



February 15, 2013

# SENATE BILL No. 544

DIGEST OF SB 544 (Updated February 12, 2013 12:42 pm - DI 73)

**Citations Affected:** IC 5-28; IC 6-3.5; IC 6-5.5; IC 6-6; IC 6-8.1; IC 8-14; IC 25-1; IC 36-7.

**Synopsis:** State and local tax administration. Specifies the dates by which an ordinance to impose, increase, decrease, or rescind a county income tax must be adopted and the date the ordinance takes effect. Specifies that county auditors shall send a certified copy of ordinances to impose, increase, decrease, or rescind a county income tax rate to the department of state revenue (department), the budget agency, and the department of local government finance in an electronic format approved by the director of the budget agency. Provides that if the commissioner of the department determines that an ordinance to impose, increase, decrease, or rescind a county income tax rate was not adopted according to the statutory requirements: (1) the commissioner shall notify the county auditor that the ordinance was not adopted according to the requirements of the statute and shall specify the corrective action that must be taken for the ordinance to be in compliance with the statute; and (2) the ordinance may not take effect until the corrective action is taken. Provides that before August 2 of each calendar year, the budget agency shall provide to each county auditor an estimate of the amount of county income tax that will be distributed to the county, based on known tax rates. Requires the budget agency to certify before October 1 the amount of a county's certified distribution of county income tax for the following year. Provides that a county is entitled to a supplemental distribution of county income tax if the budget agency determines that the balance in the county's trust account exceeds 50% (rather than 150%, under (Continued next page)

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**Effective:** July 1, 2013; January 1, 2014.

## Hershman

January 14, 2013, read first time and referred to Committee on Tax and Fiscal Policy.  
February 14, 2013, amended, reported favorably — Do Pass.

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current law) of the certified distributions to be made in the following year. Specifies that the auditor of state shall transfer one-half of a county's financial institutions tax revenue to the county auditor in May and November of each year. Provides that the total amount of financial institutions tax supplemental distributions to be made for a year is equal to one-half of the financial institutions taxes that the department determines were paid during the preceding fiscal year, minus the sum of all guaranteed distributions. Provides that the bureau of motor vehicles (rather than the auditor of state) shall make required distributions and transfers of boat excise tax revenue. Requires the auditor of state to recalculate the state welfare and tuition support allocation amount to be recaptured by the state from certain excise tax distributions if a new taxing district is established or if the boundaries of a taxing district change. Requires the bureau of motor vehicles to verify the accuracy and completeness of certain information on vehicle registration forms. Specifies that if the department makes a refund of sales taxes, cigarette taxes, tobacco products taxes, or alcoholic beverage taxes, the department shall charge each fund into which the taxes have been allocated or distributed with that fund's proportionate share of the amount of taxes refunded. Requires the department to provide information concerning county road mileage to the auditor of state before April 1 of each year, for purposes of determining distributions from the motor vehicle highway account. Provides that if the alcohol and tobacco commission or the bureau of motor vehicles notifies the professional licensing agency that a person has an outstanding balance due, the professional licensing agency shall not issue or renew the person's license until the person provides to the licensing agency a statement from the commission or the bureau indicating that the outstanding balance has been satisfied. Requires businesses operating in certain special tax areas and districts to annually report information that the department determines necessary to calculate the incremental taxes that will be captured by the district or area. Requires taxpayers that file consolidated tax returns also to file annually an informational return for each business location of the taxpayer within such a district or area. Provides that if taxpayers located in such special tax areas or districts fail to report required information or file required informational returns, the department shall use the best information available in calculating the amount of incremental taxes in the area or district. Provides that the department may release information concerning total incremental tax revenue from such a district or area to the fiscal officer of the political subdivision or other entity that established the district or area, if that fiscal officer enters into an agreement with the department specifying that the information will be used solely for official purposes.

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February 15, 2013

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. 544

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 5-28-26-15, AS ADDED BY P.L.203-2005,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 15. (a) Before the first business day in October of  
4 each year, the department of state revenue shall calculate the income  
5 tax incremental amount and the gross retail incremental amount for the  
6 preceding state fiscal year for each global commerce center designated  
7 under this chapter.  
8 (b) Taxpayers operating in the global commerce center shall  
9 report annually, in the manner and in the form prescribed by the  
10 department, information that the department determines necessary  
11 to calculate the income tax incremental amount and the gross retail  
12 incremental amount.  
13 (c) A taxpayer operating in the global commerce center that  
14 files a consolidated tax return with the department also shall file  
15 annually an informational return with the department for each

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1 business location of the taxpayer within the global commerce  
2 center.

3 (d) If a taxpayer fails to report the information required by this  
4 section or file an informational return required by this section, the  
5 department shall use the best information available in calculating  
6 the income tax incremental amount and the gross retail  
7 incremental amount.

8 SECTION 2. IC 6-3.5-1.1-1.5, AS ADDED BY P.L.113-2010,  
9 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2013]: Sec. 1.5. (a) Notwithstanding any other provision of  
11 this chapter, a power granted by this chapter to adopt an ordinance to:

- 12 (1) impose, increase, decrease, or rescind a tax or tax rate; or  
13 (2) grant, increase, decrease, rescind, or change a homestead  
14 credit or property tax replacement credit authorized under this  
15 chapter;

16 may be exercised at any time in a year before November 1 of that year.

17 (b) Notwithstanding any other provision of this chapter, an  
18 ordinance authorized by this chapter that imposes, ~~or~~ increases,  
19 **decreases, or rescinds** a tax or a tax rate takes effect as follows:

20 (1) An ordinance adopted after December 31 of the immediately  
21 preceding year and before ~~October~~ **September** 1 of the current  
22 year takes effect ~~on~~ October 1 of the current year.

23 (2) An ordinance adopted after ~~September 30~~ and before ~~October~~  
24 **16 August 31 and before November 1** of the current year takes  
25 effect ~~November 1~~ **on January 1** of the current **following** year.

26 (3) An ordinance adopted after ~~October 15~~ and before ~~November~~  
27 **1** of the current year takes effect ~~December 1~~ of the current year.

28 (c) Notwithstanding any other provision of this chapter, an  
29 ordinance authorized by this chapter that decreases or rescinds a tax or  
30 a tax rate takes effect as follows:

31 (1) An ordinance adopted after December 31 of the immediately  
32 preceding year and before ~~October 1~~ of the current year takes  
33 effect on the later of ~~October 1~~ of the current year or the first day  
34 of the month in the current year as the month in which the last  
35 increase in the tax or tax rate occurred.

36 (2) An ordinance adopted after ~~September 30~~ and before ~~October~~  
37 **16** of the current year takes effect on the later of ~~November 1~~ of  
38 the current year or the first day of the month in the current year as  
39 the month in which the last increase in the tax or tax rate  
40 occurred.

41 (3) An ordinance adopted after ~~October 15~~ and before ~~November~~  
42 **1** of the current year takes effect ~~December 1~~ of the current year.

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1 (c) Notwithstanding any other provision of this chapter, an  
2 ordinance authorized by this chapter that grants, increases, decreases,  
3 rescinds, or changes a homestead credit or property tax replacement  
4 credit authorized under this chapter takes effect for and applies to  
5 property taxes first due and payable in the year immediately following  
6 the year in which the ordinance is adopted.

7 (d) If the commissioner of the department determines that an  
8 ordinance described in subsection (b) was not adopted according  
9 to the requirements of this article or is otherwise not in compliance  
10 with this article:

- 11 (1) the commissioner shall:
  - 12 (A) notify the county auditor that the ordinance was not
  - 13 adopted according to the requirements of this article or is
  - 14 not in compliance with this article; and
  - 15 (B) specify the corrective action that must be taken for the
  - 16 ordinance to be adopted according to the requirements of
  - 17 this article and to be in compliance with this article; and
- 18 (2) the ordinance may not take effect until the corrective
- 19 action is taken.

20 SECTION 3. IC 6-3.5-1.1-2, AS AMENDED BY P.L.137-2012,  
21 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2013]: Sec. 2. (a) The county council of any county in which  
23 the county option income tax will not be in effect on December 1 of a  
24 year under an ordinance adopted during a previous calendar year may  
25 impose the county adjusted gross income tax on the adjusted gross  
26 income of county taxpayers of its county.

27 (b) Except as provided in section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, 3.6,  
28 24, 25, or 26 of this chapter, the county adjusted gross income tax may  
29 be imposed at a rate of one-half of one percent (0.5%), three-fourths of  
30 one percent (0.75%), or one percent (1%) on the adjusted gross income  
31 of resident county taxpayers of the county. Any county imposing the  
32 county adjusted gross income tax must impose the tax on the  
33 nonresident county taxpayers at a rate of one-fourth of one percent  
34 (0.25%) on their adjusted gross income. If the county council elects to  
35 decrease the county adjusted gross income tax, the county council may  
36 decrease the county adjusted gross income tax rate in increments of  
37 one-tenth of one percent (0.1%).

38 (c) To impose the county adjusted gross income tax, the county  
39 council must adopt an ordinance. The ordinance must substantially  
40 state the following:

41 "The \_\_\_\_\_ County Council imposes the county adjusted  
42 gross income tax on the county taxpayers of \_\_\_\_\_ County.

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1           The county adjusted gross income tax is imposed at a rate of  
2           \_\_\_\_\_ percent (\_\_\_\_\_% ) on the resident county taxpayers of the  
3           county and one-fourth of one percent (0.25%) on the nonresident  
4           county taxpayers of the county."

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

12          (e) If the county adjusted gross income tax had previously been  
13          adopted by a county under IC 6-3.5-1 (before its repeal on March 15,  
14          1983) and that tax was in effect at the time of the enactment of this  
15          chapter, then the county adjusted gross income tax continues in that  
16          county at the rates in effect at the time of enactment until the rates are  
17          modified or the tax is rescinded in the manner prescribed by this  
18          chapter. If a county's adjusted gross income tax is continued under this  
19          subsection, then the tax shall be treated as if it had been imposed under  
20          this chapter and is subject to rescission or reduction as authorized in  
21          this chapter.

22          SECTION 4. IC 6-3.5-1.1-3, AS AMENDED BY P.L.137-2012,  
23          SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24          JULY 1, 2013]: Sec. 3. (a) The county council may increase the county  
25          adjusted gross income tax rate imposed upon the resident county  
26          taxpayers of the county. To increase the rate, the county council must  
27          adopt an ordinance. The ordinance must substantially state the  
28          following:

29          "The \_\_\_\_\_ County Council increases the county adjusted  
30          gross income tax rate imposed upon the resident county taxpayers  
31          of the county from \_\_\_\_\_ percent (\_\_\_\_\_% ) to \_\_\_\_\_ percent  
32          (\_\_\_\_\_%).".

33          (b) The auditor of a county shall record all votes taken on  
34          ordinances presented for a vote under the authority of this section and,  
35          not more than ten (10) days after the vote, send a certified copy of the  
36          results to the commissioner of the department, the director of the  
37          budget agency, and the commissioner of the department of local  
38          government finance ~~by certified mail or~~ in an electronic format  
39          approved by the director of the budget agency.

40          SECTION 5. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.137-2012,  
41          SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42          JULY 1, 2013]: Sec. 3.1. (a) The county council may decrease the

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1 county adjusted gross income tax rate imposed upon the resident  
2 county taxpayers of the county. To decrease the rate, the county council  
3 must adopt an ordinance. The ordinance must substantially state the  
4 following:

5 "The \_\_\_\_\_ County Council decreases the county adjusted  
6 gross income tax rate imposed upon the resident county taxpayers  
7 of the county from \_\_\_\_\_ percent (\_\_\_\_%) to \_\_\_\_\_ percent  
8 (\_\_\_\_%)."

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

14 (c) The auditor of a county shall record all votes taken on  
15 ordinances presented for a vote under the authority of this section and,  
16 not more than ten (10) days after the vote, send a certified copy of the  
17 results to the commissioner of the department, the director of the  
18 budget agency, and the commissioner of the department of local  
19 government finance ~~by certified mail or~~ in an electronic format  
20 approved by the director of the budget agency.

21 (d) Notwithstanding IC 6-3.5-7, and except as provided in  
22 subsection (e), a county council that decreases the county adjusted  
23 gross income tax rate in a year may not in the same year adopt or  
24 increase the county economic development income tax under  
25 IC 6-3.5-7.

26 (e) This subsection applies only to LaPorte County. The county  
27 council may adopt or increase the county economic development  
28 income tax rate under IC 6-3.5-7 in the same year that the county  
29 council decreases the county adjusted gross income tax rate if the  
30 county economic development income tax rate plus the county adjusted  
31 gross income tax rate in effect after the county council decreases the  
32 county adjusted gross income tax rate is less than the county adjusted  
33 gross income tax rate in effect before the adoption of an ordinance  
34 under this section decreasing the rate of the county adjusted gross  
35 income tax.

36 SECTION 6. IC 6-3.5-1.1-4, AS AMENDED BY P.L.137-2012,  
37 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2013]: Sec. 4. (a) The county adjusted gross income tax  
39 imposed by a county council under this chapter remains in effect until  
40 rescinded.

41 (b) Except as provided in subsection (d), the county council may  
42 rescind the county adjusted gross income tax by adopting an ordinance

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to rescind the tax.

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

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

SECTION 7. IC 6-3.5-1.1-9, AS AMENDED BY P.L.137-2012, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the budget agency determines has been:

- (1) received from that county for a taxable year ending before the calendar year in which the determination is made; and
  - (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;
- as adjusted for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the budget agency **shall provide to the county auditor of each adopting county an estimate of the amount determined under subsection (a) that will be distributed to the county, based on known tax rates. Not later than fifteen (15) days after receiving the estimate of the certified distribution, the county auditor shall notify each taxing unit of the estimated amount of property tax replacement credits, certified shares, and other revenue that will be distributed to the taxing unit**

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1 **under this chapter during the ensuing calendar year. Before**  
 2 **October 1 of each calendar year, the budget agency** shall certify to  
 3 the county auditor of each adopting county the amount determined  
 4 under subsection (a) plus the amount of interest in the county's account  
 5 that has accrued and has not been included in a certification made in a  
 6 preceding year. The amount certified is the county's "certified  
 7 distribution" for the immediately succeeding calendar year. The amount  
 8 certified shall be adjusted under subsections (c), (d), (e), (f), and (g).  
 9 **Not later than fifteen (15) days after receiving the notice of the**  
 10 **amount of the certified distribution, the county auditor shall notify**  
 11 **each taxing unit of the amount of property tax replacement credits,**  
 12 **certified shares, and other revenue that will be distributed to the**  
 13 **taxing unit under this chapter during the ensuing calendar year.**

14 The budget agency shall provide the county council with an  
 15 informative summary of the calculations used to determine the certified  
 16 distribution. The summary of calculations must include:

- 17 (1) the amount reported on individual income tax returns
- 18 processed by the department during the previous fiscal year;
- 19 (2) adjustments for over distributions in prior years;
- 20 (3) adjustments for clerical or mathematical errors in prior years;
- 21 (4) adjustments for tax rate changes; and
- 22 (5) the amount of excess account balances to be distributed under
- 23 IC 6-3.5-1.1-21.1.

24 The budget agency shall also certify information concerning the part of  
 25 the certified distribution that is attributable to a tax rate under section  
 26 24, 25, or 26 of this chapter. This information must be certified to the  
 27 county auditor, the department, and the department of local government  
 28 finance **not later than September before October 1** of each calendar  
 29 year. The part of the certified distribution that is attributable to a tax  
 30 rate under section 24, 25, or 26 of this chapter may be used only as  
 31 specified in those provisions.

32 (c) The budget agency shall certify an amount less than the amount  
 33 determined under subsection (b) if the budget agency determines that  
 34 the reduced distribution is necessary to offset overpayments made in a  
 35 calendar year before the calendar year of the distribution. The budget  
 36 agency may reduce the amount of the certified distribution over several  
 37 calendar years so that any overpayments are offset over several years  
 38 rather than in one (1) lump sum.

39 (d) The budget agency shall adjust the certified distribution of a  
 40 county to correct for any clerical or mathematical errors made in any  
 41 previous certification under this section. The budget agency may  
 42 reduce the amount of the certified distribution over several calendar

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1 years so that any adjustment under this subsection is offset over several  
2 years rather than in one (1) lump sum.

3 (e) This subsection applies to a county that initially imposes,  
4 increases, decreases, or rescinds a tax or tax rate under this chapter  
5 before November 1 in the same calendar year in which the budget  
6 agency makes a certification under this section. The budget agency  
7 shall adjust the certified distribution of a county to provide for a  
8 distribution in the immediately following calendar year and in each  
9 calendar year thereafter. The budget agency shall provide for a full  
10 transition to certification of distributions as provided in subsection  
11 (a)(1) through (a)(2) in the manner provided in subsection (c). If the  
12 county imposes, increases, decreases, or rescinds a tax or tax rate under  
13 this chapter after the date for which a certification under subsection (b)  
14 is based, the budget agency shall adjust the certified distribution of the  
15 county after ~~August~~ **September 30** of the calendar year. The  
16 adjustment shall reflect any other adjustment required under  
17 subsections (c), (d), (f), and (g). The adjusted certification shall be  
18 treated as the county's "certified distribution" for the immediately  
19 succeeding calendar year. The budget agency shall certify the adjusted  
20 certified distribution to the county auditor for the county and provide  
21 the county council with an informative summary of the calculations  
22 that revises the informative summary provided in subsection (b) and  
23 reflects the changes made in the adjustment.

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

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

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

39 (2) two (2).

40 (h) The budget agency shall before May 1 of every odd-numbered  
41 year publish an estimate of the statewide total amount of certified  
42 distributions to be made under this chapter during the following two (2)

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

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

SECTION 8. IC 6-3.5-1.1-21.1, AS AMENDED BY P.L.229-2011, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21.1. (a) If the budget agency determines that the balance in a county **trust** account exceeds ~~one hundred~~ fifty percent (~~+50%~~) **(50%)** of the certified distributions to be made to the county in the ensuing year, the budget agency shall make a supplemental distribution to the county from the county's adjusted gross income tax account.

- (b) A supplemental distribution described in subsection (a) must be:
  - (1) made in January of the ensuing calendar year; and
  - (2) allocated and, subject to subsection (d), used in the same manner as certified distributions. However, the part of a supplemental distribution that is attributable to an additional rate authorized under this chapter:
    - (A) shall be used for the purpose specified in the statute authorizing the additional rate; and
    - (B) is not required to be deposited in the unit's rainy day fund.

The amount of the supplemental distribution is equal to the amount by which the balance in the county **trust** account exceeds ~~one hundred~~ fifty percent (~~+50%~~) **(50%)** of the certified distributions to be made to the county in the ensuing year.

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

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

**(e) Any income earned on money held in a trust account established for a county under this chapter shall be deposited in that trust account.**

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1 SECTION 9. IC 6-3.5-1.1-24, AS AMENDED BY P.L.137-2012,  
2 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 24. (a) In a county in which the county adjusted  
4 gross income tax is in effect, the county council may adopt an  
5 ordinance to impose or increase (as applicable) a tax rate under this  
6 section.

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

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

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

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

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

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

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

29 (B) two (2).

30 (3) The tax rate that must be imposed in the county in the second  
31 year is the tax rate determined for the county under  
32 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues  
33 in effect in later years unless the tax rate is increased under this  
34 section.

35 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),  
36 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its  
37 repeal), and IC 12-29-2-2(c) apply to property taxes first due and  
38 payable in the ensuing calendar year and to property taxes first  
39 due and payable in the calendar year after the ensuing calendar  
40 year.

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

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- 1 (1) The county council shall, in the ordinance increasing the tax
- 2 rate, specify the tax rate for the following year.
- 3 (2) The tax rate that must be imposed in the county is equal to the
- 4 result of:
- 5 (A) the tax rate determined for the county under
- 6 IC 6-3.5-1.5-1(a) in that year; plus
- 7 (B) the tax rate currently in effect in the county under this
- 8 section.
- 9 The tax rate under this subdivision continues in effect in later
- 10 years unless the tax rate is increased under this section.
- 11 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
- 12 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
- 13 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
- 14 payable in the ensuing calendar year.
- 15 (g) The department of local government finance shall determine the
- 16 following property tax replacement distribution amounts:
- 17 STEP ONE: Determine the sum of the amounts determined under
- 18 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
- 19 county in the preceding year.
- 20 STEP TWO: For distribution to each civil taxing unit that in the
- 21 year had a maximum permissible property tax levy limited under
- 22 IC 6-1.1-18.5-3(b), determine the result of:
- 23 (1) the quotient of:
- 24 (A) the part of the amount determined under STEP ONE of
- 25 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
- 26 to the civil taxing unit; divided by
- 27 (B) the STEP ONE amount; multiplied by
- 28 (2) the tax revenue received by the county treasurer under this
- 29 section.
- 30 STEP THREE: For distributions in 2009 and thereafter, the result
- 31 of this STEP is zero (0). For distribution to the county for deposit
- 32 in the county family and children's fund before 2009, determine
- 33 the result of:
- 34 (1) the quotient of:
- 35 (A) the amount determined under STEP TWO of
- 36 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 37 (B) the STEP ONE amount; multiplied by
- 38 (2) the tax revenue received by the county treasurer under this
- 39 section.
- 40 STEP FOUR: For distributions in 2009 and thereafter, the result
- 41 of this STEP is zero (0). For distribution to the county for deposit
- 42 in the county children's psychiatric residential treatment services

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1 fund before 2009, determine the result of:  
 2 (1) the quotient of:  
 3 (A) the amount determined under STEP THREE of  
 4 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 5 (B) the STEP ONE amount; multiplied by  
 6 (2) the tax revenue received by the county treasurer under this  
 7 section.  
 8 STEP FIVE: For distribution to the county for community mental  
 9 health center purposes, determine the result of:  
 10 (1) the quotient of:  
 11 (A) the amount determined under STEP FOUR of  
 12 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 13 (B) the STEP ONE amount; multiplied by  
 14 (2) the tax revenue received by the county treasurer under this  
 15 section.  
 16 Except as provided in subsection (m), the county treasurer shall  
 17 distribute the portion of the certified distribution that is attributable to  
 18 a tax rate under this section as specified in this section. The county  
 19 treasurer shall make the distributions under this subsection at the same  
 20 time that distributions are made to civil taxing units under section 15  
 21 of this chapter.  
 22 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county  
 23 council may not decrease or rescind a tax rate imposed under this  
 24 chapter.  
 25 (i) The tax rate under this section shall not be considered for  
 26 purposes of computing:  
 27 (1) the maximum income tax rate that may be imposed in a county  
 28 under section 2 of this chapter or any other provision of this  
 29 chapter; or  
 30 (2) the maximum permissible property tax levy under  
 31 IC 6-1.1-18.5-3.  
 32 (j) The tax levy under this section shall not be considered for  
 33 purposes of the credit under IC 6-1.1-20.6.  
 34 (k) A distribution under this section shall be treated as a part of the  
 35 receiving civil taxing unit's property tax levy for that year for purposes  
 36 of fixing the budget of the civil taxing unit and for determining the  
 37 distribution of taxes that are distributed on the basis of property tax  
 38 levies.  
 39 (l) If a county council imposes a tax rate under this section, the  
 40 portion of county adjusted gross income tax revenue dedicated to  
 41 property tax replacement credits under section 11 of this chapter may  
 42 not be decreased.

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1 (m) In the year following the year in a which a county first imposes  
2 a tax rate under this section, one-half (1/2) of the tax revenue that is  
3 attributable to the tax rate under this section must be deposited in the  
4 county stabilization fund established under subsection (o).

5 (n) A pledge of county adjusted gross income taxes does not apply  
6 to revenue attributable to a tax rate under this section.

7 (o) A county stabilization fund is established in each county that  
8 imposes a tax rate under this section. The county stabilization fund  
9 shall be administered by the county auditor. If for a year the certified  
10 distributions attributable to a tax rate under this section exceed the  
11 amount calculated under STEP ONE through STEP FOUR of  
12 IC 6-3.5-1.5-1(a) that is used by the department of local government  
13 finance and the department of state revenue to determine the tax rate  
14 under this section, the excess shall be deposited in the county  
15 stabilization fund. Money shall be distributed from the county  
16 stabilization fund in a year by the county auditor to political  
17 subdivisions entitled to a distribution of tax revenue attributable to the  
18 tax rate under this section if:

19 (1) the certified distributions attributable to a tax rate under this  
20 section are less than the amount calculated under STEP ONE  
21 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
22 department of local government finance and the department of  
23 state revenue to determine the tax rate under this section for a  
24 year; or

25 (2) the certified distributions attributable to a tax rate under this  
26 section in a year are less than the certified distributions  
27 attributable to a tax rate under this section in the preceding year.

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

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

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

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

39 SECTION 10. IC 6-3.5-1.1-25, AS AMENDED BY P.L.132-2012,  
40 SECTION 3, AND AS AMENDED BY P.L.137-2012, SECTION 72,  
41 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2013]: Sec. 25. (a) As used in this section,

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- 1 "public safety" refers to the following:
- 2 (1) A police and law enforcement system to preserve public peace
- 3 and order.
- 4 (2) A firefighting and fire prevention system.
- 5 (3) Emergency ambulance services (as defined in
- 6 IC 16-18-2-107).
- 7 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 8 (5) Emergency action (as defined in IC 13-11-2-65).
- 9 (6) A probation department of a court.
- 10 (7) Confinement, supervision, services under a community
- 11 corrections program (as defined in IC 35-38-2.6-2), or other
- 12 correctional services for a person who has been:
  - 13 (A) diverted before a final hearing or trial under an agreement
  - 14 that is between the county prosecuting attorney and the person
  - 15 or the person's custodian, guardian, or parent and that provides
  - 16 for confinement, supervision, community corrections services,
  - 17 or other correctional services instead of a final action
  - 18 described in clause (B) or (C);
  - 19 (B) convicted of a crime; or
  - 20 (C) adjudicated as a delinquent child or a child in need of
  - 21 services.
- 22 (8) A juvenile detention facility under IC 31-31-8.
- 23 (9) A juvenile detention center under IC 31-31-9.
- 24 (10) A county jail.
- 25 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~
- 26 an enhanced emergency telephone system (as defined in
- 27 IC 36-8-16-2 *(before its repeal on July 1, 2012)*), or the statewide
- 28 911 system (as defined in IC 36-8-16.7-22).
- 29 (12) Medical and health expenses for jail inmates and other
- 30 confined persons.
- 31 (13) Pension payments for any of the following:
  - 32 (A) A member of the fire department (as defined in
  - 33 IC 36-8-1-8) or any other employee of a fire department.
  - 34 (B) A member of the police department (as defined in
  - 35 IC 36-8-1-9), a police chief hired under a waiver under
  - 36 IC 36-8-4-6.5, or any other employee hired by a police
  - 37 department.
  - 38 (C) A county sheriff or any other member of the office of the
  - 39 county sheriff.
  - 40 (D) Other personnel employed to provide a service described
  - 41 in this section.
- 42 (b) If a county council has imposed a tax rate of at least twenty-five

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1 hundredths of one percent (0.25%) under section 24 of this chapter, a  
 2 tax rate of at least twenty-five hundredths of one percent (0.25%) under  
 3 section 26 of this chapter, or a total combined tax rate of at least  
 4 twenty-five hundredths of one percent (0.25%) under sections 24 and  
 5 26 of this chapter, the county council may also adopt an ordinance to  
 6 impose an additional tax rate under this section to provide funding for  
 7 public safety.

8 (c) A tax rate under this section may not exceed twenty-five  
 9 hundredths of one percent (0.25%).

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

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

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

- 27 (1) the portion of the certified distribution that is attributable to a
- 28 tax rate under this section; multiplied by
- 29 (2) a fraction equal to:
  - 30 (A) the attributed allocation amount (as defined in
  - 31 IC 6-3.5-1.1-15) of the county or municipality for the calendar
  - 32 year; divided by
  - 33 (B) the sum of the attributed allocation amounts of the county
  - 34 and each municipality in the county that is entitled to a
  - 35 distribution under this section for the calendar year.

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



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

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

9 (1) the maximum income tax rate that may be imposed in a county  
10 under section 2 of this chapter or any other provision of this  
11 chapter;

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

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

15 (i) The tax rate under this section may be imposed or rescinded at  
16 the same time and in the same manner that the county may impose or  
17 increase a tax rate under section 24 of this chapter.

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

26 (l) A fire department, volunteer fire department, or emergency  
27 medical services provider that:

28 (1) provides fire protection or emergency medical services within  
29 the county; and

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

33 may before July 1 of a year apply to the county council for a  
34 distribution of tax revenue under this section during the following  
35 calendar year. The county council shall review an application  
36 submitted under this subsection and may before September 1 of a year  
37 adopt a resolution requiring that one (1) or more of the applicants shall  
38 receive a specified amount of the tax revenue to be distributed under  
39 this section during the following calendar year. A resolution approved  
40 under this subsection providing for a distribution to one (1) or more fire  
41 departments, volunteer fire departments, or emergency medical  
42 services providers applies only to distributions in the following

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1 calendar year. Any amount of tax revenue distributed under this  
2 subsection to a fire department, volunteer fire department, or  
3 emergency medical services provider shall be distributed before the  
4 remainder of the tax revenue is distributed under subsection (f).

5 SECTION 11. IC 6-3.5-1.1-26, AS AMENDED BY P.L.137-2012,  
6 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2013]: Sec. 26. (a) A county council may impose a tax rate  
8 under this section to provide property tax relief to taxpayers in the  
9 county. A county council is not required to impose any other tax before  
10 imposing a tax rate under this section.

11 (b) A tax rate under this section may be imposed in increments of  
12 five hundredths of one percent (0.05%) determined by the county  
13 council. A tax rate under this section may not exceed one 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 council adopts an ordinance to impose or increase a  
18 tax rate under this section, not more than ten (10) days after the vote,  
19 the county auditor shall send a certified copy of the ordinance to the  
20 commissioner of the department, the director of the budget agency, and  
21 the commissioner of the department of local government finance ~~by~~  
22 ~~certified mail or~~ in an electronic format approved by the director of the  
23 budget agency.

24 (e) A tax rate under this section may be imposed, increased,  
25 decreased, or rescinded by a county council at the same time and in the  
26 same manner that the county council may impose or increase a tax rate  
27 under section 24 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 council:

- 31 (1) Except as provided in subsection (j), the tax revenue may be  
32 used to provide local property tax replacement credits at a  
33 uniform rate to all taxpayers in the county. The local property tax  
34 replacement credits shall be treated for all purposes as property  
35 tax levies. The county auditor shall determine the local property  
36 tax replacement credit percentage for a particular year based on  
37 the amount of tax revenue that will be used under this subdivision  
38 to provide local property tax replacement credits in that year. A  
39 county council may not adopt an ordinance determining that tax  
40 revenue shall be used under this subdivision to provide local  
41 property tax replacement credits at a uniform rate to all taxpayers  
42 in the county unless the 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 provide 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:

(i) The tax revenue under this section that is collected from

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1 taxpayers within a particular municipality in Lake County  
2 (as determined by the department based on the department's  
3 best estimate) shall be used only to provide a local property  
4 tax credit against property taxes imposed by that  
5 municipality.

6 (ii) The tax revenue under this section that is collected from  
7 taxpayers within the unincorporated area of Lake County (as  
8 determined by the department) shall be used only to provide  
9 a local property tax credit against property taxes imposed by  
10 the county. The local property tax credit for the  
11 unincorporated area of Lake County shall be available only  
12 to those taxpayers within the unincorporated area of the  
13 county.

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

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

17 (ii) Forty percent (40%) of the tax revenue under this section  
18 shall be used to provide property tax replacement credits  
19 against property tax levies of the county and each township  
20 and municipality in the county. The percentage of the tax  
21 revenue distributed under this item that shall be used as  
22 credits against the county's levies or against a particular  
23 township's or municipality's levies is equal to the percentage  
24 determined by dividing the population of the county,  
25 township, or municipality by the sum of the total population  
26 of the county, each township in the county, and each  
27 municipality in the county.

28 The Lake County council shall determine whether the credits  
29 under clause (A), (B), or (C) shall be provided to homesteads, to  
30 all qualified residential property, or to all taxpayers. The  
31 department of local government finance, with the assistance of the  
32 budget agency, shall certify to the county auditor and the fiscal  
33 body of the county and each township and municipality in the  
34 county the amount of property tax credits under this subdivision.  
35 Except as provided in subsection (g), the tax revenue under this  
36 section that is used to provide credits under this subdivision shall  
37 be treated for all purposes as property tax levies.

38 The county council may adopt an ordinance changing the purposes for  
39 which tax revenue attributable to a tax rate under this section shall be  
40 used in the following year.

41 (g) The tax rate under this section and the tax revenue attributable  
42 to the tax rate under this section shall not be considered for purposes

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of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3; or
- (3) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. To the extent the county auditor determines that there is income tax revenue remaining from the tax under this section after providing the property tax replacement credits, the excess shall be credited to a dedicated county account and may be used only for property tax replacement credits under this section in subsequent years.

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

(j) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation.

SECTION 12. IC 6-3.5-6-1.5, AS AMENDED BY P.L.137-2012, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1.5. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:

- (1) impose, increase, decrease, or rescind a tax or tax rate; or
- (2) grant, increase, decrease, rescind, or change a homestead credit or property tax replacement credit authorized under this chapter;

may be exercised at any time in a year before November 1 of that year.

(b) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that imposes, ~~or~~ increases, **decreases, or rescinds** a tax or a tax rate takes effect as follows:

- (1) An ordinance adopted after December 31 of the immediately

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- 1 preceding year and before ~~October~~ **September** 1 of the current
- 2 year takes effect **on** October 1 of the current year.
- 3 (2) An ordinance adopted after ~~September 30 and before October~~
- 4 **16 August 31 and before November 1** of the current year takes
- 5 effect ~~November 1~~ **on January 1** of the current **following** year.
- 6 (3) An ordinance adopted after ~~October 15 and before November~~
- 7 ~~1~~ of the current year takes effect ~~December 1~~ of the current year:
- 8 (c) Notwithstanding any other provision of this chapter, an
- 9 ordinance authorized by this chapter that decreases or rescinds a tax or
- 10 a tax rate takes effect as follows:
- 11 (1) An ordinance adopted after ~~December 31~~ of the immediately
- 12 preceding year and before ~~October 1~~ of the current year takes
- 13 effect ~~on the later of October 1 of the current year or the first day~~
- 14 of the month in the current year as the month in which the last
- 15 increase in the tax or tax rate occurred:
- 16 (2) An ordinance adopted after ~~September 30 and before October~~
- 17 ~~16~~ of the current year takes effect ~~on the later of November 1~~ of
- 18 the current year or the first day of the month in the current year as
- 19 the month in which the last increase in the tax or tax rate
- 20 occurred:
- 21 (3) An ordinance adopted after ~~October 15 and before November~~
- 22 ~~1~~ of the current year takes effect ~~December 1~~ of the current year:
- 23 (d) (c) Except as provided in subsection (e); (d), an ordinance
- 24 authorized by this chapter that grants, increases, decreases, rescinds, or
- 25 changes a homestead credit or property tax replacement credit
- 26 authorized under this chapter takes effect for and initially applies to
- 27 property taxes first due and payable in the year immediately following
- 28 the year in which the ordinance is adopted.
- 29 (e) (d) This subsection applies only to Miami County. A county
- 30 income tax council may adopt an ordinance in 2012 to select a different
- 31 combination of uses specified in section 32(f) of this chapter for tax
- 32 revenue distributed to the county from a tax rate imposed under section
- 33 32 of this chapter (county option income tax rate to provide property
- 34 tax relief to taxpayers). The county income tax council may provide in
- 35 the ordinance that the ordinance initially takes effect for and applies to
- 36 property taxes first due and payable in 2012. This subsection expires
- 37 January 1, 2013.
- 38 (e) **If the commissioner of the department determines that an**
- 39 **ordinance described in subsection (b) was not adopted according**
- 40 **to the requirements of this article or is otherwise not in compliance**
- 41 **with this article:**
- 42 (1) **the commissioner shall:**

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1           **(A) notify the county auditor that the ordinance was not**  
 2           **adopted according to the requirements of this article or is**  
 3           **not in compliance with this article; and**

4           **(B) specify the corrective action that must be taken for the**  
 5           **ordinance to be adopted according to the requirements of**  
 6           **this article and to be in compliance with this article; and**

7           **(2) the ordinance may not take effect until the corrective**  
 8           **action is taken.**

9           SECTION 13. IC 6-3.5-6-8, AS AMENDED BY P.L.137-2012,  
 10          SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11          JULY 1, 2013]: Sec. 8. (a) The county income tax council of any  
 12          county in which the county adjusted gross income tax will not be in  
 13          effect on December 1 of a year under an ordinance adopted during a  
 14          previous calendar year may impose the county option income tax on the  
 15          adjusted gross income of county taxpayers of its county.

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

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

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

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

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

41          (f) The auditor of a county shall record all votes taken on ordinances  
 42          presented for a vote under this section and, not more than ten (10) days

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1 after the vote, send a certified copy of the results to the commissioner  
 2 of the department, the director of the budget agency, and the  
 3 commissioner of the department of local government finance ~~by~~  
 4 ~~certified mail or~~ in an electronic format approved by the director of the  
 5 budget agency.

6 SECTION 14. IC 6-3.5-6-9, AS AMENDED BY P.L.137-2012,  
 7 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2013]: Sec. 9. (a) If on January 1 of a calendar year the county  
 9 option income tax rate in effect for resident county taxpayers equals six  
 10 tenths of one percent (0.6%), excluding a tax rate imposed under  
 11 section 30, 31, or 32 of this chapter, the county income tax council of  
 12 that county may pass an ordinance to increase its tax rate for resident  
 13 county taxpayers. If a county income tax council passes an ordinance  
 14 under this section, its county option income tax rate for resident county  
 15 taxpayers increases by one-tenth of one percent (0.1%) in the year in  
 16 which the ordinance is adopted, as provided in section 1.5 of this  
 17 chapter, and on each succeeding October 1 until its rate reaches a  
 18 maximum of one percent (1%), excluding a tax rate imposed under  
 19 section 30, 31, or 32 of this chapter.

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

27 SECTION 15. IC 6-3.5-6-11, AS AMENDED BY P.L.137-2012,  
 28 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2013]: Sec. 11. (a) This section does not apply to a tax rate  
 30 imposed under section 30 of this chapter.

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

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

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

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

42 (e) If a county income tax council rescinds an ordinance as adopted



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1 under this section, the county option income tax rate shall  
2 automatically increase by one-tenth of one percent (0.1%) until:

3 (1) the tax rate is again frozen under another ordinance adopted  
4 under this section; or

5 (2) the tax rate equals six-tenths of one percent (0.6%) (if the  
6 frozen tax rate equaled an amount less than six-tenths of one  
7 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled  
8 an amount in excess of six-tenths of one percent (0.6%)).

9 (f) The county auditor shall record any vote taken on an ordinance  
10 proposed under the authority of this section and, not more than ten (10)  
11 days after the vote, send a certified copy of the results to the  
12 commissioner of the department, the director of the budget agency, and  
13 the commissioner of the department of local government finance ~~by~~  
14 ~~certified mail~~ or in an electronic format approved by the director of the  
15 budget agency.

16 SECTION 16. IC 6-3.5-6-12, AS AMENDED BY P.L.137-2012,  
17 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2013]: Sec. 12. (a) The county option income tax imposed by  
19 a county income tax council under this chapter remains in effect until  
20 rescinded.

21 (b) Subject to subsection (c), the county income tax council of a  
22 county may rescind the county option income tax by passing an  
23 ordinance.

24 (c) A county income tax council may not rescind the county option  
25 income tax or take any action that would result in a civil taxing unit in  
26 the county having a smaller distributive share than the distributive  
27 share to which it was entitled when it pledged county option income  
28 tax, if the civil taxing unit or any commission, board, department, or  
29 authority that is authorized by statute to pledge county option income  
30 tax, has pledged county option income tax for any purpose permitted  
31 by IC 5-1-14 or any other statute.

32 (d) The auditor of a county shall record all votes taken on a  
33 proposed ordinance presented for a vote under the authority of this  
34 section and, not more than ten (10) days after the vote, send a certified  
35 copy of the results to the commissioner of the department, the director  
36 of the budget agency, and the commissioner of the department of local  
37 government finance ~~by certified mail~~ or in an electronic format  
38 approved by the director of the budget agency.

39 SECTION 17. IC 6-3.5-6-12.5, AS AMENDED BY P.L.137-2012,  
40 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2013]: Sec. 12.5. (a) The county income tax council may  
42 adopt an ordinance to decrease the county option income tax rate in

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

"The \_\_\_\_\_ County Income Tax Council decreases the county option income tax rate from \_\_\_\_\_ percent (\_\_\_ %) to \_\_\_\_\_ percent (\_\_\_ %)."

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

(d) The county auditor shall record the votes taken on an ordinance under this subsection and, not more than ten (10) days after the vote, shall send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance ~~by certified mail or~~ in an electronic format approved by the director of the budget agency.

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

SECTION 18. IC 6-3.5-6-17, AS AMENDED BY P.L.137-2012, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the budget agency determines has been:

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

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

(b) Before August 2 of each calendar year, the budget agency **shall provide to the county auditor of each adopting county an estimate of the amount determined under subsection (a) that will be**

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1 distributed to the county, based on known tax rates. Not later than  
 2 fifteen (15) days after receiving the estimate of the certified  
 3 distribution, the county auditor shall notify each taxing unit of the  
 4 estimated amount of distributive shares and other revenue that will  
 5 be distributed to the taxing unit under this chapter during the  
 6 ensuing calendar year. Before October 1 of each calendar year, the  
 7 budget agency shall certify to the county auditor of each adopting  
 8 county the amount determined under subsection (a) plus the amount of  
 9 interest in the county's account that has accrued and has not been  
 10 included in a certification made in a preceding year. The amount  
 11 certified is the county's "certified distribution" for the immediately  
 12 succeeding calendar year. The amount certified shall be adjusted, as  
 13 necessary, under subsections (c), (d), (e), and (f). **Not later than**  
 14 **fifteen (15) days after receiving the notice of the amount of the**  
 15 **certified distribution, the county auditor shall notify each taxing**  
 16 **unit of the amount of distributive shares and other revenue that**  
 17 **will be distributed to the taxing unit under this chapter during the**  
 18 **ensuing calendar year.** The budget agency shall provide the county  
 19 council with an informative summary of the calculations used to  
 20 determine the certified distribution. The summary of calculations must  
 21 include:

- 22 (1) the amount reported on individual income tax returns  
 23 processed by the department during the previous fiscal year;
- 24 (2) adjustments for over distributions in prior years;
- 25 (3) adjustments for clerical or mathematical errors in prior years;
- 26 (4) adjustments for tax rate changes; and
- 27 (5) the amount of excess account balances to be distributed under  
 28 IC 6-3.5-6-17.3.

29 The budget agency shall also certify information concerning the part of  
 30 the certified distribution that is attributable to a tax rate under section  
 31 30, 31, or 32 of this chapter. This information must be certified to the  
 32 county auditor and to the department of local government finance ~~not~~  
 33 ~~later than September before October 1~~ of each calendar year. The part  
 34 of the certified distribution that is attributable to a tax rate under  
 35 section 30, 31, or 32 of this chapter may be used only as specified in  
 36 those provisions.

37 (c) The budget agency shall certify an amount less than the amount  
 38 determined under subsection (b) if the budget agency determines that  
 39 the reduced distribution is necessary to offset overpayments made in a  
 40 calendar year before the calendar year of the distribution. The budget  
 41 agency may reduce the amount of the certified distribution over several  
 42 calendar years so that any overpayments are offset over several years



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1 rather than in one (1) lump sum.

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

8 (e) This subsection applies to a county that imposes, increases,  
9 decreases, or rescinds a tax or tax rate under this chapter before  
10 November 1 in the same calendar year in which the budget agency  
11 makes a certification under this section. The budget agency shall adjust  
12 the certified distribution of a county to provide for a distribution in the  
13 immediately following calendar year and in each calendar year  
14 thereafter. The budget agency shall provide for a full transition to  
15 certification of distributions as provided in subsection (a)(1) through  
16 (a)(2) in the manner provided in subsection (c). If the county imposes,  
17 increases, decreases, or rescinds a tax or tax rate under this chapter  
18 after the date for which a certification under subsection (b) is based, the  
19 budget agency shall adjust the certified distribution of the county after  
20 ~~August~~ **September 30** of the calendar year. The adjustment shall  
21 reflect any other adjustment required under subsections (c), (d), and (f).  
22 The adjusted certification shall be treated as the county's "certified  
23 distribution" for the immediately succeeding calendar year. The budget  
24 agency shall certify the adjusted certified distribution to the county  
25 auditor for the county and provide the county council with an  
26 informative summary of the calculations that revises the informative  
27 summary provided in subsection (b) and reflects the changes made in  
28 the adjustment.

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

- 35 (1) the sum of the amounts determined under STEP ONE through  
36 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county  
37 initially imposes a tax rate under section 30 of this chapter;  
38 multiplied by  
39 (2) the following:  
40 (A) In a county containing a consolidated city, one and  
41 five-tenths (1.5).  
42 (B) In a county other than a county containing a consolidated

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1 city, two (2).  
 2 (g) One-twelfth (1/12) of each adopting county's certified  
 3 distribution for a calendar year shall be distributed from its account  
 4 established under section 16 of this chapter to the appropriate county  
 5 treasurer on the first regular business day of each month of that  
 6 calendar year.  
 7 (h) Upon receipt, each monthly payment of a county's certified  
 8 distribution shall be allocated among, distributed to, and used by the  
 9 civil taxing units of the county as provided in sections 18 and 19 of this  
 10 chapter.  
 11 (i) All distributions from an account established under section 16 of  
 12 this chapter shall be made by warrants issued by the auditor of state to  
 13 the treasurer of state ordering the appropriate payments.  
 14 (j) The budget agency shall before May 1 of every odd-numbered  
 15 year publish an estimate of the statewide total amount of certified  
 16 distributions to be made under this chapter during the following two (2)  
 17 calendar years.  
 18 (k) The budget agency shall before May 1 of every even-numbered  
 19 year publish an estimate of the statewide total amount of certified  
 20 distributions to be made under this chapter during the following  
 21 calendar year.  
 22 (l) The estimates under subsections (j) and (k) must specify the  
 23 amount of the estimated certified distributions that are attributable to  
 24 the additional rate authorized under section 30 of this chapter, the  
 25 additional rate authorized under section 31 of this chapter, the  
 26 additional rate authorized under section 32 of this chapter, and any  
 27 other additional rates authorized under this chapter.  
 28 SECTION 19. IC 6-3.5-6-17.3, AS AMENDED BY P.L.229-2011,  
 29 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2013]: Sec. 17.3. (a) If the budget agency determines that the  
 31 balance in a county **trust** account exceeds ~~one hundred~~ fifty percent  
 32 (~~+50%~~) **(50%)** of the certified distributions to be made to the county  
 33 in the ensuing year, the budget agency shall make a supplemental  
 34 distribution to the county from the county's special account.  
 35 (b) A supplemental distribution described in subsection (a) must be:  
 36 (1) made in January of the ensuing calendar year; and  
 37 (2) allocated in the same manner as certified distributions for  
 38 deposit in a civil unit's rainy day fund established under  
 39 IC 36-1-8-5.1. However, the part of a supplemental distribution  
 40 that is attributable to an additional rate authorized under this  
 41 chapter:  
 42 (A) shall be used for the purpose specified in the statute

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1 authorizing the additional rate; and  
 2 (B) is not required to be deposited in the unit's rainy day fund.  
 3 The amount of the supplemental distribution is equal to the amount by  
 4 which the balance in the county **trust** account exceeds ~~one hundred~~  
 5 ~~fifty percent (150%)~~ **(50%)** of the certified distributions to be made to  
 6 the county in the ensuing year.

7 (c) A determination under this section must be made before October  
 8 2.

9 **(d) Any income earned on money held in a trust account**  
 10 **established for a county under this chapter shall be deposited in**  
 11 **that trust account.**

12 SECTION 20. IC 6-3.5-6-28, AS AMENDED BY P.L.137-2012,  
 13 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2013]: Sec. 28. (a) This section applies only to Howard  
 15 County.

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

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

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

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

42 (e) If the county fiscal body makes a determination under subsection

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1 (d), the county fiscal body may adopt a tax rate under subsection (c).  
2 Subject to the limitations in subsection (c), the county fiscal body may  
3 amend an ordinance adopted under this section to increase, decrease,  
4 or rescind the additional tax rate imposed under this section. Not more  
5 than ten (10) days after the vote, the county fiscal body shall send a  
6 certified copy of the ordinance to the county auditor, the commissioner  
7 of the department, the director of the budget agency, and the  
8 commissioner of the department of local government finance ~~by~~  
9 ~~certified mail or~~ in an electronic format approved by the director of the  
10 budget agency.

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

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

- 18 (1) may only be used for the purposes described in this section;
- 19 and
- 20 (2) may not be considered by the department of local government  
21 finance in determining the county's maximum permissible  
22 property tax levy limit under IC 6-1.1-18.5.

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

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

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

36 SECTION 21. IC 6-3.5-6-29, AS AMENDED BY P.L.137-2012,  
37 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2013]: Sec. 29. (a) This section applies only to Scott County.  
39 Scott County is a county in which:

- 40 (1) maintaining low property tax rates is essential to economic  
41 development; and
- 42 (2) the use of additional county option income tax revenues as

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

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1 (f) County option income tax revenues derived from an additional  
2 tax rate imposed under this section:

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

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

18 SECTION 22. IC 6-3.5-6-30, AS AMENDED BY P.L.137-2012,  
19 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2013]: Sec. 30. (a) In a county in which the county option  
21 income tax is in effect, the county income tax council may adopt an  
22 ordinance to impose or increase (as applicable) a tax rate under this  
23 section.

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

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

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

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

- 40 (1) The county income tax council shall, in the ordinance  
41 imposing the tax rate, specify the tax rate for each of the  
42 following two (2) years.

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

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1 year had a maximum permissible property tax levy limited under  
2 IC 6-1.1-18.5-3(b), determine the result of:

3 (1) the quotient of:

4 (A) the part of the amount determined under STEP ONE of  
5 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
6 to the civil taxing unit; divided by

7 (B) the STEP ONE amount; multiplied by

8 (2) the tax revenue received by the county treasurer under this  
9 section.

10 STEP THREE: For distributions in 2009 and thereafter, the result  
11 of this STEP is zero (0). For distribution to the county for deposit  
12 in the county family and children's fund before 2009, determine  
13 the result of:

14 (1) the quotient of:

15 (A) the amount determined under STEP TWO of  
16 IC 6-3.5-1.5-1(a) in the preceding year; divided by

17 (B) the STEP ONE amount; multiplied by

18 (2) the tax revenue received by the county treasurer under this  
19 section.

20 STEP FOUR: For distributions in 2009 and thereafter, the result  
21 of this STEP is zero (0). For distribution to the county for deposit  
22 in the county children's psychiatric residential treatment services  
23 fund before 2009, determine the result of:

24 (1) the quotient of:

25 (A) the amount determined under STEP THREE of  
26 IC 6-3.5-1.5-1(a) in the preceding year; divided by

27 (B) the STEP ONE amount; multiplied by

28 (2) the tax revenue received by the county treasurer under this  
29 section.

30 STEP FIVE: For distribution to the county for community mental  
31 health center purposes, determine the result of:

32 (1) the quotient of:

33 (A) the amount determined under STEP FOUR of  
34 IC 6-3.5-1.5-1(a) in the preceding year; divided by

35 (B) the STEP ONE amount; multiplied by

36 (2) the tax revenue received by the county treasurer under this  
37 section.

38 Except as provided in subsection (m), the county treasurer shall  
39 distribute the portion of the certified distribution that is attributable to  
40 a tax rate under this section as specified in this section. The county  
41 treasurer shall make the distributions under this subsection at the same  
42 time that distributions are made to civil taxing units under section 18

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- 1 of this chapter.
- 2 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county  
3 income tax council may not decrease or rescind a tax rate imposed  
4 under this section.
- 5 (i) The tax rate under this section shall not be considered for  
6 purposes of computing:
- 7 (1) the maximum income tax rate that may be imposed in a county  
8 under section 8 or 9 of this chapter or any other provision of this  
9 chapter; or
- 10 (2) the maximum permissible property tax levy under  
11 IC 6-1.1-18.5-3.
- 12 (j) The tax levy under this section shall not be considered for  
13 purposes of the credit under IC 6-1.1-20.6.
- 14 (k) A distribution under this section shall be treated as a part of the  
15 receiving civil taxing unit's property tax levy for that year for purposes  
16 of fixing its budget and for determining the distribution of taxes that  
17 are distributed on the basis of property tax levies.
- 18 (l) If a county income tax council imposes a tax rate under this  
19 section, the county option income tax rate dedicated to locally funded  
20 homestead credits in the county may not be decreased.
- 21 (m) In the year following the year in which a county first imposes  
22 a tax rate under this section:
- 23 (1) one-third (1/3) of the tax revenue that is attributable to the tax  
24 rate under this section must be deposited in the county  
25 stabilization fund established under subsection (o), in the case of  
26 a county containing a consolidated city; and
- 27 (2) one-half (1/2) of the tax revenue that is attributable to the tax  
28 rate under this section must be deposited in the county  
29 stabilization fund established under subsection (o), in the case of  
30 a county not containing a consolidated city.
- 31 (n) A pledge of county option income taxes does not apply to  
32 revenue attributable to a tax rate under this section.
- 33 (o) A county stabilization fund is established in each county that  
34 imposes a tax rate under this section. The county stabilization fund  
35 shall be administered by the county auditor. If for a year the certified  
36 distributions attributable to a tax rate under this section exceed the  
37 amount calculated under STEP ONE through STEP FOUR of  
38 IC 6-3.5-1.5-1(a) that is used by the department of local government  
39 finance and the department of state revenue to determine the tax rate  
40 under this section, the excess shall be deposited in the county  
41 stabilization fund. Money shall be distributed from the county  
42 stabilization fund in a year by the county auditor to political

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1 subdivisions entitled to a distribution of tax revenue attributable to the  
2 tax rate under this section if:

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

9 (2) the certified distributions attributable to a tax rate under this  
10 section in a year are less than the certified distributions  
11 attributable to a tax rate under this section in the preceding year.

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

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

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

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

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

26 SECTION 23. IC 6-3.5-6-31, AS AMENDED BY P.L.132-2012,  
27 SECTION 4, AND AS AMENDED BY P.L.137-2012, SECTION 86,  
28 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2013]: Sec. 31. (a) As used in this section,  
30 "public safety" refers to the following:

31 (1) A police and law enforcement system to preserve public peace  
32 and order.

33 (2) A firefighting and fire prevention system.

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

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

37 (5) Emergency action (as defined in IC 13-11-2-65).

38 (6) A probation department of a court.

39 (7) Confinement, supervision, services under a community  
40 corrections program (as defined in IC 35-38-2.6-2), or other  
41 correctional services for a person who has been:

42 (A) diverted before a final hearing or trial under an agreement

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- 1 that is between the county prosecuting attorney and the person  
 2 or the person's custodian, guardian, or parent and that provides  
 3 for confinement, supervision, community corrections services,  
 4 or other correctional services instead of a final action  
 5 described in clause (B) or (C);  
 6 (B) convicted of a crime; or  
 7 (C) adjudicated as a delinquent child or a child in need of  
 8 services.
- 9 (8) A juvenile detention facility under IC 31-31-8.  
 10 (9) A juvenile detention center under IC 31-31-9.  
 11 (10) A county jail.  
 12 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~ an  
 13 enhanced emergency telephone system (as defined in  
 14 IC 36-8-16-2 *(before its repeal on July 1, 2012)*), or the statewide  
 15 911 system (as defined in IC 36-8-16.7-22).  
 16 (12) Medical and health expenses for jail inmates and other  
 17 confined persons.  
 18 (13) Pension payments for any of the following:  
 19 (A) A member of the fire department (as defined in  
 20 IC 36-8-1-8) or any other employee of a fire department.  
 21 (B) A member of the police department (as defined in  
 22 IC 36-8-1-9), a police chief hired under a waiver under  
 23 IC 36-8-4-6.5, or any other employee hired by a police  
 24 department.  
 25 (C) A county sheriff or any other member of the office of the  
 26 county sheriff.  
 27 (D) Other personnel employed to provide a service described  
 28 in this section.
- 29 (b) The county income tax council may adopt an ordinance to  
 30 impose an additional tax rate under this section to provide funding for  
 31 public safety if:  
 32 (1) the county income tax council has imposed a tax rate under  
 33 section 30 of this chapter, in the case of a county containing a  
 34 consolidated city; or  
 35 (2) the county income tax council has imposed a tax rate of at  
 36 least twenty-five hundredths of one percent (0.25%) under section  
 37 30 of this chapter, a tax rate of at least twenty-five hundredths of  
 38 one percent (0.25%) under section 32 of this chapter, or a total  
 39 combined tax rate of at least twenty-five hundredths of one  
 40 percent (0.25%) under sections 30 and 32 of this chapter, in the  
 41 case of a county other than a county containing a consolidated  
 42 city.

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

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

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

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

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

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

23 (1) the portion of the certified distribution that is attributable to a  
24 tax rate under this 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 that is attributable to a tax rate under this  
35 section. Tax revenue distributed to a county or municipality under this  
36 subsection must be deposited into a separate account or fund and may  
37 be appropriated by the county or municipality only for public safety  
38 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 24. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012,  
 5 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 32. (a) A county income tax council may impose  
 7 a tax rate under this section to provide property tax relief to taxpayers  
 8 in the county. A county income tax council is not required to impose  
 9 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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1 (A) Made available to the public the county council's best  
 2 estimate of the amount of property tax replacement credits to  
 3 be provided under this subdivision to homesteads, other  
 4 residential property, commercial property, industrial property,  
 5 and agricultural property.  
 6 (B) Adopted a resolution or other statement acknowledging  
 7 that some taxpayers in the county that do not pay the tax rate  
 8 under this section will receive a property tax replacement  
 9 credit that is funded with tax revenue from the tax rate under  
 10 this section.  
 11 (2) The tax revenue may be used to uniformly increase (before  
 12 January 1, 2011) or uniformly provide (after December 31, 2010)  
 13 the homestead credit percentage in the county. The homestead  
 14 credits shall be treated for all purposes as property tax levies. The  
 15 homestead credits do not reduce the basis for determining any  
 16 state homestead credit. The homestead credits shall be applied to  
 17 the net property taxes due on the homestead after the application  
 18 of all other assessed value deductions or property tax deductions  
 19 and credits that apply to the amount owed under IC 6-1.1. The  
 20 county auditor shall determine the homestead credit percentage  
 21 for a particular year based on the amount of tax revenue that will  
 22 be used under this subdivision to provide homestead credits in  
 23 that year.  
 24 (3) The tax revenue may be used to provide local property tax  
 25 replacement credits at a uniform rate for all qualified residential  
 26 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
 27 and as defined in section 1 of this chapter after December 31,  
 28 2008) in the county. The local property tax replacement credits  
 29 shall be treated for all purposes as property tax levies. The county  
 30 auditor shall determine the local property tax replacement credit  
 31 percentage for a particular year based on the amount of tax  
 32 revenue that will be used under this subdivision to provide local  
 33 property tax replacement credits in that year.  
 34 (4) This subdivision applies only to Lake County. The Lake  
 35 County council may adopt an ordinance providing that the tax  
 36 revenue from the tax rate under this section is used for any of the  
 37 following:  
 38 (A) To reduce all property tax levies imposed by the county by  
 39 the granting of property tax replacement credits against those  
 40 property tax levies.  
 41 (B) To provide local property tax replacement credits in Lake  
 42 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 25. IC 6-3.5-6-33, AS AMENDED BY P.L.137-2012,
- 25 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2013]: 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 under section 18 of this chapter.
- 29 (g) County option income tax revenues derived from the tax rate  
 30 imposed under this section:
- 31 (1) may be used only for the purposes described in this section;  
 32 and  
 33 (2) may not be considered by the department of local government  
 34 finance in determining the county's maximum permissible  
 35 property tax levy limit under IC 6-1.1-18.5.
- 36 (h) The department of local government finance shall enforce an  
 37 agreement made under subsection (d)(2).
- 38 (i) The budget agency shall adjust the certified distribution of a  
 39 county to provide for an increased distribution of taxes in the  
 40 immediately following calendar year after the county adopts an  
 41 increased tax rate under this section and in each calendar year  
 42 thereafter. The budget agency shall provide for a full transition to

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1 certification of distributions as provided in section 17(a)(1) through  
 2 17(a)(2) of this chapter in the manner provided in section 17(c) of this  
 3 chapter.

4 SECTION 26. IC 6-3.5-7-4.9, AS ADDED BY P.L.113-2010,  
 5 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 4.9. (a) Notwithstanding any other provision of  
 7 this chapter, a power granted by this chapter to adopt an ordinance to:

- 8 (1) impose, increase, decrease, or rescind a tax or tax rate; or  
 9 (2) grant, increase, decrease, rescind, or change a homestead  
 10 credit or property tax replacement credit authorized under this  
 11 chapter;

12 may be exercised at any time in a year before November 1 of that year.

13 (b) Notwithstanding any other provision of this chapter, an  
 14 ordinance authorized by this chapter that imposes, ~~or~~ increases,  
 15 **decreases, or rescinds** a tax or a tax rate takes effect as follows:

16 (1) An ordinance adopted after December 31 of the immediately  
 17 preceding year and before ~~October~~ **September** 1 of the current  
 18 year takes effect ~~on~~ October 1 of the current year.

19 (2) An ordinance adopted after ~~September 30 and before October~~  
 20 **16 August 31 and before November 1** of the current year takes  
 21 effect ~~November 1~~ **on January 1** of the ~~current~~ **following** year.

22 (3) An ordinance adopted after ~~October 15 and before November~~  
 23 **1** of the current year takes effect ~~December 1~~ of the current year.

24 (c) Notwithstanding any other provision of this chapter, an  
 25 ordinance authorized by this chapter that decreases or rescinds a tax or  
 26 a tax rate takes effect as follows:

27 (1) An ordinance adopted after ~~December 31~~ of the immediately  
 28 preceding year and before ~~October 1~~ of the current year takes  
 29 effect ~~on the later of October 1 of the current year or the first day~~  
 30 ~~of the month in the current year as the month in which the last~~  
 31 ~~increase in the tax or tax rate occurred.~~

32 (2) An ordinance adopted after September 30 and before October  
 33 ~~16~~ of the current year takes effect ~~on the later of November 1 of~~  
 34 ~~the current year or the first day of the month in the current year as~~  
 35 ~~the month in which the last increase in the tax or tax rate~~  
 36 ~~occurred.~~

37 (3) An ordinance adopted after ~~October 15 and before November~~  
 38 **1** of the current year takes effect ~~December 1~~ of the current year.

39 (d) (c) Notwithstanding any other provision of this chapter, an  
 40 ordinance authorized by this chapter that grants, increases, decreases,  
 41 rescinds, or changes a homestead credit or property tax replacement  
 42 credit authorized under this chapter takes effect for and applies to

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1 property taxes first due and payable in the year immediately following  
2 the year in which the ordinance is adopted.

3 **(d) If the commissioner of the department determines that an**  
4 **ordinance described in subsection (b) was not adopted according**  
5 **to the requirements of this article or is otherwise not in compliance**  
6 **with this article:**

7 **(1) the commissioner shall:**

8 **(A) notify the county auditor that the ordinance was not**  
9 **adopted according to the requirements of this article or is**  
10 **not in compliance with this article; and**

11 **(B) specify the corrective action that must be taken for the**  
12 **ordinance to be adopted according to the requirements of**  
13 **this article and to be in compliance with this article; and**

14 **(2) the ordinance may not take effect until the corrective**  
15 **action is taken.**

16 SECTION 27. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012,  
17 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2013]: Sec. 5. (a) Except as provided in subsection (c), the  
19 county economic development income tax may be imposed on the  
20 adjusted gross income of county taxpayers. The entity that may impose  
21 the tax is:

22 (1) the county income tax council (as defined in IC 6-3.5-6-1) if  
23 the county option income tax is in effect on October 1 of the year  
24 the county economic development income tax is imposed;

25 (2) the county council if the county adjusted gross income tax is  
26 in effect on October 1 of the year the county economic  
27 development tax is imposed; or

28 (3) the county income tax council or the county council,  
29 whichever acts first, for a county not covered by subdivision (1)  
30 or (2).

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

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

- 37 (1) one-tenth percent (0.1%);
- 38 (2) two-tenths percent (0.2%);
- 39 (3) twenty-five hundredths percent (0.25%);
- 40 (4) three-tenths percent (0.3%);
- 41 (5) thirty-five hundredths percent (0.35%);
- 42 (6) four-tenths percent (0.4%);



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1 (7) forty-five hundredths percent (0.45%); or

2 (8) five-tenths percent (0.5%);

3 on the adjusted gross income of county taxpayers.

4 (c) Except as provided in this section, the county economic  
5 development income tax rate plus the county adjusted gross income tax  
6 rate, if any, that are in effect on January 1 of a year may not exceed one  
7 and twenty-five hundredths percent (1.25%). Except as provided in this  
8 section, the county economic development tax rate plus the county  
9 option income tax rate, if any, that are in effect on January 1 of a year  
10 may not exceed one percent (1%).

11 (d) To impose, increase, decrease, or rescind the county economic  
12 development income tax, the appropriate body must adopt an  
13 ordinance.

14 (e) The ordinance to impose the tax must substantially state the  
15 following:

16 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
17 development income tax on the county taxpayers of \_\_\_\_\_  
18 County. The county economic development income tax is imposed at  
19 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
20 county."

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

28 (g) For Jackson County, except as provided in subsection (o), the  
29 county economic development income tax rate plus the county adjusted  
30 gross income tax rate that are in effect on January 1 of a year may not  
31 exceed one and thirty-five hundredths percent (1.35%) if the county has  
32 imposed the county adjusted gross income tax at a rate of one and  
33 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

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

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

42 (j) This subsection applies to Randolph County. Except as provided

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1 in subsection (o), in addition to the rates permitted under subsection  
2 (b):

- 3 (1) the county economic development income tax may be imposed  
4 at a rate of twenty-five hundredths percent (0.25%); and  
5 (2) the sum of the county economic development income tax rate  
6 and the county adjusted gross income tax rate that are in effect on  
7 January 1 of a year may not exceed one and five-tenths percent  
8 (1.5%);

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

11 (k) For Daviess 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 (l) For:

- 16 (1) Elkhart County; or  
17 (2) Marshall County;

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

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

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

- 28 (1) the county economic development income tax may be imposed  
29 at a rate of twenty-five hundredths percent (0.25%); and  
30 (2) the sum of the county economic development income tax rate  
31 and:

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

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

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

40 (o) In addition:

- 41 (1) the county economic development income tax may be imposed  
42 at a rate that exceeds by not more than twenty-five hundredths

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1 percent (0.25%) the maximum rate that would otherwise apply  
2 under this section; and

3 (2) the:

4 (A) county economic development income tax; and

5 (B) county option income tax or county adjusted gross income  
6 tax;

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

10 However, the additional rate imposed under this subsection may not  
11 exceed the amount necessary to mitigate the increased ad valorem  
12 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)  
13 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
14 residential property (as defined in section 26 of this chapter), as  
15 appropriate under the ordinance adopted by the adopting body in the  
16 county, resulting from the deduction of the assessed value of inventory  
17 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
18 exclusion in 2008 of inventory from the definition of personal property  
19 in IC 6-1.1-1-11.

20 (p) If the county economic development income tax is imposed as  
21 authorized under subsection (o) at a rate that exceeds the maximum  
22 rate that would otherwise apply under this section, the certified  
23 distribution must be used for the purpose provided in section 26 of this  
24 chapter to the extent that the certified distribution results from the  
25 difference between:

26 (1) the actual county economic development tax rate; and

27 (2) the maximum rate that would otherwise apply under this  
28 section.

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

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

34 (2) county economic development income tax rate plus the county  
35 option income tax rate that are in effect on January 1 of a year  
36 may equal up to one and twenty-five hundredths percent (1.25%);  
37 if the county council makes a determination to impose rates under this  
38 subsection and section 27 of this chapter.

39 (r) Except as provided in subsection (o), the county economic  
40 development income tax rate plus the county adjusted gross income tax  
41 rate that are in effect on January 1 of a year may not exceed one and  
42 five-tenths percent (1.5%) if the county has imposed the county

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1 adjusted gross income tax under IC 6-3.5-1.1-3.3.

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

7 (t) This subsection applies to Scott County. Except as provided in  
8 subsection (o), the sum of the county economic development income  
9 tax rate and the county option income tax rate that are in effect on  
10 January 1 of a year may not exceed one and twenty-five hundredths  
11 percent (1.25%).

12 (u) This subsection applies to Jasper County. Except as provided in  
13 subsection (o), the sum of the county economic development income  
14 tax rate and the county adjusted gross income tax rate that are in effect  
15 on January 1 of a year may not exceed one and five-tenths percent  
16 (1.5%).

17 (v) An additional county economic development income tax rate  
18 imposed under section 28 of this chapter may not be considered in  
19 calculating any limit under this section on the sum of:

- 20 (1) the county economic development income tax rate plus the  
21 county adjusted gross income tax rate; or  
22 (2) the county economic development tax rate plus the county  
23 option income tax rate.

24 (w) The income tax rate limits imposed by subsection (c) or (x) or  
25 any other provision of this chapter do not apply to:

- 26 (1) a county adjusted gross income tax rate imposed under  
27 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or  
28 (2) a county option income tax rate imposed under IC 6-3.5-6-30,  
29 IC 6-3.5-6-31, or IC 6-3.5-6-32.

30 For purposes of computing the maximum combined income tax rate  
31 under subsection (c) or (x) or any other provision of this chapter that  
32 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this  
33 chapter, a county's county adjusted gross income tax rate or county  
34 option income tax rate for a particular year does not include the county  
35 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,  
36 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate  
37 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

38 (x) This subsection applies to Monroe County. Except as provided  
39 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the  
40 sum of the county economic development income tax rate and the  
41 county option income tax rate that are in effect on January 1 of a year  
42 may not exceed one and twenty-five hundredths percent (1.25%).

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

6 (z) This subsection applies to Starke County. Except as provided in  
7 subsection (o), if an ordinance is adopted under section 27.6 of this  
8 chapter, the county economic development income tax rate plus the  
9 county adjusted gross income tax rate that is in effect on January 1 of  
10 a year may not exceed two percent (2%).

11 SECTION 28. IC 6-3.5-7-6, AS AMENDED BY P.L.137-2012,  
12 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2013]: Sec. 6. (a) The body imposing the tax may decrease or  
14 increase the county economic development income tax rate imposed  
15 upon the county taxpayers as long as the resulting rate does not exceed  
16 the rates specified in section 5(b) and 5(c) of this chapter. The rate  
17 imposed under this section must be adopted at one (1) of the rates  
18 specified in section 5(b) of this chapter. To decrease or increase the  
19 rate, the appropriate body must adopt an ordinance. The ordinance  
20 must substantially state the following:

21 "The \_\_\_\_\_ County \_\_\_\_\_ increases (decreases) the  
22 county economic development income tax rate imposed upon the  
23 county taxpayers of the county from \_\_\_\_\_ percent (\_\_\_\_%) to  
24 \_\_\_\_\_ percent (\_\_\_\_%)."

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

32 SECTION 29. IC 6-3.5-7-7, AS AMENDED BY P.L.137-2012,  
33 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2013]: Sec. 7. (a) The county economic development income  
35 tax imposed under this chapter remains in effect until rescinded.

36 (b) Subject to section 14 of this chapter, the body imposing the  
37 county economic development income tax may rescind the tax by  
38 adopting an ordinance.

39 (c) The auditor of a county shall record all votes taken on  
40 ordinances presented for a vote under the authority of this section and,  
41 not more than ten (10) days after the vote, send a certified copy of the  
42 results to the commissioner of the department, the director of the

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

4 SECTION 30. IC 6-3.5-7-11, AS AMENDED BY P.L.137-2012,  
 5 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2013]: Sec. 11. (a) Revenue derived from the imposition of  
 7 the county economic development income tax shall, in the manner  
 8 prescribed by this section, be distributed to the county that imposed it.

9 (b) Before August 2 of each calendar year, the budget agency **shall**  
 10 **provide to the county auditor of each adopting county an estimate**  
 11 **of the amount determined under subsection (a) that will be**  
 12 **distributed to the county, based on known tax rates. Not later than**  
 13 **fifteen (15) days after receiving the estimate of the certified**  
 14 **distribution, the county auditor shall notify each taxing unit**  
 15 **entitled to receive a distribution under this chapter of the**  
 16 **estimated amount of the distribution and other revenue that will be**  
 17 **distributed to the taxing unit under this chapter during the ensuing**  
 18 **calendar year. Before October 1 of each calendar year, the budget**  
 19 **agency shall certify to the county auditor of each adopting county the**  
 20 **sum of the amount of county economic development income tax**  
 21 **revenue that the budget agency determines has been:**

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

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

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

33 (c) The amount certified under subsection (b) shall be adjusted  
 34 under subsections (d), (e), (f), and (g). **Not later than fifteen (15) days**  
 35 **after receiving the notice of the amount of the certified**  
 36 **distribution, the county auditor shall notify each taxing unit**  
 37 **entitled to receive a distribution under this chapter of the amount**  
 38 **of distribution and other revenue that will be distributed to the**  
 39 **taxing unit under this chapter during the ensuing calendar year.**  
 40 The budget agency shall provide the county council with an  
 41 informative summary of the calculations used to determine the certified  
 42 distribution. The summary of calculations must include:



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- 1 (1) the amount reported on individual income tax returns  
 2 processed by the department during the previous fiscal year;  
 3 (2) adjustments for over distributions in prior years;  
 4 (3) adjustments for clerical or mathematical errors in prior years;  
 5 (4) adjustments for tax rate changes; and  
 6 (5) the amount of excess account balances to be distributed under  
 7 IC 6-3.5-7-17.3.
- 8 (d) The budget agency shall certify an amount less than the amount  
 9 determined under subsection (b) if the budget agency determines that  
 10 the reduced distribution is necessary to offset overpayments made in a  
 11 calendar year before the calendar year of the distribution. The budget  
 12 agency may reduce the amount of the certified distribution over several  
 13 calendar years so that any overpayments are offset over several years  
 14 rather than in one (1) lump sum.
- 15 (e) The budget agency shall adjust the certified distribution of a  
 16 county to correct for any clerical or mathematical errors made in any  
 17 previous certification under this section. The budget agency may  
 18 reduce the amount of the certified distribution over several calendar  
 19 years so that any adjustment under this subsection is offset over several  
 20 years rather than in one (1) lump sum.
- 21 (f) The budget agency shall adjust the certified distribution of a  
 22 county to provide the county with the amount of any tax increase  
 23 imposed under section 26 of this chapter to provide additional  
 24 homestead credits as provided in those provisions.
- 25 (g) This subsection applies to a county that imposes, increases,  
 26 decreases, or rescinds a tax or tax rate under this chapter before  
 27 November 1 in the same calendar year in which the budget agency  
 28 makes a certification under this section. The budget agency shall adjust  
 29 the certified distribution of a county to provide for a distribution in the  
 30 immediately following calendar year and in each calendar year  
 31 thereafter. The budget agency shall provide for a full transition to  
 32 certification of distributions as provided in subsection (b)(1) through  
 33 (b)(2) in the manner provided in subsection (d). If the county imposes,  
 34 increases, decreases, or rescinds a tax or tax rate under this chapter  
 35 after the date for which a certification under subsection (b) is based, the  
 36 budget agency shall adjust the certified distribution of the county after  
 37 ~~August~~ **September 30** of the calendar year. The adjustment shall  
 38 reflect any other adjustment authorized under subsections (c), (d), (e),  
 39 and (f). The adjusted certification shall be treated as the county's  
 40 certified distribution for the immediately succeeding calendar year. The  
 41 budget agency shall certify the adjusted certified distribution to the  
 42 county auditor for the county and provide the county council with an

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1 informative summary of the calculations that revises the informative  
 2 summary provided in subsection (c) and reflects the changes made in  
 3 the adjustment.

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

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

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

15 SECTION 31. IC 6-3.5-7-17.3, AS AMENDED BY P.L.229-2011,  
 16 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2013]: Sec. 17.3. (a) If the budget agency determines that the  
 18 balance in a county **trust** account exceeds ~~one hundred~~ fifty percent  
 19 (~~+50%~~) **(50%)** of the certified distributions to be made to the county  
 20 in the ensuing year, the budget agency shall make a supplemental  
 21 distribution to the county from the county's special account.

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

- 23 (1) made in January of the ensuing calendar year; and  
 24 (2) allocated in the same manner as certified distributions for  
 25 deposit in a civil unit's rainy day fund established under  
 26 IC 36-1-8-5.1. However, the part of a supplemental distribution  
 27 that is attributable to an additional rate authorized under this  
 28 chapter:

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

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

32 The amount of the supplemental distribution is equal to the amount by  
 33 which the balance in the county **trust** account exceeds ~~one hundred~~  
 34 fifty percent (~~+50%~~) **(50%)** of the certified distributions to be made to  
 35 the county in the ensuing year.

36 (c) A determination under this section must be made before October  
 37 2.

38 **(d) Any income earned on money held in a trust account**  
 39 **established for a county under this chapter shall be deposited in**  
 40 **that trust account.**

41 SECTION 32. IC 6-3.5-7-27, AS AMENDED BY P.L.137-2012,  
 42 SECTION 106, IS AMENDED TO READ AS FOLLOWS



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1 [EFFECTIVE JULY 1, 2013]: Sec. 27. (a) This section applies to a  
2 county that:

3 (1) operates a courthouse that is subject to an order that:

4 (A) is issued by a federal district court;

5 (B) applies to an action commenced before January 1, 2003;  
6 and

7 (C) requires the county to comply with the federal Americans  
8 with Disabilities Act; and

9 (2) has insufficient revenues to finance the construction,  
10 acquisition, improvement, renovation, equipping, and operation  
11 of the courthouse facilities and related facilities.

12 (b) A county described in this section possesses unique fiscal  
13 challenges in financing, renovating, equipping, and operating the  
14 county courthouse facilities and related facilities because the county  
15 consistently has one (1) of the highest unemployment rates in Indiana.  
16 Maintaining low property tax rates is essential to economic  
17 development in the county. The use of economic development income  
18 tax revenues under this section for the purposes described in subsection  
19 (c) promotes that purpose.

20 (c) In addition to actions authorized by section 5 of this chapter, a  
21 county council may, using the procedures set forth in this chapter,  
22 adopt an ordinance to impose an additional county economic  
23 development income tax on the adjusted gross income of county  
24 taxpayers. The ordinance imposing the additional tax must include a  
25 finding that revenues from additional tax are needed to pay the costs of:

26 (1) constructing, acquiring, improving, renovating, equipping, or  
27 operating the county courthouse or related facilities;

28 (2) repaying any bonds issued, or leases entered into, for  
29 constructing, acquiring, improving, renovating, equipping, or  
30 operating the county courthouse or related facilities; and

31 (3) economic development projects described in the county's  
32 capital improvement plan.

33 (d) The tax rate imposed under this section may not exceed  
34 twenty-five hundredths percent (0.25%).

35 (e) If the county council adopts an ordinance to impose an  
36 additional tax under this section, the county auditor shall, not more  
37 than ten (10) days after the vote, send a certified copy of the ordinance  
38 to the commissioner of the department, the director of the budget  
39 agency, and the commissioner of the department of local government  
40 finance by certified mail or in an electronic format approved by the  
41 director of the budget agency. The county treasurer shall establish a  
42 county facilities revenue fund to be used only for the purposes

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1 described in subsection (c)(1) and (c)(2). The amount of county  
 2 economic development income tax revenues derived from the tax rate  
 3 imposed under this section that are necessary to pay the costs described  
 4 in subsection (c)(1) and (c)(2) shall be deposited into the county  
 5 facilities revenue fund before a certified distribution is made under  
 6 section 12 of this chapter. The remainder shall be deposited into the  
 7 economic development income tax funds of the county's units.

8 (f) County economic development income tax revenues derived  
 9 from the tax rate imposed under this section may not be used for  
 10 purposes other than those described in this section.

11 (g) County economic development income tax revenues derived  
 12 from the tax rate imposed under this section that are deposited into the  
 13 county facilities revenue fund may not be considered by the department  
 14 of local government finance in determining the county's ad valorem  
 15 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

16 (h) Notwithstanding any other law, funds accumulated from the  
 17 county economic development income tax imposed under this section  
 18 and deposited into the county facilities revenue fund or any other  
 19 revenues of the county may be deposited into a nonreverting fund of  
 20 the county to be used for operating costs of the courthouse facilities,  
 21 juvenile detention facilities, or related facilities. Amounts in the county  
 22 nonreverting fund may not be used by the department of local  
 23 government finance to reduce the county's ad valorem property tax levy  
 24 for an ensuing calendar year under IC 6-1.1-18.5.

25 SECTION 33. IC 6-5.5-8-2, AS AMENDED BY P.L.146-2008,  
 26 SECTION 351, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) ~~On or before February~~  
 28 ~~1, In May 1, August 1, and December 1 and November~~ of each year,  
 29 the auditor of state shall transfer to each county auditor for distribution  
 30 to the taxing units (as defined in IC 6-1.1-1-21) in the county, an  
 31 amount equal to ~~one-fourth (1/4)~~ **one-half (1/2)** of the sum of the  
 32 guaranteed amounts for all the taxing units of the county. On or before  
 33 August 1 of each year the auditor of state shall transfer to each county  
 34 auditor the supplemental distribution for the county for the year.

35 (b) For purposes of determining distributions under subsection (c),  
 36 the department of local government finance shall determine a state  
 37 welfare allocation and tuition support allocation for each county  
 38 calculated as follows:

39 (1) The state welfare allocation for each county equals the greater  
 40 of zero (0) or the amount determined under the following formula:

41 STEP ONE: For 1997, 1998, and 1999, determine the result  
 42 of:

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1 (i) the amounts appropriated by the county in the year for the  
 2 county's county welfare fund and county welfare  
 3 administration fund; divided by  
 4 (ii) the amounts appropriated by all the taxing units in the  
 5 county in the year.  
 6 STEP TWO: Determine the sum of the results determined in  
 7 STEP ONE.  
 8 STEP THREE: Divide the STEP TWO result by three (3).  
 9 STEP FOUR: Determine the amount that would otherwise be  
 10 distributed to the county under subsection (c) without regard  
 11 to this subdivision.  
 12 STEP FIVE: Determine the result of:  
 13 (i) the STEP FOUR amount; multiplied by  
 14 (ii) the STEP THREE result.  
 15 STEP SIX: For 2006, 2007, and 2008, determine the result of:  
 16 (i) the tax rate imposed by the county in the year for the  
 17 county's county medical assistance to wards fund, family and  
 18 children's fund, children's psychiatric residential treatment  
 19 services fund, county hospital care for the indigent fund, and  
 20 children with special health care needs county fund, plus, in  
 21 the case of Marion County, the tax rate imposed by the  
 22 health and hospital corporation that was necessary to raise  
 23 thirty-five million dollars (\$35,000,000) from all taxing  
 24 districts in the county; divided by  
 25 (ii) the aggregate tax rate imposed by the county unit in the  
 26 year plus, in the case of Marion County, the aggregate tax  
 27 rate imposed by the health and hospital corporation in the  
 28 year.  
 29 STEP SEVEN: Determine the sum of the STEP SIX amounts.  
 30 STEP EIGHT: Divide the STEP SEVEN result by three (3).  
 31 STEP NINE: Determine the amount that would otherwise be  
 32 distributed to the county under subsection (c) without regard  
 33 to this subdivision.  
 34 STEP TEN: Determine the result of:  
 35 (i) the STEP EIGHT amount; multiplied by  
 36 (ii) the STEP NINE result.  
 37 STEP ELEVEN: Determine the sum of the STEP FIVE  
 38 amount and the STEP TEN amount.  
 39 (2) The tuition support allocation for each school corporation  
 40 equals the greater of zero (0) or the amount determined under the  
 41 following formula:  
 42 STEP ONE: For 2006, 2007, and 2008, determine the result

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1 of:  
2 (i) the tax rate imposed by the school corporation in the year  
3 for the tuition support levy under IC 6-1.1-19-1.5 (repealed)  
4 or IC 20-45-3-11 (repealed) for the school corporation's  
5 general fund plus the tax rate imposed by the school  
6 corporation for the school corporation's special education  
7 preschool fund; divided by  
8 (ii) the aggregate tax rate imposed by the school corporation  
9 in the year.

10 STEP TWO: Determine the sum of the results determined  
11 under STEP ONE.

12 STEP THREE: Divide the STEP TWO result by three (3).

13 STEP FOUR: Determine the amount that would otherwise be  
14 distributed to the school corporation under subsection (c)  
15 without regard to this subdivision.

16 STEP FIVE: Determine the result of:  
17 (i) the STEP FOUR amount; multiplied by  
18 (ii) the STEP THREE result.

19 (3) The state welfare allocation and tuition support allocation  
20 shall be deducted from the distributions otherwise payable under  
21 subsection (c) to the county taxing unit and school corporations  
22 in the county and shall be deposited in a fund, as directed by the  
23 budget agency.

24 **If a new taxing district is established after the years for which a**  
25 **ratio is calculated under this subsection, the auditor of state shall**  
26 **establish a ratio for the new taxing district and adjust the ratio for**  
27 **other taxing districts in the county.**

28 (c) A taxing unit's guaranteed distribution for a year is the greater  
29 of zero (0) or an amount equal to:  
30 (1) the amount received by the taxing unit under IC 6-5-10  
31 (repealed) and IC 6-5-11 (repealed) in 1989; minus  
32 (2) the amount to be received by the taxing unit in the year of the  
33 distribution, as determined by the department of local government  
34 finance, from property taxes attributable to the personal property  
35 of banks, exclusive of the property taxes attributable to personal  
36 property leased by banks as the lessor where the possession of the  
37 personal property is transferred to the lessee; minus  
38 (3) in the case of a taxing unit that is a county, the amount that  
39 would have been received by the taxing unit in the year of the  
40 distribution, as determined by the department of local government  
41 finance from property taxes that:  
42 (A) were calculated for the county's county welfare fund and

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- 1 county welfare administration fund for 2000 but were not  
 2 imposed because of the repeal of IC 12-19-3 and IC 12-19-4;  
 3 and  
 4 (B) would have been attributable to the personal property of  
 5 banks, exclusive of the property taxes attributable to personal  
 6 property leased by banks as the lessor where the possession of  
 7 the personal property is transferred to the lessee.
- 8 (d) The amount of the supplemental distribution for a county for a  
 9 year shall be determined using the following formula:  
 10 STEP ONE: Determine the greater of zero (0) or the difference  
 11 between:  
 12 (A) one-half (1/2) of the taxes that the department ~~estimates~~  
 13 ~~determines will be were~~ paid under this article during the  
 14 **preceding fiscal** year; minus  
 15 (B) the sum of all the guaranteed distributions, before the  
 16 subtraction of all state welfare allocations and tuition support  
 17 allocations under subsection (b), for all taxing units in all  
 18 counties plus the bank personal property taxes to be received  
 19 by all taxing units in all counties, as determined under  
 20 subsection (c)(2) for the year.
- 21 STEP TWO: Determine the quotient of:  
 22 (A) the amount received under IC 6-5-10 (repealed) and  
 23 IC 6-5-11 (repealed) in 1989 by all taxing units in the county;  
 24 divided by  
 25 (B) the sum of the amounts received under IC 6-5-10  
 26 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units  
 27 in all counties.
- 28 STEP THREE: Determine the product of:  
 29 (A) the amount determined in STEP ONE; multiplied by  
 30 (B) the amount determined in STEP TWO.
- 31 STEP FOUR: Determine the greater of zero (0) or the difference  
 32 between:  
 33 (A) the amount of supplemental distribution determined in  
 34 STEP THREE for the county; minus  
 35 (B) the amount of refunds granted under IC 6-5-10-7  
 36 (repealed) that have yet to be reimbursed to the state by the  
 37 county treasurer under IC 6-5-10-13 (repealed).
- 38 For the supplemental distribution made on or before August 1 of each  
 39 year, the department shall adjust the amount of each county's  
 40 supplemental distribution to reflect the actual taxes paid under this  
 41 article for the preceding year.
- 42 (e) Except as provided in subsections (g) and (h), the amount of the

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1 supplemental distribution for each taxing unit shall be determined  
2 using the following formula:

3 STEP ONE: Determine the quotient of:

- 4 (A) the amount received by the taxing unit under IC 6-5-10  
5 (repealed) and IC 6-5-11 (repealed) in 1989; divided by  
6 (B) the sum of the amounts used in STEP ONE (A) for all  
7 taxing units located in the county.

8 STEP TWO: Determine the product of:

- 9 (A) the amount determined in STEP ONE; multiplied by  
10 (B) the supplemental distribution for the county, as determined  
11 in subsection (d), STEP FOUR.

12 (f) The county auditor shall distribute the guaranteed and  
13 supplemental distributions received under subsection (a) to the taxing  
14 units in the county at the same time that the county auditor makes the  
15 semiannual distribution of real property taxes to the taxing units.

16 (g) The amount of a supplemental distribution paid to a taxing unit  
17 that is a county shall be reduced by an amount equal to:

18 (1) an amount equal to:

- 19 (A) the amount the county would receive under subsection (e)  
20 without regard to this subsection; multiplied by

21 (B) the result of the following:

- 22 (i) Determine the amounts appropriated by the county in  
23 1997, 1998, and 1999 for the county's county welfare fund  
24 and county welfare administration fund, divided by the ~~total~~  
25 **total** amounts appropriated by all the taxing units in the  
26 county in the year.

27 (ii) Divide the amount determined in item (i) by three (3);  
28 plus

29 (2) the amount the county would receive under subsection (e)  
30 without regard to this subsection multiplied by the result  
31 determined under the following formula:

32 (A) Determine the result of:

- 33 (i) the tax rate imposed by the county in 2006, 2007, and  
34 2008 for the county's county medical assistance to wards  
35 fund, family and children's fund, children's psychiatric  
36 residential treatment services fund, county hospital care for  
37 the indigent fund, children with special health care needs  
38 county fund, plus, in the case of Marion County, the tax rate  
39 imposed by the health and hospital corporation that was  
40 necessary to raise thirty-five million dollars (\$35,000,000)  
41 from all taxing districts in the county; divided by

42 (ii) the aggregate tax rate imposed by the county in the year

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1 plus, in the case of Marion County, the aggregate tax rate  
 2 imposed by the health and hospital corporation in the year.  
 3 (B) Divide the clause (A) amount by three (3).  
 4 (h) The amount of a supplemental distribution paid to a school  
 5 corporation shall be reduced by an amount equal to:  
 6 (1) the amount the school corporation would receive under  
 7 subsection (e) without regard to this subsection; minus  
 8 (2) an amount equal to:  
 9 (A) the amount described in subdivision (1); multiplied by  
 10 (B) the result of the following formula:  
 11 (i) Determine the tax rate imposed by the school corporation  
 12 in 2006, 2007, and 2008 for the tuition support levy under  
 13 IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for  
 14 the school corporation's general fund plus the tax rate  
 15 imposed by the school corporation for the school  
 16 corporation's special education preschool fund, divided by  
 17 the aggregate tax rate imposed by the school corporation in  
 18 the year.  
 19 (ii) Divide the item (i) amount by three (3).  
 20 (i) The amounts deducted under subsections (g) and (h) shall be  
 21 deposited in a state fund, as directed by the budget agency.  
 22 SECTION 34. IC 6-5.5-8-3 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 3. (a) Before  
 24 ~~January 15, April 15 July 15, and November 15~~ **and October 15** of  
 25 each year, ~~the department shall certify to~~ the auditor of state **shall**  
 26 **determine** the amount of the next ~~quarterly~~ **semiannual** guaranteed  
 27 distribution for counties. Before July 15 of each year, ~~the department~~  
 28 ~~shall certify to~~ the auditor of state **shall determine** the amount of the  
 29 August 1 supplemental distribution for counties. The ~~certified~~ amounts  
 30 **determined by the auditor of state** shall be based on the best  
 31 information available to the department.  
 32 (b) In order to make the distributions required by this chapter, the  
 33 auditor of state shall draw warrants on the financial institutions tax  
 34 fund payable to the county, and the treasurer of state shall pay the  
 35 warrants.  
 36 SECTION 35. IC 6-6-5-8 IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The bureau shall include on  
 38 all registration forms suitable spaces for the applicant's Social Security  
 39 number or federal tax identification number, the amount of the  
 40 registration fee, the amount of excise tax, the amount of credit, if any,  
 41 as provided in section 5 of this chapter, and the total amount of  
 42 payment due on account of the applicable registration fees and excise

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1 taxes upon the registration of the vehicle. The forms shall also include  
 2 spaces for showing the county, city, or town and township and address  
 3 of the place where the owner resides. **Using procedures determined**  
 4 **by the bureau to be appropriate, the bureau shall verify the**  
 5 **accuracy and completeness of the information on the registration**  
 6 **form concerning:**

7 (1) the county and city or town;

8 (2) the township; and

9 (3) the address;

10 **of the owner.**

11 (b) The bureau shall list on all registration forms for vehicles  
 12 prepared by it the amount of registration fees and taxes due. In  
 13 addition, the bureau shall prepare by December 1 of each year a  
 14 schedule showing the excise tax payable on each make and model of  
 15 vehicle.

16 SECTION 36. IC 6-6-5-10, AS AMENDED BY P.L.182-2009(ss),  
 17 SECTION 237, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JANUARY 1, 2014]: Sec. 10. (a) The bureau shall  
 19 establish procedures necessary for the collection of the tax imposed by  
 20 this chapter and for the proper accounting for the same. The necessary  
 21 forms and records shall be subject to approval by the state board of  
 22 accounts.

23 (b) The county treasurer, upon receiving the excise tax collections,  
 24 shall receipt such collections into a separate account for settlement  
 25 thereof at the same time as property taxes are accounted for and settled  
 26 in June and December of each year, with the right and duty of the  
 27 treasurer and auditor to make advances prior to the time of final  
 28 settlement of such property taxes in the same manner as provided in  
 29 IC 5-13-6-3.

30 (c) As used in this subsection, "taxing district" has the meaning set  
 31 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
 32 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
 33 corporation's tuition support property tax levy under IC 20-45-3-11  
 34 (repealed) for the school corporation's general fund. The county auditor  
 35 shall determine the total amount of excise taxes collected for each  
 36 taxing district in the county and the amount so collected (and the  
 37 distributions received under section 9.5 of this chapter) shall be  
 38 apportioned and distributed among the respective funds of the taxing  
 39 units in the same manner and at the same time as property taxes are  
 40 apportioned and distributed (subject to adjustment as provided in  
 41 IC 36-8-19-7.5). However, for purposes of determining distributions  
 42 under this section for 2009 and each year thereafter, a state welfare and

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1 tuition support allocation shall be deducted from the total amount  
 2 available for apportionment and distribution to taxing units under this  
 3 section before any apportionment and distribution is made. The county  
 4 auditor shall remit the state welfare and tuition support allocation to the  
 5 treasurer of state for deposit, as directed by the budget agency. The  
 6 amount of the state welfare and tuition support allocation for a county  
 7 for a particular year is equal to the result determined under STEP  
 8 FOUR of the following formula:

9 STEP ONE: Determine the result of the following:

10 (A) Separately for 1997, 1998, and 1999 for each taxing  
 11 district in the county, determine the result of:

12 (i) the amount appropriated in the year by the county from  
 13 the county's county welfare fund and county welfare  
 14 administration fund; divided by

15 (ii) the total amounts appropriated by all taxing units in the  
 16 county for the same year.

17 (B) Determine the sum of the clause (A) amounts.

18 (C) Divide the clause (B) amount by three (3).

19 (D) Determine the result of:

20 (i) the amount of excise taxes allocated to the taxing district  
 21 that would otherwise be available for distribution to taxing  
 22 units in the taxing district; multiplied by

23 (ii) the clause (C) amount.

24 STEP TWO: Determine the result of the following:

25 (A) Separately for 2006, 2007, and 2008 for each taxing  
 26 district in the county, determine the result of:

27 (i) the tax rate imposed in the taxing district for the county's  
 28 county medical assistance to wards fund, family and  
 29 children's fund, children's psychiatric residential treatment  
 30 services fund, county hospital care for the indigent fund,  
 31 children with special health care needs county fund, plus, in  
 32 the case of Marion County, the tax rate imposed by the  
 33 health and hospital corporation that was necessary to raise  
 34 thirty-five million dollars (\$35,000,000) from all taxing  
 35 districts in the county; divided by

36 (ii) the aggregate tax rate imposed in the taxing district for  
 37 the same year.

38 (B) Determine the sum of the clause (A) amounts.

39 (C) Divide the clause (B) amount by three (3).

40 (D) Determine the result of:

41 (i) the amount of excise taxes allocated to the taxing district  
 42 that would otherwise be available for distribution to taxing

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1 units in the taxing district after subtracting the STEP ONE  
 2 (D) amount for the same taxing district; multiplied by  
 3 (ii) the clause (C) amount.  
 4 (E) Determine the sum of the clause (D) amounts for all taxing  
 5 districts in the county.  
 6 STEP THREE: Determine the result of the following:  
 7 (A) Separately for 2006, 2007, and 2008 for each taxing  
 8 district in the county, determine the result of:  
 9 (i) the tuition support levy tax rate imposed in the taxing  
 10 district plus the tax rate imposed by the school corporation  
 11 for the school corporation's special education preschool fund  
 12 in the district; divided by  
 13 (ii) the aggregate tax rate imposed in the taxing district for  
 14 the same year.  
 15 (B) Determine the sum of the clause (A) amounts.  
 16 (C) Divide the clause (B) amount by three (3).  
 17 (D) Determine the result of:  
 18 (i) the amount of excise taxes allocated to the taxing district  
 19 that would otherwise be available for distribution to taxing  
 20 units in the taxing district after subtracting the STEP ONE  
 21 (D) amount for the same taxing district; multiplied by  
 22 (ii) the clause (C) amount.  
 23 (E) Determine the sum of the clause (D) amounts for all taxing  
 24 districts in the county.  
 25 STEP FOUR: Determine the sum of the STEP ONE, STEP TWO,  
 26 and STEP THREE amounts for the county.  
 27 If the boundaries of a taxing district change after the years for which a  
 28 ratio is calculated under STEP ONE, STEP TWO, or STEP THREE,  
 29 the ~~budget agency~~ **auditor of state** shall establish a ratio for the new  
 30 taxing district that reflects the tax rates imposed in the predecessor  
 31 taxing districts. **If a new taxing district is established after the years**  
 32 **for which a ratio is calculated under STEP ONE, STEP TWO, or**  
 33 **STEP THREE, the auditor of state shall establish a ratio for the**  
 34 **new taxing district and adjust the ratio for other taxing districts in**  
 35 **the county.**  
 36 (d) Such determination shall be made from copies of vehicle  
 37 registration forms furnished by the bureau of motor vehicles. Prior to  
 38 such determination, the county assessor of each county shall, from  
 39 copies of registration forms, cause information pertaining to legal  
 40 residence of persons owning taxable vehicles to be verified from the  
 41 assessor's records, to the extent such verification can be so made. The  
 42 assessor shall further identify and verify from the assessor's records the

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several taxing units within which such persons reside.  
(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 37. IC 6-6-6.5-21, AS AMENDED BY P.L.182-2009(ss), SECTION 242, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. The department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by the treasurer under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the

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1 taxing district when not in operation. Subject to this subsection, the  
 2 money allocated to a taxing district shall be apportioned and distributed  
 3 among the taxing units of that taxing district in the same manner and  
 4 at the same time that the property taxes are apportioned and distributed  
 5 (subject to adjustment as provided in IC 36-8-19-7.5). For purposes of  
 6 determining the distribution for a year under this section for a taxing  
 7 unit, a state welfare and tuition support allocation shall be deducted  
 8 from the total amount available for apportionment and distribution to  
 9 taxing units under this section before any apportionment and  
 10 distribution is made. The county auditor shall remit the state welfare  
 11 and tuition support allocation to the treasurer of state for deposit as  
 12 directed by the budget agency. The amount of the state welfare and  
 13 tuition support allocation for a county for a particular year is equal to  
 14 the result determined under STEP THREE of the following formula:

15 STEP ONE: Determine the result of the following:

16 (A) Separately for 2006, 2007, and 2008 for each taxing  
 17 district in the county, determine the result of:

18 (i) the tax rate imposed in the taxing district for the county's  
 19 county medical assistance to wards fund, family and  
 20 children's fund, children's psychiatric residential treatment  
 21 services fund, county hospital care for the indigent fund,  
 22 children with special health care needs county fund, plus, in  
 23 the case of Marion County, the tax rate imposed by the  
 24 health and hospital corporation that was necessary to raise  
 25 thirty-five million dollars (\$35,000,000) from all taxing  
 26 districts in the county; divided by

27 (ii) the aggregate tax rate imposed in the taxing district for  
 28 the same year.

29 (B) Determine the sum of the clause (A) amounts.

30 (C) Divide the clause (B) amount by three (3).

31 (D) Determine the result of:

32 (i) the amount of excise taxes allocated to the taxing district  
 33 that would otherwise be available for distribution to taxing  
 34 units in the taxing district; multiplied by

35 (ii) the clause (C) amount.

36 (E) Determine the sum of the clause (D) amounts for all taxing  
 37 districts in the county.

38 STEP TWO: Determine the result of the following:

39 (A) Separately for 2006, 2007, and 2008 for each taxing  
 40 district in the county, determine the result of:

41 (i) the tuition support levy tax rate imposed in the taxing  
 42 district plus the tax rate imposed by the school corporation

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- 1 for the school corporation's special education preschool fund
- 2 in the district; divided by
- 3 (ii) the aggregate tax rate imposed in the taxing district for
- 4 the same year.
- 5 (B) Determine the sum of the clause (A) amounts.
- 6 (C) Divide the clause (B) amount by three (3).
- 7 (D) Determine the result of:
- 8 (i) the amount of excise taxes allocated to the taxing district
- 9 that would otherwise be available for distribution to taxing
- 10 units in the taxing district; multiplied by
- 11 (ii) the clause (C) amount.
- 12 (E) Determine the sum of the clause (D) amounts for all taxing
- 13 districts in the county.

14 STEP THREE: Determine the sum of the STEP ONE and STEP  
 15 TWO amounts for the county.

16 If the boundaries of a taxing district change after the years for which a  
 17 ratio is calculated under STEP ONE or STEP TWO, the ~~budget agency~~  
 18 **auditor of state** shall establish a ratio for the new taxing district that  
 19 reflects the tax rates imposed in the predecessor taxing districts. **If a**  
 20 **new taxing district is established after the years for which a ratio**  
 21 **is calculated under STEP ONE, STEP TWO, or STEP THREE, the**  
 22 **auditor of state shall establish a ratio for the new taxing district**  
 23 **and adjust the ratio for other taxing districts in the county.**

24 (e) Within thirty (30) days following the receipt of excise taxes from  
 25 the department, the county treasurer shall file a report with the county  
 26 auditor concerning the aircraft excise taxes collected by the county  
 27 treasurer. The county treasurer shall file the report on the form  
 28 prescribed by the state board of accounts. The county treasurer shall,  
 29 in the manner and at the times prescribed in IC 6-1.1-27, make a  
 30 settlement with the county auditor for the aircraft excise taxes collected  
 31 by the county treasurer. The county treasurer shall, in the manner  
 32 prescribed by the state board of accounts, maintain records concerning  
 33 the aircraft excise taxes received and distributed by the treasurer.

34 SECTION 38. IC 6-6-11-29 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 29. (a) The  
 36 ~~auditor of state bureau of motor vehicles~~ shall transfer the department  
 37 of natural resources fee, the lake and river enhancement fee, the  
 38 delinquent excise taxes, and the delinquent fees collected under this  
 39 chapter during the preceding month as follows:

- 40 (1) On or before the eleventh day of each month, the ~~auditor of~~  
 41 ~~state bureau of motor vehicles~~ shall transfer to the state license  
 42 branch fund an amount equal to five percent (5%) of each excise

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1 tax transaction completed by the bureau. The money is to be used  
 2 to cover the expenses incurred by the bureau of motor vehicles  
 3 and the license branches for returns, decals, collecting the fees  
 4 and excise taxes and to cover any service charges by the  
 5 commission under IC 9-29-3. An additional charge may not be  
 6 imposed for the services of the license branches under this  
 7 chapter.

8 (2) At least quarterly, the **auditor of state bureau of motor**  
 9 **vehicles** shall set aside for the department of natural resources the  
 10 fees and the delinquent fees collected under this chapter to use as  
 11 provided in section 35 of this chapter.

12 (3) On or before the tenth day of each month, the **auditor of state**  
 13 **bureau of motor vehicles** shall distribute to each county the  
 14 excise tax collections, including delinquent tax collections, for the  
 15 county for the preceding month. The **auditor bureau of motor**  
 16 **vehicles** shall include a report with each distribution showing the  
 17 information necessary for the county auditor to allocate the  
 18 revenue among the taxing units of the county.

19 (4) The **auditor of state bureau of motor vehicles** shall deposit  
 20 the revenue from the lake and river enhancement fee imposed by  
 21 section 12(b) of this chapter in the lake and river enhancement  
 22 fund established by section 12.5 of this chapter.

23 (b) Money credited to each county's account in the state general  
 24 fund is appropriated to make the distributions and the transfers required  
 25 by subsection (a). The distributions shall be made upon warrants drawn  
 26 from the state general fund.

27 SECTION 39. IC 6-6-11-31, AS AMENDED BY P.L.182-2009(ss),  
 28 SECTION 245, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JANUARY 1, 2014]: Sec. 31. (a) A boat excise tax fund  
 30 is established in each county. Each county treasurer shall deposit in the  
 31 fund the taxes received under this chapter.

32 (b) As used in this subsection, "taxing district" has the meaning set  
 33 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
 34 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
 35 corporation's tuition support property tax levy under IC 20-45-3-11  
 36 (repealed) for the school corporation's general fund. The excise tax  
 37 money in the county boat excise tax fund shall be distributed to the  
 38 taxing units of the county. The county auditor shall allocate the money  
 39 in the fund among the taxing districts of the county based on the tax  
 40 situs of each boat. Subject to this subsection, the money allocated to the  
 41 taxing units shall be apportioned and distributed among the funds of  
 42 the taxing units in the same manner and at the same time that property



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1 taxes are apportioned and distributed (subject to adjustment as  
 2 provided in IC 36-8-19-7.5). For purposes of determining the  
 3 distribution for a year under this section for a taxing unit, a state  
 4 welfare and tuition support allocation shall be deducted from the total  
 5 amount available for apportionment and distribution to taxing units  
 6 under this section before any apportionment and distribution is made.  
 7 The county auditor shall remit the state welfare and tuition support  
 8 allocation to the treasurer of state for deposit as directed by the budget  
 9 agency. The amount of the state welfare and tuition support allocation  
 10 for a county for a particular year is equal to the result determined under  
 11 STEP THREE of the following formula:

12 STEP ONE: Determine the result of the following:

13 (A) Separately for 2006, 2007, and 2008 for each taxing  
 14 district in the county, determine the result of:

15 (i) the tax rate imposed in the taxing district for the county's  
 16 county medical assistance to wards fund, family and  
 17 children's fund, children's psychiatric residential treatment  
 18 services fund, county hospital care for the indigent fund,  
 19 children with special health care needs county fund, plus, in  
 20 the case of Marion County, the tax rate imposed by the  
 21 health and hospital corporation that was necessary to raise  
 22 thirty-five million dollars (\$35,000,000) from all taxing  
 23 districts in the county; divided by

24 (ii) the aggregate tax rate imposed in the taxing district for  
 25 the same year.

26 (B) Determine the sum of the clause (A) amounts.

27 (C) Divide the clause (B) amount by three (3).

28 (D) Determine the result of:

29 (i) the amount of excise taxes allocated to the taxing district  
 30 that would otherwise be available for distribution to taxing  
 31 units in the taxing district; multiplied by

32 (ii) the clause (C) amount.

33 (E) Determine the sum of the clause (D) amounts for all taxing  
 34 districts in the county.

35 STEP TWO: Determine the result of the following:

36 (A) Separately for 2006, 2007, and 2008 for each taxing  
 37 district in the county, determine the result of:

38 (i) the tuition support levy tax rate imposed in the taxing  
 39 district plus the tax rate imposed by the school corporation  
 40 for the school corporation's special education preschool fund  
 41 in the district; divided by

42 (ii) the aggregate tax rate imposed in the taxing district for

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- 1 the same year.
- 2 (B) Determine the sum of the clause (A) amounts.
- 3 (C) Divide the clause (B) amount by three (3).
- 4 (D) Determine the result of:
- 5 (i) the amount of excise taxes allocated to the taxing district
- 6 that would otherwise be available for distribution to taxing
- 7 units in the taxing district; multiplied by
- 8 (ii) the clause (C) amount.
- 9 (E) Determine the sum of the clause (D) amounts for all taxing
- 10 districts in the county.
- 11 STEP THREE: Determine the sum of the STEP ONE and STEP
- 12 TWO amounts for the county.
- 13 If the boundaries of a taxing district change after the years for which a
- 14 ratio is calculated under STEP ONE or STEP TWO, the ~~budget agency~~
- 15 **auditor of state** shall establish a ratio for the new taxing district that
- 16 reflects the tax rates imposed in the predecessor taxing districts. **If a**
- 17 **new taxing district is established after the years for which a ratio**
- 18 **is calculated under STEP ONE, STEP TWO, or STEP THREE, the**
- 19 **auditor of state shall establish a ratio for the new taxing district**
- 20 **and adjust the ratio for other taxing districts in the county.**
- 21 SECTION 40. IC 6-8.1-7-1, AS AMENDED BY P.L.182-2009(ss),
- 22 SECTION 254, IS AMENDED TO READ AS FOLLOWS
- 23 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This subsection does not
- 24 apply to the disclosure of information concerning a conviction on a tax
- 25 evasion charge. Unless in accordance with a judicial order or as
- 26 otherwise provided in this chapter, the department, its employees,
- 27 former employees, counsel, agents, or any other person may not divulge
- 28 the amount of tax paid by any taxpayer, terms of a settlement
- 29 agreement executed between a taxpayer and the department,
- 30 investigation records, investigation reports, or any other information
- 31 disclosed by the reports filed under the provisions of the law relating
- 32 to any of the listed taxes, including required information derived from
- 33 a federal return, except to:
- 34 (1) members and employees of the department;
- 35 (2) the governor;
- 36 (3) the attorney general or any other legal representative of the
- 37 state in any action in respect to the amount of tax due under the
- 38 provisions of the law relating to any of the listed taxes; or
- 39 (4) any authorized officers of the United States;
- 40 when it is agreed that the information is to be confidential and to be
- 41 used solely for official purposes.
- 42 (b) The information described in subsection (a) may be revealed

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1 upon the receipt of a certified request of any designated officer of the  
 2 state tax department of any other state, district, territory, or possession  
 3 of the United States when:

- 4 (1) the state, district, territory, or possession permits the exchange  
 5 of like information with the taxing officials of the state; and  
 6 (2) it is agreed that the information is to be confidential and to be  
 7 used solely for tax collection purposes.

8 (c) The information described in subsection (a) relating to a person  
 9 on public welfare or a person who has made application for public  
 10 welfare may be revealed to the director of the division of family  
 11 resources, and to any director of a county office of the division of  
 12 family resources located in Indiana, upon receipt of a written request  
 13 from either director for the information. The information shall be  
 14 treated as confidential by the directors. In addition, the information  
 15 described in subsection (a) relating to a person who has been  
 16 designated as an absent parent by the state Title IV-D agency shall be  
 17 made available to the state Title IV-D agency upon request. The  
 18 information shall be subject to the information safeguarding provisions  
 19 of the state and federal Title IV-D programs.

20 (d) The name, address, Social Security number, and place of  
 21 employment relating to any individual who is delinquent in paying  
 22 educational loans owed to a postsecondary educational institution may  
 23 be revealed to that institution if it provides proof to the department that  
 24 the individual is delinquent in paying for educational loans. This  
 25 information shall be provided free of charge to approved postsecondary  
 26 educational institutions (as defined by IC 21-7-13-6(a)). The  
 27 department shall establish fees that all other institutions must pay to the  
 28 department to obtain information under this subsection. However, these  
 29 fees may not exceed the department's administrative costs in providing  
 30 the information to the institution.

31 (e) The information described in subsection (a) relating to reports  
 32 submitted under IC 6-6-1.1-502 concerning the number of gallons of  
 33 gasoline sold by a distributor and IC 6-6-2.5 concerning the number of  
 34 gallons of special fuel sold by a supplier and the number of gallons of  
 35 special fuel exported by a licensed exporter or imported by a licensed  
 36 transporter may be released by the commissioner upon receipt of a  
 37 written request for the information.

38 (f) The information described in subsection (a) may be revealed  
 39 upon the receipt of a written request from the administrative head of a  
 40 state agency of Indiana when:

- 41 (1) the state agency shows an official need for the information;  
 42 and

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1 (2) the administrative head of the state agency agrees that any  
 2 information released will be kept confidential and will be used  
 3 solely for official purposes.

4 (g) The information described in subsection (a) may be revealed  
 5 upon the receipt of a written request from the chief law enforcement  
 6 officer of a state or local law enforcement agency in Indiana when it is  
 7 agreed that the information is to be confidential and to be used solely  
 8 for official purposes.

9 (h) The name and address of retail merchants, including township,  
 10 as specified in IC 6-2.5-8-1(j) may be released solely for tax collection  
 11 purposes to township assessors and county assessors.

12 (i) The department shall notify the appropriate innkeepers' tax  
 13 board, bureau, or commission that a taxpayer is delinquent in remitting  
 14 innkeepers' taxes under IC 6-9.

15 (j) All information relating to the delinquency or evasion of the  
 16 motor vehicle excise tax may be disclosed to the bureau of motor  
 17 vehicles in Indiana and may be disclosed to another state, if the  
 18 information is disclosed for the purpose of the enforcement and  
 19 collection of the taxes imposed by IC 6-6-5.

20 (k) All information relating to the delinquency or evasion of  
 21 commercial vehicle excise taxes payable to the bureau of motor  
 22 vehicles in Indiana may be disclosed to the bureau and may be  
 23 disclosed to another state, if the information is disclosed for the  
 24 purpose of the enforcement and collection of the taxes imposed by  
 25 IC 6-6-5.5.

26 (l) All information relating to the delinquency or evasion of  
 27 commercial vehicle excise taxes payable under the International  
 28 Registration Plan may be disclosed to another state, if the information  
 29 is disclosed for the purpose of the enforcement and collection of the  
 30 taxes imposed by IC 6-6-5.5.

31 (m) All information relating to the delinquency or evasion of the  
 32 excise taxes imposed on recreational vehicles and truck campers that  
 33 are payable to the bureau of motor vehicles in Indiana may be disclosed  
 34 to the bureau and may be disclosed to another state if the information  
 35 is disclosed for the purpose of the enforcement and collection of the  
 36 taxes imposed by IC 6-6-5.1.

37 (n) This section does not apply to:

- 38 (1) the beer excise tax, including brand and packaged type  
 39 (IC 7.1-4-2);  
 40 (2) the liquor excise tax (IC 7.1-4-3);  
 41 (3) the wine excise tax (IC 7.1-4-4);  
 42 (4) the hard cider excise tax (IC 7.1-4-4.5);



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- 1 (5) the malt excise tax (IC 7.1-4-5);  
 2 (6) the motor vehicle excise tax (IC 6-6-5);  
 3 (7) the commercial vehicle excise tax (IC 6-6-5.5); and  
 4 (8) the fees under IC 13-23.

5 (o) The name and business address of retail merchants within each  
 6 county that sell tobacco products may be released to the division of  
 7 mental health and addiction and the alcohol and tobacco commission  
 8 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

9 **(p) The department may release information concerning total  
 10 incremental tax amounts under:**

- 11 **(1) IC 5-28-26;**  
 12 **(2) IC 36-7-13;**  
 13 **(3) IC 36-7-26;**  
 14 **(4) IC 36-7-27;**  
 15 **(5) IC 36-7-31;**  
 16 **(6) IC 36-7-31.3; or**  
 17 **(7) any other statute providing for the calculation of  
 18 incremental state taxes that will be distributed to or retained  
 19 by a political subdivision or other entity;**

20 **to the fiscal officer of the political subdivision or other entity that  
 21 established the district or area from which the incremental taxes  
 22 were received if that fiscal officer enters into an agreement with  
 23 the department specifying that the political subdivision or other  
 24 entity will use the information solely for official purposes.**

25 SECTION 41. IC 6-8.1-9-1.3 IS ADDED TO THE INDIANA  
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 1.3. If the department makes a  
 27 refund of taxes paid under IC 6-2.5, IC 6-7-1, IC 6-7-2, or IC 7.1,  
 28 the department shall charge each fund or account into which the  
 29 taxes have been allocated or distributed with that account's or that  
 30 fund's proportionate share of the amount of taxes refunded.**

31 SECTION 42. IC 8-14-1-3 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 3. The money collected  
 33 for the motor vehicle highway account fund and remaining after  
 34 refunds and the payment of all expenses incurred in the collection  
 35 thereof, and after the deduction of the amount appropriated to the  
 36 department for traffic safety and after the deduction of one-half (1/2)  
 37 of the amount appropriated for the state police department, shall be  
 38 allocated to and distributed among the department and subdivisions  
 39 designated as follows:**

- 40  
 41 (1) Of the net amount in the motor vehicle highway account the  
 42 auditor of state shall set aside for the cities and towns of the state

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1 fifteen percent (15%) thereof. This sum shall be allocated to the  
 2 cities and towns upon the basis that the population of each city  
 3 and town bears to the total population of all the cities and towns  
 4 and shall be used for the construction or reconstruction and  
 5 maintenance of streets and alleys and shall be annually budgeted  
 6 as now provided by law. However, no part of such sum shall be  
 7 used for any other purpose than for the purposes defined in this  
 8 chapter. If any funds allocated to any city or town shall be used by  
 9 any officer or officers of such city or town for any purpose or  
 10 purposes other than for the purposes as defined in this chapter,  
 11 such officer or officers shall be liable upon their official bonds to  
 12 such city or town in such amount so used for other purposes than  
 13 for the purposes as defined in this chapter, together with the costs  
 14 of said action and reasonable attorney fees, recoverable in an  
 15 action or suit instituted in the name of the state of Indiana on the  
 16 relation of any taxpayer or taxpayers resident of such city or town.  
 17 A monthly distribution thereof of funds accumulated during the  
 18 preceding month shall be made by the auditor of state.

19 (2) Of the net amount in the motor vehicle highway account, the  
 20 auditor of state shall set aside for the counties of the state  
 21 thirty-two percent (32%) thereof. However, as to the allocation to  
 22 cities and towns under subdivision (1), and as to the allocation to  
 23 counties under this subdivision in the event that the amount in the  
 24 motor vehicle highway account fund remaining after refunds and  
 25 the payment of all expenses incurred in the collection thereof and  
 26 after deduction of any amount appropriated by the general  
 27 assembly for public safety and policing shall be less than  
 28 twenty-two million six hundred and fifty thousand dollars  
 29 (\$22,650,000), in any fiscal year then the amount so set aside in  
 30 the next calendar year for distributions to counties shall be  
 31 reduced fifty-four percent (54%) of such deficit and the amount  
 32 so set aside for distribution in the next calendar year to cities and  
 33 towns shall be reduced thirteen percent (13%) of such deficit.  
 34 Such reduced distributions shall begin with the distribution  
 35 January 1 of each year.

36 (3) The amount set aside for the counties of the state under the  
 37 provisions of subdivision (2) shall be allocated monthly upon the  
 38 following basis:

- 39 (A) Five percent (5%) of the amount allocated to the counties  
 40 to be divided equally among the ninety-two (92) counties.  
 41 (B) Sixty-five percent (65%) of the amount allocated to the  
 42 counties to be divided on the basis of the ratio of the actual

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1 miles, now traveled and in use, of county roads in each county  
 2 to the total mileage of county roads in the state, which shall be  
 3 annually determined, accurately, by the department **and**  
 4 **submitted to the auditor of state before April 1 of each**  
 5 **year.**

6 (C) Thirty percent (30%) of the amount allocated to the  
 7 counties to be divided on the basis of the ratio of the motor  
 8 vehicle registrations of each county to the total motor vehicle  
 9 registration of the state.

10 All money so distributed to the several counties of the state shall  
 11 constitute a special road fund for each of the respective counties  
 12 and shall be under the exclusive supervision and direction of the  
 13 board of county commissioners in the construction,  
 14 reconstruction, maintenance, or repair of the county highways or  
 15 bridges on such county highways within such county.

16 (4) Each month the remainder of the net amount in the motor  
 17 vehicle highway account shall be credited to the state highway  
 18 fund for the use of the department.

19 (5) Money in the fund may not be used for any toll road or toll  
 20 bridge project.

21 (6) Notwithstanding any other provisions of this section, money  
 22 in the motor vehicle highway account fund may be appropriated  
 23 to the Indiana department of transportation from the forty-seven  
 24 percent (47%) distributed to the political subdivisions of the state  
 25 to pay the costs incurred by the department in providing services  
 26 to those subdivisions.

27 (7) Notwithstanding any other provisions of this section or of  
 28 IC 8-14-8, for the purpose of maintaining a sufficient working  
 29 balance in accounts established primarily to facilitate the  
 30 matching of federal and local money for highway projects, money  
 31 may be appropriated to the Indiana department of transportation  
 32 as follows:

33 (A) One-half (1/2) from the forty-seven percent (47%) set  
 34 aside under subdivisions (1) and (2) for counties and for those  
 35 cities and towns with a population greater than five thousand  
 36 (5,000).

37 (B) One-half (1/2) from the distressed road fund under  
 38 IC 8-14-8.

39 SECTION 43. IC 25-1-6-8, AS AMENDED BY P.L.172-2011,  
 40 SECTION 131, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The licensing agency and the  
 42 boards ~~may~~ **shall** allow the department of state revenue, **the alcohol**

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1 **and tobacco commission, and the bureau of motor vehicles** access  
 2 to the name of each person who:

3 (1) is licensed under this chapter or IC 25-1-5; or

4 (2) has applied for a license under this chapter or IC 25-1-5.

5 (b) If the department of state revenue notifies the licensing agency  
 6 that a person is on the most recent tax warrant list, the licensing agency  
 7 shall not issue or renew the person's license until:

8 (1) the person provides to the licensing agency a statement from  
 9 the department of state revenue indicating that the person's tax  
 10 warrant has been satisfied; or

11 (2) the licensing agency receives a notice from the commissioner  
 12 of the department of state revenue under IC 6-8.1-8-2(k).

13 **(c) If the alcohol and tobacco commission notifies the licensing**  
 14 **agency that a person has an outstanding balance due to the alcohol**  
 15 **and tobacco commission, the licensing agency shall not issue or**  
 16 **renew the person's license until the person provides to the licensing**  
 17 **agency a statement from the alcohol and tobacco commission**  
 18 **indicating that the person's outstanding balance has been satisfied.**

19 **(d) If the bureau of motor vehicles notifies the licensing agency**  
 20 **that a person has an outstanding balance due to the bureau of**  
 21 **motor vehicles because a check, draft, or order issued or delivered**  
 22 **by the person to the bureau of motor vehicles was returned or**  
 23 **dishonored because of insufficient funds, the licensing agency shall**  
 24 **not issue or renew the person's license until the person provides to**  
 25 **the licensing agency a statement from the bureau of motor vehicles**  
 26 **indicating that the person's outstanding balance has been satisfied.**

27 SECTION 44. IC 36-7-13-14, AS AMENDED BY P.L.172-2011,  
 28 SECTION 145, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) Before the first business day  
 30 in October of each year, the department shall calculate the income tax  
 31 incremental amount and the gross retail incremental amount for the  
 32 preceding state fiscal year for each district designated under this  
 33 chapter.

34 (b) Businesses operating in the district shall report **annually**, in the  
 35 manner and in the form prescribed by the department, information that  
 36 the department determines necessary to calculate incremental gross  
 37 retail, use, and income taxes. **A taxpayer operating in the district**  
 38 **that files a consolidated tax return with the department also shall**  
 39 **file annually an informational return with the department for each**  
 40 **business location of the taxpayer within the district. If a taxpayer**  
 41 **fails to report the information required by this section or file an**  
 42 **informational return required by this section, the department shall**

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1 **use the best information available in calculating the incremental**  
 2 **gross retail, use, and income taxes.**

3 (c) Not later than sixty (60) days after receiving a certification of a  
 4 district's modified boundaries under section 12.5(c) of this chapter, the  
 5 department shall recalculate the income tax incremental amount and  
 6 the gross retail incremental amount for the preceding state fiscal year  
 7 for a district modified under section 12.5 of this chapter.

8 SECTION 45. IC 36-7-26-23 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) Before the first  
 10 business day in October of each year, the board shall require the  
 11 department to calculate the net increment for the preceding state fiscal  
 12 year. The department shall transmit to the board a statement as to the  
 13 net increment in sufficient time to permit the board to review the  
 14 calculation and permit the transfers required by this section to be made  
 15 on a timely basis. **Taxpayers operating in the district shall report**  
 16 **annually, in the manner and in the form prescribed by the**  
 17 **department, information that the department determines necessary**  
 18 **to calculate the net increment. A taxpayer operating in the district**  
 19 **that files a consolidated tax return with the department also shall**  
 20 **file annually an informational return with the department for each**  
 21 **business location of the taxpayer within the district. If a taxpayer**  
 22 **fails to report the information required by this section or file an**  
 23 **informational return required by this section, the department shall**  
 24 **use the best information available in calculating the net increment.**

25 (b) There is established a sales tax increment financing fund to be  
 26 administered by the treasurer of state. The fund is comprised of two (2)  
 27 accounts called the net increment account and the credit account.

28 (c) On the first business day in October of each year, that portion of  
 29 the net increment calculated under subsection (a) that is needed:

30 (1) to pay debt service on the bonds issued under section 24 of  
 31 this chapter or to pay lease rentals under section 24 of this  
 32 chapter; and

33 (2) to establish and maintain a debt service reserve established by  
 34 the commission or by a lessor that provides local public  
 35 improvements to the commission;

36 shall be transferred to and deposited in the fund and credited to the net  
 37 increment account. Money credited to the net increment account is  
 38 pledged to the purposes described in subdivisions (1) and (2), subject  
 39 to the other provisions of this chapter.

40 (d) On the first business day of October in each year, the remainder  
 41 of:

42 (1) eighty percent (80%) of the gross increment; minus

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- 1 (2) the amount credited to the net increment account on the same  
 2 date;  
 3 shall be transferred and credited to the credit account.  
 4 (e) The remainder of:  
 5 (1) the gross increment; minus  
 6 (2) the amounts credited to the net increment account and the  
 7 credit account;  
 8 shall be deposited by the auditor of state as other gross retail and use  
 9 taxes are deposited.  
 10 (f) A city described in section 1(2), 1(3), or 1(4) of this chapter may  
 11 receive not more than fifty percent (50%) of the net increment each  
 12 year. During the time a district exists in a city described in section 1(3)  
 13 or 1(4) of this chapter, not more than a total of one million dollars  
 14 (\$1,000,000) of net increment may be paid to the city described in  
 15 section 1(3) or 1(4) of this chapter. During each year that a district  
 16 exists in a city described in section 1(2) of this chapter, not more than  
 17 one million dollars (\$1,000,000) of net increment may be paid to the  
 18 city described in section 1(2) of this chapter.  
 19 (g) The auditor of state shall disburse all money in the fund that is  
 20 credited to the net increment account to the commission in equal  
 21 semiannual installments on November 30 and May 31 of each year.  
 22 SECTION 46. IC 36-7-27-13 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 13. (a) The  
 24 treasurer of state shall establish an incremental income tax financing  
 25 fund for the county. The fund shall be administered by the treasurer of  
 26 state. Money in the fund does not revert to the state general fund at the  
 27 end of a state fiscal year.  
 28 (b) Before July 2 of each calendar year, the department, after  
 29 reviewing the recommendation of the budget agency, shall estimate and  
 30 certify to the county auditor the amount of incremental income tax for  
 31 the tax areas in the county that will be collected from that county  
 32 during the twelve (12) month period beginning July 1 of that calendar  
 33 year and ending June 30 of the following calendar year. The amount  
 34 certified shall be deposited into the fund and shall be distributed on the  
 35 dates specified in subsection (e) for the following calendar year. The  
 36 amount certified may be adjusted under subsection (c) or (d).  
 37 **Taxpayers operating in the tax area shall report annually, in the**  
 38 **manner and in the form prescribed by the department, information**  
 39 **that the department determines necessary to calculate the**  
 40 **incremental income tax amount. A taxpayer operating in the tax**  
 41 **area that files a consolidated tax return with the department also**  
 42 **shall file annually an informational return with the department for**

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1 **each businesses location of the taxpayer within the tax area. If a**  
 2 **taxpayer fails to report the information required by this section,**  
 3 **the department shall use the best information available in**  
 4 **calculating the amount of incremental income taxes.**

5 (c) The department may certify to the county an amount that is  
 6 greater than the estimated twelve (12) month incremental income tax  
 7 collection if the department, after reviewing the recommendation of the  
 8 budget agency, determines that there will be a greater amount of  
 9 incremental income tax available for distribution from the fund.

10 (d) The department may certify an amount less than the estimated  
 11 twelve (12) month incremental income tax collection if the department,  
 12 after reviewing the recommendation of the budget agency, determines  
 13 that a part of those collections need to be distributed during the current  
 14 calendar year so that the county will receive its full certified amount for  
 15 the current calendar year.

16 (e) The auditor of state shall disburse the certified amount to the  
 17 commission in equal semiannual installments on May 31 and  
 18 November 30 of each year.

19 (f) Money in the fund may be pledged by the commission to the  
 20 following purposes:

- 21 (1) To pay debt service on the bonds issued under section 14 of  
 22 this chapter.
- 23 (2) To pay lease rentals under section 14 of this chapter.
- 24 (3) To establish and maintain a debt service reserve established  
 25 by the commission or by a lessor that provides local public  
 26 improvements to the commission.

27 (g) When money in the fund is sufficient when combined with other  
 28 sources of payment to pay all outstanding principal and interest or lease  
 29 rentals to the date on which the obligations can be redeemed on  
 30 obligations of the commission for a local public improvement in the  
 31 county, no additional incremental income tax for that project shall be  
 32 deposited in the fund and covered income taxes shall be distributed as  
 33 provided in IC 6-3.5-6 or IC 6-3.5-7, as appropriate.

34 SECTION 47. IC 36-7-31-15 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) When the  
 36 commission adopts an allocation provision, the commission shall notify  
 37 the department by certified mail of the adoption of the provision and  
 38 shall include with the notification a complete list of the following:

- 39 (1) Employers in the tax area.
- 40 (2) Street names and the range of street numbers of each street in  
 41 the tax area.

42 The commission shall update the list before July 1 of each year.

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1 (b) Taxpayers operating in the district shall report annually, in  
2 the manner and in the form prescribed by the department,  
3 information that the department determines necessary to calculate  
4 the salary, wages, bonuses, and other compensation that are:

- 5 (1) paid during a taxable year to a professional athlete for
- 6 professional athletic services;
- 7 (2) taxable in Indiana; and
- 8 (3) earned in the district.

9 (c) A taxpayer operating in the district that files a consolidated  
10 tax return with the department also shall file annually an  
11 informational return with the department for each business  
12 location of the taxpayer within the district.

13 (d) If a taxpayer fails to report the information required by this  
14 section or file an informational return required by this section, the  
15 department shall use the best information available in calculating  
16 the amount of covered taxes attributable to a taxable event in a tax  
17 area or covered taxes from income earned in a tax area.

18 SECTION 48. IC 36-7-31.3-13 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) When the  
20 designating body adopts an allocation provision, the county auditor  
21 shall notify the department by certified mail of the adoption of the  
22 provision and shall include with the notification a complete list of the  
23 following:

- 24 (1) Employers in the tax area.
- 25 (2) Street names and the range of street numbers of each street in
- 26 the tax area.

27 The county auditor shall update the list before July 1 of each year.

28 (b) Taxpayers operating in the district shall report annually, in  
29 the manner and in the form prescribed by the department,  
30 information that the department determines necessary to calculate  
31 the salary, wages, bonuses, and other compensation that are:

- 32 (1) paid during a taxable year to a professional athlete for
- 33 professional athletic services;
- 34 (2) taxable in Indiana; and
- 35 (3) earned in the district.

36 (c) A taxpayer operating in the district that files a consolidated  
37 tax return with the department also shall file annually an  
38 informational return with the department for each business  
39 location of the taxpayer within the district.

40 (d) If a taxpayer fails to report the information required by this  
41 section or file an informational return required by this section, the  
42 department shall use the best information available in calculating

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1 **the amount of covered taxes attributable to a taxable event in a tax**  
 2 **area or covered taxes from income earned in a tax area.**  
 3 SECTION 49. IC 36-7-32-21 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) Before the first  
 5 business day in October of each year, the department of state revenue  
 6 shall calculate the income tax incremental amount and the gross retail  
 7 incremental amount for the preceding state fiscal year for each certified  
 8 technology park designated under this chapter.  
 9 (b) **Taxpayers operating in the certified technology park shall**  
 10 **report annually, in the manner and in the form prescribed by the**  
 11 **department, information that the department determines necessary**  
 12 **to calculate the net increment.**  
 13 (c) **A taxpayer operating in the certified technology park that**  
 14 **files a consolidated tax return with the department also shall file**  
 15 **annually an informational return with the department for each**  
 16 **business location of the taxpayer within the certified technology**  
 17 **park.**  
 18 (d) **If a taxpayer fails to report the information required by this**  
 19 **section or file an informational return required by this section, the**  
 20 **department shall use the best information available in calculating**  
 21 **the income tax incremental amount and the gross retail**  
 22 **incremental amount.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 544, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 2 and 3, begin a new paragraph and insert:

**"(d) If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall use the best information available in calculating the income tax incremental amount and the gross retail incremental amount."**

Page 2, line 17, delete "the later of:".

Page 2, line 18, delete "(A)".

Page 2, line 18, after "year" delete "; or" and insert ".".

Page 2, run in lines 17 through 18.

Page 2, delete lines 19 through 20.

Page 2, line 23, delete "the later of:".

Page 2, line 24, delete "(A)".

Page 2, line 24, after "year" delete "; or" and insert ".".

Page 2, run in lines 23 through 24.

Page 2, delete lines 25 through 26.

Page 3, delete lines 8 through 17, begin a new paragraph and insert:

**"(d) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance with this article:**

**(1) the commissioner shall:**

**(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and**

**(B) specify the corrective action that must be taken for the ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and**

**(2) the ordinance may not take effect until the corrective action is taken.**

SECTION 3. IC 6-3.5-1.1-2, AS AMENDED BY P.L.137-2012, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on December 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county.

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(b) Except as provided in section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

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

"The \_\_\_\_\_ County Council imposes the county adjusted gross income tax on the county taxpayers of \_\_\_\_\_ County. The county adjusted gross income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county."

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

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

SECTION 4. IC 6-3.5-1.1-3, AS AMENDED BY P.L.137-2012, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) The county council may increase the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To increase the rate, the county council must



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adopt an ordinance. The ordinance must substantially state the following:

"The \_\_\_\_\_ County Council increases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from \_\_\_\_\_ percent (\_\_\_%) to \_\_\_\_\_ percent (\_\_\_%)."

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

SECTION 5. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.137-2012, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must adopt an ordinance. The ordinance must substantially state the following:

"The \_\_\_\_\_ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from \_\_\_\_\_ percent (\_\_\_%) to \_\_\_\_\_ percent (\_\_\_%)."

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

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

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

(e) This subsection applies only to LaPorte County. The county

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council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

SECTION 6. IC 6-3.5-1.1-4, AS AMENDED BY P.L.137-2012, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) The county adjusted gross income tax imposed by a county council under this chapter remains in effect until rescinded.

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

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

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

Page 3, line 36, delete "tax rates currently in effect, and" and insert "**known tax rates.**".

Page 3, delete lines 37 through 38.

Page 3, line 39, delete "year."

Page 7, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 9. IC 6-3.5-1.1-24, AS AMENDED BY P.L.137-2012, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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JULY 1, 2013]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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

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

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

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

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

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

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

(B) two (2).

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

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

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

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

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

- (A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus
- (B) the tax rate currently in effect in the county under this section.

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

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

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

- (1) the quotient of:
  - (A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by
  - (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

- (1) the quotient of:
  - (A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by
  - (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

- (1) the quotient of:

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- (A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by
  - (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

- (1) the quotient of:
  - (A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by
  - (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3.

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section, the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is

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attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

(n) A pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

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

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

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

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

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

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

SECTION 10. IC 6-3.5-1.1-25, AS AMENDED BY P.L.132-2012, SECTION 3, AND AS AMENDED BY P.L.137-2012, SECTION 72, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 25. (a) As used in this section, "public safety" refers to the following:

(1) A police and law enforcement system to preserve public peace

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and order.

- (2) A firefighting and fire prevention system.
- (3) Emergency ambulance services (as defined in IC 16-18-2-107).
- (4) Emergency medical services (as defined in IC 16-18-2-110).
- (5) Emergency action (as defined in IC 13-11-2-65).
- (6) A probation department of a court.
- (7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:
  - (A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);
  - (B) convicted of a crime; or
  - (C) adjudicated as a delinquent child or a child in need of services.
- (8) A juvenile detention facility under IC 31-31-8.
- (9) A juvenile detention center under IC 31-31-9.
- (10) A county jail.
- (11) A communications system (as defined in IC 36-8-15-3), *or* an enhanced emergency telephone system (as defined in IC 36-8-16-2 *(before its repeal on July 1, 2012)*), *or the statewide 911 system (as defined in IC 36-8-16.7-22)*.
- (12) Medical and health expenses for jail inmates and other confined persons.
- (13) Pension payments for any of the following:
  - (A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.
  - (B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.
  - (C) A county sheriff or any other member of the office of the county sheriff.
  - (D) Other personnel employed to provide a service described in this section.

(b) If a county council has imposed a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 24 of this chapter, a tax rate of at least twenty-five hundredths of one percent (0.25%) under

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section 26 of this chapter, or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 24 and 26 of this chapter, the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed twenty-five hundredths of one percent (0.25%).

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

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

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

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

(2) a fraction equal to:

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

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

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

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to

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reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

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

- (1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3; or
- (3) the credit under IC 6-1.1-20.6.

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

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

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

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

- (1) provides fire protection or emergency medical services within the county; and
- (2) is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section;

may before July 1 of a year apply to the county council for a distribution of tax revenue under this section during the following calendar year. The county council shall review an application submitted under this subsection and may before September 1 of a year adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under this section during the following calendar year. A resolution approved under this subsection providing for a distribution to one (1) or more fire departments, volunteer fire departments, or emergency medical services providers applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or

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emergency medical services provider shall be distributed before the remainder of the tax revenue is distributed under subsection (f).

SECTION 11. IC 6-3.5-1.1-26, AS AMENDED BY P.L.137-2012, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to taxpayers in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

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

(1) Except as provided in subsection (j), the tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers 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. A county council may not adopt an ordinance determining that tax revenue shall be used under this subdivision to provide local property tax replacement credits at a uniform rate to all taxpayers in the county unless the county council has done the following:

(A) Made available to the public the county council's best estimate of the amount of property tax replacement credits to

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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 provide 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:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's

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best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

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

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

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

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

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies.

The county council may adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

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

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

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under section 2 of this chapter or any other provision of this chapter;

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

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

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. To the extent the county auditor determines that there is income tax revenue remaining from the tax under this section after providing the property tax replacement credits, the excess shall be credited to a dedicated county account and may be used only for property tax replacement credits under this section in subsequent years.

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

(j) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation."

Page 7, line 16, delete "the later of:".

Page 7, line 17, delete "(A)".

Page 7, line 17, after "year" delete "; or" and insert ".".

Page 7, run in lines 16 through 17.

Page 7, delete lines 18 through 19.

Page 7, line 22, delete "the later of:".

Page 7, line 23, delete "(A)".

Page 7, line 23, after "year" delete "; or" and insert ".".

Page 7, run in lines 22 through 23.

Page 7, delete lines 24 through 25.

Page 8, delete lines 16 through 25, begin a new paragraph and insert:

**"(e) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance**



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with this article:

**(1) the commissioner shall:**

**(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and**

**(B) specify the corrective action that must be taken for the ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and**

**(2) the ordinance may not take effect until the corrective action is taken.**

SECTION 13. IC 6-3.5-6-8, AS AMENDED BY P.L.137-2012, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on December 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county.

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

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

"The \_\_\_\_\_ County Income Tax Council imposes the county option income tax on the county taxpayers of \_\_\_\_\_ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five-hundredths of one percent (0.05%) on all other county taxpayers."

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

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

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

SECTION 14. IC 6-3.5-6-9, AS AMENDED BY P.L.137-2012, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) If on January 1 of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter, the county income tax council of that county may pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one-tenth of one percent (0.1%) in the year in which the ordinance is adopted, as provided in section 1.5 of this chapter, and on each succeeding October 1 until its rate reaches a maximum of one percent (1%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter.

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

SECTION 15. IC 6-3.5-6-11, AS AMENDED BY P.L.137-2012, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) This section does not apply to a tax rate imposed under section 30 of this chapter.

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

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

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

(d) An ordinance adopted under the authority of this section remains

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in effect until rescinded.

(e) If a county income tax council rescinds an ordinance as adopted under this section, the county option income tax rate shall automatically increase by one-tenth of one percent (0.1%) until:

- (1) the tax rate is again frozen under another ordinance adopted under this section; or
- (2) the tax rate equals six-tenths of one percent (0.6%) (if the frozen tax rate equaled an amount less than six-tenths of one percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled an amount in excess of six-tenths of one percent (0.6%)).

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

SECTION 16. IC 6-3.5-6-12, AS AMENDED BY P.L.137-2012, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) The county option income tax imposed by a county income tax council under this chapter remains in effect until rescinded.

(b) Subject to subsection (c), the county income tax council of a county may rescind the county option income tax by passing an ordinance.

(c) A county income tax council may not rescind the county option income tax or take any action that would result in a civil taxing unit in the county having a smaller distributive share than the distributive share to which it was entitled when it pledged county option income tax, if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county option income tax, has pledged county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

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

SECTION 17. IC 6-3.5-6-12.5, AS AMENDED BY P.L.137-2012, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2013]: Sec. 12.5. (a) The county income tax council may adopt an ordinance to decrease the county option income tax rate in effect.

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

"The \_\_\_\_\_ County Income Tax Council decreases the county option income tax rate from \_\_\_\_\_ percent (\_\_\_ %) to \_\_\_\_\_ percent (\_\_\_ %)."

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

(d) The county auditor shall record the votes taken on an ordinance under this subsection and, not more than ten (10) days after the vote, shall send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance by certified mail or in an electronic format approved by the director of the budget agency.

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

Page 9, line 4, delete "tax rates currently in effect, and" and insert "**known tax rates.**".

Page 9, delete lines 5 through 6.

Page 9, line 7, delete "year."

Page 12, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 20. IC 6-3.5-6-28, AS AMENDED BY P.L.137-2012, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28. (a) This section applies only to Howard County.

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

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose a county option income tax at a rate that does not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers. The tax rate

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may be adopted in any increment of one hundredth percent (0.01%). Before the county fiscal body may adopt a tax rate under this section, the county fiscal body must make the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional tax rate to nonresident taxpayers.

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

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

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

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

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

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

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



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

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

SECTION 21. IC 6-3.5-6-29, AS AMENDED BY P.L.137-2012, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:

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

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

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

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or

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maintenance.

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

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional 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 for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

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

SECTION 22. IC 6-3.5-6-30, AS AMENDED BY P.L.137-2012, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross

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income tax nor the county option income tax is in effect, the county income tax council may adopt an ordinance to impose a tax rate under this section.

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

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

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

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

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

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

(B) the following:

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

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

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

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

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

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

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

- (A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
- (B) the tax rate currently in effect in the county under this section.

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

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

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

- (1) the quotient of:
  - (A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by
  - (B) the STEP ONE amount; multiplied by

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

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

- (1) the quotient of:
  - (A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by
  - (B) the STEP ONE amount; multiplied by

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

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

- (1) the quotient of:

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- (A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by
- (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

- (1) the quotient of:
  - (A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by
  - (B) the STEP ONE amount; multiplied by
- (2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this section.

(i) The tax rate under this section shall not be considered for purposes of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3.

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

- (1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county

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stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and

(2) one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

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

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

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

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

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

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

(s) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized

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

SECTION 23. IC 6-3.5-6-31, AS AMENDED BY P.L.132-2012, SECTION 4, AND AS AMENDED BY P.L.137-2012, SECTION 86, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 31. (a) As used in this section, "public safety" refers to the following:

- (1) A police and law enforcement system to preserve public peace and order.
- (2) A firefighting and fire prevention system.
- (3) Emergency ambulance services (as defined in IC 16-18-2-107).
- (4) Emergency medical services (as defined in IC 16-18-2-110).
- (5) Emergency action (as defined in IC 13-11-2-65).
- (6) A probation department of a court.
- (7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:
  - (A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);
  - (B) convicted of a crime; or
  - (C) adjudicated as a delinquent child or a child in need of services.
- (8) A juvenile detention facility under IC 31-31-8.
- (9) A juvenile detention center under IC 31-31-9.
- (10) A county jail.
- (11) A communications system (as defined in IC 36-8-15-3), or an enhanced emergency telephone system (as defined in IC 36-8-16-2 *(before its repeal on July 1, 2012)*), or the statewide 911 system (as defined in IC 36-8-16.7-22).
- (12) Medical and health expenses for jail inmates and other confined persons.
- (13) Pension payments for any of the following:
  - (A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.
  - (B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

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(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) The county income tax council may adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety if:

(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or

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

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

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

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

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

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

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

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

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(2) a fraction equal to:

- (A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by
- (B) the sum of the total property taxes being collected in the county by the county and each municipality in the county that is entitled to a distribution under this section for the calendar year.

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

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

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

- (1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3; or
- (3) the credit under IC 6-1.1-20.6.

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

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

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

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



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

- (1) provides fire protection or emergency medical services within the county; and
- (2) is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section;

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

SECTION 24. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to taxpayers in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

(e) A tax rate under this section may be imposed, increased,

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decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

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

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

(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

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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:

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

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

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

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

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage

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determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies.

The county income tax council may adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

(g) The tax rate under this section shall not be considered for purposes of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under IC 6-1.1-18.5-3; or
- (3) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. To the extent the county auditor determines that there is income tax revenue remaining from the tax under this section after providing the property tax replacement, the excess shall be credited to a dedicated county account and may be used only for property tax replacement under this section in subsequent years.

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

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

SECTION 25. IC 6-3.5-6-33, AS AMENDED BY P.L.137-2012,

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SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 33. (a) This section applies only to Monroe County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose an additional county option income tax at a rate of not more than twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county fiscal body makes the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

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

- (1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities necessary to provide juvenile services; and
- (2) agreeing to freeze for the term in which an ordinance is in effect under this section the part of any property tax levy imposed in the county for the operation of the juvenile detention center and other facilities covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section.

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

(f) The county treasurer shall establish a county juvenile detention center revenue fund to be used only for the purposes described in this

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section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county juvenile detention center revenue fund before a certified distribution is made under section 18 of this chapter.

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

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

(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.

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

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

Page 12, line 31, delete "the later of:".

Page 12, line 32, delete "(A)".

Page 12, line 32, after "year" delete "; or" and insert ".".

Page 12, run in lines 31 through 32.

Page 12, delete lines 33 through 34.

Page 12, line 37, delete "the later of:".

Page 12, line 38, delete "(A)".

Page 12, line 38, after "year" delete "; or" and insert ".".

Page 12, run in lines 37 through 38.

Page 12, delete lines 39 through 40.

Page 13, delete lines 22 through 31, begin a new paragraph and insert:

**"(d) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance with this article:**

**(1) the commissioner shall:**

**(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and**

**(B) specify the corrective action that must be taken for the**

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**ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and (2) the ordinance may not take effect until the corrective action is taken.**

SECTION 27. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

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

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

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

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

on the adjusted gross income of county taxpayers.

(c) Except as provided in this section, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in this section, the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

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

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

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

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

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance ~~by certified mail or~~ in an electronic format approved by the director of the budget agency.

(g) For Jackson County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

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

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

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

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

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

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

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

(l) For:

- (1) Elkhart County; or
- (2) Marshall County;

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

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

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

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

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

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

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

(o) In addition:

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

(2) the:

(A) county economic development income tax; and

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

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

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

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

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

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

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

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

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

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

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



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

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

- (1) the county economic development income tax rate plus the county adjusted gross income tax rate; or
- (2) the county economic development tax rate plus the county option income tax rate.

(w) The income tax rate limits imposed by subsection (c) or (x) or any other provision of this chapter do not apply to:

- (1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- (2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

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

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

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

(z) This subsection applies to Starke County. Except as provided in subsection (o), if an ordinance is adopted under section 27.6 of this chapter, the county economic development income tax rate plus the county adjusted gross income tax rate that is in effect on January 1 of a year may not exceed two percent (2%).

SECTION 28. IC 6-3.5-7-6, AS AMENDED BY P.L.137-2012,

SB 544—LS 6984/DI 73+



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SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) The body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must adopt an ordinance. The ordinance must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from \_\_\_\_\_ percent (\_\_\_\_%) to \_\_\_\_\_ percent (\_\_\_\_%)."

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

SECTION 29. IC 6-3.5-7-7, AS AMENDED BY P.L.137-2012, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) The county economic development income tax imposed under this chapter remains in effect until rescinded.

(b) Subject to section 14 of this chapter, the body imposing the county economic development income tax may rescind the tax by adopting an ordinance.

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

Page 13, line 40, delete "tax rates currently in effect, and" and insert "**known tax rates.**".

Page 13, delete lines 41 through 42.

Page 14, line 1, delete "year."

Page 16, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 30. IC 6-3.5-7-27, AS AMENDED BY P.L.137-2012, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 27. (a) This section applies to a



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county that:

- (1) operates a courthouse that is subject to an order that:
  - (A) is issued by a federal district court;
  - (B) applies to an action commenced before January 1, 2003;
  - and
  - (C) requires the county to comply with the federal Americans with Disabilities Act; and
- (2) has insufficient revenues to finance the construction, acquisition, improvement, renovation, equipping, and operation of the courthouse facilities and related facilities.

(b) A county described in this section possesses unique fiscal challenges in financing, renovating, equipping, and operating the county courthouse facilities and related facilities because the county consistently has one (1) of the highest unemployment rates in Indiana. Maintaining low property tax rates is essential to economic development in the county. The use of economic development income tax revenues under this section for the purposes described in subsection (c) promotes that purpose.

(c) In addition to actions authorized by section 5 of this chapter, a county council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county economic development income tax on the adjusted gross income of county taxpayers. The ordinance imposing the additional tax must include a finding that revenues from additional tax are needed to pay the costs of:

- (1) constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities;
- (2) repaying any bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities; and
- (3) economic development projects described in the county's capital improvement plan.

(d) The tax rate imposed under this section may not exceed twenty-five hundredths percent (0.25%).

(e) If the county council adopts an ordinance to impose an additional tax under this section, the county auditor shall, not more than ten (10) days after the vote, send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance by certified mail or in an electronic format approved by the director of the budget agency. The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in subsection (c)(1) and (c)(2). The amount of county

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economic development income tax revenues derived from the tax rate imposed under this section that are necessary to pay the costs described in subsection (c)(1) and (c)(2) shall be deposited into the county facilities revenue fund before a certified distribution is made under section 12 of this chapter. The remainder shall be deposited into the economic development income tax funds of the county's units.

(f) County economic development income tax revenues derived from the tax rate imposed under this section may not be used for purposes other than those described in this section.

(g) County economic development income tax revenues derived from the tax rate imposed under this section that are deposited into the county facilities revenue fund may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section and deposited into the county facilities revenue fund or any other revenues of the county may be deposited into a nonreverting fund of the county to be used for operating costs of the courthouse facilities, juvenile detention facilities, or related facilities. Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5."

Page 19, line 16, strike "estimates" and insert "**determines**".

Page 19, strike line 42.

Page 20, strike lines 1 through 3.

Page 21, line 29, strike "the department shall certify to".

Page 21, line 29, after "state" insert "**shall determine**".

Page 21, line 31, strike "the department shall certify to".

Page 21, line 32, after "state" insert "**shall determine**".

Page 21, line 33, strike "certified".

Page 21, line 33, after "amounts" insert "**determined by the auditor of state**".

Page 33, line 31, after "under" insert "**IC 6-2.5**".

Page 37, line 1, after "district." insert "**If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall use the best information available in calculating the incremental gross retail, use, and income taxes.**".

Page 37, line 20, after "district." insert "**If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall**

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use the best information available in calculating the net increment."

Page 38, line 39, after "area." insert **"If a taxpayer fails to report the information required by this section, the department shall use the best information available in calculating the amount of incremental income taxes."**

Page 40, between lines 5 and 6, begin a new paragraph and insert:

**"(d) If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall use the best information available in calculating the amount of covered taxes attributable to a taxable event in a tax area or covered taxes from income earned in a tax area."**

Page 40, between lines 27 and 28, begin a new paragraph and insert:

**"(d) If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall use the best information available in calculating the amount of covered taxes attributable to a taxable event in a tax area or covered taxes from income earned in a tax area."**

Page 40, after line 42, begin a new paragraph and insert:

**"(d) If a taxpayer fails to report the information required by this section or file an informational return required by this section, the department shall use the best information available in calculating the income tax incremental amount and the gross retail incremental amount."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 544 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 9, Nays 0.

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