

Adopted	Rejected
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## COMMITTEE REPORT

YES: 23  
NO: 0

### MR. SPEAKER:

*Your Committee on* Ways and Means, to which was referred Senate Bill 143, 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:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning state
- 3 and local administration and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-10-22-1, AS ADDED BY P.L.229-2011,
- 6 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JANUARY 1, 2013]: Sec. 1. After the end of each **odd-numbered**
- 8 state fiscal year, the office of management and budget shall calculate
- 9 in the customary manner the total amount of state reserves as of the end
- 10 of the state fiscal year. The office of management and budget shall
- 11 make the calculation not later than July 31 of each **odd-numbered**
- 12 year.
- 13 SECTION 2. IC 4-10-22-2, AS ADDED BY P.L.229-2011,
- 14 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JANUARY 1, 2013]: Sec. 2. If the total amount of state reserves
- 16 calculated by the office of management and budget exceeds ~~ten~~ **twelve**

1 percent (~~10%~~) **(12%)** of the general revenue appropriations for the  
 2 current state fiscal year, and if the accounts payable by the state at the  
 3 end of the preceding state fiscal year are not unusually large as a  
 4 percentage of the total amount of state reserves (as compared to recent  
 5 history), the governor shall make a presentation to the state budget  
 6 committee regarding the disposition of excess state reserves under  
 7 section 3 of this chapter. The presentation must be made not later than  
 8 September 30 of the **odd-numbered** year.

9 SECTION 3. IC 4-10-22-3, AS ADDED BY P.L.229-2011,  
 10 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 3. **(a) Subject to**  
 12 **subsection (b)**, after completing the presentation to the state budget  
 13 committee described in section 2 of this chapter, the governor shall:

14 ~~(1) transfer fifty percent (50%) of any excess reserves to the~~  
 15 ~~pension stabilization fund established by IC 5-10.4-2-5 for the~~  
 16 ~~purposes of the pension stabilization fund; and~~

17 ~~(2) (1) use fifty percent (50%) of any excess reserves for the~~  
 18 ~~purposes of providing an automatic refundable taxpayer refund~~  
 19 ~~credit under section 4 of this chapter; and~~

20 **(2) transfer the excess reserves not needed for an automatic**  
 21 **refundable taxpayer credit under section 4 of this chapter to**  
 22 **the pension stabilization fund established by IC 5-10.4-2-5.**

23 **(b) If the excess reserves on June 30 of any year are less than**  
 24 **twenty million dollars (\$20,000,000), the governor shall carry over**  
 25 **the excess reserves to each subsequent year until the total excess**  
 26 **reserves, including any carryover amount, equal at least twenty**  
 27 **million dollars (\$20,000,000). In the year that total excess reserves**  
 28 **equal at least twenty million dollars (\$20,000,000), the excess**  
 29 **reserves shall be used as provided in subsection (a).**

30 SECTION 4. IC 4-10-22-4, AS ADDED BY P.L.229-2011,  
 31 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 4. ~~The following apply~~  
 33 ~~if sufficient excess state reserves are available to provide an automatic~~  
 34 ~~taxpayer refund to each taxpayer eligible for a refund:~~

35 ~~(1) To qualify for a refund, a taxpayer:~~

36 ~~(A) must have filed an Indiana resident individual adjusted~~  
 37 ~~gross income tax return for the preceding two (2) taxable~~  
 38 ~~years; and~~

1 (B) must have paid individual adjusted gross income tax to the  
2 state for the preceding taxable year.

3 Individuals who file a tax return but do not pay any individual  
4 adjusted gross income tax to the state are not entitled to a refund:

5 (2) The amount of the refund is determined for each qualifying  
6 taxpayer on a pro rata basis, based on the qualifying taxpayer's  
7 portion of the total individual adjusted gross income tax liability  
8 paid by all qualifying taxpayers in the preceding taxable year.

9 (3) The refund shall be applied as a credit against adjusted gross  
10 income tax liability in the taxpayer's taxable year in which a  
11 refund is provided. The credit may not be carried forward.

12 (a) As used in this section, "taxable year" has the meaning set  
13 forth in IC 6-3-1-16.

14 (b) An individual is entitled to a refundable tax credit against  
15 the individual's adjusted gross income tax liability in a taxable year  
16 if:

17 (1) the office of management and budget determines that the  
18 state possessed excess state reserves on June 30 in the  
19 taxpayer's current taxable year of at least twenty million  
20 dollars (\$20,000,000);

21 (2) the individual is an Indiana resident who filed an Indiana  
22 resident individual adjusted gross income tax return for the  
23 immediately preceding taxable year, not later than the due  
24 date for the return, determined after applying any extension  
25 granted for the return; and

26 (3) the individual continues to be an Indiana resident who files  
27 an Indiana resident individual adjusted gross income tax  
28 return for the current taxable year not later than the due date  
29 for the return, determined after applying any extension  
30 granted for the return.

31 (c) The refundable tax credit under this section shall be applied  
32 to a taxpayer's adjusted gross income tax liability for the  
33 taxpayer's current taxable year after applying all other tax credits  
34 to which the taxpayer is otherwise eligible. The amount of the  
35 refundable tax credit under this section is determined on a per  
36 return basis. The refundable tax credit is equal to:

37 (1) the credit amount determined under subsection (d) or (e),  
38 if the individual files a single Indiana resident individual

- 1           **adjusted gross income tax return for the current taxable year;**  
 2           **or**  
 3           **(2) the result of the credit amount determined under**  
 4           **subsection (d) or (e) multiplied by two (2), if the individual**  
 5           **files a joint Indiana resident individual adjusted gross income**  
 6           **tax return with the individual's spouse for the current taxable**  
 7           **year.**
- 8           **(d) Except as provided in subsection (e), the credit amount is the**  
 9           **amount determined under STEP THREE of the following formula:**
- 10           **STEP ONE: Determine the result of:**
- 11                   **(1) the amount of the state excess reserves determined for**  
 12                   **June 30 in the taxable year; divided by**
- 13                   **(2) the number of resident individuals filing a single or**  
 14                   **joint Indiana resident individual adjusted gross income tax**  
 15                   **return for the immediately preceding year, not later than**  
 16                   **the due date for the return, determined after applying any**  
 17                   **extension granted for the return.**
- 18           **STEP TWO: Round the STEP ONE result to the nearest one**  
 19           **dollar (\$1).**
- 20           **STEP THREE: Determine the lesser of:**
- 21                   **(1) the STEP TWO result; or**  
 22                   **(2) fifty dollars (\$50).**
- 23           **(e) This subsection applies only when the result determined in**  
 24           **subsection (d), STEP TWO is greater than one hundred dollars**  
 25           **(\$100). For a state fiscal year subject to this subsection, the credit**  
 26           **amount is the amount determined under STEP FIVE of the**  
 27           **following formula:**
- 28                   **STEP ONE: Determine the result of:**
- 29                           **(1) the result determined under subsection (d), STEP**  
 30                           **TWO; minus**
- 31                           **(2) one hundred dollars (\$100).**
- 32                   **STEP TWO: Round the STEP ONE result to the nearest one**  
 33                   **dollar (\$1).**
- 34                   **STEP THREE: Determine the result of**
- 35                           **(1) the STEP TWO result; divided by**  
 36                           **(2) two (2).**
- 37                   **STEP FOUR: Round the STEP THREE result to the nearest**  
 38                   **one dollar (\$1).**

1           **STEP FIVE: Determine the sum of:**

- 2                   **(1) the STEP FOUR result; plus**  
 3                   **(2) fifty dollars (\$50).**

4           SECTION 5. [EFFECTIVE UPON PASSAGE] **(a) The definitions**  
 5 **in P.L.229-2011, SECTION 1 apply throughout this SECTION.**

6           **(b) The following definitions apply throughout this SECTION:**

7                   **(1) "2012-2013 school year" means the school year (as defined**  
 8 **in IC 20-18-2-17) beginning July 1, 2012, and ending June 30,**  
 9 **2013.**

10                  **(2) "Charter school" has the meaning set forth in**  
 11 **IC 20-24-1-4.**

12                  **(3) "Current ADM" has the meaning set forth in**  
 13 **IC 20-43-1-10.**

14                  **(4) "Eligible pupil" has the meaning set forth in**  
 15 **IC 20-43-1-11.**

16                  **(5) "School corporation" has the meaning set forth in**  
 17 **IC 20-18-2-16.**

18           **(c) Augmentation is allowed for the appropriation in**  
 19 **P.L.229-2011, SECTION 9 to the department of education for**  
 20 **full-day kindergarten, beginning July 1, 2012, and ending June 30,**  
 21 **2013.**

22           **(d) Notwithstanding P.L.229-2011, SECTION 9, each school**  
 23 **corporation and charter school that applies to the department of**  
 24 **education for a grant for full-day kindergarten is entitled to receive**  
 25 **a distribution in the 2012-2013 school year from the amount**  
 26 **appropriated in P.L.229-2011, SECTION 9 for full-day**  
 27 **kindergarten for the state fiscal year beginning July 1, 2012, and**  
 28 **ending June 30, 2013, as augmented under this SECTION. The**  
 29 **total amount to be distributed to a school corporation or charter**  
 30 **school for the 2012-2013 school year equals the result of:**

31                   **(1) two thousand four hundred dollars (\$2,400); multiplied by**

32                   **(2) the number of eligible pupils who are:**

33                           **(A) counted in the current ADM of the school corporation**  
 34 **in the initial count of ADM in the 2012-2013 school year;**  
 35 **and**

36                           **(B) enrolled in and attending full-day kindergarten on the**  
 37 **count date on which the current ADM is determined.**

38           **(e) A school corporation or charter school that applies for a**

1       **grant for full-day kindergarten may not charge a fee for enrolling**  
2       **in or attending full-day kindergarten in the school year beginning**  
3       **July 1, 2012, and ending June 30, 2013.**

4       **(f) This SECTION expires July 1, 2013.**

5       **SECTION 6. An emergency is declared for this act.**

(Reference is to SB 143 as printed January 20, 2012.)

**and when so amended that said bill do pass.**

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Representative Espich