

## **IC 36-7-27**

### Chapter 27. Economic Development Tax Area

#### **IC 36-7-27-1**

##### **Application of chapter**

Sec. 1. This chapter applies to each county having a consolidated city.

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-2**

##### **"Base period amount" defined**

Sec. 2. As used in this chapter, "base period amount" means the aggregate amount of covered local income taxes paid by employees employed in a tax area with respect to wages earned for work in the tax area for the state fiscal year that precedes the date on which the commission confirmed the resolution designating the tax area. However, the base period amount with respect to a tax area covered by section 11(c) of this chapter is zero (0).

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-3**

##### **"Commission" defined**

Sec. 3. As used in this chapter, "commission" refers to the metropolitan development commission acting as the redevelopment commission of a consolidated city, subject to IC 36-3-4-23.

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-4**

##### **"County taxpayer" defined**

Sec. 4. (a) As used in this chapter, "county taxpayer" means an individual who:

- (1) resides in the county; or
- (2) maintains the individual's principal place of business or employment in the county and who does not reside in another county in which the county option income tax, the county adjusted income tax, or the county economic development income tax is in effect.

(b) For purposes of this section, an individual shall be treated as a resident of the county in which the individual:

- (1) maintains a home, if the individual maintains only one (1) home in Indiana;
- (2) if subdivision (1) does not apply, is registered to vote;
- (3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or
- (4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time spent in Indiana during the taxable year in question.

*As added by P.L.27-1992, SEC.28. Amended by P.L.42-1994, SEC.12.*

**IC 36-7-27-5****"Covered local income taxes" defined**

Sec. 5. As used in this chapter, "covered local income taxes" means the following income taxes imposed on county taxpayers:

- (1) County option income tax.
- (2) County economic development income tax.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-6****"Department" defined**

Sec. 6. As used in this chapter, "department" refers to the department of state revenue.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-7****"Fund" defined**

Sec. 7. As used in this chapter, "fund" refers to an incremental income tax financing fund established under section 13 of this chapter.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-8****"Incremental income tax" defined**

Sec. 8. As used in this chapter, "incremental income tax" means the remainder of:

- (1) the aggregate amount of covered local income taxes paid by employees employed in a tax area with respect to wages earned for work in the tax area for a particular state fiscal year; minus
- (2) the base period amount.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-9****"Qualified economic development tax project" defined**

Sec. 9. As used in this chapter, "qualified economic development tax project" means a project that is expected to create, retain, or create and retain at least two thousand (2,000) jobs in the county.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-10****"Tax area" defined**

Sec. 10. As used in this chapter, "tax area" means a geographic area established by a commission under section 11 of this chapter in which a qualified economic development tax project is located.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-11****Tax area; establishment; procedures; area containing armed forces provider; findings; special taxing district**

Sec. 11. (a) A commission may establish a tax area according to the procedures set forth for the establishment of economic

development areas under IC 36-7-15.1. Notwithstanding any other law, the tax area must be wholly within an airport development zone established under IC 8-22-3.5 or within any other area in the county in which there is located a provider of services, equipment, or both to the United States armed forces.

(b) In establishing the tax area, the commission must make the following findings in lieu of the findings required for the establishment of economic development areas:

(1) That a project to be undertaken or that has been undertaken in the area is a qualified economic development tax project.

(2) That the local public improvements (as defined in IC 36-7-15.3-6) being constructed, acquired, or provided or to be constructed, acquired, or provided in or serving the tax area will benefit the public health and welfare and will be of public utility and benefit.

(3) That the qualified economic development tax project being constructed, acquired, or provided or to be constructed, acquired, or provided in or serving the tax area will protect or increase state and local tax bases or revenues.

(c) In addition to the findings required under subsection (b), the commission may find that the qualified economic development project involves a provider of services, equipment, or both to the United States armed forces.

(d) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

*As added by P.L.27-1992, SEC.28.*

### **IC 36-7-27-12**

#### **Allocation provision; adoption; notice; certification of base period amount**

Sec. 12. (a) A resolution adopted under section 11 of this chapter must include a provision with respect to the allocation and distribution of covered local income taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire tax area.

(b) When an allocation provision is adopted under subsection (a), the commission shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

(1) Employers in the tax area.

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

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

(c) Not later than sixty (60) days after receipt from the commission of the notification under subsection (b), the department shall determine the base period amount and certify that amount to the commission.

*As added by P.L.27-1992, SEC.28.*

**IC 36-7-27-13**

**Incremental income tax financing fund; establishment; administration; estimate, certification, and collection of tax; disbursement and pledge of fund; sufficiency to meet obligations**

Sec. 13. (a) The treasurer of state shall establish an incremental income tax financing fund for the county. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Before July 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall estimate and certify to the county auditor the amount of incremental income tax for the tax areas in the county that will be collected from that county during the twelve (12) month period beginning July 1 of that calendar year and ending June 30 of the following calendar year. The amount certified shall be deposited into the fund and shall be distributed on the dates specified in subsection (e) for the following calendar year. The amount certified may be adjusted under subsection (c) or (d).

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

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

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

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

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

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

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-14**

##### **Bonds; issuance; purposes**

Sec. 14. The commission may issue bonds payable in whole or in part from money distributed from the fund to the commission to finance local public improvements under IC 36-7-15.1-17 or make lease rental payments in whole or in part from money distributed from the fund to the commission for a local public improvement under IC 36-7-15.1-17.1 and IC 36-7-15.1-17.2, including debt service payments on or lease rental payments for local public improvements under bonds issued or a lease entered into before January 1, 1992. Local public improvements to be financed by the commission may be in or serving the tax area.

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-15**

##### **Tax covenant with bond owners**

Sec. 15. The general assembly covenants that this chapter will not be repealed or amended in a manner that will adversely affect the owners of bonds issued under this chapter by the commission or a lessor corporation providing local public improvements to the commission.

*As added by P.L.27-1992, SEC.28.*

#### **IC 36-7-27-16**

##### **Pledge to finance economic development tax project**

Sec. 16. Notwithstanding any other law, a county that expects to receive an economic benefit from a qualified economic development tax project under this chapter, a county contiguous to such a county, or a municipality that expects to receive an economic benefit from a qualified economic development tax project under this chapter, may pledge (as authorized in IC 5-1-14-4) any legally available money to the payment of bonds or lease rentals to finance a qualified economic development tax project. The pledge does not create a debt of the pledging county or municipality under the Constitution of the State of Indiana so long as the money is designated to make lease rental payments to finance a qualified economic development tax project.

*As added by P.L.28-1993, SEC.14.*

#### **IC 36-7-27-18**

##### **Information required to be disclosed by employers**

Sec. 18. Upon request of the department, employers in the tax area shall provide the department with:

- (1) the names and addresses of all persons employed by the employer in the tax area;
- (2) information concerning the wages earned by the persons for work in the tax area; and
- (3) any other information the department requires to administer this chapter.

*As added by P.L.42-1994, SEC.13.*