COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred Senate Bill No. 143, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 4-10-22-1, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 1. After the end of each **odd-numbered** state fiscal year, the office of management and budget shall calculate in the customary manner the total amount of state reserves as of the end of the state fiscal year. **However, for purposes of this chapter, the office of management and budget may not include in the total amount of state reserves any amounts in the state tuition reserve fund under IC 4-12-1-15.7.** The office of management and budget shall make the calculation not later than July 31 of each **odd-numbered** year.

SECTION 2. IC 4-10-22-2, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 2. If:

(1) the total amount of state reserves calculated by the office of management and budget exceeds ten percent (10%) of the general revenue appropriations for the current state fiscal year;

(2) the state tuition reserve fund under IC 4-12-1-15.7 has a balance equal to at least ten percent (10%) of the state tuition support appropriation for the following calendar year; and ~~if~~

(3) the accounts payable by the state at the end of the preceding state fiscal year are not unusually large as a percentage of the total amount of state reserves (as compared to recent history);

the governor shall make a presentation to the state budget committee regarding the disposition of excess state reserves under section 3 of this chapter. The presentation must be made not later than September 30 of the **odd-numbered** year.

SECTION 3. IC 4-10-22-3, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. After completing the presentation to the state budget committee described in section 2 of this chapter, the governor shall **do the following:**

(1) If the amount of the excess reserves is less than one hundred million dollars ($100,000,000), transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.

(2) If the amount of the excess reserves is one hundred million dollars ($100,000,000) or more:

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

~~(2)~~ **(B)** use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.

SECTION 4. IC 4-10-22-4, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The following apply if sufficient excess state reserves are available to provide an automatic taxpayer refund to each taxpayer eligible for a refund:

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

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

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

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

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

follows:

STEP ONE: Determine the total amount of excess state reserves that under section 3 of this chapter are available to provide automatic taxpayer refunds.

STEP TWO: Determine the total number of taxpayers that qualify for a refund as provided in subdivision (1).

STEP THREE: Determine the result of:

(A) the STEP ONE result; divided by

(B) the STEP TWO result;

as rounded to the nearest dollar.

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

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

Delete page 2.

(Reference is to SB 143 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 10, Nays 1.

Senator Kenley, Chairperson