

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR ESB 544**

**Citations Affected:** IC 5-28-26-15; IC 6-3.5; IC 6-6; IC 6-8.1; IC 8-14-1-3; IC 25-1-6-8; IC 36-7.

**Synopsis:** State and local finances. 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 current law) of the certified distributions to be made in the following year. 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. Urges the legislative council to assign to an interim study committee the study of the administration of the county adjusted gross income tax, county option income tax, and county economic development income tax. **(This conference committee report changes from 15 days to 30 days the time in which the county auditor must provide the taxing units with the estimated local income tax certified distribution and actual certified distribution amounts after they are received from the state and removes the provision concerning financial institutions tax revenue distributions.)**

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

# CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 544 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:  
2 SECTION 1. IC 5-28-26-15, AS ADDED BY P.L.203-2005,  
3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2013]: Sec. 15. **(a)** Before the first business day in October of  
5 each year, the department of state revenue shall calculate the income  
6 tax incremental amount and the gross retail incremental amount for the  
7 preceding state fiscal year for each global commerce center designated  
8 under this chapter.  
9 **(b) Taxpayers operating in the global commerce center 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 income tax incremental amount and the gross retail**  
13 **incremental amount.**  
14 **(c) A taxpayer operating in the global commerce center that**  
15 **files a consolidated tax return with the department also shall file**  
16 **annually an informational return with the department for each**  
17 **business location of the taxpayer within the global commerce**  
18 **center.**  
19 **(d) If a taxpayer fails to report the information required by this**  
20 **section or file an informational return required by this section, the**  
21 **department shall use the best information available in calculating**

1 **the income tax incremental amount and the gross retail**  
 2 **incremental amount.**

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

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

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

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

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

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

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

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

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

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

38 (d) (c) Notwithstanding any other provision of this chapter, an  
 39 ordinance authorized by this chapter that grants, increases, decreases,  
 40 rescinds, or changes a homestead credit or property tax replacement  
 41 credit authorized under this chapter takes effect for and applies to  
 42 property taxes first due and payable in the year immediately following  
 43 the year in which the ordinance is adopted.

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

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

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

1                   **(B) specify the corrective action that must be taken for the**  
 2                   **ordinance to be adopted according to the requirements of**  
 3                   **this article and to be in compliance with this article; and**  
 4                   **(2) the ordinance may not take effect until the corrective**  
 5                   **action is taken.**

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

13                  (b) Except as provided in section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, 3.6,  
 14                  24, 25, or 26 of this chapter, the county adjusted gross income tax may  
 15                  be imposed at a rate of one-half of one percent (0.5%), three-fourths of  
 16                  one percent (0.75%), or one percent (1%) on the adjusted gross income  
 17                  of resident county taxpayers of the county. Any county imposing the  
 18                  county adjusted gross income tax must impose the tax on the  
 19                  nonresident county taxpayers at a rate of one-fourth of one percent  
 20                  (0.25%) on their adjusted gross income. If the county council elects to  
 21                  decrease the county adjusted gross income tax, the county council may  
 22                  decrease the county adjusted gross income tax rate in increments of  
 23                  one-tenth of one percent (0.1%).

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

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

33                  (d) 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                  (e) If the county adjusted gross income tax had previously been  
 41                  adopted by a county under IC 6-3.5-1 (before its repeal on March 15,  
 42                  1983) and that tax was in effect at the time of the enactment of this  
 43                  chapter, then the county adjusted gross income tax continues in that  
 44                  county at the rates in effect at the time of enactment until the rates are  
 45                  modified or the tax is rescinded in the manner prescribed by this  
 46                  chapter. If a county's adjusted gross income tax is continued under this  
 47                  subsection, then the tax shall be treated as if it had been imposed under  
 48                  this chapter and is subject to rescission or reduction as authorized in  
 49                  this chapter.

50                  SECTION 4. IC 6-3.5-1.1-3, AS AMENDED BY P.L.137-2012,  
 51                  SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2013]: Sec. 3. (a) The county council may increase the county  
 2 adjusted gross income tax rate imposed upon the resident county  
 3 taxpayers of the county. To increase the rate, the county council must  
 4 adopt an ordinance. The ordinance must substantially state the  
 5 following:

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

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

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

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

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

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

45 (e) This subsection applies only to LaPorte County. The county  
 46 council may adopt or increase the county economic development  
 47 income tax rate under IC 6-3.5-7 in the same year that the county  
 48 council decreases the county adjusted gross income tax rate if the  
 49 county economic development income tax rate plus the county adjusted  
 50 gross income tax rate in effect after the county council decreases the

1 county adjusted gross income tax rate is less than the county adjusted  
 2 gross income tax rate in effect before the adoption of an ordinance  
 3 under this section decreasing the rate of the county adjusted gross  
 4 income tax.

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

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

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

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

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

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

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

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

46 (b) Before August 2 of each calendar year, the budget agency **shall**  
 47 **provide to the county auditor of each adopting county an estimate**  
 48 **of the amount determined under subsection (a) that will be**  
 49 **distributed to the county, based on known tax rates. Not later than**  
 50 **thirty (30) days after receiving the estimate of the certified**  
 51 **distribution, the county auditor shall notify each taxing unit of the**

1 **estimated amount of property tax replacement credits, certified**  
 2 **shares, and other revenue that will be distributed to the taxing unit**  
 3 **under this chapter during the ensuing calendar year. Before**  
 4 **October 1 of each calendar year, the budget agency** shall certify to  
 5 the county auditor of each adopting county the amount determined  
 6 under subsection (a) plus the amount of interest in the county's account  
 7 that has accrued and has not been included in a certification made in a  
 8 preceding year. The amount certified is the county's "certified  
 9 distribution" for the immediately succeeding calendar year. The amount  
 10 certified shall be adjusted under subsections (c), (d), (e), (f), and (g).  
 11 **Not later than thirty (30) days after receiving the notice of the**  
 12 **amount of the certified distribution, the county auditor shall notify**  
 13 **each taxing unit of the amount of property tax replacement credits,**  
 14 **certified shares, and other revenue that will be distributed to the**  
 15 **taxing unit under this chapter during the ensuing calendar year.**

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

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

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

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

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

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

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

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

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

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

32 (2) two (2).

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

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

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

47 SECTION 8. IC 6-3.5-1.1-21.1, AS AMENDED BY P.L.229-2011,  
 48 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 49 JULY 1, 2013]: Sec. 21.1. (a) If the budget agency determines that the  
 50 balance in a county **trust** account exceeds ~~one hundred~~ fifty percent

1 (~~150%~~) **(50%)** of the certified distributions to be made to the county  
 2 in the ensuing year, the budget agency shall make a supplemental  
 3 distribution to the county from the county's adjusted gross income tax  
 4 account.

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

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

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

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

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

14 The amount of the supplemental distribution is equal to the amount by  
 15 which the balance in the county **trust** account exceeds ~~one hundred~~  
 16 fifty percent (~~150%~~) **(50%)** of the certified distributions to be made to  
 17 the county in the ensuing year.

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

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

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

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

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

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

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

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

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

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

- 1 in the county family and children's fund before 2009, determine  
 2 the result of:
- 3 (1) the quotient of:
- 4 (A) the amount determined under STEP TWO of  
 5 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 6 (B) the STEP ONE amount; multiplied by
- 7 (2) the tax revenue received by the county treasurer under this  
 8 section.
- 9 STEP FOUR: For distributions in 2009 and thereafter, the result  
 10 of this STEP is zero (0). For distribution to the county for deposit  
 11 in the county children's psychiatric residential treatment services  
 12 fund before 2009, determine the result of:
- 13 (1) the quotient of:
- 14 (A) the amount determined under STEP THREE of  
 15 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 16 (B) the STEP ONE amount; multiplied by
- 17 (2) the tax revenue received by the county treasurer under this  
 18 section.
- 19 STEP FIVE: For distribution to the county for community mental  
 20 health center purposes, determine the result of:
- 21 (1) the quotient of:
- 22 (A) the amount determined under STEP FOUR of  
 23 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 24 (B) the STEP ONE amount; multiplied by
- 25 (2) the tax revenue received by the county treasurer under this  
 26 section.
- 27 Except as provided in subsection (m), the county treasurer shall  
 28 distribute the portion of the certified distribution that is attributable to  
 29 a tax rate under this section as specified in this section. The county  
 30 treasurer shall make the distributions under this subsection at the same  
 31 time that distributions are made to civil taxing units under section 15  
 32 of this chapter.
- 33 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county  
 34 council may not decrease or rescind a tax rate imposed under this  
 35 chapter.
- 36 (i) The tax rate under this section shall not be considered for  
 37 purposes of computing:
- 38 (1) the maximum income tax rate that may be imposed in a county  
 39 under section 2 of this chapter or any other provision of this  
 40 chapter; or
- 41 (2) the maximum permissible property tax levy under  
 42 IC 6-1.1-18.5-3.
- 43 (j) The tax levy under this section shall not be considered for  
 44 purposes of the credit under IC 6-1.1-20.6.
- 45 (k) A distribution under this section shall be treated as a part of the  
 46 receiving civil taxing unit's property tax levy for that year for purposes  
 47 of fixing the budget of the civil taxing unit and for determining the  
 48 distribution of taxes that are distributed on the basis of property tax  
 49 levies.
- 50 (l) If a county council imposes a tax rate under this section, the

1 portion of county adjusted gross income tax revenue dedicated to  
 2 property tax replacement credits under section 11 of this chapter may  
 3 not be decreased.

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

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

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

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

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

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

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

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

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

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

47 (1) A police and law enforcement system to preserve public peace  
 48 and order.

49 (2) A firefighting and fire prevention system.

50 (3) Emergency ambulance services (as defined in

- 1 IC 16-18-2-107).
- 2 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 3 (5) Emergency action (as defined in IC 13-11-2-65).
- 4 (6) A probation department of a court.
- 5 (7) Confinement, supervision, services under a community
- 6 corrections program (as defined in IC 35-38-2.6-2), or other
- 7 correctional services for a person who has been:
- 8 (A) diverted before a final hearing or trial under an agreement
- 9 that is between the county prosecuting attorney and the person
- 10 or the person's custodian, guardian, or parent and that provides
- 11 for confinement, supervision, community corrections services,
- 12 or other correctional services instead of a final action
- 13 described in clause (B) or (C);
- 14 (B) convicted of a crime; or
- 15 (C) adjudicated as a delinquent child or a child in need of
- 16 services.
- 17 (8) A juvenile detention facility under IC 31-31-8.
- 18 (9) A juvenile detention center under IC 31-31-9.
- 19 (10) A county jail.
- 20 (11) A communications system (as defined in IC 36-8-15-3), *or*
- 21 an enhanced emergency telephone system (as defined in
- 22 IC 36-8-16-2 (*before its repeal on July 1, 2012*)), *or the statewide*
- 23 *911 system (as defined in IC 36-8-16.7-22)*.
- 24 (12) Medical and health expenses for jail inmates and other
- 25 confined persons.
- 26 (13) Pension payments for any of the following:
- 27 (A) A member of the fire department (as defined in
- 28 IC 36-8-1-8) or any other employee of a fire department.
- 29 (B) A member of the police department (as defined in
- 30 IC 36-8-1-9), a police chief hired under a waiver under
- 31 IC 36-8-4-6.5, or any other employee hired by a police
- 32 department.
- 33 (C) A county sheriff or any other member of the office of the
- 34 county sheriff.
- 35 (D) Other personnel employed to provide a service described
- 36 in this section.
- 37 (b) If a county council has imposed a tax rate of at least twenty-five
- 38 hundredths of one percent (0.25%) under section 24 of this chapter, a
- 39 tax rate of at least twenty-five hundredths of one percent (0.25%) under
- 40 section 26 of this chapter, or a total combined tax rate of at least
- 41 twenty-five hundredths of one percent (0.25%) under sections 24 and
- 42 26 of this chapter, the county council may also adopt an ordinance to
- 43 impose an additional tax rate under this section to provide funding for
- 44 public safety.
- 45 (c) A tax rate under this section may not exceed twenty-five
- 46 hundredths of one percent (0.25%).
- 47 (d) If a county council adopts an ordinance to impose a tax rate
- 48 under this section, *not more than ten (10) days after the vote*, the
- 49 county auditor shall send a certified copy of the ordinance to the
- 50 *commissioner of the department, the director of the budget agency, and*

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

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

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

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

16 (2) a fraction equal to:

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

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

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

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

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

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

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

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

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

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

50 (k) Two (2) or more political subdivisions that are entitled to receive

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

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

7 (1) provides fire protection or emergency medical services within  
 8 the county; and

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

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

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

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

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

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

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

- 1 ordinance of the county council:
- 2 (1) Except as provided in subsection (j), the tax revenue may be
- 3 used to provide local property tax replacement credits at a
- 4 uniform rate to all taxpayers in the county. The local property tax
- 5 replacement credits shall be treated for all purposes as property
- 6 tax levies. The county auditor shall determine the local property
- 7 tax replacement credit percentage for a particular year based on
- 8 the amount of tax revenue that will be used under this subdivision
- 9 to provide local property tax replacement credits in that year. A
- 10 county council may not adopt an ordinance determining that tax
- 11 revenue shall be used under this subdivision to provide local
- 12 property tax replacement credits at a uniform rate to all taxpayers
- 13 in the county unless the county council has done the following:
- 14 (A) Made available to the public the county council's best
- 15 estimate of the amount of property tax replacement credits to
- 16 be provided under this subdivision to homesteads, other
- 17 residential property, commercial property, industrial property,
- 18 and agricultural property.
- 19 (B) Adopted a resolution or other statement acknowledging
- 20 that some taxpayers in the county that do not pay the tax rate
- 21 under this section will receive a property tax replacement
- 22 credit that is funded with tax revenue from the tax rate under
- 23 this section.
- 24 (2) The tax revenue may be used to uniformly provide the
- 25 homestead credit percentage in the county. The homestead credits
- 26 shall be treated for all purposes as property tax levies. The
- 27 homestead credits do not reduce the basis for determining any
- 28 state homestead credit. The homestead credits shall be applied to
- 29 the net property taxes due on the homestead after the application
- 30 of all other assessed value deductions or property tax deductions
- 31 and credits that apply to the amount owed under IC 6-1.1. The
- 32 county auditor shall determine the homestead credit percentage
- 33 for a particular year based on the amount of tax revenue that will
- 34 be used under this subdivision to provide homestead credits in
- 35 that year.
- 36 (3) The tax revenue may be used to provide local property tax
- 37 replacement credits at a uniform rate for all qualified residential
- 38 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
- 39 and as defined in section 1 of this chapter after December 31,
- 40 2008) in the county. The local property tax replacement credits
- 41 shall be treated for all purposes as property tax levies. The county
- 42 auditor shall determine the local property tax replacement credit
- 43 percentage for a particular year based on the amount of tax
- 44 revenue that will be used under this subdivision to provide local
- 45 property tax replacement credits in that year.
- 46 (4) This subdivision applies only to Lake County. The Lake
- 47 County council may adopt an ordinance providing that the tax
- 48 revenue from the tax rate under this section is used for any of the
- 49 following:
- 50 (A) To reduce all property tax levies imposed by the county by

1 the granting of property tax replacement credits against those  
2 property tax levies.

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

5 (i) The tax revenue under this section that is collected from  
6 taxpayers within a particular municipality in Lake County  
7 (as determined by the department based on the department's  
8 best estimate) shall be used only to provide a local property  
9 tax credit against property taxes imposed by that  
10 municipality.

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

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

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

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

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

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

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

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

- 1 chapter;
- 2 (2) the maximum permissible property tax levy under
- 3 IC 6-1.1-18.5-3; or
- 4 (3) the credit under IC 6-1.1-20.6.
- 5 (h) Tax revenue under this section shall be treated as a part of the
- 6 receiving civil taxing unit's or school corporation's property tax levy for
- 7 that year for purposes of fixing the budget of the civil taxing unit or
- 8 school corporation and for determining the distribution of taxes that are
- 9 distributed on the basis of property tax levies. To the extent the county
- 10 auditor determines that there is income tax revenue remaining from the
- 11 tax under this section after providing the property tax replacement
- 12 credits, the excess shall be credited to a dedicated county account and
- 13 may be used only for property tax replacement credits under this
- 14 section in subsequent years.
- 15 (i) The department of local government finance and the department
- 16 of state revenue may take any actions necessary to carry out the
- 17 purposes of this section.
- 18 (j) A taxpayer that owns an industrial plant located in Jasper County
- 19 is ineligible for a local property tax replacement credit under this
- 20 section against the property taxes due on the industrial plant if the
- 21 assessed value of the industrial plant as of March 1, 2006, exceeds
- 22 twenty percent (20%) of the total assessed value of all taxable property
- 23 in the county on that date. The general assembly finds that the
- 24 provisions of this subsection are necessary because the industrial plant
- 25 represents such a large percentage of Jasper County's assessed
- 26 valuation.
- 27 SECTION 12. IC 6-3.5-6-1.5, AS AMENDED BY SEA 85-2013,
- 28 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JULY 1, 2013]: Sec. 1.5. (a) Notwithstanding any other provision of
- 30 this chapter, a power granted by this chapter to adopt an ordinance to:
- 31 (1) impose, increase, decrease, or rescind a tax or tax rate; or
- 32 (2) grant, increase, decrease, rescind, or change a homestead
- 33 credit or property tax replacement credit authorized under this
- 34 chapter;
- 35 may be exercised at any time in a year before November 1 of that year.
- 36 (b) Notwithstanding any other provision of this chapter, an
- 37 ordinance authorized by this chapter that imposes, ~~or~~ increases,
- 38 **decreases, or rescinds** a tax or a tax rate takes effect as follows:
- 39 (1) An ordinance adopted after December 31 of the immediately
- 40 preceding year and before ~~October~~ **September** 1 of the current
- 41 year takes effect ~~on~~ **on** October 1 of the current year.
- 42 (2) An ordinance adopted after ~~September 30~~ and before ~~October~~
- 43 **16 August 31 and before November 1** of the current year takes
- 44 effect ~~November 1~~ **on January 1** of the current **following** year.
- 45 (3) ~~An ordinance adopted after October 15 and before November~~
- 46 ~~1 of the current year takes effect December 1 of the current year.~~
- 47 (c) ~~Notwithstanding any other provision of this chapter, an~~
- 48 ~~ordinance authorized by this chapter that decreases or rescinds a tax or~~
- 49 ~~a tax rate takes effect as follows:~~
- 50 (1) ~~An ordinance adopted after December 31 of the immediately~~

1 preceding year and before October 1 of the current year takes  
2 effect on the later of October 1 of the current year or the first day  
3 of the month in the current year as the month in which the last  
4 increase in the tax or tax rate occurred.

5 (2) An ordinance adopted after September 30 and before October  
6 16 of the current year takes effect on the later of November 1 of  
7 the current year or the first day of the month in the current year as  
8 the month in which the last increase in the tax or tax rate  
9 occurred.

10 (3) An ordinance adopted after October 15 and before November  
11 1 of the current year takes effect December 1 of the current year.

12 (d) (c) An ordinance authorized by this chapter that grants,  
13 increases, decreases, rescinds, or changes a homestead credit or  
14 property tax replacement credit authorized under this chapter takes  
15 effect for and initially applies to property taxes first due and payable in  
16 the year immediately following the year in which the ordinance is  
17 adopted.

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

- 22 (1) the commissioner shall:
  - 23 (A) notify the county auditor that the ordinance was not
  - 24 adopted according to the requirements of this article or is
  - 25 not in compliance with this article; and
  - 26 (B) specify the corrective action that must be taken for the
  - 27 ordinance to be adopted according to the requirements of
  - 28 this article and to be in compliance with this article; and
- 29 (2) the ordinance may not take effect until the corrective  
30 action is taken.

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

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

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

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

1 taxpayers."

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

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

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

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

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

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

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

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

50 "The \_\_\_\_\_ County Income Tax Council permanently

1 freezes the county option income tax rates at the rate in effect on  
2 December 1 of the current year."

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

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

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

10 (2) the tax rate equals six-tenths of one percent (0.6%) (if the  
11 frozen tax rate equaled an amount less than six-tenths of one  
12 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled  
13 an amount in excess of six-tenths of one percent (0.6%)).

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

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

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

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

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

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

49 (b) To decrease the county option income tax rate, the county  
50 income tax council must adopt an ordinance. The ordinance must

1 substantially state the following:

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

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

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

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

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

28 (1) received from that county for a taxable year ending in a  
29 calendar year preceding the calendar year in which the  
30 determination is made; and

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

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

37 (b) Before August 2 of each calendar year, the budget agency **shall**  
38 **provide to the county auditor of each adopting county an estimate**  
39 **of the amount determined under subsection (a) that will be**  
40 **distributed to the county, based on known tax rates. Not later than**  
41 **thirty (30) days after receiving the estimate of the certified**  
42 **distribution, the county auditor shall notify each taxing unit of the**  
43 **estimated amount of distributive shares and other revenue that will**  
44 **be distributed to the taxing unit under this chapter during the**  
45 **ensuing calendar year. Before October 1 of each calendar year, the**  
46 **budget agency shall certify to the county auditor of each adopting**  
47 **county the amount determined under subsection (a) plus the amount of**  
48 **interest in the county's account that has accrued and has not been**  
49 **included in a certification made in a preceding year. The amount**  
50 **certified is the county's "certified distribution" for the immediately**

1 succeeding calendar year. The amount certified shall be adjusted, as  
 2 necessary, under subsections (c), (d), (e), and (f). **Not later than thirty**  
 3 **(30) days after receiving the notice of the amount of the certified**  
 4 **distribution, the county auditor shall notify each taxing unit of the**  
 5 **amount of distributive shares and other revenue that will be**  
 6 **distributed to the taxing unit under this chapter during the ensuing**  
 7 **calendar year.** The budget agency shall provide the county council  
 8 with an informative summary of the calculations used to determine the  
 9 certified distribution. The summary of calculations must include:

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

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

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

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

38 (e) This subsection applies to a county that imposes, increases,  
 39 decreases, or rescinds a tax or tax rate under this chapter before  
 40 November 1 in the same calendar year in which the budget agency  
 41 makes a certification under this section. The budget agency shall adjust  
 42 the certified distribution of a county to provide for a distribution in the  
 43 immediately following calendar year and in each calendar year  
 44 thereafter. The budget agency shall provide for a full transition to  
 45 certification of distributions as provided in subsection (a)(1) through  
 46 (a)(2) in the manner provided in subsection (c). If the county imposes,  
 47 increases, decreases, or rescinds a tax or tax rate under this chapter  
 48 after the date for which a certification under subsection (b) is based, the  
 49 budget agency shall adjust the certified distribution of the county after  
 50 ~~August 1~~ **September 30** of the calendar year. The adjustment shall

1 reflect any other adjustment required under subsections (c), (d), and (f).  
2 The adjusted certification shall be treated as the county's "certified  
3 distribution" for the immediately succeeding calendar year. The budget  
4 agency shall certify the adjusted certified distribution to the county  
5 auditor for the county and provide the county council with an  
6 informative summary of the calculations that revises the informative  
7 summary provided in subsection (b) and reflects the changes made in  
8 the adjustment.

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

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

19 (2) the following:

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

22 (B) In a county other than a county containing a consolidated  
23 city, two (2).

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

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

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

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

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

44 (l) The estimates under subsections (j) and (k) must specify the  
45 amount of the estimated certified distributions that are attributable to  
46 the additional rate authorized under section 30 of this chapter, the  
47 additional rate authorized under section 31 of this chapter, the  
48 additional rate authorized under section 32 of this chapter, and any  
49 other additional rates authorized under this chapter.

50 SECTION 19. IC 6-3.5-6-17.3, AS AMENDED BY P.L.229-2011,

1 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2013]: Sec. 17.3. (a) If the budget agency determines that the  
3 balance in a county **trust** account exceeds ~~one hundred~~ fifty percent  
4 (~~150%~~) **(50%)** of the certified distributions to be made to the county  
5 in the ensuing year, the budget agency shall make a supplemental  
6 distribution to the county from the county's special account.

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

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

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

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

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

17 The amount of the supplemental distribution is equal to the amount by  
18 which the balance in the county **trust** account exceeds ~~one hundred~~  
19 fifty percent (~~150%~~) **(50%)** of the certified distributions to be made to  
20 the county in the ensuing year.

21 (c) A determination under this section must be made before October  
22 2.

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

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

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

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

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

46 (1) finding and determining that revenues from the county option  
47 income tax are needed in the county to fund the operation and  
48 maintenance of a jail, a juvenile detention center, or both; and

49 (2) agreeing to freeze the part of any property tax levy imposed in  
50 the county for the operation of the jail or juvenile detention

1 center, or both, covered by the ordinance at the rate imposed in  
 2 the year preceding the year in which a full year of additional  
 3 county option income tax is certified for distribution to the county  
 4 under this section for the term in which an ordinance is in effect  
 5 under this section.

6 (e) If the county fiscal body makes a determination under subsection  
 7 (d), the county fiscal body may adopt a tax rate under subsection (c).  
 8 Subject to the limitations in subsection (c), the county fiscal body may  
 9 amend an ordinance adopted under this section to increase, decrease,  
 10 or rescind the additional tax rate imposed under this section. Not more  
 11 than ten (10) days after the vote, the county fiscal body shall send a  
 12 certified copy of the ordinance to the county auditor, the commissioner  
 13 of the department, the director of the budget agency, and the  
 14 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 (f) The county treasurer shall establish a county jail revenue fund to  
 18 be used only for the purposes described in this section. County option  
 19 income tax revenues derived from the tax rate imposed under this  
 20 section shall be deposited in the county jail revenue fund before  
 21 making a certified distribution under section 18 of this chapter.

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

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

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

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

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

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

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

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

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

- 1 (A) the financing, construction, acquisition, improvement,  
2 renovation, equipping, operation, or maintenance of jail  
3 facilities; and  
4 (B) the repayment of bonds issued or leases entered into for  
5 the purposes described in clause (A), except operation or  
6 maintenance;  
7 promotes the purpose of maintaining low property tax rates.
- 8 (b) The county fiscal body may impose the county option income tax  
9 on the adjusted gross income of resident county taxpayers at a rate, in  
10 addition to the rates permitted by sections 8 and 9 of this chapter, not  
11 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this  
12 chapter applies to the application of the additional rate to nonresident  
13 taxpayers.
- 14 (c) To impose the county option income tax as provided in this  
15 section, the county fiscal body must adopt an ordinance finding and  
16 determining that additional revenues from the county option income tax  
17 are needed in the county to fund:
- 18 (1) the financing, construction, acquisition, improvement,  
19 renovation, equipping, operation, or maintenance of jail facilities;  
20 and  
21 (2) the repayment of bonds issued or leases entered into for the  
22 purposes described in subdivision (1), except operation or  
23 maintenance.
- 24 (d) If the county fiscal body makes a determination under subsection  
25 (c), the county fiscal body may adopt an additional tax rate under  
26 subsection (b). Subject to the limitations in subsection (b), the county  
27 fiscal body may amend an ordinance adopted under this section to  
28 increase, decrease, or rescind the additional tax rate imposed under this  
29 section. Not more than ten (10) days after the vote, the county fiscal  
30 body shall send a certified copy of the ordinance to the county auditor,  
31 the commissioner of the department, the director of the budget agency,  
32 and the commissioner of the department of local government finance  
33 by certified mail or in an electronic format approved by the director of  
34 the budget agency.
- 35 (e) If the county imposes an additional tax rate under this section,  
36 the county treasurer shall establish a county jail revenue fund to be  
37 used only for the purposes described in this section. County option  
38 income tax revenues derived from the tax rate imposed under this  
39 section shall be deposited in the county jail revenue fund before  
40 making a certified distribution under section 18 of this chapter.
- 41 (f) County option income tax revenues derived from an additional  
42 tax rate imposed under this section:
- 43 (1) may be used only for the purposes described in this section;  
44 (2) may not be considered by the department of local government  
45 finance in determining the county's maximum permissible  
46 property tax levy limit under IC 6-1.1-18.5; and  
47 (3) may be pledged for the repayment of bonds issued or leases  
48 entered into to fund the purposes described in subsection (c)(1),  
49 except operation or maintenance.
- 50 (g) If the county imposes an additional tax rate under this section,

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

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

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

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

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

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

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

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

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

37 (B) the following:

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

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

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

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

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

- 1 (B) the STEP ONE amount; multiplied by  
 2 (2) the tax revenue received by the county treasurer under this  
 3 section.
- 4 STEP FIVE: For distribution to the county for community mental  
 5 health center purposes, determine the result of:
- 6 (1) the quotient of:  
 7 (A) the amount determined under STEP FOUR of  
 8 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 9 (B) the STEP ONE amount; multiplied by  
 10 (2) the tax revenue received by the county treasurer under this  
 11 section.
- 12 Except as provided in subsection (m), the county treasurer shall  
 13 distribute the portion of the certified distribution that is attributable to  
 14 a tax rate under this section as specified in this section. The county  
 15 treasurer shall make the distributions under this subsection at the same  
 16 time that distributions are made to civil taxing units under section 18  
 17 of this chapter.
- 18 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county  
 19 income tax council may not decrease or rescind a tax rate imposed  
 20 under this section.
- 21 (i) The tax rate under this section shall not be considered for  
 22 purposes of computing:  
 23 (1) the maximum income tax rate that may be imposed in a county  
 24 under section 8 or 9 of this chapter or any other provision of this  
 25 chapter; or  
 26 (2) the maximum permissible property tax levy under  
 27 IC 6-1.1-18.5-3.
- 28 (j) The tax levy under this section shall not be considered for  
 29 purposes of the credit under IC 6-1.1-20.6.
- 30 (k) A distribution under this section shall be treated as a part of the  
 31 receiving civil taxing unit's property tax levy for that year for purposes  
 32 of fixing its budget and for determining the distribution of taxes that  
 33 are distributed on the basis of property tax levies.
- 34 (l) If a county income tax council imposes a tax rate under this  
 35 section, the county option income tax rate dedicated to locally funded  
 36 homestead credits in the county may not be decreased.
- 37 (m) In the year following the year in which a county first imposes  
 38 a tax rate under this section:  
 39 (1) one-third (1/3) of the tax revenue that is attributable to the tax  
 40 rate under this section must be deposited in the county  
 41 stabilization fund established under subsection (o), in the case of  
 42 a county containing a consolidated city; and  
 43 (2) one-half (1/2) of the tax revenue that is attributable to the tax  
 44 rate under this section must be deposited in the county  
 45 stabilization fund established under subsection (o), in the case of  
 46 a county not containing a consolidated city.
- 47 (n) A pledge of county option income taxes does not apply to  
 48 revenue attributable to a tax rate under this section.
- 49 (o) A county stabilization fund is established in each county that  
 50 imposes a tax rate under this section. The county stabilization fund

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

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

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

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

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

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

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

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

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

39 (1) A police and law enforcement system to preserve public peace  
 40 and order.

41 (2) A firefighting and fire prevention system.

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

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

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

46 (6) A probation department of a court.

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

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

- 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.
- 43 (c) A tax rate under this section may not exceed the following:  
 44 (1) Five-tenths of one percent (0.5%), in the case of a county  
 45 containing a consolidated city.  
 46 (2) Twenty-five hundredths of one percent (0.25%), in the case of  
 47 a county other than a county containing a consolidated city.  
 48 (d) If a county income tax council adopts an ordinance to impose a  
 49 tax rate under this section, *not more than ten (10) days after the vote*,  
 50 the county auditor shall send a certified copy of the ordinance to the

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

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

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

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

17 (2) a fraction equal to:

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

20 (B) the sum of the total property taxes being collected in the  
 21 county by the county and each municipality in the county that  
 22 is entitled to a distribution under this section for the calendar  
 23 year.

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

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

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

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

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

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

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

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

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

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

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

11 (1) provides fire protection or emergency medical services within  
12 the county; and

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

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

30 SECTION 24. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012,  
31 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 JULY 1, 2013]: Sec. 32. (a) A county income tax council may impose  
33 a tax rate under this section to provide property tax relief to taxpayers  
34 in the county. A county income tax council is not required to impose  
35 any other tax before imposing a tax rate under this section.

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

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

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

50 (e) A tax rate under this section may be imposed, increased,

1 decreased, or rescinded at the same time and in the same manner that  
2 the county income tax council may impose or increase a tax rate under  
3 section 30 of this chapter.

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

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

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

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

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

42 (3) The tax revenue may be used to provide local property tax  
43 replacement credits at a uniform rate for all qualified residential  
44 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
45 and as defined in section 1 of this chapter after December 31,  
46 2008) in the county. The local property tax replacement credits  
47 shall be treated for all purposes as property tax levies. The county  
48 auditor shall determine the local property tax replacement credit  
49 percentage for a particular year based on the amount of tax  
50 revenue that will be used under this subdivision to provide local

1 property tax replacement credits in that year.

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

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

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

11 (i) The tax revenue under this section that is collected from  
12 taxpayers within a particular municipality in Lake County  
13 (as determined by the department based on the department's  
14 best estimate) shall be used only to provide a local property  
15 tax credit against property taxes imposed by that  
16 municipality.

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

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

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

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

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

49 The county income tax council may adopt an ordinance changing the  
50 purposes for which tax revenue attributable to a tax rate under this

1 section shall be used in the following year.

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

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

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

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

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

20 (i) 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 (j) 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 tax rate under this section.

26 SECTION 25. IC 6-3.5-6-33, AS AMENDED BY P.L.137-2012,  
27 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2013]: Sec. 33. (a) This section applies only to Monroe  
29 County.

30 (b) Maintaining low property tax rates is essential to economic  
31 development, and the use of county option income tax revenues as  
32 provided in this chapter and as needed in the county to fund the  
33 operation and maintenance of a juvenile detention center and other  
34 facilities to provide juvenile services, rather than the use of property  
35 taxes, promotes that purpose.

36 (c) In addition to the rates permitted by sections 8 and 9 of this  
37 chapter, the county fiscal body may impose an additional county option  
38 income tax at a rate of not more than twenty-five hundredths percent  
39 (0.25%) on the adjusted gross income of resident county taxpayers if  
40 the county fiscal body makes the finding and determination set forth in  
41 subsection (d). Section 8(e) of this chapter applies to the application of  
42 the additional rate to nonresident taxpayers.

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

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

49 (2) agreeing to freeze for the term in which an ordinance is in  
50 effect under this section the part of any property tax levy imposed

1 in the county for the operation of the juvenile detention center and  
 2 other facilities covered by the ordinance at the rate imposed in the  
 3 year preceding the year in which a full year of additional county  
 4 option income tax is certified for distribution to the county under  
 5 this section.

6 (e) If the county fiscal body makes a determination under subsection  
 7 (d), the county fiscal body may adopt a tax rate under subsection (c).  
 8 Subject to the limitations in subsection (c), the county fiscal body may  
 9 amend an ordinance adopted under this section to increase, decrease,  
 10 or rescind the additional tax rate imposed under this section. Not more  
 11 than ten (10) days after the vote, the county fiscal body shall send a  
 12 certified copy of the ordinance to the county auditor, the commissioner  
 13 of the department, the director of the budget agency, and the  
 14 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 (f) The county treasurer shall establish a county juvenile detention  
 18 center revenue fund to be used only for the purposes described in this  
 19 section. County option income tax revenues derived from the tax rate  
 20 imposed under this section shall be deposited in the county juvenile  
 21 detention center revenue fund before a certified distribution is made  
 22 under section 18 of this chapter.

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

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

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

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

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

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

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

49 (b) Notwithstanding any other provision of this chapter, an  
 50 ordinance authorized by this chapter that imposes, ~~or~~ increases,

1 **decreases, or rescinds** a tax or a tax rate takes effect as follows:

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

5 (2) An ordinance adopted after ~~September 30 and before October~~  
6 **16 August 31 and before November 1** of the current year takes  
7 effect ~~November 1~~ **on January 1** of the **current following** year.

8 (3) An ordinance adopted after October 15 and before November  
9 1 of the current year takes effect December 1 of the current year.

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

13 (1) An ordinance adopted after December 31 of the immediately  
14 preceding year and before October 1 of the current year takes  
15 effect on the later of October 1 of the current year or the first day  
16 of the month in the current year as the month in which the last  
17 increase in the tax or tax rate occurred.

18 (2) An ordinance adopted after September 30 and before October  
19 16 of the current year takes effect on the later of November 1 of  
20 the current year or the first day of the month in the current year as  
21 the month in which the last increase in the tax or tax rate  
22 occurred.

23 (3) An ordinance adopted after October 15 and before November  
24 1 of the current year takes effect December 1 of the current year.

25 (d) (c) Notwithstanding any other provision of this chapter, an  
26 ordinance authorized by this chapter that grants, increases, decreases,  
27 rescinds, or changes a homestead credit or property tax replacement  
28 credit authorized under this chapter takes effect for and applies to  
29 property taxes first due and payable in the year immediately following  
30 the year in which the ordinance is adopted.

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

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

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

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

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

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

50 (1) the county income tax council (as defined in IC 6-3.5-6-1) if  
51 the county option income tax is in effect on October 1 of the year

- 1 the county economic development income tax is imposed;  
 2 (2) the county council if the county adjusted gross income tax is  
 3 in effect on October 1 of the year the county economic  
 4 development tax is imposed; or  
 5 (3) the county income tax council or the county council,  
 6 whichever acts first, for a county not covered by subdivision (1)  
 7 or (2).

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

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

- 14 (1) one-tenth percent (0.1%);  
 15 (2) two-tenths percent (0.2%);  
 16 (3) twenty-five hundredths percent (0.25%);  
 17 (4) three-tenths percent (0.3%);  
 18 (5) thirty-five hundredths percent (0.35%);  
 19 (6) four-tenths percent (0.4%);  
 20 (7) forty-five hundredths percent (0.45%); or  
 21 (8) five-tenths percent (0.5%);

22 on the adjusted gross income of county taxpayers.

23 (c) Except as provided in this section, the county economic  
 24 development income tax rate plus the county adjusted gross income tax  
 25 rate, if any, that are in effect on January 1 of a year may not exceed one  
 26 and twenty-five hundredths percent (1.25%). Except as provided in this  
 27 section, the county economic development tax rate plus the county  
 28 option income tax rate, if any, that are in effect on January 1 of a year  
 29 may not exceed one percent (1%).

30 (d) To impose, increase, decrease, or rescind the county economic  
 31 development income tax, the appropriate body must adopt an  
 32 ordinance.

33 (e) The ordinance to impose the tax must substantially state the  
 34 following:

35 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
 36 development income tax on the county taxpayers of \_\_\_\_\_  
 37 County. The county economic development income tax is imposed at  
 38 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
 39 county."

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

47 (g) For Jackson County, except as provided in subsection (o), the  
 48 county economic development income tax rate plus the county adjusted  
 49 gross income tax rate that are in effect on January 1 of a year may not  
 50 exceed one and thirty-five hundredths percent (1.35%) if the county has

1 imposed the county adjusted gross income tax at a rate of one and  
2 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

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

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

11 (j) This subsection applies to Randolph County. Except as provided  
12 in subsection (o), in addition to the rates permitted under subsection  
13 (b):

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

16 (2) the sum of the county economic development income tax rate  
17 and the county adjusted gross income tax rate that are in effect on  
18 January 1 of a year may not exceed one and five-tenths percent  
19 (1.5%);

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

22 (k) For Daviess 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 (l) For:

27 (1) Elkhart County; or

28 (2) Marshall County;

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

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

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

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

41 (2) the sum of the county economic development income tax rate  
42 and:

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

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

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

- 1 (o) In addition:  
 2 (1) the county economic development income tax may be imposed  
 3 at a rate that exceeds by not more than twenty-five hundredths  
 4 percent (0.25%) the maximum rate that would otherwise apply  
 5 under this section; and  
 6 (2) the:  
 7 (A) county economic development income tax; and  
 8 (B) county option income tax or county adjusted gross income  
 9 tax;  
 10 may be imposed at combined rates that exceed by not more than  
 11 twenty-five hundredths percent (0.25%) the maximum combined  
 12 rates that would otherwise apply under this section.
- 13 However, the additional rate imposed under this subsection may not  
 14 exceed the amount necessary to mitigate the increased ad valorem  
 15 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)  
 16 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or  
 17 residential property (as defined in section 26 of this chapter), as  
 18 appropriate under the ordinance adopted by the adopting body in the  
 19 county, resulting from the deduction of the assessed value of inventory  
 20 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the  
 21 exclusion in 2008 of inventory from the definition of personal property  
 22 in IC 6-1.1-1-11.
- 23 (p) If the county economic development income tax is imposed as  
 24 authorized under subsection (o) at a rate that exceeds the maximum  
 25 rate that would otherwise apply under this section, the certified  
 26 distribution must be used for the purpose provided in section 26 of this  
 27 chapter to the extent that the certified distribution results from the  
 28 difference between:  
 29 (1) the actual county economic development tax rate; and  
 30 (2) the maximum rate that would otherwise apply under this  
 31 section.
- 32 (q) This subsection applies only to a county described in section 27  
 33 of this chapter. Except as provided in subsection (o), in addition to the  
 34 rates permitted by subsection (b), the:  
 35 (1) county economic development income tax may be imposed at  
 36 a rate of twenty-five hundredths percent (0.25%); and  
 37 (2) county economic development income tax rate plus the county  
 38 option income tax rate that are in effect on January 1 of a year  
 39 may equal up to one and twenty-five hundredths percent (1.25%);  
 40 if the county council makes a determination to impose rates under this  
 41 subsection and section 27 of this chapter.
- 42 (r) Except as provided in subsection (o), the county economic  
 43 development income tax rate plus the county adjusted gross income tax  
 44 rate that are in effect on January 1 of a year may not exceed one and  
 45 five-tenths percent (1.5%) if the county has imposed the county  
 46 adjusted gross income tax under IC 6-3.5-1.1-3.3.
- 47 (s) This subsection applies to Howard County. Except as provided  
 48 in subsection (o), the sum of the county economic development income  
 49 tax rate and the county option income tax rate that are in effect on  
 50 January 1 of a year may not exceed one and twenty-five hundredths

1 percent (1.25%).

2 (t) This subsection applies to Scott County. Except as provided in  
3 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 (u) This subsection applies to Jasper County. Except as provided in  
8 subsection (o), the sum of the county economic development income  
9 tax rate and the county adjusted gross income tax rate that are in effect  
10 on January 1 of a year may not exceed one and five-tenths percent  
11 (1.5%).

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

15 (1) the county economic development income tax rate plus the  
16 county adjusted gross income tax rate; or

17 (2) the county economic development tax rate plus the county  
18 option income tax rate.

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

21 (1) a county adjusted gross income tax rate imposed under  
22 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

23 (2) a county option income tax rate imposed under IC 6-3.5-6-30,  
24 IC 6-3.5-6-31, or IC 6-3.5-6-32.

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

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

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

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

48 SECTION 28. IC 6-3.5-7-6, AS AMENDED BY P.L.137-2012,  
49 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
50 JULY 1, 2013]: Sec. 6. (a) The body imposing the tax may decrease or

1 increase the county economic development income tax rate imposed  
 2 upon the county taxpayers as long as the resulting rate does not exceed  
 3 the rates specified in section 5(b) and 5(c) of this chapter. The rate  
 4 imposed under this section must be adopted at one (1) of the rates  
 5 specified in section 5(b) of this chapter. To decrease or increase the  
 6 rate, the appropriate body must adopt an ordinance. The ordinance  
 7 must substantially state the following:

8 "The \_\_\_\_\_ County \_\_\_\_\_ increases (decreases) the  
 9 county economic development income tax rate imposed upon the  
 10 county taxpayers of the county from \_\_\_\_\_ percent (\_\_\_\_%) to  
 11 \_\_\_\_\_ percent (\_\_\_\_%)."

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

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

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

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

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

38 (b) Before August 2 of each calendar year, the budget agency **shall**  
 39 **provide to the county auditor of each adopting county an estimate**  
 40 **of the amount determined under subsection (a) that will be**  
 41 **distributed to the county, based on known tax rates. Not later than**  
 42 **thirty (30) days after receiving the estimate of the certified**  
 43 **distribution, the county auditor shall notify each taxing unit**  
 44 **entitled to receive a distribution under this chapter of the**  
 45 **estimated amount of the distribution and other revenue that will be**  
 46 **distributed to the taxing unit under this chapter during the ensuing**  
 47 **calendar year. Before October 1 of each calendar year, the budget**  
 48 **agency shall certify to the county auditor of each adopting county the**  
 49 **sum of the amount of county economic development income tax**  
 50 **revenue that the budget agency determines has been:**

51 (1) received from that county for a taxable year ending before the

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

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

11          (c) The amount certified under subsection (b) shall be adjusted  
12          under subsections (d), (e), (f), and (g). **Not later than thirty (30) days**  
13          **after receiving the notice of the amount of the certified**  
14          **distribution, the county auditor shall notify each taxing unit**  
15          **entitled to receive a distribution under this chapter of the amount**  
16          **of distribution and other revenue that will be distributed to the**  
17          **taxing unit under this chapter during the ensuing calendar year.**  
18          The budget agency shall provide the county council with an  
19          informative summary of the calculations used to determine the certified  
20          distribution. The summary of calculations must include:

- 21           (1) the amount reported on individual income tax returns  
22           processed by the department during the previous fiscal year;  
23           (2) adjustments for over distributions in prior years;  
24           (3) adjustments for clerical or mathematical errors in prior years;  
25           (4) adjustments for tax rate changes; and  
26           (5) the amount of excess account balances to be distributed under  
27           IC 6-3.5-7-17.3.

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

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

41          (f) The budget agency shall adjust the certified distribution of a  
42          county to provide the county with the amount of any tax increase  
43          imposed under section 26 of this chapter to provide additional  
44          homestead credits as provided in those provisions.

45          (g) This subsection applies to a county that imposes, increases,  
46          decreases, or rescinds a tax or tax rate under this chapter before  
47          November 1 in the same calendar year in which the budget agency  
48          makes a certification under this section. The budget agency shall adjust  
49          the certified distribution of a county to provide for a distribution in the  
50          immediately following calendar year and in each calendar year  
51          thereafter. The budget agency shall provide for a full transition to

1 certification of distributions as provided in subsection (b)(1) through  
 2 (b)(2) in the manner provided in subsection (d). If the county imposes,  
 3 increases, decreases, or rescinds a tax or tax rate under this chapter  
 4 after the date for which a certification under subsection (b) is based, the  
 5 budget agency shall adjust the certified distribution of the county after  
 6 ~~August~~ **September 30** of the calendar year. The adjustment shall  
 7 reflect any other adjustment authorized under subsections (c), (d), (e),  
 8 and (f). The adjusted certification shall be treated as the county's  
 9 certified distribution for the immediately succeeding calendar year. The  
 10 budget agency shall certify the adjusted certified distribution to the  
 11 county auditor for the county and provide the county council with an  
 12 informative summary of the calculations that revises the informative  
 13 summary provided in subsection (c) and reflects the changes made in  
 14 the adjustment.

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

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

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

26 SECTION 31. IC 6-3.5-7-17.3, AS AMENDED BY P.L.229-2011,  
 27 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2013]: Sec. 17.3. (a) If the budget agency determines that the  
 29 balance in a county **trust** account exceeds ~~one hundred~~ fifty percent  
 30 ~~(150%)~~ **(50%)** of the certified distributions to be made to the county  
 31 in the ensuing year, the budget agency shall make a supplemental  
 32 distribution to the county from the county's special account.

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

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

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

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

43 The amount of the supplemental distribution is equal to the amount by  
 44 which the balance in the county **trust** account exceeds ~~one hundred~~  
 45 fifty percent ~~(150%)~~ **(50%)** of the certified distributions to be made to  
 46 the county in the ensuing year.

47 (c) A determination under this section must be made before October  
 48 2.

49 **(d) Any income earned on money held in a trust account**  
 50 **established for a county under this chapter shall be deposited in**

1 **that trust account.**

2 SECTION 32. IC 6-3.5-7-27, AS AMENDED BY P.L.137-2012,  
3 SECTION 106, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2013]: Sec. 27. (a) This section applies to a  
5 county that:

- 6 (1) operates a courthouse that is subject to an order that:  
7 (A) is issued by a federal district court;  
8 (B) applies to an action commenced before January 1, 2003;  
9 and  
10 (C) requires the county to comply with the federal Americans  
11 with Disabilities Act; and  
12 (2) has insufficient revenues to finance the construction,  
13 acquisition, improvement, renovation, equipping, and operation  
14 of the courthouse facilities and related facilities.

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

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

- 29 (1) constructing, acquiring, improving, renovating, equipping, or  
30 operating the county courthouse or related facilities;  
31 (2) repaying any bonds issued, or leases entered into, for  
32 constructing, acquiring, improving, renovating, equipping, or  
33 operating the county courthouse or related facilities; and  
34 (3) economic development projects described in the county's  
35 capital improvement plan.

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

38 (e) If the county council adopts an ordinance to impose an  
39 additional tax under this section, the county auditor shall, not more  
40 than ten (10) days after the vote, send a certified copy of the ordinance  
41 to the commissioner of the department, the director of the budget  
42 agency, and the commissioner of the department of local government  
43 finance by certified mail or in an electronic format approved by the  
44 director of the budget agency. The county treasurer shall establish a  
45 county facilities revenue fund to be used only for the purposes  
46 described in subsection (c)(1) and (c)(2). The amount of county  
47 economic development income tax revenues derived from the tax rate  
48 imposed under this section that are necessary to pay the costs described  
49 in subsection (c)(1) and (c)(2) shall be deposited into the county  
50 facilities revenue fund before a certified distribution is made under

1 section 12 of this chapter. The remainder shall be deposited into the  
2 economic development income tax funds of the county's units.

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

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

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

20 SECTION 33. IC 6-6-5-8 IS AMENDED TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The bureau shall include on  
22 all registration forms suitable spaces for the applicant's Social Security  
23 number or federal tax identification number, the amount of the  
24 registration fee, the amount of excise tax, the amount of credit, if any,  
25 as provided in section 5 of this chapter, and the total amount of  
26 payment due on account of the applicable registration fees and excise  
27 taxes upon the registration of the vehicle. The forms shall also include  
28 spaces for showing the county, city, or town and township and address  
29 of the place where the owner resides. **Using procedures determined**  
30 **by the bureau to be appropriate, the bureau shall verify the**  
31 **accuracy and completeness of the information on the registration**  
32 **form concerning:**

33 (1) the county and city or town;

34 (2) the township; and

35 (3) the address;

36 **of the owner.**

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

42 SECTION 34. IC 6-6-5-10, AS AMENDED BY P.L.182-2009(ss),  
43 SECTION 237, IS AMENDED TO READ AS FOLLOWS  
44 [EFFECTIVE JANUARY 1, 2014]: Sec. 10. (a) The bureau shall  
45 establish procedures necessary for the collection of the tax imposed by  
46 this chapter and for the proper accounting for the same. The necessary  
47 forms and records shall be subject to approval by the state board of  
48 accounts.

49 (b) The county treasurer, upon receiving the excise tax collections,  
50 shall receipt such collections into a separate account for settlement  
51 thereof at the same time as property taxes are accounted for and settled

1 in June and December of each year, with the right and duty of the  
 2 treasurer and auditor to make advances prior to the time of final  
 3 settlement of such property taxes in the same manner as provided in  
 4 IC 5-13-6-3.

5 (c) As used in this subsection, "taxing district" has the meaning set  
 6 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
 7 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
 8 corporation's tuition support property tax levy under IC 20-45-3-11  
 9 (repealed) for the school corporation's general fund. The county auditor  
 10 shall determine the total amount of excise taxes collected for each  
 11 taxing district in the county and the amount so collected (and the  
 12 distributions received under section 9.5 of this chapter) shall be  
 13 apportioned and distributed among the respective funds of the taxing  
 14 units in the same manner and at the same time as property taxes are  
 15 apportioned and distributed (subject to adjustment as provided in  
 16 IC 36-8-19-7.5). However, for purposes of determining distributions  
 17 under this section for 2009 and each year thereafter, a state welfare and  
 18 tuition support allocation shall be deducted from the total amount  
 19 available for apportionment and distribution to taxing units under this  
 20 section before any apportionment and distribution is made. The county  
 21 auditor shall remit the state welfare and tuition support allocation to the  
 22 treasurer of state for deposit, as directed by the budget agency. The  
 23 amount of the state welfare and tuition support allocation for a county  
 24 for a particular year is equal to the result determined under STEP  
 25 FOUR of the following formula:

26 STEP ONE: Determine the result of the following:

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

29 (i) the amount appropriated in the year by the county from  
 30 the county's county welfare fund and county welfare  
 31 administration fund; divided by

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

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

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

36 (D) Determine the result of:

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

40 (ii) the clause (C) amount.

41 STEP TWO: Determine the result of the following:

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

44 (i) the tax rate imposed in the taxing district for the county's  
 45 county medical assistance to wards fund, family and  
 46 children's fund, children's psychiatric residential treatment  
 47 services fund, county hospital care for the indigent fund,  
 48 children with special health care needs county fund, plus, in  
 49 the case of Marion County, the tax rate imposed by the  
 50 health and hospital corporation that was necessary to raise

- 1 thirty-five million dollars (\$35,000,000) from all taxing  
 2 districts in the county; 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 after subtracting the STEP ONE  
 11 (D) amount for the same taxing district; multiplied by  
 12 (ii) the clause (C) amount.
- 13 (E) Determine the sum of the clause (D) amounts for all taxing  
 14 districts in the county.
- 15 STEP THREE: 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 tuition support levy tax rate imposed in the taxing  
 19 district plus the tax rate imposed by the school corporation  
 20 for the school corporation's special education preschool fund  
 21 in the district; divided by  
 22 (ii) the aggregate tax rate imposed in the taxing district for  
 23 the same year.
- 24 (B) Determine the sum of the clause (A) amounts.  
 25 (C) Divide the clause (B) amount by three (3).  
 26 (D) Determine the result of:  
 27 (i) the amount of excise taxes allocated to the taxing district  
 28 that would otherwise be available for distribution to taxing  
 29 units in the taxing district after subtracting the STEP ONE  
 30 (D) amount for the same taxing district; multiplied by  
 31 (ii) the clause (C) amount.
- 32 (E) Determine the sum of the clause (D) amounts for all taxing  
 33 districts in the county.
- 34 STEP FOUR: Determine the sum of the STEP ONE, STEP TWO,  
 35 and STEP THREE amounts for the county.
- 36 If the boundaries of a taxing district change after the years for which a  
 37 ratio is calculated under STEP ONE, STEP TWO, or STEP THREE,  
 38 the ~~budget agency~~ **auditor of state** shall establish a ratio for the new  
 39 taxing district that reflects the tax rates imposed in the predecessor  
 40 taxing districts. **If a new taxing district is established after the years**  
 41 **for which a ratio is calculated under STEP ONE, STEP TWO, or**  
 42 **STEP THREE, the auditor of state shall establish a ratio for the**  
 43 **new taxing district and adjust the ratio for other taxing districts in**  
 44 **the county.**
- 45 (d) Such determination shall be made from copies of vehicle  
 46 registration forms furnished by the bureau of motor vehicles. Prior to  
 47 such determination, the county assessor of each county shall, from  
 48 copies of registration forms, cause information pertaining to legal  
 49 residence of persons owning taxable vehicles to be verified from the  
 50 assessor's records, to the extent such verification can be so made. The

1 assessor shall further identify and verify from the assessor's records the  
2 several taxing units within which such persons reside.

3 (e) Such verifications shall be done by not later than thirty (30) days  
4 after receipt of vehicle registration forms by the county assessor, and  
5 the assessor shall certify such information to the county auditor for the  
6 auditor's use as soon as it is checked and completed.

7 SECTION 35. IC 6-6-6.5-21, AS AMENDED BY P.L.182-2009(ss),  
8 SECTION 242, IS AMENDED TO READ AS FOLLOWS  
9 [EFFECTIVE JANUARY 1, 2014]: Sec. 21. (a) The department shall  
10 allocate each aircraft excise tax payment collected by it to the county  
11 in which the aircraft is usually located when not in operation or to the  
12 aircraft owner's county of residence if based out of state. The  
13 department shall distribute to each county treasurer on a quarterly basis  
14 the aircraft excise taxes which were collected by the department during  
15 the preceding three (3) months and which the department has allocated  
16 to that county. The distribution shall be made on or before the fifteenth  
17 of the month following each quarter and the first distribution each year  
18 shall be made in April.

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

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

34 (d) As used in this subsection, "taxing district" has the meaning set  
35 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
36 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
37 corporation's tuition support property tax levy under IC 20-45-3-11  
38 (repealed) for the school corporation's general fund. In order to  
39 distribute the money in the county aircraft excise tax fund to the taxing  
40 units of the county, the county auditor shall first allocate the money in  
41 the fund among the taxing districts of the county. In making these  
42 allocations, the county auditor shall allocate to a taxing district the  
43 excise taxes collected with respect to aircraft usually located in the  
44 taxing district when not in operation. Subject to this subsection, the  
45 money allocated to a taxing district shall be apportioned and distributed  
46 among the taxing units of that taxing district in the same manner and  
47 at the same time that the property taxes are apportioned and distributed  
48 (subject to adjustment as provided in IC 36-8-19-7.5). For purposes of  
49 determining the distribution for a year under this section for a taxing  
50 unit, a state welfare and tuition support allocation shall be deducted

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

8 STEP ONE: Determine the result of the following:

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

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

20 (ii) the aggregate tax rate imposed in the taxing district for  
 21 the same year.

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

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

24 (D) Determine the result of:

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

28 (ii) the clause (C) amount.

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

31 STEP TWO: Determine the result of the following:

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

34 (i) the tuition support levy tax rate imposed in the taxing  
 35 district plus the tax rate imposed by the school corporation  
 36 for the school corporation's special education preschool fund  
 37 in the district; divided by

38 (ii) the aggregate tax rate imposed in the taxing district for  
 39 the same year.

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

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

42 (D) Determine the result of:

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

46 (ii) the clause (C) amount.

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

49 STEP THREE: Determine the sum of the STEP ONE and STEP  
 50 TWO amounts for the county.

1 If the boundaries of a taxing district change after the years for which a  
 2 ratio is calculated under STEP ONE or STEP TWO, the ~~budget agency~~  
 3 **auditor of state** shall establish a ratio for the new taxing district that  
 4 reflects the tax rates imposed in the predecessor taxing districts. **If a**  
 5 **new taxing district is established after the years for which a ratio**  
 6 **is calculated under STEP ONE, STEP TWO, or STEP THREE, the**  
 7 **auditor of state shall establish a ratio for the new taxing district**  
 8 **and adjust the ratio for other taxing districts in the county.**

9 (e) Within thirty (30) days following the receipt of excise taxes from  
 10 the department, the county treasurer shall file a report with the county  
 11 auditor concerning the aircraft excise taxes collected by the county  
 12 treasurer. The county treasurer shall file the report on the form  
 13 prescribed by the state board of accounts. The county treasurer shall,  
 14 in the manner and at the times prescribed in IC 6-1.1-27, make a  
 15 settlement with the county auditor for the aircraft excise taxes collected  
 16 by the county treasurer. The county treasurer shall, in the manner  
 17 prescribed by the state board of accounts, maintain records concerning  
 18 the aircraft excise taxes received and distributed by the treasurer.

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

25 (1) On or before the eleventh day of each month, the ~~auditor of~~  
 26 ~~state~~ **bureau of motor vehicles** shall transfer to the state license  
 27 branch fund an amount equal to five percent (5%) of each excise  
 28 tax transaction completed by the bureau. The money is to be used  
 29 to cover the expenses incurred by the bureau of motor vehicles  
 30 and the license branches for returns, decals, collecting the fees  
 31 and excise taxes and to cover any service charges by the  
 32 commission under IC 9-29-3. An additional charge may not be  
 33 imposed for the services of the license branches under this  
 34 chapter.

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

39 (3) On or before the tenth day of each month, the ~~auditor of state~~  
 40 **bureau of motor vehicles** shall distribute to each county the  
 41 excise tax collections, including delinquent tax collections, for the  
 42 county for the preceding month. The ~~auditor~~ **bureau of motor**  
 43 **vehicles** shall include a report with each distribution showing the  
 44 information necessary for the county auditor to allocate the  
 45 revenue among the taxing units of the county.

46 (4) The ~~auditor of state~~ **bureau of motor vehicles** shall deposit  
 47 the revenue from the lake and river enhancement fee imposed by  
 48 section 12(b) of this chapter in the lake and river enhancement  
 49 fund established by section 12.5 of this chapter.

50 (b) Money credited to each county's account in the state general

1 fund is appropriated to make the distributions and the transfers required  
 2 by subsection (a). The distributions shall be made upon warrants drawn  
 3 from the state general fund.

4 SECTION 37. IC 6-6-11-31, AS AMENDED BY P.L. 182-2009(ss),  
 5 SECTION 245, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JANUARY 1, 2014]: Sec. 31. (a) A boat excise tax fund  
 7 is established in each county. Each county treasurer shall deposit in the  
 8 fund the taxes received under this chapter.

9 (b) As used in this subsection, "taxing district" has the meaning set  
 10 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
 11 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
 12 corporation's tuition support property tax levy under IC 20-45-3-11  
 13 (repealed) for the school corporation's general fund. The excise tax  
 14 money in the county boat excise tax fund shall be distributed to the  
 15 taxing units of the county. The county auditor shall allocate the money  
 16 in the fund among the taxing districts of the county based on the tax  
 17 situs of each boat. Subject to this subsection, the money allocated to the  
 18 taxing units shall be apportioned and distributed among the funds of  
 19 the taxing units in the same manner and at the same time that property  
 20 taxes are apportioned and distributed (subject to adjustment as  
 21 provided in IC 36-8-19-7.5). For purposes of determining the  
 22 distribution for a year under this section for a taxing unit, a state  
 23 welfare and tuition support allocation shall be deducted from the total  
 24 amount available for apportionment and distribution to taxing units  
 25 under this section before any apportionment and distribution is made.  
 26 The county auditor shall remit the state welfare and tuition support  
 27 allocation to the treasurer of state for deposit as directed by the budget  
 28 agency. The amount of the state welfare and tuition support allocation  
 29 for a county for a particular year is equal to the result determined under  
 30 STEP THREE of the following formula:

31 STEP ONE: Determine the result of the following:

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

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

43 (ii) the aggregate tax rate imposed in the taxing district for  
 44 the same year.

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

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

47 (D) Determine the result of:

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

- 1 (ii) the clause (C) amount.
- 2 (E) Determine the sum of the clause (D) amounts for all taxing
- 3 districts in the county.
- 4 STEP TWO: Determine the result of the following:
- 5 (A) Separately for 2006, 2007, and 2008 for each taxing
- 6 district in the county, determine the result of:
- 7 (i) the tuition support levy tax rate imposed in the taxing
- 8 district plus the tax rate imposed by the school corporation
- 9 for the school corporation's special education preschool fund
- 10 in the district; divided by
- 11 (ii) the aggregate tax rate imposed in the taxing district for
- 12 the same year.
- 13 (B) Determine the sum of the clause (A) amounts.
- 14 (C) Divide the clause (B) amount by three (3).
- 15 (D) Determine the result of:
- 16 (i) the amount of excise taxes allocated to the taxing district
- 17 that would otherwise be available for distribution to taxing
- 18 units in the taxing district; multiplied by
- 19 (ii) the clause (C) amount.
- 20 (E) Determine the sum of the clause (D) amounts for all taxing
- 21 districts in the county.
- 22 STEP THREE: Determine the sum of the STEP ONE and STEP
- 23 TWO amounts for the county.
- 24 If the boundaries of a taxing district change after the years for which a
- 25 ratio is calculated under STEP ONE or STEP TWO, the ~~budget agency~~
- 26 **auditor of state** shall establish a ratio for the new taxing district that
- 27 reflects the tax rates imposed in the predecessor taxing districts. **If a**
- 28 **new taxing district is established after the years for which a ratio**
- 29 **is calculated under STEP ONE, STEP TWO, or STEP THREE, the**
- 30 **auditor of state shall establish a ratio for the new taxing district**
- 31 **and adjust the ratio for other taxing districts in the county.**
- 32 SECTION 38. IC 6-8.1-7-1, AS AMENDED BY P.L.182-2009(ss),
- 33 SECTION 254, IS AMENDED TO READ AS FOLLOWS
- 34 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This subsection does not
- 35 apply to the disclosure of information concerning a conviction on a tax
- 36 evasion charge. Unless in accordance with a judicial order or as
- 37 otherwise provided in this chapter, the department, its employees,
- 38 former employees, counsel, agents, or any other person may not divulge
- 39 the amount of tax paid by any taxpayer, terms of a settlement
- 40 agreement executed between a taxpayer and the department,
- 41 investigation records, investigation reports, or any other information
- 42 disclosed by the reports filed under the provisions of the law relating
- 43 to any of the listed taxes, including required information derived from
- 44 a federal return, except to:
- 45 (1) members and employees of the department;
- 46 (2) the governor;
- 47 (3) the attorney general or any other legal representative of the
- 48 state in any action in respect to the amount of tax due under the
- 49 provisions of the law relating to any of the listed taxes; or
- 50 (4) any authorized officers of the United States;

1 when it is agreed that the information is to be confidential and to be  
2 used solely for official purposes.

3 (b) The information described in subsection (a) may be revealed  
4 upon the receipt of a certified request of any designated officer of the  
5 state tax department of any other state, district, territory, or possession  
6 of the United States when:

7 (1) the state, district, territory, or possession permits the exchange  
8 of like information with the taxing officials of the state; and

9 (2) it is agreed that the information is to be confidential and to be  
10 used solely for tax collection purposes.

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

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

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

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

44 (1) the state agency shows an official need for the information;  
45 and

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

49 (g) The information described in subsection (a) may be revealed  
50 upon the receipt of a written request from the chief law enforcement

1 officer of a state or local law enforcement agency in Indiana when it is  
2 agreed that the information is to be confidential and to be used solely  
3 for official purposes.

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

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

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

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

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

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

32 (n) This section does not apply to:

- 33 (1) the beer excise tax, including brand and packaged type  
34 (IC 7.1-4-2);
- 35 (2) the liquor excise tax (IC 7.1-4-3);
- 36 (3) the wine excise tax (IC 7.1-4-4);
- 37 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 38 (5) the malt excise tax (IC 7.1-4-5);
- 39 (6) the motor vehicle excise tax (IC 6-6-5);
- 40 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 41 (8) the fees under IC 13-23.

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

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

- 48 **(1) IC 5-28-26;**
- 49 **(2) IC 36-7-13;**
- 50 **(3) IC 36-7-26;**
- 51 **(4) IC 36-7-27;**

1           **(5) IC 36-7-31;**

2           **(6) IC 36-7-31.3; or**

3           **(7) any other statute providing for the calculation of**  
 4           **incremental state taxes that will be distributed to or retained**  
 5           **by a political subdivision or other entity;**

6           **to the fiscal officer of the political subdivision or other entity that**  
 7           **established the district or area from which the incremental taxes**  
 8           **were received if that fiscal officer enters into an agreement with**  
 9           **the department specifying that the political subdivision or other**  
 10          **entity will use the information solely for official purposes.**

11          SECTION 39. IC 6-8.1-9-1.3 IS ADDED TO THE INDIANA  
 12          CODE AS A NEW SECTION TO READ AS FOLLOWS  
 13          [EFFECTIVE JULY 1, 2013]: **Sec. 1.3. If the department makes a**  
 14          **refund of taxes paid under IC 6-2.5, IC 6-7-1, IC 6-7-2, or IC 7.1,**  
 15          **the department shall charge each fund or account into which the**  
 16          **taxes have been allocated or distributed with that account's or that**  
 17          **fund's proportionate share of the amount of taxes refunded.**

18          SECTION 40. IC 8-14-1-3 IS AMENDED TO READ AS  
 19          FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The money collected  
 20          for the motor vehicle highway account fund and remaining after  
 21          refunds and the payment of all expenses incurred in the collection  
 22          thereof, and after the deduction of the amount appropriated to the  
 23          department for traffic safety and after the deduction of one-half (1/2)  
 24          of the amount appropriated for the state police department, shall be  
 25          allocated to and distributed among the department and subdivisions  
 26          designated as follows:

27          (1) Of the net amount in the motor vehicle highway account the  
 28          auditor of state shall set aside for the cities and towns of the state  
 29          fifteen percent (15%) thereof. This sum shall be allocated to the  
 30          cities and towns upon the basis that the population of each city  
 31          and town bears to the total population of all the cities and towns  
 32          and shall be used for the construction or reconstruction and  
 33          maintenance of streets and alleys and shall be annually budgeted  
 34          as now provided by law. However, no part of such sum shall be  
 35          used for any other purpose than for the purposes defined in this  
 36          chapter. If any funds allocated to any city or town shall be used by  
 37          any officer or officers of such city or town for any purpose or  
 38          purposes other than for the purposes as defined in this chapter,  
 39          such officer or officers shall be liable upon their official bonds to  
 40          such city or town in such amount so used for other purposes than  
 41          for the purposes as defined in this chapter, together with the costs  
 42          of said action and reasonable attorney fees, recoverable in an  
 43          action or suit instituted in the name of the state of Indiana on the  
 44          relation of any taxpayer or taxpayers resident of such city or town.  
 45          A monthly distribution thereof of funds accumulated during the  
 46          preceding month shall be made by the auditor of state.

47          (2) Of the net amount in the motor vehicle highway account, the  
 48          auditor of state shall set aside for the counties of the state  
 49          thirty-two percent (32%) thereof. However, as to the allocation to  
 50          cities and towns under subdivision (1), and as to the allocation to  
 51          counties under this subdivision in the event that the amount in the

1 motor vehicle highway account fund remaining after refunds and  
2 the payment of all expenses incurred in the collection thereof and  
3 after deduction of any amount appropriated by the general  
4 assembly for public safety and policing shall be less than  
5 twenty-two million six hundred and fifty thousand dollars  
6 (\$22,650,000), in any fiscal year then the amount so set aside in  
7 the next calendar year for distributions to counties shall be  
8 reduced fifty-four percent (54%) of such deficit and the amount  
9 so set aside for distribution in the next calendar year to cities and  
10 towns shall be reduced thirteen percent (13%) of such deficit.  
11 Such reduced distributions shall begin with the distribution  
12 January 1 of each year.

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

16 (A) Five percent (5%) of the amount allocated to the counties  
17 to be divided equally among the ninety-two (92) counties.

18 (B) Sixty-five percent (65%) of the amount allocated to the  
19 counties to be divided on the basis of the ratio of the actual  
20 miles, now traveled and in use, of county roads in each county  
21 to the total mileage of county roads in the state, which shall be  
22 annually determined, accurately, by the department **and**  
23 **submitted to the auditor of state before April 1 of each**  
24 **year.**

25 (C) Thirty percent (30%) of the amount allocated to the  
26 counties to be divided on the basis of the ratio of the motor  
27 vehicle registrations of each county to the total motor vehicle  
28 registration of the state.

29 All money so distributed to the several counties of the state shall  
30 constitute a special road fund for each of the respective counties  
31 and shall be under the exclusive supervision and direction of the  
32 board of county commissioners in the construction,  
33 reconstruction, maintenance, or repair of the county highways or  
34 bridges on such county highways within such county.

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

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

40 (6) Notwithstanding any other provisions of this section, money  
41 in the motor vehicle highway account fund may be appropriated  
42 to the Indiana department of transportation from the forty-seven  
43 percent (47%) distributed to the political subdivisions of the state  
44 to pay the costs incurred by the department in providing services  
45 to those subdivisions.

46 (7) Notwithstanding any other provisions of this section or of  
47 IC 8-14-8, for the purpose of maintaining a sufficient working  
48 balance in accounts established primarily to facilitate the  
49 matching of federal and local money for highway projects, money  
50 may be appropriated to the Indiana department of transportation

1 as follows:

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

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

8 SECTION 41. IC 25-1-6-8, AS AMENDED BY P.L.172-2011,  
9 SECTION 131, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The licensing agency and the  
11 boards ~~may~~ **shall** allow the department of state revenue, **the alcohol**  
12 **and tobacco commission, and the bureau of motor vehicles** access  
13 to the name of each person who:

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

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

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

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

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

24 **(c) If the alcohol and tobacco commission notifies the licensing**  
25 **agency that a person has an outstanding balance due to the alcohol**  
26 **and tobacco commission, the licensing agency shall not issue or**  
27 **renew the person's license until the person provides to the licensing**  
28 **agency a statement from the alcohol and tobacco commission**  
29 **indicating that the person's outstanding balance has been satisfied.**

30 **(d) If the bureau of motor vehicles notifies the licensing agency**  
31 **that a person has an outstanding balance due to the bureau of**  
32 **motor vehicles because a check, draft, or order issued or delivered**  
33 **by the person to the bureau of motor vehicles was returned or**  
34 **dishonored because of insufficient funds, the licensing agency shall**  
35 **not issue or renew the person's license until the person provides to**  
36 **the licensing agency a statement from the bureau of motor vehicles**  
37 **indicating that the person's outstanding balance has been satisfied.**

38 SECTION 42. IC 36-7-13-14, AS AMENDED BY P.L.172-2011,  
39 SECTION 145, IS AMENDED TO READ AS FOLLOWS  
40 [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) Before the first business day  
41 in October of each year, the department shall calculate the income tax  
42 incremental amount and the gross retail incremental amount for the  
43 preceding state fiscal year for each district designated under this  
44 chapter.

45 (b) Businesses operating in the district shall report **annually**, in the  
46 manner and in the form prescribed by the department, information that  
47 the department determines necessary to calculate incremental gross  
48 retail, use, and income taxes. **A taxpayer operating in the district**  
49 **that files a consolidated tax return with the department also shall**  
50 **file annually an informational return with the department for each**  
51 **business location of the taxpayer within the district. If a taxpayer**

1 **fails to report the information required by this section or file an**  
 2 **informational return required by this section, the department shall**  
 3 **use the best information available in calculating the incremental**  
 4 **gross retail, use, and income taxes.**

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

10 SECTION 43. IC 36-7-26-23 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) Before the first  
 12 business day in October of each year, the board shall require the  
 13 department to calculate the net increment for the preceding state fiscal  
 14 year. The department shall transmit to the board a statement as to the  
 15 net increment in sufficient time to permit the board to review the  
 16 calculation and permit the transfers required by this section to be made  
 17 on a timely basis. **Taxpayers operating in the district shall report**  
 18 **annually, in the manner and in the form prescribed by the**  
 19 **department, information that the department determines necessary**  
 20 **to calculate the net increment. A taxpayer operating in the district**  
 21 **that files a consolidated tax return with the department also shall**  
 22 **file annually an informational return with the department for each**  
 23 **business location of the taxpayer within the district. If a taxpayer**  
 24 **fails to report the information required by this section or file an**  
 25 **informational return required by this section, the department shall**  
 26 **use the best information available in calculating the net increment.**

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

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

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

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

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

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

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

45 (2) the amount credited to the net increment account on the same  
 46 date;

47 shall be transferred and credited to the credit account.

48 (e) The remainder of:

49 (1) the gross increment; minus

50 (2) the amounts credited to the net increment account and the  
 51 credit account;

1 shall be deposited by the auditor of state as other gross retail and use  
2 taxes are deposited.

3 (f) A city described in section 1(2), 1(3), or 1(4) of this chapter may  
4 receive not more than fifty percent (50%) of the net increment each  
5 year. During the time a district exists in a city described in section 1(3)  
6 or 1(4) of this chapter, not more than a total of one million dollars  
7 (\$1,000,000) of net increment may be paid to the city described in  
8 section 1(3) or 1(4) of this chapter. During each year that a district  
9 exists in a city described in section 1(2) of this chapter, not more than  
10 one million dollars (\$1,000,000) of net increment may be paid to the  
11 city described in section 1(2) of this chapter.

12 (g) The auditor of state shall disburse all money in the fund that is  
13 credited to the net increment account to the commission in equal  
14 semiannual installments on November 30 and May 31 of each year.

15 SECTION 44. IC 36-7-27-13 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 13. (a) The  
17 treasurer of state shall establish an incremental income tax financing  
18 fund for the county. The fund shall be administered by the treasurer of  
19 state. Money in the fund does not revert to the state general fund at the  
20 end of a state fiscal year.

21 (b) Before July 2 of each calendar year, the department, after  
22 reviewing the recommendation of the budget agency, shall estimate and  
23 certify to the county auditor the amount of incremental income tax for  
24 the tax areas in the county that will be collected from that county  
25 during the twelve (12) month period beginning July 1 of that calendar  
26 year and ending June 30 of the following calendar year. The amount  
27 certified shall be deposited into the fund and shall be distributed on the  
28 dates specified in subsection (e) for the following calendar year. The  
29 amount certified may be adjusted under subsection (c) or (d).  
30 **Taxpayers operating in the tax area shall report annually, in the**  
31 **manner and in the form prescribed by the department, information**  
32 **that the department determines necessary to calculate the**  
33 **incremental income tax amount. A taxpayer operating in the tax**  
34 **area that files a consolidated tax return with the department also**  
35 **shall file annually an informational return with the department for**  
36 **each business location of the taxpayer within the tax area. If a**  
37 **taxpayer fails to report the information required by this section,**  
38 **the department shall use the best information available in**  
39 **calculating the amount of incremental income taxes.**

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

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

51 (e) The auditor of state shall disburse the certified amount to the

1 commission in equal semiannual installments on May 31 and  
2 November 30 of each year.

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

5 (1) To pay debt service on the bonds issued under section 14 of  
6 this chapter.

7 (2) To pay lease rentals under section 14 of this chapter.

8 (3) To establish and maintain a debt service reserve established  
9 by the commission or by a lessor that provides local public  
10 improvements to the commission.

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

18 SECTION 45. IC 36-7-31-15 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) When the  
20 commission adopts an allocation provision, the commission shall notify  
21 the department by certified mail of the adoption of the provision and  
22 shall include with the notification a complete list of the following:

23 (1) Employers in the tax area.

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

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

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

31 (1) **paid during a taxable year to a professional athlete for  
32 professional athletic services;**

33 (2) **taxable in Indiana; and**

34 (3) **earned in the district.**

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

39 (d) **If a taxpayer fails to report the information required by this  
40 section or file an informational return required by this section, the  
41 department shall use the best information available in calculating  
42 the amount of covered taxes attributable to a taxable event in a tax  
43 area or covered taxes from income earned in a tax area.**

44 SECTION 46. IC 36-7-31.3-13 IS AMENDED TO READ AS  
45 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) When the  
46 designating body adopts an allocation provision, the county auditor  
47 shall notify the department by certified mail of the adoption of the  
48 provision and shall include with the notification a complete list of the  
49 following:

50 (1) Employers in the tax area.

51 (2) Street names and the range of street numbers of each street in

1 the tax area.

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

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

7 **(1) paid during a taxable year to a professional athlete for**  
 8 **professional athletic services;**

9 **(2) taxable in Indiana; and**

10 **(3) earned in the district.**

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

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

20 SECTION 47. IC 36-7-32-21 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. **(a) Before the first**  
 22 **business day in October of each year, the department of state revenue**  
 23 **shall calculate the income tax incremental amount and the gross retail**  
 24 **incremental amount for the preceding state fiscal year for each certified**  
 25 **technology park designated under this chapter.**

26 **(b) Taxpayers operating in the certified technology park shall**  
 27 **report annually, in the manner and in the form prescribed by the**  
 28 **department, information that the department determines necessary**  
 29 **to calculate the net increment.**

30 **(c) A taxpayer operating in the certified technology park that**  
 31 **files a consolidated tax return with the department also shall file**  
 32 **annually an informational return with the department for each**  
 33 **business location of the taxpayer within the certified technology**  
 34 **park.**

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

40 SECTION 48. [EFFECTIVE UPON PASSAGE] **(a) The legislative**  
 41 **council is urged to assign to an interim study committee the study**  
 42 **of the imposition, administration, and distribution of the following**  
 43 **sources of local tax revenue:**

44 **(1) The county adjusted gross income tax (IC 6-3.5-1.1).**

45 **(2) The county option income tax (IC 6-3.5-6).**

46 **(3) The county economic development income tax (IC 6-3.5-7).**

47 **(4) Any income tax rate imposed under IC 6-3.5 for public**  
 48 **safety or property tax relief, including a levy freeze.**

49 **(b) A study committee assigned the topic described in subsection**  
 50 **(a) shall submit to the legislative council a written report of the**  
 51 **study committee's findings and recommendations before**

- 1 **November 1, 2013.**
- 2 **(c) This SECTION expires January 1, 2014.**
- 3 **SECTION 49. An emergency is declared for this act.**  
(Reference is to ESB 544 as printed April 8, 2013.)

**Conference Committee Report**  
**on**  
**Engrossed Senate Bill 544**

**S**igned by:

\_\_\_\_\_  
Senator Hershman  
Chairperson

\_\_\_\_\_  
Representative Brown T

\_\_\_\_\_  
Senator Skinner

\_\_\_\_\_  
Representative Porter

**Senate Conferees**

**House Conferees**