current taxable year or in an
27 earlier taxable year equal to the amount of adjusted gross income
28 that would have been computed had the loss not been treated as
29 an ordinary loss.

30 *(19) Add the amount deducted from gross income under Section*
31 *198 of the Internal Revenue Code for the expensing of*
32 *environmental remediation costs.*

33 *(20) Add the amount deducted from gross income under Section*
34 *179E of the Internal Revenue Code for any qualified advanced*
35 *mine safety equipment property.*

36 *(21) Add the amount necessary to make the adjusted gross income*
37 *of any taxpayer that placed any qualified leasehold improvement*
38 *property in service during the taxable year and that was*
39 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
40 *the Internal Revenue Code equal to the amount of adjusted gross*
41 *income that would have been computed had the classification not*
42 *applied to the property in the year that it was placed into service.*

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1 (22) Add the amount necessary to make the adjusted gross income
 2 of any taxpayer that placed a motorsports entertainment complex
 3 in service during the taxable year and that was classified as
 4 7-year property under Section 168(e)(3)(C)(ii) of the Internal
 5 Revenue Code equal to the amount of adjusted gross income that
 6 would have been computed had the classification not applied to
 7 the property in the year that it was placed into service.

8 (23) Add the amount deducted under Section 195 of the Internal
 9 Revenue Code for start-up expenditures that exceeds the amount
 10 the taxpayer could deduct under Section 195 of the Internal
 11 Revenue Code before it was amended by the Small Business Jobs
 12 Act of 2010 (P.L. 111-240).

13 ~~(19)~~ **(24)** This subdivision does not apply to payments made for
 14 services provided to a business that was enrolled and
 15 participated in the E-Verify program (as defined in
 16 IC 22-5-1.7-3) during the time the taxpayer conducted business
 17 in Indiana in the taxable year. For a taxable year beginning after
 18 June 30, 2011, add the amount of any trade or business deduction
 19 allowed under the Internal Revenue Code for wages,
 20 reimbursements, or other payments made for services provided
 21 in Indiana by an individual for services as an employee, if the
 22 individual was, during the period of service, prohibited from
 23 being hired as an employee under 8 U.S.C. 1324a.

24 ~~(24)~~ **(25)** Add the amount excluded from federal gross income
 25 under Section 103 of the Internal Revenue Code for interest
 26 received on an obligation of a state other than Indiana, or a
 27 political subdivision of such a state, that is acquired by the
 28 taxpayer after December 31, 2011.

29 (c) In the case of life insurance companies (as defined in Section
 30 816(a) of the Internal Revenue Code) that are organized under Indiana
 31 law, the same as "life insurance company taxable income" (as defined
 32 in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

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

41 (4) Subtract an amount equal to the amount included in the
 42 company's taxable income under Section 78 of the Internal

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- 1 Revenue Code.
- 2 (5) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that owns property for which bonus
- 4 depreciation was allowed in the current taxable year or in an
- 5 earlier taxable year equal to the amount of adjusted gross income
- 6 that would have been computed had an election not been made
- 7 under Section 168(k) of the Internal Revenue Code to apply bonus
- 8 depreciation to the property in the year that it was placed in
- 9 service.
- 10 (6) Add an amount equal to any deduction allowed under Section
- 11 172 or Section 810 of the Internal Revenue Code.
- 12 (7) Add or subtract the amount necessary to make the adjusted
- 13 gross income of any taxpayer that placed Section 179 property (as
- 14 defined in Section 179 of the Internal Revenue Code) in service
- 15 in the current taxable year or in an earlier taxable year equal to the
- 16 amount of adjusted gross income that would have been computed
- 17 had an election for federal income tax purposes not been made for
- 18 the year in which the property was placed in service to take
- 19 deductions under Section 179 of the Internal Revenue Code in a
- 20 total amount exceeding twenty-five thousand dollars (\$25,000).
- 21 (8) Add an amount equal to the amount that a taxpayer claimed as
- 22 a deduction for domestic production activities for the taxable year
- 23 under Section 199 of the Internal Revenue Code for federal
- 24 income tax purposes.
- 25 (9) Subtract income that is:
- 26 (A) exempt from taxation under IC 6-3-2-21.7; and
- 27 (B) included in the insurance company's taxable income under
- 28 the Internal Revenue Code.
- 29 (10) Add an amount equal to any income not included in gross
- 30 income as a result of the deferral of income arising from business
- 31 indebtedness discharged in connection with the reacquisition after
- 32 December 31, 2008, and before January 1, 2011, of an applicable
- 33 debt instrument, as provided in Section 108(i) of the Internal
- 34 Revenue Code. Subtract from the adjusted gross income of any
- 35 taxpayer that added an amount to adjusted gross income in a
- 36 previous year the amount necessary to offset the amount included
- 37 in federal gross income as a result of the deferral of income
- 38 arising from business indebtedness discharged in connection with
- 39 the reacquisition after December 31, 2008, and before January 1,
- 40 2011, of an applicable debt instrument, as provided in Section
- 41 108(i) of the Internal Revenue Code.
- 42 (11) Add the amount necessary to make the adjusted gross income

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1 of any taxpayer that placed qualified restaurant property in service
 2 during the taxable year and that was classified as 15-year property
 3 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 4 to the amount of adjusted gross income that would have been
 5 computed had the classification not applied to the property in the
 6 year that it was placed in service.

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

14 (13) Add or subtract the amount necessary to make the adjusted
 15 gross income of any taxpayer that claimed the special allowance
 16 for qualified disaster assistance property under Section 168(n) of
 17 the Internal Revenue Code equal to the amount of adjusted gross
 18 income that would have been computed had the special allowance
 19 not been claimed for the property.

20 (14) Add or subtract the amount necessary to make the adjusted
 21 gross income of any taxpayer that made an election under Section
 22 179C of the Internal Revenue Code to expense costs for qualified
 23 refinery property equal to the amount of adjusted gross income
 24 that would have been computed had an election for federal
 25 income tax purposes not been made for the year.

26 (15) Add or subtract the amount necessary to make the adjusted
 27 gross income of any taxpayer that made an election under Section
 28 181 of the Internal Revenue Code to expense costs for a qualified
 29 film or television production equal to the amount of adjusted
 30 gross income that would have been computed had an election for
 31 federal income tax purposes not been made for the year.

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

35 (A) the Federal National Mortgage Association, established
 36 under the Federal National Mortgage Association Charter Act
 37 (12 U.S.C. 1716 et seq.); or

38 (B) the Federal Home Loan Mortgage Corporation, established
 39 under the Federal Home Loan Mortgage Corporation Act (12
 40 U.S.C. 1451 et seq.);

41 as an ordinary loss under Section 301 of the Emergency Economic
 42 Stabilization Act of 2008 in the current taxable year or in an

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1 earlier taxable year equal to the amount of adjusted gross income
 2 that would have been computed had the loss not been treated as
 3 an ordinary loss.

4 (17) Add an amount equal to any exempt insurance income under
 5 Section 953(e) of the Internal Revenue Code that is active
 6 financing income under Subpart F of Subtitle A, Chapter 1,
 7 Subchapter N of the Internal Revenue Code.

8 *(18) Add the amount necessary to make the adjusted gross income*
 9 *of any taxpayer that placed any qualified leasehold improvement*
 10 *property in service during the taxable year and that was*
 11 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 12 *the Internal Revenue Code equal to the amount of adjusted gross*
 13 *income that would have been computed had the classification not*
 14 *applied to the property in the year that it was placed into service.*

15 *(19) Add the amount necessary to make the adjusted gross income*
 16 *of any taxpayer that placed a motorsports entertainment complex*
 17 *in service during the taxable year and that was classified as*
 18 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 19 *Revenue Code equal to the amount of adjusted gross income that*
 20 *would have been computed had the classification not applied to*
 21 *the property in the year that it was placed into service.*

22 *(20) Add the amount deducted under Section 195 of the Internal*
 23 *Revenue Code for start-up expenditures that exceeds the amount*
 24 *the taxpayer could deduct under Section 195 of the Internal*
 25 *Revenue Code before it was amended by the Small Business Jobs*
 26 *Act of 2010 (P.L. 111-240).*

27 *(21) Add the amount deducted from gross income under Section*
 28 *198 of the Internal Revenue Code for the expensing of*
 29 *environmental remediation costs.*

30 *(22) Add the amount deducted from gross income under Section*
 31 *179E of the Internal Revenue Code for any qualified advanced*
 32 *mine safety equipment property.*

33 ~~(18)~~ **(23)** *This subdivision does not apply to payments made for*
 34 *services provided to a business that was enrolled and*
 35 *participated in the E-Verify program (as defined in*
 36 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 37 *in Indiana in the taxable year. For a taxable year beginning after*
 38 *June 30, 2011, add the amount of any trade or business deduction*
 39 *allowed under the Internal Revenue Code for wages,*
 40 *reimbursements, or other payments made for services provided*
 41 *in Indiana by an individual for services as an employee, if the*
 42 *individual was, during the period of service, prohibited from*

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1 *being hired as an employee under 8 U.S.C. 1324a.*

2 ~~(23)~~ **(24)** *Add the amount excluded from federal gross income*
 3 *under Section 103 of the Internal Revenue Code for interest*
 4 *received on an obligation of a state other than Indiana, or a*
 5 *political subdivision of such a state, that is acquired by the*
 6 *taxpayer after December 31, 2011.*

7 (d) In the case of insurance companies subject to tax under Section
 8 831 of the Internal Revenue Code and organized under Indiana law, the
 9 same as "taxable income" (as defined in Section 832 of the Internal
 10 Revenue Code), adjusted as follows:

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

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

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

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

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

30 (6) Add an amount equal to any deduction allowed under Section
 31 172 of the Internal Revenue Code.

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

41 (8) Add an amount equal to the amount that a taxpayer claimed as
 42 a deduction for domestic production activities for the taxable year

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1 under Section 199 of the Internal Revenue Code for federal
2 income tax purposes.

3 (9) Subtract income that is:

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

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

7 (10) Add an amount equal to any income not included in gross
8 income as a result of the deferral of income arising from business
9 indebtedness discharged in connection with the reacquisition after
10 December 31, 2008, and before January 1, 2011, of an applicable
11 debt instrument, as provided in Section 108(i) of the Internal
12 Revenue Code. Subtract from the adjusted gross income of any
13 taxpayer that added an amount to adjusted gross income in a
14 previous year the amount necessary to offset the amount included
15 in federal gross income as a result of the deferral of income
16 arising from business indebtedness discharged in connection with
17 the reacquisition after December 31, 2008, and before January 1,
18 2011, of an applicable debt instrument, as provided in Section
19 108(i) of the Internal Revenue Code.

20 (11) Add the amount necessary to make the adjusted gross income
21 of any taxpayer that placed qualified restaurant property in service
22 during the taxable year and that was classified as 15-year property
23 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
24 to the amount of adjusted gross income that would have been
25 computed had the classification not applied to the property in the
26 year that it was placed in service.

27 (12) Add the amount necessary to make the adjusted gross income
28 of any taxpayer that placed qualified retail improvement property
29 in service during the taxable year and that was classified as
30 15-year property under Section 168(e)(3)(E)(ix) of the Internal
31 Revenue Code equal to the amount of adjusted gross income that
32 would have been computed had the classification not applied to
33 the property in the year that it was placed in service.

34 (13) Add or subtract the amount necessary to make the adjusted
35 gross income of any taxpayer that claimed the special allowance
36 for qualified disaster assistance property under Section 168(n) of
37 the Internal Revenue Code equal to the amount of adjusted gross
38 income that would have been computed had the special allowance
39 not been claimed for the property.

40 (14) Add or subtract the amount necessary to make the adjusted
41 gross income of any taxpayer that made an election under Section
42 179C of the Internal Revenue Code to expense costs for qualified

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1 refinery property equal to the amount of adjusted gross income
 2 that would have been computed had an election for federal
 3 income tax purposes not been made for the year.

4 (15) Add or subtract the amount necessary to make the adjusted
 5 gross income of any taxpayer that made an election under Section
 6 181 of the Internal Revenue Code to expense costs for a qualified
 7 film or television production equal to the amount of adjusted
 8 gross income that would have been computed had an election for
 9 federal income tax purposes not been made for the year.

10 (16) Add or subtract the amount necessary to make the adjusted
 11 gross income of any taxpayer that treated a loss from the sale or
 12 exchange of preferred stock in:

13 (A) the Federal National Mortgage Association, established
 14 under the Federal National Mortgage Association Charter Act
 15 (12 U.S.C. 1716 et seq.); or

16 (B) the Federal Home Loan Mortgage Corporation, established
 17 under the Federal Home Loan Mortgage Corporation Act (12
 18 U.S.C. 1451 et seq.);

19 as an ordinary loss under Section 301 of the Emergency Economic
 20 Stabilization Act of 2008 in the current taxable year or in an
 21 earlier taxable year equal to the amount of adjusted gross income
 22 that would have been computed had the loss not been treated as
 23 an ordinary loss.

24 (17) Add an amount equal to any exempt insurance income under
 25 Section 953(e) of the Internal Revenue Code that is active
 26 financing income under Subpart F of Subtitle A, Chapter 1,
 27 Subchapter N of the Internal Revenue Code.

28 *(18) Add the amount necessary to make the adjusted gross income*
 29 *of any taxpayer that placed any qualified leasehold improvement*
 30 *property in service during the taxable year and that was*
 31 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 32 *the Internal Revenue Code equal to the amount of adjusted gross*
 33 *income that would have been computed had the classification not*
 34 *applied to the property in the year that it was placed into service.*

35 *(19) Add the amount necessary to make the adjusted gross income*
 36 *of any taxpayer that placed a motorsports entertainment complex*
 37 *in service during the taxable year and that was classified as*
 38 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 39 *Revenue Code equal to the amount of adjusted gross income that*
 40 *would have been computed had the classification not applied to*
 41 *the property in the year that it was placed into service.*

42 *(20) Add the amount deducted under Section 195 of the Internal*

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

5 *(21) Add the amount deducted from gross income under Section*
 6 *198 of the Internal Revenue Code for the expensing of*
 7 *environmental remediation costs.*

8 *(22) Add the amount deducted from gross income under Section*
 9 *179E of the Internal Revenue Code for any qualified advanced*
 10 *mine safety equipment property.*

11 ~~(18)~~ **(23)** *This subdivision does not apply to payments made for*
 12 *services provided to a business that was enrolled and*
 13 *participated in the E-Verify program (as defined in*
 14 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 15 *in Indiana in the taxable year. For a taxable year beginning after*
 16 *June 30, 2011, add the amount of any trade or business deduction*
 17 *allowed under the Internal Revenue Code for wages,*
 18 *reimbursements, or other payments made for services provided*
 19 *in Indiana by an individual for services as an employee, if the*
 20 *individual was, during the period of service, prohibited from*
 21 *being hired as an employee under 8 U.S.C. 1324a.*

22 ~~(23)~~ **(24)** *Add the amount excluded from federal gross income*
 23 *under Section 103 of the Internal Revenue Code for interest*
 24 *received on an obligation of a state other than Indiana, or a*
 25 *political subdivision of such a state, that is acquired by the*
 26 *taxpayer after December 31, 2011.*

27 (e) In the case of trusts and estates, "taxable income" (as defined for
 28 trusts and estates in Section 641(b) of the Internal Revenue Code)
 29 adjusted as follows:

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

32 (2) Subtract an amount equal to the amount of a September 11
 33 terrorist attack settlement payment included in the federal
 34 adjusted gross income of the estate of a victim of the September
 35 11 terrorist attack or a trust to the extent the trust benefits a victim
 36 of the September 11 terrorist attack.

37 (3) Add or subtract the amount necessary to make the adjusted
 38 gross income of any taxpayer that owns property for which bonus
 39 depreciation was allowed in the current taxable year or in an
 40 earlier taxable year equal to the amount of adjusted gross income
 41 that would have been computed had an election not been made
 42 under Section 168(k) of the Internal Revenue Code to apply bonus

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

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1 of any taxpayer that placed qualified retail improvement property
 2 in service during the taxable year and that was classified as
 3 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 4 Revenue Code equal to the amount of adjusted gross income that
 5 would have been computed had the classification not applied to
 6 the property in the year that it was placed in service.

7 (11) Add or subtract the amount necessary to make the adjusted
 8 gross income of any taxpayer that claimed the special allowance
 9 for qualified disaster assistance property under Section 168(n) of
 10 the Internal Revenue Code equal to the amount of adjusted gross
 11 income that would have been computed had the special allowance
 12 not been claimed for the property.

13 (12) Add or subtract the amount necessary to make the adjusted
 14 gross income of any taxpayer that made an election under Section
 15 179C of the Internal Revenue Code to expense costs for qualified
 16 refinery property equal to the amount of adjusted gross income
 17 that would have been computed had an election for federal
 18 income tax purposes not been made for the year.

19 (13) Add or subtract the amount necessary to make the adjusted
 20 gross income of any taxpayer that made an election under Section
 21 181 of the Internal Revenue Code to expense costs for a qualified
 22 film or television production equal to the amount of adjusted
 23 gross income that would have been computed had an election for
 24 federal income tax purposes not been made for the year.

25 (14) Add or subtract the amount necessary to make the adjusted
 26 gross income of any taxpayer that treated a loss from the sale or
 27 exchange of preferred stock in:

28 (A) the Federal National Mortgage Association, established
 29 under the Federal National Mortgage Association Charter Act
 30 (12 U.S.C. 1716 et seq.); or

31 (B) the Federal Home Loan Mortgage Corporation, established
 32 under the Federal Home Loan Mortgage Corporation Act (12
 33 U.S.C. 1451 et seq.);

34 as an ordinary loss under Section 301 of the Emergency Economic
 35 Stabilization Act of 2008 in the current taxable year or in an
 36 earlier taxable year equal to the amount of adjusted gross income
 37 that would have been computed had the loss not been treated as
 38 an ordinary loss.

39 (15) Add the amount excluded from gross income under Section
 40 108(a)(1)(e) of the Internal Revenue Code for the discharge of
 41 debt on a qualified principal residence.

42 (16) Add the amount necessary to make the adjusted gross income

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1 of any taxpayer that placed any qualified leasehold improvement
 2 property in service during the taxable year and that was
 3 classified as 15-year property under Section 168(e)(3)(E)(iv) of
 4 the Internal Revenue Code equal to the amount of adjusted gross
 5 income that would have been computed had the classification not
 6 applied to the property in the year that it was placed into service.

7 (17) Add the amount necessary to make the adjusted gross income
 8 of any taxpayer that placed a motorsports entertainment complex
 9 in service during the taxable year and that was classified as
 10 7-year property under Section 168(e)(3)(C)(ii) of the Internal
 11 Revenue Code equal to the amount of adjusted gross income that
 12 would have been computed had the classification not applied to
 13 the property in the year that it was placed into service.

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

19 (19) Add the amount deducted from gross income under Section
 20 198 of the Internal Revenue Code for the expensing of
 21 environmental remediation costs.

22 (20) Add the amount deducted from gross income under Section
 23 179E of the Internal Revenue Code for any qualified advanced
 24 mine safety equipment property.

25 (21) Add the amount necessary to make the adjusted gross income
 26 of any taxpayer for which tax was not imposed on the net
 27 recognized built-in gain of an S corporation under Section
 28 1374(d)(7) of the Internal Revenue Code as amended by the Small
 29 Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of
 30 adjusted gross income that would have been computed before
 31 Section 1374(d)(7) of the Internal Revenue Code as amended by
 32 the Small Business Jobs Act of 2010 (P.L. 111-240).

33 ~~(16)~~ **(22)** This subdivision does not apply to payments made for
 34 services provided to a business that was enrolled and
 35 participated in the E-Verify program (as defined in
 36 IC 22-5-1.7-3) during the time the taxpayer conducted business
 37 in Indiana in the taxable year. For a taxable year beginning after
 38 June 30, 2011, add the amount of any trade or business deduction
 39 allowed under the Internal Revenue Code for wages,
 40 reimbursements, or other payments made for services provided
 41 in Indiana by an individual for services as an employee, if the
 42 individual was, during the period of service, prohibited from

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1 being hired as an employee under 8 U.S.C. 1324a.
 2 ~~(22)~~ **(23)** Add the amount excluded from federal gross income
 3 under Section 103 of the Internal Revenue Code for interest
 4 received on an obligation of a state other than Indiana, or a
 5 political subdivision of such a state, that is acquired by the
 6 taxpayer after December 31, 2011.

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

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

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

19 *STEP THREE: Determine the result of the STEP ONE amount*
 20 *divided by the STEP TWO amount.*

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

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

25 SECTION 41. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 2.1. (a) This section**
 28 **applies only to a covered taxpayer that has receipts attributable to**
 29 **Indiana under both subsections (c) and (d).**

30 **(b) As used in this section, "covered taxpayer" refers to the**
 31 **following:**

32 **(1) Designated contract markets, swap execution facilities, or**
 33 **derivatives clearing organizations primarily regulated by the**
 34 **United States Commodity Futures Trading Commission.**

35 **(2) Securities exchanges and securities clearing agencies**
 36 **primarily regulated by the United States Securities and**
 37 **Exchange Commission.**

38 **For purposes of this section, a designated contract market, swap**
 39 **execution facility, or derivatives clearing organization is considered**
 40 **to be primarily regulated by the United States Commodity Futures**
 41 **Trading Commission if more than fifty percent (50%) of the**
 42 **enterprise's total gross receipts are attributable to activities subject**



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1 to regulation by the United States Commodity Futures Trading
2 Commission or the United States securities exchanges.

3 (c) Notwithstanding section 2 of this chapter or any other law,
4 receipts received by a covered taxpayer, in respect of trade
5 execution (electronic or otherwise) and clearing, are in Indiana as
6 follows:

7 (1) If the receipts are attributable to transactions executed on
8 a physical trading floor located in Indiana, one hundred
9 percent (100%) of the receipts are attributable to Indiana.

10 (2) If the receipts are attributable to transactions executed by
11 means of an electronic transaction system, the receipts are
12 attributable to Indiana based on a percentage determined by
13 dividing the total Indiana population by the total United
14 States population.

15 (3) If the receipts are attributable to the clearing of
16 over-the-counter transactions, the receipts are attributable to
17 Indiana based on a percentage determined by dividing the
18 total Indiana population by the total United States population.

19 (d) Notwithstanding section 2 of this chapter or any other law,
20 market data service revenue is sourced based on the billing address
21 of a covered taxpayer's direct customers or the user location of
22 direct customers and location of the customers of the covered
23 taxpayer's distributors.

24 SECTION 42. IC 6-3.1-26-26, AS AMENDED BY
25 P.L.182-2009(ss), SECTION 202, IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. (a) This chapter
27 applies to taxable years beginning after December 31, 2003.

28 (b) Notwithstanding the other provisions of this chapter, the
29 corporation may not approve a credit for a qualified investment made
30 after December 31, ~~2013~~: **2015**. However, this section may not be
31 construed to prevent a taxpayer from carrying an unused tax credit
32 attributable to a qualified investment made before January 1, ~~2014~~;
33 **2016**, forward to a taxable year beginning after December 31, ~~2013~~;
34 **2015**, in the manner provided by section 15 of this chapter.

35 SECTION 43. IC 6-3.5-1.1-2, AS AMENDED BY P.L.77-2011,
36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2012]: Sec. 2. (a) The county council of any county in which
38 the county option income tax will not be in effect on December 1 of a
39 year under an ordinance adopted during a previous calendar year may
40 impose the county adjusted gross income tax on the adjusted gross
41 income of county taxpayers of its county.

42 (b) Except as provided in section 2.3, 2.5, ~~2.6~~, 2.7, 2.8, 2.9, 3.3, 3.5,



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1 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax
 2 may be imposed at a rate of one-half of one percent (0.5%),
 3 three-fourths of one percent (0.75%), or one percent (1%) on the
 4 adjusted gross income of resident county taxpayers of the county. Any
 5 county imposing the county adjusted gross income tax must impose the
 6 tax on the nonresident county taxpayers at a rate of one-fourth of one
 7 percent (0.25%) on their adjusted gross income. If the county council
 8 elects to decrease the county adjusted gross income tax, the county
 9 council may decrease the county adjusted gross income tax rate in
 10 increments of one-tenth of one percent (0.1%).

11 (c) To impose the county adjusted gross income tax, the county
 12 council must adopt an ordinance. The ordinance must substantially
 13 state the following:

14 "The _____ County Council imposes the county adjusted
 15 gross income tax on the county taxpayers of _____ County.
 16 The county adjusted gross income tax is imposed at a rate of
 17 _____ percent (____%) on the resident county taxpayers of the
 18 county and one-fourth of one percent (0.25%) on the nonresident
 19 county taxpayers of the county."

20 (d) The auditor of a county shall record all votes taken on
 21 ordinances presented for a vote under the authority of this section and,
 22 **immediately not more than ten (10) days after the vote**, send a
 23 certified copy of the results to **the commissioner of the department,**
 24 **the director of the budget agency, and the commissioner of the**
 25 **department of local government finance** by certified mail **or in an**
 26 **electronic format approved by the director of the budget agency.**

27 (e) If the county adjusted gross income tax had previously been
 28 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
 29 1983) and that tax was in effect at the time of the enactment of this
 30 chapter, then the county adjusted gross income tax continues in that
 31 county at the rates in effect at the time of enactment until the rates are
 32 modified or the tax is rescinded in the manner prescribed by this
 33 chapter. If a county's adjusted gross income tax is continued under this
 34 subsection, then the tax shall be treated as if it had been imposed under
 35 this chapter and is subject to rescission or reduction as authorized in
 36 this chapter.

37 SECTION 44. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.184-2006,
 38 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2012]: Sec. 2.5. (a) This section applies only to a **Jackson**
 40 **County, having a population of more than forty-one thousand (41,000)**
 41 **but less than forty-three thousand (43,000).**

42 (b) As used in this section, "fiscal year" means a twelve (12) month

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1 period beginning July 1 and ending June 30.

2 (c) The county council of a county described in subsection (a) may,
3 by ordinance, determine that additional county adjusted gross income
4 tax revenue is needed in the county to fund the operation and
5 maintenance of a jail and juvenile detention center opened after July 1,
6 1998.

7 (d) Notwithstanding section 2 of this chapter, if the county council
8 adopts an ordinance under subsection (c), the county council may
9 impose the county adjusted gross income tax at a rate of one and
10 one-tenth percent (1.1%) on adjusted gross income for fiscal years
11 beginning before July 1, 2011. For fiscal years beginning after June 30,
12 2011, the rate is reduced to one percent (1%). If the county council
13 imposes the county adjusted gross income tax at a rate of one and
14 one-tenth percent (1.1%), the county council may decrease the rate or
15 rescind the tax in the manner provided under this chapter.

16 (e) If a county imposes the county adjusted gross income tax at a
17 rate of one and one-tenth percent (1.1%) under this section, the revenue
18 derived from a tax rate of one-tenth percent (0.1%) on adjusted gross
19 income:

20 (1) shall be paid to the county treasurer;

21 (2) may be used only to pay the costs of operating a jail and
22 juvenile detention center opened after July 1, 1998; and

23 (3) may not be considered by the department of local government
24 finance in determining the county's maximum permissible
25 property tax levy limit under IC 6-1.1-18.5.

26 SECTION 45. IC 6-3.5-1.1-2.6 IS REPEALED [EFFECTIVE JULY
27 1, 2012]. Sec. 2-6: (a) This section applies to Parke County.

28 (b) The county council may, by ordinance, determine that additional
29 county adjusted gross income tax revenue is needed in the county to:

30 (1) fund the costs (including pre-trial costs) of a capital trial that
31 has been moved to another county for trial; and

32 (2) to repay money borrowed for the purpose described in
33 subdivision (1):

34 (c) In addition to the rates permitted by section 2 of this chapter, if
35 the county council makes a determination described in subsection (b),
36 the county council may by ordinance impose the county adjusted gross
37 income tax at a rate not to exceed the lesser of:

38 (1) a rate necessary to carry out the purposes of subsection (b); or

39 (2) twenty-five hundredths percent (0.25%);

40 on the adjusted gross income of county taxpayers:

41 (d) The tax imposed under this section may be imposed only until
42 the later of the following:

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- 1 (1) The date on which the costs described in subsection (b);
- 2 including the repayment of money borrowed for the purposes
- 3 described in subsection (b), are fully paid.
- 4 (2) The date on which an ordinance adopted under subsection (c)
- 5 is rescinded.
- 6 (e) The term of any borrowing described in subsection (b)(2) may
- 7 not exceed three (3) years.
- 8 (f) The county treasurer shall establish a capital trial revenue fund
- 9 to be used only for purposes described in this section. County adjusted
- 10 gross income tax revenues derived from the tax rate imposed under this
- 11 section shall be deposited in the capital trial revenue fund before
- 12 making a certified distribution under section 11 of this chapter.
- 13 (g) County adjusted gross income tax revenues derived from the tax
- 14 rate imposed under this section:
- 15 (1) may be used only for the purposes described in this section;
- 16 (2) may not be considered by the department of local government
- 17 finance in determining the county's maximum permissible
- 18 property tax levy limit under IC 6-1.1-18.5; and
- 19 (3) may be pledged for the payment of costs described in
- 20 subsection (b).
- 21 (h) Notwithstanding any other law, money remaining in the capital
- 22 trial revenue fund established under subsection (f) after the tax
- 23 imposed by this section is terminated under subsection (d) shall be
- 24 transferred to the county general fund to be used for criminal justice
- 25 costs.
- 26 SECTION 46. IC 6-3.5-1.1-2.7 IS AMENDED TO READ AS
- 27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.7. (a) This section
- 28 applies to a **Wayne County**, having a population of more than
- 29 seventy-one thousand (71,000) but less than seventy-one thousand four
- 30 hundred (71,400):
- 31 (b) The county council may, by ordinance, determine that additional
- 32 county adjusted gross income tax revenue is needed in the county to:
- 33 (1) finance, construct, acquire, improve, renovate, or equip the
- 34 county jail and related buildings and parking facilities, including
- 35 costs related to the demolition of existing buildings and the
- 36 acquisition of land; and
- 37 (2) repay bonds issued, or leases entered into, for constructing,
- 38 acquiring, improving, renovating, and equipping the county jail
- 39 and related buildings and parking facilities, including costs
- 40 related to the demolition of existing buildings and the acquisition
- 41 of land.
- 42 (c) In addition to the rates permitted by section 2 of this chapter, the

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1 county council may impose the county adjusted gross income tax at a
2 rate of:

- 3 (1) fifteen-hundredths percent (0.15%);
- 4 (2) two-tenths percent (0.2%); or
- 5 (3) twenty-five hundredths percent (0.25%);

6 on the adjusted gross income of county taxpayers if the county council
7 makes the finding and determination set forth in subsection (b). The tax
8 imposed under this section may be imposed only until the later of the
9 date on which the financing on, acquisition, improvement, renovation,
10 and equipping described in subsection (b) is completed or the date on
11 which the last of any bonds issued or leases entered into to finance the
12 construction, acquisition, improvement, renovation, and equipping
13 described in subsection (b) are fully paid. The term of the bonds issued
14 (including any refunding bonds) or a lease entered into under
15 subsection (b)(2) may not exceed twenty (20) years.

16 (d) If the county council makes a determination under subsection
17 (b), the county council may adopt a tax rate under subsection (c). The
18 tax rate may not be imposed at a rate greater than is necessary to pay
19 the costs of financing, acquiring, improving, renovating, and equipping
20 the county jail and related buildings and parking facilities, including
21 costs related to the demolition of existing buildings and the acquisition
22 of land.

23 (e) The county treasurer shall establish a county jail revenue fund
24 to be used only for purposes described in this section. County adjusted
25 gross income tax revenues derived from the tax rate imposed under this
26 section shall be deposited in the county jail revenue fund before
27 making a certified distribution under section 11 of this chapter.

28 (f) County adjusted gross income tax revenues derived from the tax
29 rate imposed under this section:

- 30 (1) may only be used for the purposes described in this section;
- 31 (2) may not be considered by the department of local government
32 finance in determining the county's maximum permissible
33 property tax levy limit under IC 6-1.1-18.5; and
- 34 (3) may be pledged to the repayment of bonds issued, or leases
35 entered into, for purposes described in subsection (b).

36 (g) A county described in subsection (a) possesses unique economic
37 development challenges due to underemployment in relation to
38 similarly situated counties. Maintaining low property tax rates is
39 essential to economic development and the use of county adjusted gross
40 income tax revenues as provided in this chapter to pay any bonds
41 issued or leases entered into to finance the construction, acquisition,
42 improvement, renovation, and equipping described under subsection



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1 (b), rather than use of property taxes, promotes that purpose.
2 (h) Notwithstanding any other law, funds accumulated from the
3 county adjusted gross income tax imposed under this section after:
4 (1) the redemption of bonds issued; or
5 (2) the final payment of lease rentals due under a lease entered
6 into under this section;
7 shall be transferred to the county highway fund to be used for
8 construction, resurfacing, restoration, and rehabilitation of county
9 highways, roads, and bridges.
10 SECTION 47. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.147-2006,
11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2012]: Sec. 2.8. (a) This section applies to:
13 (1) a **Elkhart** County; having a population of more than one
14 hundred eighty-two thousand seven hundred ninety (182,790) but
15 less than two hundred thousand (200,000); and
16 (2) a **Marshall** County. having a population of more than
17 forty-five thousand (45,000) but less than forty-five thousand nine
18 hundred (45,900).
19 (b) The county council may, by ordinance, determine that additional
20 county adjusted gross income tax revenue is needed in the county to:
21 (1) finance, construct, acquire, improve, renovate, or equip:
22 (A) jail facilities;
23 (B) juvenile court, detention, and probation facilities;
24 (C) other criminal justice facilities; and
25 (D) related buildings and parking facilities;
26 located in the county, including costs related to the demolition of
27 existing buildings and the acquisition of land; and
28 (2) repay bonds issued or leases entered into for the purposes
29 described in subdivision (1).
30 (c) The county council may, by ordinance, determine that additional
31 county adjusted gross income tax revenue is needed in the county to
32 operate or maintain:
33 (1) jail facilities;
34 (2) juvenile court, detention, and probation facilities;
35 (3) other criminal justice facilities; and
36 (4) related buildings and parking facilities;
37 located in the county. A county council of a county described in
38 subsection (a)(1) or (a)(2) may make a determination under both this
39 subsection and subsection (b).
40 (d) In addition to the rates permitted by section 2 of this chapter, the
41 county council may impose the county adjusted gross income tax at a
42 rate of:

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- 1 (1) fifteen-hundredths percent (0.15%);
- 2 (2) two-tenths percent (0.2%); or
- 3 (3) twenty-five hundredths percent (0.25%);

4 on the adjusted gross income of county taxpayers if the county council
5 makes a finding and determination set forth in subsection (b) or (c).
6 The tax rate may not be imposed at a rate greater than is necessary to
7 carry out the purposes described in subsections (b) and (c), as
8 applicable.

9 (e) This subsection applies only to a county described in subsection
10 (a)(1). If the county council imposes the tax under this section to pay
11 for the purposes described in both subsections (b) and (c), when:

- 12 (1) the financing, construction, acquisition, improvement,
13 renovation, and equipping described in subsection (b) are
14 completed; and
- 15 (2) all bonds issued (including any refunding bonds) or leases
16 entered into to finance the construction, acquisition,
17 improvement, renovation, and equipping described in subsection
18 (b) are fully paid;

19 the county council shall, subject to subsection (d), establish a tax rate
20 under this section by ordinance such that the revenue from the tax does
21 not exceed the costs of operating and maintaining the jail facilities
22 referred to in subsection (b)(1)(A).

23 (f) The tax imposed under this section may be imposed only until
24 the last of the following dates:

- 25 (1) The date on which the financing, construction, acquisition,
26 improvement, renovation, and equipping described in subsection
27 (b) are completed.
- 28 (2) The date on which the last of any bonds issued (including any
29 refunding bonds) or leases entered into to finance the
30 construction, acquisition, improvement, renovation, and
31 equipping described in subsection (b) are fully paid.
- 32 (3) If the county imposing the tax under this section is a county
33 described in subsection (a)(1), the date on which an ordinance
34 adopted under subsection (c) is rescinded.

35 (g) The term of the bonds issued (including any refunding bonds) or
36 a lease entered into under subsection (b)(2) may not exceed twenty (20)
37 years.

38 (h) The county treasurer shall establish a criminal justice facilities
39 revenue fund to be used only for purposes described in this section.
40 County adjusted gross income tax revenues derived from the tax rate
41 imposed under this section shall be deposited in the criminal justice
42 facilities revenue fund before making a certified distribution under

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- 1 section 11 of this chapter.
- 2 (i) County adjusted gross income tax revenues derived from the tax
- 3 rate imposed under this section:
- 4 (1) may be used only for the purposes described in this section;
- 5 (2) may not be considered by the department of local government
- 6 finance in determining the county's maximum permissible
- 7 property tax levy limit under IC 6-1.1-18.5; and
- 8 (3) may be pledged to the repayment of bonds issued or leases
- 9 entered into for any or all the purposes described in subsection
- 10 (b).
- 11 (j) Notwithstanding any other law, money remaining in the criminal
- 12 justice facilities revenue fund established under subsection (h) after the
- 13 tax imposed by this section is terminated under subsection (f) shall be
- 14 transferred to the county highway fund to be used for construction,
- 15 resurfacing, restoration, and rehabilitation of county highways, roads,
- 16 and bridges.
- 17 SECTION 48. IC 6-3.5-1.1-2.9 IS AMENDED TO READ AS
- 18 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.9. (a) This section
- 19 applies to a **Daviess County**. ~~having a population of more than~~
- 20 ~~twenty-nine thousand (29,000) but less than thirty thousand (30,000):~~
- 21 (b) The county council may, by ordinance, determine that additional
- 22 county adjusted gross income tax revenue is needed in the county to:
- 23 (1) finance, construct, acquire, improve, renovate, remodel, or
- 24 equip the county jail and related buildings and parking facilities,
- 25 including costs related to the demolition of existing buildings, the
- 26 acquisition of land, and any other reasonably related costs; and
- 27 (2) repay bonds issued or leases entered into for constructing,
- 28 acquiring, improving, renovating, remodeling, and equipping the
- 29 county jail and related buildings and parking facilities, including
- 30 costs related to the demolition of existing buildings, the
- 31 acquisition of land, and any other reasonably related costs.
- 32 (c) In addition to the rates permitted by section 2 of this chapter, the
- 33 county council may impose the county adjusted gross income tax at a
- 34 rate of:
- 35 (1) fifteen-hundredths percent (0.15%);
- 36 (2) two-tenths percent (0.2%); or
- 37 (3) twenty-five hundredths percent (0.25%);
- 38 on the adjusted gross income of county taxpayers if the county council
- 39 makes the finding and determination set forth in subsection (b). The tax
- 40 imposed under this section may be imposed only until the later of the
- 41 date on which the financing on, acquisition, improvement, renovation,
- 42 remodeling, and equipping described in subsection (b) are completed

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1 or the date on which the last of any bonds issued or leases entered into
 2 to finance the construction, acquisition, improvement, renovation,
 3 remodeling, and equipping described in subsection (b) are fully paid.
 4 The term of the bonds issued (including any refunding bonds) or a
 5 lease entered into under subsection (b)(2) may not exceed twenty-five
 6 (25) years.

7 (d) If the county council makes a determination under subsection
 8 (b), the county council may adopt a tax rate under subsection (c). The
 9 tax rate may not be imposed at a rate greater than is necessary to pay
 10 the costs of financing, acquiring, improving, renovating, remodeling,
 11 and equipping the county jail and related buildings and parking
 12 facilities, including costs related to the demolition of existing buildings,
 13 the acquisition of land, and any other reasonably related costs.

14 (e) The county treasurer shall establish a county jail revenue fund
 15 to be used only for purposes described in this section. County adjusted
 16 gross income tax revenues derived from the tax rate imposed under this
 17 section shall be deposited in the county jail revenue fund before
 18 making a certified distribution under section 11 of this chapter.

19 (f) County adjusted gross income tax revenues derived from the tax
 20 rate imposed under this section:

- 21 (1) may be used only for the purposes described in this section;
- 22 (2) may not be considered by the department of local government
 23 finance in determining the county's maximum permissible
 24 property tax levy limit under IC 6-1.1-18.5; and
- 25 (3) may be pledged to the repayment of bonds issued or leases
 26 entered into for purposes described in subsection (b).

27 (g) A county described in subsection (a) possesses unique
 28 governmental and economic development challenges due to:

- 29 (1) underemployment in relation to similarly situated counties and
 30 the loss of a major manufacturing business;
- 31 (2) an increase in property taxes for taxable years after December
 32 31, 2000, for the construction of a new elementary school; and
- 33 (3) overcrowding of the county jail, the costs associated with
 34 housing the county's inmates outside the county, and the potential
 35 unavailability of additional housing for inmates outside the
 36 county.

37 The use of county adjusted gross income tax revenues as provided in
 38 this chapter is necessary for the county to provide adequate jail
 39 capacity in the county and to maintain low property tax rates essential
 40 to economic development. The use of county adjusted gross income tax
 41 revenues as provided in this chapter to pay any bonds issued or leases
 42 entered into to finance the construction, acquisition, improvement,



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1 renovation, remodeling, and equipping described in subsection (b),
 2 rather than the use of property taxes, promotes those purposes.

3 (h) Notwithstanding any other law, funds accumulated from the
 4 county adjusted gross income tax imposed under this section after:

5 (1) the redemption of bonds issued; or

6 (2) the final payment of lease rentals due under a lease entered
 7 into under this section;

8 shall be transferred to the county highway fund to be used for
 9 construction, resurfacing, restoration, and rehabilitation of county
 10 highways, roads, and bridges.

11 SECTION 49. IC 6-3.5-1.1-3, AS AMENDED BY P.L.77-2011,
 12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2012]: Sec. 3. (a) The county council may increase the county
 14 adjusted gross income tax rate imposed upon the resident county
 15 taxpayers of the county. To increase the rate, the county council must
 16 adopt an ordinance. The ordinance must substantially state the
 17 following:

18 "The _____ County Council increases the county adjusted
 19 gross income tax rate imposed upon the resident county taxpayers
 20 of the county from _____ percent (___%) to _____ percent
 21 (___%)."

22 (b) The auditor of a county shall record all votes taken on
 23 ordinances presented for a vote under the authority of this section and,
 24 **immediately not more than ten (10) days after the vote**, send a
 25 certified copy of the results to **the commissioner of the department,**
 26 **the director of the budget agency, and the commissioner of the**
 27 **department of local government finance** by certified mail or in an
 28 **electronic format approved by the director of the budget agency.**

29 SECTION 50. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.77-2011,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2012]: Sec. 3.1. (a) The county council may decrease the
 32 county adjusted gross income tax rate imposed upon the resident
 33 county taxpayers of the county. To decrease the rate, the county council
 34 must adopt an ordinance. The ordinance must substantially state the
 35 following:

36 "The _____ County Council decreases the county adjusted
 37 gross income tax rate imposed upon the resident county taxpayers
 38 of the county from _____ percent (___%) to _____ percent
 39 (___%)."

40 (b) A county council may not decrease the county adjusted gross
 41 income tax rate if the county or any commission, board, department, or
 42 authority that is authorized by statute to pledge the county adjusted

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1 gross income tax has pledged the county adjusted gross income tax for
2 any purpose permitted by IC 5-1-14 or any other statute.

3 (c) The auditor of a county shall record all votes taken on
4 ordinances presented for a vote under the authority of this section and,
5 **immediately not more than ten (10) days after the vote**, send a
6 certified copy of the results to **the commissioner of the department,**
7 **the director of the budget agency, and the commissioner of the**
8 **department of local government finance** by certified mail or in an
9 **electronic format approved by the director of the budget agency.**

10 (d) Notwithstanding IC 6-3.5-7, and except as provided in
11 subsection (e), a county council that decreases the county adjusted
12 gross income tax rate in a year may not in the same year adopt or
13 increase the county economic development income tax under
14 IC 6-3.5-7.

15 (e) This subsection applies only to a **LaPorte County. having a**
16 **population of more than one hundred ten thousand (110,000) but less**
17 **than one hundred fifteen thousand (115,000).** The county council may
18 adopt or increase the county economic development income tax rate
19 under IC 6-3.5-7 in the same year that the county council decreases the
20 county adjusted gross income tax rate if the county economic
21 development income tax rate plus the county adjusted gross income tax
22 rate in effect after the county council decreases the county adjusted
23 gross income tax rate is less than the county adjusted gross income tax
24 rate in effect before the adoption of an ordinance under this section
25 decreasing the rate of the county adjusted gross income tax.

26 SECTION 51. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.224-2007,
27 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2012]: Sec. 3.5. (a) This section applies only to a **Pulaski**
29 **County. having a population of more than thirteen thousand five**
30 **hundred (13,500) but less than fourteen thousand (14,000).**

31 (b) The county council of a county described in subsection (a) may,
32 by ordinance, determine that additional county adjusted gross income
33 tax revenue is needed in the county to fund the operation and
34 maintenance of a jail and justice center.

35 (c) Notwithstanding section 2 of this chapter, if the county council
36 adopts an ordinance under subsection (b), the county council may
37 impose the county adjusted gross income tax at a rate of one and
38 three-tenths percent (1.3%) on adjusted gross income. However, a
39 county may impose the county adjusted gross income tax at a rate of
40 one and three-tenths percent (1.3%) for only eight (8) years. After the
41 county has imposed the county adjusted gross income tax at a rate of
42 one and three-tenths percent (1.3%) for eight (8) years, the rate is

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1 reduced to one percent (1%). If the county council imposes the county
 2 adjusted gross income tax at a rate of one and three-tenths percent
 3 (1.3%), the county council may decrease the rate or rescind the tax in
 4 the manner provided under this chapter.

5 (d) If a county imposes the county adjusted gross income tax at a
 6 rate of one and three-tenths percent (1.3%) under this section, the
 7 revenue derived from a tax rate of three-tenths percent (0.3%) on
 8 adjusted gross income:

9 (1) shall be paid to the county treasurer;

10 (2) may be used only to pay the costs of operating and
 11 maintaining a jail and justice center; and

12 (3) may not be considered by the department of local government
 13 finance under any provision of IC 6-1.1-18.5, including the
 14 determination of the county's maximum permissible property tax
 15 levy.

16 SECTION 52. IC 6-3.5-1.1-3.6 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.6. (a) This section
 18 applies only to a **Union** County, ~~having a population of more than six~~
 19 ~~thousand (6,000) but less than eight thousand (8,000):~~

20 (b) The county council may, by ordinance, determine that additional
 21 county adjusted gross income tax revenue is needed in the county to:

22 (1) finance, construct, acquire, improve, renovate, or equip the
 23 county courthouse; and

24 (2) repay bonds issued, or leases entered into, for constructing,
 25 acquiring, improving, renovating, and equipping the county
 26 courthouse.

27 (c) In addition to the rates permitted under section 2 of this chapter,
 28 the county council may impose the county adjusted gross income tax
 29 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 30 gross income of county taxpayers if the county council makes the
 31 finding and determination set forth in subsection (b). The tax imposed
 32 under this section may be imposed only until the later of the date on
 33 which the financing on, acquisition, improvement, renovation, and
 34 equipping described in subsection (b) is completed or the date on
 35 which the last of any bonds issued or leases entered into to finance the
 36 construction, acquisition, improvement, renovation, and equipping
 37 described in subsection (b) are fully paid. The term of the bonds issued
 38 (including any refunding bonds) or a lease entered into under
 39 subsection (b)(2) may not exceed twenty-two (22) years.

40 (d) If the county council makes a determination under subsection
 41 (b), the county council may adopt a tax rate under subsection (c). The
 42 tax rate may not be imposed for a time greater than is necessary to pay

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1 the costs of financing, constructing, acquiring, renovating, and
2 equipping the county courthouse.

3 (e) The county treasurer shall establish a county courthouse revenue
4 fund to be used only for purposes described in this section. County
5 adjusted gross income tax revenues derived from the tax rate imposed
6 under this section shall be deposited in the county courthouse revenue
7 fund before a certified distribution is made under section 11 of this
8 chapter.

9 (f) County adjusted gross income tax revenues derived from the tax
10 rate imposed under this section:

- 11 (1) may only be used for the purposes described in this section;
- 12 (2) may not be considered by the department of local government
13 finance in determining the county's maximum permissible
14 property tax levy under IC 6-1.1-18.5; and
- 15 (3) may be pledged to the repayment of bonds issued or leases
16 entered into for purposes described in subsection (b).

17 (g) A county described in subsection (a) possesses unique economic
18 development challenges due to:

- 19 (1) the county's heavy agricultural base;
- 20 (2) the presence of a large amount of state owned property in the
21 county that is exempt from property taxation; and
- 22 (3) recent obligations of the school corporation in the county that
23 have already increased property taxes in the county and imposed
24 additional property tax burdens on the county's agricultural base.

25 Maintaining low property tax rates is essential to economic
26 development. The use of county adjusted gross income tax revenues as
27 provided in this chapter to pay any bonds issued or leases entered into
28 to finance the construction, acquisition, improvement, renovation, and
29 equipping described in subsection (b), rather than the use of property
30 taxes, promotes that purpose.

31 (h) Notwithstanding any other law, funds accumulated from the
32 county adjusted gross income tax imposed under this section after:

- 33 (1) the redemption of the bonds issued; or
- 34 (2) the final payment of lease rentals due under a lease entered
35 into under this section;

36 shall be transferred to the county highway fund to be used for
37 construction, resurfacing, restoration, and rehabilitation of county
38 highways, roads, and bridges.

39 SECTION 53. IC 6-3.5-1.1-4, AS AMENDED BY P.L.77-2011,
40 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2012]: Sec. 4. (a) The county adjusted gross income tax
42 imposed by a county council under this chapter remains in effect until

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1 rescinded.

2 (b) Except as provided in subsection (d), the county council may
3 rescind the county adjusted gross income tax by adopting an ordinance
4 to rescind the tax.

5 (c) 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 not more than ten (10) days after the vote**, send a
8 certified copy of the results to **the commissioner of the department,**
9 **the director of the budget agency, and the commissioner of the**
10 **department of local government finance** by certified mail or in an
11 **electronic format approved by the director of the budget agency.**

12 (d) A county council may not rescind the county adjusted gross
13 income tax or take any action that would result in a civil taxing unit in
14 the county having a smaller certified share than the certified share to
15 which the civil taxing unit was entitled when the civil taxing unit
16 pledged county adjusted gross income tax if the civil taxing unit or any
17 commission, board, department, or authority that is authorized by
18 statute to pledge county adjusted gross income tax has pledged county
19 adjusted gross income tax for any purpose permitted by IC 5-1-14 or
20 any other statute. The prohibition in this section does not apply if the
21 civil taxing unit pledges legally available revenues to fully replace the
22 civil taxing unit's certified share that has been pledged.

23 SECTION 54. IC 6-3.5-1.1-10, AS AMENDED BY P.L.77-2011,
24 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 10. (a) ~~Except as~~
26 ~~provided in subsection (b); one-half (1/2)~~ **One-twelfth (1/12)** of each
27 adopting county's certified distribution for a calendar year shall be
28 distributed from its account established under section 8 of this chapter
29 to the appropriate county treasurer on ~~May 1 and the other one-half~~
30 ~~(1/2) on November 1~~ **the first regular business day of each month of**
31 that calendar year.

32 (b) This subsection applies to a county having a population of more
33 than one hundred forty-five thousand (145,000) but less than one
34 hundred forty-eight thousand (148,000); if an ordinance imposing the
35 tax is adopted before July 1 of a year. Notwithstanding section 9 of this
36 chapter the initial certified distribution certified for a county under
37 section 9 of this chapter shall be distributed to the county treasurer
38 from the account established for the county under section 8 of this
39 chapter according to the following schedule during the eighteen (18)
40 month period beginning on July 1 of the year in which the county
41 initially adopts an ordinance under section 2 of this chapter:

42 (1) ~~One-fourth (1/4) on October 1 of the calendar year in which~~

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- 1 the ordinance was adopted.
- 2 (2) One-fourth (1/4) on January 1 of the calendar year following
- 3 the year in which the ordinance was adopted.
- 4 (3) One-fourth (1/4) on May 1 of the calendar year following the
- 5 year in which the ordinance was adopted.
- 6 (4) One-fourth (1/4) on November 1 of the calendar year
- 7 following the year in which the ordinance was adopted.
- 8 Notwithstanding section 11 of this chapter, the part of the certified
- 9 distribution received under subdivision (1) that would otherwise be
- 10 allocated to a civil taxing unit or school corporation as property tax
- 11 replacement credits under section 11 of this chapter shall be set aside
- 12 and treated for the calendar year when received by the civil taxing unit
- 13 or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or
- 14 IC 20-44-3. Certified distributions made to the county treasurer for
- 15 calendar years following the eighteen (18) month period described in
- 16 this subsection shall be made as provided in subsection (a).
- 17 (e) (b) Except for:
- 18 (1) revenue that must be used to pay the costs of:
- 19 (A) financing, constructing, acquiring, improving, renovating,
- 20 equipping, operating, or maintaining facilities and buildings;
- 21 (B) debt service on bonds; or
- 22 (C) lease rentals;
- 23 under section 2.3 of this chapter;
- 24 (2) revenue that must be used to pay the costs of operating a jail
- 25 and juvenile detention center under section 2.5 of this chapter;
- 26 (3) revenue that must be used to pay the costs of:
- 27 (A) financing, constructing, acquiring, improving, renovating,
- 28 equipping, operating, or maintaining facilities and buildings;
- 29 (B) debt service on bonds; or
- 30 (C) lease rentals;
- 31 under section 2.8 of this chapter;
- 32 (4) revenue that must be used to pay the costs of construction,
- 33 improvement, renovation, or remodeling of a jail and related
- 34 buildings and parking structures under section 2.7, 2.9, or 3.3 of
- 35 this chapter;
- 36 (5) revenue that must be used to pay the costs of operating and
- 37 maintaining a jail and justice center under section 3.5(d) of this
- 38 chapter;
- 39 (6) revenue that must be used to pay the costs of constructing,
- 40 acquiring, improving, renovating, or equipping a county
- 41 courthouse under section 3.6 of this chapter;
- 42 (7) revenue under section 2.6 of this chapter; or

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- 1 ~~(8)~~ (7) revenue attributable to a tax rate under section 24, 25, or
 2 26 of this chapter;
 3 distributions made to a county treasurer under ~~subsections~~ **subsection**
 4 (a) ~~and (b)~~ shall be treated as though they were property taxes that were
 5 due and payable during that same calendar year. Except as provided by
 6 ~~subsection (b) and~~ sections 24, 25, and 26 of this chapter, the certified
 7 distribution shall be distributed and used by the taxing units and school
 8 corporations as provided in sections 11 through 15 of this chapter.
 9 ~~(d)~~ (c) All distributions from an account established under section
 10 8 of this chapter shall be made by warrants issued by the auditor of the
 11 state to the treasurer of the state ordering the appropriate payments.
 12 SECTION 55. IC 6-3.5-1.1-24, AS AMENDED BY P.L.77-2011,
 13 SECTION 10, AND AS AMENDED BY P.L.172-2011, SECTION 73,
 14 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) In a county in which the
 16 county adjusted gross income tax is in effect, the county council may
 17 ~~before August 1 of a year,~~ adopt an ordinance to impose or increase (as
 18 applicable) a tax rate under this section.
 19 (b) In a county in which neither the county adjusted gross income
 20 tax nor the county option income tax is in effect, the county council
 21 may ~~before August 1 of a year,~~ adopt an ordinance to impose a tax rate
 22 under this section.
 23 (c) ~~An ordinance adopted under this section takes effect October 1~~
 24 ~~of the year in which the ordinance is adopted.~~ If a county council
 25 adopts an ordinance to impose or increase a tax rate under this section,
 26 **not more than ten (10) days after the vote**, the county auditor shall
 27 send a certified copy of the ordinance to the **commissioner of the**
 28 **department, the director of the budget agency,** and the **commissioner**
 29 **of the** department of local government finance by certified mail **or in**
 30 **an electronic format approved by the director of the budget**
 31 **agency.**
 32 (d) A tax rate under this section is in addition to any other tax rates
 33 imposed under this chapter and does not affect the purposes for which
 34 other tax revenue under this chapter may be used.
 35 (e) The following apply only in the year in which a county council
 36 first imposes a tax rate under this section.
 37 (1) The county council shall, in the ordinance imposing the tax
 38 rate, specify the tax rate for each of the following two (2) years.
 39 (2) The tax rate that must be imposed in the county ~~from October~~
 40 ~~1 of the year in which the tax rate is imposed through September~~
 41 ~~30 of the following year in the first year~~ is equal to the result of:
 42 (A) the tax rate determined for the county under

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- 1 IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased;
- 2 multiplied by
- 3 (B) two (2).
- 4 (3) The tax rate that must be imposed in the county *from October*
- 5 *1 of the following year through September 30 of the year after the*
- 6 *following year in the second year* is the tax rate determined for
- 7 the county under IC 6-3.5-1.5-1(b). The tax rate under this
- 8 subdivision continues in effect in later years unless the tax rate is
- 9 increased under this section.
- 10 (4) The levy limitations in ~~IC 6-1.1-18.5-3(g); IC 6-1.1-18.5-3(h);~~
- 11 ~~IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3(c);~~ IC 12-19-7-4(b) (before its
- 12 repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c)
- 13 apply to property taxes first due and payable in the ensuing
- 14 calendar year and to property taxes first due and payable in the
- 15 calendar year after the ensuing calendar year.
- 16 (f) The following apply only in a year in which a county council
- 17 increases a tax rate under this section:
- 18 (1) The county council shall, in the ordinance increasing the tax
- 19 rate, specify the tax rate for the following year.
- 20 (2) The tax rate that must be imposed in the county *from October*
- 21 *1 of the year in which the tax rate is increased through September*
- 22 *30 of the following year* is equal to the result of:
- 23 (A) the tax rate determined for the county under
- 24 IC 6-3.5-1.5-1(a) in that year; plus
- 25 (B) the tax rate currently in effect in the county under this
- 26 section.
- 27 The tax rate under this subdivision continues in effect in later
- 28 years unless the tax rate is increased under this section.
- 29 (3) The levy limitations in ~~IC 6-1.1-18.5-3(g); IC 6-1.1-18.5-3(h);~~
- 30 ~~IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3(c);~~ IC 12-19-7-4(b) (before its
- 31 repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c)
- 32 apply to property taxes first due and payable in the ensuing
- 33 calendar year.
- 34 (g) The department of local government finance shall determine the
- 35 following property tax replacement distribution amounts:
- 36 STEP ONE: Determine the sum of the amounts determined under
- 37 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
- 38 county in the preceding year.
- 39 STEP TWO: For distribution to each civil taxing unit that in the
- 40 year had a maximum permissible property tax levy limited under
- 41 ~~IC 6-1.1-18.5-3(g); IC 6-1.1-18.5-3(b);~~ determine the result of:
- 42 (1) the quotient of:

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- 1 (A) the part of the amount determined under STEP ONE of
 2 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 3 to the civil taxing unit; divided by
 4 (B) the STEP ONE amount; multiplied by
 5 (2) the tax revenue received by the county treasurer under this
 6 section.
- 7 STEP THREE: For distributions in 2009 and thereafter, the result
 8 of this STEP is zero (0). For distribution to the county for deposit
 9 in the county family and children's fund before 2009, determine
 10 the result of:
 11 (1) the quotient of:
 12 (A) the amount determined under STEP TWO of
 13 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 14 (B) the STEP ONE amount; multiplied by
 15 (2) the tax revenue received by the county treasurer under this
 16 section.
- 17 STEP FOUR: For distributions in 2009 and thereafter, the result
 18 of this STEP is zero (0). For distribution to the county for deposit
 19 in the county children's psychiatric residential treatment services
 20 fund before 2009, determine the result of:
 21 (1) the quotient of:
 22 (A) the amount determined under STEP THREE of
 23 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 24 (B) the STEP ONE amount; multiplied by
 25 (2) the tax revenue received by the county treasurer under this
 26 section.
- 27 STEP FIVE: For distribution to the county for community mental
 28 health center purposes, determine the result of:
 29 (1) the quotient of:
 30 (A) the amount determined under STEP FOUR of
 31 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 32 (B) the STEP ONE amount; multiplied by
 33 (2) the tax revenue received by the county treasurer under this
 34 section.
- 35 Except as provided in subsection (m), the county treasurer shall
 36 distribute the portion of the certified distribution that is attributable to
 37 a tax rate under this section as specified in this section. The county
 38 treasurer shall make the distributions under this subsection at the same
 39 time that distributions are made to civil taxing units under section 15
 40 of this chapter.
- 41 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 42 council may not decrease or rescind a tax rate imposed under this

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- 1 chapter.
- 2 (i) The tax rate under this section shall not be considered for
- 3 purposes of computing:
- 4 (1) the maximum income tax rate that may be imposed in a county
- 5 under section 2 of this chapter or any other provision of this
- 6 chapter; or
- 7 (2) the maximum permissible property tax levy under *STEP*
- 8 *EIGHTH of IC 6-1.1-18.5-3(b): IC 6-1.1-18.5-3.*
- 9 (j) The tax levy under this section shall not be considered for
- 10 purposes of the credit under IC 6-1.1-20.6.
- 11 (k) A distribution under this section shall be treated as a part of the
- 12 receiving civil taxing unit's property tax levy for that year for purposes
- 13 of fixing the budget of the civil taxing unit and for determining the
- 14 distribution of taxes that are distributed on the basis of property tax
- 15 levies.
- 16 (l) If a county council imposes a tax rate under this section, the
- 17 portion of county adjusted gross income tax revenue dedicated to
- 18 property tax replacement credits under section 11 of this chapter may
- 19 not be decreased.
- 20 (m) In the year following the year in a which a county first imposes
- 21 a tax rate under this section, one-half (1/2) of the tax revenue that is
- 22 attributable to the tax rate under this section must be deposited in the
- 23 county stabilization fund established under subsection (o).
- 24 (n) A pledge of county adjusted gross income taxes does not apply
- 25 to revenue attributable to a tax rate under this section.
- 26 (o) A county stabilization fund is established in each county that
- 27 imposes a tax rate under this section. The county stabilization fund
- 28 shall be administered by the county auditor. If for a year the certified
- 29 distributions attributable to a tax rate under this section exceed the
- 30 amount calculated under STEP ONE through STEP FOUR of
- 31 IC 6-3.5-1.5-1(a) that is used by the department of local government
- 32 finance and the department of state revenue to determine the tax rate
- 33 under this section, the excess shall be deposited in the county
- 34 stabilization fund. Money shall be distributed from the county
- 35 stabilization fund in a year by the county auditor to political
- 36 subdivisions entitled to a distribution of tax revenue attributable to the
- 37 tax rate under this section if:
- 38 (1) the certified distributions attributable to a tax rate under this
- 39 section are less than the amount calculated under STEP ONE
- 40 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
- 41 department of local government finance and the department of
- 42 state revenue to determine the tax rate under this section for a

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1 year; or
 2 (2) the certified distributions attributable to a tax rate under this
 3 section in a year are less than the certified distributions
 4 attributable to a tax rate under this section in the preceding year.
 5 However, subdivision (2) does not apply to the year following the first
 6 year in which certified distributions of revenue attributable to the tax
 7 rate under this section are distributed to the county.

8 (p) Notwithstanding any other provision, a tax rate imposed under
 9 this section may not exceed one percent (1%).

10 (q) A county council must each year hold at least one (1) public
 11 meeting at which the county council discusses whether the tax rate
 12 under this section should be imposed or increased.

13 (r) The department of local government finance and the department
 14 of state revenue may take any actions necessary to carry out the
 15 purposes of this section.

16 SECTION 56. IC 6-3.5-1.1-25, AS AMENDED BY P.L.172-2011,
 17 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 25. (a) As used in this section, "public safety"
 19 refers to the following:

- 20 (1) A police and law enforcement system to preserve public peace
 21 and order.
- 22 (2) A firefighting and fire prevention system.
- 23 (3) Emergency ambulance services (as defined in
 24 IC 16-18-2-107).
- 25 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 26 (5) Emergency action (as defined in IC 13-11-2-65).
- 27 (6) A probation department of a court.
- 28 (7) Confinement, supervision, services under a community
 29 corrections program (as defined in IC 35-38-2.6-2), or other
 30 correctional services for a person who has been:
 - 31 (A) diverted before a final hearing or trial under an agreement
 32 that is between the county prosecuting attorney and the person
 33 or the person's custodian, guardian, or parent and that provides
 34 for confinement, supervision, community corrections services,
 35 or other correctional services instead of a final action
 36 described in clause (B) or (C);
 - 37 (B) convicted of a crime; or
 - 38 (C) adjudicated as a delinquent child or a child in need of
 39 services.
- 40 (8) A juvenile detention facility under IC 31-31-8.
- 41 (9) A juvenile detention center under IC 31-31-9.
- 42 (10) A county jail.

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- 1 (11) A communications system (as defined in IC 36-8-15-3) or an
 2 enhanced emergency telephone system (as defined in
 3 IC 36-8-16-2).
 4 (12) Medical and health expenses for jail inmates and other
 5 confined persons.
 6 (13) Pension payments for any of the following:
 7 (A) A member of the fire department (as defined in
 8 IC 36-8-1-8) or any other employee of a fire department.
 9 (B) A member of the police department (as defined in
 10 IC 36-8-1-9), a police chief hired under a waiver under
 11 IC 36-8-4-6.5, or any other employee hired by a police
 12 department.
 13 (C) A county sheriff or any other member of the office of the
 14 county sheriff.
 15 (D) Other personnel employed to provide a service described
 16 in this section.
- 17 (b) If a county council has imposed a tax rate of at least twenty-five
 18 hundredths of one percent (0.25%) under section 24 of this chapter, a
 19 tax rate of at least twenty-five hundredths of one percent (0.25%) under
 20 section 26 of this chapter, or a total combined tax rate of at least
 21 twenty-five hundredths of one percent (0.25%) under sections 24 and
 22 26 of this chapter, the county council may also adopt an ordinance to
 23 impose an additional tax rate under this section to provide funding for
 24 public safety.
 25 (c) A tax rate under this section may not exceed twenty-five
 26 hundredths of one percent (0.25%).
 27 (d) If a county council adopts an ordinance to impose a tax rate
 28 under this section, **not more than ten (10) days after the vote**, the
 29 county auditor shall send a certified copy of the ordinance to the
 30 **commissioner of the department, the director of the budget agency,**
 31 **and the commissioner of the department of local government finance**
 32 **by certified mail or in an electronic format approved by the director**
 33 **of the budget agency.**
 34 (e) A tax rate under this section is in addition to any other tax rates
 35 imposed under this chapter and does not affect the purposes for which
 36 other tax revenue under this chapter may be used.
 37 (f) Except as provided in subsection (k) or (l), the county auditor
 38 shall distribute the portion of the certified distribution that is
 39 attributable to a tax rate under this section to the county and to each
 40 municipality in the county that is carrying out or providing at least one
 41 (1) of the public safety purposes described in subsection (a). The
 42 amount that shall be distributed to the county or municipality is equal

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- 1 to the result of:
- 2 (1) the portion of the certified distribution that is attributable to a
- 3 tax rate under this section; multiplied by
- 4 (2) a fraction equal to:
- 5 (A) the attributed allocation amount (as defined in
- 6 IC 6-3.5-1.1-15) of the county or municipality for the calendar
- 7 year; divided by
- 8 (B) the sum of the attributed allocation amounts of the county
- 9 and each municipality in the county that is entitled to a
- 10 distribution under this section for the calendar year.
- 11 The county auditor shall make the distributions required by this
- 12 subsection not more than thirty (30) days after receiving the portion of
- 13 the certified distribution that is attributable to a tax rate under this
- 14 section. Tax revenue distributed to a county or municipality under this
- 15 subsection must be deposited into a separate account or fund and may
- 16 be appropriated by the county or municipality only for public safety
- 17 purposes.
- 18 (g) The department of local government finance may not require a
- 19 county or municipality receiving tax revenue under this section to
- 20 reduce the county's or municipality's property tax levy for a particular
- 21 year on account of the county's or municipality's receipt of the tax
- 22 revenue.
- 23 (h) The tax rate under this section and the tax revenue attributable
- 24 to the tax rate under this section shall not be considered for purposes
- 25 of computing:
- 26 (1) the maximum income tax rate that may be imposed in a county
- 27 under section 2 of this chapter or any other provision of this
- 28 chapter;
- 29 (2) the maximum permissible property tax levy under
- 30 IC 6-1.1-18.5-3; or
- 31 (3) the credit under IC 6-1.1-20.6.
- 32 (i) The tax rate under this section may be imposed or rescinded at
- 33 the same time and in the same manner that the county may impose or
- 34 increase a tax rate under section 24 of this chapter.
- 35 (j) The department of local government finance and the department
- 36 of state revenue may take any actions necessary to carry out the
- 37 purposes of this section.
- 38 (k) Two (2) or more political subdivisions that are entitled to receive
- 39 a distribution under this section may adopt resolutions providing that
- 40 some part or all of those distributions shall instead be paid to one (1)
- 41 political subdivision in the county to carry out specific public safety
- 42 purposes specified in the resolutions.

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1 (l) A fire department, volunteer fire department, or emergency
2 medical services provider that:

3 (1) provides fire protection or emergency medical services within
4 the county; and

5 (2) is operated by or serves a political subdivision that is not
6 otherwise entitled to receive a distribution of tax revenue under
7 this section;

8 may before July 1 of a year apply to the county council for a
9 distribution of tax revenue under this section during the following
10 calendar year. The county council shall review an application
11 submitted under this subsection and may before September 1 of a year
12 adopt a resolution requiring that one (1) or more of the applicants shall
13 receive a specified amount of the tax revenue to be distributed under
14 this section during the following calendar year. A resolution approved
15 under this subsection providing for a distribution to one (1) or more fire
16 departments, volunteer fire departments, or emergency medical
17 services providers applies only to distributions in the following
18 calendar year. Any amount of tax revenue distributed under this
19 subsection to a fire department, volunteer fire department, or
20 emergency medical services provider shall be distributed before the
21 remainder of the tax revenue is distributed under subsection (f).

22 SECTION 57. IC 6-3.5-1.1-26, AS AMENDED BY P.L.172-2011,
23 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2012]: Sec. 26. (a) A county council may impose a tax rate
25 under this section to provide property tax relief to taxpayers in the
26 county. A county council is not required to impose any other tax before
27 imposing a tax rate under this section.

28 (b) A tax rate under this section may be imposed in increments of
29 five hundredths of one percent (0.05%) determined by the county
30 council. A tax rate under this section may not exceed one percent (1%).

31 (c) A tax rate under this section is in addition to any other tax rates
32 imposed under this chapter and does not affect the purposes for which
33 other tax revenue under this chapter may be used.

34 (d) If a county council adopts an ordinance to impose or increase a
35 tax rate under this section, **not more than ten (10) days after the vote**,
36 the county auditor shall send a certified copy of the ordinance to the
37 **commissioner of the department, the director of the budget agency**,
38 and the **commissioner of the department of local government finance**
39 **by certified mail or in an electronic format approved by the director**
40 **of the budget agency.**

41 (e) A tax rate under this section may be imposed, increased,
42 decreased, or rescinded by a county council at the same time and in the

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1 same manner that the county council may impose or increase a tax rate
2 under section 24 of this chapter.

3 (f) Tax revenue attributable to a tax rate under this section may be
4 used for any combination of the following purposes, as specified by
5 ordinance of the county council:

6 (1) Except as provided in subsection (j), the tax revenue may be
7 used to provide local property tax replacement credits at a
8 uniform rate to all taxpayers in the county. The local property tax
9 replacement credits shall be treated for all purposes as property
10 tax levies. The county auditor shall determine the local property
11 tax replacement credit percentage for a particular year based on
12 the amount of tax revenue that will be used under this subdivision
13 to provide local property tax replacement credits in that year. A
14 county council may not adopt an ordinance determining that tax
15 revenue shall be used under this subdivision to provide local
16 property tax replacement credits at a uniform rate to all taxpayers
17 in the county unless the county council has done the following:

18 (A) Made available to the public the county council's best
19 estimate of the amount of property tax replacement credits to
20 be provided under this subdivision to homesteads, other
21 residential property, commercial property, industrial property,
22 and agricultural property.

23 (B) Adopted a resolution or other statement acknowledging
24 that some taxpayers in the county that do not pay the tax rate
25 under this section will receive a property tax replacement
26 credit that is funded with tax revenue from the tax rate under
27 this section.

28 (2) The tax revenue may be used to uniformly provide the
29 homestead credit percentage in the county. The homestead credits
30 shall be treated for all purposes as property tax levies. The
31 homestead credits do not reduce the basis for determining any
32 state homestead credit. The homestead credits shall be applied to
33 the net property taxes due on the homestead after the application
34 of all other assessed value deductions or property tax deductions
35 and credits that apply to the amount owed under IC 6-1.1. The
36 county auditor shall determine the homestead credit percentage
37 for a particular year based on the amount of tax revenue that will
38 be used under this subdivision to provide homestead credits in
39 that year.

40 (3) The tax revenue may be used to provide local property tax
41 replacement credits at a uniform rate for all qualified residential
42 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,

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1 and as defined in section 1 of this chapter after December 31,
 2 2008) in the county. The local property tax replacement credits
 3 shall be treated for all purposes as property tax levies. The county
 4 auditor shall determine the local property tax replacement credit
 5 percentage for a particular year based on the amount of tax
 6 revenue that will be used under this subdivision to provide local
 7 property tax replacement credits in that year.

8 (4) This subdivision applies only to Lake County. The Lake
 9 County council may adopt an ordinance providing that the tax
 10 revenue from the tax rate under this section is used for any of the
 11 following:

12 (A) To reduce all property tax levies imposed by the county by
 13 the granting of property tax replacement credits against those
 14 property tax levies.

15 (B) To provide local property tax replacement credits in Lake
 16 County in the following manner:

17 (i) The tax revenue under this section that is collected from
 18 taxpayers within a particular municipality in Lake County
 19 (as determined by the department based on the department's
 20 best estimate) shall be used only to provide a local property
 21 tax credit against property taxes imposed by that
 22 municipality.

23 (ii) The tax revenue under this section that is collected from
 24 taxpayers within the unincorporated area of Lake County (as
 25 determined by the department) shall be used only to provide
 26 a local property tax credit against property taxes imposed by
 27 the county. The local property tax credit for the
 28 unincorporated area of Lake County shall be available only
 29 to those taxpayers within the unincorporated area of the
 30 county.

31 (C) To provide property tax credits in the following manner:

32 (i) Sixty percent (60%) of the tax revenue under this section
 33 shall be used as provided in clause (B).

34 (ii) Forty percent (40%) of the tax revenue under this section
 35 shall be used to provide property tax replacement credits
 36 against property tax levies of the county and each township
 37 and municipality in the county. The percentage of the tax
 38 revenue distributed under this item that shall be used as
 39 credits against the county's levies or against a particular
 40 township's or municipality's levies is equal to the percentage
 41 determined by dividing the population of the county,
 42 township, or municipality by the sum of the total population

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1 of the county, each township in the county, and each
 2 municipality in the county.
 3 The Lake County council shall determine whether the credits
 4 under clause (A), (B), or (C) shall be provided to homesteads, to
 5 all qualified residential property, or to all taxpayers. The
 6 department of local government finance, with the assistance of the
 7 budget agency, shall certify to the county auditor and the fiscal
 8 body of the county and each township and municipality in the
 9 county the amount of property tax credits under this subdivision.
 10 Except as provided in subsection (g), the tax revenue under this
 11 section that is used to provide credits under this subdivision shall
 12 be treated for all purposes as property tax levies.
 13 The county council may adopt an ordinance changing the purposes for
 14 which tax revenue attributable to a tax rate under this section shall be
 15 used in the following year.
 16 (g) The tax rate under this section and the tax revenue attributable
 17 to the tax rate under this section shall not be considered for purposes
 18 of computing:
 19 (1) the maximum income tax rate that may be imposed in a county
 20 under section 2 of this chapter or any other provision of this
 21 chapter;
 22 (2) the maximum permissible property tax levy under
 23 IC 6-1.1-18.5-3; or
 24 (3) the credit under IC 6-1.1-20.6.
 25 (h) Tax revenue under this section shall be treated as a part of the
 26 receiving civil taxing unit's or school corporation's property tax levy for
 27 that year for purposes of fixing the budget of the civil taxing unit or
 28 school corporation and for determining the distribution of taxes that are
 29 distributed on the basis of property tax levies. To the extent the county
 30 auditor determines that there is income tax revenue remaining from the
 31 tax under this section after providing the property tax replacement
 32 credits, the excess shall be credited to a dedicated county account and
 33 may be used only for property tax replacement credits under this
 34 section in subsequent years.
 35 (i) The department of local government finance and the department
 36 of state revenue may take any actions necessary to carry out the
 37 purposes of this section.
 38 (j) A taxpayer that owns an industrial plant located in Jasper County
 39 is ineligible for a local property tax replacement credit under this
 40 section against the property taxes due on the industrial plant if the
 41 assessed value of the industrial plant as of March 1, 2006, exceeds
 42 twenty percent (20%) of the total assessed value of all taxable property

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1 in the county on that date. The general assembly finds that the
 2 provisions of this subsection are necessary because the industrial plant
 3 represents such a large percentage of Jasper County's assessed
 4 valuation.

5 SECTION 58. IC 6-3.5-1.5-1, AS AMENDED BY
 6 P.L.182-2009(ss), SECTION 215, IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The department
 8 of local government finance and ~~the department of state revenue~~
 9 ~~(before January 1, 2010)~~ or the budget agency ~~(after December 31,~~
 10 ~~2009)~~ shall, before ~~July~~ **September** 1 of each year, jointly calculate the
 11 county adjusted income tax rate or county option income tax rate (as
 12 applicable) that must be imposed in a county to raise income tax
 13 revenue in the following year equal to the sum of the following STEPS:

14 STEP ONE: Determine the greater of zero (0) or the result of:

15 (1) the department of local government finance's estimate of
 16 the sum of the maximum permissible ad valorem property tax
 17 levies calculated under IC 6-1.1-18.5 for all civil taxing units
 18 in the county for the ensuing calendar year (before any
 19 adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for
 20 the ensuing calendar year); minus

21 (2) the sum of the maximum permissible ad valorem property
 22 tax levies calculated under IC 6-1.1-18.5 for all civil taxing
 23 units in the county for the current calendar year.

24 In the case of a civil taxing unit that is located in more than one
 25 (1) county, the department of local government finance shall, for
 26 purposes of making the determination under this subdivision,
 27 apportion the civil taxing unit's maximum permissible ad valorem
 28 property tax levy among the counties in which the civil taxing unit
 29 is located.

30 STEP TWO: This STEP applies only to property taxes first due
 31 and payable before January 1, 2009. Determine the greater of zero
 32 (0) or the result of:

33 (1) the department of local government finance's estimate of
 34 the family and children property tax levy that will be imposed
 35 by the county under IC 12-19-7-4 **(before its repeal)** for the
 36 ensuing calendar year (before any adjustment under
 37 IC 12-19-7-4(b) **(before its repeal)** for the ensuing calendar
 38 year); minus

39 (2) the county's family and children property tax levy imposed
 40 by the county under IC 12-19-7-4 **(before its repeal)** for the
 41 current calendar year.

42 STEP THREE: This STEP applies only to property taxes first due

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1 and payable before January 1, 2009. Determine the greater of zero
2 (0) or the result of:

3 (1) the department of local government finance's estimate of
4 the children's psychiatric residential treatment services
5 property tax levy that will be imposed by the county under
6 IC 12-19-7.5-6 for **(before its repeal)** the ensuing calendar
7 year (before any adjustment under IC 12-19-7.5-6**(b) (before**
8 **its repeal)** for the ensuing calendar year); minus

9 (2) the children's psychiatric residential treatment services
10 property tax imposed by the county under IC 12-19-7.5-6
11 **(before its repeal)** for the current calendar year.

12 STEP FOUR: Determine the greater of zero (0) or the result of:

13 (1) the department of local government finance's estimate of
14 the county's maximum community mental health centers
15 property tax levy under IC 12-29-2-2 for the ensuing calendar
16 year (before any adjustment under IC 12-29-2-2(c) for the
17 ensuing calendar year); minus

18 (2) the county's maximum community mental health centers
19 property tax levy under IC 12-29-2-2 for the current calendar
20 year.

21 (b) In the case of a county that wishes to impose a tax rate under
22 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
23 department of local government finance and ~~the department of state~~
24 ~~revenue (before January 1, 2010)~~ or the budget agency ~~(after December~~
25 ~~31, 2009)~~ shall jointly estimate the amount that will be calculated under
26 subsection (a) in the second year after the tax rate is first imposed. The
27 department of local government finance and ~~the department of state~~
28 ~~revenue (before January 1, 2010)~~ or the budget agency ~~(after December~~
29 ~~31, 2009)~~ shall calculate the tax rate under IC 6-3.5-1.1-24 or
30 IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the
31 second year after the tax rate is first imposed to raise income tax
32 revenue equal to the estimate under this subsection.

33 (c) ~~The department (before January 1, 2010) or the budget agency~~
34 ~~(after December 31, 2009)~~ and the department of local government
35 finance shall make the calculations under subsections (a) and (b) based
36 on the best information available at the time the calculation is made.

37 (d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a
38 county has adopted an income tax rate under IC 6-3.5-1.1-24 or
39 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax
40 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before
41 January 1, 2009, to reduce levy growth in the county family and
42 children's fund property tax levy and the children's psychiatric

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1 residential treatment services property tax levy shall instead be used for
 2 property tax relief in the same manner that a tax rate under
 3 IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.

4 SECTION 59. IC 6-3.5-1.5-2, AS ADDED BY P.L.224-2007,
 5 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2012]: Sec. 2. The department of local government finance
 7 shall, before ~~July~~ **September** 1 of each year, certify the amount
 8 calculated for a county under section 1 of this chapter to the county
 9 auditor.

10 SECTION 60. IC 6-3.5-6-8, AS AMENDED BY P.L.77-2011,
 11 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 8. (a) The county income tax council of any
 13 county in which the county adjusted gross income tax will not be in
 14 effect on December 1 of a year under an ordinance adopted during a
 15 previous calendar year may impose the county option income tax on the
 16 adjusted gross income of county taxpayers of its county.

17 (b) Except as provided in sections 30, 31, and 32 of this chapter, the
 18 county option income tax may initially be imposed at a rate of
 19 two-tenths of one percent (0.2%) on the resident county taxpayers of
 20 the county and at a rate of five-hundredths of one percent (0.05%) for
 21 all other county taxpayers.

22 (c) To impose the county option income tax, a county income tax
 23 council must pass an ordinance. The ordinance must substantially state
 24 the following:

25 "The _____ County Income Tax Council imposes the
 26 county option income tax on the county taxpayers of
 27 _____ County. The county option income tax is
 28 imposed at a rate of two-tenths of one percent (0.2%) on the
 29 resident county taxpayers of the county and at a rate of
 30 five-hundredths of one percent (0.05%) on all other county
 31 taxpayers."

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

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

42 (f) The auditor of a county shall record all votes taken on ordinances



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1 presented for a vote under this section and, ~~immediately~~ **not more than**
 2 **ten (10) days after the vote**, send a certified copy of the results to **the**
 3 **commissioner of the department, the director of the budget agency,**
 4 **and the commissioner of the department of local government**
 5 **finance** by certified mail **or in an electronic format approved by the**
 6 **director of the budget agency.**

7 SECTION 61. IC 6-3.5-6-9, AS AMENDED BY P.L.77-2011,
 8 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2012]: Sec. 9. (a) If on ~~March 31~~ **January 1** of a calendar year
 10 the county option income tax rate in effect for resident county
 11 taxpayers equals six tenths of one percent (0.6%), excluding a tax rate
 12 imposed under section 30, 31, or 32 of this chapter, the county income
 13 tax council of that county may pass an ordinance to increase its tax rate
 14 for resident county taxpayers. If a county income tax council passes an
 15 ordinance under this section, its county option income tax rate for
 16 resident county taxpayers increases by one-tenth of one percent (0.1%)
 17 in the year in which the ordinance is adopted, as provided in section 1.5
 18 of this chapter, and on each succeeding October 1 until its rate reaches
 19 a maximum of one percent (1%), excluding a tax rate imposed under
 20 section 30, 31, or 32 of this chapter.

21 (b) The auditor of the county shall record any vote taken on an
 22 ordinance proposed under the authority of this section and, ~~immediately~~
 23 **not more than ten (10) days after the vote**, send a certified copy of
 24 the results to **the commissioner of the department, the director of the**
 25 **budget agency, and the commissioner of the department of local**
 26 **government finance** by certified mail **or in an electronic format**
 27 **approved by the director of the budget agency.**

28 SECTION 62. IC 6-3.5-6-11, AS AMENDED BY P.L.77-2011,
 29 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2012]: Sec. 11. (a) This section does not apply to a tax rate
 31 imposed under section 30 of this chapter.

32 (b) The county income tax council of any county may adopt an
 33 ordinance to permanently freeze the county option income tax rates at
 34 the rate in effect for its county on December 1 of a year.

35 (c) To freeze the county option income tax rates, a county income
 36 tax council must adopt an ordinance. The ordinance must substantially
 37 state the following:

38 "The _____ County Income Tax Council permanently
 39 freezes the county option income tax rates at the rate in effect on
 40 December 1 of the current year."

41 (d) An ordinance adopted under the authority of this section remains
 42 in effect until rescinded.



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1 (e) If a county income tax council rescinds an ordinance as adopted
 2 under this section, the county option income tax rate shall
 3 automatically increase by one-tenth of one percent (0.1%) until:
 4 (1) the tax rate is again frozen under another ordinance adopted
 5 under this section; or
 6 (2) the tax rate equals six-tenths of one percent (0.6%) (if the
 7 frozen tax rate equaled an amount less than six-tenths of one
 8 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
 9 an amount in excess of six-tenths of one percent (0.6%)).
 10 (f) The county auditor shall record any vote taken on an ordinance
 11 proposed under the authority of this section and, **immediately not more**
 12 **than ten (10) days after the vote**, send a certified copy of the results
 13 to **the commissioner of the department, the director of the budget**
 14 **agency, and the commissioner of the department of local**
 15 **government finance** by certified mail **or in an electronic format**
 16 **approved by the director of the budget agency.**
 17 SECTION 63. IC 6-3.5-6-12, AS AMENDED BY P.L.77-2011,
 18 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2012]: Sec. 12. (a) The county option income tax imposed by
 20 a county income tax council under this chapter remains in effect until
 21 rescinded.
 22 (b) Subject to subsection (c), the county income tax council of a
 23 county may rescind the county option income tax by passing an
 24 ordinance.
 25 (c) A county income tax council may not rescind the county option
 26 income tax or take any action that would result in a civil taxing unit in
 27 the county having a smaller distributive share than the distributive
 28 share to which it was entitled when it pledged county option income
 29 tax, if the civil taxing unit or any commission, board, department, or
 30 authority that is authorized by statute to pledge county option income
 31 tax, has pledged county option income tax for any purpose permitted
 32 by IC 5-1-14 or any other statute.
 33 (d) The auditor of a county shall record all votes taken on a
 34 proposed ordinance presented for a vote under the authority of this
 35 section and, **immediately not more than ten (10) days after the vote**,
 36 send a certified copy of the results to **the commissioner of the**
 37 **department, the director of the budget agency, and the**
 38 **commissioner of the department of local government finance** by
 39 certified mail **or in an electronic format approved by the director**
 40 **of the budget agency.**
 41 SECTION 64. IC 6-3.5-6-12.5, AS AMENDED BY P.L.77-2011,
 42 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2012]: Sec. 12.5. (a) The county income tax council may
 2 adopt an ordinance to decrease the county option income tax rate in
 3 effect.

4 (b) To decrease the county option income tax rate, the county
 5 income tax council must adopt an ordinance. The ordinance must
 6 substantially state the following:

7 "The _____ County Income Tax Council decreases the
 8 county option income tax rate from _____ percent (___ %)
 9 to _____ percent (___ %)."

10 (c) A county income tax council may not decrease the county option
 11 income tax if the county or any commission, board, department, or
 12 authority that is authorized by statute to pledge the county option
 13 income tax has pledged the county option income tax for any purpose
 14 permitted by IC 5-1-14 or any other statute.

15 (d) The county auditor shall record the votes taken on an ordinance
 16 under this subsection and, **not more than ten (10) days after the vote**,
 17 shall send a certified copy of the ordinance to the **commissioner of the**
 18 **department, the director of the budget agency, and the**
 19 **commissioner of the department of local government finance** by
 20 certified mail **not more than thirty (30) days after the ordinance is**
 21 **adopted: or in an electronic format approved by the director of the**
 22 **budget agency.**

23 (e) Notwithstanding IC 6-3.5-7, a county income tax council that
 24 decreases the county option income tax in a year may not in the same
 25 year adopt or increase the county economic development income tax
 26 under IC 6-3.5-7.

27 SECTION 65. IC 6-3.5-6-17, AS AMENDED BY P.L.229-2011,
 28 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 17. (a) Revenue derived
 30 from the imposition of the county option income tax shall, in the
 31 manner prescribed by this section, be distributed to the county that
 32 imposed it. The amount that is to be distributed to a county during an
 33 ensuing calendar year equals the amount of county option income tax
 34 revenue that the budget agency determines has been:

35 (1) received from that county for a taxable year ending in a
 36 calendar year preceding the calendar year in which the
 37 determination is made; and

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

41 as adjusted (as determined after review of the recommendation of the
 42 budget agency) for refunds of county option income tax made in the

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- 1 state fiscal year.
- 2 (b) Before August 2 of each calendar year, the budget agency shall
 3 certify to the county auditor of each adopting county the amount
 4 determined under subsection (a) plus the amount of interest in the
 5 county's account that has accrued and has not been included in a
 6 certification made in a preceding year. The amount certified is the
 7 county's "certified distribution" for the immediately succeeding
 8 calendar year. The amount certified shall be adjusted, as necessary,
 9 under subsections (c), (d), (e), and (f). The budget agency shall provide
 10 the county council with an informative summary of the calculations
 11 used to determine the certified distribution. The summary of
 12 calculations must include:
- 13 (1) the amount reported on individual income tax returns
 14 processed by the department during the previous fiscal year;
 - 15 (2) adjustments for over distributions in prior years;
 - 16 (3) adjustments for clerical or mathematical errors in prior years;
 - 17 (4) adjustments for tax rate changes; and
 - 18 (5) the amount of excess account balances to be distributed under
 19 IC 6-3.5-6-17.3.
- 20 The budget agency shall also certify information concerning the part of
 21 the certified distribution that is attributable to a tax rate under section
 22 30, 31, or 32 of this chapter. This information must be certified to the
 23 county auditor and to the department of local government finance not
 24 later than September 1 of each calendar year. The part of the certified
 25 distribution that is attributable to a tax rate under section 30, 31, or 32
 26 of this chapter may be used only as specified in those provisions.
- 27 (c) The budget agency shall certify an amount less than the amount
 28 determined under subsection (b) if the budget agency determines that
 29 the reduced distribution is necessary to offset overpayments made in a
 30 calendar year before the calendar year of the distribution. The budget
 31 agency may reduce the amount of the certified distribution over several
 32 calendar years so that any overpayments are offset over several years
 33 rather than in one (1) lump sum.
- 34 (d) The budget agency shall adjust the certified distribution of a
 35 county to correct for any clerical or mathematical errors made in any
 36 previous certification under this section. The budget agency may
 37 reduce the amount of the certified distribution over several calendar
 38 years so that any adjustment under this subsection is offset over several
 39 years rather than in one (1) lump sum.
- 40 (e) This subsection applies to a county that imposes, increases,
 41 decreases, or rescinds a tax or tax rate under this chapter before
 42 November 1 in the same calendar year in which the budget agency

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

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

- 24 (1) the sum of the amounts determined under STEP ONE through
 25 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
 26 initially imposes a tax rate under section 30 of this chapter;
 27 multiplied by
 28 (2) the following:
 29 (A) In a county containing a consolidated city, one and
 30 five-tenths (1.5).
 31 (B) In a county other than a county containing a consolidated
 32 city, two (2).

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

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

42 (i) All distributions from an account established under section 16 of

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1 this chapter shall be made by warrants issued by the auditor of state to
2 the treasurer of state ordering the appropriate payments.

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

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

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

17 SECTION 66. IC 6-3.5-6-28, AS AMENDED BY P.L.77-2011,
18 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2012]: Sec. 28. (a) This section applies only to Howard
20 County.

21 (b) Maintaining low property tax rates is essential to economic
22 development, and the use of county option income tax revenues as
23 provided in this section and as needed in the county to fund the
24 operation and maintenance of a jail and juvenile detention center,
25 rather than the use of property taxes, promotes that purpose.

26 (c) In addition to the rates permitted by sections 8 and 9 of this
27 chapter, the county fiscal body may impose a county option income tax
28 at a rate that does not exceed twenty-five hundredths percent (0.25%)
29 on the adjusted gross income of resident county taxpayers. The tax rate
30 may be adopted in any increment of one hundredth percent (0.01%).
31 Before the county fiscal body may adopt a tax rate under this section,
32 the county fiscal body must make the finding and determination set
33 forth in subsection (d). Section 8(e) of this chapter applies to the
34 application of the additional tax rate to nonresident taxpayers.

35 (d) In order to impose the county option income tax as provided in
36 this section, the county fiscal body must adopt an ordinance:

- 37 (1) finding and determining that revenues from the county option
- 38 income tax are needed in the county to fund the operation and
- 39 maintenance of a jail, a juvenile detention center, or both; and
- 40 (2) agreeing to freeze the part of any property tax levy imposed in
- 41 the county for the operation of the jail or juvenile detention
- 42 center, or both, covered by the ordinance at the rate imposed in

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1 the year preceding the year in which a full year of additional
2 county option income tax is certified for distribution to the county
3 under this section for the term in which an ordinance is in effect
4 under this section.

5 (e) If the county fiscal body makes a determination under subsection
6 (d), the county fiscal body may adopt a tax rate under subsection (c).
7 Subject to the limitations in subsection (c), the county fiscal body may
8 amend an ordinance adopted under this section to increase, decrease,
9 or rescind the additional tax rate imposed under this section. ~~As soon~~
10 ~~as practicable after the adoption of an ordinance under this section; Not~~
11 **more than ten (10) days after the vote, the county fiscal body shall**
12 **send a certified copy of the ordinance to the county auditor, the**
13 **commissioner of the department, the director of the budget agency,**
14 **and the commissioner of the department of local government finance**
15 **and the department of state revenue: by certified mail or in an**
16 **electronic format approved by the director of the budget agency.**

17 (f) The county treasurer shall establish a county jail revenue fund to
18 be used only for the purposes described in this section. County option
19 income tax revenues derived from the tax rate imposed under this
20 section shall be deposited in the county jail revenue fund before
21 making a certified distribution under section 18 of this chapter.

22 (g) County option income tax revenues derived from the tax rate
23 imposed under this section:

24 (1) may only be used for the purposes described in this section;
25 and

26 (2) may not be considered by the department of local government
27 finance in determining the county's maximum permissible
28 property tax levy limit under IC 6-1.1-18.5.

29 (h) The department of local government finance shall enforce an
30 agreement under subsection (d)(2).

31 (i) The budget agency shall adjust the certified distribution of a
32 county to provide for an increased distribution of taxes in the
33 immediately following calendar year after the county adopts an
34 increased tax rate under this section and in each calendar year
35 thereafter. The budget agency shall provide for a full transition to
36 certification of distributions as provided in section 17(a)(1) through
37 17(a)(2) of this chapter in the manner provided in section 17(c) of this
38 chapter.

39 (j) The department shall separately designate a tax rate imposed
40 under this section in any tax form as the Howard County jail operating
41 and maintenance income tax.

42 SECTION 67. IC 6-3.5-6-29, AS AMENDED BY P.L.77-2011,

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1 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2012]: Sec. 29. (a) This section applies only to Scott County.
 3 Scott County is a county in which:
 4 (1) maintaining low property tax rates is essential to economic
 5 development; and
 6 (2) the use of additional county option income tax revenues as
 7 provided in this section, rather than the use of property taxes, to
 8 fund:
 9 (A) the financing, construction, acquisition, improvement,
 10 renovation, equipping, operation, or maintenance of jail
 11 facilities; and
 12 (B) the repayment of bonds issued or leases entered into for
 13 the purposes described in clause (A), except operation or
 14 maintenance;
 15 promotes the purpose of maintaining low property tax rates.
 16 (b) The county fiscal body may impose the county option income tax
 17 on the adjusted gross income of resident county taxpayers at a rate, in
 18 addition to the rates permitted by sections 8 and 9 of this chapter, not
 19 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this
 20 chapter applies to the application of the additional rate to nonresident
 21 taxpayers.
 22 (c) To impose the county option income tax as provided in this
 23 section, the county fiscal body must adopt an ordinance finding and
 24 determining that additional revenues from the county option income tax
 25 are needed in the county to fund:
 26 (1) the financing, construction, acquisition, improvement,
 27 renovation, equipping, operation, or maintenance of jail facilities;
 28 and
 29 (2) the repayment of bonds issued or leases entered into for the
 30 purposes described in subdivision (1), except operation or
 31 maintenance.
 32 (d) If the county fiscal body makes a determination under subsection
 33 (c), the county fiscal body may adopt an additional tax rate under
 34 subsection (b). Subject to the limitations in subsection (b), the county
 35 fiscal body may amend an ordinance adopted under this section to
 36 increase, decrease, or rescind the additional tax rate imposed under this
 37 section. ~~As soon as practicable after the adoption of an ordinance under~~
 38 ~~this section, Not more than ten (10) days after the vote,~~ the county
 39 fiscal body shall send a certified copy of the ordinance to the county
 40 auditor, **the commissioner of the department, the director of the**
 41 **budget agency, and the commissioner of the** department of local
 42 government finance ~~and the department.~~ **by certified mail or in an**

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1 **electronic format approved by the director of the budget agency.**
2 (e) If the county imposes an additional tax rate under this section,
3 the county treasurer shall establish a county jail revenue fund to be
4 used only for the purposes described in this section. County option
5 income tax revenues derived from the tax rate imposed under this
6 section shall be deposited in the county jail revenue fund before
7 making a certified distribution under section 18 of this chapter.
8 (f) County option income tax revenues derived from an additional
9 tax rate imposed under this section:
10 (1) may be used only for the purposes described in this section;
11 (2) may not be considered by the department of local government
12 finance in determining the county's maximum permissible
13 property tax levy limit under IC 6-1.1-18.5; and
14 (3) may be pledged for the repayment of bonds issued or leases
15 entered into to fund the purposes described in subsection (c)(1),
16 except operation or maintenance.
17 (g) If the county imposes an additional tax rate under this section,
18 the budget agency shall adjust the certified distribution of the county
19 to provide for an increased distribution of taxes in the immediately
20 following calendar year after the county adopts the increased tax rate
21 and in each calendar year thereafter. The budget agency shall provide
22 for a full transition to certification of distributions as provided in
23 section 17(a)(1) through 17(a)(2) of this chapter in the manner
24 provided in section 17(c) of this chapter.
25 SECTION 68. IC 6-3.5-6-30, AS AMENDED BY P.L.172-2011,
26 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2012]: Sec. 30. (a) In a county in which the county option
28 income tax is in effect, the county income tax council may adopt an
29 ordinance to impose or increase (as applicable) a tax rate under this
30 section.
31 (b) In a county in which neither the county option adjusted gross
32 income tax nor the county option income tax is in effect, the county
33 income tax council may adopt an ordinance to impose a tax rate under
34 this section.
35 (c) If a county income tax council adopts an ordinance to impose or
36 increase a tax rate under this section, **not more than ten (10) days**
37 **after the vote**, the county auditor shall send a certified copy of the
38 ordinance to the **commissioner of the department, the director of the**
39 **budget agency**, and the **commissioner of the** department of local
40 government finance by certified mail **or in an electronic format**
41 **approved by the director of the budget agency.**
42 (d) A tax rate under this section is in addition to any other tax rates

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1 imposed under this chapter and does not affect the purposes for which
2 other tax revenue under this chapter may be used.

3 (e) The following apply only in the year in which a county income
4 tax council first imposes a tax rate under this section:

5 (1) The county income tax council shall, in the ordinance
6 imposing the tax rate, specify the tax rate for each of the
7 following two (2) years.

8 (2) The tax rate that must be imposed in the county in the first
9 year is equal to the result of:

10 (A) the tax rate determined for the county under
11 IC 6-3.5-1.5-1(a) in that year; multiplied by

12 (B) the following:

13 (i) In a county containing a consolidated city, one and
14 five-tenths (1.5).

15 (ii) In a county other than a county containing a consolidated
16 city, two (2).

17 (3) The tax rate that must be imposed in the county in the second
18 year is the tax rate determined for the county under
19 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
20 in effect in later years unless the tax rate is increased under this
21 section.

22 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
23 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
24 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
25 payable in the ensuing calendar year and to property taxes first
26 due and payable in the calendar year after the ensuing calendar
27 year.

28 (f) The following apply only in a year in which a county income tax
29 council increases a tax rate under this section:

30 (1) The county income tax council shall, in the ordinance
31 increasing the tax rate, specify the tax rate for the following year.

32 (2) The tax rate that must be imposed in the county is equal to the
33 result of:

34 (A) the tax rate determined for the county under
35 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

36 (B) the tax rate currently in effect in the county under this
37 section.

38 The tax rate under this subdivision continues in effect in later
39 years unless the tax rate is increased under this section.

40 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
41 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
42 repeal), and IC 12-29-2-2(c) apply to property taxes first due and

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1 payable in the ensuing calendar year.

2 (g) The department of local government finance shall determine the

3 following property tax replacement distribution amounts:

4 STEP ONE: Determine the sum of the amounts determined under

5 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the

6 county in the preceding year.

7 STEP TWO: For distribution to each civil taxing unit that in the

8 year had a maximum permissible property tax levy limited under

9 IC 6-1.1-18.5-3(b), determine the result of:

10 (1) the quotient of:

11 (A) the part of the amount determined under STEP ONE of

12 IC 6-3.5-1.5-1(a) in the preceding year that was attributable

13 to the civil taxing unit; divided by

14 (B) the STEP ONE amount; multiplied by

15 (2) the tax revenue received by the county treasurer under this

16 section.

17 STEP THREE: For distributions in 2009 and thereafter, the result

18 of this STEP is zero (0). For distribution to the county for deposit

19 in the county family and children's fund before 2009, determine

20 the result of:

21 (1) the quotient of:

22 (A) the amount determined under STEP TWO of

23 IC 6-3.5-1.5-1(a) in the preceding year; divided by

24 (B) the STEP ONE amount; multiplied by

25 (2) the tax revenue received by the county treasurer under this

26 section.

27 STEP FOUR: For distributions in 2009 and thereafter, the result

28 of this STEP is zero (0). For distribution to the county for deposit

29 in the county children's psychiatric residential treatment services

30 fund before 2009, determine the result of:

31 (1) the quotient of:

32 (A) the amount determined under STEP THREE of

33 IC 6-3.5-1.5-1(a) in the preceding year; divided by

34 (B) the STEP ONE amount; multiplied by

35 (2) the tax revenue received by the county treasurer under this

36 section.

37 STEP FIVE: For distribution to the county for community mental

38 health center purposes, determine the result of:

39 (1) the quotient of:

40 (A) the amount determined under STEP FOUR of

41 IC 6-3.5-1.5-1(a) in the preceding year; divided by

42 (B) the STEP ONE amount; multiplied by

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1 (2) the tax revenue received by the county treasurer under this
2 section.
3 Except as provided in subsection (m), the county treasurer shall
4 distribute the portion of the certified distribution that is attributable to
5 a tax rate under this section as specified in this section. The county
6 treasurer shall make the distributions under this subsection at the same
7 time that distributions are made to civil taxing units under section 18
8 of this chapter.
9 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
10 income tax council may not decrease or rescind a tax rate imposed
11 under this section.
12 (i) The tax rate under this section shall not be considered for
13 purposes of computing:
14 (1) the maximum income tax rate that may be imposed in a county
15 under section 8 or 9 of this chapter or any other provision of this
16 chapter; or
17 (2) the maximum permissible property tax levy under
18 IC 6-1.1-18.5-3.
19 (j) The tax levy under this section shall not be considered for
20 purposes of the credit under IC 6-1.1-20.6.
21 (k) A distribution under this section shall be treated as a part of the
22 receiving civil taxing unit's property tax levy for that year for purposes
23 of fixing its budget and for determining the distribution of taxes that are
24 distributed on the basis of property tax levies.
25 (l) If a county income tax council imposes a tax rate under this
26 section, the county option income tax rate dedicated to locally funded
27 homestead credits in the county may not be decreased.
28 (m) In the year following the year in which a county first imposes a
29 tax rate under this section:
30 (1) one-third (1/3) of the tax revenue that is attributable to the tax
31 rate under this section must be deposited in the county
32 stabilization fund established under subsection (o), in the case of
33 a county containing a consolidated city; and
34 (2) one-half (1/2) of the tax revenue that is attributable to the tax
35 rate under this section must be deposited in the county
36 stabilization fund established under subsection (o), in the case of
37 a county not containing a consolidated city.
38 (n) A pledge of county option income taxes does not apply to
39 revenue attributable to a tax rate under this section.
40 (o) A county stabilization fund is established in each county that
41 imposes a tax rate under this section. The county stabilization fund
42 shall be administered by the county auditor. If for a year the certified

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1 distributions attributable to a tax rate under this section exceed the
2 amount calculated under STEP ONE through STEP FOUR of
3 IC 6-3.5-1.5-1(a) that is used by the department of local government
4 finance and the department of state revenue to determine the tax rate
5 under this section, the excess shall be deposited in the county
6 stabilization fund. Money shall be distributed from the county
7 stabilization fund in a year by the county auditor to political
8 subdivisions entitled to a distribution of tax revenue attributable to the
9 tax rate under this section if:

10 (1) the certified distributions attributable to a tax rate under this
11 section are less than the amount calculated under STEP ONE
12 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
13 department of local government finance and the department of
14 state revenue to determine the tax rate under this section for a
15 year; or

16 (2) the certified distributions attributable to a tax rate under this
17 section in a year are less than the certified distributions
18 attributable to a tax rate under this section in the preceding year.

19 However, subdivision (2) does not apply to the year following the first
20 year in which certified distributions of revenue attributable to the tax
21 rate under this section are distributed to the county.

22 (p) Notwithstanding any other provision, a tax rate imposed under
23 this section may not exceed one percent (1%).

24 (q) A county income tax council must each year hold at least one (1)
25 public meeting at which the county council discusses whether the tax
26 rate under this section should be imposed or increased.

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

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

33 SECTION 69. IC 6-3.5-6-31, AS AMENDED BY P.L.172-2011,
34 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2012]: Sec. 31. (a) As used in this section, "public safety"
36 refers to the following:

37 (1) A police and law enforcement system to preserve public peace
38 and order.

39 (2) A firefighting and fire prevention system.

40 (3) Emergency ambulance services (as defined in
41 IC 16-18-2-107).

42 (4) Emergency medical services (as defined in IC 16-18-2-110).

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- 1 (5) Emergency action (as defined in IC 13-11-2-65).
- 2 (6) A probation department of a court.
- 3 (7) Confinement, supervision, services under a community
- 4 corrections program (as defined in IC 35-38-2.6-2), or other
- 5 correctional services for a person who has been:
- 6 (A) diverted before a final hearing or trial under an agreement
- 7 that is between the county prosecuting attorney and the person
- 8 or the person's custodian, guardian, or parent and that provides
- 9 for confinement, supervision, community corrections services,
- 10 or other correctional services instead of a final action
- 11 described in clause (B) or (C);
- 12 (B) convicted of a crime; or
- 13 (C) adjudicated as a delinquent child or a child in need of
- 14 services.
- 15 (8) A juvenile detention facility under IC 31-31-8.
- 16 (9) A juvenile detention center under IC 31-31-9.
- 17 (10) A county jail.
- 18 (11) A communications system (as defined in IC 36-8-15-3) or an
- 19 enhanced emergency telephone system (as defined in
- 20 IC 36-8-16-2).
- 21 (12) Medical and health expenses for jail inmates and other
- 22 confined persons.
- 23 (13) Pension payments for any of the following:
- 24 (A) A member of the fire department (as defined in
- 25 IC 36-8-1-8) or any other employee of a fire department.
- 26 (B) A member of the police department (as defined in
- 27 IC 36-8-1-9), a police chief hired under a waiver under
- 28 IC 36-8-4-6.5, or any other employee hired by a police
- 29 department.
- 30 (C) A county sheriff or any other member of the office of the
- 31 county sheriff.
- 32 (D) Other personnel employed to provide a service described
- 33 in this section.
- 34 (b) The county income tax council may adopt an ordinance to
- 35 impose an additional tax rate under this section to provide funding for
- 36 public safety if:
- 37 (1) the county income tax council has imposed a tax rate under
- 38 section 30 of this chapter, in the case of a county containing a
- 39 consolidated city; or
- 40 (2) the county income tax council has imposed a tax rate of at
- 41 least twenty-five hundredths of one percent (0.25%) under section
- 42 30 of this chapter, a tax rate of at least twenty-five hundredths of

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1 one percent (0.25%) under section 32 of this chapter, or a total
 2 combined tax rate of at least twenty-five hundredths of one
 3 percent (0.25%) under sections 30 and 32 of this chapter, in the
 4 case of a county other than a county containing a consolidated
 5 city.

6 (c) A tax rate under this section may not exceed the following:

7 (1) Five-tenths of one percent (0.5%), in the case of a county
 8 containing a consolidated city.

9 (2) Twenty-five hundredths of one percent (0.25%), in the case of
 10 a county other than a county containing a consolidated city.

11 (d) If a county income tax council adopts an ordinance to impose a
 12 tax rate under this section, **not more than ten (10) days after the vote**,
 13 the county auditor shall send a certified copy of the ordinance to the
 14 **commissioner of the department, the director of the budget agency,**
 15 and the **commissioner of the department of local government finance**
 16 **by certified mail or in an electronic format approved by the director**
 17 **of the budget agency.**

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

21 (f) Except as provided in subsections (l) and (m), the county auditor
 22 shall distribute the portion of the certified distribution that is
 23 attributable to a tax rate under this section to the county and to each
 24 municipality in the county that is carrying out or providing at least one
 25 (1) of the public safety purposes described in subsection (a). The
 26 amount that shall be distributed to the county or municipality is equal
 27 to the result of:

28 (1) the portion of the certified distribution that is attributable to a
 29 tax rate under this section; multiplied by

30 (2) a fraction equal to:

31 (A) the total property taxes being collected in the county by
 32 the county or municipality for the calendar year; divided by

33 (B) the sum of the total property taxes being collected in the
 34 county by the county and each municipality in the county that
 35 is entitled to a distribution under this section for the calendar
 36 year.

37 The county auditor shall make the distributions required by this
 38 subsection not more than thirty (30) days after receiving the portion of
 39 the certified distribution that is attributable to a tax rate under this
 40 section. Tax revenue distributed to a county or municipality under this
 41 subsection must be deposited into a separate account or fund and may
 42 be appropriated by the county or municipality only for public safety



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1 purposes.

2 (g) The department of local government finance may not require a
3 county or municipality receiving tax revenue under this section to
4 reduce the county's or municipality's property tax levy for a particular
5 year on account of the county's or municipality's receipt of the tax
6 revenue.

7 (h) The tax rate under this section and the tax revenue attributable
8 to the tax rate under this section shall not be considered for purposes
9 of computing:

10 (1) the maximum income tax rate that may be imposed in a county
11 under section 8 or 9 of this chapter or any other provision of this
12 chapter;

13 (2) the maximum permissible property tax levy under
14 IC 6-1.1-18.5-3; or

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

16 (i) The tax rate under this section may be imposed or rescinded at
17 the same time and in the same manner that the county may impose or
18 increase a tax rate under section 30 of this chapter.

19 (j) The department of local government finance and the department
20 of state revenue may take any actions necessary to carry out the
21 purposes of this section.

22 (k) Notwithstanding any other provision, in Lake County the county
23 council (and not the county income tax council) is the entity authorized
24 to take actions concerning the additional tax rate under this section.

25 (l) Two (2) or more political subdivisions that are entitled to receive
26 a distribution under this section may adopt resolutions providing that
27 some part or all of those distributions shall instead be paid to one (1)
28 political subdivision in the county to carry out specific public safety
29 purposes specified in the resolutions.

30 (m) A fire department, volunteer fire department, or emergency
31 medical services provider that:

32 (1) provides fire protection or emergency medical services within
33 the county; and

34 (2) is operated by or serves a political subdivision that is not
35 otherwise entitled to receive a distribution of tax revenue under
36 this section;

37 may before July 1 of a year apply to the county income tax council for
38 a distribution of tax revenue under this section during the following
39 calendar year. The county income tax council shall review an
40 application submitted under this subsection and may before September
41 1 of a year adopt a resolution requiring that one (1) or more of the
42 applicants shall receive a specified amount of the tax revenue to be

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1 distributed under this section during the following calendar year. A
2 resolution approved under this subsection providing for a distribution
3 to one (1) or more fire departments, volunteer fire departments, or
4 emergency services providers applies only to distributions in the
5 following calendar year. Any amount of tax revenue distributed under
6 this subsection to a fire department, volunteer fire department, or
7 emergency medical services provider shall be distributed before the
8 remainder of the tax revenue is distributed under subsection (f).

9 SECTION 70. IC 6-3.5-6-32, AS AMENDED BY P.L.172-2011,
10 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2012]: Sec. 32. (a) A county income tax council may impose
12 a tax rate under this section to provide property tax relief to taxpayers
13 in the county. A county income tax council is not required to impose
14 any other tax before imposing a tax rate under this section.

15 (b) A tax rate under this section may be imposed in increments of
16 five-hundredths of one percent (0.05%) determined by the county
17 income tax council. A tax rate under this section may not exceed one
18 percent (1%).

19 (c) A tax rate under this section is in addition to any other tax rates
20 imposed under this chapter and does not affect the purposes for which
21 other tax revenue under this chapter may be used.

22 (d) If a county income tax council adopts an ordinance to impose or
23 increase a tax rate under this section, **not more than ten (10) days**
24 **after the vote**, the county auditor shall send a certified copy of the
25 ordinance to the **commissioner of the department, the director of the**
26 **budget agency, and the commissioner of the department of local**
27 **government finance by certified mail or in an electronic format**
28 **approved by the director of the budget agency.**

29 (e) A tax rate under this section may be imposed, increased,
30 decreased, or rescinded at the same time and in the same manner that
31 the county income tax council may impose or increase a tax rate under
32 section 30 of this chapter.

33 (f) Tax revenue attributable to a tax rate under this section may be
34 used for any combination of the following purposes, as specified by
35 ordinance of the county income tax council:

36 (1) The tax revenue may be used to provide local property tax
37 replacement credits at a uniform rate to all taxpayers in the
38 county. The local property tax replacement credits shall be treated
39 for all purposes as property tax levies. The county auditor shall
40 determine the local property tax replacement credit percentage for
41 a particular year based on the amount of tax revenue that will be
42 used under this subdivision to provide local property tax

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1 replacement credits in that year. A county income tax council may
2 not adopt an ordinance determining that tax revenue shall be used
3 under this subdivision to provide local property tax replacement
4 credits at a uniform rate to all taxpayers in the county unless the
5 county council has done the following:

6 (A) Made available to the public the county council's best
7 estimate of the amount of property tax replacement credits to
8 be provided under this subdivision to homesteads, other
9 residential property, commercial property, industrial property,
10 and agricultural property.

11 (B) Adopted a resolution or other statement acknowledging
12 that some taxpayers in the county that do not pay the tax rate
13 under this section will receive a property tax replacement
14 credit that is funded with tax revenue from the tax rate under
15 this section.

16 (2) The tax revenue may be used to uniformly increase (before
17 January 1, 2011) or uniformly provide (after December 31, 2010)
18 the homestead credit percentage in the county. The homestead
19 credits shall be treated for all purposes as property tax levies. The
20 homestead credits do not reduce the basis for determining any
21 state homestead credit. The homestead credits shall be applied to
22 the net property taxes due on the homestead after the application
23 of all other assessed value deductions or property tax deductions
24 and credits that apply to the amount owed under IC 6-1.1. The
25 county auditor shall determine the homestead credit percentage
26 for a particular year based on the amount of tax revenue that will
27 be used under this subdivision to provide homestead credits in
28 that year.

29 (3) The tax revenue may be used to provide local property tax
30 replacement credits at a uniform rate for all qualified residential
31 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
32 and as defined in section 1 of this chapter after December 31,
33 2008) in the county. The local property tax replacement credits
34 shall be treated for all purposes as property tax levies. The county
35 auditor shall determine the local property tax replacement credit
36 percentage for a particular year based on the amount of tax
37 revenue that will be used under this subdivision to provide local
38 property tax replacement credits in that year.

39 (4) This subdivision applies only to Lake County. The Lake
40 County council may adopt an ordinance providing that the tax
41 revenue from the tax rate under this section is used for any of the
42 following:

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(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall

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1 be treated for all purposes as property tax levies.
2 The county income tax council may adopt an ordinance changing the
3 purposes for which tax revenue attributable to a tax rate under this
4 section shall be used in the following year.

5 (g) The tax rate under this section shall not be considered for
6 purposes of computing:

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

10 (2) the maximum permissible property tax levy under
11 IC 6-1.1-18.5-3; or

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

13 (h) Tax revenue under this section shall be treated as a part of the
14 receiving civil taxing unit's or school corporation's property tax levy for
15 that year for purposes of fixing the budget of the civil taxing unit or
16 school corporation and for determining the distribution of taxes that are
17 distributed on the basis of property tax levies. To the extent the county
18 auditor determines that there is income tax revenue remaining from the
19 tax under this section after providing the property tax replacement, the
20 excess shall be credited to a dedicated county account and may be used
21 only for property tax replacement under this section in subsequent
22 years.

23 (i) The department of local government finance, and the department
24 of state revenue may take any actions necessary to carry out the
25 purposes of this section.

26 (j) Notwithstanding any other provision, in Lake County the county
27 council (and not the county income tax council) is the entity authorized
28 to take actions concerning the tax rate under this section.

29 SECTION 71. IC 6-3.5-6-33, AS AMENDED BY P.L.77-2011,
30 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2012]: Sec. 33. (a) This section applies only to Monroe
32 County.

33 (b) Maintaining low property tax rates is essential to economic
34 development, and the use of county option income tax revenues as
35 provided in this chapter and as needed in the county to fund the
36 operation and maintenance of a juvenile detention center and other
37 facilities to provide juvenile services, rather than the use of property
38 taxes, promotes that purpose.

39 (c) In addition to the rates permitted by sections 8 and 9 of this
40 chapter, the county fiscal body may impose an additional county option
41 income tax at a rate of not more than twenty-five hundredths percent
42 (0.25%) on the adjusted gross income of resident county taxpayers if

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1 the county fiscal body makes the finding and determination set forth in
 2 subsection (d). Section 8(e) of this chapter applies to the application of
 3 the additional rate to nonresident taxpayers.

4 (d) In order to impose the county option income tax as provided in
 5 this section, the county fiscal body must adopt an ordinance:

6 (1) finding and determining that revenues from the county option
 7 income tax are needed in the county to fund the operation and
 8 maintenance of a juvenile detention center and other facilities
 9 necessary to provide juvenile services; and

10 (2) agreeing to freeze for the term in which an ordinance is in
 11 effect under this section the part of any property tax levy imposed
 12 in the county for the operation of the juvenile detention center and
 13 other facilities covered by the ordinance at the rate imposed in the
 14 year preceding the year in which a full year of additional county
 15 option income tax is certified for distribution to the county under
 16 this section.

17 (e) If the county fiscal body makes a determination under subsection
 18 (d), the county fiscal body may adopt a tax rate under subsection (c).
 19 Subject to the limitations in subsection (c), the county fiscal body may
 20 amend an ordinance adopted under this section to increase, decrease,
 21 or rescind the additional tax rate imposed under this section. ~~As soon~~
 22 ~~as practicable after the adoption of an ordinance under this section, Not~~
 23 **more than ten (10) days after the vote**, the county fiscal body shall
 24 send a certified copy of the ordinance to the county auditor, **the**
 25 **commissioner of the department, the director of the budget agency,**
 26 **and the commissioner of the department of local government finance**
 27 ~~and the department of state revenue.~~ **by certified mail or in an**
 28 **electronic format approved by the director of the budget agency.**

29 (f) The county treasurer shall establish a county juvenile detention
 30 center revenue fund to be used only for the purposes described in this
 31 section. County option income tax revenues derived from the tax rate
 32 imposed under this section shall be deposited in the county juvenile
 33 detention center revenue fund before a certified distribution is made
 34 under section 18 of this chapter.

35 (g) County option income tax revenues derived from the tax rate
 36 imposed under this section:

37 (1) may be used only for the purposes described in this section;
 38 and

39 (2) may not be considered by the department of local government
 40 finance in determining the county's maximum permissible
 41 property tax levy limit under IC 6-1.1-18.5.

42 (h) The department of local government finance shall enforce an

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1 agreement made under subsection (d)(2).
 2 (i) The budget agency shall adjust the certified distribution of a
 3 county to provide for an increased distribution of taxes in the
 4 immediately following calendar year after the county adopts an
 5 increased tax rate under this section and in each calendar year
 6 thereafter. The budget agency shall provide for a full transition to
 7 certification of distributions as provided in section 17(a)(1) through
 8 17(a)(2) of this chapter in the manner provided in section 17(c) of this
 9 chapter.
 10 SECTION 72. IC 6-3.5-7-1 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Except as
 12 otherwise provided in this section, as used in this chapter, "adjusted
 13 gross income" has the meaning set forth in IC 6-3-1-3.5(a).
 14 (b) In the case of a county taxpayer who is not a resident of a county
 15 that has imposed the county economic development income tax, the
 16 term "adjusted gross income" includes only adjusted gross income
 17 derived from the taxpayer's principal place of business or employment.
 18 (c) In the case of a county taxpayer who is a resident of a **Perry**
 19 **County, having a population of more than eighteen thousand three**
 20 **hundred (18,300) but less than nineteen thousand three hundred**
 21 **(19,300);** the term "adjusted gross income" does not include adjusted
 22 gross income that is:
 23 (1) earned in a county that is:
 24 (A) located in another state; and
 25 (B) adjacent to the county in which the taxpayer resides; and
 26 (2) subject to an income tax imposed by a county, city, town, or
 27 other local governmental entity in the other state.
 28 SECTION 73. IC 6-3.5-7-1.5 IS REPEALED [EFFECTIVE JULY
 29 1, 2012]. ~~Sec. 1.5: As used in this chapter, "capital project" includes~~
 30 ~~substance removal or remedial action in a designated unit.~~
 31 SECTION 74. IC 6-3.5-7-4.3 IS REPEALED [EFFECTIVE JULY
 32 1, 2012]. ~~Sec. 4.3: As used in this chapter, "designated unit" refers to~~
 33 ~~a county having a population of more than one hundred forty-eight~~
 34 ~~thousand (148,000) but less than one hundred seventy thousand~~
 35 ~~(170,000).~~
 36 SECTION 75. IC 6-3.5-7-4.6 IS REPEALED [EFFECTIVE JULY
 37 1, 2012]. ~~Sec. 4.6: As used in this chapter, "remedial action" has the~~
 38 ~~meaning set forth in IC 13-11-2-185.~~
 39 SECTION 76. IC 6-3.5-7-4.7 IS REPEALED [EFFECTIVE JULY
 40 1, 2012]. ~~Sec. 4.7: As used in this chapter, "removal" has the meaning~~
 41 ~~set forth in IC 13-11-2-187.~~
 42 SECTION 77. IC 6-3.5-7-4.8 IS REPEALED [EFFECTIVE JULY

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1 1, 2012]. Sec. 4-8: As used in this chapter, "substance" has the meaning
 2 set forth in IC 13-11-2-98 for "hazardous substance".

3 SECTION 78. IC 6-3.5-7-5, AS AMENDED BY P.L.199-2011,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2012]: Sec. 5. (a) Except as provided in subsection (c), the
 6 county economic development income tax may be imposed on the
 7 adjusted gross income of county taxpayers. The entity that may impose
 8 the tax is:

- 9 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
 10 the county option income tax is in effect on ~~March 31~~ **October 1**
 11 of the year the county economic development income tax is
 12 imposed;
 13 (2) the county council if the county adjusted gross income tax is
 14 in effect on ~~March 31~~ **October 1** of the year the county economic
 15 development tax is imposed; or
 16 (3) the county income tax council or the county council,
 17 whichever acts first, for a county not covered by subdivision (1)
 18 or (2).

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

22 (b) Except as provided in ~~subsections (e) (g); (k); (p); and (r) this~~
 23 **section** and section 28 of this chapter, the county economic
 24 development income tax may be imposed at a rate of:

- 25 (1) one-tenth percent (0.1%);
 26 (2) two-tenths percent (0.2%);
 27 (3) twenty-five hundredths percent (0.25%);
 28 (4) three-tenths percent (0.3%);
 29 (5) thirty-five hundredths percent (0.35%);
 30 (6) four-tenths percent (0.4%);
 31 (7) forty-five hundredths percent (0.45%); or
 32 (8) five-tenths percent (0.5%);

33 on the adjusted gross income of county taxpayers.

34 (c) Except as provided in ~~subsection (h); (i); (j); (k); (l); (m); (n); (o);~~
 35 ~~(p); (s); (v); (w); (x); or (y);~~ **this section**, the county economic
 36 development income tax rate plus the county adjusted gross income tax
 37 rate, if any, that are in effect on January 1 of a year may not exceed one
 38 and twenty-five hundredths percent (1.25%). Except as provided in
 39 ~~subsection (g); (p); (r); (t); (u); (w); (x); or (y);~~ **this section**, the county
 40 economic development tax rate plus the county option income tax rate,
 41 if any, that are in effect on January 1 of a year may not exceed one
 42 percent (1%).



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1 (d) To impose, increase, decrease, or rescind the county economic
2 development income tax, the appropriate body must adopt an
3 ordinance.

4 (e) The ordinance to impose the tax must substantially state the
5 following:

6 "The _____ County _____ imposes the county economic
7 development income tax on the county taxpayers of _____
8 County. The county economic development income tax is imposed at
9 a rate of _____ percent (____%) on the county taxpayers of the
10 county."

11 (f) The auditor of a county shall record all votes taken on ordinances
12 presented for a vote under the authority of this chapter and shall, not
13 more than ten (10) days after the vote, send a certified copy of the
14 results to the commissioner of the department, **the director of the**
15 **budget agency, and the commissioner of the department of local**
16 **government finance** by certified mail **or in an electronic format**
17 **approved by the director of the budget agency.**

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

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

24 (A) fifteen-hundredths percent (0.15%);

25 (B) two-tenths percent (0.2%); or

26 (C) twenty-five hundredths percent (0.25%); and

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

32 (h) (g) For a **Jackson** County, having a population of more than
33 forty-one thousand (41,000) but less than forty-three thousand
34 (43,000); except as provided in subsection (p); (o), the county
35 economic development income tax rate plus the county adjusted gross
36 income tax rate that are in effect on January 1 of a year may not exceed
37 one and thirty-five hundredths percent (1.35%) if the county has
38 imposed the county adjusted gross income tax at a rate of one and
39 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

40 (i) (h) For a **Pulaski** County, having a population of more than
41 thirteen thousand five hundred (13,500) but less than fourteen thousand
42 (14,000); except as provided in subsection (p); (o), the county



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1 economic development income tax rate plus the county adjusted gross
 2 income tax rate that are in effect on January 1 of a year may not exceed
 3 one and fifty-five hundredths percent (1.55%).

4 ~~(j)~~ **(i)** For a **Wayne** County, having a population of more than
 5 seventy-one thousand (71,000) but less than seventy-one thousand four
 6 hundred (71,400); except as provided in subsection ~~(p)~~; **(o)**, the county
 7 economic development income tax rate plus the county adjusted gross
 8 income tax rate that are in effect on January 1 of a year may not exceed
 9 one and five-tenths percent (1.5%).

10 ~~(k)~~ **(j)** This subsection applies to a **Randolph** County. having a
 11 population of more than twenty-seven thousand four hundred (27,400)
 12 but less than twenty-seven thousand five hundred (27,500). Except as
 13 provided in subsection ~~(p)~~; **(o)**, in addition to the rates permitted under
 14 subsection (b):

- 15 (1) the county economic development income tax may be imposed
- 16 at a rate of twenty-five hundredths percent (0.25%); and
- 17 (2) the sum of the county economic development income tax rate
- 18 and the county adjusted gross income tax rate that are in effect on
- 19 January 1 of a year may not exceed one and five-tenths percent
- 20 (1.5%);

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

23 ~~(l)~~ **(k)** For a **Daviess** County, having a population of more than
 24 twenty-nine thousand (29,000) but less than thirty thousand (30,000);
 25 except as provided in subsection ~~(p)~~; **(o)**, the county economic
 26 development income tax rate plus the county adjusted gross income tax
 27 rate that are in effect on January 1 of a year may not exceed one and
 28 five-tenths percent (1.5%).

29 ~~(m)~~ **(l)** For:

- 30 (1) a **Elkhart** County; having a population of more than one
- 31 hundred eighty-two thousand seven hundred ninety (182,790) but
- 32 less than two hundred thousand (200,000); or
- 33 (2) a **Marshall** County; having a population of more than
- 34 forty-five thousand (45,000) but less than forty-five thousand nine
- 35 hundred (45,900);

36 except as provided in subsection ~~(p)~~; **(o)**, the county economic
 37 development income tax rate plus the county adjusted gross income tax
 38 rate that are in effect on January 1 of a year may not exceed one and
 39 five-tenths percent (1.5%).

40 ~~(n)~~ **(m)** For a **Union** County, having a population of more than six
 41 thousand (6,000) but less than eight thousand (8,000); except as
 42 provided in subsection ~~(p)~~; **(o)**, the county economic development

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1 income tax rate plus the county adjusted gross income tax rate that are
2 in effect on January 1 of a year may not exceed one and five-tenths
3 percent (1.5%).

4 ~~(p)~~ (n) This subsection applies to a Knox County, having a
5 population of more than thirty-nine thousand (39,000) but less than
6 thirty-nine thousand six hundred (39,600). Except as provided in
7 subsection ~~(p)~~; (o), in addition to the rates permitted under subsection
8 (b):

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

11 (2) the sum of the county economic development income tax rate
12 and:

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

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

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

21 ~~(p)~~ (o) In addition:

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

26 (2) the:

27 (A) county economic development income tax; and

28 (B) county option income tax or county adjusted gross income
29 tax;

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

33 However, the additional rate imposed under this subsection may not
34 exceed the amount necessary to mitigate the increased ad valorem
35 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (**repealed**)
36 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
37 residential property (as defined in section 26 of this chapter), as
38 appropriate under the ordinance adopted by the adopting body in the
39 county, resulting from the deduction of the assessed value of inventory
40 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
41 exclusion in 2008 of inventory from the definition of personal property
42 in IC 6-1.1-1-11.



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

- 7 (1) the actual county economic development tax rate; and
8 (2) the maximum rate that would otherwise apply under this
9 section.

10 ~~(r)~~ **(q)** This subsection applies only to a county described in section
11 27 of this chapter. Except as provided in subsection ~~(p)~~; **(o)**, in addition
12 to the rates permitted by subsection (b), the:

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

20 ~~(s)~~ **(r)** Except as provided in subsection ~~(p)~~; **(o)**, the county
21 economic development income tax rate plus the county adjusted gross
22 income tax rate that are in effect on January 1 of a year may not exceed
23 one and five-tenths percent (1.5%) if the county has imposed the
24 county adjusted gross income tax under IC 6-3.5-1.1-3.3.

25 ~~(t)~~ **(s)** This subsection applies to Howard County. Except as
26 provided in subsection ~~(p)~~; **(o)**, the sum of the county economic
27 development income tax rate and the county option income tax rate that
28 are in effect on January 1 of a year may not exceed one and twenty-five
29 hundredths percent (1.25%).

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

35 ~~(v)~~ **(u)** This subsection applies to Jasper County. Except as provided
36 in subsection ~~(p)~~; **(o)**, the sum of the county economic development
37 income tax rate and the county adjusted gross income tax rate that are
38 in effect on January 1 of a year may not exceed one and five-tenths
39 percent (1.5%).

40 ~~(w)~~ **(v)** An additional county economic development income tax rate
41 imposed under section 28 of this chapter may not be considered in
42 calculating any limit under this section on the sum of:

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- 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)~~ **(w)** The income tax rate limits imposed by subsection (c) or ~~(y)~~
 6 **(x)** or 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)~~ **(x)** or any other provision of this chapter
 13 that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and
 14 this 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)~~ **(x)** This subsection applies to Monroe County. Except as
 20 provided in subsection ~~(p)~~; **(o)**, if an ordinance is adopted under
 21 IC 6-3.5-6-33, the sum of the county economic development income
 22 tax rate and the county option income tax rate that are in effect on
 23 January 1 of a year may not exceed one and twenty-five hundredths
 24 percent (1.25%).

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

30 SECTION 79. IC 6-3.5-7-6, AS AMENDED BY P.L.77-2011,
 31 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2012]: Sec. 6. (a) The body imposing the tax may decrease or
 33 increase the county economic development income tax rate imposed
 34 upon the county taxpayers as long as the resulting rate does not exceed
 35 the rates specified in section 5(b) and 5(c) or ~~5(g)~~ of this chapter. The
 36 rate imposed under this section must be adopted at one (1) of the rates
 37 specified in section 5(b) of this chapter. To decrease or increase the
 38 rate, the appropriate body must adopt an ordinance. The ordinance
 39 must substantially state the following:

40 "The _____ County _____ increases (decreases) the
 41 county economic development income tax rate imposed upon the
 42 county taxpayers of the county from _____ percent (____%) to

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1 _____ percent (___%)."

2 (b) The auditor of a county shall record all votes taken on

3 ordinances presented for a vote under the authority of this section and,

4 **immediately not more than ten (10) days after the vote**, send a

5 certified copy of the results to **the commissioner of the department,**

6 **the director of the budget agency, and the commissioner of the**

7 **department of local government finance** by certified mail **or in an**

8 **electronic format approved by the director of the budget agency.**

9 SECTION 80. IC 6-3.5-7-7, AS AMENDED BY P.L.77-2011,

10 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

11 JULY 1, 2012]: Sec. 7. (a) The county economic development income

12 tax imposed under this chapter remains in effect until rescinded.

13 (b) Subject to section 14 of this chapter, the body imposing the

14 county economic development income tax may rescind the tax by

15 adopting an ordinance.

16 (c) The auditor of a county shall record all votes taken on

17 ordinances presented for a vote under the authority of this section and,

18 **immediately not more than ten (10) days after the vote**, send a

19 certified copy of the results to **the commissioner of the department,**

20 **the director of the budget agency, and the commissioner of the**

21 **department of local government finance** by certified mail **or in an**

22 **electronic format approved by the director of the budget agency.**

23 SECTION 81. IC 6-3.5-7-11, AS AMENDED BY P.L.229-2011,

24 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

25 JULY 1, 2012]: Sec. 11. (a) Revenue derived from the imposition of

26 the county economic development income tax shall, in the manner

27 prescribed by this section, be distributed to the county that imposed it.

28 (b) Before August 2 of each calendar year, the budget agency, shall

29 certify to the county auditor of each adopting county the sum of the

30 amount of county economic development income tax revenue that the

31 budget agency determines has been:

32 (1) received from that county for a taxable year ending before the

33 calendar year in which the determination is made; and

34 (2) reported on an annual return or amended return processed by

35 the department in the state fiscal year ending before July 1 of the

36 calendar year in which the determination is made;

37 as adjusted for refunds of county economic development income tax

38 made in the state fiscal year plus the amount of interest in the county's

39 account that has been accrued and has not been included in a

40 certification made in a preceding year. The amount certified is the

41 county's certified distribution, which shall be distributed on the dates

42 specified in section 16 of this chapter for the following calendar year.

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

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

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

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

10 (4) adjustments for tax rate changes; and

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

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

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

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

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

33 (h) This subsection applies to a county that imposes, increases,
 34 decreases, or rescinds a tax or tax rate under this chapter before
 35 November 1 in the same calendar year in which the budget agency
 36 makes a certification under this section. The budget agency shall adjust
 37 the certified distribution of a county to provide for a distribution in the
 38 immediately following calendar year and in each calendar year
 39 thereafter. The budget agency shall provide for a full transition to
 40 certification of distributions as provided in subsection (b)(1) through
 41 (b)(2) in the manner provided in subsection (d). If the county imposes,
 42 increases, decreases, or rescinds a tax or tax rate under this chapter

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

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

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

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

23 SECTION 82. IC 6-3.5-7-12, AS AMENDED BY P.L.199-2011,
24 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 12. (a) Except as
26 provided in sections 23, ~~25~~, 26, 27, 27.5, and 28 of this chapter, the
27 county auditor shall distribute in the manner specified in this section
28 the certified distribution to the county.

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

- 35 (1) The amount of the certified distribution for that month;
36 multiplied by
- 37 (2) A fraction. The numerator of the fraction equals the sum of:
 - 38 (A) total property taxes that are first due and payable to the
39 county, city, or town during the calendar year in which the
40 month falls; plus
 - 41 (B) for a county, the welfare allocation amount.
- 42 The denominator of the fraction equals the sum of the total

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1 property taxes that are first due and payable to the county and all
 2 cities and towns of the county during the calendar year in which
 3 the month falls, plus the welfare allocation amount. The welfare
 4 allocation amount is an amount equal to the sum of the property
 5 taxes imposed by the county in 1999 for the county's welfare fund
 6 and welfare administration fund and, if the county received a
 7 certified distribution under this chapter in 2008, the property
 8 taxes imposed by the county in 2008 for the county's county
 9 medical assistance to wards fund, family and children's fund,
 10 children's psychiatric residential treatment services fund, county
 11 hospital care for the indigent fund, and children with special
 12 health care needs county fund.

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

- 19 (1) The ordinance is effective January 1 of the following year.
- 20 (2) Except as provided in ~~sections 25 and~~ **section** 26 of this
 21 chapter, the amount of the certified distribution that the county
 22 and each city and town in the county is entitled to receive during
 23 ~~May and November~~ **each month** of each year equals the product
 24 of:
 25 (A) the amount of the certified distribution for the month;
 26 multiplied by
 27 (B) a fraction. For a city or town, the numerator of the fraction
 28 equals the population of the city or the town. For a county, the
 29 numerator of the fraction equals the population of the part of
 30 the county that is not located in a city or town. The
 31 denominator of the fraction equals the sum of the population
 32 of all cities and towns located in the county and the population
 33 of the part of the county that is not located in a city or town.
- 34 (3) The ordinance may be made irrevocable for the duration of
 35 specified lease rental or debt service payments.

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

- 40 (1) The county.
- 41 (2) A city or town in the county.
- 42 (3) A commission, a board, a department, or an authority that is

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1 authorized by statute to pledge the county economic development
2 income tax.

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

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

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

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

18 SECTION 83. IC 6-3.5-7-13.1, AS AMENDED BY P.L.199-2011,
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2012]: Sec. 13.1. (a) The fiscal officer of each county, city, or
21 town for a county in which the county economic development tax is
22 imposed shall establish an economic development income tax fund.
23 Except as provided in sections 23, ~~25~~, 26, 27, and 27.5 of this chapter,
24 the revenue received by a county, city, or town under this chapter shall
25 be deposited in the unit's economic development income tax fund.

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

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

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bonds were issued.
(2) By a county, city, or town for:
 (A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;
 (B) the retirement of bonds issued under any provision of Indiana law for a capital project;
 (C) the payment of lease rentals under any statute for a capital project;
 (D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;
 (E) operating expenses of a governmental entity that plans or implements economic development projects;
 (F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or
 (G) funding of a revolving fund established under IC 5-1-14-14.
(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.
(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a **Porter** County, ~~having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000);~~ 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 or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in 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. If a **Porter** County ~~having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand~~

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1 (~~148,000~~) ceases to be a member of the northwest Indiana
 2 regional development authority under IC 36-7.5 but two (2) or
 3 more municipalities in the county have become members of the
 4 northwest Indiana regional development authority as authorized
 5 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer
 6 the three million five hundred thousand dollars (\$3,500,000) to
 7 the treasurer of the northwest Indiana regional development
 8 authority under IC 36-7.5-4-2 before certified distributions are
 9 made to the county or any cities or towns in the county. In a
 10 **Porter** County, ~~having a population of more than one hundred~~
 11 ~~forty-five thousand (145,000) but less than one hundred~~
 12 ~~forty-eight thousand (148,000)~~; all of the tax revenue that results
 13 each year from the tax rate increase that is in excess of the first
 14 three million five hundred thousand dollars (\$3,500,000) that
 15 results each year from the tax rate increase must be used by the
 16 county and cities and towns in the county for homestead credits
 17 under subdivision (5).
 18 (5) This subdivision applies only in a **Porter** County. ~~having a~~
 19 ~~population of more than one hundred forty-five thousand~~
 20 ~~(145,000) but less than one hundred forty-eight thousand~~
 21 ~~(148,000)~~. All of the tax revenue that results each year from a tax
 22 rate increase described in subdivision (4) that is in excess of the
 23 first three million five hundred thousand dollars (\$3,500,000) that
 24 results each year from the tax rate increase must be used by the
 25 county and cities and towns in the county for homestead credits
 26 under this subdivision. The following apply to homestead credits
 27 provided under this subdivision:
 28 (A) The homestead credits must be applied uniformly to
 29 provide a homestead credit for homesteads in the county, city,
 30 or town.
 31 (B) The homestead credits shall be treated for all purposes as
 32 property tax levies.
 33 (C) The homestead credits shall be applied to the net property
 34 taxes due on the homestead after the application of all other
 35 assessed value deductions or property tax deductions and
 36 credits that apply to the amount owed under IC 6-1.1.
 37 (D) The department of local government finance shall
 38 determine the homestead credit percentage for a particular
 39 year based on the amount of county economic development
 40 income tax revenue that will be used under this subdivision to
 41 provide homestead credits in that year.
 42 (6) This subdivision applies only in a **Lake** County. ~~having a~~

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1 population of more than four hundred thousand (400,000) but less
2 than seven hundred thousand (700,000). A county or a city or
3 town in the county may use county economic development
4 income tax revenue to provide homestead credits in the county,
5 city, or town. The following apply to homestead credits provided
6 under this subdivision:

7 (A) The county, city, or town fiscal body must adopt an
8 ordinance authorizing the homestead credits. The ordinance
9 must specify the amount of county economic development
10 income tax revenue that will be used to provide homestead
11 credits in the following year.

12 (B) A county, city, or town fiscal body that adopts an
13 ordinance under this subdivision must forward a copy of the
14 ordinance to the county auditor and the department of local
15 government finance not more than thirty (30) days after the
16 ordinance is adopted.

17 (C) The homestead credits must be applied uniformly to
18 increase the homestead credit under IC 6-1.1-20.9 (repealed)
19 for homesteads in the county, city, or town (for property taxes
20 first due and payable before January 1, 2009) or to provide a
21 homestead credit for homesteads in the county, city, or town
22 (for property taxes first due and payable after December 31,
23 2008).

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

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

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

35 (7) For a regional venture capital fund established under section
36 13.5 of this chapter or a local venture capital fund established
37 under section 13.6 of this chapter.

38 (8) This subdivision applies only to a **LaPorte** County, if:
39 (A) that has a population of more than one hundred ten
40 thousand (110,000) but less than one hundred fifteen thousand
41 (115,000); and
42 (B) in which:

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- 1 (i) **(A)** the county fiscal body has adopted an ordinance under
- 2 IC 36-7.5-2-3(e) providing that the county is joining the
- 3 northwest Indiana regional development authority; and
- 4 (ii) **(B)** the fiscal body of the city described in IC 36-7.5-2-3(e)
- 5 has adopted an ordinance under IC 36-7.5-2-3(e) providing
- 6 that the city is joining the development authority.

7 Revenue from the county economic development income tax may
 8 be used by a county or a city described in this subdivision for
 9 making transfers required by IC 36-7.5-4-2. In addition, if the
 10 county economic development income tax rate is increased after
 11 June 30, 2006, in the county, the first three million five hundred
 12 thousand dollars (\$3,500,000) of the tax revenue that results each
 13 year from the tax rate increase shall be used by the county only to
 14 make the county's transfer required by IC 36-7.5-4-2. The first
 15 three million five hundred thousand dollars (\$3,500,000) of the
 16 tax revenue that results each year from the tax rate increase shall
 17 be paid by the county treasurer to the treasurer of the northwest
 18 Indiana regional development authority under IC 36-7.5-4-2
 19 before certified distributions are made to the county or any cities
 20 or towns in the county under this chapter from the tax revenue
 21 that results each year from the tax rate increase. All of the tax
 22 revenue that results each year from the tax rate increase that is in
 23 excess of the first three million five hundred thousand dollars
 24 (\$3,500,000) that results each year from the tax rate increase must
 25 be used by the county and cities and towns in the county for
 26 homestead credits under subdivision (9).

27 (9) This subdivision applies only to a county described in
 28 subdivision (8). All of the tax revenue that results each year from
 29 a tax rate increase described in subdivision (8) that is in excess of
 30 the first three million five hundred thousand dollars (\$3,500,000)
 31 that results each year from the tax rate increase must be used by
 32 the county and cities and towns in the county for homestead
 33 credits under this subdivision. The following apply to homestead
 34 credits provided under this subdivision:

- 35 (A) The homestead credits must be applied uniformly to
- 36 provide a homestead credit for homesteads in the county, city,
- 37 or town.
- 38 (B) The homestead credits shall be treated for all purposes as
- 39 property tax levies.
- 40 (C) The homestead credits shall be applied to the net property
- 41 taxes due on the homestead after the application of all other
- 42 assessed value deductions or property tax deductions and

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1 credits that apply to the amount owed under IC 6-1.1.
 2 (D) The department of local government finance shall
 3 determine the homestead credit percentage for a particular
 4 year based on the amount of county economic development
 5 income tax revenue that will be used under this subdivision to
 6 provide homestead credits in that year.
 7 (c) As used in this section, an economic development project is any
 8 project that:
 9 (1) the county, city, or town determines will:
 10 (A) promote significant opportunities for the gainful
 11 employment of its citizens;
 12 (B) attract a major new business enterprise to the unit; or
 13 (C) retain or expand a significant business enterprise within
 14 the unit; and
 15 (2) involves an expenditure for:
 16 (A) the acquisition of land;
 17 (B) interests in land;
 18 (C) site improvements;
 19 (D) infrastructure improvements;
 20 (E) buildings;
 21 (F) structures;
 22 (G) rehabilitation, renovation, and enlargement of buildings
 23 and structures;
 24 (H) machinery;
 25 (I) equipment;
 26 (J) furnishings;
 27 (K) facilities;
 28 (L) administrative expenses associated with such a project,
 29 including contract payments authorized under subsection
 30 (b)(2)(D);
 31 (M) operating expenses authorized under subsection (b)(2)(E);
 32 or
 33 (N) to the extent not otherwise allowed under this chapter,
 34 substance removal or remedial action in a designated unit;
 35 or any combination of these.
 36 (d) If there are bonds outstanding that have been issued under
 37 section 14 of this chapter or leases in effect under section 21 of this
 38 chapter, a county, city, or town may not expend money from its
 39 economic development income tax fund for a purpose authorized under
 40 subsection (b)(3) in a manner that would adversely affect owners of the
 41 outstanding bonds or payment of any lease rentals due.
 42 SECTION 84. IC 6-3.5-7-15 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 15. (a) The executive
2 of a county, city, or town may, subject to the use of the certified
3 distribution permitted under ~~sections 25 and~~ **section 26** of this chapter:
4 (1) adopt a capital improvement plan specifying the uses of the
5 revenues to be received under this chapter; or
6 (2) designate the county or a city or town in the county as the
7 recipient of all or a part of its share of the distribution.
8 (b) If a designation is made under subsection (a)(2), the county
9 treasurer shall transfer the share or part of the share to the designated
10 unit unless that unit does not have a capital improvement plan.
11 (c) A county, city, or town that fails to adopt a capital improvement
12 plan may not receive:
13 (1) its fractional amount of the certified distribution; or
14 (2) any amount designated under subsection (a)(2);
15 for the year or years in which the unit does not have a plan. The county
16 treasurer shall retain the certified distribution and any designated
17 distribution for such a unit in a separate account until the unit adopts
18 a plan. Interest on the separate account becomes part of the account. If
19 a unit fails to adopt a plan for a period of three (3) years, then the
20 balance in the separate account shall be distributed to the other units in
21 the county based on property taxes first due and payable to the units
22 during the calendar year in which the three (3) year period expires.
23 (d) A capital improvement plan must include the following
24 components:
25 (1) Identification and general description of each project that
26 would be funded by the county economic development income
27 tax.
28 (2) The estimated total cost of the project.
29 (3) Identification of all sources of funds expected to be used for
30 each project.
31 (4) The planning, development, and construction schedule of each
32 project.
33 (e) A capital improvement plan:
34 (1) must encompass a period of no less than two (2) years; and
35 (2) must incorporate projects the cost of which is at least
36 seventy-five percent (75%) of the fractional amount certified
37 distribution expected to be received by the county, city, or town
38 in that period of time.
39 (f) In making a designation under subsection (a)(2), the executive
40 must specify the purpose and duration of the designation. If the
41 designation is made to provide for the payment of lease rentals or bond
42 payments, the executive may specify that the designation and its

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duration are irrevocable.

SECTION 85. IC 6-3.5-7-16, AS AMENDED BY P.L.77-2011, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: Sec. 16. (a) Except as provided in subsections (b) and (c); on May 1 of each year, one-half (1/2) **One-twelfth (1/12)** of each county's certified distribution for a calendar year shall be distributed from its account established under section 10 of this chapter to the **appropriate** county treasurer ~~The other one-half (1/2)~~ shall be distributed on **November 1 the first regular business day of each month** of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), if the ordinance imposing the tax is adopted before July 1 of a year. Notwithstanding section 11 of this chapter, the initial certified distribution certified for a county under section 11 of this chapter shall be distributed to the county treasurer from the account established for the county under section 10 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 5 of this chapter:

- (1) One-fourth (1/4) on October 1 of the year in which the ordinance was adopted.
- (2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.
- (3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.
- (4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

The county auditor and county treasurer shall distribute amounts received under this subsection to a county and each city or town in the county in the same proportions as are set forth in section 12 of this chapter. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Before July 1 of each year, a county's certified distribution for additional homestead credits under section 25 or 26 of this chapter for the year shall be distributed from the county's account established under section 10 of this chapter.

(d) **(b)** All distributions from an account established under section 10 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 86. IC 6-3.5-7-22 IS REPEALED [EFFECTIVE JULY

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1 1, 2012]. Sec. 22: (a) This section only applies to a designated unit:
 2 (b) The county income tax council may, by ordinance, determine
 3 that economic development income tax money is needed in the county
 4 to fund substance removal and remedial action, including the
 5 repayment of bonds or other debt incurred for substance removal or
 6 remedial action; and the actions taken to fund substance removal and
 7 remedial action serve a public purpose by promoting public health,
 8 welfare, and safety:
 9 (c) If the county income tax council makes a determination under
 10 subsection (b); the county income tax council may adopt a tax rate
 11 under section 5(g) of this chapter. The tax rate may not be imposed at
 12 a rate or for a time greater than is necessary to fund substance removal
 13 and remedial action in the county; including the repayment of bonds or
 14 other debt incurred for substance removal or remedial action:
 15 (d) The county treasurer shall establish a substance removal and
 16 remedial action fund to be used only for the purposes described in this
 17 section. County economic development income tax revenues derived
 18 from the tax rate imposed under section 5(g) of this chapter shall be
 19 deposited in the substance removal and remedial action fund before
 20 making a certified distribution under section 12 of this chapter:
 21 (e) The county income tax council may, by ordinance, appropriate
 22 or pledge any part of the substance removal and remediation action
 23 fund to a political subdivision or to an entity formed by an interlocal
 24 cooperation agreement under IC 36-1-7 for the purposes set forth in
 25 this chapter in the county:
 26 (f) The county auditor shall distribute the amount specified in the
 27 ordinance to the designated political subdivision or to an entity formed
 28 by an interlocal cooperation agreement under IC 36-1-7 from the
 29 substance removal and remedial action fund:
 30 (g) Bonds issued by a political subdivision or an entity formed by an
 31 interlocal cooperation agreement under IC 36-1-7 payable from the
 32 substance removal and remedial action fund do not constitute debt of
 33 a designated unit or a city or town in the designated unit; and the bonds
 34 shall contain a statement on their face to that effect and to the effect
 35 that the bonds are payable solely from money in the substance removal
 36 and remedial action fund; and other available funds; and are not
 37 supported by the full faith and credit of the county, city, or town:
 38 SECTION 87. IC 6-3.5-7-22.5 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22.5. (a) This section
 40 applies to a **Randolph** County. having a population of more than
 41 twenty-seven thousand four hundred (27,400) but less than
 42 twenty-seven thousand five hundred (27,500):

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1 (b) In addition to the rates permitted by section 5 of this chapter, the
2 county council may impose the county economic development income
3 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
4 gross income of county taxpayers if the county council makes the
5 finding and determination set forth in subsection (c).

6 (c) In order to impose the county economic development income tax
7 as provided in this section, the county council must adopt an ordinance
8 finding and determining that revenues from the county economic
9 development income tax are needed to pay the costs of:

10 (1) financing, constructing, acquiring, renovating, and equipping
11 the county courthouse, and financing and renovating the former
12 county hospital for additional office space, educational facilities,
13 nonsecure juvenile facilities, and other county functions,
14 including the repayment of bonds issued, or leases entered into for
15 constructing, acquiring, renovating, and equipping the county
16 courthouse and for renovating the former county hospital for
17 additional office space, educational facilities, nonsecure juvenile
18 facilities, and other county functions;

19 (2) financing constructing, acquiring, renovating, and equipping
20 buildings for a volunteer fire department (as defined in
21 IC 36-8-12-2) that provides services in any part of the county; and
22 (3) financing constructing, acquiring, and renovating firefighting
23 apparatus or other related equipment for a volunteer fire
24 department (as defined in IC 36-8-12-2) that provides services in
25 any part of the county.

26 (d) If the county council makes a determination under subsection
27 (c), the county council may adopt a tax rate under subsection (b). The
28 tax rate may not be imposed at a rate or for a time greater than is
29 necessary to pay for the purposes described in this section.

30 (e) The county treasurer shall establish a county option tax revenue
31 fund to be used only for the purposes described in this section. County
32 economic development income tax revenues derived from the tax rate
33 imposed under this section shall be deposited in the county option tax
34 revenue fund before making a certified distribution under section 11 of
35 this chapter.

36 (f) County economic development income tax revenues derived
37 from the tax rate imposed under this section:

- 38 (1) may only be used for the purposes described in this section;
39 (2) may not be considered by the department of local government
40 finance in determining the county's maximum permissible
41 property tax levy limit under IC 6-1.1-18.5; and
42 (3) may be pledged to the repayment of bonds issued, or leases



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1 entered into, for the purposes described in subsection (c).
 2 (g) A county described in subsection (a) possesses:
 3 (1) unique fiscal challenges to finance the operations of county
 4 government due to the county's ongoing obligation to repay
 5 amounts received by the county due to an overpayment of the
 6 county's certified distribution under IC 6-3.5-1.1-9 for a prior
 7 year; and
 8 (2) unique capital financing needs related to the purposes
 9 described in subsection (c).
 10 SECTION 88. IC 6-3.5-7-23, AS AMENDED BY P.L.146-2008,
 11 SECTION 349, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) This section applies only to
 13 a **Hancock** County. ~~having a population of more than fifty-five~~
 14 ~~thousand (55,000) but less than sixty-five thousand (65,000):~~
 15 (b) The county council may by ordinance determine that, in order to
 16 promote the development of libraries in the county and thereby
 17 encourage economic development, it is necessary to use economic
 18 development income tax revenue to replace library property taxes in the
 19 county. However, a county council may adopt an ordinance under this
 20 subsection only if all territory in the county is included in a library
 21 district.
 22 (c) If the county council makes a determination under subsection
 23 (b), the county council may designate the county economic
 24 development income tax revenue generated by the tax rate adopted
 25 under section 5 of this chapter, or revenue generated by a portion of the
 26 tax rate, as revenue that will be used to replace public library property
 27 taxes imposed by public libraries in the county. The county council
 28 may not designate for library property tax replacement purposes any
 29 county economic development income tax revenue that is generated by
 30 a tax rate of more than fifteen-hundredths percent (0.15%).
 31 (d) The county treasurer shall establish a library property tax
 32 replacement fund to be used only for the purposes described in this
 33 section. County economic development income tax revenues derived
 34 from the portion of the tax rate designated for property tax replacement
 35 credits under subsection (c) shall be deposited in the library property
 36 tax replacement fund before certified distributions are made under
 37 section 12 of this chapter. Any interest earned on money in the library
 38 property tax replacement fund shall be credited to the library property
 39 tax replacement fund.
 40 (e) The amount of county economic development income tax
 41 revenue dedicated to providing library property tax replacement credits
 42 shall, in the manner prescribed in this section, be allocated to public

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1 libraries operating in the county and shall be used by those public
2 libraries as property tax replacement credits. The amount of property
3 tax replacement credits that each public library in the county is entitled
4 to receive during a calendar year under this section equals the lesser of:

5 (1) the product of:

6 (A) the amount of revenue deposited by the county auditor in
7 the library property tax replacement fund; multiplied by

8 (B) a fraction described as follows:

9 (i) The numerator of the fraction equals the sum of the total
10 property taxes that would have been collected by the public
11 library during the previous calendar year from taxpayers
12 located within the library district if the property tax
13 replacement under this section had not been in effect.

14 (ii) The denominator of the fraction equals the sum of the
15 total property taxes that would have been collected during
16 the previous year from taxpayers located within the county
17 by all public libraries that are eligible to receive property tax
18 replacement credits under this section if the property tax
19 replacement under this section had not been in effect; or

20 (2) the total property taxes that would otherwise be collected by
21 the public library for the calendar year if the property tax
22 replacement credit under this section were not in effect.

23 The department of local government finance shall make any
24 adjustments necessary to account for the expansion of a library district.
25 However, a public library is eligible to receive property tax
26 replacement credits under this section only if it has entered into
27 reciprocal borrowing agreements with all other public libraries in the
28 county. If the total amount of county economic development income
29 tax revenue deposited by the county auditor in the library property tax
30 replacement fund for a calendar year exceeds the total property tax
31 liability that would otherwise be imposed for public libraries in the
32 county for the year, the excess shall remain in the library property tax
33 replacement fund and shall be used for library property tax replacement
34 purposes in the following calendar year.

35 (f) Notwithstanding subsection (e), if a public library did not impose
36 a property tax levy during the previous calendar year, that public
37 library is entitled to receive a part of the property tax replacement
38 credits to be distributed for the calendar year. The amount of property
39 tax replacement credits the public library is entitled to receive during
40 the calendar year equals the product of:

41 (1) the amount of revenue deposited in the library property tax
42 replacement fund; multiplied by

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1 (2) a fraction. The numerator of the fraction equals the budget of
2 the public library for that calendar year. The denominator of the
3 fraction equals the aggregate budgets of public libraries in the
4 county for that calendar year.

5 If for a calendar year a public library is allocated a part of the property
6 tax replacement credits under this subsection, then the amount of
7 property tax credits distributed to other public libraries in the county
8 for the calendar year shall be reduced by the amount to be distributed
9 as property tax replacement credits under this subsection. The
10 department of local government finance shall make any adjustments
11 required by this subsection and provide the adjustments to the county
12 auditor.

13 (g) The department of local government finance shall inform the
14 county auditor of the amount of property tax replacement credits that
15 each public library in the county is entitled to receive under this
16 section. The county auditor shall certify to each public library the
17 amount of property tax replacement credits that the public library is
18 entitled to receive during that calendar year. The county auditor shall
19 also certify these amounts to the county treasurer.

20 (h) A public library receiving property tax replacement credits under
21 this section shall allocate the credits among each fund for which a
22 distinct property tax levy is imposed. The amount that must be
23 allocated to each fund equals:

24 (1) the amount of property tax replacement credits provided to the
25 public library under this section; multiplied by

26 (2) the amount determined in STEP THREE of the following
27 formula:

28 STEP ONE: Determine the property taxes that would have
29 been collected for each fund by the public library during the
30 previous calendar year if the property tax replacement under
31 this section had not been in effect.

32 STEP TWO: Determine the sum of the total property taxes that
33 would have been collected for all funds by the public library
34 during the previous calendar year if the property tax
35 replacement under this section had not been in effect.

36 STEP THREE: Divide the STEP ONE amount by the STEP
37 TWO amount.

38 However, if a public library did not impose a property tax levy during
39 the previous calendar year or did not impose a property tax levy for a
40 particular fund during the previous calendar year, but the public library
41 is imposing a property tax levy in the current calendar year or is
42 imposing a property tax levy for the particular fund in the current

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1 calendar year, the department of local government finance shall adjust
 2 the amount of property tax replacement credits allocated among the
 3 various funds of the public library and shall provide the adjustment to
 4 the county auditor. If a public library receiving property tax
 5 replacement credits under this section does not impose a property tax
 6 levy for a particular fund that is first due and payable in a calendar year
 7 in which the property tax replacement credits are being distributed, the
 8 public library is not required to allocate to that fund a part of the
 9 property tax replacement credits to be distributed to the public library.
 10 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives
 11 property tax replacement credits under this section is subject to the
 12 procedures for the issuance of bonds set forth in IC 6-1.1-20.

13 (i) For each public library that receives property tax credits under
 14 this section, the department of local government finance shall certify
 15 to the county auditor the property tax rate applicable to each fund after
 16 the property tax replacement credits are allocated.

17 (j) A public library shall treat property tax replacement credits
 18 received during a particular calendar year under this section as a part
 19 of the public library's property tax levy for each fund for that same
 20 calendar year for purposes of fixing the public library's budget and for
 21 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

22 (k) For the purpose of computing and distributing certified
 23 distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or
 24 IC 6-6-5, the property tax replacement credits that are received under
 25 this section shall be treated as though they were property taxes that
 26 were due and payable during that same calendar year.

27 SECTION 89. IC 6-3.5-7-24 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) This section
 29 applies to a **Knox County**, ~~having a population of more than thirty-nine~~
 30 ~~thousand (39,000) but less than thirty-nine thousand six hundred~~
 31 ~~(39,600).~~

32 (b) In addition to the rates permitted by section 5 of this chapter, the
 33 county council may impose the county economic development income
 34 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 35 gross income of county taxpayers if the county council makes the
 36 finding and determination set forth in subsection (c).

37 (c) In order to impose the county economic development income tax
 38 as provided in this section, the county council must adopt an ordinance
 39 finding and determining that revenues from the county economic
 40 development income tax are needed to pay the costs of financing,
 41 constructing, acquiring, renovating, and equipping a county jail
 42 including the repayment of bonds issued, or leases entered into, for



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1 constructing, acquiring, renovating, and equipping a county jail.
 2 (d) If the county council makes a determination under subsection
 3 (c), the county council may adopt a tax rate under subsection (b). The
 4 tax rate may not be imposed at a rate or for a time greater than is
 5 necessary to pay the costs of financing, constructing, acquiring,
 6 renovating, and equipping a county jail.
 7 (e) The county treasurer shall establish a county jail revenue fund
 8 to be used only for the purposes described in this section. County
 9 economic development income tax revenues derived from the tax rate
 10 imposed under this section shall be deposited in the county jail revenue
 11 fund before making a certified distribution under section 11 of this
 12 chapter.
 13 (f) County economic development income tax revenues derived
 14 from the tax rate imposed under this section:
 15 (1) may only be used for the purposes described in this section;
 16 (2) may not be considered by the department of local government
 17 finance in determining the county's maximum permissible
 18 property tax levy limit under IC 6-1.1-18.5; and
 19 (3) may be pledged to the repayment of bonds issued, or leases
 20 entered into, for the purposes described in subsection (c).
 21 SECTION 90. IC 6-3.5-7-25 IS REPEALED [EFFECTIVE JULY
 22 1, 2012]. Sec. 25: (a) This section applies only to a county that has
 23 adopted an ordinance under IC 6-1.1-12-41(f).
 24 (b) For purposes of this section, "imposing entity" means the entity
 25 that adopted the ordinance under IC 6-1.1-12-41(f).
 26 (c) The imposing entity may adopt an ordinance to provide for the
 27 use of the certified distribution described in section 16(c) of this
 28 chapter for the purpose provided in subsection (e). A county income tax
 29 council that adopts an ordinance under this subsection shall use the
 30 procedures set forth in IC 6-3.5-6 concerning the adoption of an
 31 ordinance for the imposition of the county option income tax. Except
 32 as provided in subsection (j), an ordinance must be adopted under this
 33 subsection after March 31 but before August 1 of a calendar year. The
 34 ordinance may provide for an additional rate under section 5(p) of this
 35 chapter. An ordinance adopted under this subsection:
 36 (1) first applies to the certified distribution described in section
 37 16(c) of this chapter made in the calendar year that immediately
 38 succeeds the calendar year in which the ordinance is adopted;
 39 (2) must specify the calendar years to which the ordinance
 40 applies; and
 41 (3) must specify that the certified distribution must be used to
 42 provide for:

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- 1 (A) uniformly applied increased homestead credits as provided
- 2 in subsection (f); or
- 3 (B) allocated increased homestead credits as provided in
- 4 subsection (h).

5 An ordinance adopted under this subsection may be combined with an
 6 ordinance adopted under section 26 of this chapter:

7 (d) If an ordinance is adopted under subsection (c), the percentage
 8 of the certified distribution specified in the ordinance for use for the
 9 purpose provided in subsection (c) shall be:

- 10 (1) retained by the county auditor under subsection (i); and
- 11 (2) used for the purpose provided in subsection (c) instead of the
- 12 purposes specified in the capital improvement plans adopted
- 13 under section 15 of this chapter.

14 (e) If an ordinance is adopted under subsection (c), the imposing
 15 entity shall use the certified distribution described in section 16(c) of
 16 this chapter to increase the homestead credit allowed in the county
 17 under IC 6-1.1-20-9 for a year to offset the effect on homesteads in the
 18 county resulting from a county deduction for inventory under
 19 IC 6-1.1-12-41.

20 (f) If the imposing entity specifies the application of uniform
 21 increased homestead credits under subsection (c)(3)(A), the county
 22 auditor shall, for each calendar year in which an increased homestead
 23 credit percentage is authorized under this section, determine:

- 24 (1) the amount of the certified distribution that is available to
- 25 provide an increased homestead credit percentage for the year;
- 26 (2) the amount of uniformly applied homestead credits for the
- 27 year in the county that equals the amount determined under
- 28 subdivision (1); and
- 29 (3) the increased percentage of homestead credit that equates to
- 30 the amount of homestead credits determined under subdivision
- 31 (2).

32 (g) The increased percentage of homestead credit determined by the
 33 county auditor under subsection (f) applies uniformly in the county in
 34 the calendar year for which the increased percentage is determined.

35 (h) If the imposing entity specifies the application of allocated
 36 increased homestead credits under subsection (c)(3)(B), the county
 37 auditor shall, for each calendar year in which an increased homestead
 38 credit is authorized under this section, determine:

- 39 (1) the amount of the certified distribution that is available to
- 40 provide an increased homestead credit for the year; and
- 41 (2) an increased percentage of homestead credit for each taxing
- 42 district in the county that allocates to the taxing district an amount

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1 of increased homestead credits that bears the same proportion to
 2 the amount determined under subdivision (1) that the amount of
 3 inventory assessed value deducted under IC 6-1.1-12-41 in the
 4 taxing district for the immediately preceding year's assessment
 5 date bears to the total inventory assessed value deducted under
 6 IC 6-1.1-12-41 in the county for the immediately preceding year's
 7 assessment date.

8 (i) The county auditor shall retain from the payments of the county's
 9 certified distribution an amount equal to the revenue lost, if any, due to
 10 the increase of the homestead credit within the county. The money shall
 11 be distributed to the civil taxing units and school corporations of the
 12 county:

- 13 (1) as if the money were from property tax collections; and
- 14 (2) in such a manner that no civil taxing unit or school
 15 corporation will suffer a net revenue loss because of the
 16 allowance of an increased homestead credit.

17 (j) An entity authorized to adopt:
 18 (1) an ordinance under subsection (c); and
 19 (2) an ordinance under IC 6-1.1-12-41(f);
 20 may consolidate the two (2) ordinances. The limitation under
 21 subsection (c) that an ordinance must be adopted after January 1 of a
 22 calendar year does not apply if a consolidated ordinance is adopted
 23 under this subsection. However, notwithstanding subsection (c)(1), the
 24 ordinance must state that it first applies to certified distributions in the
 25 calendar year in which property taxes are initially affected by the
 26 deduction under IC 6-1.1-12-41.

27 SECTION 91. IC 6-3.5-7-25.5 IS REPEALED [EFFECTIVE JULY
 28 1, 2012]. Sec. 25.5: Subject to the approval of the imposing entity, the
 29 county auditor may adjust the increased percentage of homestead credit
 30 determined under section 25(h)(2) of this chapter if the county auditor
 31 determines that the adjustment is necessary to achieve an equitable
 32 reduction of property taxes among the homesteads in the county.

33 SECTION 92. IC 6-3.5-7-26, AS AMENDED BY P.L.77-2011,
 34 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2012]: Sec. 26. (a) This section applies only to homestead and
 36 property tax replacement credits for property taxes first due and
 37 payable after calendar year 2006.

- 38 (b) The following definitions apply throughout this section:
 39 (1) "Adopt" includes amend.
 40 (2) "Adopting entity" means:
 41 (A) the entity that adopts an ordinance under
 42 IC 6-1.1-12-41(f); or



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1 (B) any other entity that may impose a county economic
2 development income tax under section 5 of this chapter.
3 (3) "Homestead" refers to tangible property that is eligible for a
4 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
5 deduction under IC 6-1.1-12-37.
6 (4) "Residential" refers to the following:
7 (A) Real property, a mobile home, and industrialized housing
8 that would qualify as a homestead if the taxpayer had filed for
9 a homestead credit under IC 6-1.1-20.9 (repealed) or the
10 standard deduction under IC 6-1.1-12-37.
11 (B) Real property not described in clause (A) designed to
12 provide units that are regularly used to rent or otherwise
13 furnish residential accommodations for periods of thirty (30)
14 days or more, regardless of whether the tangible property is
15 subject to assessment under rules of the department of local
16 government finance that apply to:
17 (i) residential property; or
18 (ii) commercial property.
19 (c) An adopting entity may adopt an ordinance to provide for the use
20 of the certified distribution described in section 16(c) of this chapter for
21 the purpose provided in subsection (e). An adopting entity that adopts
22 an ordinance under this subsection shall use the procedures set forth in
23 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
24 of the county option income tax. The ordinance may provide for an
25 additional rate under section ~~5(p)~~ **5(o)** of this chapter. An ordinance
26 adopted under this subsection:
27 (1) first applies to the certified distribution described in section
28 16(c) of this chapter made in the later of the calendar year that
29 immediately succeeds the calendar year in which the ordinance is
30 adopted or calendar year 2007; and
31 (2) must specify that the certified distribution must be used to
32 provide for one (1) of the following, as determined by the
33 adopting entity:
34 (A) Uniformly applied homestead credits as provided in
35 subsection (f).
36 (B) Uniformly applied residential credits as provided in
37 subsection (g).
38 (C) Allocated homestead credits as provided in subsection (i).
39 (D) Allocated residential credits as provided in subsection (j).
40 An ordinance adopted under this subsection may be combined with an
41 ordinance adopted under section 25 of this chapter (**before its repeal**).
42 (d) If an ordinance is adopted under subsection (c), the percentage

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1 of the certified distribution specified in the ordinance for use for the
 2 purpose provided in subsection (e) shall be:
 3 (1) retained by the county auditor under subsection (k); and
 4 (2) used for the purpose provided in subsection (e) instead of the
 5 purposes specified in the capital improvement plans adopted
 6 under section 15 of this chapter.
 7 (e) If an ordinance is adopted under subsection (c), the adopting
 8 entity shall use the certified distribution described in section 16(c) of
 9 this chapter to provide:
 10 (1) if the ordinance grants a credit described in subsection
 11 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or
 12 (2) if the ordinance grants a credit described in subsection
 13 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 14 residential property;
 15 for property taxes to offset the effect on homesteads or residential
 16 property, as applicable, in the county resulting from the statewide
 17 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 18 2008 of inventory from the definition of personal property in
 19 IC 6-1.1-1-11. The amount of a residential property tax replacement
 20 credit granted under this section may not be considered in computing
 21 the amount of any homestead credit to which the residential property
 22 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 23 other than IC 6-1.1-20.6.
 24 (f) If the imposing entity specifies the application of uniform
 25 homestead credits under subsection (c)(2)(A), the county auditor shall,
 26 for each calendar year in which a homestead credit percentage is
 27 authorized under this section, determine:
 28 (1) the amount of the certified distribution that is available to
 29 provide a homestead credit percentage under this section for the
 30 year;
 31 (2) the amount of uniformly applied homestead credits for the
 32 year in the county that equals the amount determined under
 33 subdivision (1); and
 34 (3) the percentage of homestead credit under this section that
 35 equates to the amount of homestead credits determined under
 36 subdivision (2).
 37 (g) If the imposing entity specifies the application of uniform
 38 residential credits under subsection (c)(2)(B), the county auditor shall
 39 determine for each calendar year in which a homestead credit
 40 percentage is authorized under this section:
 41 (1) the amount of the certified distribution that is available to
 42 provide a residential property tax replacement credit percentage

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- 1 for the year;
- 2 (2) the amount of uniformly applied residential property tax
- 3 replacement credits for the year in the county that equals the
- 4 amount determined under subdivision (1); and
- 5 (3) the percentage of residential property tax replacement credit
- 6 under this section that equates to the amount of residential
- 7 property tax replacement credits determined under subdivision
- 8 (2).
- 9 (h) The percentage of homestead credit determined by the county
- 10 auditor under subsection (f) or the percentage of residential property
- 11 tax replacement credit determined by the county auditor under
- 12 subsection (g) applies uniformly in the county in the calendar year for
- 13 which the percentage is determined.
- 14 (i) If the imposing entity specifies the application of allocated
- 15 homestead credits under subsection (c)(2)(C), the county auditor shall,
- 16 for each calendar year in which a homestead credit is authorized under
- 17 this section, determine:
 - 18 (1) the amount of the certified distribution that is available to
 - 19 provide a homestead credit under this section for the year; and
 - 20 (2) except as provided in subsection (1), a percentage of
 - 21 homestead credit for each taxing district in the county that
 - 22 allocates to the taxing district an amount of homestead credits that
 - 23 bears the same proportion to the amount determined under
 - 24 subdivision (1) that the amount of inventory assessed value
 - 25 deducted under IC 6-1.1-12-42 in the taxing district for the
 - 26 assessment date in 2006 bears to the total inventory assessed
 - 27 value deducted under IC 6-1.1-12-42 in the county for the
 - 28 assessment date in 2006.
- 29 (j) If the imposing entity specifies the application of allocated
- 30 residential property tax replacement credits under subsection (c)(2)(D),
- 31 the county auditor shall determine for each calendar year in which a
- 32 residential property tax replacement credit is authorized under this
- 33 section:
 - 34 (1) the amount of the certified distribution that is available to
 - 35 provide a residential property tax replacement credit under this
 - 36 section for the year; and
 - 37 (2) except as provided in subsection (1), a percentage of
 - 38 residential property tax replacement credit for each taxing district
 - 39 in the county that allocates to the taxing district an amount of
 - 40 residential property tax replacement credits that bears the same
 - 41 proportion to the amount determined under subdivision (1) that
 - 42 the amount of inventory assessed value deducted under

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1 IC 6-1.1-12-42 in the taxing district for the assessment date in
 2 2006 bears to the total inventory assessed value deducted under
 3 IC 6-1.1-12-42 in the county for the assessment date in 2006.
 4 (k) The county auditor shall retain from the payments of the county's
 5 certified distribution an amount equal to the revenue lost, if any, due to
 6 the homestead credit or residential property tax replacement credit
 7 provided under this section within the county. The money shall be
 8 distributed to the civil taxing units and school corporations of the
 9 county:
 10 (1) as if the money were from property tax collections; and
 11 (2) in such a manner that no civil taxing unit or school
 12 corporation will suffer a net revenue loss because of the
 13 allowance of a homestead credit or residential property tax
 14 replacement credit under this section.
 15 (l) Subject to the approval of the imposing entity, the county auditor
 16 may adjust the increased percentage of:
 17 (1) homestead credit determined under subsection (i)(2) if the
 18 county auditor determines that the adjustment is necessary to
 19 achieve an equitable reduction of property taxes among the
 20 homesteads in the county; or
 21 (2) residential property tax replacement credit determined under
 22 subsection (j)(2) if the county auditor determines that the
 23 adjustment is necessary to achieve an equitable reduction of
 24 property taxes among the residential property in the county.
 25 SECTION 93. IC 6-3.5-7-27, AS AMENDED BY P.L.77-2011,
 26 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2012]: Sec. 27. (a) This section applies to a county that:
 28 (1) operates a courthouse that is subject to an order that:
 29 (A) is issued by a federal district court;
 30 (B) applies to an action commenced before January 1, 2003;
 31 and
 32 (C) requires the county to comply with the federal Americans
 33 with Disabilities Act; and
 34 (2) has insufficient revenues to finance the construction,
 35 acquisition, improvement, renovation, equipping, and operation
 36 of the courthouse facilities and related facilities.
 37 (b) A county described in this section possesses unique fiscal
 38 challenges in financing, renovating, equipping, and operating the
 39 county courthouse facilities and related facilities because the county
 40 consistently has one (1) of the highest unemployment rates in Indiana.
 41 Maintaining low property tax rates is essential to economic
 42 development in the county. The use of economic development income

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1 tax revenues under this section for the purposes described in subsection
2 (c) promotes that purpose.

3 (c) In addition to actions authorized by section 5 of this chapter, a
4 county council may, using the procedures set forth in this chapter,
5 adopt an ordinance to impose an additional county economic
6 development income tax on the adjusted gross income of county
7 taxpayers. The ordinance imposing the additional tax must include a
8 finding that revenues from additional tax are needed to pay the costs of:

9 (1) constructing, acquiring, improving, renovating, equipping, or
10 operating the county courthouse or related facilities;

11 (2) repaying any bonds issued, or leases entered into, for
12 constructing, acquiring, improving, renovating, equipping, or
13 operating the county courthouse or related facilities; and

14 (3) economic development projects described in the county's
15 capital improvement plan.

16 (d) The tax rate imposed under this section may not exceed
17 twenty-five hundredths percent (0.25%).

18 (e) If the county council adopts an ordinance to impose an additional
19 tax under this section, the county auditor shall, **immediately not more**
20 **than ten (10) days after the vote**, send a certified copy of the
21 ordinance to **the commissioner of the department, the director of the**
22 **budget agency, and the commissioner of the department of local**
23 **government finance** by certified mail **or in an electronic format**
24 **approved by the director of the budget agency**. The county treasurer
25 shall establish a county facilities revenue fund to be used only for the
26 purposes described in subsection (c)(1) and (c)(2). The amount of
27 county economic development income tax revenues derived from the
28 tax rate imposed under this section that are necessary to pay the costs
29 described in subsection (c)(1) and (c)(2) shall be deposited into the
30 county facilities revenue fund before a certified distribution is made
31 under section 12 of this chapter. The remainder shall be deposited into
32 the economic development income tax funds of the county's units.

33 (f) County economic development income tax revenues derived
34 from the tax rate imposed under this section may not be used for
35 purposes other than those described in this section.

36 (g) County economic development income tax revenues derived
37 from the tax rate imposed under this section that are deposited into the
38 county facilities revenue fund may not be considered by the department
39 of local government finance in determining the county's ad valorem
40 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

41 (h) Notwithstanding any other law, funds accumulated from the
42 county economic development income tax imposed under this section

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1 and deposited into the county facilities revenue fund or any other
2 revenues of the county may be deposited into a nonreverting fund of the
3 county to be used for operating costs of the courthouse facilities,
4 juvenile detention facilities, or related facilities. Amounts in the county
5 nonreverting fund may not be used by the department of local
6 government finance to reduce the county's ad valorem property tax levy
7 for an ensuing calendar year under IC 6-1.1-18.5.

8 SECTION 94. IC 6-3.5-7-28, AS AMENDED BY P.L.172-2011,
9 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2012]: Sec. 28. (a) This section applies only to a county that
11 is a member of a regional development authority under IC 36-7.6.

12 (b) In addition to the rates permitted by section 5 of this chapter, the
13 entity that imposed the county economic development income tax
14 under section 5 of this chapter (or, in the case of a county that has not
15 imposed the county economic development income tax, the entity that
16 may impose the county economic development income tax under
17 section 5(a)(3) of this chapter) may by ordinance impose an additional
18 county economic development income tax at a rate of:

- 19 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),
20 twenty-five thousandths of one percent (0.025%); or
- 21 (2) in the case of any other county to which this section applies,
22 five-hundredths of one percent (0.05%);

23 on the adjusted gross income of county taxpayers.

24 (c) If an additional county economic development income tax is
25 imposed under this section, the county treasurer shall establish a county
26 regional development authority fund. Notwithstanding any other
27 provision of this chapter, the county economic development income tax
28 revenues derived from the additional county economic development
29 income tax imposed under this section must be deposited in the county
30 regional development authority fund before any certified distributions
31 are made under section 12 of this chapter.

32 (d) County economic development income tax revenues derived
33 from the additional county economic development income tax imposed
34 under this section and deposited in the county regional development
35 authority fund:

- 36 (1) shall, not more than thirty (30) days after being deposited in
37 the county regional development authority fund, be transferred as
38 provided in IC 36-7.6-4-2 to the development fund of the regional
39 development authority for which the county is a member; and
- 40 (2) may not be considered by the department of local government
41 finance in determining the county's maximum permissible
42 property tax levy under IC 6-1.1-18.5.

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1 (e) Notwithstanding sections 5 and 6 of this chapter, if a county
2 becomes a member of a regional development authority under
3 IC 36-7-6 and imposes an additional county economic development
4 income tax under this section before July 1 of a year, then,
5 notwithstanding section 11 or any other provision of this chapter, the
6 initial certified distribution of the tax revenue that results from the
7 additional tax shall be distributed to the county treasurer from the
8 account established for the county under this chapter according to the
9 following schedule during the eighteen (18) month period beginning on
10 July 1 of the year in which the county adopts the ordinance to impose
11 the additional tax:

12 (1) One-fourth (1/4) on October 1 of the year in which the
13 ordinance to impose the additional tax is adopted.

14 (2) One-fourth (1/4) on January 1 of the calendar year following
15 the year in which the ordinance to impose the additional tax is
16 adopted.

17 (3) One-fourth (1/4) on May 1 of the calendar year following the
18 year in which the ordinance to impose the additional tax is
19 adopted.

20 (4) One-fourth (1/4) on November 1 of the calendar year
21 following the year in which the ordinance to impose the additional
22 tax is adopted.

23 SECTION 95. IC 6-9-25-9 IS REPEALED [EFFECTIVE JULY 1,
24 2012]. Sec. 9: (a) This section applies to revenues from the county food
25 and beverage tax received by the county before July 1, 1994.

26 (b) Money in the fund established under section 8 of this chapter
27 shall be used by the county in the following order:

28 (1) To pay debt service on bonds issued under IC 36-2-6-18
29 through IC 36-2-6-20; including up to two (2) years interest; to
30 finance:

31 (A) the acquisition, construction, or equipping of a basketball
32 hall of fame;

33 (B) all reasonable and necessary architectural, engineering,
34 legal, financing, accounting, advertising, bond discount, and
35 supervisory expenses related to the acquisition, construction,
36 or equipping of a basketball hall of fame or the issuance of
37 bonds; and

38 (C) the establishment or maintenance of a debt service reserve
39 fund for the bonds or any other reasonable or necessary
40 reserve funds to operate, repair, maintain, or improve a
41 basketball hall of fame.

42 (2) To redeem or prepay bonds after meeting all requirements of

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1 any bond ordinance.
2 (3) To reimburse the county or any nonprofit corporation for any
3 money advanced for purposes of this chapter.
4 (c) Money held in the fund established under section 8 of this
5 chapter shall be held until distribution under subsection (b):
6 (d) The county auditor shall make a semiannual distribution, at the
7 time property tax revenue is distributed, to the paying agent for any
8 bonds described in subsection (b)(1). Each semiannual distribution
9 must be equal to principal and interest obligations on the bonds on the
10 next interest payment date. Money received by a paying agent under
11 this subsection shall be deposited in a special fund to be used to service
12 the bonds.
13 SECTION 96. IC 6-9-25-9.5, AS AMENDED BY P.L.158-2005,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]: Sec. 9.5. (a) This section applies to revenues from the
16 county food and beverage tax received by the county after June 30,
17 1994.
18 (b) Money in the fund established under section 8 of this chapter
19 shall be used by the county for the financing, construction, renovation,
20 improvement, equipping, or maintenance of the following capital
21 improvements:
22 (1) Sanitary sewers or wastewater treatment facilities that serve
23 economic development purposes.
24 (2) Drainage or flood control facilities that serve economic
25 development purposes.
26 (3) Road improvements used on an access road for an industrial
27 park that serve economic development purposes. **to foster**
28 **economic development and tourism in the county.**
29 (4) A covered horse show arena.
30 (5) A historic birthplace memorial.
31 (6) A historic gymnasium and community center in a town in the
32 county with a population greater than two thousand (2,000) but
33 less than two thousand ~~four~~ **three** hundred (~~2,400~~). **(2,300).**
34 (7) Main street renovation and picnic and park areas in a town in
35 the county with a population greater than two thousand (2,000)
36 but less than two thousand ~~four~~ **three** hundred (~~2,400~~). **(2,300).**
37 (8) A community park and cultural center.
38 (9) Projects for which the county decides after July 1, 1994, to:
39 (A) expend money in the fund established under section 8 of
40 this chapter; or
41 (B) issue bonds or other obligations or enter into leases under
42 section 11.5 of this chapter;

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1 after the projects described in subdivisions (1) through (8) have
2 been funded.

3 (10) An ambulance.

4 Money in the fund may not be used for the operating costs of any of the
5 permissible projects listed in this section. ~~In addition, the county may~~
6 ~~not issue bonds or enter into leases or other obligations under this~~
7 ~~chapter after December 31, 2015.~~

8 (c) The county capital improvements committee is established to
9 make recommendations to the county fiscal body concerning the use of
10 money in the fund established under section 8 of this chapter. The
11 capital improvements committee consists of the following members:

12 (1) One (1) resident of the county representing each of the three
13 (3) commissioner districts, appointed by the county executive.
14 Not more than two (2) of the members appointed under this
15 subdivision may be from the same political party.

16 (2) Two (2) residents of the county, appointed by the county fiscal
17 body. The two (2) appointees may not be from the same political
18 party. One (1) appointee under this subdivision must be a resident
19 of a town in the county with a population greater than two
20 thousand (2,000) but less than two thousand ~~four~~ **three** hundred
21 ~~(2,400): (2,300)~~. One (1) appointee under this subdivision must
22 be a resident of a town in the county with a population greater
23 than two thousand ~~four~~ **three** hundred ~~(2,400): (2,300)~~.

24 (3) Two (2) residents of the largest city in the county, appointed
25 by the municipal executive. The two (2) appointees under this
26 subdivision may not be from the same political party. One (1)
27 appointee must be interested in economic development.

28 (4) Two (2) residents of the largest city in the county, appointed
29 by the municipal fiscal body. The two (2) appointees under this
30 subdivision may not be from the same political party. One (1)
31 appointee must be interested in tourism.

32 (d) Except as provided in subsection (e), the term of a member
33 appointed to the capital improvements committee under subsection (c)
34 is four (4) years.

35 (e) The initial terms of office for the members appointed to the
36 county capital improvements committee under subsection (c) are as
37 follows:

38 (1) Of the members appointed under subsection (c)(1), one (1)
39 member shall be appointed for a term of two (2) years, one (1)
40 member shall be appointed for three (3) years, and one (1)
41 member shall be appointed for four (4) years.

42 (2) Of the members appointed under subsection (c)(2), one (1)

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1 member shall be appointed for two (2) years and one (1) member
2 shall be appointed for three (3) years.

3 (3) Of the members appointed under subsection (c)(3), one (1)
4 member shall be appointed for two (2) years and one (1) member
5 shall be appointed for three (3) years.

6 (4) Of the members appointed under subsection (c)(4), one (1)
7 member shall be appointed for three (3) years and one (1) member
8 shall be appointed for four (4) years.

9 (f) At the expiration of a term under subsection (e), the member
10 whose term expired may be reappointed to the county capital
11 improvements committee to fill the vacancy caused by the expiration.

12 (g) The capital improvements committee is ~~abolished on January 1,~~
13 ~~2016.~~ **shall:**

- 14 **(1) meet at least once each year; and**
- 15 **(2) submit an annual report to the county fiscal body**
16 **concerning the progress of any project funded by money in**
17 **the fund.**

18 SECTION 97. IC 6-9-25-10.5, AS AMENDED BY P.L.158-2005,
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2012]: Sec. 10.5. (a) The county food and beverage tax
21 council is established in the county. The membership of the county
22 food and beverage tax council consists of the fiscal body of the county
23 and the fiscal body of each municipality that lies either partly or
24 entirely within the county.

25 (b) The county food and beverage tax council has a total of one
26 hundred (100) votes. Every member of the county food and beverage
27 tax council is allocated a percentage of the total one hundred (100)
28 votes that may be cast. The percentage that a municipality in the county
29 is allocated for a year equals the same percentage that the population
30 of the municipality bears to the population of the county. The
31 percentage that the county is allocated for a year equals the same
32 percentage that the population of all areas of the county not located in
33 a municipality bears to the population of the county. In the case of a
34 municipality that lies partly within the county, the allocation shall be
35 based on the population of that portion of the municipality that lies
36 within the county.

37 (c) Before January 2 of each year, the county auditor shall certify to
38 each member of the food and beverage tax council the number of votes,
39 rounded to the nearest one-hundredth (0.01), the member has for that
40 year.

41 (d) The food and beverage tax imposed under this chapter remains
42 in effect until the county food and beverage tax council adopts an

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1 ordinance to rescind the tax.
 2 (e) An ordinance to rescind the food and beverage tax takes effect
 3 December 31 of the year in which the ordinance is adopted.
 4 (f) The county food and beverage tax council may not rescind the
 5 food and beverage tax if there are bonds outstanding or leases or other
 6 obligations payable under this chapter.
 7 ~~(g) The county food and beverage tax council is abolished on~~
 8 ~~January 1, 2016.~~
 9 SECTION 98. IC 6-9-25-11 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) The county may
 11 issue its bonds to:
 12 (1) pay any costs associated with a basketball hall of fame; ~~as set~~
 13 ~~forth in section 9(b)(1) of this chapter;~~
 14 (2) reimburse the county or any nonprofit corporation for any
 15 money advanced to pay those costs; or
 16 (3) refund bonds issued under this section.
 17 (b) Bonds issued under this section:
 18 (1) are payable solely from money provided under this chapter;
 19 (2) must be issued in the manner prescribed by IC 36-2-6-18
 20 through IC 36-2-6-20; and
 21 (3) may, in the discretion of the county, be sold at negotiated sale
 22 at a price to be determined by the county or in accordance with
 23 IC 5-1-11 and IC 5-3-1.
 24 (c) Proceeds of the tax established under this chapter may be
 25 pledged:
 26 (1) to pay debt service on bonds issued under this chapter;
 27 (2) for the payment of lease rentals or other obligations entered
 28 into under this chapter; or
 29 (3) for any purposes set forth in section ~~9(b)(1) or~~ 9.5 of this
 30 chapter.
 31 A pledge is enforceable as set forth in IC 5-1-14-4.
 32 (d) The county may lease the basketball hall of fame facility to a
 33 nonprofit corporation for a term not to exceed twenty-five (25) years.
 34 The lease may contain any terms acceptable to the county council and
 35 must be approved by ordinance of the county council.
 36 SECTION 99. IC 6-9-25-11.5, AS AMENDED BY P.L.158-2005,
 37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 11.5. (a) ~~Until January 1, 2016,~~ The county may:
 39 (1) use money in the fund established under section 8 of this
 40 chapter to pay all or part of the costs associated with the facilities
 41 described in section 9.5 of this chapter;
 42 (2) issue bonds, enter into leases, or incur other obligations to pay

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- 1 any costs associated with the facilities described in section 9.5 of
- 2 this chapter;
- 3 (3) reimburse the county or any nonprofit corporation for any
- 4 money advanced to pay those costs; ~~or~~
- 5 (4) refund bonds issued or other obligations incurred under this
- 6 chapter; **or**
- 7 **(5) do either of the following:**
- 8 **(A) Use money in the fund established under section 8 of**
- 9 **this chapter to pay all or part of the costs associated with**
- 10 **the construction of a facility that enhances educational**
- 11 **opportunities, economic development, or tourism in the**
- 12 **county.**
- 13 **(B) Issue bonds, enter into leases, or incur other**
- 14 **obligations to pay any costs associated with the**
- 15 **construction of a facility described in clause (A).**
- 16 (b) Bonds or other obligations issued under this section:
- 17 (1) are payable from money provided in this chapter, any other
- 18 revenues available to the county, or any combination of these
- 19 sources, in accordance with a pledge made under IC 5-1-14-4;
- 20 (2) must be issued in the manner prescribed by IC 36-2-6-18
- 21 through IC 36-2-6-20;
- 22 (3) may, in the discretion of the county, be sold at a negotiated
- 23 sale at a price to be determined by the county or in accordance
- 24 with IC 5-1-11 and IC 5-3-1; and
- 25 (4) may be issued for a term not to exceed twenty (20) years, such
- 26 term to include any refunding bonds issued to refund bonds
- 27 originally issued under this section.
- 28 (c) Leases entered into under this section:
- 29 (1) may be for a term not to exceed fifty (50) years;
- 30 (2) may provide for payments from revenues under this chapter,
- 31 any other revenues available to the county, or any combination of
- 32 these sources;
- 33 (3) may provide that payments by the county to the lessor are
- 34 required only to the extent and only for the time that the lessor is
- 35 able to provide the leased facilities in accordance with the lease;
- 36 (4) must be based upon the value of the facilities leased; and
- 37 (5) may not create a debt of the county for purposes of the
- 38 Constitution of the State of Indiana.
- 39 (d) A lease may be entered into by the county executive only after
- 40 a public hearing at which all interested parties are provided the
- 41 opportunity to be heard. After the public hearing, the executive may
- 42 approve the execution of the lease on behalf of the county only if the

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1 executive finds that the service to be provided throughout the life of the
2 lease will serve the public purpose of the county and is in the best
3 interests of its residents. A lease approved by the executive must also
4 be approved by an ordinance of the county fiscal body.

5 (e) Upon execution of a lease under this section, and after approval
6 of the lease by the county fiscal body, the county executive shall
7 publish notice of the execution of the lease and the approval of the
8 lease in accordance with IC 5-3-1.

9 (f) An action to contest the validity of bonds issued or leases entered
10 into under this section must be brought within thirty (30) days after the
11 adoption of a bond ordinance or notice of the execution and approval
12 of the lease, as the case may be.

13 SECTION 100. IC 6-9-25-14 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. Notwithstanding
15 any other law, funds accumulated from the collection of the food and
16 beverage tax imposed under section 3 of this chapter after redemption
17 of the bonds issued under this chapter and accrued before July 1, 1994,
18 may be set aside in an operation and maintenance fund for a basketball
19 hall of fame financed under ~~section 9~~ of this chapter. Money in the fund
20 may be used by a nonprofit corporation that has leased the basketball
21 hall of fame facility for the operation, repair, maintenance, or
22 improvement of the basketball hall of fame.

23 SECTION 101. IC 36-1-8-5.1, AS AMENDED BY P.L.53-2011,
24 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2012]: Sec. 5.1. (a) A political subdivision may establish a
26 rainy day fund by the adoption of:

- 27 (1) an ordinance, in the case of a county, city, or town; or
- 28 (2) a resolution, in the case of any other political subdivision.

29 (b) An ordinance or a resolution adopted under this section must
30 specify the following:

- 31 (1) The purposes of the rainy day fund.
- 32 (2) The sources of funding for the rainy day fund, which may
33 include the following:
 - 34 (A) Unused and unencumbered funds under:
 - 35 (i) section 5 of this chapter;
 - 36 (ii) IC 6-3.5-1.1-21.1;
 - 37 (iii) IC 6-3.5-6-17.3; or
 - 38 (iv) IC 6-3.5-7-17.3.
 - 39 (B) Any other funding source:
 - 40 (i) specified in the ordinance or resolution adopted under
41 this section; and
 - 42 (ii) not otherwise prohibited by law.

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1 (c) The rainy day fund is subject to the same appropriation process
2 as other funds that receive tax money.

3 (d) In any fiscal year, a political subdivision may transfer under
4 section 5 of this chapter not more than ten percent (10%) of the
5 political subdivision's total annual budget for that fiscal year, ~~adopted~~
6 **certified** under IC 6-1.1-17, to the rainy day fund.

7 (e) A political subdivision may use only the funding sources
8 specified in subsection (b)(2)(A) or in the ordinance or resolution
9 establishing the rainy day fund. The political subdivision may adopt a
10 subsequent ordinance or resolution authorizing the use of another
11 funding source.

12 (f) The department of local government finance may not reduce the
13 actual or maximum permissible levy of a political subdivision as a
14 result of a balance in the rainy day fund of the political subdivision.

15 (g) A county, city, or town may at any time, by ordinance or
16 resolution, transfer to:

17 (1) its general fund; or

18 (2) any other appropriated funds of the county, city, or town;
19 money that has been deposited in the rainy day fund of the county, city,
20 or town.

21 SECTION 102. IC 36-1-12-4, AS AMENDED BY P.L.139-2011,
22 SECTION 6, AND AS AMENDED BY P.L.172-2011, SECTION 139,
23 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies whenever
25 the cost of a public work project will be:

26 *(1) at least seventy-five thousand dollars (\$75,000) in:*

27 *(A) a consolidated city or second class city;*

28 *(B) a county containing a consolidated city or second class
29 city; or*

30 *(C) a regional water or sewage district established under
31 IC 13-26; or*

32 *(2) at least fifty thousand dollars (\$50,000) in a political
33 subdivision or an agency not described in subdivision (1):*

34 *(1) except as provided in subdivision (2), at least one hundred
35 fifty thousand dollars (\$150,000); or*

36 *(2) in the case of a board of aviation commissioners or an airport
37 authority board, at least one hundred thousand dollars
38 (\$100,000).*

39 (b) The board must comply with the following procedure:

40 (1) The board shall prepare general plans and specifications
41 describing the kind of public work required, but shall avoid
42 specifications which might unduly limit competition. If the project

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1 involves the resurfacing (as defined by IC 8-14-2-1) of a road,
 2 street, or bridge, the specifications must show how the weight or
 3 volume of the materials will be accurately measured and verified.

4 (2) The board shall file the plans and specifications in a place
 5 reasonably accessible to the public, which shall be specified in the
 6 notice required by subdivision (3).

7 (3) Upon the filing of the plans and specifications, the board shall
 8 publish notice in accordance with IC 5-3-1 calling for sealed
 9 proposals for the public work needed.

10 (4) The notice must specify the place where the plans and
 11 specifications are on file and the date fixed for receiving bids.

12 (5) The period of time between the date of the first publication
 13 and the date of receiving bids shall be governed by the size of the
 14 contemplated project in the discretion of the board. The period of
 15 time between the date of the first publication and receiving bids
 16 may not be more than:

17 (A) six (6) weeks if the estimated cost of the public works
 18 project is less than twenty-five million dollars (\$25,000,000);
 19 and

20 (B) ten (10) weeks if the estimated cost of the public works
 21 project is at least twenty-five million dollars (\$25,000,000).

22 (6) ~~If the cost of a project is one hundred thousand dollars~~
 23 ~~(\$100,000) or more,~~ The board shall require the bidder to submit
 24 a financial statement, a statement of experience, a proposed plan
 25 or plans for performing the public work, and the equipment that
 26 the bidder has available for the performance of the public work.
 27 The statement shall be submitted on forms prescribed by the state
 28 board of accounts.

29 (7) The board may not require a bidder to submit a bid before the
 30 meeting at which bids are to be received. The meeting for
 31 receiving bids must be open to the public. All bids received shall
 32 be opened publicly and read aloud at the time and place
 33 designated and not before. *Notwithstanding any other law, bids*
 34 *may be opened after the time designated if both of the following*
 35 *apply:*

36 (A) *The board makes a written determination that it is in the*
 37 *best interest of the board to delay the opening.*

38 (B) *The day, time, and place of the rescheduled opening are*
 39 *announced at the day, time, and place of the originally*
 40 *scheduled opening.*

41 (8) Except as provided in subsection (c), ~~or (after June 30, 2011)~~
 42 ~~section 22 of this chapter,~~ the board shall:

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- 1 (A) award the contract for public work or improvements to the
- 2 lowest responsible and responsive bidder; or
- 3 (B) reject all bids submitted.
- 4 (9) If the board awards the contract to a bidder other than the
- 5 lowest bidder, the board must state in the minutes or memoranda,
- 6 at the time the award is made, the factors used to determine which
- 7 bidder is the lowest responsible and responsive bidder and to
- 8 justify the award. The board shall keep a copy of the minutes or
- 9 memoranda available for public inspection.
- 10 (10) In determining whether a bidder is responsive, the board may
- 11 consider the following factors:
- 12 (A) Whether the bidder has submitted a bid or quote that
- 13 conforms in all material respects to the specifications.
- 14 (B) Whether the bidder has submitted a bid that complies
- 15 specifically with the invitation to bid and the instructions to
- 16 bidders.
- 17 (C) Whether the bidder has complied with all applicable
- 18 statutes, ordinances, resolutions, or rules pertaining to the
- 19 award of a public contract.
- 20 (11) In determining whether a bidder is a responsible bidder, the
- 21 board may consider the following factors:
- 22 (A) The ability and capacity of the bidder to perform the work.
- 23 (B) The integrity, character, and reputation of the bidder.
- 24 (C) The competence and experience of the bidder.
- 25 (12) The board shall require the bidder to submit an affidavit:
- 26 (A) that the bidder has not entered into a combination or
- 27 agreement:
- 28 (i) relative to the price to be bid by a person;
- 29 (ii) to prevent a person from bidding; or
- 30 (iii) to induce a person to refrain from bidding; and
- 31 (B) that the bidder's bid is made without reference to any other
- 32 bid.
- 33 (c) Notwithstanding subsection (b)(8), a county may award sand,
- 34 gravel, asphalt paving materials, or crushed stone contracts to more
- 35 than one (1) responsible and responsive bidder if the specifications
- 36 allow for bids to be based upon service to specific geographic areas and
- 37 the contracts are awarded by geographic area. The geographic areas do
- 38 not need to be described in the specifications.
- 39 SECTION 103. IC 36-1-12-4.7, AS AMENDED BY P.L.172-2011,
- 40 SECTION 140, IS AMENDED TO READ AS FOLLOWS
- 41 [EFFECTIVE JULY 1, 2012]: Sec. 4.7. (a) This section applies
- 42 whenever a public work project is estimated to cost:

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- 1 (1) except as provided in subdivision (2), at least fifty thousand
- 2 dollars (\$50,000) and less than one hundred fifty thousand dollars
- 3 (\$150,000); or
- 4 (2) in the case of a board of aviation commissioners or an airport
- 5 authority board, at least fifty thousand dollars (\$50,000) and less
- 6 than one hundred thousand dollars (\$100,000).

7 (b) The board must proceed under the following provisions:

8 (1) The board shall invite quotes from at least three (3) persons
9 known to deal in the class of work proposed to be done by mailing
10 them a notice stating that plans and specifications are on file in a
11 specified office. The notice must be mailed not less than seven (7)
12 days before the time fixed for receiving quotes.

13 (2) The board may not require a person to submit a quote before
14 the meeting at which quotes are to be received. The meeting for
15 receiving quotes must be open to the public. All quotes received
16 shall be opened publicly and read aloud at the time and place
17 designated and not before.

18 (3) ~~Except as permitted in section 22 of this chapter after June 30,~~
19 ~~2011,~~ The board shall award the contract for the public work to
20 the lowest responsible and responsive quoter.

21 (4) The board may reject all quotes submitted.

22 SECTION 104. IC 36-1-12-5, AS AMENDED BY P.L.172-2011,
23 SECTION 141, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies whenever
25 a public work project is estimated to cost less than fifty thousand
26 dollars (\$50,000). Except as provided in subsection (g) for local boards
27 of aviation commissioners and local airport authorities, if a contract is
28 to be awarded, the board may proceed under section 4 of this chapter
29 or under subsection (b) or (c).

30 (b) The board must proceed under the following provisions:

31 (1) The board shall invite quotes from at least three (3) persons
32 known to deal in the class of work proposed to be done by mailing
33 them a notice stating that plans and specifications are on file in a
34 specified office. The notice must be mailed not less than seven (7)
35 days before the time fixed for receiving quotes.

36 (2) The board may not require a person to submit a quote before
37 the meeting at which quotes are to be received. The meeting for
38 receiving quotes must be open to the public. All quotes received
39 shall be opened publicly and read aloud at the time and place
40 designated and not before.

41 (3) ~~Except as permitted in section 22 of this chapter,~~ The board
42 shall award the contract for the public work to the lowest

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1 responsible and responsive quoter.
 2 (4) The board may reject all quotes submitted.
 3 (5) If the board rejects all quotes under subdivision (4), the board
 4 may negotiate and enter into agreements for the work in the open
 5 market without inviting or receiving quotes if the board
 6 establishes in writing the reasons for rejecting the quotes.
 7 (c) The board may not proceed under subsection (b) for the
 8 resurfacing (as defined in IC 8-14-2-1) of a road, street, or bridge,
 9 unless:
 10 (1) the weight or volume of the materials in the project is capable
 11 of accurate measurement and verification; and
 12 (2) the specifications define the geographic points at which the
 13 project begins and ends.
 14 (d) For the purposes of this section, if contiguous sections of a road,
 15 street, or bridge are to be resurfaced in a calendar year, all of the work
 16 shall be considered to comprise a single public work project.
 17 (e) The board may purchase or lease supplies in the manner
 18 provided in IC 5-22 and perform the public work by means of its own
 19 workforce without awarding a public work contract.
 20 (f) Before the board may perform any work under this section by
 21 means of its own workforce, the political subdivision or agency must
 22 have a group of employees on its staff who are capable of performing
 23 the construction, maintenance, and repair applicable to that work.
 24 (g) This subsection applies to local boards of aviation
 25 commissioners operating under IC 8-22-2 and local airport authorities
 26 operating under IC 8-22-3. If the contract is to be awarded by a board
 27 to which this subsection applies, or to a designee of the board under
 28 subsection (h), the board or its designee may proceed under section 4
 29 of this chapter or under the following provisions. The board or its
 30 designee may invite quotes from at least three (3) persons known to
 31 deal in the class of work proposed to be done by mailing the persons a
 32 copy of the plans and specifications for the work not less than seven (7)
 33 days before the time fixed for receiving quotes. If the board or its
 34 designee receives a satisfactory quote, the board or its designee shall
 35 award the contract to the lowest responsible and responsive quoter for
 36 the class of work required. ~~except as permitted in section 22 of this~~
 37 ~~chapter.~~ The board or its designee may reject all quotes submitted and,
 38 if no valid quotes are received for the class of work, contract for the
 39 work without further invitations for quotes.
 40 (h) The board may delegate its authority to award a contract for a
 41 public works project that is estimated to cost less than fifty thousand
 42 dollars (\$50,000) to the airport personnel in charge of airport public

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works projects.
(i) Quotes for public works projects costing less than twenty-five thousand dollars (\$25,000) may be obtained by soliciting at least three (3) quotes by telephone or facsimile transmission. The seven (7) day waiting period required by subsection (b)(1) does not apply to quotes solicited under this subsection.

SECTION 105. IC 36-1-12-22 IS REPEALED [EFFECTIVE JULY 1, 2012]. Sec. 22: (a) The definitions in IC 5-22-15, including the definitions in IC 5-22-15-20.9, apply in this section:

(b) The procedures described in IC 5-22-15 for determining adjusted offers, price preference percentage, and total adjusted offers apply in this section:

(c) The price preferences stated in IC 5-22-15-20.9 apply in this section:

(d) Notwithstanding provisions of this chapter that require the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (e), a contract shall be awarded to the lowest responsive and responsible local Indiana business that claims the preference provided by this section:

(e) Notwithstanding subsection (d), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is a local Indiana business:

(f) A bidder or quoter that wants to claim the preference under this section must claim the preference in the same manner that a business claims the preference under IC 5-22-15-20.9(f):

SECTION 106. IC 36-2-9-20, AS AMENDED BY P.L.177-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20. The county auditor shall:

- (1) maintain an electronic data file of the information contained on the tax duplicate for all:
 - (A) parcels; and
 - (B) personal property returns;
 for each township in the county as of each assessment date;
- (2) maintain the electronic data file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:
 - (A) the legislative services agency; and
 - (B) the department of local government finance;
- (3) transmit the data in the file with respect to the assessment date of each year before March + 16 of the next year to:

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- 1 (A) the legislative services agency in an electronic format
- 2 under IC 5-14-6; and
- 3 (B) the department of local government finance;
- 4 in a manner that meets the data export and transmission
- 5 requirements in a standard format, as prescribed by the office of
- 6 technology established by IC 4-13.1-2-1 and approved by the
- 7 legislative services agency; and
- 8 (4) resubmit the data in the form and manner required under this
- 9 subsection, upon request of the legislative services agency or the
- 10 department of local government finance, if data previously
- 11 submitted under this subsection does not comply with the
- 12 requirements of this subsection, as determined by the legislative
- 13 services agency or the department of local government finance.

14 An electronic data file maintained for a particular assessment date may
 15 not be overwritten with data for a subsequent assessment date until a
 16 copy of an electronic data file that preserves the data for the particular
 17 assessment date is archived in the manner prescribed by the office of
 18 technology established by IC 4-13.1-2-1 and approved by the
 19 legislative services agency.

20 SECTION 107. IC 36-3-6-9, AS AMENDED BY P.L. 182-2009(ss),
 21 SECTION 401, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) Except as provided in
 23 subsection (d), the city-county legislative body shall review the
 24 proposed operating and maintenance budgets and tax levies and adopt
 25 final operating and maintenance budgets and tax levies for each of the
 26 following entities in the county:

- 27 (1) An airport authority operating under IC 8-22-3.
- 28 (2) A public library operating under IC 36-12.
- 29 (3) A capital improvement board of managers operating under
- 30 IC 36-10.
- 31 (4) A public transportation corporation operating under IC 36-9-4.
- 32 (5) A health and hospital corporation established under
- 33 IC 16-22-8.
- 34 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
- 35 located in the county and has a governing body that is not
- 36 comprised of a majority of officials who are elected to serve on
- 37 the governing body.

38 Except as provided in subsection (c), the city-county legislative body
 39 may reduce or modify but not increase a proposed operating and
 40 maintenance budget or tax levy under this section.

41 (b) The board of each entity listed in subsection (a) shall, after
 42 adoption of its proposed budget and tax levies, submit them, along with

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1 detailed accounts, to the city clerk before ~~the first day of September of~~
2 ~~each year.~~ **2.**

3 (c) The city-county legislative body or, when subsection (d) applies,
4 the fiscal body of an excluded city or town shall review the issuance of
5 bonds of an entity listed in subsection (a). Approval of the city-county
6 legislative body or, when subsection (d) applies, the fiscal body of an
7 excluded city or town is required for the issuance of bonds. The
8 city-county legislative body or the fiscal body of an excluded city or
9 town may not reduce or modify a budget or tax levy of an entity listed
10 in subsection (a) in a manner that would:

11 (1) limit or restrict the rights vested in the entity to fulfill the
12 terms of any agreement made with the holders of the entity's
13 bonds; or

14 (2) in any way impair the rights or remedies of the holders of the
15 entity's bonds.

16 (d) If the assessed valuation of a taxing unit is entirely contained
17 within an excluded city or town (as described in IC 36-3-1-7) that is
18 located in a county having a consolidated city, the governing body of
19 the taxing unit shall submit its proposed operating and maintenance
20 budget and tax levies to the city or town fiscal body for approval and
21 not the city-county legislative body. Except as provided in subsection
22 (c), the fiscal body of the excluded city or town may reduce or modify
23 but not increase a proposed operating and maintenance budget or tax
24 levy under this section.

25 SECTION 108. IC 36-12-12-5, AS ADDED BY P.L.1-2005,
26 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2012]: Sec. 5. (a) If the library board passes a resolution under
28 section 3 of this chapter and the appropriate fiscal body or bodies
29 approve the plan, the library board shall ~~submit the resolution and the~~
30 ~~plan to the department of local government finance. If the department~~
31 ~~of local government finance determines that:~~

32 (1) ~~the library board has correctly advertised the plan under~~
33 ~~section 3(c) of this chapter;~~

34 (2) ~~the plan was adopted by the library board and approved by the~~
35 ~~appropriate fiscal body or bodies; and~~

36 (3) ~~the plan conforms to the format prescribed by the department;~~
37 ~~the department shall require notice of the submission to be given to the~~
38 ~~taxpayers of the library district in accordance with IC 5-3-1-2(b);~~
39 **publish notice of adoption in accordance with IC 5-3-1-2(i).**

40 (b) Ten (10) or more taxpayers who will be affected by the adopted
41 plan may file a petition with the county auditor of a county in which the
42 library district is located not later than ten (10) days after the

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1 publication of the notice of adoption required by subsection (a),
2 setting forth the taxpayers' objections to the proposed plan. The county
3 auditor shall immediately certify the petition to the department of local
4 government finance.

5 SECTION 109. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1072, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 19 through 22, begin a new paragraph and insert:

"(c) For taxes due and payable for an assessment date after January 15, 2012, the department may not approve an appropriation or a property tax levy that is associated with a debt unless the debt issuance report for the debt has been submitted to the department."

Page 4, delete lines 10 through 13, begin a new paragraph and insert:

"(c) For taxes due and payable for an assessment date after January 15, 2012, the department may not approve an appropriation or a property tax levy that is associated with a debt unless the debt issuance report for the debt has been submitted to the department."

Page 4, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 6. IC 5-11-1-4, AS AMENDED BY P.L.172-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. ~~The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision.~~ **The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7.**

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

SECTION 7. IC 5-11-13-1, AS AMENDED BY P.L.172-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the



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state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a ~~written or printed~~ certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. **The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees.** However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. **The certification must be filed electronically in the manner prescribed under IC 5-14-3.8-7.**

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

SECTION 8. IC 5-14-3.8-7, AS ADDED BY P.L.172-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The department may require that prescribed forms be submitted in an electronic format. **The department, working with the office of technology established by IC 4-13.1-2-1 or another organization that is part of a state educational institution, shall develop and maintain a secure, web-based system that facilitates electronic submission of the forms under this section. Political subdivisions shall submit forms under this section through the web-based system as prescribed by the department.**

SECTION 9. IC 5-22-15-20.9, AS ADDED BY P.L.172-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20.9. (a) ~~This section applies only to a contract awarded by a political subdivision.~~

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

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



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

~~(e)~~ **(b)** As used in this section, "local Indiana business" refers to any of the following:

(1) A business whose principal place of business is located in an affected county.

(2) A business that pays a majority of its payroll (in dollar volume) to residents of affected counties.

(3) A business that employs residents of affected counties as a majority of its employees.

(4) A business that makes significant capital investments in the affected counties as defined in rules adopted by the political subdivision.

(5) A business that has a substantial positive economic impact on the affected counties as defined by criteria in rules adopted by the political subdivision.

~~(d)~~ **(c)** ~~There are~~ **A political subdivision may apply** the following price preferences for supplies purchased from a local Indiana business:

(1) Five percent (5%) for a purchase expected by the purchasing agency to be less than fifty thousand dollars (\$50,000).

(2) Three percent (3%) for a purchase expected by the purchasing agency to be at least fifty thousand dollars (\$50,000) but less than one hundred thousand dollars (\$100,000).

(3) One percent (1%) for a purchase expected by the purchasing agency to be at least one hundred thousand dollars (\$100,000).

However, to apply a price preference authorized by this subsection to a purchase of supplies, the political subdivision must state in the solicitation for supplies that the political subdivision will apply this section.

~~(e)~~ **(d)** Notwithstanding subsection ~~(d)~~; **(c)**, a purchasing agency may award a contract to the lowest responsive and responsible offeror, regardless of the preference provided in this section, if the lowest responsive and responsible offeror is a local Indiana business.

~~(f)~~ **(e)** A business that wants to claim a preference provided under this section must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the purchasing agency:

(A) The location of the business's principal place of business.

If the business claims the preference as a local Indiana business described in subsection ~~(e)~~(1); **(b)(1)**, a statement explaining the reasons the business considers the location named as the business's principal place of business.

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(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of affected counties.

(C) The number of the business's employees and the number of the business's employees who are residents of affected counties.

(D) If the business claims the preference as a local Indiana business described in subsection ~~(c)(4)~~, **(b)(4)**, a description of the capital investments made in the affected counties and a statement of the amount of those capital investments.

(E) If the business claims the preference as a local Indiana business described in subsection ~~(c)(5)~~, **(b)(5)**, a description of the substantial positive economic impact the business has on the affected counties.

SECTION 10. IC 5-28-16-3, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An application requesting a grant or loan from the fund must be targeted to one (1) or more of the areas listed in section 2 of this chapter.

(b) A successful applicant for a grant or loan from the fund must meet the requirements of this section and be approved by the board. An application for a grant or loan from the fund must be made on an application form prescribed by the board. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

(c) All applications for a grant or loan from the fund must include the following:

(1) A fully elaborated technical research or business plan, whichever applies, that is appropriate for review by outside experts as provided in this chapter.

(2) A detailed financial analysis that includes the commitment of resources by other entities that will be involved in the project.

(3) A statement of the economic development potential of the project, such as:

(A) a statement of the way in which support from the fund will lead to significantly increased funding from federal or private sources and from private sector research partners; or

(B) a projection of the jobs to be created.

(4) The identity, qualifications, and obligations of the applicant.

(5) Any other information that the board considers appropriate.

An applicant for a grant or loan from the fund may request that certain information that is submitted by the applicant be kept confidential.

However, an applicant's projection of the jobs to be created by a

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project may not be kept confidential. The board shall make a determination of confidentiality as soon as is practicable. If the board determines that the information should not be kept confidential, the applicant may withdraw the application, and the board must return the information before making it part of any public record.

(d) An application for a grant or loan from the fund submitted by an academic researcher must be made through the office of the president of the researcher's academic institution with the express endorsement of the institution's president. An application for a grant or loan from the fund submitted by a private researcher must be made through the office of the highest ranking officer of the researcher's institution with the express endorsement of the institution. Any other application must be made through the office of the highest ranking officer of the entity submitting the application. In the case of an application for a grant or loan from the fund that is submitted jointly by one (1) or more researchers or entities, the application must be endorsed by each institution or entity as required by this subsection.

SECTION 11. IC 5-28-16-6, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The board shall submit ~~an annual~~ a report to **the budget committee and** the legislative council before ~~September 1~~ **February 1 and August 1 of each year that covers the six (6) month period that ends one (1) month before the report is due.** The report must be in an electronic format under IC 5-14-6 and must contain the following information concerning fund activity in the preceding ~~state fiscal year~~: **six (6) month period:**

- (1) The name of each entity receiving a grant from the fund.
- (2) The location of each entity sorted by:
 - (A) county, in the case of an entity located in Indiana; or
 - (B) state, in the case of an entity located outside Indiana.
- (3) The amount of each grant awarded to each entity.
- (4) The projection of the number of jobs to be created by the entity's project.**

SECTION 12. IC 5-28-28-2, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "grant" refers to a grant given by the corporation, **including a grant from the Indiana twenty-first century research and technology fund.**

SECTION 13. IC 5-28-28-3, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "loan":

- (1) refers to a loan made by the corporation, regardless of whether

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the loan is forgivable; ~~and~~
(2) includes a loan guarantee made by the corporation; ~~and~~
(3) includes a loan from the Indiana twenty-first century research and technology fund.

SECTION 14. IC 5-28-28-5, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Beginning February 1, 2008, the corporation shall:

- (1) submit an economic incentives and compliance report to:
 - (A) the governor; ~~and~~
 - (B) the budget committee; and**
 - ~~(B)~~ **(C)** the legislative council in an electronic format under IC 5-14-6; and
- (2) publish the report on the corporation's Internet web site; on the schedule specified in subsection (b).

(b) ~~Before August 2, 2009;~~ The corporation shall submit and publish before February 1 and August 1 of each year an incentives and compliance report that covers the six (6) month period that ends one (1) month before the report is due. ~~After August 1, 2009;~~ the corporation shall submit and publish before August 1 of each year an incentives and compliance report that covers the twelve (12) month period that ends one (1) month before the report is due."

Page 5, delete lines 8 through 42.

Page 6, delete lines 1 through 12.

Page 16, line 23, after "subdivision" insert "**or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter,**".

Page 16, line 29, reset in roman "political subdivision".

Page 16, line 29, before "appropriate" insert "**or**".

Page 16, line 30, after "at which the" insert "**political subdivision or appropriate**".

Page 16, line 31, before "appropriate" insert "**political subdivision or**".

Page 22, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20. (a) This section applies to each governing body of a taxing unit that

~~(1)~~ is not comprised of a majority of officials who are elected to serve on the governing body. ~~and~~

~~(2)~~ either:

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(A) is:

- (i) a conservancy district subject to IC 14-33-9;
 - (ii) a solid waste management district subject to IC 13-21; or
 - (iii) a fire protection district subject to IC 36-8-11-18; or
- (B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

- (i) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus
- (ii) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(+) a school corporation; or

(1) a public library whose levies are subject to review and modification under section 20.3 of this chapter; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. However, in the case of a public library that is subject to this section and is described in subdivision (2), the public library shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body; if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town. **to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.**

(d) If subsection (c) does not apply, the governing body of the taxing

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unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter: **to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.**

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 19. IC 6-1.1-17-20.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 20.3. (a) This section applies to each governing body of a public library that:**

- (1) is not comprised of a majority of officials who are elected to serve on the governing body; and**
- (2) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:**
 - (A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus**
 - (B) one (1).**

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to:

- (1) a school corporation;**
- (2) an entity whose tax levies are subject to review and modification by a fiscal body under section 20 of this chapter;**



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or

(3) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for

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the ensuing budget year."

Delete page 23.

Page 24, delete lines 1 through 5.

Page 25, line 36, after "The" insert "**following**".

Page 25, line 36, after "definitions" delete "in".

Page 25, line 36, strike "this".

Page 25, line 36, delete "subsection".

Page 37, between lines 34 and 35, begin a new paragraph and insert:
 "SECTION 31. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 2.1. (a) This section applies only to a covered taxpayer that has receipts attributable to Indiana under both subsections (c) and (d).**

(b) As used in this section, "covered taxpayer" refers to the following:

(1) Designated contract markets, swap execution facilities, or derivatives clearing organizations primarily regulated by the United States Commodity Futures Trading Commission.

(2) Securities exchanges and securities clearing agencies primarily regulated by the United States Securities and Exchange Commission.

For purposes of this section, a designated contract market, swap execution facility, or derivatives clearing organization is considered to be primarily regulated by the United States Commodity Futures Trading Commission if more than fifty percent (50%) of the enterprise's total gross receipts are attributable to activities subject to regulation by the United States Commodity Futures Trading Commission or the United States securities exchanges.

(c) Notwithstanding section 2 of this chapter or any other law, receipts received by a covered taxpayer, in respect of trade execution (electronic or otherwise) and clearing, are in Indiana as follows:

(1) If the receipts are attributable to transactions executed on a physical trading floor located in Indiana, one hundred percent (100%) of the receipts are attributable to Indiana.

(2) If the receipts are attributable to transactions executed by means of an electronic transaction system, the receipts are attributable to Indiana based on a percentage determined by dividing the total Indiana population by the total United States population.

(3) If the receipts are attributable to the clearing of over-the-counter transactions, the receipts are attributable to

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Indiana based on a percentage determined by dividing the total Indiana population by the total United States population.

(d) Notwithstanding section 2 of this chapter or any other law, market data service revenue is sourced based on the billing address of a covered taxpayer's direct customers or the user location of direct customers and location of the customers of the covered taxpayer's distributors."

Page 38, line 36, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 46, line 38, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 47, line 18, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 50, line 19, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 52, line 37, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 57, line 38, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 60, line 2, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 66, line 9, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 66, line 29, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 67, line 17, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 67, line 40, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 68, line 20, delete ".".

Page 68, line 21, after "adopted." insert **"or in an electronic format approved by the director of the budget agency."**

Page 72, line 14, after "mail" delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 73, line 40, after "mail" delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 74, line 37, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 80, line 12, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 82, line 22, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**



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Page 86, line 21, after "mail" delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 89, line 9, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 93, line 41, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 94, line 12, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 119, line 13, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 122, between lines 9 and 10, begin a new paragraph and insert:
 "SECTION 86. IC 36-1-12-4, AS AMENDED BY P.L.139-2011, SECTION 6, AND AS AMENDED BY P.L.172-2011, SECTION 139, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies whenever the cost of a public work project will be:

(1) at least seventy-five thousand dollars (\$75,000) in:

(A) a consolidated city or second class city;

(B) a county containing a consolidated city or second class city; or

(C) a regional water or sewage district established under IC 13-26; or

(2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1):

(1) except as provided in subdivision (2), at least one hundred fifty thousand dollars (\$150,000); or

(2) in the case of a board of aviation commissioners or an airport authority board, at least one hundred thousand dollars (\$100,000).

(b) The board must comply with the following procedure:

(1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by IC 8-14-2-1) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.

(2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).

(3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed.

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- (4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.
- (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than:
- (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars (\$25,000,000); and
 - (B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars (\$25,000,000).
- (6) ~~If the cost of a project is one hundred thousand dollars (\$100,000) or more,~~ The board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. The statement shall be submitted on forms prescribed by the state board of accounts.
- (7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before. *Notwithstanding any other law, bids may be opened after the time designated if both of the following apply:*
- (A) *The board makes a written determination that it is in the best interest of the board to delay the opening.*
 - (B) *The day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.*
- (8) Except as provided in subsection (c), ~~or (after June 30, 2011) section 22 of this chapter,~~ the board shall:
- (A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or
 - (B) reject all bids submitted.
- (9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection.

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(10) In determining whether a bidder is responsive, the board may consider the following factors:

(A) Whether the bidder has submitted a bid or quote that conforms in all material respects to the specifications.

(B) Whether the bidder has submitted a bid that complies specifically with the invitation to bid and the instructions to bidders.

(C) Whether the bidder has complied with all applicable statutes, ordinances, resolutions, or rules pertaining to the award of a public contract.

(11) In determining whether a bidder is a responsible bidder, the board may consider the following factors:

(A) The ability and capacity of the bidder to perform the work.

(B) The integrity, character, and reputation of the bidder.

(C) The competence and experience of the bidder.

(12) The board shall require the bidder to submit an affidavit:

(A) that the bidder has not entered into a combination or agreement:

(i) relative to the price to be bid by a person;

(ii) to prevent a person from bidding; or

(iii) to induce a person to refrain from bidding; and

(B) that the bidder's bid is made without reference to any other bid.

(c) Notwithstanding subsection (b)(8), a county may award sand, gravel, asphalt paving materials, or crushed stone contracts to more than one (1) responsible and responsive bidder if the specifications allow for bids to be based upon service to specific geographic areas and the contracts are awarded by geographic area. The geographic areas do not need to be described in the specifications.

SECTION 87. IC 36-1-12-4.7, AS AMENDED BY P.L.172-2011, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4.7. (a) This section applies whenever a public work project is estimated to cost:

(1) except as provided in subdivision (2), at least fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000); or

(2) in the case of a board of aviation commissioners or an airport authority board, at least fifty thousand dollars (\$50,000) and less than one hundred thousand dollars (\$100,000).

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing

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them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(3) ~~Except as permitted in section 22 of this chapter after June 30, 2011;~~ The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(4) The board may reject all quotes submitted.

SECTION 88. IC 36-1-12-5, AS AMENDED BY P.L.172-2011, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000). Except as provided in subsection (g) for local boards of aviation commissioners and local airport authorities, if a contract is to be awarded, the board may proceed under section 4 of this chapter or under subsection (b) or (c).

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(3) ~~Except as permitted in section 22 of this chapter;~~ The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(4) The board may reject all quotes submitted.

(5) If the board rejects all quotes under subdivision (4), the board may negotiate and enter into agreements for the work in the open market without inviting or receiving quotes if the board establishes in writing the reasons for rejecting the quotes.

(c) The board may not proceed under subsection (b) for the resurfacing (as defined in IC 8-14-2-1) of a road, street, or bridge, unless:

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(1) the weight or volume of the materials in the project is capable of accurate measurement and verification; and

(2) the specifications define the geographic points at which the project begins and ends.

(d) For the purposes of this section, if contiguous sections of a road, street, or bridge are to be resurfaced in a calendar year, all of the work shall be considered to comprise a single public work project.

(e) The board may purchase or lease supplies in the manner provided in IC 5-22 and perform the public work by means of its own workforce without awarding a public work contract.

(f) Before the board may perform any work under this section by means of its own workforce, the political subdivision or agency must have a group of employees on its staff who are capable of performing the construction, maintenance, and repair applicable to that work.

(g) This subsection applies to local boards of aviation commissioners operating under IC 8-22-2 and local airport authorities operating under IC 8-22-3. If the contract is to be awarded by a board to which this subsection applies, or to a designee of the board under subsection (h), the board or its designee may proceed under section 4 of this chapter or under the following provisions. The board or its designee may invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing the persons a copy of the plans and specifications for the work not less than seven (7) days before the time fixed for receiving quotes. If the board or its designee receives a satisfactory quote, the board or its designee shall award the contract to the lowest responsible and responsive quoter for the class of work required. ~~except as permitted in section 22 of this chapter.~~ The board or its designee may reject all quotes submitted and, if no valid quotes are received for the class of work, contract for the work without further invitations for quotes.

(h) The board may delegate its authority to award a contract for a public works project that is estimated to cost less than fifty thousand dollars (\$50,000) to the airport personnel in charge of airport public works projects.

(i) Quotes for public works projects costing less than twenty-five thousand dollars (\$25,000) may be obtained by soliciting at least three (3) quotes by telephone or facsimile transmission. The seven (7) day waiting period required by subsection (b)(1) does not apply to quotes solicited under this subsection.

SECTION 89. IC 36-1-12-22 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 22. (a) The definitions in IC 5-22-15, including the definitions in IC 5-22-15-20.9, apply in this section.~~

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(b) The procedures described in IC 5-22-15 for determining adjusted offers; price preference percentage; and total adjusted offers apply in this section.

(c) The price preferences stated in IC 5-22-15-20.9 apply in this section.

(d) Notwithstanding provisions of this chapter that require the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter; but subject to subsection (e); a contract shall be awarded to the lowest responsive and responsible local Indiana business that claims the preference provided by this section.

(e) Notwithstanding subsection (d); a contract shall be awarded to the lowest responsive and responsible bidder or quoter; regardless of the preference provided in this section; if the lowest responsive and responsible bidder or quoter is a local Indiana business.

(f) A bidder or quoter that wants to claim the preference under this section must claim the preference in the same manner that a business claims the preference under IC 5-22-15-20.9(f)."

Page 122, line 24, delete "15" and insert "16".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1072 as introduced.)

ESPICH, Chair

Committee Vote: yeas 14, nays 3.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1072 be amended to read as follows:

Page 43, between lines 15 and 16, begin a new paragraph and insert: "SECTION 40. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011, SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

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

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- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
- (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
 - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
 - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
- (A) *for taxable years beginning after December 31, 2004*, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and
 - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).
- This amount is in addition to the amount subtracted under subdivision (4).
- (6) Subtract an amount equal to the lesser of:
- (A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or
 - (B) two thousand dollars (\$2,000).
- (7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in

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Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

~~(10)~~ *Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.*

~~(11)~~ *Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.*

~~(12)~~ (10) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

~~(13)~~ (11) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

~~(14)~~ (12) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

~~(15)~~ (13) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

~~(16)~~ *For taxable years beginning after December 31, 1999,* (14) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

~~(17)~~ (15) Subtract an amount equal to the lesser of:

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(A) *for a taxable year:*

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

~~(18)~~ (16) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

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

~~(20)~~ (18) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

~~(21)~~ (19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

~~(22)~~ (20) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

~~(23)~~ (21) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

~~(24)~~ (22) Subtract income that is:

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

(B) included in the individual's federal adjusted gross income

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under the Internal Revenue Code.

~~(25)~~ (23) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

~~(26)~~ (24) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

~~(27)~~ (25) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

~~(28)~~ (26) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

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

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

~~(31)~~ (29) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special

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allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

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

~~(32)~~ (31) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

~~(33)~~ (32) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

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

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

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

(33) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

~~(34)~~ (34) *Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.*

~~(35)~~ (35) *Add the amount excluded from gross income under Section 408(d)(8) of the Internal Revenue Code for a charitable*

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distribution from an individual retirement plan.

~~(37)~~ (36) *Add the amount deducted from gross income under Section 222 of the Internal Revenue Code for qualified tuition and related expenses.*

~~(38)~~ (37) *Add the amount deducted from gross income under Section 62(2)(D) of the Internal Revenue Code for certain expenses of elementary and secondary school teachers.*

~~(39)~~ ~~(38)~~ *Add the amount excluded from gross income under Section 127 of the Internal Revenue Code as annual employer provided education expenses.*

~~(40)~~ ~~(39)~~ **(38)** *Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

~~(41)~~ ~~(40)~~ *Add the monthly amount excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B) that exceeds one hundred dollars (\$100) a month for a qualified transportation fringe.*

~~(42)~~ ~~(41)~~ **(39)** *Add the amount deducted from gross income under Section 221 of the Internal Revenue Code that exceeds the amount the taxpayer could deduct under Section 221 of the Internal Revenue Code before it was amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).*

~~(43)~~ ~~(42)~~ **(40)** *Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

~~(44)~~ ~~(43)~~ **(41)** *Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.*

~~(45)~~ ~~(44)~~ **(42)** *Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the*

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Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

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

~~(35)~~ **(44)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

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depreciation to the property in the year that it was placed in service.

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

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

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

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

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

(B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with

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the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

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

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

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

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

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

(18) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

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

(B) the Federal Home Loan Mortgage Corporation, established

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under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

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

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

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

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

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

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

~~*(19)*~~ **(24)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from*

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being hired as an employee under 8 U.S.C. 1324a.

~~(24)~~ **(25)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (8) Add an amount equal to the amount that a taxpayer claimed as

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a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

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

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

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

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

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

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section

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179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

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

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

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

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

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

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

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

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

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

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

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

~~(18)~~ **(23)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.*

~~(23)~~ **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.



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

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

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

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

(9) Subtract income that is:

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

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

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

(11) Add the amount necessary to make the adjusted gross income

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of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

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

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

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

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

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

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

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

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or

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in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

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

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

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

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

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

~~(18)~~ **(23)** *This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from*

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being hired as an employee under 8 U.S.C. 1324a.

~~(23)~~ **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

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

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

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

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

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

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

(7) Subtract income that is:

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

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(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

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

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

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

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

(13) Add or subtract the amount necessary to make the adjusted

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gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

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

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

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

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

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

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

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

(19) Add the amount deducted from gross income under Section

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198 of the Internal Revenue Code for the expensing of environmental remediation costs.

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

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

~~(16)~~ **(22)** This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

~~(22)~~ **(23)** Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

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

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

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

STEP THREE: Determine the result of the STEP ONE amount

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divided by the STEP TWO amount.

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

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

Renumber all SECTIONS consecutively.

(Reference is to HB 1072 as printed January 23, 2012.)

WELCH

HOUSE MOTION

Mr. Speaker: I move that House Bill 1072 be amended to read as follows:

Page 128, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 94. IC 6-9-25-9 IS REPEALED [EFFECTIVE JULY 1, 2012]. Sec. 9: (a) This section applies to revenues from the county food and beverage tax received by the county before July 1, 1994.

(b) Money in the fund established under section 8 of this chapter shall be used by the county in the following order:

(1) To pay debt service on bonds issued under IC 36-2-6-18 through IC 36-2-6-20; including up to two (2) years interest; to finance:

(A) the acquisition, construction, or equipping of a basketball hall of fame;

(B) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition, construction, or equipping of a basketball hall of fame or the issuance of bonds; and

(C) the establishment or maintenance of a debt service reserve fund for the bonds or any other reasonable or necessary reserve funds to operate, repair, maintain, or improve a basketball hall of fame.

(2) To redeem or prepay bonds after meeting all requirements of any bond ordinance:

(3) To reimburse the county or any nonprofit corporation for any money advanced for purposes of this chapter.

(c) Money held in the fund established under section 8 of this

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chapter shall be held until distribution under subsection (b):

(d) The county auditor shall make a semiannual distribution, at the time property tax revenue is distributed, to the paying agent for any bonds described in subsection (b)(1). Each semiannual distribution must be equal to principal and interest obligations on the bonds on the next interest payment date. Money received by a paying agent under this subsection shall be deposited in a special fund to be used to service the bonds.

SECTION 95. IC 6-9-25-9.5, AS AMENDED BY P.L.158-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to revenues from the county food and beverage tax received by the county after June 30, 1994.

(b) Money in the fund established under section 8 of this chapter shall be used by the county for the financing, construction, renovation, improvement, equipping, or maintenance of the following capital improvements:

- (1) Sanitary sewers or wastewater treatment facilities that serve economic development purposes.
- (2) Drainage or flood control facilities that serve economic development purposes.
- (3) Road improvements used on an access road for an industrial park that serve economic development purposes: **to foster economic development and tourism in the county.**
- (4) A covered horse show arena.
- (5) A historic birthplace memorial.
- (6) A historic gymnasium and community center in a town in the county with a population greater than two thousand (2,000) but less than two thousand ~~four three~~ hundred (~~2,400~~): **(2,300).**
- (7) Main street renovation and picnic and park areas in a town in the county with a population greater than two thousand (2,000) but less than two thousand ~~four three~~ hundred (~~2,400~~): **(2,300).**
- (8) A community park and cultural center.
- (9) Projects for which the county decides after July 1, 1994, to:
 - (A) expend money in the fund established under section 8 of this chapter; or
 - (B) issue bonds or other obligations or enter into leases under section 11.5 of this chapter;
 after the projects described in subdivisions (1) through (8) have been funded.
- (10) An ambulance.

Money in the fund may not be used for the operating costs of any of the

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permissible projects listed in this section. ~~In addition, the county may not issue bonds or enter into leases or other obligations under this chapter after December 31, 2015.~~

(c) The county capital improvements committee is established to make recommendations to the county fiscal body concerning the use of money in the fund established under section 8 of this chapter. The capital improvements committee consists of the following members:

(1) One (1) resident of the county representing each of the three (3) commissioner districts, appointed by the county executive. Not more than two (2) of the members appointed under this subdivision may be from the same political party.

(2) Two (2) residents of the county, appointed by the county fiscal body. The two (2) appointees may not be from the same political party. One (1) appointee under this subdivision must be a resident of a town in the county with a population greater than two thousand (2,000) but less than two thousand ~~four~~ **three** hundred ~~(2,400)~~: **(2,300)**. One (1) appointee under this subdivision must be a resident of a town in the county with a population greater than two thousand ~~four~~ **three** hundred ~~(2,400)~~: **(2,300)**.

(3) Two (2) residents of the largest city in the county, appointed by the municipal executive. The two (2) appointees under this subdivision may not be from the same political party. One (1) appointee must be interested in economic development.

(4) Two (2) residents of the largest city in the county, appointed by the municipal fiscal body. The two (2) appointees under this subdivision may not be from the same political party. One (1) appointee must be interested in tourism.

(d) Except as provided in subsection (e), the term of a member appointed to the capital improvements committee under subsection (c) is four (4) years.

(e) The initial terms of office for the members appointed to the county capital improvements committee under subsection (c) are as follows:

(1) Of the members appointed under subsection (c)(1), one (1) member shall be appointed for a term of two (2) years, one (1) member shall be appointed for three (3) years, and one (1) member shall be appointed for four (4) years.

(2) Of the members appointed under subsection (c)(2), one (1) member shall be appointed for two (2) years and one (1) member shall be appointed for three (3) years.

(3) Of the members appointed under subsection (c)(3), one (1) member shall be appointed for two (2) years and one (1) member

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shall be appointed for three (3) years.

(4) Of the members appointed under subsection (c)(4), one (1) member shall be appointed for three (3) years and one (1) member shall be appointed for four (4) years.

(f) At the expiration of a term under subsection (e), the member whose term expired may be reappointed to the county capital improvements committee to fill the vacancy caused by the expiration.

(g) The capital improvements committee is ~~abolished on January 1, 2016~~. **shall:**

(1) meet at least once each year; and

(2) submit an annual report to the county fiscal body concerning the progress of any project funded by money in the fund.

SECTION 96. IC 6-9-25-10.5, AS AMENDED BY P.L.158-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10.5. (a) The county food and beverage tax council is established in the county. The membership of the county food and beverage tax council consists of the fiscal body of the county and the fiscal body of each municipality that lies either partly or entirely within the county.

(b) The county food and beverage tax council has a total of one hundred (100) votes. Every member of the county food and beverage tax council is allocated a percentage of the total one hundred (100) votes that may be cast. The percentage that a municipality in the county is allocated for a year equals the same percentage that the population of the municipality bears to the population of the county. The percentage that the county is allocated for a year equals the same percentage that the population of all areas of the county not located in a municipality bears to the population of the county. In the case of a municipality that lies partly within the county, the allocation shall be based on the population of that portion of the municipality that lies within the county.

(c) Before January 2 of each year, the county auditor shall certify to each member of the food and beverage tax council the number of votes, rounded to the nearest one-hundredth (0.01), the member has for that year.

(d) The food and beverage tax imposed under this chapter remains in effect until the county food and beverage tax council adopts an ordinance to rescind the tax.

(e) An ordinance to rescind the food and beverage tax takes effect December 31 of the year in which the ordinance is adopted.

(f) The county food and beverage tax council may not rescind the

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food and beverage tax if there are bonds outstanding or leases or other obligations payable under this chapter.

~~(g) The county food and beverage tax council is abolished on January 1, 2016.~~

SECTION 97. IC 6-9-25-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) The county may issue its bonds to:

- (1) pay any costs associated with a basketball hall of fame; ~~as set forth in section 9(b)(1) of this chapter;~~
- (2) reimburse the county or any nonprofit corporation for any money advanced to pay those costs; or
- (3) refund bonds issued under this section.

(b) Bonds issued under this section:

- (1) are payable solely from money provided under this chapter;
- (2) must be issued in the manner prescribed by IC 36-2-6-18 through IC 36-2-6-20; and
- (3) may, in the discretion of the county, be sold at negotiated sale at a price to be determined by the county or in accordance with IC 5-1-11 and IC 5-3-1.

(c) Proceeds of the tax established under this chapter may be pledged:

- (1) to pay debt service on bonds issued under this chapter;
- (2) for the payment of lease rentals or other obligations entered into under this chapter; or
- (3) for any purposes set forth in section ~~9(b)(1)~~ or 9.5 of this chapter.

A pledge is enforceable as set forth in IC 5-1-14-4.

(d) The county may lease the basketball hall of fame facility to a nonprofit corporation for a term not to exceed twenty-five (25) years. The lease may contain any terms acceptable to the county council and must be approved by ordinance of the county council.

SECTION 98. IC 6-9-25-11.5, AS AMENDED BY P.L.158-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11.5. (a) ~~Until January 1, 2016,~~ The county may:

- (1) use money in the fund established under section 8 of this chapter to pay all or part of the costs associated with the facilities described in section 9.5 of this chapter;
- (2) issue bonds, enter into leases, or incur other obligations to pay any costs associated with the facilities described in section 9.5 of this chapter;
- (3) reimburse the county or any nonprofit corporation for any money advanced to pay those costs; ~~or~~



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(4) refund bonds issued or other obligations incurred under this chapter; or

(5) do either of the following:

(A) Use money in the fund established under section 8 of this chapter to pay all or part of the costs associated with the construction of a facility that enhances educational opportunities, economic development, or tourism in the county.

(B) Issue bonds, enter into leases, or incur other obligations to pay any costs associated with the construction of a facility described in clause (A).

(b) Bonds or other obligations issued under this section:

(1) are payable from money provided in this chapter, any other revenues available to the county, or any combination of these sources, in accordance with a pledge made under IC 5-1-14-4;

(2) must be issued in the manner prescribed by IC 36-2-6-18 through IC 36-2-6-20;

(3) may, in the discretion of the county, be sold at a negotiated sale at a price to be determined by the county or in accordance with IC 5-1-11 and IC 5-3-1; and

(4) may be issued for a term not to exceed twenty (20) years, such term to include any refunding bonds issued to refund bonds originally issued under this section.

(c) Leases entered into under this section:

(1) may be for a term not to exceed fifty (50) years;

(2) may provide for payments from revenues under this chapter, any other revenues available to the county, or any combination of these sources;

(3) may provide that payments by the county to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(4) must be based upon the value of the facilities leased; and

(5) may not create a debt of the county for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the county executive only after a public hearing at which all interested parties are provided the opportunity to be heard. After the public hearing, the executive may approve the execution of the lease on behalf of the county only if the executive finds that the service to be provided throughout the life of the lease will serve the public purpose of the county and is in the best interests of its residents. A lease approved by the executive must also be approved by an ordinance of the county fiscal body.

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(e) Upon execution of a lease under this section, and after approval of the lease by the county fiscal body, the county executive shall publish notice of the execution of the lease and the approval of the lease in accordance with IC 5-3-1.

(f) An action to contest the validity of bonds issued or leases entered into under this section must be brought within thirty (30) days after the adoption of a bond ordinance or notice of the execution and approval of the lease, as the case may be.

SECTION 99. IC 6-9-25-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. Notwithstanding any other law, funds accumulated from the collection of the food and beverage tax imposed under section 3 of this chapter after redemption of the bonds issued under this chapter and accrued before July 1, 1994, may be set aside in an operation and maintenance fund for a basketball hall of fame financed under ~~section 9~~ of this chapter. Money in the fund may be used by a nonprofit corporation that has leased the basketball hall of fame facility for the operation, repair, maintenance, or improvement of the basketball hall of fame."

Renumber all SECTIONS consecutively.

(Reference is to HB 1072 as printed January 23, 2012.)

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