
SENATE BILL No. 483

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3; IC 6-3.5; IC 6-8.1-1-1; IC 36-1-8-5.1; IC 36-3-7-6; IC 36-8-15-19; IC 36-9-4-42.

Synopsis: Administration of county income taxes. Provides that beginning January 1, 2014, a county imposing a county income tax (rather than the department of state revenue) has the authority and responsibility for the administration, collection, and enforcement of the tax. Requires taxpayers to file county income tax returns with the county treasurer of the county that imposed the tax. Requires taxpayers to pay county income tax to the county treasurer of the county that imposed the tax. Provides that withholdings of county income taxes shall be remitted to the county treasurer of the county that imposed the tax. Repeals provisions related to: (1) the state collection of county income taxes; and (2) the calculation and distribution by the state of certified distributions of county income taxes. Specifies that certain provisions related to the department of state revenue's administration of state taxes also apply to a county administering a county income tax. Makes technical corrections.

Effective: Upon passage; January 1, 2014.

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January 14, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 483



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 6-1.1-20.6-10, AS AMENDED BY P.L.137-2012,
2 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2014]: Sec. 10. (a) As used in this section, "debt service
4 obligations of a political subdivision" refers to:
5 (1) the principal and interest payable during a calendar year on
6 bonds; and
7 (2) lease rental payments payable during a calendar year on
8 leases;
9 of a political subdivision payable from ad valorem property taxes.
10 (b) Political subdivisions are required by law to fully fund the
11 payment of their debt obligations in an amount sufficient to pay any
12 debt service or lease rentals on outstanding obligations, regardless of
13 any reduction in property tax collections due to the application of tax
14 credits granted under this chapter.
15 (c) Upon the failure of a political subdivision to pay any of the
16 political subdivision's debt service obligations during a calendar year
17 when due, the treasurer of state, upon being notified of the failure by



1 a claimant, shall pay the unpaid debt service obligations that are due
 2 from money in the possession of the state that would otherwise be
 3 available for distribution to the political subdivision under any other
 4 law, deducting the payment from the amount distributed. A deduction
 5 under this subsection must be made

6 (1) first from distributions of county adjusted gross income tax
 7 distributions under IC 6-3.5-1.1; county option income tax
 8 distributions under IC 6-3.5-6; or county economic development
 9 income tax distributions under IC 6-3.5-7 that would otherwise be
 10 distributed to the county under the schedule in IC 6-3.5-1.1-10;
 11 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;
 12 and IC 6-3.5-7-17.3; and

13 (2) second from any other undistributed funds of the political
 14 subdivision in the possession of the state.

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

19 SECTION 2. IC 6-1.1-30-17, AS AMENDED BY P.L.137-2012,
 20 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2014]: Sec. 17. (a) Except as provided in subsection (c)
 22 and subject to subsection (d), the department of state revenue and the
 23 auditor of state shall, when requested by the department of local
 24 government finance, withhold a percentage of the distributions of
 25 county adjusted gross income tax distributions under IC 6-3.5-1.1;
 26 county option income tax distributions under IC 6-3.5-6; or county
 27 economic development income tax distributions under IC 6-3.5-7 that
 28 would otherwise be distributed to the county under the schedules in
 29 IC 6-3.5-1.1-10; IC 6-3.5-1.1-21.1; IC 6-3.5-6-17; IC 6-3.5-6-17.3;
 30 IC 6-3.5-7-16; and IC 6-3.5-7-17.3; **state revenues that would**
 31 **otherwise be distributed to the county, if:**

32 (1) the county assessor has not transmitted to the department of
 33 local government finance by October 1 of the year in which the
 34 distribution is scheduled to be made the data for all townships in
 35 the county required to be transmitted under IC 6-1.1-4-25;

36 (2) the county auditor has not paid a bill for services under
 37 IC 6-1.1-4-31.5 to the department of local government finance in
 38 a timely manner;

39 (3) the county assessor has not forwarded to the department of
 40 local government finance in a timely manner sales disclosure
 41 form data under IC 6-1.1-5.5-3;

42 (4) the county auditor has not forwarded to the department of

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- 1 local government finance the duplicate copies of all approved
- 2 exemption applications required to be forwarded by that date
- 3 under IC 6-1.1-11-8(a);
- 4 (5) by the date the distribution is scheduled to be made, the
- 5 county auditor has not sent a certified statement required to be
- 6 sent by that date under IC 6-1.1-17-1 to the department of local
- 7 government finance;
- 8 (6) the county does not maintain a certified computer system that
- 9 meets the requirements of IC 6-1.1-31.5-3.5;
- 10 (7) the county auditor has not transmitted the data described in
- 11 IC 36-2-9-20 to the department of local government finance in the
- 12 form and on the schedule specified by IC 36-2-9-20;
- 13 (8) the county has not established a parcel index numbering
- 14 system under 50 IAC 23-8-1 in a timely manner;
- 15 (9) a county official has not provided other information to the
- 16 department of local government finance in a timely manner as
- 17 required by the department of local government finance; or
- 18 (10) the department of local government finance incurs additional
- 19 costs to assist a covered county (as defined in IC 6-1.1-22.6-1) to
- 20 issue tax statements within the time frame specified in
- 21 IC 6-1.1-22.6-18(b) for each year that the county experienced
- 22 delayed property taxes (as defined in IC 6-1.1-22.6-2) before the
- 23 year in which the county qualifies as a covered county.

24 The percentage to be withheld is the percentage determined by the
 25 department of local government finance. However, the percentage
 26 withheld for a reason stated in subdivision (10) may not exceed the
 27 percentage needed to reimburse the department of local government
 28 finance for the costs incurred by the department of local government
 29 finance to take the actions necessary to permit a covered county (as
 30 defined in IC 6-1.1-22.6-1) to issue reconciling tax statements for prior
 31 year delayed property taxes (as defined in IC 6-1.1-22.6-2) within the
 32 time frame specified in IC 6-1.1-22.6-18(b). The county governmental
 33 taxing unit of a covered county (as defined in IC 6-1.1-22.6-1) shall
 34 reimburse the department of local government finance for these
 35 expenses. The amount withheld under subdivision (10) reduces only
 36 the amount that would otherwise be distributed to the county
 37 governmental taxing unit of a covered county (as defined in
 38 IC 6-1.1-22.6-1) and not money distributable to any other political
 39 subdivision. The withholding of an amount under subdivision (10) does
 40 not relieve the county government of a covered county (as defined in
 41 IC 6-1.1-22.6-1) from making bond or lease payments that would
 42 otherwise be paid from withheld amounts or providing property tax

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1 credits that would otherwise be provided under IC 6-3.5 from withheld
 2 amounts. Subdivision (10) does not apply to any county other than a
 3 covered county (as defined in IC 6-1.1-22.6-1).

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

8 (1) provide information; or

9 (2) pay a bill for services;

10 has been corrected.

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

14 (1) provide information; or

15 (2) pay a bill for services;

16 in a timely manner is justified by unusual circumstances.

17 (d) The department of local government finance shall give the
 18 county auditor at least thirty (30) days notice in writing before the
 19 department of state revenue or the auditor of state withholds a
 20 distribution under subsection (a).

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

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

31 SECTION 3. IC 6-3-4-0.5 IS ADDED TO THE INDIANA CODE
 32 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 33 **JANUARY 1, 2014]: Sec. 0.5. (a) As provided in IC 6-3.5-7.5, in the**
 34 **case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7,**
 35 **the county imposing the tax has the authority and responsibility for**
 36 **the administration, collection, and enforcement of the tax.**

37 (b) Returns for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or
 38 IC 6-3.5-7 shall be filed with the county treasurer of the county
 39 imposing the tax, rather than being filed with the department.

40 (c) Payments for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6,
 41 or IC 6-3.5-7 (including the payment of estimated taxes) shall be
 42 made to the county treasurer of the county imposing the tax, rather

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than being made to the department.

(d) Withholdings for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 shall be remitted to the county treasurer of the county imposing the tax, rather than being remitted to the department.

(e) Except as otherwise provided and unless the context clearly denotes otherwise, the provisions of this chapter concerning:

- (1) filing a return (including the due date for filing a return);
- (2) reporting and making estimated payments (including the due date for reporting and making estimated payments);
- (3) furnishing copies of returns;
- (4) filing amended returns;
- (5) withholding, including an employer's duties related to withholding, collecting, and paying over tax from wages of employees;
- (6) liability for taxes; and
- (7) penalties;

apply to the county administration of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to the department shall be considered a reference to the county treasurer.

(f) IC 6-3-4-1.5 does not apply to returns filed with a county treasurer under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.

SECTION 4. IC 6-3-4-3, AS AMENDED BY P.L.172-2011, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 3. Returns required to be made pursuant to section 1 of this chapter shall be filed with the department or (in the case of a county adjusted gross income tax return, county option income tax return, or county economic development income tax return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7) with the county treasurer on or before the later of the following:

- (1) The 15th day of the fourth month following the close of the taxable year.
- (2) For a corporation whose federal tax return is due on or after the date set forth in subdivision (1), as determined without regard to any extensions, weekends, or holidays, the 15th day of the month following the due date of the federal tax return.

SECTION 5. IC 6-3-4-4.1, AS AMENDED BY P.L.1-2009, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 4.1. (a) Any individual required by the Internal Revenue Code to file estimated tax returns and to make payments on account of such estimated tax shall file estimated tax

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1 returns and make payments of the tax imposed by this article to the
 2 department **and (in the case of an individual required to file a**
 3 **county adjusted gross income tax return, county option income tax**
 4 **return, or county economic development income tax return under**
 5 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7) the county treasurer** at the
 6 time or times and in the installments as provided by Section 6654 of the
 7 Internal Revenue Code. However, the following apply to estimated tax
 8 returns filed and payments made under this subsection:

9 (1) In applying Section 6654 of the Internal Revenue Code for the
 10 purposes of this article, "estimated tax" means the amount which
 11 the individual estimates as the amount of the adjusted gross
 12 income tax imposed by this article for the taxable year, minus the
 13 amount which the individual estimates as the sum of any credits
 14 against the tax provided by IC 6-3-3.

15 (2) Estimated tax for a nonresident alien (as defined in Section
 16 7701 of the Internal Revenue Code) must be computed by
 17 applying not more than one (1) exclusion under IC 6-3-1-3.5(a)(3)
 18 and IC 6-3-1-3.5(a)(4), regardless of the total number of
 19 exclusions that IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit
 20 the taxpayer to apply on the taxpayer's final return for the taxable
 21 year.

22 (b) Every individual who has adjusted gross income subject to the
 23 tax imposed by this article and from which tax is not withheld under
 24 the requirements of section 8 of this chapter shall make a declaration
 25 of estimated tax for the taxable year. However, no such declaration
 26 shall be required if the estimated tax can reasonably be expected to be
 27 less than one thousand dollars (\$1,000). In the case of an underpayment
 28 of the estimated tax as provided in Section 6654 of the Internal
 29 Revenue Code, there shall be added to the tax a penalty in an amount
 30 prescribed by IC 6-8.1-10-2.1(b).

31 (c) Every corporation subject to the adjusted gross income tax
 32 liability imposed by this article shall be required to report and pay an
 33 estimated tax equal to the lesser of:

34 (1) twenty-five percent (25%) of such corporation's estimated
 35 adjusted gross income tax liability for the taxable year; or

36 (2) the annualized income installment calculated in the manner
 37 provided by Section 6655(e) of the Internal Revenue Code as
 38 applied to the corporation's liability for adjusted gross income tax.

39 A taxpayer who uses a taxable year that ends on December 31 shall file
 40 the taxpayer's estimated adjusted gross income tax returns and pay the
 41 tax to the department on or before April 20, June 20, September 20,
 42 and December 20 of the taxable year. If a taxpayer uses a taxable year

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1 that does not end on December 31, the due dates for filing estimated
 2 adjusted gross income tax returns and paying the tax are on or before
 3 the twentieth day of the fourth, sixth, ninth, and twelfth months of the
 4 taxpayer's taxable year. The department shall prescribe the manner and
 5 forms for such reporting and payment.

6 (d) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed
 7 by the department on corporations failing to make payments as required
 8 in subsection (c) or (f). However, no penalty shall be assessed as to any
 9 estimated payments of adjusted gross income tax which equal or
 10 exceed:

11 (1) the annualized income installment calculated under subsection
 12 (c); or

13 (2) twenty-five percent (25%) of the final tax liability for the
 14 taxpayer's previous taxable year.

15 In addition, the penalty as to any underpayment of tax on an estimated
 16 return shall only be assessed on the difference between the actual
 17 amount paid by the corporation on such estimated return and
 18 twenty-five percent (25%) of the corporation's final adjusted gross
 19 income tax liability for such taxable year.

20 (e) The provisions of subsection (c) requiring the reporting and
 21 estimated payment of adjusted gross income tax shall be applicable
 22 only to corporations having an adjusted gross income tax liability
 23 which, after application of the credit allowed by IC 6-3-3-2 (repealed),
 24 shall exceed two thousand five hundred dollars (\$2,500) for its taxable
 25 year.

26 (f) If the department determines that a corporation's:

27 (1) estimated quarterly adjusted gross income tax liability for the
 28 current year; or

29 (2) average estimated quarterly adjusted gross income tax liability
 30 for the preceding year;

31 exceeds five thousand dollars (\$5,000), after the credit allowed by
 32 IC 6-3-3-2 (repealed), the corporation shall pay the estimated adjusted
 33 gross income taxes due by electronic funds transfer (as defined in
 34 IC 4-8.1-2-7) or by delivering in person or overnight by courier a
 35 payment by cashier's check, certified check, or money order to the
 36 department. The transfer or payment shall be made on or before the
 37 date the tax is due.

38 (g) If a corporation's adjusted gross income tax payment is made by
 39 electronic funds transfer, the corporation is not required to file an
 40 estimated adjusted gross income tax return.

41 (h) ~~An individual filing an estimated tax return and making an~~
 42 ~~estimated tax payment under this section must designate:~~

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- 1 (1) the portion of the estimated tax payment that represents
- 2 estimated state adjusted gross income tax liability; and
- 3 (2) the portion of the estimated tax payment that represents
- 4 estimated local income tax liability under IC 6-3-5.

5 The department shall adopt guidelines and issue instructions as
 6 necessary to assist individuals in making the designations required by
 7 this subsection.

8 SECTION 6. IC 6-3-4-5 IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2014]: Sec. 5. When a return of tax is
 10 required pursuant to sections 1 and 3 of this chapter, the taxpayer
 11 required to make such return shall, without assessment or notice and
 12 demand from the department **or the county treasurer** pay such tax to
 13 the department **or the county treasurer (in the case of an individual**
 14 **required to file a county adjusted gross income tax return, county**
 15 **option income tax return, or county economic development income**
 16 **tax return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7)** at the time
 17 fixed for filing the return without regard to any extension of time for
 18 filing the return. In making a return and paying tax for any taxable year,
 19 a taxpayer shall take credit for any tax previously paid by ~~him~~ **the**
 20 **taxpayer** for such taxable year.

21 SECTION 7. IC 6-3-4-8, AS AMENDED BY P.L.137-2012,
 22 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2014]: Sec. 8. (a) Except as provided in subsection (d),
 24 every employer making payments of wages subject to tax under this
 25 article, regardless of the place where such payment is made, who is
 26 required under the provisions of the Internal Revenue Code to
 27 withhold, collect, and pay over income tax on wages paid by such
 28 employer to such employee, shall, at the time of payment of such
 29 wages, deduct and retain therefrom the amount prescribed in
 30 withholding instructions issued by the department. The department
 31 shall base its withholding instructions on the adjusted gross income tax
 32 rate for persons, on the total rates of any income taxes that the taxpayer
 33 is subject to under IC 6-3.5, and on the total amount of exclusions the
 34 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
 35 However, the withholding instructions on the adjusted gross income of
 36 a nonresident alien (as defined in Section 7701 of the Internal Revenue
 37 Code) are to be based on applying not more than one (1) withholding
 38 exclusion, regardless of the total number of exclusions that
 39 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
 40 on the taxpayer's final return for the taxable year. Such employer
 41 making payments of any wages:

- 42 (1) shall be liable to the state of Indiana for the payment of the tax

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1 required to be deducted and withheld under this section and shall
 2 not be liable to any individual for the amount deducted from the
 3 individual's wages and paid over in compliance or intended
 4 compliance with this section; and

5 (2) shall make return of and payment to the department monthly
 6 of the amount of tax which under this article and IC 6-3.5 the
 7 employer is required to withhold.

8 (b) An employer shall pay taxes withheld under subsection (a)
 9 during a particular month to the department **or (in the case of county**
 10 **adjusted gross income tax, county option income tax, or county**
 11 **economic development income tax under IC 6-3.5-1.1, IC 6-3.5-6,**
 12 **or IC 6-3.5-7) to the county treasurer** no later than thirty (30) days
 13 after the end of that month. However, in place of monthly reporting
 14 periods, the department **or county treasurer** may permit an employer
 15 to report and pay the tax for a calendar year reporting period, if the
 16 average monthly amount of all tax required to be withheld by the
 17 employer in the previous calendar year does not exceed one thousand
 18 dollars (\$1,000). An employer using a reporting period (other than a
 19 monthly reporting period) must file the employer's return and pay the
 20 tax for a reporting period no later than the last day of the month
 21 immediately following the close of the reporting period.

22 (c) For purposes of determining whether an employee is subject to
 23 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 24 of an employee as to the employee's county of residence as represented
 25 by the statement of address in forms claiming exemptions for purposes
 26 of withholding, regardless of when the employee supplied the forms.
 27 Every employee shall notify the employee's employer within five (5)
 28 days after any change in the employee's county of residence.

29 (d) A county that makes payments of wages subject to tax under this
 30 article:

31 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and

32 (2) for the performance of the duties of the precinct election
 33 officer imposed by IC 3 that are performed on election day;

34 is not required, at the time of payment of the wages, to deduct and
 35 retain from the wages the amount prescribed in withholding
 36 instructions issued by the department.

37 (e) Every employer shall, at the time of each payment made by the
 38 employer to the department, deliver to the department a return upon the
 39 form prescribed by the department showing:

40 (1) the total amount of wages paid to the employer's employees;

41 (2) the amount deducted therefrom in accordance with the
 42 provisions of the Internal Revenue Code;

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- 1 (3) the amount of adjusted gross income tax deducted therefrom
- 2 in accordance with the provisions of this section;
- 3 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
- 4 deducted therefrom in accordance with this section; and
- 5 (5) any other information the department may require.

6 Every employer making a declaration of withholding as provided in this
 7 section shall furnish the employer's employees annually, but not later
 8 than thirty (30) days after the end of the calendar year, a record of the
 9 total amount of adjusted gross income tax and the amount of each
 10 income tax, if any, imposed under IC 6-3.5, withheld from the
 11 employees, on the forms prescribed by the department.

12 (f) All money deducted and withheld by an employer shall
 13 immediately upon such deduction be the money of the state, and every
 14 employer who deducts and retains any amount of money under the
 15 provisions of this article shall hold the same in trust for the state of
 16 Indiana and for payment thereof to the department in the manner and
 17 at the times provided in this article. Any employer may be required to
 18 post a surety bond in the sum the department determines to be
 19 appropriate to protect the state with respect to money withheld pursuant
 20 to this section.

21 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
 22 delinquency and penalties shall apply to employers subject to the
 23 provisions of this section, and for these purposes any amount deducted
 24 or required to be deducted and remitted to the department under this
 25 section shall be considered to be the tax of the employer, and with
 26 respect to such amount the employer shall be considered the taxpayer.
 27 In the case of a corporate or partnership employer, every officer,
 28 employee, or member of such employer, who, as such officer,
 29 employee, or member is under a duty to deduct and remit such taxes
 30 shall be personally liable for such taxes, penalties, and interest.

31 (h) Amounts deducted from wages of an employee during any
 32 calendar year in accordance with the provisions of this section shall be
 33 considered to be in part payment of the tax imposed on such employee
 34 for the employee's taxable year which begins in such calendar year, and
 35 a return made by the employer under subsection (b) shall be accepted
 36 by the department as evidence in favor of the employee of the amount
 37 so deducted from the employee's wages. Where the total amount so
 38 deducted exceeds the amount of tax on the employee as computed
 39 under this article, ~~and IC 6-3.5~~, the department shall, after examining
 40 the return or returns filed by the employee in accordance with this
 41 article, ~~and IC 6-3.5~~, refund the amount of the excess deduction.
 42 However, under rules promulgated by the department, the excess or any

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1 part thereof may be applied to any taxes or other claim due from the
 2 taxpayer to the state of Indiana or any subdivision thereof. **In the case**
 3 **of county adjusted gross income tax, county option income tax , or**
 4 **county economic development income tax under IC 6-3.5-1.1,**
 5 **IC 6-3.5-6, or IC 6-3.5-7, if the total amount deducted exceeds the**
 6 **amount of tax on the employee as computed under IC 6-3.5, the**
 7 **county treasurer shall, after examining the return or returns filed**
 8 **by the employee in accordance with IC 6-3.5, refund the amount of**
 9 **the excess deduction.** No refund shall be made to an employee who
 10 fails to file the employee's return or returns as required under this
 11 article and IC 6-3.5 within two (2) years from the due date of the return
 12 or returns. In the event that the excess tax deducted is less than one
 13 dollar (\$1), no refund shall be made.

14 (i) This section shall in no way relieve any taxpayer from the
 15 taxpayer's obligation of filing a return or returns at the time required
 16 under this article and IC 6-3.5, and, should the amount withheld under
 17 the provisions of this section be insufficient to pay the total tax of such
 18 taxpayer, such unpaid tax shall be paid at the time prescribed by
 19 section 5 of this chapter.

20 (j) Notwithstanding subsection (b), an employer of a domestic
 21 service employee that enters into an agreement with the domestic
 22 service employee to withhold federal income tax under Section 3402
 23 of the Internal Revenue Code may withhold Indiana income tax on the
 24 domestic service employee's wages on the employer's Indiana
 25 individual income tax return in the same manner as allowed by Section
 26 3510 of the Internal Revenue Code.

27 (k) To the extent allowed by Section 1137 of the Social Security
 28 Act, an employer of a domestic service employee may report and remit
 29 state unemployment insurance contributions on the employee's wages
 30 on the employer's Indiana individual income tax return in the same
 31 manner as allowed by Section 3510 of the Internal Revenue Code.

32 (l) A person who knowingly fails to remit trust fund money as set
 33 forth in this section commits a Class D felony.

34 SECTION 8. IC 6-3-4-17, AS AMENDED BY P.L.42-2011,
 35 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2014]: Sec. 17. Beginning after December 31, 2010, the
 37 department and the office of management and budget shall:

38 (1) develop a quarterly report that summarizes the amount
 39 reported to and processed by the department under ~~section 4.1(h)~~
 40 ~~of this chapter~~, section 15.7(a)(3) of this chapter,
 41 IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), and IC 6-3.5-7-18(c) for
 42 each county; and

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1 (2) make the quarterly report available to county auditors within
2 forty-five (45) days after the end of the calendar quarter.

3 SECTION 9. IC 6-3-6-10 IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2014]: Sec. 10. (a) A taxpayer subject to
5 taxation under this article shall keep and preserve records and any other
6 books or accounts as required by IC 6-8.1-5-4. All the records shall be
7 kept open for examination at any time by the department or its
8 authorized agents **or (in the case of a tax imposed under**
9 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7) by the county treasurer or**
10 **the county treasurer's authorized agents.** A taxpayer who violates
11 this subsection or fails to comply with the request of the department **or**
12 **(in the case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or**
13 **IC 6-3.5-7) the request of a county treasurer** pursuant to IC 6-3-4-6
14 commits a Class A misdemeanor.

15 (b) It is a Class D felony for a taxpayer to make false entries in **his**
16 **the taxpayer's** books, or to keep more than one (1) set of books, with
17 intent to defraud the state **or a county** or **to** evade the payment of the
18 tax, or any part thereof, imposed by this article.

19 SECTION 10. IC 6-3-6-11 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 11. (a) It is a
21 Class D felony for a taxpayer to fail to make any return required to be
22 made under this article, or to make any false return or false statement
23 in any return, with intent to defraud the state **or a county** or to evade
24 the payment of the tax, or any part thereof, imposed by this article. It
25 is a Class D felony for a person to knowingly fail to permit the
26 examination of any book, paper, account, record, or other data by the
27 department or its authorized agents **or (in the case of a tax imposed**
28 **under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7) by the county**
29 **treasurer or the county treasurer's authorized agents,** as required
30 by this article, to knowingly fail to permit the inspection or appraisal
31 of any property by the department or its authorized agents **or (in the**
32 **case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7)**
33 **by the county treasurer or the county treasurer's authorized**
34 **agents,** or to knowingly refuse to offer testimony or produce any record
35 as required in this article.

36 (b) The attorney general has concurrent jurisdiction with the
37 prosecuting attorney in instituting and prosecuting actions under this
38 section.

39 SECTION 11. IC 6-3.5-1.1-1.1, AS AMENDED BY
40 P.L.182-2009(ss), SECTION 209, IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1.1. (a) For
42 purposes of allocating the ~~certified distribution made to~~ **revenue**

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1 **received by** a county under this chapter among the civil taxing units
 2 and school corporations in the county, the allocation amount for a civil
 3 taxing unit or school corporation is the amount determined using the
 4 following formula:

5 STEP ONE: Determine the sum of the total property taxes being
 6 collected by the civil taxing unit or school corporation during the
 7 calendar year of the distribution.

8 STEP TWO: Determine the sum of the following:

9 (A) Amounts appropriated from property taxes to pay the
 10 principal of or interest on any debenture or other debt
 11 obligation issued after June 30, 2005, other than an obligation
 12 described in subsection (b).

13 (B) Amounts appropriated from property taxes to make
 14 payments on any lease entered into after June 30, 2005, other
 15 than a lease described in subsection (c).

16 (C) The proceeds of any property that are:

17 (i) received as the result of the issuance of a debt obligation
 18 described in clause (A) or a lease described in clause (B);
 19 and

20 (ii) appropriated from property taxes for any purpose other
 21 than to refund or otherwise refinance a debt obligation or
 22 lease described in subsection (b) or (c).

23 STEP THREE: Subtract the STEP TWO amount from the STEP
 24 ONE amount.

25 STEP FOUR: Determine the sum of:

26 (A) the STEP THREE amount; plus

27 (B) the civil taxing unit's or school corporation's certified
 28 distribution for the previous calendar year **(for distributions**
 29 **in 2013) or the civil taxing unit's or school corporation's**
 30 **allocation of revenue under this chapter for the previous**
 31 **calendar year (for distributions in 2014 and thereafter).**

32 The allocation amount is subject to adjustment as provided in
 33 IC 36-8-19-7.5.

34 (b) Except as provided in this subsection, an appropriation from
 35 property taxes to repay interest and principal of a debt obligation is not
 36 deducted from the allocation amount for a civil taxing unit or school
 37 corporation if:

38 (1) the debt obligation was issued; and

39 (2) the proceeds appropriated from property taxes;

40 to refund or otherwise refinance a debt obligation or a lease issued
 41 before July 1, 2005. However, an appropriation from property taxes
 42 related to a debt obligation issued after June 30, 2005, is deducted if

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1 the debt extends payments on a debt or lease beyond the time in which
2 the debt or lease would have been payable if the debt or lease had not
3 been refinanced or increases the total amount that must be paid on a
4 debt or lease in excess of the amount that would have been paid if the
5 debt or lease had not been refinanced. The amount of the deduction is
6 the annual amount for each year of the extension period or the annual
7 amount of the increase over the amount that would have been paid.

8 (c) Except as provided in this subsection, an appropriation from
9 property taxes to make payments on a lease is not deducted from the
10 allocation amount for a civil taxing unit or school corporation if:

- 11 (1) the lease was issued; and
- 12 (2) the proceeds were appropriated from property taxes;
13 to refinance a debt obligation or lease issued before July 1, 2005.
14 However, an appropriation from property taxes related to a lease
15 entered into after June 30, 2005, is deducted if the lease extends
16 payments on a debt or lease beyond the time in which the debt or lease
17 would have been payable if the debt or lease had not been refinanced
18 or increases the total amount that must be paid on a debt or lease in
19 excess of the amount that would have been paid if the debt or lease had
20 not been refinanced. The amount of the deduction is the annual amount
21 for each year of the extension period or the annual amount of the
22 increase over the amount that would have been paid.

23 SECTION 12. IC 6-3.5-1.1-2.3, AS AMENDED BY P.L.77-2011,
24 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2014]: Sec. 2.3. (a) This section applies to Jasper
26 County.

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

- 29 (1) finance, construct, acquire, improve, renovate, or equip:
 - 30 (A) jail facilities;
 - 31 (B) juvenile court, detention, and probation facilities;
 - 32 (C) other criminal justice facilities; and
 - 33 (D) related buildings and parking facilities;
- 34 located in the county, including costs related to the demolition of
35 existing buildings and the acquisition of land; and
- 36 (2) repay bonds issued or leases entered into for the purposes
37 described in subdivision (1).

38 (c) The county council may, by ordinance, determine that additional
39 county adjusted gross income tax revenue is needed in the county to
40 operate or maintain any of the facilities described in subsection
41 (b)(1)(A) through (b)(1)(D) that are located in the county. The county
42 council may make a determination under both this subsection and

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1 subsection (b).
 2 (d) In addition to the rates permitted by section 2 of this chapter, the
 3 county council may impose the county adjusted gross income tax at a
 4 rate of:
 5 (1) fifteen-hundredths percent (0.15%);
 6 (2) two-tenths percent (0.2%); or
 7 (3) twenty-five hundredths percent (0.25%);
 8 on the adjusted gross income of county taxpayers if the county council
 9 makes a finding and determination set forth in subsection (b) or (c).
 10 (e) 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 or leases entered into to finance the
 16 construction, acquisition, improvement, renovation, and
 17 equipping described in subsection (b) are fully paid;
 18 the county council shall, subject to subsection (d), establish a tax rate
 19 under this section by ordinance such that the revenue from the tax does
 20 not exceed the costs of operating and maintaining the jail facilities
 21 described in subsection (b)(1)(A). The tax rate may not be imposed at
 22 a rate greater than is necessary to carry out the purposes described in
 23 subsections (b) and (c), as applicable.
 24 (f) The tax imposed under this section may be imposed only until
 25 the latest of the following:
 26 (1) The date on which the financing, construction, acquisition,
 27 improvement, renovation, and equipping described in subsection
 28 (b) are completed.
 29 (2) The date on which the last of any bonds issued or leases
 30 entered into to finance the construction, acquisition,
 31 improvement, renovation, and equipping described in subsection
 32 (b) are fully paid.
 33 (3) The date on which an ordinance adopted under subsection (c)
 34 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~~

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distributions under section 11 of this chapter.

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

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

(j) Notwithstanding any other law, money remaining in the criminal justice facilities revenue fund established under subsection (h) after the tax imposed by this section is terminated under subsection (f) shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 13. IC 6-3.5-1.1-2.7, AS AMENDED BY P.L.119-2012, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2.7. (a) This section applies to Wayne County.

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

- (1) finance, construct, acquire, improve, renovate, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land; and
- (2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

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

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on

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1 which the last of any bonds issued or leases entered into to finance the
 2 construction, acquisition, improvement, renovation, and equipping
 3 described in subsection (b) are fully paid. The term of the bonds issued
 4 (including any refunding bonds) or a lease entered into under
 5 subsection (b)(2) may not exceed twenty (20) years.

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

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

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

- 21 (1) may only be used 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) Wayne County possesses unique economic development
 28 challenges due to underemployment in relation to similarly situated
 29 counties. Maintaining low property tax rates is essential to economic
 30 development and the use of county adjusted gross income tax revenues
 31 as provided in this chapter to pay any bonds issued or leases entered
 32 into to finance the construction, acquisition, improvement, renovation,
 33 and equipping described under subsection (b), rather than use of
 34 property taxes, promotes that purpose.

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

- 37 (1) the redemption of bonds issued; or
- 38 (2) the final payment of lease rentals due under a lease entered
 39 into under this section;

40 shall be transferred to the county highway fund to be used for
 41 construction, resurfacing, restoration, and rehabilitation of county
 42 highways, roads, and bridges.



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1 SECTION 14. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.119-2012,
 2 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2014]: Sec. 2.8. (a) This section applies to the following
 4 counties:

- 5 (1) Elkhart County.
 6 (2) Marshall County.

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

- 9 (1) finance, construct, acquire, improve, renovate, or equip:
 10 (A) jail facilities;
 11 (B) juvenile court, detention, and probation facilities;
 12 (C) other criminal justice facilities; and
 13 (D) related buildings and parking facilities;

14 located in the county, including costs related to the demolition of
 15 existing buildings and the acquisition of land; and
 16 (2) repay bonds issued or leases entered into for the purposes
 17 described in subdivision (1).

18 (c) The county council may, by ordinance, determine that additional
 19 county adjusted gross income tax revenue is needed in the county to
 20 operate or maintain:

- 21 (1) jail facilities;
 22 (2) juvenile court, detention, and probation facilities;
 23 (3) other criminal justice facilities; and
 24 (4) related buildings and parking facilities;

25 located in the county. A county council of a county named in
 26 subsection (a)(1) or (a)(2) may make a determination under both this
 27 subsection and subsection (b).

28 (d) In addition to the rates permitted by section 2 of this chapter, the
 29 county council may impose the county adjusted gross income tax at a
 30 rate of:

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

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

39 (e) This subsection applies only to Elkhart County. If the county
 40 council imposes the tax under this section to pay for the purposes
 41 described in both subsections (b) and (c), when:

- 42 (1) the financing, construction, acquisition, improvement,

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1 renovation, and equipping described in subsection (b) are
 2 completed; and
 3 (2) all bonds issued (including any refunding bonds) or leases
 4 entered into to finance the construction, acquisition,
 5 improvement, renovation, and equipping described in subsection
 6 (b) are fully paid;
 7 the county council shall, subject to subsection (d), establish a tax rate
 8 under this section by ordinance such that the revenue from the tax does
 9 not exceed the costs of operating and maintaining the jail facilities
 10 referred to in subsection (b)(1)(A).
 11 (f) The tax imposed under this section may be imposed only until
 12 the last of the following dates:
 13 (1) The date on which the financing, construction, acquisition,
 14 improvement, renovation, and equipping described in subsection
 15 (b) are completed.
 16 (2) The date on which the last of any bonds issued (including any
 17 refunding bonds) or leases entered into to finance the
 18 construction, acquisition, improvement, renovation, and
 19 equipping described in subsection (b) are fully paid.
 20 (3) If the county imposing the tax under this section is Elkhart
 21 County, the date on which an ordinance adopted under subsection
 22 (c) is rescinded.
 23 (g) The term of the bonds issued (including any refunding bonds) or
 24 a lease entered into under subsection (b)(2) may not exceed twenty (20)
 25 years.
 26 (h) The county treasurer shall establish a criminal justice facilities
 27 revenue fund to be used only for purposes described in this section.
 28 County adjusted gross income tax revenues derived from the tax rate
 29 imposed under this section shall be deposited in the criminal justice
 30 facilities revenue fund before making a ~~certified distribution~~
 31 **distributions** under section 11 of this chapter.
 32 (i) County adjusted gross income tax revenues derived from the tax
 33 rate imposed under this section:
 34 (1) may be used only for the purposes described in this section;
 35 (2) may not be considered by the department of local government
 36 finance in determining the county's maximum permissible
 37 property tax levy limit under IC 6-1.1-18.5; and
 38 (3) may be pledged to the repayment of bonds issued or leases
 39 entered into for any or all the purposes described in subsection
 40 (b).
 41 (j) Notwithstanding any other law, money remaining in the criminal
 42 justice facilities revenue fund established under subsection (h) after the

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1 tax imposed by this section is terminated under subsection (f) shall be
 2 transferred to the county highway fund to be used for construction,
 3 resurfacing, restoration, and rehabilitation of county highways, roads,
 4 and bridges.

5 SECTION 15. IC 6-3.5-1.1-2.9, AS AMENDED BY P.L.119-2012,
 6 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2014]: Sec. 2.9. (a) This section applies to Daviess
 8 County.

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

- 11 (1) finance, construct, acquire, improve, renovate, remodel, or
 12 equip the county jail and related buildings and parking facilities,
 13 including costs related to the demolition of existing buildings, the
 14 acquisition of land, and any other reasonably related costs; and
 15 (2) repay bonds issued or leases entered into for constructing,
 16 acquiring, improving, renovating, remodeling, and equipping the
 17 county jail and related buildings and parking facilities, including
 18 costs related to the demolition of existing buildings, the
 19 acquisition of land, and any other reasonably related costs.

20 (c) In addition to the rates permitted by section 2 of this chapter, the
 21 county council may impose the county adjusted gross income tax at a
 22 rate of:

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

26 on the adjusted gross income of county taxpayers if the county council
 27 makes the finding and determination set forth in subsection (b). The tax
 28 imposed under this section may be imposed only until the later of the
 29 date on which the financing on, acquisition, improvement, renovation,
 30 remodeling, and equipping described in subsection (b) are completed
 31 or the date on which the last of any bonds issued or leases entered into
 32 to finance the construction, acquisition, improvement, renovation,
 33 remodeling, and equipping described in subsection (b) are fully paid.
 34 The term of the bonds issued (including any refunding bonds) or a
 35 lease entered into under subsection (b)(2) may not exceed twenty-five
 36 (25) years.

37 (d) If the county council makes a determination under subsection
 38 (b), the county council may adopt a tax rate under subsection (c). The
 39 tax rate may not be imposed at a rate greater than is necessary to pay
 40 the costs of financing, acquiring, improving, renovating, remodeling,
 41 and equipping the county jail and related buildings and parking
 42 facilities, including costs related to the demolition of existing

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1 buildings, the acquisition of land, and any other reasonably related
2 costs.

3 (e) The county treasurer shall establish a county jail revenue fund
4 to be used only for purposes described in this section. County adjusted
5 gross 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~~ **distributions** 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 be used only 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 limit 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) Daviess County possesses unique governmental and economic
18 development challenges due to:

- 19 (1) underemployment in relation to similarly situated counties and
20 the loss of a major manufacturing business;
- 21 (2) an increase in property taxes for taxable years after December
22 31, 2000, for the construction of a new elementary school; and
- 23 (3) overcrowding of the county jail, the costs associated with
24 housing the county's inmates outside the county, and the potential
25 unavailability of additional housing for inmates outside the
26 county.

27 The use of county adjusted gross income tax revenues as provided in
28 this chapter is necessary for the county to provide adequate jail
29 capacity in the county and to maintain low property tax rates essential
30 to economic development. The use of county adjusted gross income tax
31 revenues as provided in this chapter to pay any bonds issued or leases
32 entered into to finance the construction, acquisition, improvement,
33 renovation, remodeling, and equipping described in subsection (b),
34 rather than the use of property taxes, promotes those purposes.

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

- 37 (1) the redemption of bonds issued; or
- 38 (2) the final payment of lease rentals due under a lease entered
39 into under this section;

40 shall be transferred to the county highway fund to be used for
41 construction, resurfacing, restoration, and rehabilitation of county
42 highways, roads, and bridges.

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1 SECTION 16. IC 6-3.5-1.1-3.3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 3.3. (a) This
 3 section applies only to a county that:

- 4 (1) operates a county jail that is subject to an order that:
 5 (A) was issued by a federal district court before January 1,
 6 2003; and
 7 (B) has not been terminated;
 8 (2) operates a county jail that fails to meet:
 9 (A) American Correctional Association Jail Construction
 10 Standards; and
 11 (B) Indiana jail operation standards adopted by the department
 12 of correction; and
 13 (3) has insufficient revenue to finance the construction,
 14 acquisition, improvement, renovation, and equipping of a county
 15 jail and related buildings and parking facilities.

16 (b) For purposes of this section, "county jail" includes any other
 17 penal facility that is:

- 18 (1) located in; and
 19 (2) operated by;

20 the county.

21 (c) 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, or equip a
 24 county jail and related buildings and parking facilities, including
 25 costs related to the demolition of existing buildings and the
 26 acquisition of land; and
 27 (2) repay bonds issued or leases entered into for constructing,
 28 acquiring, improving, renovating, and equipping the county jail
 29 and related buildings and parking facilities, including costs
 30 related to the demolition of existing buildings and the acquisition
 31 of land.

32 (d) 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 twenty-five hundredths percent (0.25%) on the adjusted gross
 35 income of county taxpayers if the county council makes the finding and
 36 determination set forth in subsection (c). The tax imposed under this
 37 section may be imposed only until the later of the date on which the
 38 financing on acquisition, improvement, renovation, and equipping
 39 described in subsection (c) is completed or the date on which the last
 40 of any bonds issued or leases entered into to finance the construction,
 41 acquisition, improvement, renovation, and equipping described in
 42 subsection (c) are fully paid. The term of the bonds issued (including

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1 any refunding bonds) or a lease entered into under subsection (c)(2)
2 may not exceed thirty (30) years.

3 (e) If the county council makes a determination under subsection
4 (c), the county council may adopt a tax rate under subsection (d). The
5 tax rate may not be imposed at a rate greater than is necessary to pay
6 the costs of financing, acquiring, improving, renovating, and equipping
7 the county jail and related buildings and parking facilities, including
8 costs related to the demolition of existing buildings and the acquisition
9 of land.

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

16 (g) County adjusted gross income tax revenues derived from the tax
17 rate imposed under this section:

18 (1) may only be used for purposes described in this section;

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

22 (3) may be pledged to the repayment of bonds issued or leases
23 entered into for purposes described in subsection (c).

24 (h) A county described in subsection (a) possesses unique economic
25 development challenges due to underemployment in relation to
26 similarly situated counties. Maintaining low property tax rates is
27 essential to economic development. The use of county adjusted gross
28 income tax revenues as provided in this chapter, rather than use of
29 property taxes, to pay any bonds issued or leases entered into to finance
30 the construction, acquisition, improvement, renovation, and equipping
31 described in subsection (c) promotes that purpose.

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

34 (1) the redemption of bonds issued; or

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

37 shall be transferred to the county general fund.

38 SECTION 17. IC 6-3.5-1.1-3.6, AS AMENDED BY P.L.119-2012,
39 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JANUARY 1, 2014]: Sec. 3.6. (a) This section applies only to Union
41 County.

42 (b) The county council may, by ordinance, determine that additional

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1 county adjusted gross income tax revenue is needed in the county to:

- 2 (1) finance, construct, acquire, improve, renovate, or equip the
3 county courthouse; and
4 (2) repay bonds issued, or leases entered into, for constructing,
5 acquiring, improving, renovating, and equipping the county
6 courthouse.

7 (c) In addition to the rates permitted under section 2 of this chapter,
8 the county council may impose the county adjusted gross income tax
9 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
10 gross income of county taxpayers if the county council makes the
11 finding and determination set forth in subsection (b). The tax imposed
12 under this section may be imposed only until the later of the date on
13 which the financing on, acquisition, improvement, renovation, and
14 equipping described in subsection (b) is completed or the date on
15 which the last of any bonds issued or leases entered into to finance the
16 construction, acquisition, improvement, renovation, and equipping
17 described in subsection (b) are fully paid. The term of the bonds issued
18 (including any refunding bonds) or a lease entered into under
19 subsection (b)(2) may not exceed twenty-two (22) years.

20 (d) If the county council makes a determination under subsection
21 (b), the county council may adopt a tax rate under subsection (c). The
22 tax rate may not be imposed for a time greater than is necessary to pay
23 the costs of financing, constructing, acquiring, renovating, and
24 equipping the county courthouse.

25 (e) The county treasurer shall establish a county courthouse revenue
26 fund to be used only for purposes described in this section. County
27 adjusted gross income tax revenues derived from the tax rate imposed
28 under this section shall be deposited in the county courthouse revenue
29 fund before ~~a certified distribution is made~~ **making distributions**
30 under section 11 of this chapter.

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

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

39 (g) Union County possesses unique economic development
40 challenges due to:

- 41 (1) the county's heavy agricultural base;
42 (2) the presence of a large amount of state owned property in the

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1 county that is exempt from property taxation; and
 2 (3) recent obligations of the school corporation in the county that
 3 have already increased property taxes in the county and imposed
 4 additional property tax burdens on the county's agricultural base.

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

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

- 13 (1) the redemption of the bonds issued; or
 14 (2) the final payment of lease rentals due under a lease entered
 15 into under this section;

16 shall be transferred to the county highway fund to be used for
 17 construction, resurfacing, restoration, and rehabilitation of county
 18 highways, roads, and bridges.

19 SECTION 18. IC 6-3.5-1.1-5 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 5. (a) Except as
 21 provided in subsections (b) through (c), if the county adjusted gross
 22 income tax is not in effect during a county taxpayer's entire taxable
 23 year, then the amount of county adjusted gross income tax that the
 24 county taxpayer owes for that taxable year equals the product of:

- 25 (1) the amount of county adjusted gross income tax the county
 26 taxpayer would owe if the tax had been imposed during the
 27 county taxpayer's entire taxable year; multiplied by
 28 (2) a fraction:

29 (A) The numerator of the fraction equals the number of days
 30 during the county taxpayer's taxable year during which the
 31 county adjusted gross income tax was in effect.

32 (B) The denominator of the fraction equals the total number of
 33 days in the county taxpayer's taxable year.

34 (b) If a county taxpayer:

- 35 (1) is unemployed for a part of the taxpayer's taxable year;
 36 (2) was not discharged for just cause (as defined in
 37 IC 22-4-15-1(e)); and
 38 (3) has no earned income for the part of the taxpayer's taxable
 39 year that the tax was in effect;

40 the county taxpayer's adjusted gross income for the taxable year is
 41 reduced by the amount of the taxpayer's earned income for the taxable
 42 year.

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1 (c) A taxpayer who qualifies under subsection (b) must file a claim
 2 for a refund for the difference between the county adjusted gross
 3 income tax owed, as determined under subsection (a), and the tax
 4 owed, as determined under subsection (b). A claim for a refund must
 5 be on a form approved by the ~~department~~ **county** and include all
 6 supporting documentation reasonably required by the ~~department~~
 7 **county**.

8 SECTION 19. IC 6-3.5-1.1-6 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 6. (a) Except as
 10 provided in subsection (b), if for a particular taxable year a county
 11 taxpayer is liable for an income tax imposed by a county, city, town, or
 12 other local governmental entity located outside of Indiana, that county
 13 taxpayer is entitled to a credit against ~~his~~ **the taxpayer's** county
 14 adjusted gross income tax liability for that same taxable year. The
 15 amount of the credit equals the amount of tax imposed by the other
 16 governmental entity on income derived from sources outside Indiana
 17 and subject to the county adjusted gross income tax. However, the
 18 credit provided by this section may not reduce a county taxpayer's
 19 county adjusted gross income tax liability to an amount less than would
 20 have been owed if the income subject to taxation by the other
 21 governmental entity had been ignored.

22 (b) The credit provided by this section does not apply to a county
 23 taxpayer to the extent that the other governmental entity provides for
 24 a credit to the taxpayer for the amount of county adjusted gross income
 25 taxes owed under this chapter.

26 (c) To claim the credit provided by this section, a county taxpayer
 27 must provide the ~~department~~ **county** with satisfactory evidence that ~~he~~
 28 **the taxpayer** is entitled to the credit.

29 SECTION 20. IC 6-3.5-1.1-8 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 8. (a) ~~Before~~
 31 **January 15, 2014, the auditor of state shall transfer to each county**
 32 **the balance in the** special account **established** within the state general
 33 fund ~~shall be established for each that~~ county. ~~adopting the county~~
 34 adjusted gross income tax ~~Any revenue derived from the imposition of~~
 35 the county adjusted gross income tax by a county shall be deposited in
 36 that county's account in the state general fund.

37 (b) Any income earned on money held in an account under
 38 subsection (a) becomes a part of that account.

39 (c) Any revenue remaining in an account established under
 40 subsection (a) at the end of a fiscal year does not revert to the state
 41 general fund.

42 (b) After the transfer to a county under subsection (a) is

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1 completed, the special account established within the state general
2 fund for that county is abolished.

3 (c) This section expires June 30, 2014.

4 SECTION 21. IC 6-3.5-1.1-8.5 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2014]: Sec. 8.5. (a) Revenue derived
7 from the imposition of the county adjusted gross income tax by the
8 county and received by a county treasurer under this chapter,
9 including any amounts transferred under section 8 of this chapter,
10 shall be deposited by the county treasurer in a special fund.

11 (b) Any income earned on money held in a special fund under
12 subsection (c) becomes a part of that fund.

13 (c) Any revenue remaining in a fund established under
14 subsection (a):

15 (1) does not revert to the county general fund; and

16 (2) shall be distributed as provided in this chapter.

17 SECTION 22. IC 6-3.5-1.1-9 IS REPEALED [EFFECTIVE
18 JANUARY 1, 2014]. Sec. 9: (a) Revenue derived from the imposition
19 of the county adjusted gross income tax shall, in the manner prescribed
20 by this section, be distributed to the county that imposed it. The amount
21 to be distributed to a county during an ensuing calendar year equals the
22 amount of county adjusted gross income tax revenue that the budget
23 agency determines has been:

24 (1) received from that county for a taxable year ending before the
25 calendar year in which the determination is made; and

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

29 as adjusted for refunds of county adjusted gross income tax made in the
30 state fiscal year.

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

42 (1) the amount reported on individual income tax returns

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- 1 processed by the department during the previous fiscal year;
 2 (2) adjustments for over distributions in prior years;
 3 (3) adjustments for clerical or mathematical errors in prior years;
 4 (4) adjustments for tax rate changes; and
 5 (5) the amount of excess account balances to be distributed under
 6 IC 6-3.5-1.1-21.1.

7 The budget agency shall also certify information concerning the part of
 8 the certified distribution that is attributable to a tax rate under section
 9 24, 25, or 26 of this chapter. This information must be certified to the
 10 county auditor, the department, and the department of local government
 11 finance not later than September 1 of each calendar year. The part of
 12 the certified distribution that is attributable to a tax rate under section
 13 24, 25, or 26 of this chapter may be used only as specified in those
 14 provisions.

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

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

28 (e) This subsection applies to a county that initially imposes;
 29 increases; decreases; or rescinds a tax or tax rate under this chapter
 30 before November 1 in the same calendar year in which the budget
 31 agency makes a certification under this section. The budget agency
 32 shall adjust the certified distribution of a county to provide for a
 33 distribution in the immediately following calendar year and in each
 34 calendar year thereafter. The budget agency shall provide for a full
 35 transition to certification of distributions as provided in subsection
 36 (a)(1) through (a)(2) in the manner provided in subsection (c). If the
 37 county imposes; increases; decreases; or rescinds a tax or tax rate under
 38 this chapter after the date for which a certification under subsection (b)
 39 is based, the budget agency shall adjust the certified distribution of the
 40 county after August 1 of the calendar year. The adjustment shall reflect
 41 any other adjustment required under subsections (c); (d); (f); and (g).
 42 The adjusted certification shall be treated as the county's "certified



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1 distribution" for the immediately succeeding calendar year. The budget
 2 agency shall certify the adjusted certified distribution to the county
 3 auditor for the county and provide the county council with an
 4 informative summary of the calculations that revises the informative
 5 summary provided in subsection (b) and reflects the changes made in
 6 the adjustment.

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

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

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

22 (2) two (2).

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

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

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

37 SECTION 23. IC 6-3.5-1.1-10, AS AMENDED BY P.L.137-2012,
 38 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2014]: Sec. 10. (a) One-twelfth (1/12) of each adopting
 40 county's certified distribution for a calendar year shall be distributed
 41 from its account established under section 8 of this chapter to the
 42 appropriate county treasurer on the first regular business day of each



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1 month of that calendar year:
 2 (b) Except for:
 3 (1) revenue that must be used to pay the costs of:
 4 (A) financing, constructing, acquiring, improving, renovating,
 5 equipping, operating, or maintaining facilities and buildings;
 6 (B) debt service on bonds; or
 7 (C) lease rentals;
 8 under section 2.3 of this chapter;
 9 (2) revenue that must be used to pay the costs of operating a jail
 10 and juvenile detention center under section 2.5 of this chapter;
 11 (3) revenue that must be used to pay the costs of:
 12 (A) financing, constructing, acquiring, improving, renovating,
 13 equipping, operating, or maintaining facilities and buildings;
 14 (B) debt service on bonds; or
 15 (C) lease rentals;
 16 under section 2.8 of this chapter;
 17 (4) revenue that must be used to pay the costs of construction,
 18 improvement, renovation, or remodeling of a jail and related
 19 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 20 this chapter;
 21 (5) revenue that must be used to pay the costs of operating and
 22 maintaining a jail and justice center under section 3.5(d) of this
 23 chapter;
 24 (6) revenue that must be used to pay the costs of constructing,
 25 acquiring, improving, renovating, or equipping a county
 26 courthouse under section 3.6 of this chapter; or
 27 (7) revenue attributable to a tax rate under section 24, 25, or 26 of
 28 this chapter;
 29 **distributions made to a county treasurer under subsection (a) revenue**
 30 **collected under this chapter** shall be treated as though ~~they were the~~
 31 **revenue is** property taxes that were due and payable during that same
 32 calendar year. Except as provided by sections 24, 25, and 26 of this
 33 chapter, the ~~certified distribution revenue collected under this~~
 34 **chapter** shall be distributed and used by the taxing units and school
 35 corporations as provided in sections 11 through 15 of this chapter.
 36 (c) ~~All distributions from an account established under section 8 of~~
 37 ~~this chapter shall be made by warrants issued by the auditor of the state~~
 38 ~~to the treasurer of the state ordering the appropriate payments:~~
 39 SECTION 24. IC 6-3.5-1.1-11, AS AMENDED BY P.L.77-2011,
 40 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2014]: Sec. 11. (a) Except for:
 42 (1) revenue that must be used to pay the costs of:

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1 (A) financing, constructing, acquiring, improving, renovating,
 2 equipping, operating, or maintaining facilities and buildings;
 3 (B) debt service on bonds; or
 4 (C) lease rentals;
 5 under section 2.3 of this chapter;
 6 (2) revenue that must be used to pay the costs of operating a jail
 7 and juvenile detention center under section 2.5 of this chapter;
 8 (3) revenue that must be used to pay the costs of:
 9 (A) financing, constructing, acquiring, improving, renovating,
 10 equipping, operating, or maintaining facilities and buildings;
 11 (B) debt service on bonds; or
 12 (C) lease rentals;
 13 under section 2.8 of this chapter;
 14 (4) revenue that must be used to pay the costs of construction,
 15 improvement, renovation, or remodeling of a jail and related
 16 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 17 this chapter;
 18 (5) revenue that must be used to pay the costs of operating and
 19 maintaining a jail and justice center under section 3.5(d) of this
 20 chapter;
 21 (6) revenue that must be used to pay the costs of constructing,
 22 acquiring, improving, renovating, or equipping a county
 23 courthouse under section 3.6 of this chapter; or
 24 (7) revenue attributable to a tax rate under section 24, 25, or 26 of
 25 this chapter;
 26 the ~~certified distribution received~~ **revenue collected under this**
 27 **chapter** by a county treasurer shall, in the manner prescribed in this
 28 section, be allocated, distributed, and used by the civil taxing units and
 29 school corporations of the county as certified shares and property tax
 30 replacement credits.
 31 (b) Before August 10 of each calendar year, each county auditor
 32 shall determine the part of the ~~certified distribution revenue to be~~
 33 **collected under this chapter** for the next succeeding calendar year
 34 that will be allocated as property tax replacement credits and the part
 35 that will be allocated as certified shares. The percentage of a ~~certified~~
 36 ~~distribution~~ **the revenue to be collected under this chapter** that will
 37 be allocated as property tax replacement credits or as certified shares
 38 depends upon the county adjusted gross income tax rate for resident
 39 county taxpayers in effect on December 1 of the calendar year that
 40 precedes the year in which the certified distribution will be received by
 41 two (2) years. The percentages are set forth in the following table:
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COUNTY	TAX	CERTIFIED
ADJUSTED GROSS	REPLACEMENT	SHARES
INCOME TAX RATE	CREDITS	
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a ~~certified distribution~~ **the revenue collected under this chapter** that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a ~~certified distribution~~ **the revenue collected under this chapter** that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 25. IC 6-3.5-1.1-11.5, AS ADDED BY P.L.26-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 11.5. (a) The county auditor shall timely distribute the part of the ~~certified distribution received under section 10~~ **of revenue collected under** this chapter that constitutes property tax replacement credits to each civil taxing unit and school corporation that is a recipient of property tax replacement credits as provided by sections 12, 13, and 14 of this chapter.

(b) The county auditor shall timely distribute the part of a ~~certified distribution received under section 10~~ **of the revenue collected under** this chapter that constitutes certified shares to each civil taxing unit that is a recipient of certified shares as provided by section 15 of this chapter.

(c) A distribution is considered to be timely made if the distribution **of revenue received during a month** is made not later than ten (10) working days after the ~~date the county treasurer receives the county's certified distribution under section 10~~ **beginning of the following month.**

SECTION 26. IC 6-3.5-1.1-12, AS AMENDED BY P.L.207-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 12. (a) The part of a county's ~~certified distribution~~ **revenue collected under this chapter** for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.

(b) Except as provided in section 13 of this chapter, the amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive during a calendar year equals the product of:

- (1) that part of the county's ~~certified distribution~~ **revenue**

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1 **collected under this chapter** that is dedicated to providing
 2 property tax replacement credits for that same calendar year;
 3 multiplied by

4 (2) a fraction:

5 (A) The numerator of the fraction equals the allocation amount
 6 for the civil taxing unit or school corporation during that
 7 calendar year.

8 (B) The denominator of the fraction equals the sum of the
 9 allocation amounts for all the civil taxing units and school
 10 corporations of the county for that calendar year.

11 (c) The department of local government finance shall provide each
 12 county auditor with the amount of property tax replacement credits that
 13 each civil taxing unit and school corporation in the auditor's county is
 14 entitled to receive under this section. The county auditor shall then
 15 certify to each civil taxing unit and school corporation the amount of
 16 property tax replacement credits it is entitled to receive (after
 17 adjustment made under section 13 of this chapter) under this section
 18 during that calendar year. The county auditor shall also certify these
 19 distributions to the county treasurer.

20 SECTION 27. IC 6-3.5-1.1-13 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 13. (a) If a civil
 22 taxing unit or school corporation of an adopting county does not
 23 impose a property tax levy that is first due and payable in a calendar
 24 year in which property tax replacement credits are being distributed,
 25 that civil taxing unit or school corporation is entitled to receive a
 26 proportion of the property tax replacement credits to be distributed
 27 within the county. The amount such a civil taxing unit or school
 28 corporation is entitled to receive during that calendar year equals the
 29 product of:

30 (1) the part of the county's ~~certified distribution revenue~~
 31 **collected under this chapter** that is to be used to provide
 32 property tax replacement credits during that calendar year;
 33 multiplied by

34 (2) a fraction:

35 (A) The numerator of the fraction equals the budget of that
 36 civil taxing unit or school corporation for that calendar year.

37 (B) The denominator of the fraction equals the aggregate
 38 budgets of all civil taxing units and school corporations of that
 39 county for that calendar year.

40 (b) If for a calendar year a civil taxing unit or school corporation is
 41 allocated a proportion of a county's property tax replacement credits by
 42 this section then the formula used in section 12 of this chapter to

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1 determine all other civil taxing units' and school corporations' property
 2 tax replacement credits shall be changed for that same year by reducing
 3 the amount dedicated to providing property tax replacement credits by
 4 the amount of property tax replacement credits allocated under this
 5 section for that same calendar year. The department of local
 6 government finance shall make any adjustments required by this
 7 section and provide them to the appropriate county auditors.

8 SECTION 28. IC 6-3.5-1.1-15, AS AMENDED BY
 9 P.L.182-2009(ss), SECTION 212, IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 15. (a) As used
 11 in this section, "attributed allocation amount" of a civil taxing unit for
 12 a calendar year means the sum of:

- 13 (1) the allocation amount of the civil taxing unit for that calendar
 14 year; plus
 15 (2) the current ad valorem property tax levy of any special taxing
 16 district, authority, board, or other entity formed to discharge
 17 governmental services or functions on behalf of or ordinarily
 18 attributable to the civil taxing unit; plus
 19 (3) in the case of a county, an amount equal to the welfare
 20 allocation amount.

21 The welfare allocation amount is an amount equal to the sum of the
 22 property taxes imposed by the county in 1999 for the county's welfare
 23 fund and welfare administration fund and, if the county received a
 24 certified distribution under this chapter or IC 6-3.5-6 in 2008, the
 25 property taxes imposed by the county in 2008 for the county's county
 26 medical assistance to wards fund, family and children's fund, children's
 27 psychiatric residential treatment services fund, county hospital care for
 28 the indigent fund and children with special health care needs county
 29 fund.

30 (b) The part of a county's ~~certified distribution~~ **revenue collected**
 31 **under this chapter** that is to be used as certified shares shall be
 32 allocated only among the county's civil taxing units. Each civil taxing
 33 unit of a county is entitled to receive a certified share during a calendar
 34 year in an amount determined in STEP TWO of the following formula:

35 STEP ONE: Divide:

- 36 (A) the attributed allocation amount of the civil taxing unit
 37 during that calendar year; by
 38 (B) the sum of the attributed allocation amounts of all the civil
 39 taxing units of the county during that calendar year.

40 STEP TWO: Multiply the part of the county's ~~certified~~
 41 ~~distribution~~ **revenue collected under this chapter** that is to be
 42 used as certified shares by the STEP ONE amount.

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1 (c) The department of local government finance shall determine the
 2 attributed levies of civil taxing units that are entitled to receive certified
 3 shares during a calendar year. If the ad valorem property tax levy of
 4 any special taxing district, authority, board, or other entity is attributed
 5 to another civil taxing unit under subsection (a)(2), then the special
 6 taxing district, authority, board, or other entity shall not be treated as
 7 having an attributed allocation amount of its own. The department of
 8 local government finance shall certify the attributed allocation amounts
 9 to the appropriate county auditor. The county auditor shall then allocate
 10 the certified shares among the civil taxing units of the auditor's county.

11 (d) Certified shares received by a civil taxing unit shall be treated
 12 as additional revenue for the purpose of fixing its budget for the
 13 calendar year during which the certified shares will be received. The
 14 certified shares may be allocated to or appropriated for any purpose,
 15 including property tax relief or a transfer of funds to another civil
 16 taxing unit whose levy was attributed to the civil taxing unit in the
 17 determination of its attributed allocation amount.

18 SECTION 29. IC 6-3.5-1.1-18, AS AMENDED BY P.L.146-2008,
 19 SECTION 330, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JANUARY 1, 2014]: Sec. 18. (a) Except as otherwise
 21 provided in this chapter **and IC 6-3.5-7.5**, all provisions of the adjusted
 22 gross income tax law (IC 6-3) concerning:

- 23 (1) definitions;
- 24 (2) declarations of estimated tax;
- 25 (3) filing of returns;
- 26 (4) remittances;
- 27 (5) incorporation of the provisions of the Internal Revenue Code;
- 28 (6) penalties and interest;
- 29 (7) exclusion of military pay credits for withholding; and
- 30 (8) exemptions and deductions;

31 apply to the imposition, collection, and administration of the tax
 32 imposed by this chapter.

33 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
 34 IC 6-3-5-1 do not apply to the tax imposed by this chapter.

35 (c) Notwithstanding subsections (a) and (b), each employer shall
 36 report to the department the amount of withholdings attributable to
 37 each county. This report shall be submitted to the department:

- 38 (1) each time the employer remits to the department the **state**
 39 **adjusted gross income** tax that is withheld; and
- 40 (2) annually along with the employer's annual withholding report.

41 SECTION 30. IC 6-3.5-1.1-21 IS REPEALED [EFFECTIVE
 42 JANUARY 1, 2014]. ~~Sec. 21. Before November 2 of each year, the~~

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1 budget agency shall submit a report to each county auditor indicating
2 the balance in the county's adjusted gross income tax account as of the
3 cutoff date specified by the budget agency.

4 SECTION 31. IC 6-3.5-1.1-21.1 IS REPEALED [EFFECTIVE
5 JANUARY 1, 2014]. Sec. 21.1: (a) If the budget agency determines
6 that the balance in a county account exceeds one hundred fifty percent
7 (150%) of the certified distributions to be made to the county in the
8 ensuing year, the budget agency shall make a supplemental distribution
9 to the county from the county's adjusted gross income tax account.

10 (b) A supplemental distribution described in subsection (a) must be:

11 (1) made in January of the ensuing calendar year; and

12 (2) allocated and, subject to subsection (d), used in the same
13 manner as certified distributions. However, the part of a
14 supplemental distribution that is attributable to an additional rate
15 authorized under this chapter:

16 (A) shall be used for the purpose specified in the statute
17 authorizing the additional rate; and

18 (B) is not required to be deposited in the unit's rainy day fund.

19 The amount of the supplemental distribution is equal to the amount by
20 which the balance in the county account exceeds one hundred fifty
21 percent (150%) of the certified distributions to be made to the county
22 in the ensuing year.

23 (c) A determination under this section must be made before
24 November 2.

25 (d) This subsection applies to that part of a distribution made under
26 this section that is allocated and available for use in the same manner
27 as certified shares. The civil taxing unit receiving the money shall
28 deposit the money in the civil taxing unit's rainy day fund established
29 under IC 36-1-8-5.1.

30 SECTION 32. IC 6-3.5-1.1-24, AS AMENDED BY P.L.137-2012,
31 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2014]: Sec. 24. (a) In a county in which the county
33 adjusted gross income tax is in effect, the county council may adopt an
34 ordinance to impose or increase (as applicable) a tax rate under this
35 section.

36 (b) In a county in which neither the county adjusted gross income
37 tax nor the county option income tax is in effect, the county council
38 may adopt an ordinance to impose a tax rate under this section.

39 (c) If a county council adopts an ordinance to impose or increase a
40 tax rate under this section, not more than ten (10) days after the vote,
41 the county auditor shall send a certified copy of the ordinance to the
42 commissioner of the department, the director of the budget agency, and

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1 the commissioner of the department of local government finance by
 2 certified mail or in an electronic format approved by the director of the
 3 budget agency.

4 (d) A tax rate under this section is in addition to any other tax rates
 5 imposed under this chapter and does not affect the purposes for which
 6 other tax revenue under this chapter may be used.

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

9 (1) The county council shall, in the ordinance imposing the tax
 10 rate, specify the tax rate for each of the following two (2) years.

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

13 (A) the tax rate determined for the county under
 14 IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased;
 15 multiplied by

16 (B) 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 council
 29 increases a tax rate under this section:

30 (1) The county council shall, in the ordinance increasing the tax
 31 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 that year; 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 revenue collected~~
 5 **under this chapter** that is attributable to a tax rate under this section
 6 as specified in this section. The county treasurer shall make the
 7 distributions under this subsection at the same time that distributions
 8 are made to civil taxing units under section 15 of this chapter.
 9 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 10 council may not decrease or rescind a tax rate imposed under this
 11 chapter.
 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 2 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 the budget of the civil taxing unit and for determining the
 24 distribution of taxes that are distributed on the basis of property tax
 25 levies.
 26 (l) If a county council imposes a tax rate under this section, the
 27 portion of county adjusted gross income tax revenue dedicated to
 28 property tax replacement credits under section 11 of this chapter may
 29 not be decreased.
 30 (m) In the year following the year in a which a county first imposes
 31 a tax rate under this section, one-half (1/2) of the tax revenue that is
 32 attributable to the tax rate under this section must be deposited in the
 33 county stabilization fund established under subsection (o).
 34 (n) A pledge of county adjusted gross income taxes does not apply
 35 to revenue attributable to a tax rate under this section.
 36 (o) A county stabilization fund is established in each county that
 37 imposes a tax rate under this section. The county stabilization fund
 38 shall be administered by the county auditor. If for a year the ~~certified~~
 39 **distributions revenue collected under this chapter** attributable to a
 40 tax rate under this section ~~exceed exceeds~~ the amount calculated under
 41 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by
 42 the department of local government finance and the ~~department of state~~

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1 ~~revenue~~ county to determine the tax rate under this section, the excess
2 shall be deposited in the county stabilization fund. Money shall be
3 distributed from the county stabilization fund in a year by the county
4 auditor to political subdivisions entitled to a distribution of tax revenue
5 attributable to the tax rate under this section if:

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

12 (2) the ~~certified distributions~~ **revenue collected under this**
13 **chapter** attributable to a tax rate under this section in a year ~~are~~
14 **is** less than the certified distributions **(for calculations in 2013)**
15 **or revenue collected under this chapter (for calculations in**
16 **2014 and thereafter)** attributable to a tax rate under this section
17 in the preceding year.

18 However, subdivision (2) does not apply to the year following the first
19 year in which ~~certified distributions~~ of revenue **collected under this**
20 **chapter** attributable to the tax rate under this section ~~are~~ **is** distributed
21 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 council must each year hold at least one (1) public
25 meeting at which the county council discusses whether the tax rate
26 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 SECTION 33. IC 6-3.5-1.1-25, AS AMENDED BY P.L.132-2012,
31 SECTION 3, AND AS AMENDED BY P.L.137-2012, SECTION 72,
32 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) As used in this section,
34 "public safety" refers to the following:

- 35 (1) A police and law enforcement system to preserve public peace
36 and order.
- 37 (2) A firefighting and fire prevention system.
- 38 (3) Emergency ambulance services (as defined in
39 IC 16-18-2-107).
- 40 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 41 (5) Emergency action (as defined in IC 13-11-2-65).
- 42 (6) A probation department of a court.

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- 1 (7) Confinement, supervision, services under a community
- 2 corrections program (as defined in IC 35-38-2.6-2), or other
- 3 correctional services for a person who has been:
- 4 (A) diverted before a final hearing or trial under an agreement
- 5 that is between the county prosecuting attorney and the person
- 6 or the person's custodian, guardian, or parent and that provides
- 7 for confinement, supervision, community corrections services,
- 8 or other correctional services instead of a final action
- 9 described in clause (B) or (C);
- 10 (B) convicted of a crime; or
- 11 (C) adjudicated as a delinquent child or a child in need of
- 12 services.
- 13 (8) A juvenile detention facility under IC 31-31-8.
- 14 (9) A juvenile detention center under IC 31-31-9.
- 15 (10) A county jail.
- 16 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~
- 17 an enhanced emergency telephone system (as defined in
- 18 IC 36-8-16-2 *(before its repeal on July 1, 2012)*), or the statewide
- 19 911 system (as defined in IC 36-8-16.7-22).
- 20 (12) Medical and health expenses for jail inmates and other
- 21 confined persons.
- 22 (13) Pension payments for any of the following:
- 23 (A) A member of the fire department (as defined in
- 24 IC 36-8-1-8) or any other employee of a fire department.
- 25 (B) A member of the police department (as defined in
- 26 IC 36-8-1-9), a police chief hired under a waiver under
- 27 IC 36-8-4-6.5, or any other employee hired by a police
- 28 department.
- 29 (C) A county sheriff or any other member of the office of the
- 30 county sheriff.
- 31 (D) Other personnel employed to provide a service described
- 32 in this section.
- 33 (b) If a county council has imposed a tax rate of at least twenty-five
- 34 hundredths of one percent (0.25%) under section 24 of this chapter, a
- 35 tax rate of at least twenty-five hundredths of one percent (0.25%) under
- 36 section 26 of this chapter, or a total combined tax rate of at least
- 37 twenty-five hundredths of one percent (0.25%) under sections 24 and
- 38 26 of this chapter, the county council may also adopt an ordinance to
- 39 impose an additional tax rate under this section to provide funding for
- 40 public safety.
- 41 (c) A tax rate under this section may not exceed twenty-five
- 42 hundredths of one percent (0.25%).

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1 (d) If a county council adopts an ordinance to impose a tax rate
 2 under this section, *not more than ten (10) days after the vote*, the
 3 county auditor shall send a certified copy of the ordinance to the
 4 *commissioner of the department, the director of the budget agency, and*
 5 *the commissioner of the department of local government finance by*
 6 *certified mail or in an electronic format approved by the director of the*
 7 *budget agency.*

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

11 (f) Except as provided in subsection (k) or (l), the county auditor
 12 shall distribute the portion of the ~~certified distribution revenue~~
 13 **collected under this chapter** that is attributable to a tax rate under this
 14 section to the county and to each municipality in the county that is
 15 carrying out or providing at least one (1) of the public safety purposes
 16 described in subsection (a). The amount that shall be distributed to the
 17 county or municipality is equal to the result of:

18 (1) the portion of the ~~certified distribution revenue collected~~
 19 **under this chapter** that is attributable to a tax rate under this
 20 section; multiplied by

21 (2) a fraction equal to:

22 (A) the attributed allocation amount (as defined in
 23 IC 6-3.5-1.1-15) of the county or municipality for the calendar
 24 year; divided by

25 (B) the sum of the attributed allocation amounts of the county
 26 and each municipality in the county that is entitled to a
 27 distribution under this section for the calendar year.

28 The county auditor shall make the distributions required by this
 29 subsection not more than thirty (30) days after receiving the portion of
 30 the ~~certified distribution revenue collected under this chapter~~ that is
 31 attributable to a tax rate under this section. Tax revenue distributed to
 32 a county or municipality under this subsection must be deposited into
 33 a separate account or fund and may be appropriated by the county or
 34 municipality only for public safety purposes.

35 (g) The department of local government finance may not require a
 36 county or municipality receiving tax revenue under this section to
 37 reduce the county's or municipality's property tax levy for a particular
 38 year on account of the county's or municipality's receipt of the tax
 39 revenue.

40 (h) The tax rate under this section and the tax revenue attributable
 41 to the tax rate under this section shall not be considered for purposes
 42 of computing:

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1 (1) the maximum income tax rate that may be imposed in a county
2 under section 2 of this chapter or any other provision of this
3 chapter;
4 (2) the maximum permissible property tax levy under
5 IC 6-1.1-18.5-3; or
6 (3) the credit under IC 6-1.1-20.6.
7 (i) The tax rate under this section may be imposed or rescinded at
8 the same time and in the same manner that the county may impose or
9 increase a tax rate under section 24 of this chapter.
10 (j) The department of local government finance ~~and the department~~
11 ~~of state revenue~~ may take any actions necessary to carry out the
12 purposes of this section.
13 (k) Two (2) or more political subdivisions that are entitled to receive
14 a distribution under this section may adopt resolutions providing that
15 some part or all of those distributions shall instead be paid to one (1)
16 political subdivision in the county to carry out specific public safety
17 purposes specified in the resolutions.
18 (l) A fire department, volunteer fire department, or emergency
19 medical services provider that:
20 (1) provides fire protection or emergency medical services within
21 the county; and
22 (2) is operated by or serves a political subdivision that is not
23 otherwise entitled to receive a distribution of tax revenue under
24 this section;
25 may before July 1 of a year apply to the county council for a
26 distribution of tax revenue under this section during the following
27 calendar year. The county council shall review an application
28 submitted under this subsection and may before September 1 of a year
29 adopt a resolution requiring that one (1) or more of the applicants shall
30 receive a specified amount of the tax revenue to be distributed under
31 this section during the following calendar year. A resolution approved
32 under this subsection providing for a distribution to one (1) or more fire
33 departments, volunteer fire departments, or emergency medical
34 services providers applies only to distributions in the following
35 calendar year. Any amount of tax revenue distributed under this
36 subsection to a fire department, volunteer fire department, or
37 emergency medical services provider shall be distributed before the
38 remainder of the tax revenue is distributed under subsection (f).
39 SECTION 34. IC 6-3.5-6-1, AS AMENDED BY P.L.146-2008,
40 SECTION 335, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JANUARY 1, 2014]: Sec. 1. As used in this chapter:
42 "Adjusted gross income" has the same definition that the term is

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1 given in IC 6-3-1-3.5. However, in the case of a county taxpayer who
 2 is not treated as a resident county taxpayer of a county, the term
 3 includes only adjusted gross income derived from the taxpayer's
 4 principal place of business or employment.

5 "Apartment complex" means real property consisting of at least five
 6 (5) units that are regularly used to rent or otherwise furnish residential
 7 accommodations for periods of at least thirty (30) days.

8 "Civil taxing unit" means any entity, except a school corporation,
 9 that has the power to impose ad valorem property taxes. The term does
 10 not include a solid waste management district that is not entitled to a
 11 distribution under section 1.3 of this chapter. However, in the case of
 12 a county in which a consolidated city is located, the consolidated city,
 13 the county, all special taxing districts, special service districts, included
 14 towns (as defined in IC 36-3-1-7), and all other political subdivisions
 15 except townships, excluded cities (as defined in IC 36-3-1-7), and
 16 school corporations shall be deemed to comprise one (1) civil taxing
 17 unit whose fiscal body is the fiscal body of the consolidated city.

18 "County income tax council" means a council established by section
 19 2 of this chapter.

20 "County taxpayer", as it relates to a particular county, means any
 21 individual:

- 22 (1) who resides in that county on the date specified in section 20
 23 of this chapter; or
- 24 (2) who maintains the taxpayer's principal place of business or
 25 employment in that county on the date specified in section 20 of
 26 this chapter and who does not reside on that same date in another
 27 county in which the county option income tax, the county adjusted
 28 income tax, or the county economic development income tax is in
 29 effect.

30 "~~Department~~" refers to the Indiana department of state revenue.

31 "Fiscal body" has the same definition that the term is given in
 32 IC 36-1-2-6.

33 "Homestead" has the meaning set forth in IC 6-1.1-12-37.

34 "Qualified residential property" refers to any of the following:

- 35 (1) An apartment complex.
- 36 (2) A homestead.
- 37 (3) Residential rental property.

38 "Resident county taxpayer", as it relates to a particular county,
 39 means any county taxpayer who resides in that county on the date
 40 specified in section 20 of this chapter.

41 "Residential rental property" means real property consisting of not
 42 more than four (4) units that are regularly used to rent or otherwise

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1 furnish residential accommodations for periods of at least thirty (30)
2 days.

3 "School corporation" has the same definition that the term is given
4 in IC 6-1.1-1-16.

5 SECTION 35. IC 6-3.5-6-1.1, AS AMENDED BY
6 P.L.182-2009(ss), SECTION 217, IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1.1. (a) For
8 purposes of allocating the ~~certified distribution made to revenue~~
9 **received by** a county under this chapter among the civil taxing units in
10 the county, the allocation amount for a civil taxing unit is the amount
11 determined using the following formula:

12 STEP ONE: Determine the total property taxes that are first due
13 and payable to the civil taxing unit during the calendar year of the
14 distribution plus, for a county, an amount equal to the welfare
15 allocation amount.

16 STEP TWO: Determine the sum of the following:

17 (A) Amounts appropriated from property taxes to pay the
18 principal of or interest on any debenture or other debt
19 obligation issued after June 30, 2005, other than an obligation
20 described in subsection (b).

21 (B) Amounts appropriated from property taxes to make
22 payments on any lease entered into after June 30, 2005, other
23 than a lease described in subsection (c).

24 (C) The proceeds of any property that are:
25 (i) received as the result of the issuance of a debt obligation
26 described in clause (A) or a lease described in clause (B);
27 and
28 (ii) appropriated from property taxes for any purpose other
29 than to refund or otherwise refinance a debt obligation or
30 lease described in subsection (b) or (c).

31 STEP THREE: Subtract the STEP TWO amount from the STEP
32 ONE amount.

33 STEP FOUR: Determine the sum of:

34 (A) the STEP THREE amount; plus
35 (B) the civil taxing unit or school corporation's certified
36 distribution for the previous calendar year **(for distributions**
37 **in 2013) or the civil taxing unit's or school corporation's**
38 **allocation of revenue under this chapter for the previous**
39 **calendar year (for distributions in 2014 and thereafter).**

40 The allocation amount is subject to adjustment as provided in
41 IC 36-8-19-7.5. The welfare allocation amount is an amount equal to
42 the sum of the property taxes imposed by the county in 1999 for the

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1 county's welfare fund and welfare administration fund and, if the
 2 county received a certified distribution under IC 6-3.5-1.1 or this
 3 chapter in 2008, the property taxes imposed by the county in 2008 for
 4 the county's county medical assistance to wards fund, family and
 5 children's fund, children's psychiatric residential treatment services
 6 fund, county hospital care for the indigent fund, and children with
 7 special health care needs county fund.

8 (b) Except as provided in this subsection, an appropriation from
 9 property taxes to repay interest and principal of a debt obligation is not
 10 deducted from the allocation amount for a civil taxing unit if:

11 (1) the debt obligation was issued; and

12 (2) the proceeds appropriated from property taxes;

13 to refund or otherwise refinance a debt obligation or a lease issued
 14 before July 1, 2005. However, an appropriation from property taxes
 15 related to a debt obligation issued after June 30, 2005, is deducted if
 16 the debt extends payments on a debt or lease beyond the time in which
 17 the debt or lease would have been payable if the debt or lease had not
 18 been refinanced or increases the total amount that must be paid on a
 19 debt or lease in excess of the amount that would have been paid if the
 20 debt or lease had not been refinanced. The amount of the deduction is
 21 the annual amount for each year of the extension period or the annual
 22 amount of the increase over the amount that would have been paid.

23 (c) Except as provided in this subsection, an appropriation from
 24 property taxes to make payments on a lease is not deducted from the
 25 allocation amount for a civil taxing unit if:

26 (1) the lease was issued; and

27 (2) the proceeds were appropriated from property taxes;

28 to refinance a debt obligation or lease issued before July 1, 2005.
 29 However, an appropriation from property taxes related to a lease
 30 entered into after June 30, 2005, is deducted if the lease extends
 31 payments on a debt or lease beyond the time in which the debt or lease
 32 would have been payable if it had not been refinanced or increases the
 33 total amount that must be paid on a debt or lease in excess of the
 34 amount that would have been paid if the debt or lease had not been
 35 refinanced. The amount of the deduction is the annual amount for each
 36 year of the extension period or the annual amount of the increase over
 37 the amount that would have been paid.

38 SECTION 36. IC 6-3.5-6-16 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 16. (a) **Before**
 40 **January 15, 2014, the auditor of state shall transfer to each county**
 41 **the balance in the special account established** within the state general
 42 fund ~~shall be established for each that~~ county. ~~that adopts the county~~

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1 option income tax. Any revenue derived from the imposition of the
 2 county option income tax by a county shall be deposited in that county's
 3 account in the state general fund.

4 (b) Any income earned on money held in an account under
 5 subsection (a) becomes a part of that account.

6 (c) Any revenue remaining in an account established under
 7 subsection (a) at the end of a fiscal year does not revert to the state
 8 general fund.

9 (b) After the transfer to a county under subsection (a) is
 10 completed, the special account established within the state general
 11 fund for that county is abolished.

12 (c) This section expires June 30, 2014.

13 SECTION 37. IC 6-3.5-6-16.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2014]: **Sec. 16.5. (a) Revenue derived**
 16 **from the imposition of the county option income tax by the county**
 17 **and received by a county treasurer under this chapter, including**
 18 **any amounts transferred under section 16 of this chapter, shall be**
 19 **deposited by the county treasurer in a special fund.**

20 (b) Any income earned on money held in a special fund under
 21 subsection (c) becomes a part of that fund.

22 (c) Any revenue remaining in a fund established under
 23 subsection (a):

24 (1) does not revert to the county general fund; and

25 (2) shall be distributed as provided in this chapter.

26 SECTION 38. IC 6-3.5-6-17 IS REPEALED [EFFECTIVE
 27 JANUARY 1, 2014]. **Sec. 17. (a) Revenue derived from the imposition**
 28 **of the county option income tax shall, in the manner prescribed by this**
 29 **section, be distributed to the county that imposed it. The amount that**
 30 **is to be distributed to a county during an ensuing calendar year equals**
 31 **the amount of county option income tax revenue that the budget agency**
 32 **determines has been:**

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

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

39 as adjusted (as determined after review of the recommendation of the
 40 budget agency) for refunds of county option income tax made in the
 41 state fiscal year.

42 (b) Before August 2 of each calendar year, the budget agency shall

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

- 11 (1) the amount reported on individual income tax returns
- 12 processed by the department during the previous fiscal year;
- 13 (2) adjustments for over distributions in prior years;
- 14 (3) adjustments for clerical or mathematical errors in prior years;
- 15 (4) adjustments for tax rate changes; and
- 16 (5) the amount of excess account balances to be distributed under
- 17 IC 6-3.5-6-17.3.

18 The budget agency shall also certify information concerning the part of
 19 the certified distribution that is attributable to a tax rate under section
 20 30, 31, or 32 of this chapter. This information must be certified to the
 21 county auditor and to the department of local government finance not
 22 later than September 1 of each calendar year. The part of the certified
 23 distribution that is attributable to a tax rate under section 30, 31, or 32
 24 of this chapter may be used only as specified in those provisions:

25 (c) The budget agency shall certify an amount less than the amount
 26 determined under subsection (b) if the budget agency determines that
 27 the reduced distribution is necessary to offset overpayments made in a
 28 calendar year before the calendar year of the distribution. The budget
 29 agency may reduce the amount of the certified distribution over several
 30 calendar years so that any overpayments are offset over several years
 31 rather than in one (1) lump sum.

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

38 (e) This subsection applies to a county that imposes, increases,
 39 decreases, or rescinds a tax or tax rate under this chapter before
 40 November 1 in the same calendar year in which the budget agency
 41 makes a certification under this section. The budget agency shall adjust
 42 the certified distribution of a county to provide for a distribution in the

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

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

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

26 (2) the following:

27 (A) In a county containing a consolidated city, one and
 28 five-tenths (1.5);

29 (B) In a county other than a county containing a consolidated
 30 city, two (2).

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

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

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



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

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

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

15 SECTION 39. IC 6-3.5-6-17.2 IS REPEALED [EFFECTIVE
 16 JANUARY 1, 2014]. Sec. 17.2: Before October 2 of each year, the
 17 budget agency shall submit a report to each county auditor indicating
 18 the balance in the county's special account as of the cutoff date set by
 19 the budget agency.

20 SECTION 40. IC 6-3.5-6-17.3 IS REPEALED [EFFECTIVE
 21 JANUARY 1, 2014]. Sec. 17.3: (a) If the budget agency determines
 22 that the balance in a county account exceeds one hundred fifty percent
 23 (150%) of the certified distributions to be made to the county in the
 24 ensuing year, the budget agency shall make a supplemental distribution
 25 to the county from the county's special account.

26 (b) A supplemental distribution described in subsection (a) must be:

27 (1) made in January of the ensuing calendar year; and

28 (2) allocated in the same manner as certified distributions for
 29 deposit in a civil unit's rainy day fund established under
 30 IC 36-1-8-5.1. However, the part of a supplemental distribution
 31 that is attributable to an additional rate authorized under this
 32 chapter:

33 (A) shall be used for the purpose specified in the statute
 34 authorizing the additional rate; and

35 (B) is not required to be deposited in the unit's rainy day fund.

36 The amount of the supplemental distribution is equal to the amount by
 37 which the balance in the county account exceeds one hundred fifty
 38 percent (150%) of the certified distributions to be made to the county
 39 in the ensuing year.

40 (c) A determination under this section must be made before October
 41 2.

42 SECTION 41. IC 6-3.5-6-18, AS AMENDED BY P.L.135-2011,



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1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2014]: Sec. 18. (a) The revenue a county auditor
3 receives under this chapter shall be used to:

4 (1) replace the amount, if any, of property tax revenue lost due to
5 the allowance of an increased homestead credit within the county;

6 (2) fund the operation of a public communications system and
7 computer facilities district as provided in an election, if any, made
8 by the county fiscal body under IC 36-8-15-19(b);

9 (3) fund the operation of a public transportation corporation as
10 provided in an election, if any, made by the county fiscal body
11 under IC 36-9-4-42;

12 (4) fund the operation of a public library in a county containing a
13 consolidated city as provided in an election, if any, made by the
14 county fiscal body under IC 36-3-7-6;

15 (5) make payments permitted under IC 36-7-14-25.5 or
16 IC 36-7-15.1-17.5;

17 (6) make payments permitted under subsection (i);

18 (7) make distributions of distributive shares to the civil taxing
19 units of a county; and

20 (8) make the distributions permitted under sections 27, 28, 29, 30,
21 31, 32, and 33 of this chapter.

22 (b) The county auditor shall retain from the ~~payments of the county's~~
23 ~~certified distribution~~, **revenue received under this chapter** an amount
24 equal to the revenue lost, if any, due to the increase of the homestead
25 credit within the county. This money shall be distributed to the civil
26 taxing units and school corporations of the county as though they were
27 property tax collections and in such a manner that no civil taxing unit
28 or school corporation shall suffer a net revenue loss due to the
29 allowance of an increased homestead credit.

30 (c) The county auditor shall retain:

31 (1) the amount, if any, specified by the county fiscal body for a
32 particular calendar year under subsection (i), IC 36-3-7-6,
33 IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and
34 IC 36-9-4-42 from the county's certified distribution for that same
35 calendar year; and

36 (2) the amount of an additional tax rate imposed under section 27,
37 28, 29, 30, 31, 32, or 33 of this chapter.

38 The county auditor shall distribute amounts retained under this
39 subsection to the county.

40 (d) All ~~certified distribution~~ revenues **received under this chapter**
41 that are not retained and distributed under subsections (b) and (c) shall
42 be distributed to the civil taxing units of the county as distributive

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- 1 shares.
- 2 (e) The amount of distributive shares that each civil taxing unit in
- 3 a county is entitled to receive during a month equals the product of the
- 4 following:
- 5 (1) The amount of revenue that is to be distributed as distributive
- 6 shares during that month; multiplied by
- 7 (2) A fraction. The numerator of the fraction equals the allocation
- 8 amount for the civil taxing unit for the calendar year in which the
- 9 month falls. The denominator of the fraction equals the sum of the
- 10 allocation amounts of all the civil taxing units of the county for
- 11 the calendar year in which the month falls.
- 12 (f) The department of local government finance shall provide each
- 13 county auditor with the fractional amount of distributive shares that
- 14 each civil taxing unit in the auditor's county is entitled to receive
- 15 monthly under this section.
- 16 (g) Notwithstanding subsection (e), if a civil taxing unit of an
- 17 adopting county does not impose a property tax levy that is first due
- 18 and payable in a calendar year in which distributive shares are being
- 19 distributed under this section, that civil taxing unit is entitled to receive
- 20 a part of the revenue to be distributed as distributive shares under this
- 21 section within the county. The fractional amount such a civil taxing
- 22 unit is entitled to receive each month during that calendar year equals
- 23 the product of the following:
- 24 (1) The amount to be distributed as distributive shares during that
- 25 month; multiplied by
- 26 (2) A fraction. The numerator of the fraction equals the budget of
- 27 that civil taxing unit for that calendar year. The denominator of
- 28 the fraction equals the aggregate budgets of all civil taxing units
- 29 of that county for that calendar year.
- 30 (h) If for a calendar year a civil taxing unit is allocated a part of a
- 31 county's distributive shares by subsection (g), then the formula used in
- 32 subsection (e) to determine all other civil taxing units' distributive
- 33 shares shall be changed each month for that same year by reducing the
- 34 amount to be distributed as distributive shares under subsection (e) by
- 35 the amount of distributive shares allocated under subsection (g) for that
- 36 same month. The department of local government finance shall make
- 37 any adjustments required by this subsection and provide them to the
- 38 appropriate county auditors.
- 39 (i) Notwithstanding any other law, a county fiscal body may pledge
- 40 revenues received under this chapter (other than revenues attributable
- 41 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the
- 42 payment of bonds or lease rentals to finance a qualified economic

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1 development tax project under IC 36-7-27 in that county or in any other
 2 county if the county fiscal body determines that the project will
 3 promote significant opportunities for the gainful employment or
 4 retention of employment of the county's residents.

5 SECTION 42. IC 6-3.5-6-18.5, AS AMENDED BY P.L.146-2008,
 6 SECTION 339, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2014]: Sec. 18.5. (a) This section applies
 8 to a county containing a consolidated city.

9 (b) Notwithstanding section 18(e) of this chapter, the distributive
 10 shares that each civil taxing unit in a county containing a consolidated
 11 city is entitled to receive during a month equals the following:

12 (1) For the calendar year beginning January 1, 1995, calculate the
 13 total amount of revenues that are to be distributed as distributive
 14 shares during that month multiplied by the following factor:

15	Center Township	.0251
16	Decatur Township	.00217
17	Franklin Township	.0023
18	Lawrence Township	.01177
19	Perry Township	.01130
20	Pike Township	.01865
21	Warren Township	.01359
22	Washington Township	.01346
23	Wayne Township	.01307
24	Lawrence-City	.00858
25	Beech Grove	.00845
26	Southport	.00025
27	Speedway	.00722
28	Indianapolis/Marion County	.86409

29 (2) Notwithstanding subdivision (1), for the calendar year
 30 beginning January 1, 1995, the distributive shares for each civil
 31 taxing unit in a county containing a consolidated city shall be not
 32 less than the following:

33	Center Township	\$1,898,145
34	Decatur Township	\$164,103
35	Franklin Township	\$173,934
36	Lawrence Township	\$890,086
37	Perry Township	\$854,544
38	Pike Township	\$1,410,375
39	Warren Township	\$1,027,721
40	Washington Township	\$1,017,890
41	Wayne Township	\$988,397
42	Lawrence-City	\$648,848



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1	Beech Grove	\$639,017
2	Southport	\$18,906
3	Speedway	\$546,000
4	(3) For each year after 1995, calculate the total amount of	
5	revenues that are to be distributed as distributive shares during	
6	that month as follows:	
7	STEP ONE: Determine the total amount of revenues that were	
8	distributed as distributive shares during that month in calendar	
9	year 1995.	
10	STEP TWO: Determine the total amount of revenue that the	
11	department has certified as will be distributed as distributive	
12	shares for that month under section 17 of this chapter for the	
13	calendar year.	
14	STEP THREE: Subtract the STEP ONE result from the STEP	
15	TWO result.	
16	STEP FOUR: If the STEP THREE result is less than or equal	
17	to zero (0), multiply the STEP TWO result by the ratio	
18	established under subdivision (1).	
19	STEP FIVE: Determine the ratio of:	
20	(A) the maximum permissible property tax levy under	
21	IC 6-1.1-18.5 for each civil taxing unit for the calendar year	
22	in which the month falls, plus, for a county, the welfare	
23	allocation amount; divided by	
24	(B) the sum of the maximum permissible property tax levies	
25	under IC 6-1.1-18.5 for all civil taxing units of the county	
26	during the calendar year in which the month falls, and an	
27	amount equal to the welfare allocation amount.	
28	STEP SIX: If the STEP THREE result is greater than zero (0),	
29	the STEP ONE amount shall be distributed by multiplying the	
30	STEP ONE amount by the ratio established under subdivision	
31	(1).	
32	STEP SEVEN: For each taxing unit determine the STEP FIVE	
33	ratio multiplied by the STEP TWO amount.	
34	STEP EIGHT: For each civil taxing unit determine the	
35	difference between the STEP SEVEN amount minus the	
36	product of the STEP ONE amount multiplied by the ratio	
37	established under subdivision (1). The STEP THREE excess	
38	shall be distributed as provided in STEP NINE only to the civil	
39	taxing units that have a STEP EIGHT difference greater than	
40	or equal to zero (0).	
41	STEP NINE: For the civil taxing units qualifying for a	
42	distribution under STEP EIGHT, each civil taxing unit's share	

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1 equals the STEP THREE excess multiplied by the ratio of:

2 (A) the maximum permissible property tax levy under
 3 IC 6-1.1-18.5 for the qualifying civil taxing unit during the
 4 calendar year in which the month falls, plus, for a county, an
 5 amount equal to the welfare allocation amount; divided by
 6 (B) the sum of the maximum permissible property tax levies
 7 under IC 6-1.1-18.5 for all qualifying civil taxing units of
 8 the county during the calendar year in which the month falls,
 9 and an amount equal to the welfare allocation amount.

10 (c) The welfare allocation amount is an amount equal to the sum of
 11 the property taxes imposed by the county in 1999 for the county's
 12 welfare fund and welfare administration fund and the property taxes
 13 imposed by the county in 2008 for the county's county medical
 14 assistance to wards fund, family and children's fund, children's
 15 psychiatric residential treatment services fund, county hospital care for
 16 the indigent fund, children with special health care needs county fund,
 17 plus, in the case of Marion County, thirty-five million dollars
 18 (\$35,000,000).

19 SECTION 43. IC 6-3.5-6-18.6, AS ADDED BY P.L.26-2009,
 20 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2014]: Sec. 18.6. (a) The county auditor shall timely
 22 distribute the ~~certified distribution revenue~~ received under ~~section 17~~
 23 ~~of this chapter~~ to each civil taxing unit that is a recipient of distributive
 24 shares as provided by sections 18 and 18.5 of this chapter.

25 (b) A distribution is considered to be timely made if the distribution
 26 **of revenue received during a month** is made not later than ten (10)
 27 working days after the ~~date the county treasurer receives the county's~~
 28 ~~certified distribution under section 17 of this chapter:~~ **beginning of the**
 29 **following month.**

30 SECTION 44. IC 6-3.5-6-22, AS AMENDED BY P.L.146-2008,
 31 SECTION 340, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 22. (a) Except as otherwise
 32 provided in subsection (b), ~~and~~ the other provisions of this chapter, **and**
 33 **IC 6-3.5-7.5**, all provisions of the adjusted gross income tax law
 34 (IC 6-3) concerning:

- 35 (1) definitions;
 36 (2) declarations of estimated tax;
 37 (3) filing of returns;
 38 (4) deductions or exemptions from adjusted gross income;
 39 (5) remittances;
 40 (6) incorporation of the provisions of the Internal Revenue Code;
 41 (7) penalties and interest; and
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1 (8) exclusion of military pay credits for withholding;
 2 apply to the imposition, collection, and administration of the tax
 3 imposed by this chapter.

4 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
 5 IC 6-3-5-1 do not apply to the tax imposed by this chapter.

6 (c) Notwithstanding subsections (a) and (b), each employer shall
 7 report to the department the amount of withholdings attributable to
 8 each county. This report shall be submitted to the department:

9 (1) each time the employer remits to the department the **state**
 10 **adjusted gross income** tax that is withheld; and

11 (2) annually along with the employer's annual withholding report.

12 SECTION 45. IC 6-3.5-6-23 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 23. (a) Except as
 14 provided in subsection (b), if for a particular taxable year a county
 15 taxpayer is liable for an income tax imposed by a county, city, town, or
 16 other local governmental entity located outside of Indiana, that county
 17 taxpayer is entitled to a credit against the county option income tax
 18 liability for that same taxable year. The amount of the credit equals the
 19 amount of tax imposed by the other governmental entity on income
 20 derived from sources outside Indiana and subject to the county option
 21 income tax. However, the credit provided by this section may not
 22 reduce a county taxpayer's county option income tax liability to an
 23 amount less than would have been owed if the income subject to
 24 taxation by the other governmental entity had been ignored.

25 (b) The credit provided by this section does not apply to a county
 26 taxpayer to the extent that the other governmental entity provides for
 27 a credit to the taxpayer for the amount of county option income taxes
 28 owed under this chapter.

29 (c) To claim the credit provided by this section, a county taxpayer
 30 must provide the ~~department~~ **county** with satisfactory evidence that the
 31 taxpayer is entitled to the credit.

32 SECTION 46. IC 6-3.5-6-27, AS AMENDED BY P.L.182-2009(ss),
 33 SECTION 223, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2014]: Sec. 27. (a) This section applies
 35 only to Miami County. Miami County possesses unique economic
 36 development challenges due to:

37 (1) underemployment in relation to similarly situated counties;
 38 and

39 (2) the presence of a United States government military base or
 40 other military installation that is completely or partially inactive
 41 or closed.

42 Maintaining low property tax rates is essential to economic

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1 development, and the use of county option income tax revenues as
 2 provided in this chapter to pay any bonds issued or leases entered into
 3 to finance the construction, acquisition, improvement, renovation, and
 4 equipping described under subsection (c), rather than use of property
 5 taxes, promotes that purpose.

6 (b) In addition to the rates permitted by sections 8 and 9 of this
 7 chapter, the county council may impose the county option income tax
 8 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 9 gross income of resident county taxpayers if the county council makes
 10 the finding and determination set forth in subsection (c). Section 8(e)
 11 of this chapter applies to the application of the additional rate to
 12 nonresident taxpayers.

13 (c) In order to impose the county option income tax as provided in
 14 this section, the county council must adopt an ordinance finding and
 15 determining that revenues from the county option income tax are
 16 needed to pay the costs of financing, constructing, acquiring,
 17 renovating, and equipping a county jail, including the repayment of
 18 bonds issued, or leases entered into, for financing, constructing,
 19 acquiring, renovating, and equipping a county jail.

20 (d) If the county council makes a determination under subsection
 21 (c), the county council may adopt a tax rate under subsection (b). The
 22 tax rate may not be imposed at a rate or for a time greater than is
 23 necessary to pay the costs of financing, constructing, acquiring,
 24 renovating, and equipping a county jail.

25 (e) The county treasurer shall establish a county jail revenue fund
 26 to be used only for the purposes described in this section. County
 27 option income tax revenues derived from the tax rate imposed under
 28 this section shall be deposited in the county jail revenue fund before
 29 making a ~~certified distribution~~ **any other distributions of revenue**
 30 **received** under ~~section 18~~ of this chapter.

31 (f) County option income tax revenues derived from the tax rate
 32 imposed under this section:

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

39 ~~(g) The budget agency shall adjust the certified distribution of a~~
 40 ~~county to provide for an increased distribution of taxes in the~~
 41 ~~immediately following calendar year after the county adopts an~~
 42 ~~increased tax rate under this section and in each calendar year~~

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1 thereafter. The budget agency shall provide for a full transition to
 2 certification of distributions as provided in section 17(a)(1) through
 3 17(a)(2) of this chapter in the manner provided in section 17(c) of this
 4 chapter.

5 SECTION 47. IC 6-3.5-6-28, AS AMENDED BY P.L.137-2012,
 6 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2014]: Sec. 28. (a) This section applies only to Howard
 8 County.

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

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

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

- 25 (1) finding and determining that revenues from the county option
 26 income tax are needed in the county to fund the operation and
 27 maintenance of a jail, a juvenile detention center, or both; and
 28 (2) agreeing to freeze the part of any property tax levy imposed in
 29 the county for the operation of the jail or juvenile detention
 30 center, or both, covered by the ordinance at the rate imposed in
 31 the year preceding the year in which a full year of additional
 32 county option income tax is certified for distribution to the county
 33 under this section for the term in which an ordinance is in effect
 34 under this section.

35 (e) If the county fiscal body makes a determination under subsection
 36 (d), the county fiscal body may adopt a tax rate under subsection (c).
 37 Subject to the limitations in subsection (c), the county fiscal body may
 38 amend an ordinance adopted under this section to increase, decrease,
 39 or rescind the additional tax rate imposed under this section. Not more
 40 than ten (10) days after the vote, the county fiscal body shall send a
 41 certified copy of the ordinance to the county auditor, the commissioner
 42 of the department, the director of the budget agency, and the

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1 commissioner of the department of local government finance by
2 certified mail or in an electronic format approved by the director of the
3 budget agency.

4 (f) The county treasurer shall establish a county jail revenue fund to
5 be used only for the purposes described in this section. County option
6 income tax revenues derived from the tax rate imposed under this
7 section shall be deposited in the county jail revenue fund before
8 making a ~~certified distribution~~ **any other distributions of revenue**
9 **received** under ~~section 18~~ of this chapter.

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

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

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

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

19 (i) ~~The budget agency shall adjust the certified distribution of a~~
20 ~~county to provide for an increased distribution of taxes in the~~
21 ~~immediately following calendar year after the county adopts an~~
22 ~~increased tax rate under this section and in each calendar year~~
23 ~~thereafter. The budget agency shall provide for a full transition to~~
24 ~~certification of distributions as provided in section 17(a)(1) through~~
25 ~~17(a)(2) of this chapter in the manner provided in section 17(c) of this~~
26 ~~chapter.~~

27 (j) (i) ~~The department~~ **county** shall separately designate a tax rate
28 imposed under this section in any tax form as the Howard County jail
29 operating and maintenance income tax.

30 SECTION 48. IC 6-3.5-6-29, AS AMENDED BY P.L.137-2012,
31 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2014]: Sec. 29. (a) This section applies only to Scott
33 County. Scott County is a county in which:

34 (1) maintaining low property tax rates is essential to economic
35 development; and

36 (2) the use of additional county option income tax revenues as
37 provided in this section, rather than the use of property taxes, to
38 fund:

39 (A) the financing, construction, acquisition, improvement,
40 renovation, equipping, operation, or maintenance of jail
41 facilities; and

42 (B) the repayment of bonds issued or leases entered into for

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1 the purposes described in clause (A), except operation or
 2 maintenance;
 3 promotes the purpose of maintaining low property tax rates.
 4 (b) The county fiscal body may impose the county option income tax
 5 on the adjusted gross income of resident county taxpayers at a rate, in
 6 addition to the rates permitted by sections 8 and 9 of this chapter, not
 7 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this
 8 chapter applies to the application of the additional rate to nonresident
 9 taxpayers.
 10 (c) To impose the county option income tax as provided in this
 11 section, the county fiscal body must adopt an ordinance finding and
 12 determining that additional revenues from the county option income tax
 13 are needed in the county to fund:
 14 (1) the financing, construction, acquisition, improvement,
 15 renovation, equipping, operation, or maintenance of jail facilities;
 16 and
 17 (2) the repayment of bonds issued or leases entered into for the
 18 purposes described in subdivision (1), except operation or
 19 maintenance.
 20 (d) If the county fiscal body makes a determination under subsection
 21 (c), the county fiscal body may adopt an additional tax rate under
 22 subsection (b). Subject to the limitations in subsection (b), the county
 23 fiscal body may amend an ordinance adopted under this section to
 24 increase, decrease, or rescind the additional tax rate imposed under this
 25 section. Not more than ten (10) days after the vote, the county fiscal
 26 body shall send a certified copy of the ordinance to the county auditor,
 27 the commissioner of the department, the director of the budget agency,
 28 and the commissioner of the department of local government finance
 29 by certified mail or in an electronic format approved by the director of
 30 the budget agency.
 31 (e) If the county imposes an additional tax rate under this section,
 32 the county treasurer shall establish a county jail revenue fund to be
 33 used only for the purposes described in this section. County option
 34 income tax revenues derived from the tax rate imposed under this
 35 section shall be deposited in the county jail revenue fund before
 36 making a ~~certified distribution~~ **any other distributions of revenue**
 37 **received under section 18 of this chapter.**
 38 (f) County option income tax revenues derived from an additional
 39 tax rate imposed under this section:
 40 (1) may be used only for the purposes described in this section;
 41 (2) may not be considered by the department of local government
 42 finance in determining the county's maximum permissible

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1 property tax levy limit under IC 6-1.1-18.5; and
2 (3) may be pledged for the repayment of bonds issued or leases
3 entered into to fund the purposes described in subsection (c)(1),
4 except operation or maintenance.

5 (g) If the county imposes an additional tax rate under this section;
6 the budget agency shall adjust the certified distribution of the county
7 to provide for an increased distribution of taxes in the immediately
8 following calendar year after the county adopts the increased tax rate
9 and in each calendar year thereafter. The budget agency shall provide
10 for a full transition to certification of distributions as provided in
11 section 17(a)(1) through 17(a)(2) of this chapter in the manner
12 provided in section 17(e) of this chapter.

13 SECTION 49. IC 6-3.5-6-30, AS AMENDED BY P.L.137-2012,
14 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2014]: Sec. 30. (a) In a county in which the county
16 option income tax is in effect, the county income tax council may adopt
17 an ordinance to impose or increase (as applicable) a tax rate under this
18 section.

19 (b) In a county in which neither the county option adjusted gross
20 income tax nor the county option income tax is in effect, the county
21 income tax council may adopt an ordinance to impose a tax rate under
22 this section.

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

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

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

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

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

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

42 (B) the following:

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

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1 to the civil taxing unit; divided by
 2 (B) the STEP ONE amount; multiplied by
 3 (2) the tax revenue received by the county treasurer under this
 4 section.
 5 STEP THREE: For distributions in 2009 and thereafter, the result
 6 of this STEP is zero (0). For distribution to the county for deposit
 7 in the county family and children's fund before 2009, determine
 8 the result of:
 9 (1) the quotient of:
 10 (A) the amount determined under STEP TWO of
 11 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 12 (B) the STEP ONE amount; multiplied by
 13 (2) the tax revenue received by the county treasurer under this
 14 section.
 15 STEP FOUR: For distributions in 2009 and thereafter, the result
 16 of this STEP is zero (0). For distribution to the county for deposit
 17 in the county children's psychiatric residential treatment services
 18 fund before 2009, determine the result of:
 19 (1) the quotient of:
 20 (A) the amount determined under STEP THREE of
 21 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 22 (B) the STEP ONE amount; multiplied by
 23 (2) the tax revenue received by the county treasurer under this
 24 section.
 25 STEP FIVE: For distribution to the county for community mental
 26 health center purposes, determine the result of:
 27 (1) the quotient of:
 28 (A) the amount determined under STEP FOUR of
 29 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 30 (B) the STEP ONE amount; multiplied by
 31 (2) the tax revenue received by the county treasurer under this
 32 section.
 33 Except as provided in subsection (m), the county treasurer shall
 34 distribute the portion of the ~~certified distribution revenue collected~~
 35 **under this chapter** that is attributable to a tax rate under this section
 36 as specified in this section. The county treasurer shall make the
 37 distributions under this subsection at the same time that distributions
 38 are made to civil taxing units under section 18 of this chapter.
 39 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
 40 income tax council may not decrease or rescind a tax rate imposed
 41 under this section.
 42 (i) The tax rate under this section shall not be considered for

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

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1 IC 6-3.5-1.5-1(a) that is used by the department of local
 2 government finance and the ~~department of state revenue~~ county
 3 to determine the tax rate under this section for a year; or
 4 (2) the ~~certified distributions~~ **revenue collected under this**
 5 **chapter** attributable to a tax rate under this section in a year **are**
 6 **is** less than the certified distributions **(for calculations in 2013)**
 7 **or revenue collected under this chapter (for calculations in**
 8 **2014 and thereafter)** attributable to a tax rate under this section
 9 in the preceding year.

10 However, subdivision (2) does not apply to the year following the first
 11 year in which ~~certified distributions~~ of revenue **received under this**
 12 **chapter** attributable to the tax rate under this section **are is** distributed
 13 to the county.

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

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

19 (r) 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 (s) 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 SECTION 50. IC 6-3.5-6-31, AS AMENDED BY P.L.132-2012,
 26 SECTION 4, AND AS AMENDED BY P.L.137-2012, SECTION 86,
 27 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2014]: Sec. 31. (a) As used in this section,
 29 "public safety" refers to the following:

- 30 (1) A police and law enforcement system to preserve public peace
 31 and order.
 32 (2) A firefighting and fire prevention system.
 33 (3) Emergency ambulance services (as defined in
 34 IC 16-18-2-107).
 35 (4) Emergency medical services (as defined in IC 16-18-2-110).
 36 (5) Emergency action (as defined in IC 13-11-2-65).
 37 (6) A probation department of a court.
 38 (7) Confinement, supervision, services under a community
 39 corrections program (as defined in IC 35-38-2.6-2), or other
 40 correctional services for a person who has been:
 41 (A) diverted before a final hearing or trial under an agreement
 42 that is between the county prosecuting attorney and the person

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- 1 or the person's custodian, guardian, or parent and that provides
 2 for confinement, supervision, community corrections services,
 3 or other correctional services instead of a final action
 4 described in clause (B) or (C);
 5 (B) convicted of a crime; or
 6 (C) adjudicated as a delinquent child or a child in need of
 7 services.
- 8 (8) A juvenile detention facility under IC 31-31-8.
 9 (9) A juvenile detention center under IC 31-31-9.
 10 (10) A county jail.
 11 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~ an
 12 enhanced emergency telephone system (as defined in
 13 IC 36-8-16-2 *(before its repeal on July 1, 2012)*), or the statewide
 14 911 system (as defined in IC 36-8-16.7-22).
 15 (12) Medical and health expenses for jail inmates and other
 16 confined persons.
 17 (13) Pension payments for any of the following:
 18 (A) A member of the fire department (as defined in
 19 IC 36-8-1-8) or any other employee of a fire department.
 20 (B) A member of the police department (as defined in
 21 IC 36-8-1-9), a police chief hired under a waiver under
 22 IC 36-8-4-6.5, or any other employee hired by a police
 23 department.
 24 (C) A county sheriff or any other member of the office of the
 25 county sheriff.
 26 (D) Other personnel employed to provide a service described
 27 in this section.
- 28 (b) The county income tax council may adopt an ordinance to
 29 impose an additional tax rate under this section to provide funding for
 30 public safety if:
 31 (1) the county income tax council has imposed a tax rate under
 32 section 30 of this chapter, in the case of a county containing a
 33 consolidated city; or
 34 (2) the county income tax council has imposed a tax rate of at
 35 least twenty-five hundredths of one percent (0.25%) under section
 36 30 of this chapter, a tax rate of at least twenty-five hundredths of
 37 one percent (0.25%) under section 32 of this chapter, or a total
 38 combined tax rate of at least twenty-five hundredths of one
 39 percent (0.25%) under sections 30 and 32 of this chapter, in the
 40 case of a county other than a county containing a consolidated
 41 city.
 42 (c) A tax rate under this section may not exceed the following:

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1 (1) Five-tenths of one percent (0.5%), in the case of a county
 2 containing a consolidated city.
 3 (2) Twenty-five hundredths of one percent (0.25%), in the case of
 4 a county other than a county containing a consolidated city.
 5 (d) If a county income tax council adopts an ordinance to impose a
 6 tax rate under this section, *not more than ten (10) days after the vote*,
 7 the county auditor shall send a certified copy of the ordinance to the
 8 *commissioner of the department, the director of the budget agency*, and
 9 the *commissioner of the department of local government finance* by
 10 certified mail *or in an electronic format approved by the director of the*
 11 *budget agency*.
 12 (e) A tax rate under this section is in addition to any other tax rates
 13 imposed under this chapter and does not affect the purposes for which
 14 other tax revenue under this chapter may be used.
 15 (f) Except as provided in subsections (l) and (m), the county auditor
 16 shall distribute the portion of the **certified distribution revenue**
 17 **collected under this chapter** that is attributable to a tax rate under this
 18 section to the county and to each municipality in the county that is
 19 carrying out or providing at least one (1) of the public safety purposes
 20 described in subsection (a). The amount that shall be distributed to the
 21 county or municipality is equal to the result of:
 22 (1) the portion of the **certified distribution revenue collected**
 23 **under this chapter** that is attributable to a tax rate under this
 24 section; multiplied by
 25 (2) a fraction equal to:
 26 (A) the total property taxes being collected in the county by
 27 the county or municipality for the calendar year; divided by
 28 (B) the sum of the total property taxes being collected in the
 29 county by the county and each municipality in the county that
 30 is entitled to a distribution under this section for the calendar
 31 year.
 32 The county auditor shall make the distributions required by this
 33 subsection not more than thirty (30) days after receiving the portion of
 34 the **certified distribution revenue collected under this chapter** that is
 35 attributable to a tax rate under this section. Tax revenue distributed to
 36 a county or municipality under this subsection must be deposited into
 37 a separate account or fund and may be appropriated by the county or
 38 municipality only for public safety purposes.
 39 (g) The department of local government finance may not require a
 40 county or municipality receiving tax revenue under this section to
 41 reduce the county's or municipality's property tax levy for a particular
 42 year on account of the county's or municipality's receipt of the tax

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1 revenue.

2 (h) The tax rate under this section and the tax revenue attributable

3 to the tax rate under this section shall not be considered for purposes

4 of computing:

5 (1) the maximum income tax rate that may be imposed in a county

6 under section 8 or 9 of this chapter or any other provision of this

7 chapter;

8 (2) the maximum permissible property tax levy under

9 IC 6-1.1-18.5-3; or

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

11 (i) The tax rate under this section may be imposed or rescinded at

12 the same time and in the same manner that the county may impose or

13 increase a tax rate under section 30 of this chapter.

14 (j) The department of local government finance ~~and the department~~

15 ~~of state revenue~~ may take any actions necessary to carry out the

16 purposes of this section.

17 (k) Notwithstanding any other provision, in Lake County the county

18 council (and not the county income tax council) is the entity authorized

19 to take actions concerning the additional tax rate under this section.

20 (l) Two (2) or more political subdivisions that are entitled to receive

21 a distribution under this section may adopt resolutions providing that

22 some part or all of those distributions shall instead be paid to one (1)

23 political subdivision in the county to carry out specific public safety

24 purposes specified in the resolutions.

25 (m) A fire department, volunteer fire department, or emergency

26 medical services provider that:

27 (1) provides fire protection or emergency medical services within

28 the county; and

29 (2) is operated by or serves a political subdivision that is not

30 otherwise entitled to receive a distribution of tax revenue under

31 this section;

32 may before July 1 of a year apply to the county income tax council for

33 a distribution of tax revenue under this section during the following

34 calendar year. The county income tax council shall review an

35 application submitted under this subsection and may before September

36 1 of a year adopt a resolution requiring that one (1) or more of the

37 applicants shall receive a specified amount of the tax revenue to be

38 distributed under this section during the following calendar year. A

39 resolution approved under this subsection providing for a distribution

40 to one (1) or more fire departments, volunteer fire departments, or

41 emergency services providers applies only to distributions in the

42 following calendar year. Any amount of tax revenue distributed under

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1 this subsection to a fire department, volunteer fire department, or
 2 emergency medical services provider shall be distributed before the
 3 remainder of the tax revenue is distributed under subsection (f).
 4 SECTION 51. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012,
 5 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2014]: Sec. 32. (a) A county income tax council may
 7 impose a tax rate under this section to provide property tax relief to
 8 taxpayers in the county. A county income tax council is not required to
 9 impose any other tax before imposing a tax rate under this section.
 10 (b) A tax rate under this section may be imposed in increments of
 11 five-hundredths of one percent (0.05%) determined by the county
 12 income tax council. A tax rate under this section may not exceed one
 13 percent (1%).
 14 (c) A tax rate under this section is in addition to any other tax rates
 15 imposed under this chapter and does not affect the purposes for which
 16 other tax revenue under this chapter may be used.
 17 (d) If a county income tax council adopts an ordinance to impose or
 18 increase a tax rate under this section, not more than ten (10) days after
 19 the vote, the county auditor shall send a certified copy of the ordinance
 20 to the commissioner of the department, the director of the budget
 21 agency, and the commissioner of the department of local government
 22 finance by certified mail or in an electronic format approved by the
 23 director of the budget agency.
 24 (e) A tax rate under this section may be imposed, increased,
 25 decreased, or rescinded at the same time and in the same manner that
 26 the county income tax council may impose or increase a tax rate under
 27 section 30 of this chapter.
 28 (f) Tax revenue attributable to a tax rate under this section may be
 29 used for any combination of the following purposes, as specified by
 30 ordinance of the county income tax council:
 31 (1) The tax revenue may be used to provide local property tax
 32 replacement credits at a uniform rate to all taxpayers in the
 33 county. The local property tax replacement credits shall be treated
 34 for all purposes as property tax levies. The county auditor shall
 35 determine the local property tax replacement credit percentage for
 36 a particular year based on the amount of tax revenue that will be
 37 used under this subdivision to provide local property tax
 38 replacement credits in that year. A county income tax council may
 39 not adopt an ordinance determining that tax revenue shall be used
 40 under this subdivision to provide local property tax replacement
 41 credits at a uniform rate to all taxpayers in the county unless the
 42 county council has done the following:

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

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

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

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

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

(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:

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1 (i) The tax revenue under this section that is collected from
 2 taxpayers within a particular municipality in Lake County
 3 (as determined by the department based on the department's
 4 best estimate) shall be used only to provide a local property
 5 tax credit against property taxes imposed by that
 6 municipality.
 7 (ii) The tax revenue under this section that is collected from
 8 taxpayers within the unincorporated area of Lake County (as
 9 determined by the department) shall be used only to provide
 10 a local property tax credit against property taxes imposed by
 11 the county. The local property tax credit for the
 12 unincorporated area of Lake County shall be available only
 13 to those taxpayers within the unincorporated area of the
 14 county.
 15 (C) To provide property tax credits in the following manner:
 16 (i) Sixty percent (60%) of the tax revenue under this section
 17 shall be used as provided in clause (B).
 18 (ii) Forty percent (40%) of the tax revenue under this section
 19 shall be used to provide property tax replacement credits
 20 against property tax levies of the county and each township
 21 and municipality in the county. The percentage of the tax
 22 revenue distributed under this item that shall be used as
 23 credits against the county's levies or against a particular
 24 township's or municipality's levies is equal to the percentage
 25 determined by dividing the population of the county,
 26 township, or municipality by the sum of the total population
 27 of the county, each township in the county, and each
 28 municipality in the county.
 29 The Lake County council shall determine whether the credits
 30 under clause (A), (B), or (C) shall be provided to homesteads, to
 31 all qualified residential property, or to all taxpayers. The
 32 department of local government finance, with the assistance of the
 33 budget agency, shall certify to the county auditor and the fiscal
 34 body of the county and each township and municipality in the
 35 county the amount of property tax credits under this subdivision.
 36 Except as provided in subsection (g), the tax revenue under this
 37 section that is used to provide credits under this subdivision shall
 38 be treated for all purposes as property tax levies.
 39 The county income tax council may adopt an ordinance changing the
 40 purposes for which tax revenue attributable to a tax rate under this
 41 section shall be used in the following year.
 42 (g) The tax rate under this section shall not be considered for

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- 1 purposes of computing:
- 2 (1) the maximum income tax rate that may be imposed in a county
- 3 under section 8 or 9 of this chapter or any other provision of this
- 4 chapter;
- 5 (2) the maximum permissible property tax levy under
- 6 IC 6-1.1-18.5-3; or
- 7 (3) the credit under IC 6-1.1-20.6.
- 8 (h) Tax revenue under this section shall be treated as a part of the
- 9 receiving civil taxing unit's or school corporation's property tax levy for
- 10 that year for purposes of fixing the budget of the civil taxing unit or
- 11 school corporation and for determining the distribution of taxes that are
- 12 distributed on the basis of property tax levies. To the extent the county
- 13 auditor determines that there is income tax revenue remaining from the
- 14 tax under this section after providing the property tax replacement, the
- 15 excess shall be credited to a dedicated county account and may be used
- 16 only for property tax replacement under this section in subsequent
- 17 years.
- 18 (i) ~~The department of local government finance and the department~~
- 19 ~~of state revenue~~ may take any actions necessary to carry out the
- 20 purposes of this section.
- 21 (j) Notwithstanding any other provision, in Lake County the county
- 22 council (and not the county income tax council) is the entity authorized
- 23 to take actions concerning the tax rate under this section.
- 24 SECTION 52. IC 6-3.5-6-33, AS AMENDED BY P.L.137-2012,
- 25 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JANUARY 1, 2014]: Sec. 33. (a) This section applies only to Monroe
- 27 County.
- 28 (b) Maintaining low property tax rates is essential to economic
- 29 development, and the use of county option income tax revenues as
- 30 provided in this chapter and as needed in the county to fund the
- 31 operation and maintenance of a juvenile detention center and other
- 32 facilities to provide juvenile services, rather than the use of property
- 33 taxes, promotes that purpose.
- 34 (c) In addition to the rates permitted by sections 8 and 9 of this
- 35 chapter, the county fiscal body may impose an additional county option
- 36 income tax at a rate of not more than twenty-five hundredths percent
- 37 (0.25%) on the adjusted gross income of resident county taxpayers if
- 38 the county fiscal body makes the finding and determination set forth in
- 39 subsection (d). Section 8(e) of this chapter applies to the application of
- 40 the additional rate to nonresident taxpayers.
- 41 (d) In order to impose the county option income tax as provided in
- 42 this section, the county fiscal body must adopt an ordinance:

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1 (1) finding and determining that revenues from the county option
 2 income tax are needed in the county to fund the operation and
 3 maintenance of a juvenile detention center and other facilities
 4 necessary to provide juvenile services; and

5 (2) agreeing to freeze for the term in which an ordinance is in
 6 effect under this section the part of any property tax levy imposed
 7 in the county for the operation of the juvenile detention center and
 8 other facilities covered by the ordinance at the rate imposed in the
 9 year preceding the year in which a full year of additional county
 10 option income tax is certified for distribution to the county under
 11 this section.

12 (e) If the county fiscal body makes a determination under subsection
 13 (d), the county fiscal body may adopt a tax rate under subsection (c).
 14 Subject to the limitations in subsection (c), the county fiscal body may
 15 amend an ordinance adopted under this section to increase, decrease,
 16 or rescind the additional tax rate imposed under this section. Not more
 17 than ten (10) days after the vote, the county fiscal body shall send a
 18 certified copy of the ordinance to the county auditor, the commissioner
 19 of the department, the director of the budget agency, and the
 20 commissioner of the department of local government finance by
 21 certified mail or in an electronic format approved by the director of the
 22 budget agency.

23 (f) The county treasurer shall establish a county juvenile detention
 24 center revenue fund to be used only for the purposes described in this
 25 section. County option income tax revenues derived from the tax rate
 26 imposed under this section shall be deposited in the county juvenile
 27 detention center revenue fund before ~~a certified distribution is made~~
 28 **making any other distribution of revenue collected** under section 18
 29 ~~of this chapter.~~

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

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

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

37 (h) The department of local government finance shall enforce an
 38 agreement made under subsection (d)(2).

39 (i) ~~The budget agency shall adjust the certified distribution of a~~
 40 ~~county to provide for an increased distribution of taxes in the~~
 41 ~~immediately following calendar year after the county adopts an~~
 42 ~~increased tax rate under this section and in each calendar year~~

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1 thereafter. The budget agency shall provide for a full transition to
 2 certification of distributions as provided in section 17(a)(1) through
 3 17(a)(2) of this chapter in the manner provided in section 17(c) of this
 4 chapter.

5 SECTION 53. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012,
 6 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2014]: Sec. 5. (a) Except as provided in subsection (c),
 8 the county economic development income tax may be imposed on the
 9 adjusted gross income of county taxpayers. The entity that may impose
 10 the tax is:

- 11 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 12 the county option income tax is in effect on October 1 of the year
- 13 the county economic development income tax is imposed;
- 14 (2) the county council if the county adjusted gross income tax is
- 15 in effect on October 1 of the year the county economic
- 16 development tax is imposed; or
- 17 (3) the county income tax council or the county council,
- 18 whichever acts first, for a county not covered by subdivision (1)
- 19 or (2).

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

23 (b) Except as provided in this section and section 28 of this chapter,
 24 the county economic development income tax may be imposed at a rate
 25 of:

- 26 (1) one-tenth percent (0.1%);
- 27 (2) two-tenths percent (0.2%);
- 28 (3) twenty-five hundredths percent (0.25%);
- 29 (4) three-tenths percent (0.3%);
- 30 (5) thirty-five hundredths percent (0.35%);
- 31 (6) four-tenths percent (0.4%);
- 32 (7) forty-five hundredths percent (0.45%); or
- 33 (8) five-tenths percent (0.5%);

34 on the adjusted gross income of county taxpayers.

35 (c) Except as provided in 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 this
 39 section, the county economic development tax rate plus the county
 40 option income tax rate, if any, that are in effect on January 1 of a year
 41 may not exceed one percent (1%).

42 (d) To impose, increase, decrease, or rescind the county economic

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1 development income tax, the appropriate body must adopt an
2 ordinance.

3 (e) The ordinance to impose the tax must substantially state the
4 following:

5 "The _____ County _____ imposes the county economic
6 development income tax on the county taxpayers of _____
7 County. The county economic development income tax is imposed at
8 a rate of _____ percent (____%) on the county taxpayers of the
9 county."

10 (f) The auditor of a county shall record all votes taken on ordinances
11 presented for a vote under the authority of this chapter and shall, not
12 more than ten (10) days after the vote, send a certified copy of the
13 results to the commissioner of the department, the director of the
14 budget 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 (g) For Jackson County, except as provided in subsection (o), the
18 county economic development income tax rate plus the county adjusted
19 gross income tax rate that are in effect on January 1 of a year may not
20 exceed one and thirty-five hundredths percent (1.35%) if the county has
21 imposed the county adjusted gross income tax at a rate of one and
22 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

23 (h) For Pulaski County, except as provided in subsection (o), the
24 county economic development income tax rate plus the county adjusted
25 gross income tax rate that are in effect on January 1 of a year may not
26 exceed one and fifty-five hundredths percent (1.55%).

27 (i) For Wayne County, except as provided in subsection (o), the
28 county economic development income tax rate plus the county adjusted
29 gross income tax rate that are in effect on January 1 of a year may not
30 exceed one and five-tenths percent (1.5%).

31 (j) This subsection applies to Randolph County. Except as provided
32 in subsection (o), in addition to the rates permitted under subsection
33 (b):

- 34 (1) the county economic development income tax may be imposed
35 at a rate of twenty-five hundredths percent (0.25%); and
36 (2) the sum of the county economic development income tax rate
37 and the county adjusted gross income tax rate that are in effect on
38 January 1 of a year may not exceed one and five-tenths percent
39 (1.5%);

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

42 (k) For Daviess County, except as provided in subsection (o), the

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1 county economic development income tax rate plus the county adjusted
 2 gross income tax rate that are in effect on January 1 of a year may not
 3 exceed one and five-tenths percent (1.5%).

4 (l) For:

5 (1) Elkhart County; or

6 (2) Marshall County;

7 except as provided in subsection (o), the county economic development
 8 income tax rate plus the county adjusted gross income tax rate that are
 9 in effect on January 1 of a year may not exceed one and five-tenths
 10 percent (1.5%).

11 (m) For Union County, except as provided in subsection (o), the
 12 county economic development income tax rate plus the county adjusted
 13 gross income tax rate that are in effect on January 1 of a year may not
 14 exceed one and five-tenths percent (1.5%).

15 (n) This subsection applies to Knox County. Except as provided in
 16 subsection (o), in addition to the rates permitted under subsection (b):

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

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

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

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

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

29 (o) In addition:

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

34 (2) the:

35 (A) county economic development income tax; and

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

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

41 However, the additional rate imposed under this subsection may not
 42 exceed the amount necessary to mitigate the increased ad valorem

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1 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)
 2 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 3 residential property (as defined in section 26 of this chapter), as
 4 appropriate under the ordinance adopted by the adopting body in the
 5 county, resulting from the deduction of the assessed value of inventory
 6 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 7 exclusion in 2008 of inventory from the definition of personal property
 8 in IC 6-1.1-1-11.

9 (p) If the county economic development income tax is imposed as
 10 authorized under subsection (o) at a rate that exceeds the maximum
 11 rate that would otherwise apply under this section, the ~~certified~~
 12 ~~distribution revenue collected under this chapter~~ must be used for the
 13 purpose provided in section 26 of this chapter to the extent that the
 14 ~~certified distribution revenue collected under this chapter~~ results
 15 from the difference between:

- 16 (1) the actual county economic development tax rate; and
 17 (2) the maximum rate that would otherwise apply under this
 18 section.

19 (q) This subsection applies only to a county described in section 27
 20 of this chapter. Except as provided in subsection (o), in addition to the
 21 rates permitted by subsection (b), the:

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

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

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

39 (t) This subsection applies to Scott County. Except as provided in
 40 subsection (o), the sum of the county economic development income
 41 tax rate and the county option income tax rate that are in effect on
 42 January 1 of a year may not exceed one and twenty-five hundredths

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- 1 percent (1.25%).
- 2 (u) This subsection applies to Jasper County. Except as provided in
3 subsection (o), the sum of the county economic development income
4 tax rate and the county adjusted gross income tax rate that are in effect
5 on January 1 of a year may not exceed one and five-tenths percent
6 (1.5%).
- 7 (v) An additional county economic development income tax rate
8 imposed under section 28 of this chapter may not be considered in
9 calculating any limit under this section on the sum of:
- 10 (1) the county economic development income tax rate plus the
11 county adjusted gross income tax rate; or
- 12 (2) the county economic development tax rate plus the county
13 option income tax rate.
- 14 (w) The income tax rate limits imposed by subsection (c) or (x) or
15 any other provision of this chapter do not apply to:
- 16 (1) a county adjusted gross income tax rate imposed under
17 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 18 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
19 IC 6-3.5-6-31, or IC 6-3.5-6-32.
- 20 For purposes of computing the maximum combined income tax rate
21 under subsection (c) or (x) or any other provision of this chapter that
22 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
23 chapter, a county's county adjusted gross income tax rate or county
24 option income tax rate for a particular year does not include the county
25 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
26 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
27 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.
- 28 (x) This subsection applies to Monroe County. Except as provided
29 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
30 sum of the county economic development income tax rate and the
31 county option income tax rate that are in effect on January 1 of a year
32 may not exceed one and twenty-five hundredths percent (1.25%).
- 33 (y) This subsection applies to Perry County. Except as provided in
34 subsection (o), if an ordinance is adopted under section 27.5 of this
35 chapter, the county economic development income tax rate plus the
36 county option income tax rate that is in effect on January 1 of a year
37 may not exceed one and seventy-five hundredths percent (1.75%).
- 38 (z) This subsection applies to Starke County. Except as provided in
39 subsection (o), if an ordinance is adopted under section 27.6 of this
40 chapter, the county economic development income tax rate plus the
41 county adjusted gross income tax rate that is in effect on January 1 of
42 a year may not exceed two percent (2%).

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1 SECTION 54. IC 6-3.5-7-10 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 10. (a) **Before**
 3 **January 15, 2014, the auditor of state shall transfer to each county**
 4 **the balance in the special account established** within the state general
 5 fund shall be established for each that county. adopting the county
 6 economic development income tax. Any revenue derived from the
 7 imposition of the county economic development income tax by a
 8 county shall be credited to that county's account in the state general
 9 fund.

10 (b) Any income earned on money credited to an account under
 11 subsection (a) becomes a part of that account.

12 (c) Any revenue credited to an account established under subsection
 13 (a) at the end of a fiscal year may not be credited to any other account
 14 in the state general fund.

15 (b) **After the transfer to a county under subsection (a) is**
 16 **completed, the special account established within the state general**
 17 **fund for that county is abolished.**

18 (c) **This section expires June 30, 2014.**

19 SECTION 55. IC 6-3.5-7-10.3 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2014]: Sec. 10.3. (a) **Revenue derived**
 22 **from the imposition of the county economic development income**
 23 **tax by the county and received by a county treasurer under this**
 24 **chapter, including any amounts transferred under section 10 of this**
 25 **chapter, shall be deposited by the county treasurer in a special**
 26 **fund.**

27 (b) Any income earned on money held in a special fund under
 28 subsection (c) becomes a part of that fund.

29 (c) Any revenue remaining in a fund established under
 30 subsection (a):

31 (1) **does not revert to the county general fund; and**

32 (2) **shall be distributed as provided in this chapter.**

33 SECTION 56. IC 6-3.5-7-10.5 IS REPEALED [EFFECTIVE
 34 JANUARY 1, 2014]. Sec. 10.5: Before October 2 of each year, the
 35 department shall submit a report to each county auditor indicating the
 36 balance in the county's special account as of the cutoff date set by the
 37 budget agency.

38 SECTION 57. IC 6-3.5-7-11 IS REPEALED [EFFECTIVE
 39 JANUARY 1, 2014]. Sec. 11: (a) Revenue derived from the imposition
 40 of the county economic development income tax shall, in the manner
 41 prescribed by this section, be distributed to the county that imposed it.

42 (b) Before August 2 of each calendar year, the budget agency, shall

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1 certify to the county auditor of each adopting county the sum of the
 2 amount of county economic development income tax revenue that the
 3 budget agency determines has been:

4 (1) received from that county for a taxable year ending before the
 5 calendar year in which the determination is made; and

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

9 as adjusted for refunds of county economic development income tax
 10 made in the state fiscal year plus the amount of interest in the county's
 11 account that has been accrued and has not been included in a
 12 certification made in a preceding year. The amount certified is the
 13 county's certified distribution, which shall be distributed on the dates
 14 specified in section 16 of this chapter for the following calendar year.

15 (c) The amount certified under subsection (b) shall be adjusted
 16 under subsections (d), (e), (f), and (g). The budget agency shall provide
 17 the county council with an informative summary of the calculations
 18 used to determine the certified distribution. The summary of
 19 calculations must include:

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

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

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

24 (4) adjustments for tax rate changes; and

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

27 (d) 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 (e) 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 (f) The budget agency shall adjust the certified distribution of a
 41 county to provide the county with the amount of any tax increase
 42 imposed under section 26 of this chapter to provide additional

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1 homestead credits as provided in those provisions:

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

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

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

31 (j) The estimates under subsections (h) and (i) must specify the
32 amount of the estimated certified distributions that are attributable to
33 any additional rates authorized under this chapter.

34 SECTION 58. IC 6-3.5-7-12, AS AMENDED BY P.L.137-2012,
35 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2014]: Sec. 12. (a) Except as provided in sections 23, 26,
37 27, 27.5, 27.6, and 28 of this chapter, the county auditor shall distribute
38 **revenue collected under this chapter** in the manner specified in this
39 section the certified distribution to the county.

40 (b) Except as provided in subsections (c) and (h) and section 15 of
41 this chapter, and subject to adjustment as provided in IC 36-8-19-7.5,
42 the amount of the certified distribution **revenue collected under this**

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1 **chapter** that the county and each city or town in a county is entitled to
 2 receive each month of each year equals the product of the following:

3 (1) The amount of the ~~certified distribution revenue collected~~
 4 **under this chapter** for that month; multiplied by

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

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

10 The denominator of the fraction equals the sum of the total
 11 property taxes that are first due and payable to the county and all
 12 cities and towns of the county during the calendar year in which
 13 the month falls, plus the welfare allocation amount. The welfare
 14 allocation amount is an amount equal to the sum of the property
 15 taxes imposed by the county in 1999 for the county's welfare fund
 16 and welfare administration fund and, if the county received a
 17 certified distribution under this chapter in 2008, the property
 18 taxes imposed by the county in 2008 for the county's county
 19 medical assistance to wards fund, family and children's fund,
 20 children's psychiatric residential treatment services fund, county
 21 hospital care for the indigent fund, and children with special
 22 health care needs county fund.

23 (c) This subsection applies to a county council or county income tax
 24 council that imposes a tax under this chapter after June 1, 1992. The
 25 body imposing the tax may adopt an ordinance before August 2 of a
 26 year to provide for the distribution of ~~certified distributions revenue~~
 27 **collected under this chapter** under this subsection instead of a
 28 distribution under subsection (b). The following apply if an ordinance
 29 is adopted under this subsection:

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

31 (2) Except as provided in section 26 of this chapter, the amount
 32 of the ~~certified distribution revenue collected under this chapter~~
 33 that the county and each city and town in the county is entitled to
 34 receive during each month of each year equals the product of:

35 (A) the amount of the ~~certified distribution revenue collected~~
 36 **under this chapter** for the month; multiplied by

37 (B) a fraction. For a city or town, the numerator of the fraction
 38 equals the population of the city or the town. For a county, the
 39 numerator of the fraction equals the population of the part of
 40 the county that is not located in a city or town. The
 41 denominator of the fraction equals the sum of the population
 42 of all cities and towns located in the county and the population

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1 of the part of the county that is not located in a city or town.
 2 (3) The ordinance may be made irrevocable for the duration of
 3 specified lease rental or debt service payments.
 4 (d) The body imposing the tax may not adopt an ordinance under
 5 subsection (c) if, before the adoption of the proposed ordinance, any of
 6 the following have pledged the county economic development income
 7 tax for any purpose permitted by IC 5-1-14 or any other statute:
 8 (1) The county.
 9 (2) A city or town in the county.
 10 (3) A commission, a board, a department, or an authority that is
 11 authorized by statute to pledge the county economic development
 12 income tax.
 13 (e) The department of local government finance shall provide each
 14 county auditor with the fractional amount of the ~~certified distribution~~
 15 **revenue collected under this chapter** that the county and each city or
 16 town in the county is entitled to receive under this section.
 17 (f) Money received by a county, city, or town under this section
 18 shall be deposited in the unit's economic development income tax fund.
 19 (g) Except as provided in subsection (b)(2)(B), in determining the
 20 fractional amount of the ~~certified distribution~~ **revenue collected under**
 21 **this chapter** the county and its cities and towns are entitled to receive
 22 under subsection (b) during a calendar year, the department of local
 23 government finance shall consider only property taxes imposed on
 24 tangible property subject to assessment in that county.
 25 (h) In a county having a consolidated city, only the consolidated city
 26 is entitled to the ~~certified distribution~~, **revenue collected under this**
 27 **chapter**, subject to the requirements of sections 15 and 26 of this
 28 chapter.
 29 SECTION 59. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,
 30 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county,
 32 city, or town for a county in which the county economic development
 33 tax is imposed shall establish an economic development income tax
 34 fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this
 35 chapter, the revenue received by a county, city, or town under this
 36 chapter shall be deposited in the unit's economic development income
 37 tax fund.
 38 (b) As used in this subsection, "homestead" means a homestead that
 39 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
 40 provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter,
 41 revenues from the county economic development income tax may be
 42 used as follows:

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- 1 (1) By a county, city, or town for economic development projects,
- 2 for paying, notwithstanding any other law, under a written
- 3 agreement all or a part of the interest owed by a private developer
- 4 or user on a loan extended by a financial institution or other
- 5 lender to the developer or user if the proceeds of the loan are or
- 6 are to be used to finance an economic development project, for
- 7 the retirement of bonds under section 14 of this chapter for
- 8 economic development projects, for leases under section 21 of
- 9 this chapter, or for leases or bonds entered into or issued prior to
- 10 the date the economic development income tax was imposed if
- 11 the purpose of the lease or bonds would have qualified as a
- 12 purpose under this chapter at the time the lease was entered into
- 13 or the bonds were issued.
- 14 (2) By a county, city, or town for:
- 15 (A) the construction or acquisition of, or remedial action with
- 16 respect to, a capital project for which the unit is empowered to
- 17 issue general obligation bonds or establish a fund under any
- 18 statute listed in IC 6-1.1-18.5-9.8;
- 19 (B) the retirement of bonds issued under any provision of
- 20 Indiana law for a capital project;
- 21 (C) the payment of lease rentals under any statute for a capital
- 22 project;
- 23 (D) contract payments to a nonprofit corporation whose
- 24 primary corporate purpose is to assist government in planning
- 25 and implementing economic development projects;
- 26 (E) operating expenses of a governmental entity that plans or
- 27 implements economic development projects;
- 28 (F) to the extent not otherwise allowed under this chapter,
- 29 funding substance removal or remedial action in a designated
- 30 unit; or
- 31 (G) funding of a revolving fund established under
- 32 IC 5-1-14-14.
- 33 (3) By a county, city, or town for any lawful purpose for which
- 34 money in any of its other funds may be used.
- 35 (4) By a city or county described in IC 36-7.5-2-3(b) for making
- 36 transfers required by IC 36-7.5-4-2. If the county economic
- 37 development income tax rate is increased after April 30, 2005, in
- 38 Porter County, the first three million five hundred thousand
- 39 dollars (\$3,500,000) of the tax revenue that results each year from
- 40 the tax rate increase shall be used by the county or by eligible
- 41 municipalities (as defined in IC 36-7.5-1-11.3) in the county only
- 42 to make the county's transfer required by IC 36-7.5-4-2. The first

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1 three million five hundred thousand dollars (\$3,500,000) of the
 2 tax revenue that results each year from the tax rate increase shall
 3 be paid by the county treasurer to the treasurer of the northwest
 4 Indiana regional development authority under IC 36-7.5-4-2
 5 before ~~certified distributions~~ **distributions of revenue collected**
 6 **under this chapter** are made to the county or any cities or towns
 7 in the county under this chapter from the tax revenue that results
 8 each year from the tax rate increase. If Porter County ceases to be
 9 a member of the northwest Indiana regional development
 10 authority under IC 36-7.5 but two (2) or more municipalities in
 11 the county have become members of the northwest Indiana
 12 regional development authority as authorized by IC 36-7.5-2-3(i),
 13 the county treasurer shall continue to transfer the three million
 14 five hundred thousand dollars (\$3,500,000) to the treasurer of the
 15 northwest Indiana regional development authority under
 16 IC 36-7.5-4-2 before ~~certified distributions~~ **distributions of**
 17 **revenue collected under this chapter** are made to the county or
 18 any cities or towns in the county. In Porter County, all of the tax
 19 revenue that results each year from the tax rate increase that is in
 20 excess of the first three million five hundred thousand dollars
 21 (\$3,500,000) that results each year from the tax rate increase must
 22 be used by the county and cities and towns in the county for
 23 homestead credits under subdivision (5).

24 (5) This subdivision applies only in Porter County. All of the tax
 25 revenue that results each year from a tax rate increase described
 26 in subdivision (4) that is in excess of the first three million five
 27 hundred thousand dollars (\$3,500,000) that results each year from
 28 the tax rate increase must be used by the county and cities and
 29 towns in the county for homestead credits under this subdivision.
 30 The following apply to homestead credits provided under this
 31 subdivision:

- 32 (A) The homestead credits must be applied uniformly to
 33 provide a homestead credit for homesteads in the county, city,
 34 or town.
- 35 (B) The homestead credits shall be treated for all purposes as
 36 property tax levies.
- 37 (C) The homestead credits shall be applied to the net property
 38 taxes due on the homestead after the application of all other
 39 assessed value deductions or property tax deductions and
 40 credits that apply to the amount owed under IC 6-1.1.
- 41 (D) The department of local government finance shall
 42 determine the homestead credit percentage for a particular

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- 1 year based on the amount of county economic development
- 2 income tax revenue that will be used under this subdivision to
- 3 provide homestead credits in that year.
- 4 (6) This subdivision applies only in Lake County. The county or
- 5 a city or town in the county may use county economic
- 6 development income tax revenue to provide homestead credits in
- 7 the county, city, or town. The following apply to homestead
- 8 credits provided under this subdivision:
- 9 (A) The county, city, or town fiscal body must adopt an
- 10 ordinance authorizing the homestead credits. The ordinance
- 11 must specify the amount of county economic development
- 12 income tax revenue that will be used to provide homestead
- 13 credits in the following year.
- 14 (B) The county, city, or town fiscal body that adopts an
- 15 ordinance under this subdivision must forward a copy of the
- 16 ordinance to the county auditor and the department of local
- 17 government finance not more than thirty (30) days after the
- 18 ordinance is adopted.
- 19 (C) The homestead credits must be applied uniformly to
- 20 increase the homestead credit under IC 6-1.1-20.9 (repealed)
- 21 for homesteads in the county, city, or town (for property taxes
- 22 first due and payable before January 1, 2009) or to provide a
- 23 homestead credit for homesteads in the county, city, or town
- 24 (for property taxes first due and payable after December 31,
- 25 2008).
- 26 (D) The homestead credits shall be treated for all purposes as
- 27 property tax levies.
- 28 (E) The homestead credits shall be applied to the net property
- 29 taxes due on the homestead after the application of all other
- 30 assessed value deductions or property tax deductions and
- 31 credits that apply to the amount owed under IC 6-1.1.
- 32 (F) The department of local government finance shall
- 33 determine the homestead credit percentage for a particular
- 34 year based on the amount of county economic development
- 35 income tax revenue that will be used under this subdivision to
- 36 provide homestead credits in that year.
- 37 (7) For a regional venture capital fund established under section
- 38 13.5 of this chapter or a local venture capital fund established
- 39 under section 13.6 of this chapter.
- 40 (8) This subdivision applies only to LaPorte County, if:
- 41 (A) the county fiscal body has adopted an ordinance under
- 42 IC 36-7.5-2-3(e) providing that the county is joining the

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1 northwest Indiana regional development authority; and
 2 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has
 3 adopted an ordinance under IC 36-7.5-2-3(e) providing that
 4 the city is joining the development authority.

5 Revenue from the county economic development income tax may
 6 be used by a county or a city described in this subdivision for
 7 making transfers required by IC 36-7.5-4-2. In addition, if the
 8 county economic development income tax rate is increased after
 9 June 30, 2006, in the county, the first three million five hundred
 10 thousand dollars (\$3,500,000) of the tax revenue that results each
 11 year from the tax rate increase shall be used by the county only to
 12 make the county's transfer required by IC 36-7.5-4-2. The first
 13 three million five hundred thousand dollars (\$3,500,000) of the
 14 tax revenue that results each year from the tax rate increase shall
 15 be paid by the county treasurer to the treasurer of the northwest
 16 Indiana regional development authority under IC 36-7.5-4-2
 17 before ~~certified~~ distributions **of revenue collected under this**
 18 **chapter** are made to the county or any cities or towns in the
 19 county under this chapter from the tax revenue that results each
 20 year from the tax rate increase. All of the tax revenue that results
 21 each year from the tax rate increase that is in excess of the first
 22 three million five hundred thousand dollars (\$3,500,000) that
 23 results each year from the tax rate increase must be used by the
 24 county and cities and towns in the county for homestead credits
 25 under subdivision (9).

26 (9) This subdivision applies only to LaPorte County. All of the tax
 27 revenue that results each year from a tax rate increase described
 28 in subdivision (8) that is in excess of the first three million five
 29 hundred thousand dollars (\$3,500,000) that results each year from
 30 the tax rate increase must be used by the county and cities and
 31 towns in the county for homestead credits under this subdivision.
 32 The following apply to homestead credits provided under this
 33 subdivision:

34 (A) The homestead credits must be applied uniformly to
 35 provide a homestead credit for homesteads in the county, city,
 36 or town.

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

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

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- 1 (D) The department of local government finance shall
 2 determine the homestead credit percentage for a particular
 3 year based on the amount of county economic development
 4 income tax revenue that will be used under this subdivision to
 5 provide homestead credits in that year.
- 6 (c) As used in this section, an economic development project is any
 7 project that:
- 8 (1) the county, city, or town determines will:
- 9 (A) promote significant opportunities for the gainful
 10 employment of its citizens;
- 11 (B) attract a major new business enterprise to the unit; or
- 12 (C) retain or expand a significant business enterprise within
 13 the unit; and
- 14 (2) involves an expenditure for:
- 15 (A) the acquisition of land;
- 16 (B) interests in land;
- 17 (C) site improvements;
- 18 (D) infrastructure improvements;
- 19 (E) buildings;
- 20 (F) structures;
- 21 (G) rehabilitation, renovation, and enlargement of buildings
 22 and structures;
- 23 (H) machinery;
- 24 (I) equipment;
- 25 (J) furnishings;
- 26 (K) facilities;
- 27 (L) administrative expenses associated with such a project,
 28 including contract payments authorized under subsection
 29 (b)(2)(D);
- 30 (M) operating expenses authorized under subsection (b)(2)(E);
 31 or
- 32 (N) to the extent not otherwise allowed under this chapter,
 33 substance removal or remedial action in a designated unit;
- 34 or any combination of these.
- 35 (d) If there are bonds outstanding that have been issued under
 36 section 14 of this chapter or leases in effect under section 21 of this
 37 chapter, the county or a city or town may not expend money from its
 38 economic development income tax fund for a purpose authorized under
 39 subsection (b)(3) in a manner that would adversely affect owners of the
 40 outstanding bonds or payment of any lease rentals due.
- 41 SECTION 60. IC 6-3.5-7-15, AS AMENDED BY P.L.137-2012,
 42 SECTION 100, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2014]: Sec. 15. (a) The executive of a
 2 county, city, or town may, subject to the use of ~~the certified distribution~~
 3 **revenue collected under this chapter** permitted under section 26 of
 4 this chapter:

5 (1) adopt a capital improvement plan specifying the uses of the
 6 revenues to be received under this chapter; or

7 (2) designate the county or a city or town in the county as the
 8 recipient of all or a part of its share of the distribution.

9 (b) If a designation is made under subsection (a)(2), the county
 10 treasurer shall transfer the share or part of the share to the designated
 11 unit unless that unit does not have a capital improvement plan.

12 (c) A county, city, or town that fails to adopt a capital improvement
 13 plan may not receive:

14 (1) its fractional amount of the ~~certified distribution; revenue~~
 15 **collected under this chapter; or**

16 (2) any amount designated under subsection (a)(2);

17 for the year or years in which the unit does not have a plan. The county
 18 treasurer shall retain the ~~certified distribution unit's part of the~~
 19 **revenue collected under this chapter** and any designated distribution
 20 for such a unit in a separate account until the unit adopts a plan.
 21 Interest on the separate account becomes part of the account. If a unit
 22 fails to adopt a plan for a period of three (3) years, then the balance in
 23 the separate account shall be distributed to the other units in the county
 24 based on property taxes first due and payable to the units during the
 25 calendar year in which the three (3) year period expires.

26 (d) A capital improvement plan must include the following
 27 components:

28 (1) Identification and general description of each project that
 29 would be funded by the county economic development income
 30 tax.

31 (2) The estimated total cost of the project.

32 (3) Identification of all sources of funds expected to be used for
 33 each project.

34 (4) The planning, development, and construction schedule of each
 35 project.

36 (e) A capital improvement plan:

37 (1) must encompass a period of no less than two (2) years; and

38 (2) must incorporate projects the cost of which is at least
 39 seventy-five percent (75%) of the fractional amount ~~certified~~
 40 **distribution of the revenue collected under this chapter that is**
 41 expected to be received by the county, city, or town in that period
 42 of time.

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1 (f) In making a designation under subsection (a)(2), the executive
2 must specify the purpose and duration of the designation. If the
3 designation is made to provide for the payment of lease rentals or bond
4 payments, the executive may specify that the designation and its
5 duration are irrevocable.

6 SECTION 61. IC 6-3.5-7-16 IS REPEALED [EFFECTIVE
7 JANUARY 1, 2014]. ~~Sec. 16. (a) One-twelfth (1/12) of each county's~~
8 ~~certified distribution for a calendar year shall be distributed from its~~
9 ~~account established under section 10 of this chapter to the appropriate~~
10 ~~county treasurer on the first regular business day of each month of that~~
11 ~~calendar year.~~

12 (b) ~~All distributions from an account established under section 10~~
13 ~~of this chapter shall be made by warrants issued by the auditor of state~~
14 ~~to the treasurer of state ordering the appropriate payments.~~

15 SECTION 62. IC 6-3.5-7-16.5, AS ADDED BY P.L.26-2009,
16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2014]: Sec. 16.5. (a) The county auditor shall timely
18 distribute the ~~certified distribution received under section 12 of~~
19 **revenue collected under this chapter to the county and to each city**
20 **and town that is a recipient of a certified distribution in the county.**

21 (b) A distribution **of revenue** is considered to be timely made if the
22 distribution **of revenue received during a month** is made not later
23 than ten (10) working days after the date the county treasurer receives
24 the county's certified distribution under section 12 of this chapter:
25 **beginning of the following month.**

26 SECTION 63. IC 6-3.5-7-17.3 IS REPEALED [EFFECTIVE
27 JANUARY 1, 2014]. ~~Sec. 17.3. (a) If the budget agency determines~~
28 ~~that the balance in a county account exceeds one hundred fifty percent~~
29 ~~(150%) of the certified distributions to be made to the county in the~~
30 ~~ensuing year, the budget agency shall make a supplemental distribution~~
31 ~~to the county from the county's special account.~~

32 (b) A supplemental distribution described in subsection (a) must be:

33 (1) made in January of the ensuing calendar year; and

34 (2) allocated in the same manner as certified distributions for
35 deposit in a civil unit's rainy day fund established under
36 IC 36-1-8-5.1. However, the part of a supplemental distribution
37 that is attributable to an additional rate authorized under this
38 chapter:

39 (A) shall be used for the purpose specified in the statute
40 authorizing the additional rate; and

41 (B) is not required to be deposited in the unit's rainy day fund.

42 The amount of the supplemental distribution is equal to the amount by

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1 which the balance in the county account exceeds one hundred fifty
2 percent (150%) of the certified distributions to be made to the county
3 in the ensuing year:

4 (c) A determination under this section must be made before October
5 2.

6 SECTION 64. IC 6-3.5-7-18, AS AMENDED BY P.L.146-2008,
7 SECTION 348, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JANUARY 1, 2014]: Sec. 18. (a) Except as otherwise
9 provided in this chapter or by IC 6-3.5-7.5, all provisions of the
10 adjusted gross income tax law (IC 6-3) concerning:

- 11 (1) definitions;
- 12 (2) declarations of estimated tax;
- 13 (3) filing of returns;
- 14 (4) remittances;
- 15 (5) incorporation of the provisions of the Internal Revenue Code;
- 16 (6) penalties and interest;
- 17 (7) exclusion of military pay credits for withholding; and
- 18 (8) exemptions and deductions;

19 apply to the imposition, collection, and administration of the tax
20 imposed by this chapter.

21 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
22 IC 6-3-5-1 do not apply to the tax imposed by this chapter.

23 (c) Notwithstanding subsections (a) and (b), each employer shall
24 report to the department the amount of withholdings attributable to
25 each county. This report shall be submitted to the department:

- 26 (1) each time the employer remits to the department ~~the state~~
27 **adjusted gross income** tax that is withheld; and
- 28 (2) annually along with the employer's annual withholding report.

29 SECTION 65. IC 6-3.5-7-20 IS REPEALED [EFFECTIVE
30 JANUARY 1, 2014]. ~~Sec. 20: The economic development income tax~~
31 ~~is a listed tax and an income tax for the purposes of IC 6-8.1.~~

32 SECTION 66. IC 6-3.5-7-22.5, AS AMENDED BY P.L.119-2012,
33 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2014]: Sec. 22.5. (a) This section applies to Randolph
35 County.

36 (b) In addition to the rates permitted by section 5 of this chapter, the
37 county council may impose the county economic development income
38 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
39 gross income of county taxpayers if the county council makes the
40 finding and determination set forth in subsection (c).

41 (c) In order to impose the county economic development income tax
42 as provided in this section, the county council must adopt an ordinance

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1 finding and determining that revenues from the county economic
 2 development income tax are needed to pay the costs of:

3 (1) financing, constructing, acquiring, renovating, and equipping
 4 the county courthouse, and financing and renovating the former
 5 county hospital for additional office space, educational facilities,
 6 nonsecure juvenile facilities, and other county functions,
 7 including the repayment of bonds issued, or leases entered into for
 8 constructing, acquiring, renovating, and equipping the county
 9 courthouse and for renovating the former county hospital for
 10 additional office space, educational facilities, nonsecure juvenile
 11 facilities, and other county functions;

12 (2) financing constructing, acquiring, renovating, and equipping
 13 buildings for a volunteer fire department (as defined in
 14 IC 36-8-12-2) that provides services in any part of the county; and
 15 (3) financing constructing, acquiring, and renovating firefighting
 16 apparatus or other related equipment for a volunteer fire
 17 department (as defined in IC 36-8-12-2) that provides services in
 18 any part of the county.

19 (d) If the county council makes a determination under subsection
 20 (c), the county council may adopt a tax rate under subsection (b). The
 21 tax rate may not be imposed at a rate or for a time greater than is
 22 necessary to pay for the purposes described in this section.

23 (e) The county treasurer shall establish a county option tax revenue
 24 fund to be used only for the purposes described in this section. County
 25 economic development income tax revenues derived from the tax rate
 26 imposed under this section shall be deposited in the county option tax
 27 revenue fund before making a ~~certified distribution~~ **distributions** under
 28 section ~~11~~ **12** of this chapter.

29 (f) County economic development income tax revenues derived
 30 from the tax rate imposed under this section:

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

37 (g) Randolph County possesses:

38 (1) unique fiscal challenges to finance the operations of county
 39 government due to the county's ongoing obligation to repay
 40 amounts received by the county due to an overpayment of the
 41 county's ~~certified~~ distribution under IC 6-3.5-1.1-9 **(before its**
 42 **repeal)** for a prior year; and

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1 (2) unique capital financing needs related to the purposes
2 described in subsection (c).

3 SECTION 67. IC 6-3.5-7-23, AS AMENDED BY P.L.119-2012,
4 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2014]: Sec. 23. (a) This section applies only to Hancock
6 County.

7 (b) The county council may by ordinance determine that, in order to
8 promote the development of libraries in the county and thereby
9 encourage economic development, it is necessary to use economic
10 development income tax revenue to replace library property taxes in
11 the county. However, a county council may adopt an ordinance under
12 this subsection only if all territory in the county is included in a library
13 district.

14 (c) If the county council makes a determination under subsection
15 (b), the county council may designate the county economic
16 development income tax revenue generated by the tax rate adopted
17 under section 5 of this chapter, or revenue generated by a portion of the
18 tax rate, as revenue that will be used to replace public library property
19 taxes imposed by public libraries in the county. The county council
20 may not designate for library property tax replacement purposes any
21 county economic development income tax revenue that is generated by
22 a tax rate of more than fifteen-hundredths percent (0.15%).

23 (d) The county treasurer shall establish a library property tax
24 replacement fund to be used only for the purposes described in this
25 section. County economic development income tax revenues derived
26 from the portion of the tax rate designated for property tax replacement
27 credits under subsection (c) shall be deposited in the library property
28 tax replacement fund before ~~making certified distributions are made~~
29 **distributions** under section 12 of this chapter. Any interest earned on
30 money in the library property tax replacement fund shall be credited to
31 the library property tax replacement fund.

32 (e) The amount of county economic development income tax
33 revenue dedicated to providing library property tax replacement credits
34 shall, in the manner prescribed in this section, be allocated to public
35 libraries operating in the county and shall be used by those public
36 libraries as property tax replacement credits. The amount of property
37 tax replacement credits that each public library in the county is entitled
38 to receive during a calendar year under this section equals the lesser of:

- 39 (1) the product of:
 - 40 (A) the amount of revenue deposited by the county auditor in
 - 41 the library property tax replacement fund; multiplied by
 - 42 (B) a fraction described as follows:

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- 1 (i) The numerator of the fraction equals the sum of the total
- 2 property taxes that would have been collected by the public
- 3 library during the previous calendar year from taxpayers
- 4 located within the library district if the property tax
- 5 replacement under this section had not been in effect.
- 6 (ii) The denominator of the fraction equals the sum of the
- 7 total property taxes that would have been collected during
- 8 the previous year from taxpayers located within the county
- 9 by all public libraries that are eligible to receive property tax
- 10 replacement credits under this section if the property tax
- 11 replacement under this section had not been in effect; or
- 12 (2) the total property taxes that would otherwise be collected by
- 13 the public library for the calendar year if the property tax
- 14 replacement credit under this section were not in effect.

15 The department of local government finance shall make any
 16 adjustments necessary to account for the expansion of a library district.
 17 However, a public library is eligible to receive property tax
 18 replacement credits under this section only if it has entered into
 19 reciprocal borrowing agreements with all other public libraries in the
 20 county. If the total amount of county economic development income
 21 tax revenue deposited by the county auditor in the library property tax
 22 replacement fund for a calendar year exceeds the total property tax
 23 liability that would otherwise be imposed for public libraries in the
 24 county for the year, the excess shall remain in the library property tax
 25 replacement fund and shall be used for library property tax replacement
 26 purposes in the following calendar year.

27 (f) Notwithstanding subsection (e), if a public library did not impose
 28 a property tax levy during the previous calendar year, that public
 29 library is entitled to receive a part of the property tax replacement
 30 credits to be distributed for the calendar year. The amount of property
 31 tax replacement credits the public library is entitled to receive during
 32 the calendar year equals the product of:

- 33 (1) the amount of revenue deposited in the library property tax
- 34 replacement fund; multiplied by
- 35 (2) a fraction. The numerator of the fraction equals the budget of
- 36 the public library for that calendar year. The denominator of the
- 37 fraction equals the aggregate budgets of public libraries in the
- 38 county for that calendar year.

39 If for a calendar year a public library is allocated a part of the property
 40 tax replacement credits under this subsection, then the amount of
 41 property tax credits distributed to other public libraries in the county
 42 for the calendar year shall be reduced by the amount to be distributed

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1 as property tax replacement credits under this subsection. The
2 department of local government finance shall make any adjustments
3 required by this subsection and provide the adjustments to the county
4 auditor.

5 (g) The department of local government finance shall inform the
6 county auditor of the amount of property tax replacement credits that
7 each public library in the county is entitled to receive under this
8 section. The county auditor shall certify to each public library the
9 amount of property tax replacement credits that the public library is
10 entitled to receive during that calendar year. The county auditor shall
11 also certify these amounts to the county treasurer.

12 (h) A public library receiving property tax replacement credits under
13 this section shall allocate the credits among each fund for which a
14 distinct property tax levy is imposed. The amount that must be
15 allocated to each fund equals:

16 (1) the amount of property tax replacement credits provided to the
17 public library under this section; multiplied by

18 (2) the amount determined in STEP THREE of the following
19 formula:

20 STEP ONE: Determine the property taxes that would have
21 been collected for each fund by the public library during the
22 previous calendar year if the property tax replacement under
23 this section had not been in effect.

24 STEP TWO: Determine the sum of the total property taxes that
25 would have been collected for all funds by the public library
26 during the previous calendar year if the property tax
27 replacement under this section had not been in effect.

28 STEP THREE: Divide the STEP ONE amount by the STEP
29 TWO amount.

30 However, if a public library did not impose a property tax levy during
31 the previous calendar year or did not impose a property tax levy for a
32 particular fund during the previous calendar year, but the public library
33 is imposing a property tax levy in the current calendar year or is
34 imposing a property tax levy for the particular fund in the current
35 calendar year, the department of local government finance shall adjust
36 the amount of property tax replacement credits allocated among the
37 various funds of the public library and shall provide the adjustment to
38 the county auditor. If a public library receiving property tax
39 replacement credits under this section does not impose a property tax
40 levy for a particular fund that is first due and payable in a calendar year
41 in which the property tax replacement credits are being distributed, the
42 public library is not required to allocate to that fund a part of the

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1 property tax replacement credits to be distributed to the public library.
2 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives
3 property tax replacement credits under this section is subject to the
4 procedures for the issuance of bonds set forth in IC 6-1.1-20.

5 (i) For each public library that receives property tax credits under
6 this section, the department of local government finance shall certify
7 to the county auditor the property tax rate applicable to each fund after
8 the property tax replacement credits are allocated.

9 (j) A public library shall treat property tax replacement credits
10 received during a particular calendar year under this section as a part
11 of the public library's property tax levy for each fund for that same
12 calendar year for purposes of fixing the public library's budget and for
13 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

14 (k) For the purpose of computing and distributing ~~certified~~
15 ~~distributions~~ **revenue** under IC 6-3.5-1.1 and tax revenue under
16 IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are
17 received under this section shall be treated as though they were
18 property taxes that were due and payable during that same calendar
19 year.

20 SECTION 68. IC 6-3.5-7-24, AS AMENDED BY P.L.119-2012,
21 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2014]: Sec. 24. (a) This section applies to Knox County.

23 (b) In addition to the rates permitted by section 5 of this chapter, the
24 county council may impose the county economic development income
25 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
26 gross income of county taxpayers if the county council makes the
27 finding and determination set forth in subsection (c).

28 (c) In order to impose the county economic development income tax
29 as provided in this section, the county council must adopt an ordinance
30 finding and determining that revenues from the county economic
31 development income tax are needed to pay the costs of financing,
32 constructing, acquiring, renovating, and equipping a county jail
33 including the repayment of bonds issued, or leases entered into, for
34 constructing, acquiring, renovating, and equipping a county jail.

35 (d) If the county council makes a determination under subsection
36 (c), the county council may adopt a tax rate under subsection (b). The
37 tax rate may not be imposed at a rate or for a time greater than is
38 necessary to pay the costs of financing, constructing, acquiring,
39 renovating, and equipping a county jail.

40 (e) The county treasurer shall establish a county jail revenue fund
41 to be used only for the purposes described in this section. County
42 economic development income tax revenues derived from the tax rate

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1 imposed under this section shall be deposited in the county jail revenue
 2 fund before making a ~~certified distribution~~ **distributions** under section
 3 ~~11~~ **12** of this chapter.

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

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

12 SECTION 69. IC 6-3.5-7-26, AS AMENDED BY P.L.137-2012,
 13 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2014]: Sec. 26. (a) This section applies
 15 only to homestead and property tax replacement credits for property
 16 taxes first due and payable after calendar year 2006.

17 (b) The following definitions apply throughout this section:

- 18 (1) "Adopt" includes amend.
- 19 (2) "Adopting entity" means:
 20 (A) the entity that adopts an ordinance under
 21 IC 6-1.1-12-41(f); or
 22 (B) any other entity that may impose a county economic
 23 development income tax under section 5 of this chapter.
- 24 (3) "Homestead" refers to tangible property that is eligible for a
 25 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
 26 deduction under IC 6-1.1-12-37.
- 27 (4) "Residential" refers to the following:
 28 (A) Real property, a mobile home, and industrialized housing
 29 that would qualify as a homestead if the taxpayer had filed for
 30 a homestead credit under IC 6-1.1-20.9 (repealed) or the
 31 standard deduction under IC 6-1.1-12-37.
 32 (B) Real property not described in clause (A) designed to
 33 provide units that are regularly used to rent or otherwise
 34 furnish residential accommodations for periods of thirty (30)
 35 days or more, regardless of whether the tangible property is
 36 subject to assessment under rules of the department of local
 37 government finance that apply to:
 38 (i) residential property; or
 39 (ii) commercial property.

40 (c) An adopting entity may adopt an ordinance to provide for the use
 41 of ~~the certified distribution described in section 16~~ of **revenue**
 42 **received by the adopting entity under** this chapter for the purpose

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1 provided in subsection (e). An adopting entity that adopts an ordinance
2 under this subsection shall use the procedures set forth in IC 6-3.5-6
3 concerning the adoption of an ordinance for the imposition of the
4 county option income tax. The ordinance may provide for an additional
5 rate under section 5(o) of this chapter. An ordinance adopted under this
6 subsection:

7 (1) first applies to ~~the certified distribution described in section 16~~
8 **of revenue received by the adopting entity under** this chapter
9 ~~made in the later of the calendar year that immediately succeeds~~
10 ~~the calendar year in which the ordinance is adopted; or calendar~~
11 ~~year 2007; and~~

12 (2) must specify that the ~~certified distribution~~ **revenue received**
13 **by the adopting entity under this chapter** must be used to
14 provide for one (1) of the following, as determined by the
15 adopting entity:

16 (A) Uniformly applied homestead credits as provided in
17 subsection (f).

18 (B) Uniformly applied residential credits as provided in
19 subsection (g).

20 (C) Allocated homestead credits as provided in subsection (i).

21 (D) Allocated residential credits as provided in subsection (j).

22 An ordinance adopted under this subsection may be combined with an
23 ordinance adopted under section 25 of this chapter (before its repeal).

24 (d) If an ordinance is adopted under subsection (c), the percentage
25 of the ~~certified distribution~~ **revenue** specified in the ordinance for use
26 for the purpose provided in subsection (e) shall be:

27 (1) retained by the county auditor under subsection (k); and

28 (2) used for the purpose provided in subsection (e) instead of the
29 purposes specified in the capital improvement plans adopted
30 under section 15 of this chapter.

31 (e) If an ordinance is adopted under subsection (c), the adopting
32 entity shall use the ~~certified distribution described in section 16~~ **of**
33 **revenue received by the adopting entity under** this chapter to
34 provide:

35 (1) if the ordinance grants a credit described in subsection
36 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or

37 (2) if the ordinance grants a credit described in subsection
38 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
39 residential property;

40 for property taxes to offset the effect on homesteads or residential
41 property, as applicable, in the county resulting from the statewide
42 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in

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1 2008 of inventory from the definition of personal property in
 2 IC 6-1.1-1-11. The amount of a residential property tax replacement
 3 credit granted under this section may not be considered in computing
 4 the amount of any homestead credit to which the residential property
 5 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 6 other than IC 6-1.1-20.6.

7 (f) If the imposing entity specifies the application of uniform
 8 homestead credits under subsection (c)(2)(A), the county auditor shall,
 9 for each calendar year in which a homestead credit percentage is
 10 authorized under this section, determine:

- 11 (1) the amount of the ~~certified distribution~~ **revenue received by**
 12 **the adopting entity under this chapter** that is available to
 13 provide a homestead credit percentage under this section for the
 14 year;
- 15 (2) the amount of uniformly applied homestead credits for the
 16 year in the county that equals the amount determined under
 17 subdivision (1); and
- 18 (3) the percentage of homestead credit under this section that
 19 equates to the amount of homestead credits determined under
 20 subdivision (2).

21 (g) If the imposing entity specifies the application of uniform
 22 residential credits under subsection (c)(2)(B), the county auditor shall
 23 determine for each calendar year in which a homestead credit
 24 percentage is authorized under this section:

- 25 (1) the amount of the ~~certified distribution~~ **revenue received by**
 26 **the adopting entity under this chapter** that is available to
 27 provide a residential property tax replacement credit percentage
 28 for the year;
- 29 (2) the amount of uniformly applied residential property tax
 30 replacement credits for the year in the county that equals the
 31 amount determined under subdivision (1); and
- 32 (3) the percentage of residential property tax replacement credit
 33 under this section that equates to the amount of residential
 34 property tax replacement credits determined under subdivision
 35 (2).

36 (h) The percentage of homestead credit determined by the county
 37 auditor under subsection (f) or the percentage of residential property
 38 tax replacement credit determined by the county auditor under
 39 subsection (g) applies uniformly in the county in the calendar year for
 40 which the percentage is determined.

41 (i) If the imposing entity specifies the application of allocated
 42 homestead credits under subsection (c)(2)(C), the county auditor shall,

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1 for each calendar year in which a homestead credit is authorized under
2 this section, determine:

3 (1) the amount of the ~~certified distribution~~ **revenue received by**
4 **the adopting entity under this chapter** that is available to
5 provide a homestead credit under this section for the year; and

6 (2) except as provided in subsection (1), a percentage of
7 homestead credit for each taxing district in the county that
8 allocates to the taxing district an amount of homestead credits that
9 bears the same proportion to the amount determined under
10 subdivision (1) that the amount of inventory assessed value
11 deducted under IC 6-1.1-12-42 in the taxing district for the
12 assessment date in 2006 bears to the total inventory assessed
13 value deducted under IC 6-1.1-12-42 in the county for the
14 assessment date in 2006.

15 (j) If the imposing entity specifies the application of allocated
16 residential property tax replacement credits under subsection (c)(2)(D),
17 the county auditor shall determine for each calendar year in which a
18 residential property tax replacement credit is authorized under this
19 section:

20 (1) the amount of the ~~certified distribution~~ **revenue received by**
21 **the adopting entity under this chapter** that is available to
22 provide a residential property tax replacement credit under this
23 section for the year; and

24 (2) except as provided in subsection (1), a percentage of
25 residential property tax replacement credit for each taxing district
26 in the county that allocates to the taxing district an amount of
27 residential property tax replacement credits that bears the same
28 proportion to the amount determined under subdivision (1) that
29 the amount of inventory assessed value deducted under
30 IC 6-1.1-12-42 in the taxing district for the assessment date in
31 2006 bears to the total inventory assessed value deducted under
32 IC 6-1.1-12-42 in the county for the assessment date in 2006.

33 (k) The county auditor shall retain from the payments of the county's
34 ~~certified distribution~~ **revenue collected under this chapter** an amount
35 equal to the revenue lost, if any, due to the homestead credit or
36 residential property tax replacement credit provided under this section
37 within the county. The money shall be distributed to the civil taxing
38 units and school corporations of the county:

39 (1) as if the money were from property tax collections; and

40 (2) in such a manner that no civil taxing unit or school
41 corporation will suffer a net revenue loss because of the
42 allowance of a homestead credit or residential property tax

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1 replacement credit under this section.
2 (l) Subject to the approval of the imposing entity, the county auditor
3 may adjust the increased percentage of:
4 (1) homestead credit determined under subsection (i)(2) if the
5 county auditor determines that the adjustment is necessary to
6 achieve an equitable reduction of property taxes among the
7 homesteads in the county; or
8 (2) residential property tax replacement credit determined under
9 subsection (j)(2) if the county auditor determines that the
10 adjustment is necessary to achieve an equitable reduction of
11 property taxes among the residential property in the county.
12 SECTION 70. IC 6-3.5-7-27, AS AMENDED BY P.L.137-2012,
13 SECTION 106, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2014]: Sec. 27. (a) This section applies to
15 a county that:
16 (1) operates a courthouse that is subject to an order that:
17 (A) is issued by a federal district court;
18 (B) applies to an action commenced before January 1, 2003;
19 and
20 (C) requires the county to comply with the federal Americans
21 with Disabilities Act; and
22 (2) has insufficient revenues to finance the construction,
23 acquisition, improvement, renovation, equipping, and operation
24 of the courthouse facilities and related facilities.
25 (b) A county described in this section possesses unique fiscal
26 challenges in financing, renovating, equipping, and operating the
27 county courthouse facilities and related facilities because the county
28 consistently has one (1) of the highest unemployment rates in Indiana.
29 Maintaining low property tax rates is essential to economic
30 development in the county. The use of economic development income
31 tax revenues under this section for the purposes described in subsection
32 (c) promotes that purpose.
33 (c) In addition to actions authorized by section 5 of this chapter, a
34 county council may, using the procedures set forth in this chapter,
35 adopt an ordinance to impose an additional county economic
36 development income tax on the adjusted gross income of county
37 taxpayers. The ordinance imposing the additional tax must include a
38 finding that revenues from additional tax are needed to pay the costs of:
39 (1) constructing, acquiring, improving, renovating, equipping, or
40 operating the county courthouse or related facilities;
41 (2) repaying any bonds issued, or leases entered into, for
42 constructing, acquiring, improving, renovating, equipping, or

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1 operating the county courthouse or related facilities; and
 2 (3) economic development projects described in the county's
 3 capital improvement plan.
 4 (d) The tax rate imposed under this section may not exceed
 5 twenty-five hundredths percent (0.25%).
 6 (e) If the county council adopts an ordinance to impose an
 7 additional tax under this section, the county auditor shall, not more
 8 than ten (10) days after the vote, send a certified copy of the ordinance
 9 to the commissioner of the department, the director of the budget
 10 agency, and the commissioner of the department of local government
 11 finance by certified mail or in an electronic format approved by the
 12 director of the budget agency. The county treasurer shall establish a
 13 county facilities revenue fund to be used only for the purposes
 14 described in subsection (c)(1) and (c)(2). The amount of county
 15 economic development income tax revenues derived from the tax rate
 16 imposed under this section that are necessary to pay the costs described
 17 in subsection (c)(1) and (c)(2) shall be deposited into the county
 18 facilities revenue fund before ~~a certified making a~~ distribution is ~~made~~
 19 **of revenue** under section 12 of this chapter. The remainder shall be
 20 deposited into the economic development income tax funds of the
 21 county's units.
 22 (f) County economic development income tax revenues derived
 23 from the tax rate imposed under this section may not be used for
 24 purposes other than those described in this section.
 25 (g) County economic development income tax revenues derived
 26 from the tax rate imposed under this section that are deposited into the
 27 county facilities revenue fund may not be considered by the department
 28 of local government finance in determining the county's ad valorem
 29 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.
 30 (h) Notwithstanding any other law, funds accumulated from the
 31 county economic development income tax imposed under this section
 32 and deposited into the county facilities revenue fund or any other
 33 revenues of the county may be deposited into a nonreverting fund of
 34 the county to be used for operating costs of the courthouse facilities,
 35 juvenile detention facilities, or related facilities. Amounts in the county
 36 nonreverting fund may not be used by the department of local
 37 government finance to reduce the county's ad valorem property tax levy
 38 for an ensuing calendar year under IC 6-1.1-18.5.
 39 SECTION 71. IC 6-3.5-7-27.5, AS ADDED BY P.L.199-2011,
 40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2014]: Sec. 27.5. (a) This section applies to Perry
 42 County.

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1 (b) Perry County possesses unique governmental and economic
2 development challenges due to:

3 (1) underemployment in relation to similarly situated counties and
4 the loss of a major manufacturing business; and

5 (2) overcrowding of the county jail, the costs associated with
6 housing the county's inmates outside the county, and the potential
7 unavailability of additional housing for inmates outside the
8 county.

9 The use of county economic development income tax revenue under
10 this section is necessary for the county to provide adequate jail capacity
11 in the county and to maintain low property tax rates essential to
12 economic development. The use of the economic development income
13 tax revenues under this section for the purposes described in subsection
14 (c) promotes that purpose.

15 (c) The county council may, by ordinance, determine that additional
16 county economic development income tax revenue is needed in the
17 county to:

18 (1) finance, construct, acquire, improve, renovate, remodel, or
19 equip the county jail and related buildings and parking facilities,
20 including costs related to the demolition of existing buildings, the
21 acquisition of land, and any other reasonably related costs; and

22 (2) repay bonds issued or leases entered into for constructing,
23 acquiring, improving, renovating, remodeling, and equipping the
24 county jail and related buildings and parking facilities, including
25 costs related to the demolition of existing buildings, the
26 acquisition of land, and any other reasonably related costs.

27 (d) In addition to the rates permitted under section 5 of this chapter,
28 the county council may impose the county economic development
29 income tax at a rate not to exceed five-tenths percent (0.5%) on the
30 adjusted gross income of county taxpayers. The ordinance imposing the
31 additional tax must include the determination described in subsection
32 (c). The tax imposed under this section may be imposed only until the
33 later of the year in which the financing on, acquisition, improvement,
34 renovation, remodeling, and equipping described in subsection (c) are
35 completed or the year in which the last of any bonds issued or leases
36 entered into to finance the construction, acquisition, improvement,
37 renovation, remodeling, and equipping described in subsection (b)(1)
38 is fully paid. The term of the bonds issued (including any refunding
39 bonds) or a lease entered into under subsection (c)(2) may not exceed
40 twenty-five (25) years.

41 (e) If the county council makes a determination under subsection
42 (c), the county council may adopt a tax rate under subsection (d). The

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1 tax rate may not be imposed at a rate greater than is necessary to pay
2 the costs of financing, acquiring, improving, renovating, remodeling,
3 and equipping the county jail and related buildings and parking,
4 including costs related to the demolition of existing buildings, the
5 acquisition of land, and any other reasonably related costs.

6 (f) The county treasurer shall establish a county jail revenue fund to
7 be used only for the purposes described in this section. County
8 economic development income tax revenues derived from the tax rate
9 imposed under this section shall be deposited in the county jail revenue
10 fund before making a ~~certified distribution~~ **distributions** under section
11 ~~11~~ **12** of this chapter.

12 (g) County economic development income tax revenues derived
13 from the tax rate imposed under this section:

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

20 (h) Notwithstanding any other law, funds accumulated from the
21 county economic development income tax imposed under this section
22 after:

- 23 (1) the redemption of bonds issued; or
- 24 (2) the final payment of lease rentals due under a lease entered
25 into under this section;

26 shall be transferred to the county highway fund to be used for
27 construction, resurfacing, restoration, and rehabilitation of county
28 highways, roads, and bridges.

29 SECTION 72. IC 6-3.5-7-27.6, AS ADDED BY P.L.137-2012,
30 SECTION 107, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JANUARY 1, 2014]: Sec. 27.6. (a) This section applies
32 to Starke County.

33 (b) Starke County possesses unique governmental and economic
34 development challenges due to:

- 35 (1) the county's predominantly rural geography, demography, and
36 economy;
- 37 (2) the county's relatively low tax base and relatively high
38 property tax rates;
- 39 (3) the current maximum capacity of the county jail, which was
40 constructed in 1976; and
- 41 (4) pending federal class action litigation seeking a mandate to
42 address capacity and living conditions in the county jail.

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1 The use of county economic development income tax revenue under
2 this section is necessary for the county to address jail capacity and
3 appropriate inmate living conditions and to maintain low property tax
4 rates essential to economic development. The use of the economic
5 development income tax revenue under this section for the purposes
6 described in subsections (c) and (d) promotes that purpose.

7 (c) The county council may, by ordinance, determine that additional
8 county economic development income tax revenue is needed in the
9 county to:

10 (1) finance, construct, acquire, and equip the county jail and
11 related buildings and parking facilities, including costs related to
12 the demolition of existing buildings, the acquisition of land, and
13 any other reasonably related costs; and

14 (2) repay bonds issued or leases entered into for constructing,
15 acquiring, and equipping the county jail and related buildings and
16 parking facilities, including costs related to the demolition of
17 existing buildings, the acquisition of land, and any other
18 reasonably related costs.

19 (d) The county council may, by ordinance, determine that additional
20 county economic development income tax revenue is needed in the
21 county to operate or maintain the facilities described in subsection
22 (c)(1) that are located in the county. The county council may make a
23 determination under this subsection and under subsection (c).

24 (e) In addition to the rates permitted by section 5 of this chapter, the
25 county council may, subject to subsections (f) and (g), impose the
26 county economic development income tax at a rate not to exceed
27 sixty-five hundredths percent (0.65%) on the adjusted gross income of
28 county taxpayers if the county council:

- 29 (1) makes the determination described in subsection (c); or
- 30 (2) makes both the determination described in subsection (c) and
31 the determination described in subsection (d).

32 (f) If the county council makes only the determination under
33 subsection (c), the county council may adopt a tax rate under
34 subsection (e). The tax rate may not exceed the lesser of:

- 35 (1) sixty-five hundredths percent (0.65%); or
- 36 (2) the tax rate that is necessary to pay the costs of financing,
37 acquiring, and equipping the county jail and related buildings and
38 parking facilities, including costs related to the demolition of
39 existing buildings, the acquisition of land, and any other
40 reasonably related costs.

41 (g) If the county council makes both the determination under
42 subsection (c) and the determination under subsection (d), the county

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1 council may adopt a tax rate under subsection (e). The tax rate may not
2 exceed the lesser of:

- 3 (1) sixty-five hundredths percent (0.65%); or
- 4 (2) the tax rate that is necessary to:
 - 5 (A) pay the costs of financing, acquiring, and equipping the
 - 6 county jail and related buildings and parking facilities,
 - 7 including costs related to the demolition of existing buildings,
 - 8 the acquisition of land, and any other reasonably related costs;
 - 9 and
 - 10 (B) provide sufficient annual revenues to operate and maintain
 - 11 the facilities described in subsection (c)(1).

12 (h) A tax rate imposed under this section may be imposed only until
13 the later of:

- 14 (1) the date on which the last of any bonds issued or leases
- 15 entered into to finance the facilities are fully paid; or
- 16 (2) the date on which the ordinance under subsection (c) or (d) is
- 17 repealed or rescinded.

18 The term of the bonds issued (including any refunding bonds) or a
19 lease entered into under subsection (c)(2) may not exceed twenty-five
20 (25) years.

21 (i) The county treasurer shall establish a county jail revenue fund to
22 be used only for the purposes described in this section. County
23 economic development income tax revenues derived from the tax rate
24 imposed under this section shall be deposited in the county jail revenue
25 fund before making a ~~certified distribution~~ **distributions** under section
26 ~~11~~ **12** of this chapter.

27 (j) County economic development income tax revenues derived
28 from the tax rate imposed under this section:

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

35 SECTION 73. IC 6-3.5-7-28, AS AMENDED BY P.L.137-2012,
36 SECTION 108, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2014]: Sec. 28. (a) This section applies
38 only to a county that is a member of a regional development authority
39 under IC 36-7.6.

40 (b) In addition to the rates permitted by section 5 of this chapter, the
41 entity that imposed the county economic development income tax
42 under section 5 of this chapter (or, in the case of a county that has not

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1 imposed the county economic development income tax, the entity that
 2 may impose the county economic development income tax under
 3 section 5(a)(3) of this chapter) may by ordinance impose an additional
 4 county economic development income tax at a rate of:

- 5 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),
- 6 twenty-five thousandths of one percent (0.025%); or
- 7 (2) in the case of any other county to which this section applies,
- 8 five-hundredths of one percent (0.05%);

9 on the adjusted gross income of county taxpayers.

10 (c) If an additional county economic development income tax is
 11 imposed under this section, the county treasurer shall establish a county
 12 regional development authority fund. Notwithstanding any other
 13 provision of this chapter, the county economic development income tax
 14 revenues derived from the additional county economic development
 15 income tax imposed under this section must be deposited in the county
 16 regional development authority fund before **making** any **certified**
 17 **distributions** ~~are made~~ **distributions** under section 12 of this chapter.

18 (d) County economic development income tax revenues derived
 19 from the additional county economic development income tax imposed
 20 under this section and deposited in the county regional development
 21 authority fund:

- 22 (1) shall, not more than thirty (30) days after being deposited in
- 23 the county regional development authority fund, be transferred as
- 24 provided in IC 36-7.6-4-2 to the development fund of the regional
- 25 development authority for which the county is a member; 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 under IC 6-1.1-18.5.

29 SECTION 74. IC 6-3.5-7.5 IS ADDED TO THE INDIANA CODE
 30 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2014]:

32 **Chapter 7.5. County Administration of County Option Income**
 33 **Taxes**

34 **Sec. 1. The definitions in IC 6-8.1-1 apply to the county**
 35 **administration of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or**
 36 **IC 6-3.5-7.**

37 **Sec. 2. In the case of a tax imposed under IC 6-3.5-1.1,**
 38 **IC 6-3.5-6, or IC 6-3.5-7, the county imposing the tax has the**
 39 **authority and responsibility for the administration, collection, and**
 40 **enforcement of the tax.**

41 **Sec. 3. (a) Except as otherwise provided and unless the context**
 42 **clearly denotes otherwise, the requirements, deadlines, and**

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1 procedures specified in IC 6-3-4 for returns, reports, payments,
2 estimates, withholding, and remittances related to taxes
3 administered by the department of state revenue apply to the
4 county administration of taxes imposed under IC 6-3.5-1.1,
5 IC 6-3.5-6, or IC 6-3.5-7, except that any reference to the
6 department of state revenue shall be considered a reference to the
7 county treasurer.

8 (b) The following do not apply to the county administration of
9 taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7:

- 10 (1) IC 6-3-4-1.5.
- 11 (2) IC 6-3-4-16.
- 12 (3) IC 6-3-4-16.5.

13 Sec. 4. A taxpayer who for a taxable year:

- 14 (1) is required to file a return with the department of state
15 revenue under IC 6-3-4-1; and
- 16 (2) is subject to a tax imposed by a county under IC 6-3.5-1.1,
17 IC 6-3.5-6, or IC 6-3.5-7;

18 must file a county return with the county treasurer on or before
19 the fifteenth day of the fourth month following the close of the
20 taxable year.

21 Sec. 5. If a tax return is required under this chapter, a taxpayer
22 required to make the return shall, without assessment or notice
23 and demand from the county treasurer, pay the tax to the county
24 treasurer at the time fixed for filing the return without regard to
25 any extension of time for filing the return. In making a return and
26 paying tax for any taxable year, the taxpayer shall take credit for
27 any tax previously paid by the taxpayer for the taxable year.

28 Sec. 6. Except as otherwise provided and unless the context
29 clearly denotes otherwise, the provisions of IC 6-8.1-3 concerning:

- 30 (1) hearings;
- 31 (2) entering into contracts with persons to provide services
32 necessary to properly administer and collect taxes;
- 33 (3) the class or type of mailing to be used;
- 34 (4) the audit of returns;
- 35 (5) the appraisal of property if the property's value relates to
36 the administration or enforcement of a tax;
- 37 (6) subpoena powers;
- 38 (7) court orders;
- 39 (8) the authority to recover court costs, fees, and other
40 expenses related to an audit, investigatory, appraisal, or
41 enforcement action;
- 42 (9) concurrent jurisdiction of the attorney general and the

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1 **respective county prosecuting attorney in conducting criminal**
 2 **prosecutions of tax matters; and**
 3 **(10) prosecution by the attorney general of a civil action to**
 4 **collect unpaid taxes, penalties, and interest and to enforce the**
 5 **department's powers;**
 6 **apply to the county administration of taxes imposed under**
 7 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to**
 8 **the department of state revenue shall be considered a reference to**
 9 **the county treasurer.**

10 **Sec. 7. (a) A county treasurer shall maintain, for at least three**
 11 **(3) years:**

12 **(1) a record of all money received and disbursed under**
 13 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7; and**

14 **(2) copies of all tax returns filed with the county under**
 15 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.**

16 **(b) The state board of accounts shall annually audit a county's**
 17 **record of receipts and disbursements under IC 6-3.5-1.1,**
 18 **IC 6-3.5-6, or IC 6-3.5-7.**

19 **Sec. 8. Except as otherwise provided and unless the context**
 20 **clearly denotes otherwise, the provisions of IC 6-8.1-5 concerning:**

21 **(1) making proposed assessments of taxes, including deadlines**
 22 **for making assessments;**

23 **(2) holding hearings;**

24 **(3) issuing letters of findings;**

25 **(4) appealing decisions to the tax court;**

26 **(5) jurisdiction of the tax court;**

27 **(6) issuing and serving tax warrants; and**

28 **(7) keeping books and records and allowing inspection of**
 29 **books and records and returns;**

30 **apply to the county administration of taxes imposed under**
 31 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to**
 32 **the department of state revenue shall be considered a reference to**
 33 **the county treasurer.**

34 **Sec. 9. (a) Except as otherwise provided and unless the context**
 35 **clearly denotes otherwise, the provisions of IC 6-8.1-8 concerning:**

36 **(1) methods of making a tax payment;**

37 **(2) final discharge of tax liability;**

38 **(3) vendor transaction charges or discount fees;**

39 **(4) issuance of receipts;**

40 **(5) application of partial payments;**

41 **(6) payment of withholding tax liability using periodic**
 42 **payments;**

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- 1 (7) issuance of demand notices for the payment of a tax and
- 2 any interest or penalties accrued on the tax;
- 3 (8) procedures and deadlines;
- 4 (9) issuance, filing, recording, enforcement, and collection of
- 5 tax warrants;
- 6 (10) liens and judgments related to tax warrants;
- 7 (11) the sale of property to satisfy a tax warrant;
- 8 (12) disbursements of judgments collected that arose from tax
- 9 warrants;
- 10 (13) fees;
- 11 (14) obtaining a court order restraining a person from
- 12 conducting business in Indiana;
- 13 (15) appointment of receivers;
- 14 (16) actions that may be taken without judicial proceedings;
- 15 (17) proceedings supplementary to execution on a judgment;
- 16 (18) actions to levy on or encumber an account;
- 17 (19) erroneous levies;
- 18 (20) determination of uncollectible taxes, interest, penalties,
- 19 collection fees, sheriff's costs, clerk's costs, or fees;
- 20 (21) levying on unclaimed property; and
- 21 (22) the issuing, commencing, or conducting a demand notice,
- 22 warrant, levy, or proceeding in court for the collection of a
- 23 protested tax or any penalties and interest against a taxpayer;
- 24 apply to the county administration of taxes imposed under
- 25 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to
- 26 the department of state revenue shall be considered a reference to
- 27 the county treasurer.

28 (b) The provisions of IC 6-8.1-8-8.7 concerning operation of a
 29 data match system with financial institutions do not apply to the
 30 county administration of taxes imposed under IC 6-3.5-1.1,
 31 IC 6-3.5-6, or IC 6-3.5-7.

32 Sec. 10. (a) Except as otherwise provided and unless the context
 33 clearly denotes otherwise, the provisions of IC 6-8.1-9 concerning:

- 34 (1) procedures and deadlines for filing a claim for a refund;
- 35 (2) issuance of a decision on a claim for a refund;
- 36 (3) appeal to the tax court of a decision on a claim for a
- 37 refund;
- 38 (4) jurisdiction of the tax court to hear an appeal of a decision
- 39 on a claim for a refund;
- 40 (5) refunding the excess amount of tax payments to a person;
- 41 (6) the accrual of interest; and
- 42 (7) class actions for the refund of a tax;

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1 apply to the county administration of taxes imposed under
2 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to
3 the department of state revenue shall be considered a reference to
4 the county treasurer.

5 (b) The provisions of IC 6-8.1-9-4 concerning the payment of a
6 refund to the nongame fund do not apply to the county
7 administration of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or
8 IC 6-3.5-7.

9 Sec. 11. Except as otherwise provided and unless the context
10 clearly denotes otherwise, the provisions of IC 6-8.1-10 concerning:

- 11 (1) failure to file a state tax return;
- 12 (2) failure to pay the full amount of tax shown on the
- 13 taxpayer's tax return by the due date for the return or the
- 14 payment;
- 15 (3) incurring a deficiency upon a determination by the county
- 16 treasurer;
- 17 (4) the applicable adjusted rate of interest;
- 18 (5) interest on excess tax payments;
- 19 (6) the waiver of interest;
- 20 (7) failure to timely remit any tax held in trust;
- 21 (8) failure to make payment by electronic funds transfer,
- 22 overnight courier, or personal delivery by the due date;
- 23 (9) waiver of penalties;
- 24 (10) failure to withhold and pay any amount of tax required
- 25 to be withheld;
- 26 (11) notices;
- 27 (12) preparation of returns for a taxpayer;
- 28 (13) penalties and additional penalties;
- 29 (14) civil and criminal penalties;
- 30 (15) inability to obtain payment on a check, credit card, debit
- 31 card, or electronic funds transfer for its full face amount; and
- 32 (16) actions required by the officers and directors of a
- 33 corporation;

34 apply to the county administration of taxes imposed under
35 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7, except that any reference to
36 the department of state revenue shall be considered a reference to
37 the county treasurer.

38 SECTION 75. IC 6-8.1-1-1, AS AMENDED BY P.L.182-2009(ss),
39 SECTION 247, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JANUARY 1, 2014]: Sec. 1. "Listed taxes" or "taxes"
41 includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5);
42 the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax

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1 (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II
 2 gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1)
 3 (repealed); the utility receipts and utility services use taxes (IC 6-2.3);
 4 the state gross retail and use taxes (IC 6-2.5); the adjusted gross income
 5 tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); ~~the~~
 6 ~~county adjusted gross income tax (IC 6-3.5-1.1); the county option~~
 7 ~~income tax (IC 6-3.5-6); the county economic development income tax~~
 8 ~~(IC 6-3.5-7);~~ the auto rental excise tax (IC 6-6-9); the financial
 9 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative
 10 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor
 11 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
 12 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax
 13 (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the excise
 14 tax imposed on recreational vehicles and truck campers (IC 6-6-5.1);
 15 the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax
 16 (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax
 17 (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax
 18 (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum
 19 severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the
 20 various food and beverage taxes (IC 6-9); the county admissions tax
 21 (IC 6-9-13 and IC 6-9-28); the regional transportation improvement
 22 income tax (IC 8-24-17); the oil inspection fee (IC 16-44-2); the
 23 emergency and hazardous chemical inventory form fee (IC 6-6-10); the
 24 penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the
 25 fees and penalties assessed for overweight vehicles (IC 9-20-4 and
 26 IC 9-30); the underground storage tank fee (IC 13-23); the solid waste
 27 management fee (IC 13-20-22); and any other tax or fee that the
 28 department is required to collect or administer.

29 SECTION 76. IC 36-1-8-5.1, AS AMENDED BY P.L.53-2011,
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2014]: Sec. 5.1. (a) A political subdivision may establish
 32 a rainy day fund by the adoption of:

- 33 (1) an ordinance, in the case of a county, city, or town; or
- 34 (2) a resolution, in the case of any other political subdivision.

35 (b) An ordinance or a resolution adopted under this section must
 36 specify the following:

- 37 (1) The purposes of the rainy day fund.
- 38 (2) The sources of funding for the rainy day fund, which may
 39 include the following:

- 40 (A) Unused and unencumbered funds under
 41 (i) section 5 of this chapter.
 42 (ii) ~~IC 6-3.5-1.1-21.1;~~



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1 (iii) ~~IC 6-3.5-6-17.3~~; or
2 (iv) ~~IC 6-3.5-7-17.3~~;
3 (B) Any other funding source:
4 (i) specified in the ordinance or resolution adopted under
5 this section; and
6 (ii) not otherwise prohibited by law.
7 (c) The rainy day fund is subject to the same appropriation process
8 as other funds that receive tax money.
9 (d) In any fiscal year, a political subdivision may transfer under
10 section 5 of this chapter not more than ten percent (10%) of the
11 political subdivision's total annual budget for that fiscal year, adopted
12 under IC 6-1.1-17, to the rainy day fund.
13 (e) A political subdivision may use only the funding sources
14 specified in subsection (b)(2)(A) or in the ordinance or resolution
15 establishing the rainy day fund. The political subdivision may adopt a
16 subsequent ordinance or resolution authorizing the use of another
17 funding source.
18 (f) The department of local government finance may not reduce the
19 actual or maximum permissible levy of a political subdivision as a
20 result of a balance in the rainy day fund of the political subdivision.
21 (g) A county, city, or town may at any time, by ordinance or
22 resolution, transfer to:
23 (1) its general fund; or
24 (2) any other appropriated funds of the county, city, or town;
25 money that has been deposited in the rainy day fund of the county, city,
26 or town.
27 SECTION 77. IC 36-3-7-6, AS ADDED BY P.L.135-2011,
28 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2014]: Sec. 6. The governing body of a public library
30 located in the county may recommend and the county fiscal body may
31 elect to provide revenue to the public library from part of the ~~certified~~
32 ~~distribution, revenue~~, if any, that the county is to receive during that
33 same year under ~~IC 6-3.5-6-17~~. **IC 6-3.5-6**. To make the election, the
34 county fiscal body must adopt an ordinance before November 1 of the
35 preceding year. The county fiscal body must specify in the ordinance
36 the amount of the certified distribution that is to be used to provide
37 revenue to the public library. If such an ordinance is adopted, the
38 county fiscal body shall immediately send a copy of the ordinance to
39 the county auditor.
40 SECTION 78. IC 36-8-15-19, AS AMENDED BY P.L.137-2012,
41 SECTION 122, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2014]: Sec. 19. (a) This subsection applies

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1 to a county that has a population of more than one hundred eighty-five
 2 thousand (185,000) but less than two hundred fifty thousand (250,000).
 3 For the purpose of raising money to fund the operation of the district,
 4 the county fiscal body may impose, for property taxes first due and
 5 payable during each year after the adoption of an ordinance
 6 establishing the district, an ad valorem property tax levy on property
 7 within the district. The property tax rate for that levy may not exceed
 8 five cents (\$0.05) on each one hundred dollars (\$100) of assessed
 9 valuation.

10 (b) This subsection applies to a county having a consolidated city.
 11 The county fiscal body may elect to fund the operation of the district
 12 from part of the ~~certified distribution~~ **revenue**, if any, that the county
 13 is to receive during a particular calendar year under ~~IC 6-3.5-6-17~~.
 14 **IC 6-3.5-6**. To make such an election, the county fiscal body must
 15 adopt an ordinance before November 1 of the immediately preceding
 16 calendar year. The county fiscal body must specify in the ordinance the
 17 amount of the ~~certified distribution~~ **revenue** that is to be used to fund
 18 the operation of the district. If the county fiscal body adopts such an
 19 ordinance, it shall immediately send a copy of the ordinance to the
 20 county auditor.

21 (c) Subject to subsections (d), (e), and (f), if an ordinance or
 22 resolution is adopted changing the territory covered by the district or
 23 the number of public agencies served by the district, the department of
 24 local government finance shall, for property taxes first due and payable
 25 during the year after the adoption of the ordinance, adjust the
 26 maximum permissible ad valorem property tax levy limits of the
 27 district and the units participating in the district.

28 (d) If a unit by ordinance or resolution joins the district or elects to
 29 have its public safety agencies served by the district, the department of
 30 local government finance shall reduce the maximum permissible ad
 31 valorem property tax levy of the unit for property taxes first due and
 32 payable during the year after the adoption of the ordinance or
 33 resolution. The reduction shall be based on the amount budgeted by the
 34 unit for public safety communication services in the year in which the
 35 ordinance was adopted. If such an ordinance or resolution is adopted,
 36 the district shall refer its proposed budget, ad valorem property tax
 37 levy, and property tax rate for the following year to the department of
 38 local government finance, which shall review and set the budget, levy,
 39 and rate as though the district were covered by IC 6-1.1-18.5-7.

40 (e) If a unit by ordinance or resolution withdraws from the district
 41 or rescinds its election to have its public safety agencies served by the
 42 district, the department of local government finance shall reduce the

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1 maximum permissible ad valorem property tax levy of the district for
 2 property taxes first due and payable during the year after the adoption
 3 of the ordinance or resolution. The reduction shall be based on the
 4 amounts being levied by the district within that unit. If such an
 5 ordinance or resolution is adopted, the unit shall refer its proposed
 6 budget, ad valorem property tax levy, and property tax rate for public
 7 safety communication services to the department of local government
 8 finance, which shall review and set the budget, levy, and rate as though
 9 the unit were covered by IC 6-1.1-18.5-7.

10 (f) The adjustments provided for in subsections (c), (d), and (e) do
 11 not apply to a district or unit located in a particular county if the county
 12 fiscal body of that county does not impose an ad valorem property tax
 13 levy under subsection (a) to fund the operation of the district.

14 (g) A county that has adopted an ordinance under section 1(3) of
 15 this chapter may not impose an ad valorem property tax levy on
 16 property within the district to fund the operation or implementation of
 17 the district.

18 SECTION 79. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,
 19 SECTION 123, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JANUARY 1, 2014]: Sec. 42. (a) A municipality or a
 21 public transportation corporation that expends money for the
 22 establishment or maintenance of an urban mass transportation system
 23 under this chapter may acquire the money for these expenditures:

- 24 (1) by issuing bonds under section 43 or 44 of this chapter;
- 25 (2) by borrowing money made available for such purposes by any
 26 source;
- 27 (3) by accepting grants or contributions made available for such
 28 purposes by any source;
- 29 (4) in the case of a municipality, by appropriation from the
 30 general fund of the municipality, or from a special fund that the
 31 municipal legislative body includes in the municipality's budget;
 32 or
- 33 (5) in the case of a public transportation corporation, by levying
 34 a tax under section 49 of this chapter or by recommending an
 35 election to use revenue from the county option income taxes, as
 36 provided in subsection (c).

37 (b) Money may be acquired under this section for the purpose of
 38 exercising any of the powers granted by or incidental to this chapter,
 39 including:

- 40 (1) studies under section 4, 9, or 11 of this chapter;
- 41 (2) grants in aid;
- 42 (3) the purchase of buses or real property by a municipality for

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- 1 lease to an urban mass transportation system, including the
- 2 payment of any amount outstanding under a mortgage, contract of
- 3 sale, or other security device that may attach to the buses or real
- 4 property;
- 5 (4) the acquisition by a public transportation corporation of
- 6 property of an urban mass transportation system, including the
- 7 payment of any amount outstanding under a mortgage, contract of
- 8 sale, or other security device that may attach to the property;
- 9 (5) the operation of an urban mass transportation system by a
- 10 public transportation corporation, including the acquisition of
- 11 additional property for such a system; and
- 12 (6) the retirement of bonds issued and outstanding under this
- 13 chapter.

14 (c) This subsection applies only to a public transportation
 15 corporation located in a county having a consolidated city. In order to
 16 provide revenue to a public transportation corporation during a year,
 17 the public transportation corporation board may recommend and the
 18 county fiscal body may elect to provide revenue to the corporation from
 19 part of the ~~certified distribution~~, **revenue**, if any, that the county is to
 20 receive during that same year under ~~IC 6-3.5-6-17~~. **IC 6-3.5-6**. To
 21 make the election, the county fiscal body must adopt an ordinance
 22 before November 1 of the preceding year. The county fiscal body must
 23 specify in the ordinance the amount of ~~the certified distribution~~
 24 **revenue** that is to be used to provide revenue to the corporation. If such
 25 an ordinance is adopted, the county fiscal body shall immediately send
 26 a copy of the ordinance to the county auditor.

27 **SECTION 80. An emergency is declared for this act.**

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