

COMMITTEE REPORT

MADAM PRESIDENT:

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

- 1 Page 2, between lines 2 and 3, begin a new paragraph and insert:
- 2 **"(d) If a taxpayer fails to report the information required by this**
- 3 **section or file an informational return required by this section, the**
- 4 **department shall use the best information available in calculating**
- 5 **the income tax incremental amount and the gross retail**
- 6 **incremental amount."**
- 7 Page 2, line 17, delete "the later of:".
- 8 Page 2, line 18, delete "(A)".
- 9 Page 2, line 18, after "year" delete "; or" and insert ".".
- 10 Page 2, run in lines 17 through 18.
- 11 Page 2, delete lines 19 through 20.
- 12 Page 2, line 23, delete "the later of:".
- 13 Page 2, line 24, delete "(A)".
- 14 Page 2, line 24, after "year" delete "; or" and insert ".".
- 15 Page 2, run in lines 23 through 24.
- 16 Page 2, delete lines 25 through 26.
- 17 Page 3, delete lines 8 through 17, begin a new paragraph and insert:
- 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:**

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

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

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

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

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

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

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

31 "The _____ County Council imposes the county adjusted
 32 gross income tax on the county taxpayers of _____ County.
 33 The county adjusted gross income tax is imposed at a rate of
 34 _____ percent (____%) on the resident county taxpayers of the
 35 county and one-fourth of one percent (0.25%) on the nonresident
 36 county taxpayers of the county."

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

1 approved by the director of the budget agency.

2 (e) If the county adjusted gross income tax had previously been
3 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
4 1983) and that tax was in effect at the time of the enactment of this
5 chapter, then the county adjusted gross income tax continues in that
6 county at the rates in effect at the time of enactment until the rates are
7 modified or the tax is rescinded in the manner prescribed by this
8 chapter. If a county's adjusted gross income tax is continued under this
9 subsection, then the tax shall be treated as if it had been imposed under
10 this chapter and is subject to rescission or reduction as authorized in
11 this chapter.

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

19 "The _____ County Council increases the county adjusted
20 gross income tax rate imposed upon the resident county taxpayers
21 of the county from _____ percent (___%) to _____ percent
22 (___%).".

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

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

37 "The _____ County Council decreases the county adjusted
38 gross income tax rate imposed upon the resident county taxpayers
39 of the county from _____ percent (___%) to _____ percent
40 (___%).".

41 (b) A county council may not decrease the county adjusted gross
42 income tax rate if the county or any commission, board, department, or

1 authority that is authorized by statute to pledge the county adjusted
2 gross income tax has pledged the county adjusted gross income tax for
3 any purpose permitted by IC 5-1-14 or any other statute.

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

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

16 (e) This subsection applies only to LaPorte County. The county
17 council may adopt or increase the county economic development
18 income tax rate under IC 6-3.5-7 in the same year that the county
19 council decreases the county adjusted gross income tax rate if the
20 county economic development income tax rate plus the county adjusted
21 gross income tax rate in effect after the county council decreases the
22 county adjusted gross income tax rate is less than the county adjusted
23 gross income tax rate in effect before the adoption of an ordinance
24 under this section decreasing the rate of the county adjusted gross
25 income tax.

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

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

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

41 (d) A county council may not rescind the county adjusted gross
42 income tax or take any action that would result in a civil taxing unit in

1 the county having a smaller certified share than the certified share to
 2 which the civil taxing unit was entitled when the civil taxing unit
 3 pledged county adjusted gross income tax if the civil taxing unit or any
 4 commission, board, department, or authority that is authorized by
 5 statute to pledge county adjusted gross income tax has pledged county
 6 adjusted gross income tax for any purpose permitted by IC 5-1-14 or
 7 any other statute. The prohibition in this section does not apply if the
 8 civil taxing unit pledges legally available revenues to fully replace the
 9 civil taxing unit's certified share that has been pledged."

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

12 Page 3, delete lines 37 through 38.

13 Page 3, line 39, delete "year."

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

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

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

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

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

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

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

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

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

1 (B) two (2).

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

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

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

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

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

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

21 (B) the tax rate currently in effect in the county under this
22 section.

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

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

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

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

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

37 (1) the quotient of:

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

41 (B) the STEP ONE amount; multiplied by

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

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

1 chapter; or

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

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

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

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

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

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

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

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

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

42 However, subdivision (2) does not apply to the year following the first

1 year in which certified distributions of revenue attributable to the tax
2 rate under this section are distributed to the county.

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

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

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

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

16 (1) A police and law enforcement system to preserve public peace
17 and order.

18 (2) A firefighting and fire prevention system.

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

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

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

23 (6) A probation department of a court.

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

27 (A) diverted before a final hearing or trial under an agreement
28 that is between the county prosecuting attorney and the person
29 or the person's custodian, guardian, or parent and that provides
30 for confinement, supervision, community corrections services,
31 or other correctional services instead of a final action
32 described in clause (B) or (C);

33 (B) convicted of a crime; or

34 (C) adjudicated as a delinquent child or a child in need of
35 services.

36 (8) A juvenile detention facility under IC 31-31-8.

37 (9) A juvenile detention center under IC 31-31-9.

38 (10) A county jail.

39 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~
40 an enhanced emergency telephone system (as defined in
41 IC 36-8-16-2 *(before its repeal on July 1, 2012)*), *or the statewide*
42 *911 system (as defined in IC 36-8-16.7-22).*

- 1 (12) Medical and health expenses for jail inmates and other
2 confined persons.
- 3 (13) Pension payments for any of the following:
- 4 (A) A member of the fire department (as defined in
5 IC 36-8-1-8) or any other employee of a fire department.
- 6 (B) A member of the police department (as defined in
7 IC 36-8-1-9), a police chief hired under a waiver under
8 IC 36-8-4-6.5, or any other employee hired by a police
9 department.
- 10 (C) A county sheriff or any other member of the office of the
11 county sheriff.
- 12 (D) Other personnel employed to provide a service described
13 in this section.
- 14 (b) If a county council has imposed a tax rate of at least twenty-five
15 hundredths of one percent (0.25%) under section 24 of this chapter, a
16 tax rate of at least twenty-five hundredths of one percent (0.25%) under
17 section 26 of this chapter, or a total combined tax rate of at least
18 twenty-five hundredths of one percent (0.25%) under sections 24 and
19 26 of this chapter, the county council may also adopt an ordinance to
20 impose an additional tax rate under this section to provide funding for
21 public safety.
- 22 (c) A tax rate under this section may not exceed twenty-five
23 hundredths of one percent (0.25%).
- 24 (d) If a county council adopts an ordinance to impose a tax rate
25 under this section, *not more than ten (10) days after the vote*, the
26 county auditor shall send a certified copy of the ordinance to the
27 *commissioner of the department, the director of the budget agency*, and
28 the *commissioner of the department of local government finance* by
29 ~~certified mail~~ *or in an electronic format approved by the director of the*
30 *budget agency*.
- 31 (e) A tax rate under this section is in addition to any other tax rates
32 imposed under this chapter and does not affect the purposes for which
33 other tax revenue under this chapter may be used.
- 34 (f) Except as provided in subsection (k) or (l), the county auditor
35 shall distribute the portion of the certified distribution that is
36 attributable to a tax rate under this section to the county and to each
37 municipality in the county that is carrying out or providing at least one
38 (1) of the public safety purposes described in subsection (a). The
39 amount that shall be distributed to the county or municipality is equal
40 to the result of:
- 41 (1) the portion of the certified distribution that is attributable to a
42 tax rate under this section; multiplied by

- 1 (2) a fraction equal to:
- 2 (A) the attributed allocation amount (as defined in
- 3 IC 6-3.5-1.1-15) of the county or municipality for the calendar
- 4 year; divided by
- 5 (B) the sum of the attributed allocation amounts of the county
- 6 and each municipality in the county that is entitled to a
- 7 distribution under this section for the calendar year.

8 The county auditor shall make the distributions required by this

9 subsection not more than thirty (30) days after receiving the portion of

10 the certified distribution that is attributable to a tax rate under this

11 section. Tax revenue distributed to a county or municipality under this

12 subsection must be deposited into a separate account or fund and may

13 be appropriated by the county or municipality only for public safety

14 purposes.

15 (g) The department of local government finance may not require a

16 county or municipality receiving tax revenue under this section to

17 reduce the county's or municipality's property tax levy for a particular

18 year on account of the county's or municipality's receipt of the tax

19 revenue.

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

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

22 of computing:

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

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

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

31 increase a tax rate under section 24 of this chapter.

32 (j) The department of local government finance and the department

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

34 purposes of this section.

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

36 a distribution under this section may adopt resolutions providing that

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

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

39 purposes specified in the resolutions.

40 (l) A fire department, volunteer fire department, or emergency

41 medical services provider that:

- 42 (1) provides fire protection or emergency medical services within

1 the county; and
 2 (2) is operated by or serves a political subdivision that is not
 3 otherwise entitled to receive a distribution of tax revenue under
 4 this section;
 5 may before July 1 of a year apply to the county council for a
 6 distribution of tax revenue under this section during the following
 7 calendar year. The county council shall review an application
 8 submitted under this subsection and may before September 1 of a year
 9 adopt a resolution requiring that one (1) or more of the applicants shall
 10 receive a specified amount of the tax revenue to be distributed under
 11 this section during the following calendar year. A resolution approved
 12 under this subsection providing for a distribution to one (1) or more fire
 13 departments, volunteer fire departments, or emergency medical
 14 services providers applies only to distributions in the following
 15 calendar year. Any amount of tax revenue distributed under this
 16 subsection to a fire department, volunteer fire department, or
 17 emergency medical services provider shall be distributed before the
 18 remainder of the tax revenue is distributed under subsection (f).

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

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

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

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

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

42 (f) Tax revenue attributable to a tax rate under this section may be

1 used for any combination of the following purposes, as specified by
2 ordinance of the county council:

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

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

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

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

37 (3) The tax revenue may be used to provide local property tax
38 replacement credits at a uniform rate for all qualified residential
39 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
40 and as defined in section 1 of this chapter after December 31,
41 2008) in the county. The local property tax replacement credits
42 shall be treated for all purposes as property tax levies. The county

1 auditor shall determine the local property tax replacement credit
2 percentage for a particular year based on the amount of tax
3 revenue that will be used under this subdivision to provide local
4 property tax replacement credits in that year.

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

9 (A) To reduce all property tax levies imposed by the county by
10 the granting of property tax replacement credits against those
11 property tax levies.

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

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

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

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

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

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

42 The Lake County council shall determine whether the credits

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

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

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

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

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

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

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

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

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

- 1 valuation."
- 2 Page 7, line 16, delete "the later of:".
- 3 Page 7, line 17, delete "(A)".
- 4 Page 7, line 17, after "year" delete "; or" and insert ".".
- 5 Page 7, run in lines 16 through 17.
- 6 Page 7, delete lines 18 through 19.
- 7 Page 7, line 22, delete "the later of:".
- 8 Page 7, line 23, delete "(A)".
- 9 Page 7, line 23, after "year" delete "; or" and insert ".".
- 10 Page 7, run in lines 22 through 23.
- 11 Page 7, delete lines 24 through 25.
- 12 Page 8, delete lines 16 through 25, begin a new paragraph and
- 13 insert:
- 14 **"(e) If the commissioner of the department determines that an**
- 15 **ordinance described in subsection (b) was not adopted according**
- 16 **to the requirements of this article or is otherwise not in compliance**
- 17 **with this article:**
- 18 **(1) the commissioner shall:**
- 19 **(A) notify the county auditor that the ordinance was not**
- 20 **adopted according to the requirements of this article or is**
- 21 **not in compliance with this article; and**
- 22 **(B) specify the corrective action that must be taken for the**
- 23 **ordinance to be adopted according to the requirements of**
- 24 **this article and to be in compliance with this article; and**
- 25 **(2) the ordinance may not take effect until the corrective**
- 26 **action is taken.**
- 27 SECTION 13. IC 6-3.5-6-8, AS AMENDED BY P.L.137-2012,
- 28 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JULY 1, 2013]: Sec. 8. (a) The county income tax council of any
- 30 county in which the county adjusted gross income tax will not be in
- 31 effect on December 1 of a year under an ordinance adopted during a
- 32 previous calendar year may impose the county option income tax on the
- 33 adjusted gross income of county taxpayers of its county.
- 34 (b) Except as provided in sections 30, 31, and 32 of this chapter, the
- 35 county option income tax may initially be imposed at a rate of
- 36 two-tenths of one percent (0.2%) on the resident county taxpayers of
- 37 the county and at a rate of five-hundredths of one percent (0.05%) for
- 38 all other county taxpayers.
- 39 (c) To impose the county option income tax, a county income tax
- 40 council must pass an ordinance. The ordinance must substantially state
- 41 the following:
- 42 "The _____ County Income Tax Council imposes the

1 county option income tax on the county taxpayers of
 2 _____ County. The county option income tax is
 3 imposed at a rate of two-tenths of one percent (0.2%) on the
 4 resident county taxpayers of the county and at a rate of
 5 five-hundredths of one percent (0.05%) on all other county
 6 taxpayers."

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

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

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

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

38 (b) The auditor of the county shall record any vote taken on an
 39 ordinance proposed under the authority of this section and, not more
 40 than ten (10) days after the vote, send a certified copy of the results to
 41 the commissioner of the department, the director of the budget agency,
 42 and the commissioner of the department of local government finance

1 by ~~certified mail~~ or in an electronic format approved by the director of
2 the budget agency.

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

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

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

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

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

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

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

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

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

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

42 (c) A county income tax council may not rescind the county option

1 income tax or take any action that would result in a civil taxing unit in
 2 the county having a smaller distributive share than the distributive
 3 share to which it was entitled when it pledged county option income
 4 tax, if the civil taxing unit or any commission, board, department, or
 5 authority that is authorized by statute to pledge county option income
 6 tax, has pledged county option income tax for any purpose permitted
 7 by IC 5-1-14 or any other statute.

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

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

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

23 "The _____ County Income Tax Council decreases the
 24 county option income tax rate from _____ percent (___ %)
 25 to _____ percent (___ %).".

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

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

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

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

1 Page 9, delete lines 5 through 6.

2 Page 9, line 7, delete "year."

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

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

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

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

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

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

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

1 ~~certified mail~~ or in an electronic format approved by the director of the
2 budget agency.

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

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

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

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

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

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

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

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

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

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

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

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

1 promotes the purpose of maintaining low property tax rates.

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

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

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

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

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

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

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

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

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

41 (3) may be pledged for the repayment of bonds issued or leases
42 entered into to fund the purposes described in subsection (c)(1),

1 except operation or maintenance.

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

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

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

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

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

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

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

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

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

39 (B) the following:

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

42 (ii) In a county other than a county containing a consolidated

1 city, two (2).

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

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

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

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

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

19 (A) the tax rate determined for the county under
20 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

21 (B) the tax rate currently in effect in the county under this
22 section.

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

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

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

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

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

37 (1) the quotient of:

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

41 (B) the STEP ONE amount; multiplied by

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

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

1 chapter; or

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

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

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

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

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

15 (1) one-third (1/3) of the tax revenue that is attributable to the tax
16 rate under this section must be deposited in the county
17 stabilization fund established under subsection (o), in the case of
18 a county containing a consolidated city; and

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

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

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

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

1 (2) the certified distributions attributable to a tax rate under this
 2 section in a year are less than the certified distributions
 3 attributable to a tax rate under this section in the preceding year.
 4 However, subdivision (2) does not apply to the year following the first
 5 year in which certified distributions of revenue attributable to the tax
 6 rate under this section are distributed to the county.

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

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

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

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

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

23 (1) A police and law enforcement system to preserve public peace
 24 and order.

25 (2) A firefighting and fire prevention system.

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

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

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

30 (6) A probation department of a court.

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

34 (A) diverted before a final hearing or trial under an agreement
 35 that is between the county prosecuting attorney and the person
 36 or the person's custodian, guardian, or parent and that provides
 37 for confinement, supervision, community corrections services,
 38 or other correctional services instead of a final action
 39 described in clause (B) or (C);

40 (B) convicted of a crime; or

41 (C) adjudicated as a delinquent child or a child in need of
 42 services.

- 1 (8) A juvenile detention facility under IC 31-31-8.
- 2 (9) A juvenile detention center under IC 31-31-9.
- 3 (10) A county jail.
- 4 (11) A communications system (as defined in IC 36-8-15-3), ~~or~~ an
- 5 enhanced emergency telephone system (as defined in
- 6 IC 36-8-16-2 (*before its repeal on July 1, 2012*)), or the statewide
- 7 911 system (as defined in IC 36-8-16.7-22).
- 8 (12) Medical and health expenses for jail inmates and other
- 9 confined persons.
- 10 (13) Pension payments for any of the following:
- 11 (A) A member of the fire department (as defined in
- 12 IC 36-8-1-8) or any other employee of a fire department.
- 13 (B) A member of the police department (as defined in
- 14 IC 36-8-1-9), a police chief hired under a waiver under
- 15 IC 36-8-4-6.5, or any other employee hired by a police
- 16 department.
- 17 (C) A county sheriff or any other member of the office of the
- 18 county sheriff.
- 19 (D) Other personnel employed to provide a service described
- 20 in this section.
- 21 (b) The county income tax council may adopt an ordinance to
- 22 impose an additional tax rate under this section to provide funding for
- 23 public safety if:
- 24 (1) the county income tax council has imposed a tax rate under
- 25 section 30 of this chapter, in the case of a county containing a
- 26 consolidated city; or
- 27 (2) the county income tax council has imposed a tax rate of at
- 28 least twenty-five hundredths of one percent (0.25%) under section
- 29 30 of this chapter, a tax rate of at least twenty-five hundredths of
- 30 one percent (0.25%) under section 32 of this chapter, or a total
- 31 combined tax rate of at least twenty-five hundredths of one
- 32 percent (0.25%) under sections 30 and 32 of this chapter, in the
- 33 case of a county other than a county containing a consolidated
- 34 city.
- 35 (c) A tax rate under this section may not exceed the following:
- 36 (1) Five-tenths of one percent (0.5%), in the case of a county
- 37 containing a consolidated city.
- 38 (2) Twenty-five hundredths of one percent (0.25%), in the case of
- 39 a county other than a county containing a consolidated city.
- 40 (d) If a county income tax council adopts an ordinance to impose a
- 41 tax rate under this section, *not more than ten (10) days after the vote*,
- 42 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

1 IC 6-1.1-18.5-3; or

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

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

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

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

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

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

19 (1) provides fire protection or emergency medical services within
20 the county; and

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

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

38 SECTION 24. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012,
39 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2013]: Sec. 32. (a) A county income tax council may impose
41 a tax rate under this section to provide property tax relief to taxpayers
42 in the county. A county income tax council is not required to impose

1 any other tax before imposing a tax rate under this section.

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

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

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

16 (e) A tax rate under this section may be imposed, increased,
17 decreased, or rescinded at the same time and in the same manner that
18 the county income tax council may impose or increase a tax rate under
19 section 30 of this chapter.

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

23 (1) The tax revenue may be used to provide local property tax
24 replacement credits at a uniform rate to all taxpayers in the
25 county. The local property tax replacement credits shall be treated
26 for all purposes as property tax levies. The county auditor shall
27 determine the local property tax replacement credit percentage for
28 a particular year based on the amount of tax revenue that will be
29 used under this subdivision to provide local property tax
30 replacement credits in that year. A county income tax council may
31 not adopt an ordinance determining that tax revenue shall be used
32 under this subdivision to provide local property tax replacement
33 credits at a uniform rate to all taxpayers in the county unless the
34 county council has done the following:

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

40 (B) Adopted a resolution or other statement acknowledging
41 that some taxpayers in the county that do not pay the tax rate
42 under this section will receive a property tax replacement

- 1 credit that is funded with tax revenue from the tax rate under
2 this section.
- 3 (2) The tax revenue may be used to uniformly increase (before
4 January 1, 2011) or uniformly provide (after December 31, 2010)
5 the homestead credit percentage in the county. The homestead
6 credits shall be treated for all purposes as property tax levies. The
7 homestead credits do not reduce the basis for determining any
8 state homestead credit. The homestead credits shall be applied to
9 the net property taxes due on the homestead after the application
10 of all other assessed value deductions or property tax deductions
11 and credits that apply to the amount owed under IC 6-1.1. The
12 county auditor shall determine the homestead credit percentage
13 for a particular year based on the amount of tax revenue that will
14 be used under this subdivision to provide homestead credits in
15 that year.
- 16 (3) The tax revenue may be used to provide local property tax
17 replacement credits at a uniform rate for all qualified residential
18 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
19 and as defined in section 1 of this chapter after December 31,
20 2008) in the county. The local property tax replacement credits
21 shall be treated for all purposes as property tax levies. The county
22 auditor shall determine the local property tax replacement credit
23 percentage for a particular year based on the amount of tax
24 revenue that will be used under this subdivision to provide local
25 property tax replacement credits in that year.
- 26 (4) This subdivision applies only to Lake County. The Lake
27 County council may adopt an ordinance providing that the tax
28 revenue from the tax rate under this section is used for any of the
29 following:
- 30 (A) To reduce all property tax levies imposed by the county by
31 the granting of property tax replacement credits against those
32 property tax levies.
- 33 (B) To provide local property tax replacement credits in Lake
34 County in the following manner:
- 35 (i) The tax revenue under this section that is collected from
36 taxpayers within a particular municipality in Lake County
37 (as determined by the department based on the department's
38 best estimate) shall be used only to provide a local property
39 tax credit against property taxes imposed by that
40 municipality.
- 41 (ii) The tax revenue under this section that is collected from
42 taxpayers within the unincorporated area of Lake County (as

1 determined by the department) shall be used only to provide
 2 a local property tax credit against property taxes imposed by
 3 the county. The local property tax credit for the
 4 unincorporated area of Lake County shall be available only
 5 to those taxpayers within the unincorporated area of the
 6 county.

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

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

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

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

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

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

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

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

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

42 (h) Tax revenue under this section shall be treated as a part of the

1 receiving civil taxing unit's or school corporation's property tax levy for
2 that year for purposes of fixing the budget of the civil taxing unit or
3 school corporation and for determining the distribution of taxes that are
4 distributed on the basis of property tax levies. To the extent the county
5 auditor determines that there is income tax revenue remaining from the
6 tax under this section after providing the property tax replacement, the
7 excess shall be credited to a dedicated county account and may be used
8 only for property tax replacement under this section in subsequent
9 years.

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

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

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

20 (b) Maintaining low property tax rates is essential to economic
21 development, and the use of county option income tax revenues as
22 provided in this chapter and as needed in the county to fund the
23 operation and maintenance of a juvenile detention center and other
24 facilities to provide juvenile services, rather than the use of property
25 taxes, promotes that purpose.

26 (c) In addition to the rates permitted by sections 8 and 9 of this
27 chapter, the county fiscal body may impose an additional county option
28 income tax at a rate of not more than twenty-five hundredths percent
29 (0.25%) on the adjusted gross income of resident county taxpayers if
30 the county fiscal body makes the finding and determination set forth in
31 subsection (d). Section 8(e) of this chapter applies to the application of
32 the additional rate to nonresident taxpayers.

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

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

39 (2) agreeing to freeze for the term in which an ordinance is in
40 effect under this section the part of any property tax levy imposed
41 in the county for the operation of the juvenile detention center and
42 other facilities covered by the ordinance at the rate imposed in the

1 year preceding the year in which a full year of additional county
2 option income tax is certified for distribution to the county under
3 this section.

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

15 (f) The county treasurer shall establish a county juvenile detention
16 center revenue fund to be used only for the purposes described in this
17 section. County option income tax revenues derived from the tax rate
18 imposed under this section shall be deposited in the county juvenile
19 detention center revenue fund before a certified distribution is made
20 under section 18 of this chapter.

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

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

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

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

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

38 Page 12, line 31, delete "the later of:".

39 Page 12, line 32, delete "(A)".

40 Page 12, line 32, after "year" delete "; or" and insert ".".

41 Page 12, run in lines 31 through 32.

42 Page 12, delete lines 33 through 34.

- 1 Page 12, line 37, delete "the later of:".
- 2 Page 12, line 38, delete "(A)".
- 3 Page 12, line 38, after "year" delete "; or" and insert ".".
- 4 Page 12, run in lines 37 through 38.
- 5 Page 12, delete lines 39 through 40.
- 6 Page 13, delete lines 22 through 31, begin a new paragraph and
- 7 insert:
- 8 **"(d) If the commissioner of the department determines that an**
- 9 **ordinance described in subsection (b) was not adopted according**
- 10 **to the requirements of this article or is otherwise not in compliance**
- 11 **with this article:**
- 12 **(1) the commissioner shall:**
- 13 **(A) notify the county auditor that the ordinance was not**
- 14 **adopted according to the requirements of this article or is**
- 15 **not in compliance with this article; and**
- 16 **(B) specify the corrective action that must be taken for the**
- 17 **ordinance to be adopted according to the requirements of**
- 18 **this article and to be in compliance with this article; and**
- 19 **(2) the ordinance may not take effect until the corrective**
- 20 **action is taken.**
- 21 SECTION 27. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012,
- 22 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JULY 1, 2013]: Sec. 5. (a) Except as provided in subsection (c), the
- 24 county economic development income tax may be imposed on the
- 25 adjusted gross income of county taxpayers. The entity that may impose
- 26 the tax is:
- 27 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 28 the county option income tax is in effect on October 1 of the year
- 29 the county economic development income tax is imposed;
- 30 (2) the county council if the county adjusted gross income tax is
- 31 in effect on October 1 of the year the county economic
- 32 development tax is imposed; or
- 33 (3) the county income tax council or the county council,
- 34 whichever acts first, for a county not covered by subdivision (1)
- 35 or (2).
- 36 To impose the county economic development income tax, a county
- 37 income tax council shall use the procedures set forth in IC 6-3.5-6
- 38 concerning the imposition of the county option income tax.
- 39 (b) Except as provided in this section and section 28 of this chapter,
- 40 the county economic development income tax may be imposed at a rate
- 41 of:
- 42 (1) one-tenth percent (0.1%);

- 1 (2) two-tenths percent (0.2%);
 2 (3) twenty-five hundredths percent (0.25%);
 3 (4) three-tenths percent (0.3%);
 4 (5) thirty-five hundredths percent (0.35%);
 5 (6) four-tenths percent (0.4%);
 6 (7) forty-five hundredths percent (0.45%); or
 7 (8) five-tenths percent (0.5%);

8 on the adjusted gross income of county taxpayers.

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

16 (d) To impose, increase, decrease, or rescind the county economic
 17 development income tax, the appropriate body must adopt an
 18 ordinance.

19 (e) The ordinance to impose the tax must substantially state the
 20 following:

21 "The _____ County _____ imposes the county economic
 22 development income tax on the county taxpayers of _____
 23 County. The county economic development income tax is imposed at
 24 a rate of _____ percent (____%) on the county taxpayers of the
 25 county."

26 (f) The auditor of a county shall record all votes taken on ordinances
 27 presented for a vote under the authority of this chapter and shall, not
 28 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 (g) For Jackson 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 thirty-five hundredths percent (1.35%) if the county has
 37 imposed the county adjusted gross income tax at a rate of one and
 38 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

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

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

5 (j) This subsection applies to Randolph County. Except as provided
6 in subsection (o), in addition to the rates permitted under subsection
7 (b):

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

10 (2) the sum of the county economic development income tax rate
11 and the county adjusted gross income tax rate that are in effect on
12 January 1 of a year may not exceed one and five-tenths percent
13 (1.5%);

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

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

20 (l) For:

21 (1) Elkhart County; or

22 (2) Marshall County;

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

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

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

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

35 (2) the sum of the county economic development income tax rate
36 and:

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

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

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

3 (o) In addition:

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

8 (2) the:

9 (A) county economic development income tax; and

10 (B) county option income tax or county adjusted gross income
11 tax;

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

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

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

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

32 (2) the maximum rate that would otherwise apply under this
33 section.

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

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

39 (2) county economic development income tax rate plus the county
40 option income tax rate that are in effect on January 1 of a year
41 may equal up to one and twenty-five hundredths percent (1.25%);

42 if the county council makes a determination to impose rates under this

1 subsection and section 27 of this chapter.

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

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

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

17 (u) This subsection applies to Jasper County. Except as provided in
18 subsection (o), the sum of the county economic development income
19 tax rate and the county adjusted gross income tax rate that are in effect
20 on January 1 of a year may not exceed one and five-tenths percent
21 (1.5%).

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

25 (1) the county economic development income tax rate plus the
26 county adjusted gross income tax rate; or

27 (2) the county economic development tax rate plus the county
28 option income tax rate.

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

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

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

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

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

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

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

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

26 "The _____ County _____ increases (decreases) the
 27 county economic development income tax rate imposed upon the
 28 county taxpayers of the county from _____ percent (____%) to
 29 _____ percent (____%)."

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

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

41 (b) Subject to section 14 of this chapter, the body imposing the
 42 county economic development income tax may rescind the tax by

1 adopting an ordinance.

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

9 Page 13, line 40, delete "tax rates currently in effect, and" and insert
10 **"known tax rates."**

11 Page 13, delete lines 41 through 42.

12 Page 14, line 1, delete "year."

13 Page 16, between lines 28 and 29, begin a new paragraph and insert:

14 "SECTION 30. IC 6-3.5-7-27, AS AMENDED BY P.L.137-2012,
15 SECTION 106, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2013]: Sec. 27. (a) This section applies to a
17 county that:

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

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

20 (B) applies to an action commenced before January 1, 2003;
21 and

22 (C) requires the county to comply with the federal Americans
23 with Disabilities Act; and

24 (2) has insufficient revenues to finance the construction,
25 acquisition, improvement, renovation, equipping, and operation
26 of the courthouse facilities and related facilities.

27 (b) A county described in this section possesses unique fiscal
28 challenges in financing, renovating, equipping, and operating the
29 county courthouse facilities and related facilities because the county
30 consistently has one (1) of the highest unemployment rates in Indiana.
31 Maintaining low property tax rates is essential to economic
32 development in the county. The use of economic development income
33 tax revenues under this section for the purposes described in subsection
34 (c) promotes that purpose.

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

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

1 (2) repaying any bonds issued, or leases entered into, for
 2 constructing, acquiring, improving, renovating, equipping, or
 3 operating the county courthouse or related facilities; and
 4 (3) economic development projects described in the county's
 5 capital improvement plan.

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

8 (e) If the county council adopts an ordinance to impose an
 9 additional tax under this section, the county auditor shall, not more
 10 than ten (10) days after the vote, send a certified copy of the ordinance
 11 to the commissioner of the department, the director of the budget
 12 agency, and the commissioner of the department of local government
 13 finance ~~by certified mail or~~ in an electronic format approved by the
 14 director of the budget agency. The county treasurer shall establish a
 15 county facilities revenue fund to be used only for the purposes
 16 described in subsection (c)(1) and (c)(2). The amount of county
 17 economic development income tax revenues derived from the tax rate
 18 imposed under this section that are necessary to pay the costs described
 19 in subsection (c)(1) and (c)(2) shall be deposited into the county
 20 facilities revenue fund before a certified distribution is made under
 21 section 12 of this chapter. The remainder shall be deposited into the
 22 economic development income tax funds of the county's units.

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

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

31 (h) Notwithstanding any other law, funds accumulated from the
 32 county economic development income tax imposed under this section
 33 and deposited into the county facilities revenue fund or any other
 34 revenues of the county may be deposited into a nonreverting fund of
 35 the county to be used for operating costs of the courthouse facilities,
 36 juvenile detention facilities, or related facilities. Amounts in the county
 37 nonreverting fund may not be used by the department of local
 38 government finance to reduce the county's ad valorem property tax levy
 39 for an ensuing calendar year under IC 6-1.1-18.5."

40 Page 19, line 16, strike "estimates" and insert "**determines**".

41 Page 19, strike line 42.

42 Page 20, strike lines 1 through 3.

- 1 Page 21, line 29, strike "the department shall certify to".
- 2 Page 21, line 29, after "state" insert "**shall determine**".
- 3 Page 21, line 31, strike "the department shall certify to".
- 4 Page 21, line 32, after "state" insert "**shall determine**".
- 5 Page 21, line 33, strike "certified".
- 6 Page 21, line 33, after "amounts" insert "**determined by the auditor**
- 7 **of state**".
- 8 Page 33, line 31, after "under" insert "**IC 6-2.5**".
- 9 Page 37, line 1, after "district." insert "**If a taxpayer fails to report**
- 10 **the information required by this section or file an informational**
- 11 **return required by this section, the department shall use the best**
- 12 **information available in calculating the incremental gross retail,**
- 13 **use, and income taxes.**".
- 14 Page 37, line 20, after "district." insert "**If a taxpayer fails to**
- 15 **report the information required by this section or file an**
- 16 **informational return required by this section, the department shall**
- 17 **use the best information available in calculating the net**
- 18 **increment.**".
- 19 Page 38, line 39, after "area." insert "**If a taxpayer fails to report**
- 20 **the information required by this section, the department shall use**
- 21 **the best information available in calculating the amount of**
- 22 **incremental income taxes.**".
- 23 Page 40, between lines 5 and 6, begin a new paragraph and insert:
- 24 "**(d) If a taxpayer fails to report the information required by this**
- 25 **section or file an informational return required by this section, the**
- 26 **department shall use the best information available in calculating**
- 27 **the amount of covered taxes attributable to a taxable event in a tax**
- 28 **area or covered taxes from income earned in a tax area.**".
- 29 Page 40, between lines 27 and 28, begin a new paragraph and insert:
- 30 "**(d) If a taxpayer fails to report the information required by this**
- 31 **section or file an informational return required by this section, the**
- 32 **department shall use the best information available in calculating**
- 33 **the amount of covered taxes attributable to a taxable event in a tax**
- 34 **area or covered taxes from income earned in a tax area.**".
- 35 Page 40, after line 42, begin a new paragraph and insert:
- 36 "**(d) If a taxpayer fails to report the information required by this**
- 37 **section or file an informational return required by this section, the**
- 38 **department shall use the best information available in calculating**

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

3 Renumber all SECTIONS consecutively.
 (Reference is to SB 544 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 9, Nays 0.

Senator Hershman, Chairperson