



Reprinted  
April 15, 2015

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## ENGROSSED HOUSE BILL No. 1485

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DIGEST OF HB 1485 (Updated April 14, 2015 7:10 pm - DI 73)

**Citations Affected:** IC 6-1.1; IC 6-3.5; IC 6-3.6; IC 6-9; noncode.

**Synopsis:** Local taxation. Provides for a transition from the county adjusted gross income tax, the county option income tax, the county economic development income tax, and the various local income taxes for special purposes and special projects to a single local income tax with three rate components. Retains special distributions. Specifies that  
(Continued next page)

**Effective:** Upon passage; July 1, 2015; January 1, 2017.

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### Thompson

(SENATE SPONSORS — HERSHMAN, HOLDMAN)

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January 14, 2015, read first time and referred to Committee on Ways and Means.  
February 16, 2015, amended, reported — Do Pass.  
February 19, 2015, read second time, amended, ordered engrossed.  
February 20, 2015, engrossed.  
February 23, 2015, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 25, 2015, read first time and referred to Committee on Tax & Fiscal Policy.  
April 2, 2015, amended, reported favorably — Do Pass.  
April 14, 2015, read second time, amended, ordered engrossed.

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EH 1485—LS 7183/DI 58



## Digest Continued

the transition is to take effect in 2017. Provides for a report by the office of management and budget to the legislative council in 2015 showing the effect of the transition on taxing units and taxpayers. Permits a county council to impose a local service fee on each person that has business personal property exempt from taxation because the person's business personal property in the county has an acquisition cost of less than \$20,000. Provides that a local service fee may not exceed \$50. Authorizes Rush County to impose a special purpose tax on adjusted gross income of local taxpayers for construction, renovation, operation, or maintenance of the county jail. Provides that the tax rate adopted by the county may range from 0.15% to 0.6%. Repeals the Indiana Toll Road food and beverage tax included in HB 1044-2015. Provides that the maximum combined CEDIT and COIT tax rates in Greene County may not exceed 1.25% (rather than 1%, under current law). Reduces the maximum public safety LOIT rate otherwise applicable (0.25%) in Greene County by the amount that the combined CEDIT and COIT tax rates exceed 1%. Establishes the Clark County leadership commission (commission). Requires the commission to study certain topics and make recommendations.

**EH 1485—LS 7183/DI 58**



Reprinted  
April 15, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1485

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-3-7.3 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 7.3. (a) A county fiscal body may adopt an ordinance  
4 to impose a local service fee on each person that files an annual  
5 certification with the county assessor under section 7.2 of this  
6 chapter stating that the person's business personal property in the  
7 county is exempt from taxation under section 7.2 of this chapter for  
8 an assessment date after December 31, 2015.**  
9 **(b) The county fiscal body shall specify the amount of the local  
10 service fee in the ordinance. A local service fee imposed on a  
11 person under this section may not exceed fifty dollars (\$50).**  
12 **(c) A local service fee imposed for an assessment date is due and  
13 payable at the same time that property taxes for that assessment  
14 date are due and payable. A county may collect a delinquent local  
15 service fee in the same manner as delinquent property taxes are**

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1 collected.

2 **(d) The revenue from a local service fee:**

3 **(1) shall be allocated in the same manner and proportion and**  
 4 **at the same time as property taxes are allocated to each taxing**  
 5 **unit in the county; and**

6 **(2) may be used by a taxing unit for any lawful purpose of the**  
 7 **taxing unit.**

8 SECTION 2. IC 6-3.5-1.1 IS REPEALED [EFFECTIVE JANUARY  
 9 1, 2017]. (County Adjusted Gross Income Tax).

10 SECTION 3. IC 6-3.5-1.5 IS REPEALED [EFFECTIVE JANUARY  
 11 1, 2017]. (Calculation of Levy Freeze Amounts).

12 SECTION 4. IC 6-3.5-6 IS REPEALED [EFFECTIVE JANUARY  
 13 1, 2017]. (County Option Income Tax).

14 SECTION 5. IC 6-3.5-7 IS REPEALED [EFFECTIVE JANUARY  
 15 1, 2017]. (County Economic Development Income Tax).

16 SECTION 6. IC 6-3.5-7-5, AS AMENDED BY P.L.153-2014,  
 17 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2015]: Sec. 5. (a) Except as provided in subsection (c), the  
 19 county economic development income tax may be imposed on the  
 20 adjusted gross income of county taxpayers. Except as provided in  
 21 section 26(m) of this chapter, the entity that may impose the tax is:

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

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

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

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

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

37 (1) one-tenth percent (0.1%);

38 (2) two-tenths percent (0.2%);

39 (3) twenty-five hundredths percent (0.25%);

40 (4) three-tenths percent (0.3%);

41 (5) thirty-five hundredths percent (0.35%);

42 (6) four-tenths percent (0.4%);

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- 1           (7) forty-five hundredths percent (0.45%); or  
 2           (8) five-tenths percent (0.5%);  
 3 on the adjusted gross income of county taxpayers.
- 4           (c) Except as provided in this section, the county economic  
 5 development income tax rate plus the county adjusted gross income tax  
 6 rate, if any, that are in effect on January 1 of a year may not exceed one  
 7 and twenty-five hundredths percent (1.25%). Except as provided in this  
 8 section, the county economic development tax rate plus the county  
 9 option income tax rate, if any, that are in effect on January 1 of a year  
 10 may not exceed one percent (1%).
- 11           (d) To impose, increase, decrease, or rescind the county economic  
 12 development income tax, the appropriate body must adopt an  
 13 ordinance.
- 14           (e) The ordinance to impose the tax must substantially state the  
 15 following:  
 16           "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
 17 development income tax on the county taxpayers of \_\_\_\_\_  
 18 County. The county economic development income tax is imposed at  
 19 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
 20 county."
- 21           (f) The auditor of a county shall record all votes taken on ordinances  
 22 presented for a vote under the authority of this chapter and shall, not  
 23 more than ten (10) days after the vote, send a certified copy of the  
 24 results to the commissioner of the department, the director of the  
 25 budget agency, and the commissioner of the department of local  
 26 government finance in an electronic format approved by the director of  
 27 the budget agency.
- 28           (g) For Jackson County, except as provided in subsection (o), the  
 29 county economic development income tax rate plus the county adjusted  
 30 gross income tax rate that are in effect on January 1 of a year may not  
 31 exceed one and thirty-five hundredths percent (1.35%) if the county has  
 32 imposed the county adjusted gross income tax at a rate of one and  
 33 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.
- 34           (h) For Pulaski County, except as provided in subsection (o), the  
 35 county economic development income tax rate plus the county adjusted  
 36 gross income tax rate that are in effect on January 1 of a year may not  
 37 exceed one and fifty-five hundredths percent (1.55%).
- 38           (i) For Wayne County, except as provided in subsection (o), the  
 39 county economic development income tax rate plus the county adjusted  
 40 gross income tax rate that are in effect on January 1 of a year may not  
 41 exceed one and five-tenths percent (1.5%).
- 42           (j) This subsection applies to Randolph County. Except as provided



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

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

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

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

15 (l) For:

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

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

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

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

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

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

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

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

40 (o) This subsection applies to a county in which an adopting entity  
41 approves the use of the certified distribution for property tax relief  
42 under section 26(c) and 26(e) of this chapter or to a county in which the



1 county fiscal body approves the use of the certified distribution to fund  
 2 a public transportation project under section 26(m) of this chapter. In  
 3 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 Except as provided in section 5.5 of this chapter, the additional rate  
 16 imposed under this subsection may not exceed the amount necessary  
 17 to mitigate the increased ad valorem property taxes on homesteads (as  
 18 defined in IC 6-1.1-20.9-1 (repealed) before January 1, 2009, or  
 19 IC 6-1.1-12-37 after December 31, 2008) or residential property (as  
 20 defined in section 26 of this chapter), as appropriate under the  
 21 ordinance adopted by the adopting body in the county, resulting from  
 22 the deduction of the assessed value of inventory in the county under  
 23 IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of  
 24 inventory from the definition of personal property 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 a 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 **(aa) This subsection applies to Greene County. The county**  
 17 **economic development tax rate plus the county option income tax**  
 18 **rate, if any, that are in effect on January 1 of a year may not**  
 19 **exceed one and twenty-five hundredths percent (1.25%). However,**  
 20 **if the county economic development tax rate plus the county option**  
 21 **income tax rate in effect exceed one percent (1%), the maximum**  
 22 **rate that may be imposed in the county for public safety purposes**  
 23 **under IC 6-3.5-1.1-25 or IC 6-3.5-6-31 is equal to the difference**  
 24 **between:**

- 25 (1) twenty-five hundredths of one percent (0.25%); minus  
 26 (2) the amount by which the county economic development  
 27 tax rate plus the county option income tax rate in effect  
 28 exceeds one percent (1%).

29 SECTION 7. IC 6-3.6 IS ADDED TO THE INDIANA CODE AS A  
 30 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 31 2015]:

32 **ARTICLE 3.6. LOCAL INCOME TAXES**

33 **Chapter 1. Purpose; Application; Transitional Provisions**

34 **Sec. 1. (a) The purpose of this article is to consolidate and**  
 35 **simplify the various local income tax laws (referred to as a "former**  
 36 **tax" in this article) that are in effect on May 1, 2016, into a**  
 37 **uniform law that transitions each county from the former taxes to**  
 38 **the tax governed by this article.**

39 **(b) Notwithstanding the effective date of the repeal of the**  
 40 **former tax laws on January 1, 2017, an adopting body may not**  
 41 **adopt any ordinances under a former tax after June 30, 2016. In**  
 42 **addition, notwithstanding the effective date of this article being**



1 July 1, 2015, an adopting body may not take any action under this  
2 article before July 1, 2016.

3 (c) To carry out the transition, the office of management and  
4 budget, along with the appropriate state agencies and in  
5 cooperation with each county, shall do the following:

6 (1) Document all terms, conditions, limitations, and  
7 obligations that exist under the former taxes.

8 (2) Categorize the tax rate under the former taxes into the  
9 appropriate tax rate or rates under this article to provide  
10 revenue for all the same purposes for which revenue under a  
11 former tax was used in 2016, except to the extent required  
12 under this article and to the extent that an adopting body  
13 takes action under this article after June 30, 2016, to change  
14 the purposes and allocation of the revenue as permitted under  
15 this article. Matching the purposes of a former tax to the  
16 purposes under this article, including the apportionment,  
17 allocation, and distribution of revenue under this article shall  
18 be accomplished by using the best information available.  
19 These purposes include, but are not limited to, one (1) or more  
20 of the following:

21 (A) Property tax credits using the options set forth in  
22 IC 6-3.6-5. This categorization is limited to former tax  
23 rates that were dedicated to providing credits against  
24 property taxes under IC 6-3.5-1.1-26, IC 6-3.5-6, or  
25 IC 6-3.5-7.

26 (B) School corporation distributions and additional  
27 revenue. All former tax rates not used for a specified  
28 project or categorized under clause (A) shall be  
29 categorized under IC 6-3.6-6 using the former tax rates or  
30 dollar amounts that were dedicated for school corporation  
31 distributions, public safety, economic development, and  
32 certified shares.

33 (C) A special purpose project (IC 6-3.6-7) using the former  
34 tax rate that was dedicated to the project.

35 (d) The office of management and budget shall compile a  
36 comprehensive report detailing for each taxing unit throughout the  
37 state and for each property class type described in IC 6-3.5-6, the  
38 categorization of revenue and its uses under this article compared  
39 to the former taxes. Before November 1, 2015, the office of  
40 management and budget shall submit its report to the legislative  
41 council in an electronic format under IC 5-14-6.

42 (e) The transition under this article shall be completed by



1 August 1, 2016, for purposes of local government budgets for 2017  
 2 and for purposes of the distribution and allocation of revenue  
 3 under this article after December 31, 2016.

4 Sec. 2. This article applies to:

- 5 (1) taxes and tax liability in effect after December 31, 2015;  
 6 (2) homestead and property tax credits against property tax  
 7 liability imposed for an assessment date after December 31,  
 8 2015; and  
 9 (3) subject to subdivisions (1) and (2), administration of taxes  
 10 described in section 3 of this chapter, after December 31,  
 11 2016.

12 Sec. 3. Except to the extent that taxes imposed in a county  
 13 under:

- 14 (1) IC 6-3.5-1 (repealed);  
 15 (2) IC 6-3.5-1.1 (repealed);  
 16 (3) IC 6-3.5-6 (repealed); or  
 17 (4) IC 6-3.5-7 (repealed);

18 are increased, decreased, or rescinded under this article, the total  
 19 tax rate in effect in a county under the provisions described in  
 20 subdivisions (1) through (4) on May 1, 2016, continue in effect after  
 21 May 1, 2016, and shall be treated as taxes imposed under this  
 22 article.

23 Sec. 4. Notwithstanding:

- 24 (1) IC 6-3.5-1 (repealed);  
 25 (2) IC 6-3.5-1.1 (repealed);  
 26 (3) IC 6-3.5-6 (repealed); or  
 27 (4) IC 6-3.5-7 (repealed);

28 a change in a tax imposed under a provision described in  
 29 subdivisions (1) through (4), credits related to property taxes,  
 30 allocations of tax revenue, and pledges for payment from tax  
 31 revenue after December 31, 2016, must be made under this article  
 32 and not under the provisions described in subdivisions (1) through  
 33 (4).

34 Sec. 5. A reference in a statute or rule to a statute that is  
 35 repealed and replaced in the same or a different form in this article  
 36 shall be treated after December 31, 2016, as a reference to the new  
 37 provision.

38 Sec. 6. A pledge of a tax described in section 3 of this chapter for  
 39 the payment of bonds, leases, or other expenditures shall be treated  
 40 as a pledge of the related tax under this article for the same  
 41 purpose. Notwithstanding the repeal of IC 6-3.5-1.1, IC 6-3.5-1.5,  
 42 IC 6-3.5-6, and IC 6-3.5-7 and the enactment of this article, any



1 pledge of revenues received from a tax imposed under any of the  
 2 provisions of IC 6-3.5-1.1, IC 6-3.5-1.5, IC 6-3.5-6, and IC 6-3.5-7  
 3 (prior to their repeal) to the payment, in whole or in part, of:

- 4 (1) the principal of and interest on bonds;  
 5 (2) lease rentals due under a lease; and  
 6 (3) the payment of any other obligation;

7 is binding and enforceable and remains in full force and effect as  
 8 long as the principal of and interest on any bonds, the lease rentals  
 9 due under any lease, or the payment of any obligation remains  
 10 unpaid. The enactment of this article does not affect any rights,  
 11 duties, obligations, proceedings, or liabilities accrued before  
 12 January 1, 2017. Those rights, duties, obligations, proceedings, or  
 13 liabilities continue and shall be imposed and enforced under prior  
 14 law as if this article had not been enacted and the prior law had not  
 15 been repealed.

16 Sec. 7. A period that began with respect to a tax described in  
 17 section 3 of this chapter and limits the period in which the tax may  
 18 be imposed continues under this article from the starting date and  
 19 time of the original action under the laws described in section 3 of  
 20 this chapter and limits the period in which the related tax under  
 21 this article may be imposed as if the period were initiated under  
 22 this article.

23 Sec. 8. A period that began with respect to the issuance of bonds  
 24 or leases payable from a tax described in section 3 of this chapter  
 25 and limits the period in which the bonds or leases may be in effect  
 26 continues under this article from the starting date and time of the  
 27 original action under the laws described in section 3 of this chapter  
 28 and limits the period in which the bonds or leases may be in effect  
 29 as if the period were initiated under this article.

30 Sec. 9. Before August 2, 2016, the budget agency, with the  
 31 assistance of the department of local government finance, shall  
 32 certify to each county the income tax rates under this article, by tax  
 33 rate category, as categorized by the office of management and  
 34 budget under this chapter.

35 Sec. 10. The department of local government finance shall assist  
 36 adopting bodies and other local governmental entities as necessary  
 37 to provide for a transition to the administration of taxes under this  
 38 article.

39 Chapter 2. Definitions

40 Sec. 1. The definitions in this chapter apply throughout this  
 41 article.

42 Sec. 2. "Adjusted gross income" has the meaning set forth in



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**IC 6-3-1-3.5. However:**

- (1) in the case of a local taxpayer who is not treated as a resident local taxpayer of a county, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment; and**
- (2) in the case of a resident local taxpayer of Perry County, the term does not include adjusted gross income described in IC 6-3.6-8-7.**

**Sec. 3. "Allocation amount" refers to an amount that qualifies as an allocation amount under IC 6-3.6-6.**

**Sec. 4. "Attributed allocation amount" refers to an amount that qualifies as an attributed allocation amount under IC 6-3.6-6.**

**Sec. 5. "Certified distribution" refers to the amount certified under IC 6-3.6-9-5(b), as adjusted under IC 6-3.6-9.**

**Sec. 6. "Certified shares" refers to the amount allocated for distribution as certified shares under IC 6-3.6-6.**

**Sec. 7. "Civil taxing unit" means any entity having the power to impose ad valorem property taxes except a school corporation. The term does not include a solid waste management district that is not entitled to a distribution under IC 6-3.6-6. However, in the case of a consolidated city, the term "civil taxing unit" includes the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9.**

**Sec. 8. "Economic development project" means any project that:**

- (1) the county, city, or town determines will:**
  - (A) promote significant opportunities for the gainful employment of its citizens;**
  - (B) attract a major new business enterprise to the county, city, or town; or**
  - (C) retain or expand a significant business enterprise within the county, city, or town; and**
- (2) involves an expenditure for:**
  - (A) the acquisition of land;**
  - (B) interests in land;**
  - (C) site improvements;**
  - (D) infrastructure improvements;**
  - (E) buildings;**
  - (F) structures;**
  - (G) rehabilitation, renovation, and enlargement of buildings and structures;**



- 1           **(H) machinery;**
- 2           **(I) equipment;**
- 3           **(J) furnishings;**
- 4           **(K) facilities;**
- 5           **(L) administrative expenses associated with a project**
- 6           **described in this section, including contract payments to a**
- 7           **nonprofit corporation whose primary corporate purpose**
- 8           **is to assist government in planning and implementing**
- 9           **economic development projects;**
- 10          **(M) operating expenses of a governmental entity that plans**
- 11          **or implements economic development projects; or**
- 12          **(N) substance removal or remedial action in a designated**
- 13          **county, city, or town;**
- 14          **or any combination of these.**
- 15          **Sec. 9. "Executive" has the meaning set forth in IC 36-1-2-5.**
- 16          **Sec. 10. "Fiscal body" has the meaning set forth in IC 36-1-2-6.**
- 17          **Sec. 11. "Impose" includes adopt, amend, increase, decrease,**
- 18          **and rescind.**
- 19          **Sec. 12. "Local income tax council" means a council established**
- 20          **by IC 6-3.6-3-1.**
- 21          **Sec. 13. "Local taxpayer", as it relates to a particular county,**
- 22          **means any individual who:**
- 23                **(1) resides in that county on the date specified in IC 6-3.6-8-3;**
- 24                **or**
- 25                **(2) maintains the taxpayer's principal place of business or**
- 26                **employment in that county on the date specified in**
- 27                **IC 6-3.6-8-3 and who does not reside on that same date in**
- 28                **another county in Indiana in which a tax under this article is**
- 29                **in effect.**
- 30          **Sec. 14. "Public safety" refers to the following:**
- 31                **(1) A police and law enforcement system to preserve public**
- 32                **peace and order.**
- 33                **(2) A firefighting and fire prevention system.**
- 34                **(3) Emergency ambulance services (as defined in**
- 35                **IC 16-18-2-107).**
- 36                **(4) Emergency medical services (as defined in**
- 37                **IC 16-18-2-110).**
- 38                **(5) Emergency action (as defined in IC 13-11-2-65).**
- 39                **(6) A probation department of a court.**
- 40                **(7) Confinement, supervision, services under a community**
- 41                **corrections program (as defined in IC 35-38-2.6-2), or other**
- 42                **correctional services for a person who has been:**



- 1 (A) diverted before a final hearing or trial under an
- 2 agreement that is between the county prosecuting attorney
- 3 and the person or the person's custodian, guardian, or
- 4 parent and that provides for confinement, supervision,
- 5 community corrections services, or other correctional
- 6 services instead of a final action described in clause (B) or
- 7 (C);
- 8 (B) convicted of a crime; or
- 9 (C) adjudicated as a delinquent child or a child in need of
- 10 services.
- 11 (8) A juvenile detention facility under IC 31-31-8.
- 12 (9) A juvenile detention center under IC 31-31-9.
- 13 (10) A county jail.
- 14 (11) A communications system (as defined in IC 36-8-15-3), an
- 15 enhanced emergency telephone system (as defined in
- 16 IC 36-8-16-2, before its repeal on July 1, 2012), or the
- 17 statewide 911 system (as defined in IC 36-8-16.7-22).
- 18 (12) Medical and health expenses for jailed inmates and other
- 19 confined persons.
- 20 (13) Pension payments for any of the following:
- 21 (A) A member of a fire department (as defined in
- 22 IC 36-8-1-8) or any other employee of the fire department.
- 23 (B) A member of a police department (as defined in
- 24 IC 36-8-1-9), a police chief hired under a waiver under
- 25 IC 36-8-4-6.5, or any other employee hired by the police
- 26 department.
- 27 (C) A county sheriff or any other member of the office of
- 28 the county sheriff.
- 29 (D) Other personnel employed to provide a service
- 30 described in this section.
- 31 **Sec. 15. "Resident local taxpayer", as it relates to a particular**
- 32 **county, means any local taxpayer who resides in that county on the**
- 33 **date specified in IC 6-3.6-8-3.**
- 34 **Sec. 16. "School corporation" has the meaning set forth in**
- 35 **IC 6-1.1-1-16.**
- 36 **Sec. 17. "Tax" refers to the following:**
- 37 (1) A tax imposed under this article.
- 38 (2) A tax that was originally imposed under:
- 39 (A) IC 6-3.5-1 (repealed);
- 40 (B) IC 6-3.5-1.1 (repealed);
- 41 (C) IC 6-3.5-6 (repealed); or
- 42 (D) IC 6-3.5-7 (repealed);



1 and that is continued in effect under this article by  
2 IC 6-3.6-1-3.

3 Sec. 18. "Welfare allocation amount" means an amount equal  
4 to the sum of the property taxes imposed by the county in 1999 for  
5 the county's welfare fund and welfare administration fund and, if  
6 the county received a certified distribution under a former tax in  
7 2008, the property taxes imposed by the county in 2008 for the  
8 county's county medical assistance to wards fund, family and  
9 children's fund, children's psychiatric residential treatment  
10 services fund, county hospital care for the indigent fund, and  
11 children with special health care needs county fund, plus, in the  
12 case of Marion County, thirty-five million dollars (\$35,000,000).

13 Chapter 3. Adopting Body; Adoption Procedures; Effective  
14 Date of Ordinances

15 Sec. 1. (a) The following is the adopting body for a county:

- 16 (1) The local income tax council in a county in which the
- 17 county income tax council adopted either:
- 18 (A) a county option income tax under IC 6-3.5-6 (repealed)
- 19 that was in effect on January 1, 2015; or
- 20 (B) a county economic development income tax for the
- 21 county under IC 6-3.5-7 (repealed) that was in effect on
- 22 January 1, 2015.

- 23 (2) The county fiscal body in any other county.
- 24 (b) A local income tax council is established for each county.
- 25 The membership of each county's local income tax council consists
- 26 of the fiscal body of the county and the fiscal body of each city or
- 27 town that lies either partially or entirely within that county.

28 Sec. 2. (a) An adopting body or, if authorized by this article,  
29 another governmental entity that is not an adopting body, may  
30 take an action under this article only by ordinance, unless this  
31 article permits the action to be taken by resolution.

32 (b) The department of local government finance, in consultation  
33 with the department of state revenue, shall prescribe and make  
34 electronically available uniform notices, ordinances, and  
35 resolutions for use by an adopting body or other governmental  
36 entity to take an action under this article. An adopting body or  
37 other governmental entity may submit a proposed notice,  
38 ordinance, or resolution to the department of local government  
39 finance for review. The department of local government finance  
40 shall provide to the submitting entity a determination of the  
41 appropriateness of the proposed notice, ordinance, or resolution,  
42 including recommended modifications, within thirty (30) days of





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receiving the proposed notice, ordinance, or resolution.

(c) The department of local government finance shall prescribe the hearing requirements and procedures to be used for submitting a notice and vote results on ordinances and adopting and submitting an ordinance or a resolution under this article.

(d) An action taken by an adopting body under this article is not effective and is void unless the adopting body satisfies all the requirements prescribed by the department of local government finance.

Sec. 3. (a) An ordinance adopted under this article takes effect as provided in this section.

(b) An ordinance that adopts, increases, decreases, or rescinds a tax or a tax rate takes effect as follows:

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

(2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.

(3) An ordinance adopted after October 31 of the current year and before January 1 of the following year takes effect on October 1 of the following year.

(c) An ordinance that grants, increases, decreases, rescinds, or changes a credit against the property tax liability of a taxpayer takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before November 2 of the current year takes effect on January 1 of, and applies to property taxes first due and payable in, the year immediately following the year in which the ordinance is adopted.

(2) An ordinance adopted after November 1 of the current year and before January 1 of the immediately succeeding year takes effect on January 1 of, and applies to property taxes first due and payable in, the year that follows the current year by two (2) years.

(d) An ordinance that grants, increases, decreases, rescinds, or changes a distribution or allocation of taxes to a governmental entity other than the county takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before November 2 of the current year takes effect January 1 of the year immediately following the year in which the ordinance is adopted.



1 (2) An ordinance adopted after November 1 of the current  
2 year and before January 1 of the immediately succeeding year  
3 takes effect January 1 of the year that follows the current  
4 year by two (2) years.

5 (e) An ordinance not described in subsections (b) through (d)  
6 takes effect as provided under IC 36 for other ordinances of the  
7 governmental entity adopting the ordinance.

8 Sec. 4. (a) Except for a tax rate that has an expiration date, a tax  
9 rate remains in effect until the effective date of an ordinance that  
10 increases, decreases, or rescinds that tax rate.

11 (b) A tax rate may not be changed more than once each year  
12 under this article.

13 Sec. 5. (a) The auditor of a county shall record all votes taken on  
14 ordinances presented for a vote under this article and not more  
15 than ten (10) days after the vote, send a certified copy of the results  
16 to:

- 17 (1) the commissioner of the department of state revenue; and
- 18 (2) the commissioner of the department of local government  
19 finance;

20 in an electronic format approved by the commissioner of the  
21 department of local government finance.

22 (b) This subsection applies only to a county that has a local  
23 income tax council. The county auditor may cease sending certified  
24 copies after the county auditor sends a certified copy of results  
25 showing that members of the local income tax council have cast a  
26 majority of the votes on the local income tax council for or against  
27 the proposed ordinance.

28 Sec. 6. (a) This section applies to a county in which the county  
29 adopting body is a local income tax council.

30 (b) In the case of a city or town that lies within more than one  
31 (1) county, the county auditor of each county shall base the  
32 allocations required by subsection (c) on the population of that  
33 part of the city or town that lies within the county for which the  
34 allocations are being made.

35 (c) Each local income tax council has a total of one hundred  
36 (100) votes. Each member of a local income tax council is allocated  
37 a percentage of the total one hundred (100) votes that may be cast.  
38 The percentage that a city or town is allocated for a year equals the  
39 same percentage that the population of the city or town bears to  
40 the population of the county. The percentage that the county is  
41 allocated for a year equals the same percentage that the population  
42 of all areas in the county not located in a city or town bears to the



1 population of the county. On or before January 1 of each year, the  
 2 county auditor shall certify to each member of the local income tax  
 3 council the number of votes, rounded to the nearest one hundredth  
 4 (0.01), each member has for that year.

5 Sec. 7. (a) This section applies to a county in which the county  
 6 adopting body is a local income tax council.

7 (b) Before a member of the local income tax council may  
 8 propose an ordinance or vote on a proposed ordinance, the  
 9 member must hold a public hearing on the proposed ordinance and  
 10 provide the public with notice of the time and place where the  
 11 public hearing will be held.

12 (c) The notice required by subsection (b) must be given in  
 13 accordance with IC 5-3-1 and include the proposed ordinance or  
 14 resolution to propose an ordinance.

15 Sec. 8. (a) This section applies to a county in which the county  
 16 adopting body is a local income tax council.

17 (b) Any member of a local income tax council may present an  
 18 ordinance for passage. To do so, the member must adopt a  
 19 resolution to propose the ordinance to the local income tax council  
 20 and distribute a copy of the proposed ordinance to the county  
 21 auditor. The county auditor shall treat any proposed ordinance  
 22 distributed to the auditor under this section as a casting of all that  
 23 member's votes in favor of the proposed ordinance.

24 (c) The county auditor shall deliver copies of a proposed  
 25 ordinance the auditor receives to all members of the local income  
 26 tax council within ten (10) days after receipt. Subject to subsection  
 27 (d), once a member receives a proposed ordinance from the county  
 28 auditor, the member shall vote on it within thirty (30) days after  
 29 receipt.

30 (d) If, before the elapse of thirty (30) days after receipt of a  
 31 proposed ordinance, the county auditor notifies the member that  
 32 the members of the local income tax council have cast a majority  
 33 of the votes on the local income tax council for or against the  
 34 proposed ordinance, the member need not vote on the proposed  
 35 ordinance.

36 Sec. 9. (a) This section applies to a county in which the county  
 37 adopting body is a local income tax council.

38 (b) A member of the local income tax council may exercise its  
 39 votes by passing a resolution and transmitting the resolution to the  
 40 county auditor.

41 (c) A resolution passed by a member of the local income tax  
 42 council exercises all votes of the member on the proposed



1 ordinance, and those votes may not be changed during the year.

2 **Sec. 10. (a) This section applies to a county in which the county**  
3 **adopting body is a local income tax council.**

4 **(b) A local income tax council may pass only one (1) ordinance**  
5 **adopting, increasing, decreasing, or rescinding a tax in one (1)**  
6 **year. Once the ordinance has been passed, the county auditor shall:**

7 **(1) cease distributing those types of proposed ordinances for**  
8 **the rest of the year; and**

9 **(2) withdraw from the membership any other of those types**  
10 **of proposed ordinances.**

11 **Any votes subsequently received by the county auditor on those**  
12 **types of proposed ordinances during that same year are void.**

13 **(c) The local income tax council may not vote on, nor may the**  
14 **county auditor distribute to the members of the local income tax**  
15 **council, any proposed ordinance during a year, if previously**  
16 **during that same year the county auditor received and distributed**  
17 **to the members of the local income tax council a proposed**  
18 **ordinance whose passage would have substantially the same effect.**

19 **Chapter 4. Imposition of Tax**

20 **Sec. 1. (a) A tax is imposed on the adjusted gross income of local**  
21 **taxpayers at a tax rate that is a sum of the tax rates imposed by the**  
22 **county's adopting body and in effect in the county.**

23 **(b) The combined tax rates imposed under IC 6-3.6-5,**  
24 **IC 6-3.6-6, and IC 6-3.6-7 constitute the tax imposed on the**  
25 **adjusted gross income of local taxpayers in the county.**

26 **Sec. 2. Subject to section 3 of this chapter, a tax rate authorized**  
27 **under IC 6-3.6-5, IC 6-3.6-6, or IC 6-3.6-7 may be adopted,**  
28 **increased, decreased, or rescinded without adopting, increasing,**  
29 **decreasing, or rescinding a tax rate authorized by either of the two**  
30 **(2) other chapters. However, an adopting body may:**

31 **(1) adopt, increase, decrease, or rescind a tax authorized**  
32 **under a particular chapter of this article; and**

33 **(2) adopt, increase, decrease, or rescind a tax authorized**  
34 **under another chapter of this article;**

35 **in the same ordinance.**

36 **Sec. 3. If there are bonds or leases outstanding that are payable**  
37 **from a tax imposed under IC 6-3.5-1.1 (before its repeal January**  
38 **1, 2017), IC 6-3.5-6 (before its repeal January 1, 2017), IC 6-3.5-7**  
39 **(before its repeal January 1, 2017), IC 6-3.6-6, or IC 6-3.6-7 (but**  
40 **not IC 6-3.6-5), the adopting body may not reduce the tax rate**  
41 **below a rate that would produce one and twenty-five hundredths**  
42 **(1.25) times the total of the highest annual outstanding debt service**



1 plus the highest annual lease payments plus any amount required  
 2 under the agreements for the bonds or leases to be deposited in a  
 3 sinking fund or other reserve, unless:

- 4 (1) the adopting body; or  
 5 (2) any city, town, or county;

6 pledges all or a part of its share of revenues from the tax imposed  
 7 under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5) for the life of the  
 8 bonds or the term of the lease, in an amount that is sufficient, when  
 9 combined with the amount pledged by the city, town, or county  
 10 that issued the bonds, to produce one and twenty-five hundredths  
 11 (1.25) times the total of the highest annual outstanding debt service  
 12 plus the highest annual lease payments plus the amount required  
 13 under the agreements for the bonds or leases to be deposited in a  
 14 sinking fund or other reserve.

15 **Chapter 5. Property Tax Relief Rates**

16 **Sec. 1.** An adopting body may impose a tax under section 6 of  
 17 this chapter on the adjusted gross income of local taxpayers in the  
 18 county served by the adopting body.

19 **Sec. 2.** A tax imposed under this chapter shall be treated as  
 20 property taxes for all purposes. However, the department of local  
 21 government finance may not reduce:

- 22 (1) any taxing unit's maximum permissible property tax levy  
 23 limit under IC 6-1.1-18.5; or  
 24 (2) the approved property tax levy or rate for any fund;

25 by the amount of any credits granted under this chapter.

26 **Sec. 3.** To impose a tax under this chapter, the adopting body  
 27 must adopt an ordinance finding and determining that revenues  
 28 from the tax are needed for the purposes described in section 6 of  
 29 this chapter.

30 **Sec. 4. (a)** A credit granted under this chapter shall be applied  
 31 to reduce the property tax liability of a taxpayer before the  
 32 application of a credit granted under IC 6-1.1-20.4 or  
 33 IC 6-1.1-20.6.

34 **(b)** A reduction in property taxes granted under section 6 of this  
 35 chapter shall be applied to reduce the property tax liability of a  
 36 taxpayer in the order set forth in section 6 of this chapter.

37 **Sec. 5.** The auditor of state shall assist adopting bodies and  
 38 county auditors in calculating credit percentages and amounts  
 39 under this chapter.

40 **Sec. 6. (a)** This section applies to all counties.

41 **(b)** The adopting body may impose a tax rate under this chapter  
 42 that does not exceed one and twenty-five hundredths percent



1 (1.25%) on the adjusted gross income of local taxpayers in the  
2 county served by the adopting body.

3 (c) Revenues from a tax under this section may be used only for  
4 the purpose of funding a property tax credit applied on a  
5 percentage basis to reduce the property tax liability of taxpayers  
6 with tangible property located in the county as authorized under  
7 this section. Property taxes imposed due to a referendum in which  
8 a majority of the voters in the taxing unit imposing the property  
9 taxes approved the property taxes are not eligible for a credit  
10 under this section.

11 (d) The adopting body shall specify by ordinance how the  
12 revenue from the tax shall be applied to provide property tax  
13 credits in subsequent years. The ordinance must be adopted before  
14 July 1 and first applies in the following year and then thereafter  
15 until it is rescinded or modified. The property tax credits may be  
16 allocated among any combination of the following categories:

17 (1) For homesteads eligible for a credit under  
18 IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax  
19 liability for the property to one percent (1%).

20 (2) For residential property, long term care property,  
21 agricultural land, and other tangible property (if any) eligible  
22 for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's  
23 property tax liability for the property to two percent (2%).

24 (3) For the following types of property as a single category:

25 (A) Residential property, as defined in 6-1.1-20.6-4.

26 (B) Real property, a mobile home, and industrialized  
27 housing that would qualify as a homestead if the taxpayer  
28 had filed for a homestead credit under IC 6-1.1-20.9  
29 (repealed) or the standard deduction under IC 6-1.1-12-37.

30 (C) Real property consisting of units that are regularly  
31 used to rent or otherwise furnish residential  
32 accommodations for periods of at least thirty (30) days,  
33 regardless of whether the tangible property is subject to  
34 assessment under rules of the department of local  
35 government finance that apply to:

36 (i) residential property; or

37 (ii) commercial property.

38 (4) For nonresidential real property, personal property, and  
39 other tangible property (if any) eligible for a credit under  
40 IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax  
41 liability for the property to three percent (3%). However,  
42 IC 6-3.6-11-2 applies in Jasper County.



1           (e) Within a category described in subsection (d) for which an  
 2 ordinance grants property tax credits, the property tax credit rate  
 3 must be a uniform percentage for all qualifying taxpayers with  
 4 property in that category in the county. The credit percentage may  
 5 be, but does not have to be, uniform for all categories of property  
 6 listed in subsection (d). The total of all tax credits granted under  
 7 this section for a year may not exceed the amount of revenue raised  
 8 by the tax imposed under this section. If the amount available in a  
 9 year for property tax credits under this section is less than the  
 10 amount necessary to provide all the property tax credits authorized  
 11 by the adopting body, the county auditor shall reduce the property  
 12 tax credits granted to eliminate the excess. The county auditor shall  
 13 reduce credits within the categories described in subsection (d)(1)  
 14 through (d)(4) as follows:

15           (1) First, against property taxes imposed on property  
 16 described in subsection (d)(4).

17           (2) Second, if an excess remains after applying the reduction  
 18 as described in subdivision (1), against property taxes  
 19 imposed on property described in subsection (d)(3).

20           (3) Third, if an excess remains after applying the reduction as  
 21 described in subdivisions (1) and (2), against property taxes  
 22 imposed on property described in subsection (d)(2).

23           (4) Fourth, if an excess remains after applying the reduction  
 24 as described in subdivisions (1) through (3), against property  
 25 taxes imposed on property described in subsection (d)(1).

26           (f) The total of all tax credits granted under this section for a  
 27 year may not exceed the amount authorized by the adopting body.  
 28 If the amount available in a year for property tax credits under  
 29 this section is greater than the amount necessary to provide all the  
 30 property tax credits authorized by the adopting body, the county  
 31 auditor shall retain and apply the excess as necessary to provide  
 32 the property tax credits authorized by the adopting body for the  
 33 following year. The adopting body may adopt an ordinance that  
 34 directs to which categories described in subsection (d) the excess is  
 35 to be uniformly applied.

36           (g) The county auditor shall allocate the amount of revenue  
 37 applied as tax credits under this section to the taxing units that  
 38 imposed the eligible property taxes against which the credits are  
 39 applied.

40           **Chapter 6. Expenditure Rate**

41           **Sec. 1.** An adopting body may impose a tax under section 2 of  
 42 this chapter on the adjusted gross income of local taxpayers in the



1 county served by the adopting body.

2 **Sec. 2. (a) This section applies to all counties.**

3 **(b) The adopting body may impose a tax rate under this chapter**  
4 **that does not exceed:**

5 **(1) two and five-tenths percent (2.5%) in all counties other**  
6 **than Marion County; and**

7 **(2) two and seventy-five hundredths percent (2.75%) in**  
8 **Marion County;**

9 **on the adjusted gross income of local taxpayers in the county**  
10 **served by the adopting body.**

11 **Sec. 3. Revenue raised from a tax imposed under this chapter**  
12 **shall be treated as follows:**

13 **(1) To make distributions to school corporations and civil**  
14 **taxing units in counties that formerly imposed a tax under**  
15 **IC 6-3.5-1.1. The revenue categorized from the first**  
16 **twenty-five hundredths percent (0.25%) of the rate for a**  
17 **former tax adopted under IC 6-3.5-1.1 shall be allocated to**  
18 **school corporations and civil taxing units. The amount of the**  
19 **allocation to a school corporation or civil taxing unit shall be**  
20 **determined using the allocation amounts for civil taxing units**  
21 **and school corporations in the determination.**

22 **(2) The remaining revenue shall be treated as additional**  
23 **revenue (referred to as "additional revenue" in this chapter).**  
24 **Additional revenue may not be considered by the department**  
25 **of local government finance in determining:**

26 **(A) any taxing unit's maximum permissible property tax**  
27 **levy limit under IC 6-1.1-18.5; or**

28 **(B) the approved property tax rate for any fund.**

29 **Sec. 4. The adopting body shall, by ordinance, determine how**  
30 **the additional revenue from a tax under this chapter must be**  
31 **allocated in subsequent years. The ordinance must be adopted**  
32 **before July 1 and first applies in the following year and then**  
33 **thereafter until it is rescinded or modified. The revenue must be**  
34 **allocated among the following uses as provided in this chapter:**

35 **(1) Public safety.**

36 **(2) Economic development projects.**

37 **(3) Certified shares.**

38 **The ordinance may describe the allocation of additional revenue by**  
39 **use of percentages or dollar amounts.**

40 **Sec. 5. The adopting body may not allocate in a year less to the**  
41 **payment of bonds or leases for which the tax under this chapter**  
42 **has been pledged in accordance with law than the amount pledged**





1 and payable in that year or required under the agreements for the  
 2 bonds or leases to be deposited in a sinking fund or other reserve  
 3 in that year.

4 Sec. 6. (a) The total amount allocated in a year to the uses  
 5 described in section 4 of this chapter may not, in the aggregate,  
 6 exceed the amount of additional revenue raised by the tax imposed  
 7 under this chapter for that year. If the amount available in a year  
 8 is less than the amount necessary to fund all the purposes  
 9 authorized by the adopting body, the county auditor shall reduce  
 10 the amount distributed to these purposes to eliminate the deficit.

11 (b) The county auditor may not in a year reduce an allocation  
 12 of money pledged to make bond payments or lease payments less  
 13 than the amount pledged to make payments in that year.

14 (c) Subject to subsection (b), the county auditor shall reduce  
 15 allocations under this section in accordance with the instructions  
 16 in an ordinance adopted by the adopting body. To the extent that  
 17 the adopting body has not adopted an ordinance to specify how a  
 18 deficiency is to be eliminated, or the ordinance does not eliminate  
 19 the deficiency, the county auditor shall, subject to subsection (b),  
 20 uniformly reduce allocations in each category.

21 Sec. 7. The county auditor may not allocate more than the  
 22 amount authorized by the adopting body. If the amount available  
 23 in a year for allocation under this chapter is greater than the  
 24 amount necessary to fund all the purposes authorized by the  
 25 adopting body, the county auditor shall:

- 26 (1) allocate the excess as directed by the adopting body; or  
 27 (2) in the absence of an ordinance that allocates all the excess,  
 28 retain the excess and apply it, as necessary, to fund the  
 29 purposes authorized by the adopting body for the following  
 30 year.

31 Sec. 8. (a) This section applies to the allocation of additional  
 32 revenue from a tax under this chapter to public safety purposes.

33 (b) This subsection applies to Marion County. The adopting  
 34 body may allocate part or all of the certified distribution that is  
 35 allocated to public safety purposes to fund the operation of a public  
 36 communications system and computer facilities district as provided  
 37 in an election, if any, made by the county fiscal body under  
 38 IC 36-8-15-19(b).

39 (c) Except as provided in subsection (d), the amount of the  
 40 certified distribution that is allocated to public safety purposes,  
 41 and for Marion County after making allocations under IC 6-3.6-11,  
 42 shall be allocated to the county and to each municipality in the



1 county that is carrying out or providing at least one (1) public  
 2 safety purpose. For purposes of this subsection, in the case of a  
 3 consolidated city, the total property taxes imposed by the  
 4 consolidated city include the property taxes imposed by the  
 5 consolidated city and all special taxing districts, all special service  
 6 districts, and all entities whose budgets and property tax levies are  
 7 subject to review under IC 36-3-6-9. The amount allocated under  
 8 this subsection to a county or municipality is equal to the result of:

9 (1) the amount of the certified distribution that is allocated to  
 10 public safety purposes; multiplied by

11 (2) a fraction equal to:

12 (A) in the case of a county that initially imposed a rate for  
 13 public safety under IC 6-3.5-6, the result of the total  
 14 property taxes imposed in the county by the county or  
 15 municipality for the calendar year, divided by the sum of  
 16 the total property taxes imposed in the county by the  
 17 county and each municipality in the county that is entitled  
 18 to a distribution under this section for the calendar year;  
 19 or

20 (B) in the case of a county that initially imposed a rate for  
 21 public safety under IC 6-3.5-1.1 or a county that did not  
 22 impose a rate for public safety under either IC 6-3.5-1.1 or  
 23 IC 6-3.5-6, the result of the attributed allocation amount of  
 24 the county or municipality for the calendar year, divided  
 25 by the sum of the attributed allocation amounts of the  
 26 county and each municipality in the county that is entitled  
 27 to a distribution under this section for the calendar year.

28 (d) A fire department, volunteer fire department, or emergency  
 29 medical services provider that:

30 (1) provides fire protection or emergency medical services  
 31 within the county; and

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

35 may, before July 1 of a year, apply to the adopting body for a  
 36 distribution of tax revenue under this section during the following  
 37 calendar year. The adopting body shall review an application  
 38 submitted under this subsection and may, before September 1 of a  
 39 year, adopt a resolution requiring that one (1) or more of the  
 40 applicants shall receive a specified amount of the tax revenue to be  
 41 distributed under this section during the following calendar year.  
 42 A resolution approved under this subsection providing for a



1 distribution to one (1) or more fire departments, volunteer fire  
 2 departments, or emergency medical services providers applies only  
 3 to distributions in the following calendar year. Any amount of tax  
 4 revenue distributed under this subsection to a fire department,  
 5 volunteer fire department, or emergency medical services provider  
 6 shall be distributed before the remainder of the tax revenue is  
 7 allocated under subsection (c).

8 **Sec. 8.5. (a)** This section applies only to Marion County.

9 (b) The adopting body may allocate additional revenue to fund  
 10 the operation of a public library in a county containing a  
 11 consolidated city as provided in an election, if any, made by the  
 12 county fiscal body under IC 36-3-7-6. An allocation under this  
 13 section shall be made from the part of the additional revenue that  
 14 would otherwise be allocated as certified shares.

15 (c) The adopting body may allocate additional revenue to fund  
 16 the operation of a public transportation corporation as provided  
 17 in an election, if any, made by the county fiscal body under  
 18 IC 36-9-4-42. An allocation under this section shall be made from  
 19 the part of the additional revenue that would otherwise be  
 20 allocated as certified shares.

21 **Sec. 9. (a)** This section applies to the allocation of additional  
 22 revenue from a tax under this chapter for economic development  
 23 purposes.

24 (b) Money designated for economic development purposes shall  
 25 be allocated to the county, cities, and towns for use by the taxing  
 26 unit's fiscal body for any of the purposes described in IC 6-3.6-10.  
 27 Except as provided in subsections (c) and (d), and subject to  
 28 adjustment as provided in IC 36-8-19-7.5, the amount of the  
 29 certified distribution allocated to economic development purposes  
 30 that the county and each city or town in a county is entitled to  
 31 receive each month of each year equals the amount determined  
 32 using the following formula:

33 **STEP ONE: Determine the sum of:**

34 (A) the total property taxes being imposed by the county,  
 35 city, or town during the calendar year of the distribution;  
 36 plus

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

38 **STEP TWO: Determine the quotient of:**

39 (A) The STEP ONE amount; divided by

40 (B) the sum of the total property taxes that are first due  
 41 and payable to the county and all cities and towns of the  
 42 county during the calendar year in which the month falls,



- 1 plus the welfare allocation amount.
- 2 **STEP THREE: Determine the product of:**
- 3 (A) the amount of the certified distribution allocated to
- 4 economic development purposes for that month; multiplied
- 5 by
- 6 (B) the STEP TWO amount.
- 7 (c) The body imposing the tax may adopt an ordinance before
- 8 August 2 of a year to provide for a distribution of the amount
- 9 allocated to economic development purposes based on population
- 10 instead of a distribution under subsection (b). The following apply
- 11 if an ordinance is adopted under this subsection:
- 12 (1) The ordinance is effective January 1 of the following year.
- 13 (2) The amount of the certified distribution allocated to
- 14 economic development purposes that the county and each city
- 15 and town in the county are entitled to receive during each
- 16 month of each year equals the product of:
- 17 (A) the amount of the certified distribution that is allocated
- 18 to economic development purposes for the month;
- 19 multiplied by
- 20 (B) the quotient of:
- 21 (A) for a city or town, the population of the city or the
- 22 town that is located in the county and for a county, the
- 23 population of the part of the county that is not located in
- 24 a city or town; divided by
- 25 (B) the population of the entire county.
- 26 (3) The ordinance may be made irrevocable for the duration
- 27 of specified lease rental or debt service payments.
- 28 (d) In a county having a consolidated city, only the consolidated
- 29 city is entitled to the amount of the certified distribution that is
- 30 allocated to economic development purposes.
- 31 (e) This subsection applies to Porter County. Three million five
- 32 hundred thousand dollars (\$3,500,000) of the additional revenue
- 33 that is allocated each year for economic development purposes
- 34 shall be used by the county or by eligible municipalities (as defined
- 35 in IC 36-7.5-1-11.3) in the county to make transfers as provided in
- 36 and required under IC 36-7.5-4-2 (before its repeal).
- 37 **Sec. 9.5. (a) The executive of a county, city, or town may:**
- 38 (1) adopt a capital improvement plan specifying the uses of
- 39 the additional revenue to be allocated for economic
- 40 development purposes; or
- 41 (2) designate the county or a city or town in the county as the
- 42 recipient of all or a part of its share of the additional revenue



- 1           that is distributed to it for economic development purposes.
- 2           **(b) If a designation is made under subsection (a)(2), the county**
- 3 **treasurer shall transfer the share or part of the share to the**
- 4 **designated unit unless that unit does not have a capital**
- 5 **improvement plan.**
- 6           **(c) A county, city, or town that fails to adopt a capital**
- 7 **improvement plan may not receive:**
- 8           **(1) its fractional amount of the additional revenue to be**
- 9 **allocated for economic development purposes; or**
- 10 **(2) any amount designated under subsection (a)(2);**
- 11 **for the year or years in which the unit does not have a plan. The**
- 12 **county treasurer shall retain the amounts not distributed for such**
- 13 **a unit in a separate account until the unit adopts a plan. Interest on**
- 14 **the separate account becomes part of the account. If a unit fails to**
- 15 **adopt a plan for a period of three (3) years, the balance in the**
- 16 **separate account shall be distributed to the other units in the**
- 17 **county in the same manner that other additional revenue allocated**
- 18 **for economic development purposes is distributed.**
- 19           **(d) A capital improvement plan must include the following**
- 20 **components:**
- 21           **(1) Identification and general description of each project that**
- 22 **would be funded by other additional revenue allocated for**
- 23 **economic development purposes.**
- 24           **(2) The estimated total cost of the project.**
- 25           **(3) Identification of all sources of funds expected to be used**
- 26 **for each project.**
- 27           **(4) The planning, development, and construction schedule of**
- 28 **each project.**
- 29           **(e) A capital improvement plan:**
- 30           **(1) must encompass a period of not less than two (2) years;**
- 31 **and**
- 32           **(2) must incorporate projects the cost of which is at least**
- 33 **seventy-five percent (75%) of the fractional amount of**
- 34 **additional revenue allocated for economic development**
- 35 **purposes that is expected to be received by the county, city, or**
- 36 **town in that period.**
- 37           **(f) In making a designation under subsection (a)(2), the**
- 38 **executive must specify the purpose and duration of the designation.**
- 39 **If the designation is made to provide for the payment of lease**
- 40 **rentals or bond payments, the executive may specify that the**
- 41 **designation and its duration are irrevocable.**
- 42           **Sec. 10. (a) This section applies to additional revenue from a tax**



1 under this chapter that is allocated for certified shares.

2 (b) Additional revenue remaining from a tax imposed under this  
3 chapter, after deducting the amounts allocated to public safety  
4 purposes and economic development purposes, shall be allocated  
5 among the civil taxing units as certified shares.

6 Sec. 11. (a) Except as provided in this chapter and IC 6-3.6-11,  
7 this section applies to an allocation of certified shares in all  
8 counties.

9 (b) Subject to this chapter, any civil taxing unit that imposes an  
10 ad valorem property tax in the county that has a tax rate in effect  
11 under this chapter is eligible for an allocation under this chapter.

12 (c) A school corporation is not a civil taxing unit for the purpose  
13 of receiving an allocation of certified shares under this chapter.

14 (d) A county solid waste management district (as defined in  
15 IC 13-11-2-47) or a joint solid waste management district (as  
16 defined in IC 13-11-2-113) is not a civil taxing unit for the purpose  
17 of receiving an allocation of certified shares under this chapter  
18 unless a majority of the members of each of the county fiscal bodies  
19 of the counties within the district passes a resolution approving the  
20 distribution.

21 (e) A resolution passed by a county fiscal body under subsection  
22 (d) may:

23 (1) expire on a date specified in the resolution; or

24 (2) remain in effect until the county fiscal body revokes or  
25 rescinds the resolution.

26 Sec. 12. (a) Except as provided in this chapter and IC 6-3.6-11,  
27 this section applies to an allocation of certified shares in all  
28 counties.

29 (b) The allocation amount of a civil taxing unit during a  
30 calendar year is equal to the amount determined using the  
31 following formula:

32 STEP ONE: Determine the sum of the total property taxes  
33 being imposed by the civil taxing unit during the calendar  
34 year of the distribution.

35 STEP TWO: Determine the sum of the following:

36 (A) Amounts appropriated from property taxes to pay the  
37 principal of or interest on any debenture or other debt  
38 obligation issued after June 30, 2005, other than an  
39 obligation described in subsection (c).

40 (B) Amounts appropriated from property taxes to make  
41 payments on any lease entered into after June 30, 2005,  
42 other than a lease described in subsection (d).



- 1           **STEP THREE: Subtract the STEP TWO amount from the**  
 2           **STEP ONE amount.**  
 3           **STEP FOUR: Determine the sum of:**  
 4           **(A) the STEP THREE amount; plus**  
 5           **(B) the civil taxing unit's certified shares for the previous**  
 6           **calendar year.**  
 7           **The allocation amount is subject to adjustment as provided in**  
 8           **IC 36-8-19-7.5.**  
 9           **(c) Except as provided in this subsection, an appropriation from**  
 10           **property taxes to repay interest and principal of a debt obligation**  
 11           **is not deducted from the allocation amount for a civil taxing unit**  
 12           **if:**  
 13           **(1) the debt obligation was issued; and**  
 14           **(2) the proceeds were appropriated from property taxes;**  
 15           **to refund or otherwise refinance a debt obligation or a lease issued**  
 16           **before July 1, 2005. However, an appropriation from property**  
 17           **taxes related to a debt obligation issued after June 30, 2005, is**  
 18           **deducted if the debt extends payments on a debt or lease beyond**  
 19           **the time in which the debt or lease would have been payable if the**  
 20           **debt or lease had not been refinanced or increases the total amount**  
 21           **that must be paid on a debt or lease in excess of the amount that**  
 22           **would have been paid if the debt or lease had not been refinanced.**  
 23           **The amount of the deduction is the annual amount for each year of**  
 24           **the extension period or the annual amount of the increase over the**  
 25           **amount that would have been paid.**  
 26           **(d) Except as provided in this subsection, an appropriation from**  
 27           **property taxes to make payments on a lease is not deducted from**  
 28           **the allocation amount for a civil taxing unit if:**  
 29           **(1) the lease was issued; and**  
 30           **(2) the proceeds were appropriated from property taxes;**  
 31           **to refinance a debt obligation or lease issued before July 1, 2005.**  
 32           **However, an appropriation from property taxes related to a lease**  
 33           **entered into after June 30, 2005, is deducted if the lease extends**  
 34           **payments on a debt or lease beyond the time in which the debt or**  
 35           **lease would have been payable if the debt or lease had not been**  
 36           **refinanced or increases the total amount that must be paid on a**  
 37           **debt or lease in excess of the amount that would have been paid if**  
 38           **the debt or lease had not been refinanced. The amount of the**  
 39           **deduction is the annual amount for each year of the extension**  
 40           **period or the annual amount of the increase over the amount that**  
 41           **would have been paid.**  
 42           **Sec. 13. (a) This section applies to an allocation of certified**



1 shares in all counties other than Marion County.

2 (b) The attributed allocation amount of a civil taxing unit  
3 during a calendar year is equal to the sum of:

4 (1) the allocation amount of the civil taxing unit for that  
5 calendar year; plus

6 (2) in the case of a county, the welfare allocation amount.

7 Sec. 14. (a) This section applies to an allocation of certified  
8 shares in a county other than Marion County.

9 (b) Subject to this chapter, certified shares must be allocated  
10 among civil taxing units based on the attributed allocation amount.

11 (c) The amount of certified shares to be allocated to each civil  
12 taxing unit is equal to:

13 (1) the total amount of the certified distribution that is  
14 allocated to certified shares for the county for the month;  
15 multiplied by

16 (2) the quotient of:

17 (A) the attributed allocation amount for the civil taxing  
18 unit in the county during the calendar year; divided by

19 (B) the sum of the attributed allocation amounts for all  
20 civil taxing units in the county during the calendar year.

21 Sec. 15. (a) This section applies to an allocation or distribution,  
22 or both, of certified shares that is required to be made to a civil  
23 taxing unit in a county other than Marion County.

24 (b) IC 36-8-19-7.5 applies to the adjustment of the amounts  
25 distributed to a civil taxing unit that participates in a fire  
26 protection territory.

27 Sec. 16. IC 6-3.6-11 applies to the allocation of certified shares  
28 in Marion County.

29 Sec. 17. A civil taxing unit may use its certified shares for any of  
30 the purposes of the civil taxing unit.

31 Sec. 18. A civil taxing unit may pledge its certified shares to the  
32 payment of bonds or to lease payments for:

33 (1) any purpose of the civil taxing unit;

34 (2) any purpose of another governmental entity located in any  
35 part in the county, including a governmental entity organized  
36 on a regional basis; or

37 (3) any purpose for which certified shares may be used under  
38 IC 6-3.6-10.

39 The pledge must be approved in an ordinance adopted by the fiscal  
40 body of the political subdivision.

41 Sec. 19. (a) A civil taxing unit may distribute any part of its  
42 certified shares to any governmental entity located in any part of





1 its county to:

2 (1) carry out a joint purpose; or

3 (2) fund the purposes of the other governmental entity;

4 including a governmental entity organized on a regional basis to  
5 serve an area in more than one (1) county.

6 (b) The distribution must be authorized by ordinance of the  
7 fiscal body of the civil taxing unit to which the revenue is allocated  
8 by this chapter. An ordinance must specify the purpose of the  
9 designation and its duration.

10 (c) The fiscal body of the civil taxing unit may direct the county  
11 auditor in the ordinance to withhold from the civil taxing unit's  
12 allocation the amount that is the subject of the ordinance and  
13 distribute the amount directly to the other governmental entity  
14 authorized to receive the money.

15 **Sec. 20. (a)** This section applies to any allocation or distribution  
16 of revenue under section 3(1) or 3(2) of this chapter that is made on  
17 the basis of property tax levies. If a school corporation or civil  
18 taxing unit of an adopting county does not impose a property tax  
19 levy that is first due and payable in a calendar year in which  
20 revenue under section 3(1) or 3(2) of this chapter is being allocated  
21 or distributed, that school corporation or civil taxing unit is  
22 entitled to receive a part of the revenue under section 3(1) or 3(2)  
23 of this chapter (as appropriate) to be distributed within the county.  
24 The fractional amount that such a school corporation or civil  
25 taxing unit is entitled to receive each month during that calendar  
26 year equals the product of the following:

27 (1) The amount of revenue under section 3(1) or 3(2) of this  
28 chapter to be distributed on the basis of property tax levies  
29 during that month; multiplied by

30 (2) A fraction. The numerator of the fraction equals the  
31 budget of that school corporation or civil taxing unit for that  
32 calendar year. The denominator of the fraction equals the  
33 aggregate budgets of all school corporations or civil taxing  
34 units of that county for that calendar year.

35 (b) If for a calendar year a school corporation or civil taxing  
36 unit is allocated a part of a county's revenue under section 3(1) or  
37 3(2) of this chapter by subsection (a), the calculations used to  
38 determine the shares of revenue of all other school corporations  
39 and civil taxing units under section 3(1) or 3(2) of this chapter (as  
40 appropriate) shall be changed each month for that same year by  
41 reducing the amount of revenue to be distributed by the amount of  
42 revenue under section 3(1) or 3(2) of this chapter allocated under



1 subsection (a) for that same month. The department of local  
 2 government finance shall make any adjustments required by this  
 3 subsection and provide them to the appropriate county auditors.

4 **Chapter 7. Special Purpose Rates**

5 **Sec. 1. Maintaining low property tax rates is essential to**  
 6 **economic development. The use of a tax imposed for the purposes**  
 7 **of this chapter, rather than the use of property taxes, promotes this**  
 8 **policy.**

9 **Sec. 2. An adopting body may impose a tax on the adjusted gross**  
 10 **income of local taxpayers in the county served by the adopting**  
 11 **body that is a combination of one (1) or more of the tax rates**  
 12 **permitted in this chapter in the county served by the adopting**  
 13 **body. The total of all tax rates under this chapter in a county may**  
 14 **not be greater than the sum of the tax rates specified in this**  
 15 **chapter for special purpose projects in the county and may be**  
 16 **imposed only for the length of time that rate was permitted under**  
 17 **the former tax law.**

18 **Sec. 3. (a) A separate tax rate is permitted under this chapter**  
 19 **for each of the following purposes:**

20 (1) To finance, construct, acquire, improve, renovate,  
 21 remodel, or equip a criminal justice facility, including a court,  
 22 a jail, a juvenile detention center facility, or a juvenile  
 23 probation facility, including:

24 (A) related buildings and parking facilities;

25 (B) costs related to the demolition of existing buildings;

26 (C) the acquisition of land; and

27 (D) any other reasonably related costs;

28 for these purposes.

29 (2) To renovate a former county hospital for additional office  
 30 space, educational facilities, nonsecure juvenile facilities, and  
 31 other county functions.

32 (3) To finance, construct, acquire, renovate, and equip  
 33 buildings for a volunteer fire department (as defined in  
 34 IC 36-8-12-2) that provides services in any part of the county.

35 (4) To finance, construct, acquire, and renovate firefighting  
 36 apparatus or other related equipment for a volunteer fire  
 37 department (as defined in IC 36-8-12-2) that provides services  
 38 in any part of the county.

39 (5) To finance, construct, acquire, renovate, and operate a  
 40 public transportation system described in IC 8-25.

41 (6) To carry out the purposes set forth throughout this  
 42 chapter.



1           (b) The rate permitted under subsection (a)(1) may include a  
2 rate to repay bonds issued or leases entered into for a purpose  
3 described in subsection (a)(1). A tax rate imposed under this  
4 section may be imposed only until the last of the following dates:

5           (1) The date on which the purposes described in subsection  
6 (a)(1) are completed.

7           (2) The date on which the last of any bonds issued (including  
8 any refunding bonds) or leases described in subsection (a) are  
9 fully paid.

10          However, for a bond or lease entered into after December 31, 2015,  
11 the term of the bonds issued (including any refunding bonds) or a  
12 lease entered into under this section may not exceed twenty (20)  
13 years. The adopting body shall provide a notice to the budget  
14 agency, the department of local government finance, and the  
15 department of state revenue specifying that the date for the  
16 termination of the tax rate has occurred.

17          (c) Money accumulated from the tax under this section after:

18           (1) the redemption of bonds issued; or

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

21 shall be transferred to the county highway fund to be used for  
22 construction, resurfacing, restoration, and rehabilitation of county  
23 highways, roads, and bridges.

24          Sec. 4. In order to impose a tax under this chapter, the adopting  
25 body must adopt an ordinance finding and determining that  
26 revenues from the tax are needed for the purposes described in the  
27 section under which the tax is imposed.

28          Sec. 5. Revenue raised from a tax imposed under this chapter  
29 shall be treated as additional revenue and may not be considered  
30 by the department of local government finance in determining:

31           (1) any taxing unit's maximum permissible property tax levy  
32 limit under IC 6-1.1-18.5; or

33           (2) the approved property tax rate for any fund.

34          Sec. 6. A governmental entity to which revenue raised from a  
35 tax under this chapter is distributed must segregate the amount  
36 raised from the tax in a separate account or fund and maintain  
37 sufficient records, as required by the state board of accounts, to  
38 demonstrate that the revenue is used only for the purposes for  
39 which the tax was imposed.

40          Sec. 7. (a) This section applies to Daviess County.

41           (b) Daviess County possesses unique governmental and  
42 economic development challenges due to:



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

3 (2) an increase in property taxes for taxable years after  
4 December 31, 2000, for the construction of a new elementary  
5 school; and

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

10 The use of a tax under this section is necessary for the county to  
11 provide adequate jail capacity in the county and to maintain low  
12 property tax rates essential to economic development. The use of  
13 a tax under this section for the purposes of this section, rather than  
14 the use of property taxes, promotes these purposes.

15 (c) The county fiscal body may impose a tax on the adjusted  
16 gross income of local taxpayers at a tax rate that does not exceed  
17 the lesser of the following:

18 (1) Twenty-five hundredths percent (0.25%).

19 (2) The rate necessary to carry out the purposes described in  
20 this section.

21 (d) Revenue from the tax under this section may be used only  
22 for the following purposes:

23 (1) To finance, construct, acquire, improve, renovate,  
24 remodel, or equip the county jail and related buildings and  
25 parking facilities, including costs related to the demolition of  
26 existing buildings, the acquisition of land, and any other  
27 reasonably related costs.

28 (2) To repay bonds issued or leases entered into for  
29 constructing, acquiring, improving, renovating, remodeling,  
30 and equipping the county jail and related buildings and  
31 parking facilities, including costs related to the demolition of  
32 existing buildings, the acquisition of land, and any other  
33 reasonably related costs.

34 (e) The tax imposed under this section may be imposed only  
35 until the last of the following dates:

36 (1) The date on which the purposes described in subsection  
37 (d)(1) are completed.

38 (2) The date on which the last of any bonds issued (including  
39 any refunding bonds) or leases described in subsection (d)(2)  
40 are fully paid.

41 The term of the bonds issued (including any refunding bonds) or a  
42 lease entered into under subsection (d)(2) may not exceed



- 1 twenty-five (25) years.
- 2 (f) Money accumulated from the tax under this section after:
- 3 (1) the redemption of bonds issued; or
- 4 (2) the final payment of lease rentals due under a lease
- 5 entered into under this section;
- 6 shall be transferred to the county highway fund to be used for
- 7 construction, resurfacing, restoration, and rehabilitation of county
- 8 highways, roads, and bridges.
- 9 Sec. 8. (a) This section applies to Elkhart County.
- 10 (b) The county fiscal body may impose a tax on the adjusted
- 11 gross income of local taxpayers at a tax rate that does not exceed
- 12 the lesser of the following:
- 13 (1) Twenty-five hundredths percent (0.25%).
- 14 (2) The rate necessary to carry out the purposes described in
- 15 subsection (c).
- 16 (c) Revenue raised from a tax under this section may be used
- 17 only for the following purposes:
- 18 (1) To finance, construct, acquire, improve, renovate, or
- 19 equip:
- 20 (A) jail facilities;
- 21 (B) juvenile court, detention, and probation facilities;
- 22 (C) other criminal justice facilities; and
- 23 (D) related buildings and parking facilities;
- 24 located in the county, including costs related to the demolition
- 25 of existing buildings and the acquisition of land.
- 26 (2) To repay bonds issued or leases entered into for the
- 27 purposes described in subdivision (1).
- 28 (3) To operate and maintain jail facilities described in
- 29 subdivision (1)(A) but only after the purposes described in
- 30 subdivision (1) are completed and any bonds issued or leases
- 31 entered into under subdivision (2) are fully paid.
- 32 (d) The term of the bonds issued (including any refunding
- 33 bonds) or a lease entered into under this section may not exceed
- 34 twenty (20) years.
- 35 (e) Money accumulated from a tax under this section that
- 36 remains after the tax imposed by this section is terminated shall be
- 37 transferred to the county highway fund to be used for construction,
- 38 resurfacing, restoration, and rehabilitation of county highways,
- 39 roads, and bridges.
- 40 Sec. 9. (a) This section applies only to Hancock County.
- 41 (b) The county fiscal body may, by ordinance, allocate part of
- 42 the tax rate imposed under IC 6-3.6-5, not to exceed a tax rate of



1 fifteen hundredths percent (0.15%), to a property tax credit  
 2 against the property tax liability imposed for public libraries in the  
 3 county, if all territory in the county is included in a library district.  
 4 The county treasurer shall establish a library property tax  
 5 replacement fund to be used only for the purposes described in this  
 6 section. Tax revenues derived from the part of the tax rate imposed  
 7 under IC 6-3-5 that is designated for property tax replacement  
 8 credits under this section shall be deposited in the library property  
 9 tax replacement fund. Any interest earned on money in the library  
 10 property tax replacement fund shall be credited to the library  
 11 property tax replacement fund.

12 (c) The amount of property tax replacement credits that each  
 13 public library in the county is entitled to receive during a calendar  
 14 year under this section equals the lesser of:

15 (1) the product of:

16 (A) the amount of revenue deposited by the county auditor  
 17 in the library property tax replacement fund; multiplied  
 18 by

19 (B) a fraction described as follows:

20 (i) The numerator of the fraction equals the sum of the  
 21 total property taxes that would have been collected by  
 22 the public library during the previous calendar year  
 23 from taxpayers located within the library district if the  
 24 property tax replacement under this section had not been  
 25 in effect.

26 (ii) The denominator of the fraction equals the sum of  
 27 the total property taxes that would have been collected  
 28 during the previous year from taxpayers located within  
 29 the county by all public libraries that are eligible to  
 30 receive property tax replacement credits under this  
 31 section if the property tax replacement under this section  
 32 had not been in effect; or

33 (2) the total property taxes that would otherwise be collected  
 34 by the public library for the calendar year if the property tax  
 35 replacement credit under this section were not in effect.

36 The department of local government finance shall make any  
 37 adjustments necessary to account for the expansion of a library  
 38 district. However, a public library is eligible to receive property  
 39 tax replacement credits under this section only if it has entered into  
 40 reciprocal borrowing agreements with all other public libraries in  
 41 the county. If the total amount of tax revenue deposited by the  
 42 county auditor in the library property tax replacement fund for a



1 calendar year exceeds the total property tax liability that would  
 2 otherwise be imposed for public libraries in the county for the  
 3 year, the excess must remain in the library property tax  
 4 replacement fund and may be used for library property tax  
 5 replacement purposes in the following calendar year.

6 (d) A public library receiving property tax replacement credits  
 7 under this section shall allocate the credits among each fund for  
 8 which a distinct property tax levy is imposed in proportion to the  
 9 property taxes levied for each fund. However, if a public library  
 10 did not impose a property tax levy during the previous calendar  
 11 year or did not impose a property tax levy for a particular fund  
 12 during the previous calendar year, but the public library is  
 13 imposing a property tax levy in the current calendar year or is  
 14 imposing a property tax levy for the particular fund in the current  
 15 calendar year, the department of local government finance shall  
 16 adjust the amount of property tax replacement credits allocated  
 17 among the various funds of the public library and shall provide the  
 18 adjustment to the county auditor. If a public library receiving  
 19 property tax replacement credits under this section does not  
 20 impose a property tax levy for a particular fund that is first due  
 21 and payable in a calendar year in which the property tax  
 22 replacement credits are being distributed, the public library is not  
 23 required to allocate to that fund a part of the property tax  
 24 replacement credits to be distributed to the public library.  
 25 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives  
 26 property tax replacement credits under this section is subject to the  
 27 procedures for the issuance of bonds set forth in IC 6-1.1-20.

28 (e) A public library shall treat property tax replacement credits  
 29 received during a particular calendar year under this section as a  
 30 part of the public library's property tax levy for each fund for that  
 31 same calendar year for purposes of fixing the public library's  
 32 budget and for purposes of the property tax levy limits imposed by  
 33 IC 6-1.1-18.5.

34 (f) For the purpose of allocating tax revenue under IC 6-3.6-6  
 35 and computing and distributing tax revenue under IC 6-5.5 or  
 36 IC 6-6-5, the property tax replacement credits that are received  
 37 under this section shall be treated as though they were property  
 38 taxes that were due and payable during that same calendar year.

39 Sec. 10. (a) This section applies only to Howard County.

40 (b) Maintaining low property tax rates is essential to economic  
 41 development, and the use of a tax under this section, as needed in  
 42 the county, to carry out the purposes of this section, rather than



1 the use of property taxes, promotes these purposes.  
 2 (c) The county fiscal body may impose a tax rate on the adjusted  
 3 gross income of local taxpayers that does not exceed twenty-five  
 4 hundredths percent (0.25%).  
 5 (d) Revenues raised from a tax imposed under this section may  
 6 be used only for the purposes of funding a property tax credit to  
 7 reduce the property tax liability imposed by a county to fund the  
 8 county's operation and maintenance of a jail or a juvenile  
 9 detention center, or both.  
 10 (e) The total of all tax credits granted under this section for a  
 11 year may not exceed the amount of revenue raised by the tax  
 12 imposed under this section. If the amount available in a year for  
 13 property tax credits under this section is less than the amount  
 14 necessary to provide all the property tax credits authorized by the  
 15 adopting body, the county auditor shall reduce the property tax  
 16 credits granted to eliminate the excess. The county auditor shall  
 17 reduce credits uniformly in proportion to the tax liability incurred  
 18 by each taxpayer.  
 19 (f) The total of all tax credits granted under this section for a  
 20 year may not exceed the amount necessary to offset the property  
 21 tax liability imposed for the purposes of this section. If the amount  
 22 available in a year for property tax credits under this section is  
 23 greater than the amount necessary to provide property tax credits  
 24 to offset the property tax liability imposed for the purposes of this  
 25 section, the county auditor shall retain and apply the excess, as  
 26 necessary, to provide the property tax credits for the purposes of  
 27 this section for the following year.  
 28 (g) The county auditor shall allocate the amount of revenue  
 29 applied as tax credits under this section to the county.  
 30 Sec. 11. (a) This section applies only to Jackson County.  
 31 (b) For calendar years ending before January 1, 2024, the  
 32 county fiscal body may impose a tax on the adjusted gross income  
 33 of local taxpayers at a tax rate that does not exceed one-tenth  
 34 percent (0.1%).  
 35 (c) Revenue raised from a tax under this section may be used  
 36 only for the purposes of funding the operation and maintenance of  
 37 a jail and juvenile detention center opened after July 1, 1998.  
 38 Sec. 12. (a) This section applies only to Jasper County.  
 39 (b) The county council may, by ordinance, determine that  
 40 additional local income tax revenue is needed in the county to:  
 41 (1) finance, construct, acquire, improve, renovate, or equip:  
 42 (A) jail facilities;





- 1           **(B) juvenile court, detention, and probation facilities;**  
 2           **(C) other criminal justice facilities; and**  
 3           **(D) related buildings and parking facilities;**  
 4           **located in the county, including costs related to the demolition**  
 5           **of existing buildings and the acquisition of land; and**  
 6           **(2) repay bonds issued or leases entered into for the purposes**  
 7           **described in subdivision (1).**
- 8           **(c) The county council may, by ordinance, determine that**  
 9           **additional local income tax revenue is also needed in the county to**  
 10           **operate or maintain any of the facilities described in subsection**  
 11           **(b)(1)(A) through (b)(1)(D) that are located in the county. The**  
 12           **county council may make a determination under both this**  
 13           **subsection and subsection (b).**
- 14           **(d) The county council may impose a tax rate of:**  
 15           **(1) fifteen-hundredths percent (0.15%);**  
 16           **(2) two-tenths percent (0.2%); or**  
 17           **(3) twenty-five hundredths percent (0.25%);**  
 18           **on the adjusted gross income of county taxpayers if the adopting**  
 19           **body makes a finding and determination set forth in subsection (b)**  
 20           **or (c).**
- 21           **(e) If the county council imposes the tax under this section to**  
 22           **pay for the purposes described in both subsections (b) and (c),**  
 23           **when:**
- 24           **(1) the financing, construction, acquisition, improvement,**  
 25           **renovation, and equipping described in subsection (b) are**  
 26           **completed; and**  
 27           **(2) all bonds issued or leases entered into to finance the**  
 28           **construction, acquisition, improvement, renovation, and**  
 29           **equipping described in subsection (b) are fully paid;**  
 30           **the county council shall, subject to subsection (d), establish a tax**  
 31           **rate under this section by ordinance such that the revenue from the**  
 32           **tax does not exceed the costs of operating and maintaining the jail**  
 33           **facilities described in subsection (b)(1)(A). The tax rate may not be**  
 34           **imposed at a rate greater than is necessary to carry out the**  
 35           **purposes described in subsections (b) and (c), as applicable.**
- 36           **(f) The tax imposed under this section may be imposed only**  
 37           **until the latest of the following:**
- 38           **(1) The date on which the financing, construction, acquisition,**  
 39           **improvement, renovation, and equipping described in**  
 40           **subsection (b) are completed.**  
 41           **(2) The date on which the last of any bonds issued or leases**  
 42           **entered into to finance the construction, acquisition,**



- 1 improvement, renovation, and equipping described in  
 2 subsection (b) are fully paid.
- 3 (3) The date on which an ordinance adopted under subsection  
 4 (c) is rescinded.
- 5 (g) The term of the bonds issued (including any refunding  
 6 bonds) or a lease entered into under subsection (b)(2) may not  
 7 exceed twenty (20) years.
- 8 (h) The county treasurer shall establish a criminal justice  
 9 facilities revenue fund to be used only for purposes described in  
 10 this section. Revenue derived from the tax imposed under this  
 11 section shall be deposited in the criminal justice facilities revenue  
 12 fund.
- 13 (i) Revenue derived from the tax imposed under this section:  
 14 (1) may be used only for the purposes described in this  
 15 section;  
 16 (2) may not be considered by the department of local  
 17 government finance in determining the county's maximum  
 18 permissible property tax levy limit under IC 6-1.1-18.5; and  
 19 (3) may be pledged to the repayment of bonds issued or leases  
 20 entered into for any or all the purposes described in  
 21 subsection (b).
- 22 (j) Notwithstanding any other law, money remaining in the  
 23 criminal justice facilities revenue fund established under  
 24 subsection (h) after the tax imposed by this section is terminated  
 25 under subsection (f) shall be transferred to the county highway  
 26 fund to be used for construction, resurfacing, restoration, and  
 27 rehabilitation of county highways, roads, and bridges.
- 28 **Sec. 13. (a) This section applies only to Knox County.**
- 29 (b) The county fiscal body may impose a tax on the adjusted  
 30 gross income of local taxpayers at a tax rate that does not exceed  
 31 the lesser of the following:  
 32 (1) Twenty-five hundredths percent (0.25%).  
 33 (2) The rate necessary to carry out the purposes described in  
 34 this section.
- 35 (c) Revenue from a tax under this section may be used only for  
 36 the following purposes:  
 37 (1) To finance, construct, acquire, and equip the county jail.  
 38 (2) To repay bonds issued or leases entered into for  
 39 constructing, acquiring, and equipping the county jail.
- 40 **Sec. 14. (a) This section applies only to Marshall County.**
- 41 (b) The county fiscal body may impose a tax on the adjusted  
 42 gross income of local taxpayers at a tax rate that does not exceed



1 the lesser of the following:

2 (1) Twenty-five hundredths percent (0.25%).

3 (2) The rate necessary to carry out the purposes described in

4 subsection (c).

5 (c) Revenue raised from a tax under this section may be used

6 only for the following purposes:

7 (1) To finance, construct, acquire, improve, renovate, or

8 equip:

9 (A) jail facilities;

10 (B) juvenile court, detention, and probation facilities;

11 (C) other criminal justice facilities; and

12 (D) related buildings and parking facilities;

13 located in the county, including costs related to the demolition

14 of existing buildings and the acquisition of land.

15 (2) Repay bonds issued or leases entered into for the purposes

16 described in subdivision (1).

17 (d) The tax imposed under this section may be imposed only

18 until the last of the following dates:

19 (1) The date on which the purposes described in subsection

20 (c)(1) are completed.

21 (2) The date on which the last of any bonds issued (including

22 any refunding bonds) or leases described in subsection (c)(2)

23 are fully paid.

24 The term of the bonds issued (including any refunding bonds) or a

25 lease entered into under subsection (c)(2) may not exceed twenty

26 (20) years.

27 (e) Money accumulated from the tax under this section after the

28 tax imposed by this section is terminated shall be transferred to the

29 county highway fund to be used for construction, resurfacing,

30 restoration, and rehabilitation of county highways, roads, and

31 bridges.

32 Sec. 15. (a) This section applies only to Miami County.

33 (b) Miami County possesses unique economic development

34 challenges due to:

35 (1) underemployment in relation to similarly situated

36 counties; and

37 (2) the presence of a United States government military base

38 or other military installation that is completely or partially

39 inactive or closed.

40 Maintaining low property tax rates is essential to economic

41 development, and the use of a tax under this section to pay any

42 bonds issued or leases entered into to carry out the purposes of this



1 section rather than use of property taxes promotes these purposes.

2 (c) The county fiscal body may impose a tax rate on the adjusted  
3 gross income of local taxpayers that is the lesser of the following:

4 (1) Twenty-five hundredths percent (0.25%).

5 (2) The rate necessary to pay the costs of financing,  
6 constructing, acquiring, renovating, and equipping a county  
7 jail.

8 (d) Revenue raised from a tax imposed under this section may  
9 be used only for the purposes of paying the costs of financing,  
10 constructing, acquiring, renovating, and equipping a county jail,  
11 including the repayment of bonds issued, or leases entered into, for  
12 financing, constructing, acquiring, renovating, and equipping a  
13 county jail.

14 Sec. 16. (a) This section applies only to Monroe County.

15 (b) Maintaining low property tax rates is essential to economic  
16 development, and the use of a tax under this section, as needed in  
17 the county, to carry out the purposes of this section, rather than  
18 the use of property taxes, promotes these purposes.

19 (c) The county fiscal body may impose a tax rate on the adjusted  
20 gross income of local taxpayers that does not exceed twenty-five  
21 hundredths percent (0.25%).

22 (d) Revenues raised from a tax imposed under this section may  
23 be used only for the purposes of funding a property tax credit to  
24 reduce the property tax liability imposed by a county to fund the  
25 operation and maintenance of a juvenile detention center and other  
26 facilities to provide juvenile services.

27 (e) The total of all tax credits granted under this section for a  
28 year may not exceed the amount of revenue raised by the tax  
29 imposed under this section. If the amount available in a year for  
30 property tax credits under this section is less than the amount  
31 necessary to provide all the property tax credits authorized by the  
32 adopting body, the county auditor shall reduce the property tax  
33 credits granted to eliminate the excess. The county auditor shall  
34 reduce credits uniformly in proportion to the tax liability incurred  
35 by each taxpayer.

36 (f) The total of all tax credits granted under this section for a  
37 year may not exceed the amount necessary to offset the property  
38 tax liability imposed for the purposes of this section. If the amount  
39 available in a year for property tax credits under this section is  
40 greater than the amount necessary to provide property tax credits  
41 to offset the property tax liability imposed for the purposes of this  
42 section, the county auditor shall retain and apply the excess, as



1 necessary, to provide the property tax credits for the purposes of  
2 this section for the following year.

3 (g) The county auditor shall allocate the amount of revenue  
4 applied as tax credits under this section to the county.

5 Sec. 17. (a) This section applies only to Perry County.

6 (b) Perry County possesses unique governmental and economic  
7 development challenges due to:

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

10 (2) overcrowding of the county jail, the costs associated with  
11 housing the county's inmates outside the county, and the  
12 potential unavailability of additional housing for inmates  
13 outside the county.

14 The use of a tax under this section is necessary for the county to  
15 provide adequate jail capacity in the county and to maintain low  
16 property tax rates essential to economic development. The use of  
17 a tax under this section for the purposes described in this section  
18 promotes these purposes.

19 (c) The county fiscal body may impose a tax on the adjusted  
20 gross income of local taxpayers at a tax rate that does not exceed  
21 the lesser of the following:

22 (1) Five-tenths percent (0.5%).

23 (2) The rate necessary to carry out the purposes described in  
24 this section.

25 (d) Revenue from a tax imposed under this section may be used  
26 only for the following purposes:

27 (1) To finance, construct, acquire, improve, renovate,  
28 remodel, or equip the county jail and related buildings and  
29 parking facilities, including costs related to the demolition of  
30 existing buildings, the acquisition of land, and any other  
31 reasonably related costs.

32 (2) To repay bonds issued or leases entered into for  
33 constructing, acquiring, improving, renovating, remodeling,  
34 and equipping the county jail and related buildings and  
35 parking facilities, including costs related to the demolition of  
36 existing buildings, the acquisition of land, and any other  
37 reasonably related costs.

38 (e) The tax imposed under this section may be imposed only  
39 until the last of the following dates:

40 (1) The date on which the purposes described in subsection

41 (d)(1) are completed.

42 (2) The date on which the last of any bonds issued (including



- 1           any refunding bonds) or leases described in subsection (d)(2)  
 2           are fully paid.
- 3           **The term of the bonds issued (including any refunding bonds) or a**  
 4           **lease entered into under subsection (d)(2) may not exceed**  
 5           **twenty-five (25) years.**
- 6           **(f) Funds accumulated from a tax under this section after:**  
 7               **(1) the redemption of the bonds issued; or**  
 8               **(2) the final payment of lease rentals due under a lease**  
 9               **entered into under this section;**
- 10          **shall be transferred to the county highway fund to be used for**  
 11          **construction, resurfacing, restoration, and rehabilitation of county**  
 12          **highways, roads, and bridges.**
- 13          **Sec. 18. (a) This section applies only to Pulaski County.**
- 14          **(b) For calendar years beginning before January 1, 2021, the**  
 15          **county fiscal body may impose a tax on the adjusted gross income**  
 16          **of local taxpayers at a tax rate that does not exceed three-tenths**  
 17          **percent (0.3%).**
- 18          **(c) Revenue from a tax imposed under this section may be used**  
 19          **only for the purposes of paying the costs of operating and**  
 20          **maintaining a jail and justice center.**
- 21          **Sec. 19. (a) This section applies only to Randolph County.**
- 22          **(b) Randolph County possesses:**  
 23               **(1) unique fiscal challenges to finance the operations of county**  
 24               **government due to the county's ongoing obligation to repay**  
 25               **amounts received by the county due to an overpayment of the**  
 26               **county's certified distribution under IC 6-3.5-1.1-9 (before its**  
 27               **repeal) for a prior year; and**  
 28               **(2) unique capital financing needs related to the purposes**  
 29               **described in this section.**
- 30          **(c) The county fiscal body may impose a tax on the adjusted**  
 31          **gross income of local taxpayers at a tax rate that does not exceed**  
 32          **the lesser of the following:**  
 33               **(1) Twenty-five hundredths percent (0.25%).**  
 34               **(2) The rate necessary to carry out the purposes described in**  
 35               **this section.**
- 36          **(d) Revenues from a tax under this section may be used only for**  
 37          **the following purposes:**  
 38               **(1) Financing, constructing, acquiring, renovating, and**  
 39               **equipping the county courthouse, and financing and**  
 40               **renovating the former county hospital for additional office**  
 41               **space, educational facilities, nonsecure juvenile facilities, and**  
 42               **other county functions, including the repayment of bonds**



1 issued, or leases entered into, for constructing, acquiring,  
2 renovating, and equipping the county courthouse and for  
3 renovating the former county hospital for additional office  
4 space, educational facilities, nonsecure juvenile facilities, and  
5 other county functions.

6 (2) Financing, constructing, acquiring, renovating, and  
7 equipping buildings for a volunteer fire department (as  
8 defined in IC 36-8-12-2) that provides services in any part of  
9 the county.

10 (3) Financing, constructing, acquiring, and renovating  
11 firefighting apparatus or other related equipment for a  
12 volunteer fire department (as defined in IC 36-8-12-2) that  
13 provides services in any part of the county.

14 **Sec. 20. (a) This section applies only to Scott County.**

15 **(b) Scott County is a county in which:**

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

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

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

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

26 promotes the purpose of maintaining low property tax rates.

27 (c) The county fiscal body may impose a tax rate on the adjusted  
28 gross income of local taxpayers that is the lesser of the following:

29 (1) Twenty-five hundredths percent (0.25%).

30 (2) The rate necessary to pay the costs of financing,  
31 constructing, acquiring, renovating, and equipping the  
32 facilities described in subsection (d).

33 (d) Revenues raised under this section may be used only for the  
34 following purposes:

35 (1) The financing, construction, acquisition, improvement,  
36 renovation, equipping, operation, or maintenance of jail  
37 facilities.

38 (2) The repayment of bonds issued or leases entered into for  
39 the purposes described in subdivision (1), except operation or  
40 maintenance.

41 **Sec. 21. (a) This section applies only to Starke County.**

42 **(b) Starke County possesses unique governmental and economic**



1 development challenges due to:

- 2 (1) the county's predominantly rural geography, demography,  
3 and economy;  
4 (2) the county's relatively low tax base and relatively high  
5 property tax rates;  
6 (3) the current maximum capacity of the county jail, which  
7 was constructed in 1976; and  
8 (4) pending federal class action litigation seeking a mandate  
9 to address capacity and living conditions in the county jail.

10 The use of a tax under this section is necessary for the county to  
11 address jail capacity and appropriate inmate living conditions and  
12 to maintain low property tax rates essential to economic  
13 development. The use of a tax under this section for the purposes  
14 described in this section promotes these purposes.

15 (c) The county fiscal body may impose a tax on the adjusted  
16 gross income of local taxpayers at a tax rate that does not exceed  
17 the lesser of the following:

- 18 (1) Sixty-five hundredths percent (0.65%).  
19 (2) The rate necessary to carry out the purposes described in  
20 this section.

21 (d) Revenue from a tax under this section may be used only for  
22 the following purposes:

- 23 (1) To finance, construct, acquire, and equip the county jail  
24 and related buildings and parking facilities, including costs  
25 related to the demolition of existing buildings, the acquisition  
26 of land, and any other reasonably related costs.  
27 (2) To repay bonds issued or leases entered into for  
28 constructing, acquiring, and equipping the county jail and  
29 related buildings and parking facilities, including costs related  
30 to the demolition of existing buildings, the acquisition of land,  
31 and any other reasonably related costs.

32 (e) The tax imposed under this section may be imposed only  
33 until the last of the following dates:

- 34 (1) The date on which the purposes described in subsection  
35 (d)(1) are completed.  
36 (2) The date on which the last of any bonds issued (including  
37 any refunding bonds) or leases described in subsection (d)(2)  
38 are fully paid.

39 The term of the bonds issued (including any refunding bonds) or a  
40 lease entered into under subsection (d)(2) may not exceed  
41 twenty-five (25) years.

42 Sec. 22. (a) This section applies only to Union County.





1           (b) Union County possesses unique economic development  
2 challenges due to:

- 3           (1) the county's heavy agricultural base;  
4           (2) the presence of a large amount of state owned property in  
5 the county that is exempt from property taxation; and  
6           (3) recent obligations of the school corporation in the county  
7 that have already increased property taxes in the county and  
8 imposed additional property tax burdens on the county's  
9 agricultural base.

10 Maintaining low property tax rates is essential to economic  
11 development. The use of a tax under this section for the purposes  
12 described in this section, rather than the use of property taxes,  
13 promotes these purposes.

14           (c) The county fiscal body may impose a tax on the adjusted  
15 gross income of local taxpayers at a tax rate that does not exceed  
16 the lesser of the following:

- 17           (1) Twenty-five hundredths percent (0.25%).  
18           (2) The rate necessary to carry out the purposes described in  
19 this section.

20           (d) Revenue raised from a tax under this section may be used  
21 only for the following purposes:

- 22           (1) To finance, construct, acquire, improve, renovate, or equip  
23 the county courthouse.  
24           (2) To repay bonds issued, or leases entered into, for  
25 constructing, acquiring, improving, renovating, and equipping  
26 the county courthouse.

27           (e) The tax imposed under this section may be imposed only  
28 until the last of the following dates:

- 29           (1) The date on which the purposes described in subsection  
30 (d)(1) are completed.  
31           (2) The date on which the last of any bonds issued (including  
32 any refunding bonds) or leases described in subsection (d)(2)  
33 are fully paid.

34 The term of the bonds issued (including any refunding bonds) or a  
35 lease entered into under subsection (d)(2) may not exceed  
36 twenty-two (22) years.

37           (f) Funds accumulated from a tax under this section after:

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

41 shall be transferred to the county highway fund to be used for  
42 construction, resurfacing, restoration, and rehabilitation of county



1 highways, roads, and bridges.

2 Sec. 23. (a) This section applies only to Wayne County.

3 (b) Wayne County possesses unique economic development  
4 challenges due to underemployment in relation to similarly  
5 situated counties. Maintaining low property tax rates is essential  
6 to economic development, and the use of a tax under this section to  
7 pay any bonds issued or leases entered into to carry out the  
8 purposes of this section, rather than the use of property taxes,  
9 promotes these purposes.

10 (c) The county fiscal body may impose a tax on the adjusted  
11 gross income of local taxpayers at a tax rate that does not exceed  
12 twenty-five hundredths percent (0.25%).

13 (d) Revenue raised from a tax under this section may be used  
14 only for the following purposes:

15 (1) To finance, construct, acquire, improve, renovate, or equip  
16 the county jail and related buildings and parking facilities,  
17 including costs related to the demolition of existing buildings  
18 and the acquisition of land.

19 (2) To repay bonds issued, or leases entered into, for  
20 constructing, acquiring, improving, renovating, and equipping  
21 the county jail and related buildings and parking facilities,  
22 including costs related to the demolition of existing buildings  
23 and the acquisition of land.

24 (e) The tax imposed under this section may be imposed only  
25 until the later of the date on which the financing, acquisition,  
26 improvement, renovation, and equipping described in this section  
27 are completed or the date on which the last of any bonds issued or  
28 leases entered into to finance the construction, acquisition,  
29 improvement, renovation, and equipping described in this section  
30 are fully paid. The term of the bonds issued (including any  
31 refunding bonds) or a lease entered into under this section may not  
32 exceed twenty (20) years.

33 (f) Notwithstanding any other law, funds accumulated from the  
34 tax imposed under this section after:

35 (1) the redemption of bonds issued; or

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

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

41 Sec. 24. (a) This section applies only to a county that is a  
42 member of a regional development authority under IC 36-7.6.



1           (b) The adopting body for the county may impose a tax rate on  
2 the adjusted gross income tax of local taxpayers that is not greater  
3 than:

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

8           (c) The revenue from a tax under this section may be used only  
9 for the purpose of transferring the revenue in the regional  
10 development authority under IC 36-7.6.

11          Sec. 25. (a) This section applies only to a county that:

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

24           (b) A county described in subsection (a) possesses unique  
25 economic development challenges due to underemployment in  
26 relation to similarly situated counties. Maintaining low property  
27 tax rates is essential to economic development. The use of a tax  
28 under this section for the purposes of this section, rather than the  
29 use of property taxes, promotes these purposes.

30           (c) For purposes of this section, "county jail" includes any other  
31 penal facility that is:

- 32           (1) located in; and  
33           (2) operated by;

34 the county.

35           (d) The county fiscal body may impose a tax on the adjusted  
36 gross income of local taxpayers at a tax rate that does not exceed  
37 the lesser of the following:

- 38           (1) Twenty-five hundredths percent (0.25%).  
39           (2) The rate necessary to carry out the purposes described in  
40           this section.

41           (e) Revenue from a tax under this section may be used only for  
42 the following purposes:



1 (1) To finance, construct, acquire, improve, renovate, or equip  
 2 a county jail and related buildings and parking facilities,  
 3 including costs related to the demolition of existing buildings  
 4 and the acquisition of land.

5 (2) To repay bonds issued or leases entered into for  
 6 constructing, acquiring, improving, renovating, and equipping  
 7 the county jail and related buildings and parking facilities,  
 8 including costs related to the demolition of existing buildings  
 9 and the acquisition of land.

10 (f) The tax imposed under this section may be imposed only  
 11 until the last of the following dates:

12 (1) The date on which the purposes described in subsection  
 13 (e)(1) are completed.

14 (2) The date on which the last of any bonds issued (including  
 15 any refunding bonds) or leases described in subsection (e)(2)  
 16 are fully paid.

17 The term of the bonds issued (including any refunding bonds) or a  
 18 lease entered into under subsection (e)(2) may not exceed thirty  
 19 (30) years.

20 (g) Funds accumulated from the tax under this section after:

21 (1) the redemption of bonds issued; or

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

24 shall be transferred to the county general fund.

25 Sec. 26. (a) This section applies to a county that:

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

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

28 (B) applies to an action commenced before January 1,  
 29 2003; and

30 (C) requires the county to comply with the federal  
 31 Americans with Disabilities Act; and

32 (2) has insufficient revenues to finance the construction,  
 33 acquisition, improvement, renovation, equipping, and  
 34 operation of the courthouse facilities and related facilities.

35 (b) A county described in this section possesses unique fiscal  
 36 challenges in financing, renovating, equipping, and operating the  
 37 county courthouse facilities and related facilities because the  
 38 county consistently has one (1) of the highest unemployment rates  
 39 in Indiana. Maintaining low property tax rates is essential to  
 40 economic development in the county. The use of a tax under this  
 41 section for the purposes of this section promotes these purposes.

42 (c) The county fiscal body may impose a tax on the adjusted



1 gross income of local taxpayers at a tax rate that does not exceed  
2 the lesser of the following:

3 (1) Twenty-five hundredths percent (0.25%).

4 (2) The rate necessary to carry out the purposes described in  
5 this section.

6 (d) Revenue from a tax under this section may be used only for  
7 the following purposes:

8 (1) To finance, construct, acquire, improve, renovate, equip,  
9 or operate the county courthouse or related facilities.

10 (2) To repay bonds issued or leases entered into for  
11 constructing, acquiring, improving, renovating, equipping, or  
12 operating the county courthouse or related facilities.

13 (3) To pay for economic development projects described in the  
14 county's capital improvement plan.

15 (e) Funds accumulated from a tax under this section or any  
16 other revenues of the county may be deposited into a nonreverting  
17 fund of the county to be used for operating costs of the courthouse  
18 facilities, juvenile detention facilities, or related facilities.

19 Sec. 27. (a) This section applies only to an eligible county, as  
20 defined in IC 8-25-1-4.

21 (b) If the voters of the county approve a local public question  
22 under IC 8-25-2, the fiscal body of the county may adopt an  
23 ordinance to provide for the use of local income tax revenues  
24 attributable to an additional tax rate imposed under IC 6-3.5-6 to  
25 fund a public transportation project under IC 8-25. However, a  
26 county fiscal body shall adopt an ordinance under this subsection  
27 if required by IC 8-25-6-10 to impose an additional tax rate on the  
28 county taxpayers who reside in a township in which the voters  
29 approve a public transportation project in a local public question  
30 held under IC 8-25-6. An ordinance adopted under this subsection  
31 must specify an additional tax rate to be imposed in the county (or  
32 township in the case of an additional rate required by IC 8-25-6-10)  
33 of at least one-tenth percent (0.1%), but not more than twenty-five  
34 hundredths percent (0.25%). If an ordinance is adopted under this  
35 subsection, the amount of the certified distribution attributable to  
36 the additional tax rate imposed under this subsection must be:

37 (1) retained by the county auditor;

38 (2) deposited in the county public transportation project fund  
39 established under IC 8-25-3-7; and

40 (3) used for the purpose provided in this subsection instead of  
41 as a property tax replacement distribution.

42 (c) The tax rate under this section plus the tax rate under



- 1 IC 6-3.5-5 may not exceed two and five-tenths percent (2.5%).  
 2 Sec. 28. (a) This section applies only to Rush County.  
 3 (b) The county council may, by ordinance, determine that  
 4 additional tax revenue is needed in the county to:  
 5 (1) finance the construction, acquisition, improvement,  
 6 renovation, equipping, operation, or maintenance of the  
 7 county jail and related buildings and parking facilities,  
 8 including costs related to the demolition of existing buildings,  
 9 the acquisition of land, and any other reasonably related  
 10 costs; and  
 11 (2) repay bonds issued or leases entered into for the purposes  
 12 described in subdivision (1).  
 13 (c) If the county council makes a determination under  
 14 subsection (b), the county council may adopt a tax rate under  
 15 subsection (d). The tax rate may not be imposed at a rate greater  
 16 than is necessary to pay for the purposes described in subsection  
 17 (b).  
 18 (d) The county council may impose a tax on the adjusted gross  
 19 income of local taxpayers at a tax rate of:  
 20 (1) fifteen-hundredths percent (0.15%);  
 21 (2) two-tenths percent (0.2%);  
 22 (3) twenty-five hundredths percent (0.25%);  
 23 (4) three-tenths percent (0.3%);  
 24 (5) thirty-five hundredths percent (0.35%);  
 25 (6) four-tenths percent (0.4%);  
 26 (7) forty-five hundredths percent (0.45%);  
 27 (8) five-tenths percent (0.5%);  
 28 (9) fifty-five hundredths percent (0.55%); or  
 29 (10) six-tenths percent (0.6%);  
 30 on the adjusted gross income of county taxpayers if the county  
 31 council makes the determination set forth in subsection (b).  
 32 (e) If the county council imposes the tax under this section to  
 33 pay for the purposes described in subsection (b) when:  
 34 (1) the financing, construction, acquisition, improvement,  
 35 renovation, and equipping described in subsection (b) are  
 36 completed; and  
 37 (2) all bonds issued (including any refunding bonds) or leases  
 38 entered into to finance the construction, acquisition,  
 39 improvement, renovation, and equipping described in  
 40 subsection (b) are fully paid;  
 41 the county council shall, subject to subsection (d), establish a tax  
 42 rate under this section by ordinance such that the revenue from the



1 tax does not exceed the costs of operating and maintaining the  
2 facilities referred to in subsection (b)(1).

3 (f) The tax imposed under this section may be imposed only  
4 until the latest of the following dates:

5 (1) The date on which the financing, construction, acquisition,  
6 improvement, renovation, and equipping described in  
7 subsection (b) are completed.

8 (2) The date on which the last of any bonds issued (including  
9 any refundable bond) or leases entered into to finance the  
10 construction, acquisition, improvement, renovation, and  
11 equipping described in subsection (b) are fully paid.

12 (3) The date on which an ordinance adopted under subsection  
13 (c) is rescinded.

14 (g) The term of the bonds issued (including any refunding  
15 bonds) or a lease entered into under subsection (b) may not exceed  
16 twenty-five (25) years.

17 (h) The county treasurer shall establish a county facilities  
18 revenue fund to be used only for the purposes described in this  
19 section. Revenue derived from the tax imposed under this section  
20 shall be deposited in the county facilities revenue fund.

21 (i) Revenue derived from the tax imposed under this section:

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

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

27 (3) may be pledged to the repayment of bonds issued or leases  
28 entered into for any or all of the purposes described in  
29 subsection (b).

30 (j) Rush County possesses unique governmental and economic  
31 development challenges due to:

32 (1) deficiencies in the current county jail, including:

33 (A) aging facilities, which have been significantly improved  
34 or renovated since the original constructions;

35 (B) lack of recreation and medical facilities;

36 (C) inadequate line of sight supervision of inmates due to  
37 current jail configurations;

38 (D) lack of adequate housing for an increasing population  
39 of female inmate population and inmates with special  
40 needs;

41 (E) lack of adequate administrative space; and

42 (F) increasing maintenance demands and costs resulting



1 from the age of the facilities; and  
 2 (2) a limited amount of industrial and other commercial tax  
 3 base.

4 The use of a tax under this section is necessary for the county to  
 5 provide adequate jail facilities in the county and to maintain low  
 6 property tax rates essential to economic development. The use of  
 7 a tax under this section as provided in subsection (b) rather than  
 8 use of property taxes promotes these purposes.

9 (k) Notwithstanding any other law, money remaining in the  
 10 county facilities revenue fund established under subsection (h)  
 11 after the tax imposed by this section is terminated under subsection  
 12 (f) shall be transferred to the county rainy day fund under  
 13 IC 36-1-8-5.1.

14 **Chapter 8. Administration of Tax**

15 **Sec. 1.** If for any taxable year a local taxpayer is subject to  
 16 different tax rates for the tax imposed by a particular county, the  
 17 taxpayer's tax rate for that county and that taxable year is the rate  
 18 determined in the last STEP of the following STEPS:

19 **STEP ONE:** For each tax rate in effect in a year, multiply:  
 20 (A) the number of months in the taxpayer's taxable year in  
 21 which the rate is in effect; by  
 22 (B) the rate.  
 23 **STEP TWO:** Divide:  
 24 (A) the sum of the amounts determined under STEP ONE;  
 25 by  
 26 (B) twelve (12).

27 **Sec. 2.** If the tax is not in effect during a local taxpayer's entire  
 28 taxable year, the amount of tax that the local taxpayer owes for  
 29 that taxable year equals the product of:

30 (1) the amount of tax the local taxpayer would owe if the tax  
 31 had been imposed during the local taxpayer's entire taxable  
 32 year; multiplied by  
 33 (2) a fraction equal to:  
 34 (A) the number of days in the local taxpayer's taxable year  
 35 during which the tax was in effect; divided by  
 36 (B) the total number of days in the local taxpayer's taxable  
 37 year.

38 However, if the taxpayer files state income tax returns on a  
 39 calendar year basis, the fraction to be applied under this section is  
 40 one-half (1/2).

41 **Sec. 3. (a)** For purposes of this article, an individual shall be  
 42 treated as a resident of the county in which the individual:





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

9           (b) The residence or principal place of business or employment  
 10          of an individual is to be determined on January 1 of the calendar  
 11          year in which the individual's taxable year commences. If an  
 12          individual changes the location of the individual's residence or  
 13          principal place of employment or business to another county in  
 14          Indiana during a calendar year, the individual's liability for tax is  
 15          not affected.

16          (c) Notwithstanding subsection (b), if an individual becomes a  
 17          local taxpayer for purposes of IC 36-7-27 during a calendar year  
 18          because the individual:

- 19           (1) changes the location of the individual's residence to a  
 20           county in which the individual begins employment or business  
 21           at a qualified economic development tax project (as defined in  
 22           IC 36-7-27-9); or  
 23           (2) changes the location of the individual's principal place of  
 24           employment or business to a qualified economic development  
 25           tax project and does not reside in another county in which a  
 26           tax is in effect;

27          the individual's adjusted gross income attributable to employment  
 28          or business at the qualified economic development tax project is  
 29          taxable only by the county containing the qualified economic  
 30          development tax project.

31          Sec. 4. (a) Using procedures provided under this chapter, the  
 32          adopting body of any adopting county may pass an ordinance to  
 33          enter into reciprocity agreements with the taxing authority of any  
 34          city, town, municipality, county, or other similar local  
 35          governmental entity of any other state. The reciprocity agreements  
 36          must provide that the income of resident local taxpayers is exempt  
 37          from income taxation by the other local governmental entity to the  
 38          extent income of the residents of the other local governmental  
 39          entity is exempt from the tax in the adopting county.

40          (b) A reciprocity agreement adopted under this section may not  
 41          become effective until it is also made effective in the other local  
 42          governmental entity that is a party to the agreement.



1 (c) The form and effective date of any reciprocity agreement  
2 described in this section must be approved by the department.

3 Sec. 5. (a) Except as otherwise provided in subsection (b) and  
4 the other provisions of this article, all provisions of the adjusted  
5 gross income tax law (IC 6-3) concerning:

- 6 (1) definitions;  
7 (2) declarations of estimated tax;  
8 (3) filing of returns;  
9 (4) deductions or exemptions from adjusted gross income;  
10 (5) remittances;  
11 (6) incorporation of the provisions of the Internal Revenue  
12 Code;  
13 (7) penalties and interest; and  
14 (8) exclusion of military pay credits for withholding;

15 apply to the imposition, collection, and administration of the tax  
16 imposed by this article.

17 (b) IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do  
18 not apply to the tax imposed by this article.

19 (c) Notwithstanding subsections (a) and (b), each employer shall  
20 report to the department of state revenue the amount of  
21 withholdings attributable to each county. This report shall be  
22 submitted to the department of state revenue:

- 23 (1) each time the employer remits to the department the tax  
24 that is withheld; and  
25 (2) annually along with the employer's annual withholding  
26 report.

27 Sec. 6. (a) Except as provided in subsection (b), if for a  
28 particular taxable year a local taxpayer is liable for an income tax  
29 imposed by a county, city, town, or other local governmental entity  
30 located outside Indiana, that local taxpayer is entitled to a credit  
31 against the tax liability imposed under this article for that same  
32 taxable year. The amount of the credit equals the amount of tax  
33 imposed by the other governmental entity on income derived from  
34 sources outside Indiana and subject to the tax imposed under this  
35 article. However, the credit provided by this section may not  
36 reduce a local taxpayer's tax liability to an amount less than would  
37 have been owed if the income subject to taxation by the other  
38 governmental entity had been ignored.

39 (b) The credit provided by this section does not apply to a local  
40 taxpayer to the extent that the other governmental entity provides  
41 for a credit to the taxpayer for the amount of taxes owed under this  
42 article.



1           (c) To claim the credit provided by this section, a local taxpayer  
2 must provide the department with satisfactory evidence that the  
3 taxpayer is entitled to the credit.

4           Sec. 7. In the case of a local taxpayer who is a resident of Perry  
5 County, the term "adjusted gross income" does not include  
6 adjusted gross income that is:

7           (1) earned in a county that is:

8           (A) located in another state; and

9           (B) adjacent to the county in which the taxpayer resides;  
10 and

11           (2) subject to an income tax imposed by a county, city, town,  
12 or other local governmental entity in the other state.

13           Sec. 8. (a) If for a particular taxable year a local taxpayer is, or  
14 a local taxpayer and the taxpayer's spouse who file a joint return  
15 are, allowed a credit for the elderly or individuals with a total  
16 disability under Section 22 of the Internal Revenue Code, the local  
17 taxpayer is, or the local taxpayer and the taxpayer's spouse are,  
18 entitled to a credit against the tax liability imposed under this  
19 article for that same taxable year. The amount of the credit equals  
20 the lesser of:

21           (1) the product of:

22           (A) the credit for the elderly or individuals with a total  
23 disability for that same taxable year; multiplied by

24           (B) a fraction equal to:

25           (i) the tax rate imposed against the local taxpayer, or the  
26 local taxpayer and the taxpayer's spouse; divided by

27           (ii) fifteen-hundredths (0.15); or

28           (2) the amount of tax imposed on the local taxpayer, or the  
29 local taxpayer and the taxpayer's spouse.

30           (b) If a local taxpayer and the taxpayer's spouse file a joint  
31 return and are subject to different tax rates for the same taxable  
32 year, they must compute the credit under this section by using the  
33 formula provided by subsection (a), except that they must use the  
34 average of the two (2) tax rates imposed against them as the  
35 numerator referred to in subsection (a)(1)(B).

36           Chapter 9. Distribution of Revenue

37           Sec. 1. (a) A trust account within the state general fund shall be  
38 established for each county that imposes a tax. Any revenue  
39 derived from the imposition of the tax by a county shall be  
40 deposited in that county's trust account in the state general fund.

41           (b) Any income earned on money held in a trust account under  
42 subsection (a) becomes a part of that trust account.



1           (c) Any revenue remaining in a trust account established under  
2 subsection (a) at the end of a fiscal year does not revert to the state  
3 general fund.

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

8           Sec. 3. The budget agency shall before May 1 of every  
9 even-numbered year publish an estimate of the statewide total  
10 amount of certified distributions to be made under this article  
11 during the following calendar year.

12           Sec. 4. Revenue derived from the imposition of the tax shall, in  
13 the manner prescribed by this chapter, be distributed to the county  
14 that imposed it. The amount that is to be distributed to a county  
15 during an ensuing calendar year equals the amount of tax revenue  
16 that the budget agency determines has been:

17           (1) received from that county for a taxable year ending in a  
18 calendar year preceding the calendar year in which the  
19 determination is made; and

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

24 as adjusted for refunds of tax made in the state fiscal year.

25           Sec. 5. (a) Before August 2 of each calendar year, the budget  
26 agency shall provide to the department of local government finance  
27 and the county auditor of each adopting county an estimate of the  
28 amount determined under section 4 of this chapter that will be  
29 distributed to the county, based on known tax rates. Not later than  
30 fifteen (15) days after receiving the estimate of the certified  
31 distribution, the department of local government finance shall  
32 determine for each taxing unit and notify the county auditor of the  
33 estimated amount of property tax credits, school distributions,  
34 public safety revenue, economic development revenue, certified  
35 shares, and special purpose revenue that will be distributed to the  
36 taxing unit under this chapter during the ensuing calendar year.  
37 Not later than thirty (30) days after receiving the department's  
38 estimate, the county auditor shall notify each taxing unit of the  
39 amounts estimated for the taxing unit.

40           (b) Before October 1 of each calendar year, the budget agency  
41 shall certify to the department of local government finance and the  
42 county auditor of each adopting county:



- 1           (1) the amount determined under section 4 of this chapter;  
 2           and  
 3           (2) the amount of interest in the county's account that has  
 4           accrued and has not been included in a certification made in  
 5           a preceding year.

6           The amount certified is the county's certified distribution for the  
 7           immediately succeeding calendar year. The amount certified shall  
 8           be adjusted, as necessary, under sections 6, 7, and 8 of this chapter.  
 9           Not later than fifteen (15) days after receiving the amount of the  
 10          certified distribution, the department of local government finance  
 11          shall determine for each taxing unit and notify the county auditor  
 12          of the certified amount of property tax credits, school distributions,  
 13          public safety revenue, economic development revenue, certified  
 14          shares, and special purpose revenue that will be distributed to the  
 15          taxing unit under this chapter during the ensuing calendar year.  
 16          Not later than thirty (30) days after receiving the department's  
 17          estimate, the county auditor shall notify each taxing unit of the  
 18          certified amounts for the taxing unit.

19          Sec. 6. The budget agency shall certify an amount less than the  
 20          amount determined under section 5(b) of this chapter if the budget  
 21          agency determines that the reduced distribution is necessary to  
 22          offset overpayments made in a calendar year before the calendar  
 23          year of the distribution. The budget agency may reduce the amount  
 24          of the certified distribution over several calendar years so that any  
 25          overpayments are offset over several years rather than in one (1)  
 26          lump sum.

27          Sec. 7. The budget agency shall adjust the certified distribution  
 28          of a county to correct for any clerical or mathematical errors made  
 29          in any previous certification under this section. The budget agency  
 30          may reduce the amount of the certified distribution over several  
 31          calendar years so that any adjustment under this subsection is  
 32          offset over several years rather than in one (1) lump sum.

33          Sec. 8. This section applies to a county that imposes, increases,  
 34          decreases, or rescinds a tax or tax rate under this article before  
 35          November 1 in the same calendar year in which the budget agency  
 36          makes a certification under this section. The budget agency shall  
 37          adjust the certified distribution of a county to provide for a  
 38          distribution in the immediately following calendar year and in each  
 39          calendar year thereafter. The budget agency shall provide for a full  
 40          transition to certification of distributions as provided in section  
 41          4(1) through 4(2) of this chapter in the manner provided in section  
 42          6 of this chapter. If the county imposes, increases, decreases, or



1 rescinds a tax or tax rate under this article after the date for which  
 2 a certification under section 5(b) of this chapter is based, the  
 3 budget agency shall adjust the certified distribution of the county  
 4 after October 1 and before December 1 of the calendar year. The  
 5 adjustment must reflect any other adjustment required under  
 6 sections 6 and 7 of this chapter. The adjusted certification shall be  
 7 treated as the county's certified distribution for the immediately  
 8 succeeding calendar year. The budget agency shall certify the  
 9 adjusted certified distribution to the county auditor for the county  
 10 and provide the county council with an informative summary of  
 11 the calculations that revises the informative summary provided in  
 12 section 9 of this chapter and reflects the changes made in the  
 13 adjustment.

14 **Sec. 9.** The budget agency shall provide the county council with  
 15 an informative summary of the calculations used to determine the  
 16 certified distribution. The summary of calculations must include:

- 17 (1) the amount reported on individual income tax returns
- 18 processed by the department during the previous fiscal year;
- 19 (2) adjustments for over distributions in prior years;
- 20 (3) adjustments for clerical or mathematical errors in prior
- 21 years;
- 22 (4) adjustments for tax rate changes; and
- 23 (5) the amount of excess account balances to be distributed
- 24 under section 15 of this chapter.

25 **Sec. 10.** The budget agency shall also certify information  
 26 concerning the part of the certified distribution that is attributable  
 27 to each of the following:

- 28 (1) The tax rate imposed under IC 6-3.6-5.
- 29 (2) The tax rate imposed under IC 6-3.6-6.
- 30 (3) Each tax rate imposed under IC 6-3.6-7.

31 The amount certified shall be adjusted to reflect any adjustment in  
 32 the certified distribution under this chapter.

33 **Sec. 11.** The information described in sections 9 and 10 of this  
 34 chapter must be certified to the county auditor and to the  
 35 department of local government finance not later than the later of  
 36 the following:

- 37 (1) October 1 of each calendar year.
- 38 (2) Thirty (30) days after the adopting body certifies a new
- 39 rate to the budget agency.

40 **Sec. 12.** One-twelfth (1/12) of each adopting county's certified  
 41 distribution for a calendar year shall be distributed from its trust  
 42 account established under this chapter to the appropriate county



1 treasurer on the first regular business day of each month of that  
2 calendar year.

3 Sec. 13. All distributions from a trust account established under  
4 this chapter shall be made by warrants issued by the auditor of  
5 state to the treasurer of state ordering the appropriate payments.

6 Sec. 14. Before November 2 of each year, the budget agency  
7 shall submit a report to each county auditor indicating the balance  
8 in the county's trust account as of the cutoff date set by the budget  
9 agency.

10 Sec. 15. (a) If the budget agency determines that the balance in  
11 a county trust account exceeds fifty percent (50%) of the certified  
12 distributions to be made to the county in the ensuing year, the  
13 budget agency shall make a supplemental distribution to the county  
14 from the county's special account.

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

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

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

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

27 The amount of the supplemental distribution is equal to the  
28 amount by which the balance in the county trust account exceeds  
29 fifty percent (50%) of the certified distributions to be made to the  
30 county in the ensuing year.

31 (c) Any income earned on money held in a trust account  
32 established for a county under this chapter shall be deposited in  
33 that trust account.

34 (d) A determination under this section must be made before  
35 November 2.

36 Sec. 16. Upon receipt, each monthly payment of a county's  
37 certified distribution or supplemental distribution shall be  
38 allocated and distributed to the appropriate entities in accordance  
39 with this article and the allocation ordinances adopted under this  
40 article.

41 Chapter 10. Permitted Expenditures

42 Sec. 1. This chapter is not an exhaustive list of the purposes for



1 which revenue raised under IC 6-3.6-6 may be expended.

2 **Sec. 2.** A county may use revenue allocated for economic  
3 development purposes under IC 6-3.6-6-9 for any combination of  
4 the following purposes:

5 (1) To pay all or a part of the interest owed by a private  
6 developer or user on a loan extended by a financial institution  
7 or other lender to the developer or user if the proceeds of the  
8 loan are or are to be used to finance an economic development  
9 project.

10 (2) For the retirement of bonds for economic development  
11 projects.

12 (3) For leases or for leases or bonds entered into or issued  
13 before the date the county economic development income tax  
14 (IC 6-3.5-7 repealed) was imposed if the purpose of the lease  
15 or bonds would have qualified as a purpose under this article  
16 at the time the lease was entered into or the bonds were  
17 issued.

18 (4) The construction or acquisition of, or remedial action with  
19 respect to, a capital project for which the unit is empowered  
20 to issue general obligation bonds or establish a fund under  
21 any statute listed in IC 6-1.1-18.5-9.8.

22 (5) The retirement of bonds issued under any provision of  
23 Indiana law for a capital project.

24 (6) The payment of lease rentals under any statute for a  
25 capital project.

26 (7) Contract payments to a nonprofit corporation whose  
27 primary corporate purpose is to assist government in  
28 planning and implementing economic development projects.

29 (8) Operating expenses of a governmental entity that plans or  
30 implements economic development projects.

31 (9) Funding of a revolving fund established under  
32 IC 5-1-14-14.

33 (10) For a regional venture capital fund or a local venture  
34 capital fund.

35 **Sec. 3. (a)** The fiscal body of a county, city, or town may issue  
36 bonds payable from revenue under IC 6-3.6-6. The bonds must be  
37 for economic development projects.

38 (b) The fiscal body of a county, city, or town may issue bonds  
39 payable from revenue described in section 2 of this chapter for any  
40 capital project for which the fiscal body is authorized to issue  
41 general obligation bonds. The bonds issued under this section may  
42 be payable from the tax if the county option income tax (IC 6-3.5-6





1 repealed), the county adjusted gross income tax (IC 6-3.5-1.1  
2 repealed), or a tax under IC 6-3.6-6 is also in effect in the county at  
3 the time the bonds are issued.

4 (c) If there are bonds outstanding that have been issued under  
5 this section, or leases in effect under section 4 of this chapter, the  
6 adopting body may not reduce the tax imposed under IC 6-3.6-6,  
7 or an allocation under IC 6-3.6-6-9, or certified shares pledged to  
8 repay bonds, as appropriate, below a rate that would produce one  
9 and twenty-five hundredths (1.25) times the total of the highest  
10 annual debt service on the bonds to their final maturity, plus the  
11 highest annual lease payments, unless:

12 (1) the body that imposed a tax under IC 6-3.6-6; or

13 (2) any city, town, or county;

14 pledges all or a part of its certified shares for the life of the bonds  
15 or the term of the lease, in an amount that is sufficient, when  
16 combined with the amount pledged by the city, town, or county  
17 that issued the bonds, to produce one and twenty-five hundredths  
18 (1.25) times the total of the highest outstanding annual debt service  
19 plus the highest annual lease payments.

20 (d) For purposes of subsection (c), the determination of a tax  
21 rate sufficient to produce one and twenty-five hundredths (1.25)  
22 times the total of the highest outstanding annual debt service plus  
23 the highest annual lease payments must be based on an average of  
24 the immediately preceding three (3) years tax collections, if the tax  
25 has been imposed for the last preceding three (3) years. If the tax  
26 has not been imposed for the last preceding three (3) years, the  
27 body that imposed the tax may not reduce the rate below a rate  
28 that would produce one and twenty-five hundredths (1.25) times  
29 the total of the highest annual debt service, plus the highest annual  
30 lease payments, based upon a study by a qualified public  
31 accountant or financial advisor.

32 (e) IC 6-1.1-20 does not apply to the issuance of bonds under this  
33 section.

34 (f) Bonds issued under this section may be sold at a public sale  
35 in accordance with IC 5-1-11 or may be sold at a negotiated sale.

36 (g) After a sale of bonds under this section, the county auditor  
37 shall prepare a debt service schedule for the bonds.

38 (h) The general assembly covenants that it will not repeal or  
39 amend this article in a manner that would adversely affect owners  
40 of outstanding bonds issued, or payment of any lease rentals due,  
41 under this section.

42 Sec. 4. (a) A county, city, or town may enter into a lease with a



1 leasing body (as defined in IC 5-1-1-1) of any property that could  
2 be financed with the proceeds of bonds issued under this chapter  
3 with a lessor for a term not to exceed fifty (50) years, and the lease  
4 may provide for payments from revenues described in section 2 of  
5 this chapter, any other revenue available to the unit, or any  
6 combination of these sources.

7 (b) A lease may provide that payments by the unit to the lessor  
8 are required only to the extent and only for the period that the  
9 lessor is able to provide the leased facilities in accordance with the  
10 lease. The terms of each lease must be based upon the value of the  
11 facilities leased and may not create a debt of the unit for purposes  
12 of the Constitution of the State of Indiana.

13 (c) A lease may be entered into by the executive of the unit only  
14 after a public hearing at which all interested parties are provided  
15 the opportunity to be heard. After the public hearing, the executive  
16 may approve the execution of the lease on behalf of the unit if the  
17 executive finds that the service to be provided throughout the term  
18 of the lease will serve the public purpose of the unit and is in the  
19 best interests of its residents. Any lease approved by the executive  
20 must also be approved by an ordinance of the fiscal body of the  
21 unit.

22 (d) Upon execution of a lease providing for payments by the unit  
23 in whole or in part from revenues described in section 2 of this  
24 chapter and upon approval of the lease by the unit's fiscal body,  
25 the executive of the unit shall publish notice of the execution of the  
26 lease and its approval in accordance with IC 5-3-1.

27 (e) Except as provided in this section, no approvals of any  
28 governmental body or agency are required before the unit enters  
29 into a lease under this section.

30 (f) An action to contest the validity of the lease under this  
31 section or to enjoin the performance of any of its terms and  
32 conditions must be brought within thirty (30) days after the  
33 publication of the notice of the execution and approval of the lease.

34 (g) If a unit exercises an option to buy a leased facility from a  
35 lessor, the unit may subsequently sell the leased facility, without  
36 regard to any other statute, to the lessor at the end of the lease  
37 term at a price set forth in the lease or at fair market value  
38 established at the time of the sale by the executive of the unit  
39 through auction, appraisal, or arms length negotiation. If the  
40 facility is sold at auction, after appraisal, or through negotiation,  
41 the unit shall conduct a hearing after public notice in accordance  
42 with IC 5-3-1 before the sale. Any action to contest the sale must be



1 brought within fifteen (15) days of the hearing.

2 **Sec. 5.** Notwithstanding any other law, if a civil taxing unit  
3 desires to issue obligations, or enter into leases, payable wholly or  
4 in part by the taxes imposed under IC 6-3.6-6 or IC 6-3.6-7 (but not  
5 IC 6-3.6-5), the obligations of the civil taxing unit or any lessor may  
6 be sold at public sale in accordance with IC 5-1-11 or at negotiated  
7 sale.

8 **Sec. 6. (a)** A pledge of revenues from a tax imposed under  
9 IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5) is enforceable in  
10 accordance with IC 5-1-14.

11 **(b)** With respect to obligations for which a pledge has been  
12 made under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5), the  
13 general assembly covenants with the county and the purchasers or  
14 owners of those obligations that this article will not be repealed or  
15 amended in any manner that will adversely affect the tax collected  
16 under this article as long as the principal of or interest on those  
17 obligations is unpaid.

18 **Sec. 7. (a)** The general assembly finds that counties and  
19 municipalities in Indiana have a need to foster economic  
20 development, the development of new technology, and industrial  
21 and commercial growth. The general assembly finds that it is  
22 necessary and proper to provide an alternative method for counties  
23 and municipalities to foster the following:

- 24 (1) Economic development.
- 25 (2) The development of new technology.
- 26 (3) Industrial and commercial growth.
- 27 (4) Employment opportunities.
- 28 (5) The diversification of industry and commerce.

29 The fostering of economic development and the development of  
30 new technology under this section or section 8 of this chapter for  
31 the benefit of the general public, including industrial and  
32 commercial enterprises, is a public purpose.

33 **(b)** The fiscal bodies of two (2) or more counties or  
34 municipalities may, by resolution, do the following:

- 35 (1) Determine that part or all the revenue described in section  
36 2 of this chapter should be combined to foster:
  - 37 (A) economic development;
  - 38 (B) the development of new technology; and
  - 39 (C) industrial and commercial growth.
- 40 (2) Establish a regional venture capital fund.

41 **(c)** Each unit participating in a regional venture capital fund  
42 established under subsection (b) may deposit the following in the



- 1 **fund:**  
 2       (1) Revenues described in section 2 of this chapter.  
 3       (2) The proceeds of public or private grants.  
 4       (d) A regional venture capital fund shall be administered by a  
 5 governing board. The expenses of administering the fund shall be  
 6 paid from money in the fund. The governing board shall invest the  
 7 money in the fund not currently needed to meet the obligations of  
 8 the fund in the same manner as other public money may be  
 9 invested. Interest that accrues from these investments shall be  
 10 deposited into the fund. The fund is subject to an annual audit by  
 11 the state board of accounts. The fund must bear the full costs of the  
 12 audit.  
 13       (e) The fiscal body of each participating unit shall approve an  
 14 interlocal agreement created under IC 36-1-7 establishing the  
 15 terms for the administration of the regional venture capital fund.  
 16 The terms must include the following:  
 17       (1) The membership of the governing board.  
 18       (2) The amount of each unit's contribution to the fund.  
 19       (3) The procedures and criteria under which the governing  
 20 board may loan or grant money from the fund.  
 21       (4) The procedures for the dissolution of the fund and for the  
 22 distribution of money remaining in the fund at the time of the  
 23 dissolution.  
 24       (f) An interlocal agreement made by the participating units  
 25 under subsection (e) must provide that:  
 26       (1) each of the participating units is represented by at least  
 27 one (1) member of the governing board; and  
 28       (2) the membership of the governing board is established on  
 29 a bipartisan basis so that the number of the members of the  
 30 governing board who are members of one (1) political party  
 31 may not exceed the number of members of the governing  
 32 board required to establish a quorum.  
 33       (g) A majority of the governing board constitutes a quorum, and  
 34 the concurrence of a majority of the governing board is necessary  
 35 to authorize any action.  
 36       (h) An interlocal agreement made by the participating units  
 37 under subsection (e) must be submitted to the Indiana economic  
 38 development corporation for approval before the participating  
 39 units may contribute to the fund.  
 40       (i) A majority of members of a governing board of a regional  
 41 venture capital fund established under this section must have at  
 42 least five (5) years of experience in business, finance, or venture



1       **capital.**

2       **(j) The governing board of the fund may loan or grant money**  
 3 **from the fund to a private or public entity if the governing board**  
 4 **finds that the loan or grant will be used by the borrower or grantee**  
 5 **for at least one (1) of the following economic development**  
 6 **purposes:**

7           **(1) To promote significant employment opportunities for the**  
 8 **residents of the units participating in the regional venture**  
 9 **capital fund.**

10          **(2) To attract a major new business enterprise to a**  
 11 **participating unit.**

12          **(3) To develop, retain, or expand a significant business**  
 13 **enterprise in a participating unit.**

14       **(k) The expenditures of a borrower or grantee of money from**  
 15 **a regional venture capital fund that are considered to be for an**  
 16 **economic development purpose include expenditures for any of the**  
 17 **following:**

18           **(1) Research and development of technology.**

19           **(2) Job training and education.**

20           **(3) Acquisition of property interests.**

21           **(4) Infrastructure improvements.**

22           **(5) New buildings or structures.**

23           **(6) Rehabilitation, renovation, or enlargement of buildings or**  
 24 **structures.**

25           **(7) Machinery, equipment, and furnishings.**

26           **(8) Funding small business development with respect to:**

27               **(A) prototype products or processes;**

28               **(B) marketing studies to determine the feasibility of new**  
 29 **products or processes; or**

30               **(C) business plans for the development and production of**  
 31 **new products or processes.**

32       **Sec. 8. (a) The fiscal body of a county or municipality may, by**  
 33 **resolution, establish a local venture capital fund.**

34       **(b) A unit establishing a local venture capital fund under**  
 35 **subsection (a) may deposit the following in the fund:**

36           **(1) Revenues described in section 2 of this chapter.**

37           **(2) The proceeds of public or private grants.**

38       **(c) A local venture capital fund shall be administered by a**  
 39 **governing board. The expenses of administering the fund shall be**  
 40 **paid from money in the fund. The governing board shall invest the**  
 41 **money in the fund not currently needed to meet the obligations of**  
 42 **the fund in the same manner as other public money may be**



1 invested. Interest that accrues from these investments shall be  
 2 deposited into the fund. The fund is subject to an annual audit by  
 3 the state board of accounts. The fund must bear the full costs of the  
 4 audit.

5 (d) The fiscal body of a unit establishing a local venture capital  
 6 fund under subsection (a) shall establish the terms for the  
 7 administration of the local venture capital fund. The terms must  
 8 include the following:

9 (1) The membership of the governing board.

10 (2) The amount of the unit's contribution to the fund.

11 (3) The procedures and criteria under which the governing  
 12 board may loan or grant money from the fund.

13 (4) The procedures for the dissolution of the fund and for the  
 14 distribution of money remaining in the fund at the time of the  
 15 dissolution.

16 (e) A unit establishing a local venture capital fund under  
 17 subsection (a) must be represented by at least one (1) member of  
 18 the governing board.

19 (f) The membership of the governing board must be established  
 20 on a bipartisan basis so that the number of the members of the  
 21 governing board who are members of one (1) political party may  
 22 not exceed the number of members of the governing board  
 23 required to establish a quorum.

24 (g) A majority of the governing board constitutes a quorum, and  
 25 the concurrence of a majority of the governing board is necessary  
 26 to authorize any action.

27 (h) The terms established under subsection (d) for the  
 28 administration of the local venture capital fund must be submitted  
 29 to the Indiana economic development corporation for approval  
 30 before a unit may contribute to the fund.

31 (i) A majority of members of a governing board of a local  
 32 venture capital fund established under this section must have at  
 33 least five (5) years of experience in business, finance, or venture  
 34 capital.

35 (j) The governing board of the fund may loan or grant money  
 36 from the fund to a private or public entity if the governing board  
 37 finds that the loan or grant will be used by the borrower or grantee  
 38 for at least one (1) of the following economic development  
 39 purposes:

40 (1) To promote significant employment opportunities for the  
 41 residents of the unit establishing the local venture capital  
 42 fund.



- 1           **(2) To attract a major new business enterprise to the unit.**
- 2           **(3) To develop, retain, or expand a significant business**
- 3           **enterprise in the unit.**
- 4           **(k) The expenditures of a borrower or grantee of money from**
- 5           **a local venture capital fund that are considered to be for an**
- 6           **economic development purpose include expenditures for any of the**
- 7           **following:**
  - 8           **(1) Research and development of technology.**
  - 9           **(2) Job training and education.**
  - 10           **(3) Acquisition of property interests.**
  - 11           **(4) Infrastructure improvements.**
  - 12           **(5) New buildings or structures.**
  - 13           **(6) Rehabilitation, renovation, or enlargement of buildings or**
  - 14           **structures.**
  - 15           **(7) Machinery, equipment, and furnishings.**
  - 16           **(8) Funding small business development with respect to:**
    - 17           **(A) prototype products or processes;**
    - 18           **(B) marketing studies to determine the feasibility of new**
    - 19           **products or processes; or**
    - 20           **(C) business plans for the development and production of**
    - 21           **new products or processes.**

22           **Chapter 11. Supplemental Allocation and Distribution**  
 23           **Requirements**

24           **Sec. 1. (a) This section applies to any county that imposed a**  
 25           **former tax to provide for a levy freeze.**

26           **(b) The revenue used to offset the levy freeze shall be part of the**  
 27           **tax rate under IC 6-3.6-6.**

28           **(c) The levy freeze amount prescribed by the adopting body**  
 29           **shall continue to be applied under this article as it was applied**  
 30           **under the former tax until an adopting body adopts an ordinance**  
 31           **that fixes the levy freeze amount as of a certain date as permitted**  
 32           **under the former tax. A levy freeze may be fixed as of a certain**  
 33           **date, but may not be rescinded.**

34           **(d) The levy freeze, levy amounts, and income tax distributions**  
 35           **shall be administered in the same manner as under the former tax.**  
 36           **The distributions of income tax shall be made before allocating or**  
 37           **distributing revenue under IC 6-3.6-6 or applying the property tax**  
 38           **credits funded by a tax rate under IC 6-3.6-5.**

39           **(e) Notwithstanding IC 6-1.1-18.5-3 and IC 6-3.5-1.5, for**  
 40           **purposes of calculating the maximum permissible ad valorem**  
 41           **property tax levy under IC 6-1.1-18.5 for an ensuing calendar year**  
 42           **beginning after December 31, 2016, revenue under IC 6-3.6-6 that**



1 is applied under this section for purposes of a levy freeze shall not  
 2 be included in the amount determined under STEP ONE of  
 3 IC 6-1.1-18.5-3 for the civil taxing unit.

4 (f) This subsection applies for ensuing calendar years beginning  
 5 after December 31, 2016. This subsection applies in a county that:

6 (1) imposed a tax rate for a levy freeze under IC 6-3.5-1.1-24  
 7 (before its repeal January 1, 2017) or IC 6-3.5-6-30 (before its  
 8 repeal January 1, 2017); and

9 (2) has not adopted an ordinance specifying that the levy  
 10 freeze will not apply to future increases in maximum  
 11 permissible ad valorem property tax levies.

12 The maximum permissible ad valorem property tax levy calculated  
 13 under IC 6-1.1-18.5 for the ensuing calendar year for a civil taxing  
 14 unit in a county subject to this section is equal to the civil taxing  
 15 unit's maximum permissible ad valorem property tax levy for the  
 16 current calendar year.

17 Sec. 2. (a) This section applies to Jasper County's allocation of  
 18 property tax credits provided by a tax rate under IC 6-3.6-5.

19 (b) A taxpayer that owns an industrial plant located in Jasper  
 20 County is ineligible for a credit under IC 6-3.5-5 against the  
 21 property taxes due on the industrial plant if the assessed value of  
 22 the industrial plant as of March 1, 2006, exceeded twenty percent  
 23 (20%) of the total assessed value of all taxable property in the  
 24 county on that date. The general assembly finds that the provisions  
 25 of this subsection are necessary because the industrial plant  
 26 represents such a large percentage of Jasper County's assessed  
 27 valuation.

28 Sec. 3. (a) This section applies to Lake County's categorizations,  
 29 allocations, and distributions under IC 6-3.6-5.

30 (b) The rate under the former tax in Lake County that was used  
 31 for any of the following shall be categorized under IC 6-3.6-5, and  
 32 the Lake County council may adopt an ordinance providing that  
 33 the revenue from the tax rate under this section may be used for  
 34 any of the following:

35 (1) To reduce all property tax levies imposed by the county by  
 36 the granting of property tax replacement credits against those  
 37 property tax levies.

38 (2) To provide local property tax replacement credits in Lake  
 39 County in the following manner:

40 (A) The tax revenue under this section that is collected  
 41 from taxpayers within a particular municipality in Lake  
 42 County (as determined by the department of state revenue





- 1 based on the department's best estimate) shall be used only  
 2 to provide a local property tax credit against property  
 3 taxes imposed by that municipality.
- 4 (B) The tax revenue under this section that is collected  
 5 from taxpayers within the unincorporated area of Lake  
 6 County (as determined by the department of state revenue)  
 7 shall be used only to provide a local property tax credit  
 8 against property taxes imposed by the county. The local  
 9 property tax credit for the unincorporated area of Lake  
 10 County shall be available only to those taxpayers within  
 11 the unincorporated area of the county.
- 12 (3) To provide property tax credits in the following manner:
- 13 (A) Sixty percent (60%) of the tax revenue shall be used as  
 14 provided in subdivision (2).
- 15 (B) Forty percent (40%) of the tax revenue shall be used to  
 16 provide property tax replacement credits against property  
 17 tax levies of the county and each township and  
 18 municipality in the county. The percentage of the tax  
 19 revenue distributed under this item that shall be used as  
 20 credits against the county's levies or against a particular  
 21 township's or municipality's levies is equal to the  
 22 percentage determined by dividing the population of the  
 23 county, township, or municipality by the sum of the total  
 24 population of the county, each township in the county, and  
 25 each municipality in the county.
- 26 The Lake County council shall determine whether the credits  
 27 under subdivision (1), (2), or (3) shall be provided to homesteads,  
 28 to all qualified residential property, or to all taxpayers. The  
 29 department of local government finance, with the assistance of the  
 30 budget agency, shall certify to the county auditor and the fiscal  
 31 body of the county and each township and municipality in the  
 32 county the amount of property tax credits under this subdivision.  
 33 The tax revenue under this section that is used to provide credits  
 34 under this subdivision shall be treated for all purposes as property  
 35 tax levies but shall not be considered for purposes of computing the  
 36 maximum permissible property tax levy under IC 6-1.1-18.5-3 or  
 37 the credit under IC 6-1.1-20.6.
- 38 Sec. 4. (a) This section applies to Marion County's allocation of  
 39 the tax revenue under IC 6-3.6-6 that is dedicated to public safety.
- 40 (b) The adopting body may allocate part or all of the certified  
 41 distribution that is allocated to public safety purposes to fund the  
 42 operation of a public communications system and computer



1 facilities district as provided in an election, if any, made by the  
2 county fiscal body under IC 36-8-15-19(b).

3 **Sec. 5. (a) This section applies to Marion County's allocation of**  
4 **the tax revenue under IC 6-3.6-6 that is dedicated to certified**  
5 **shares.**

6 **(b) The consolidated city, the county, all special taxing districts,**  
7 **special service districts, included towns (as defined in IC 36-3-1-7),**  
8 **and all other political subdivisions except:**

9 **(1) townships;**

10 **(2) excluded cities (as defined in IC 36-3-1-7); and**

11 **(3) school corporations;**

12 **are considered to comprise one (1) civil taxing unit whose fiscal**  
13 **body is the fiscal body of the consolidated city.**

14 **(c) For purposes of subsection (d), the following amounts are**  
15 **referred to as the subsection (c) ratio:**

|    |                            |        |
|----|----------------------------|--------|
| 16 | Center Township            | .0251  |
| 17 | Decatur Township           | .00217 |
| 18 | Franklin Township          | .0023  |
| 19 | Lawrence Township          | .01177 |
| 20 | Perry Township             | .01130 |
| 21 | Pike Township              | .01865 |
| 22 | Warren Township            | .01359 |
| 23 | Washington Township        | .01346 |
| 24 | Wayne Township             | .01307 |
| 25 | Lawrence-City              | .00858 |
| 26 | Beech Grove                | .00845 |
| 27 | Southport                  | .00025 |
| 28 | Speedway                   | .00722 |
| 29 | Indianapolis/Marion County | .86409 |

30 **(d) The distributive shares that each civil taxing unit in the**  
31 **county is entitled to receive during a month equals the total**  
32 **amount of revenues that are to be distributed as distributive shares**  
33 **during that month calculated as follows:**

34 **STEP ONE: Determine the total amount of revenues that**  
35 **were distributed as distributive shares during that month in**  
36 **calendar year 1995.**

37 **STEP TWO: Determine the total amount of revenue that the**  
38 **department has certified as distributive shares for that**  
39 **month under IC 6-3.6-6 for the calendar year.**

40 **STEP THREE: Subtract the STEP ONE result from the**  
41 **STEP TWO result.**

42 **STEP FOUR: If the STEP THREE result is less than or**



1 equal to zero (0), multiply the STEP TWO result by the  
2 applicable subsection (c) ratio for the civil taxing unit.

3 **STEP FIVE: Determine the ratio of:**

4 (A) the maximum permissible property tax levy under  
5 IC 6-1.1-18.5 for each civil taxing unit for the calendar  
6 year in which the month falls, plus, for a county, the  
7 welfare allocation amount; divided by

8 (B) the sum of the maximum permissible property tax  
9 levies under IC 6-1.1-18.5 for all civil taxing units of the  
10 county during the calendar year in which the month falls,  
11 and an amount equal to the welfare allocation amount.

12 **STEP SIX: If the STEP THREE result is greater than zero**  
13 **(0), the STEP ONE amount shall be distributed by**  
14 **multiplying the STEP ONE amount by the subsection (c)**  
15 **ratio.**

16 **STEP SEVEN: For each taxing unit determine the STEP**  
17 **FIVE ratio multiplied by the STEP TWO amount.**

18 **STEP EIGHT: For each civil taxing unit determine the**  
19 **difference between the STEP SEVEN amount minus the**  
20 **product of the STEP ONE amount multiplied by the**  
21 **subsection (c) ratio. The STEP THREE excess shall be**  
22 **distributed as provided in STEP NINE only to the civil taxing**  
23 **units that have a STEP EIGHT difference greater than or**  
24 **equal to zero (0).**

25 **STEP NINE: For the civil taxing units qualifying for a**  
26 **distribution under STEP EIGHT, each civil taxing unit's**  
27 **share equals the STEP THREE excess multiplied by the ratio**  
28 **of:**

29 (A) the maximum permissible property tax levy under  
30 IC 6-1.1-18.5 for the qualifying civil taxing unit during the  
31 calendar year in which the month falls, plus, for a county,  
32 an amount equal to the welfare allocation amount; divided  
33 by

34 (B) the sum of the maximum permissible property tax  
35 levies under IC 6-1.1-18.5 for all qualifying civil taxing  
36 units of the county during the calendar year in which the  
37 month falls, and an amount equal to the welfare allocation  
38 amount.

39 SECTION 8. IC 6-9-47, AS ADDED BY HEA 1044-2015, IS  
40 REPEALED [EFFECTIVE JULY 1, 2015]. (Indiana Toll Road Food  
41 and Beverage Tax).

42 SECTION 9. [EFFECTIVE JULY 1, 2015] (a) The legislative



1 council shall provide for the preparation and introduction of  
 2 legislation in the 2016 session of the general assembly to correct  
 3 cross-references and make other changes to the Indiana Code, as  
 4 necessary, to bring provisions that are not added or amended by  
 5 this act into conformity with this act.

6 (b) This SECTION expires January 1, 2017.

7 SECTION 10. [EFFECTIVE UPON PASSAGE] (a) The Indiana  
 8 general assembly recognizes the importance of Clark County in the  
 9 southern Indiana region and to the state. Further, the Indiana  
 10 general assembly finds that the creation of a local commission  
 11 under which local leaders can enter into a dialogue and plan Clark  
 12 County's future and to provide the general assembly with a report  
 13 of its findings is in the best interest of the state of Indiana.

14 (b) As used in this SECTION, "commission" refers to the Clark  
 15 County leadership commission established by subsection (c).

16 (c) The Clark County leadership commission is established.

17 (d) The commission consists of the following members:

18 (1) One (1) representative from the fiscal body of Clark County  
 19 and from the fiscal body of each incorporated city and town in  
 20 the county, from the membership of the fiscal body or as  
 21 designated by official action of its membership.

22 (2) One (1) representative from each school corporation in  
 23 Clark County, from its governing board or as designated by its  
 24 governing body.

25 (3) A representative of the River Ridge Commerce Center  
 26 governing board, from its membership or as designated by the  
 27 governing board.

28 (4) A representative of One Southern Indiana as designated by  
 29 its governing board. The representative of One Southern  
 30 Indiana shall act as secretary of the commission.

31 (5) The sheriff of Clark County, or the sheriff's designee, who  
 32 shall provide public safety, jail, and other law enforcement  
 33 information and recommendations to the commission.

34 (6) A representative from the Clark County Fire Chiefs  
 35 Association.

36 The governor shall appoint the chair of the commission. The  
 37 appointment of the chair of the commission shall be made from the  
 38 membership of the commission or by appointment of an additional  
 39 member to the commission as otherwise determined by the  
 40 governor. The speaker of the house of representatives shall appoint  
 41 the vice chair of the commission from the membership of the  
 42 commission or by appointment of an additional member to the



1 commission as otherwise determined by the speaker. The president  
 2 pro tempore of the senate shall appoint a legal counsel and a  
 3 nonvoting facilitator for the commission. The commission's  
 4 business must be conducted during a public meeting held in  
 5 compliance with IC 5-14-1.5.

6 (e) The commission shall:

7 (1) study the structure and operation of each existing tax  
 8 increment financing district in Clark County;

9 (2) study the property tax impact of tax increment financing  
 10 districts on county government, municipal government,  
 11 schools, libraries, public safety, and fire protection districts in  
 12 Clark County;

13 (3) study the overall tax structure of Clark County, including  
 14 local ordinances, in order to make recommendations to  
 15 stabilize the future fiscal circumstances for all Clark County  
 16 local governmental units;

17 (4) study the public services and infrastructure needs for  
 18 potential population growth in Clark County as a result of  
 19 economic development in Clark County;

20 (5) study whether tax increment financing strategies and  
 21 policies in Clark County need to be changed or modified to  
 22 support the potential population growth in Clark County;

23 (6) study any other fiscal challenge that the commission  
 24 believes is affecting the greater Clark County area;

25 (7) make recommendations for best practices concerning tax  
 26 increment financing methods that ensure:

27 (A) transparency and practicality; and

28 (B) that all units of local government that are affected by the  
 29 establishment of a tax increment financing district have  
 30 meaningful input in the approval process;

31 (8) prepare a recommended plan for the management of tax  
 32 increment financing districts in Clark County; and

33 (9) make recommendations for the development of a  
 34 comprehensive land use and thoroughfare plan for Clark  
 35 County that is transparent and practical.

36 The commission shall complete the commission's duties under this  
 37 subsection within a reasonable time.

38 (f) The commission is entitled to reimbursement for expenses of  
 39 the commission from each redevelopment commission or other  
 40 entity that has established at least one (1) existing tax increment  
 41 financing district in Clark County. The reimbursement amount to  
 42 which the commission is entitled from a redevelopment commission



1 or other entity under this subsection must be proportionate to:

2 (1) the incremental property tax revenue in the preceding year  
3 that is attributable to all existing tax increment financing  
4 districts established by the redevelopment commission or other  
5 entity; divided by

6 (2) the total incremental property tax revenue in the preceding  
7 year that is attributable to all existing tax increment financing  
8 districts established by all redevelopment commissions or other  
9 entities in Clark County.

10 Notwithstanding any other law, upon submission by the  
11 commission of a claim for reimbursement of expenses under this  
12 SECTION, a redevelopment commission or other entity shall pay  
13 the reimbursement amount to the commission.

14 (g) The commission may contract for professional services for  
15 purposes of completing the duties of the commission.

16 (h) The chair of the commission may request the legislative  
17 council to authorize the legislative services agency to provide  
18 assistance to the commission that relates to the duties of the  
19 commission under subsection (e)(2). If the legislative council  
20 authorizes assistance under this subsection, the legislative council  
21 may enter into an agreement with the commission that specifies the  
22 services that the legislative services agency will provide to the  
23 commission.

24 (i) The commission shall prepare and submit a written report of  
25 the study and recommendations of the commission under  
26 subsection (e), including a description of work conducted by the  
27 commission, a listing of recommended local actions, and requested  
28 changes to state statutes (if any), to the legislative council before  
29 December 1, 2015. The report submitted to the legislative council  
30 must be in an electronic format under IC 5-14-6. In addition, the  
31 commission shall present the commission's report at a public  
32 meeting that must be scheduled within thirty (30) days following  
33 submission of the report to the legislative council.

34 (j) This SECTION expires May 1, 2016.

35 SECTION 11. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1485, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 4 with "[EFFECTIVE JANUARY 1, 2017]".

Replace the effective dates in SECTIONS 5 through 6 with "[EFFECTIVE JULY 1, 2015]".

Page 2, line 1, delete "2015," and insert "**2016**,".

Page 2, delete lines 2 through 36 and insert "**uniform law that transitions each county from the former taxes to the tax governed by this article without any change in purpose of the former taxes to the extent practicable. The intent is that the revenue from the taxes under this article shall be distributed and used as close as possible to the way the revenue was distributed and used under the former taxes until a county adopts an ordinance under this article to change the distribution and use of the revenue as permitted by this article.**

(b) The general assembly declares that the enactment of IC 6-3.6 is a simplification, recodification, and replacement, in the same or a restated form, of the procedures established for the imposition, collection, and distribution of the income taxes authorized under a former tax. The substantive operation and effect of the provisions of a former tax that are repealed and replaced, in the same or a restated form, by the provisions of this article, continue uninterrupted.

(c) Notwithstanding the effective date of the repeal of the former tax laws on January 1, 2017, an adopting body may not adopt any ordinances under a former tax after June 30, 2015. In addition, notwithstanding the effective date of this article being July 1, 2015, an adopting body may not take any action under this article before July 1, 2016.

(d) To carry out the transition, the office of management and budget, along with the appropriate state agencies and in cooperation with each county, shall do the following:

- (1) Document all terms, conditions, limitations, and obligations that exist under the former taxes.
- (2) Categorize the tax rate under the former taxes into the appropriate tax rate or rates under this article to provide revenue for all the same purposes for which revenue under a former tax was used in 2016. The revenue shall be apportioned,



allocated, and distributed to taxing units, to the extent possible, in the same amounts, and be applied to those taxpayers in each property class that received any form of property tax relief in 2016 so that the benefits are received by the same property classes in the same proportionate amounts as in 2016. Matching the purposes of a former tax to the purposes under this article, including the apportionment, allocation, and distribution of revenue under this article shall be accomplished by using the best information available. These purposes include, but are not limited to, one (1) or more of the following:

(A) Property tax credits using the options set forth in IC 6-3.6-5, which categorization is to encompass all uses of the revenue under a former tax that provided any form of property tax relief, except for revenue used for a levy freeze described in IC 6-3.6-11, including the following purposes:

(i) Property tax replacement credits that applied to all classes of property, including part of the revenue categorized from the first twenty-five hundredths percent (0.25%) rate under the county adjusted gross income tax under IC 6-3.5-1.1 (repealed) for civil taxing units and school corporations using the attributed allocation amounts for civil taxing units and school corporations as those determinations were made under IC 6-3.5-1.1 (repealed).

(ii) Credits against property taxes that did not apply to all classes of property, such as homestead credits, credits on other types of residential property, or credits used to offset the exemption of inventory from property taxation.

(B) Special purpose revenue that is not covered by a special purpose rate under IC 6-3.6-7, such as revenue that must be dedicated to public safety or economic development.

(C) Certified shares without any restriction on the use of the revenue.

(D) A special purpose project (IC 6-3.6-7) using the former tax rate that was dedicated to the project.

(e) The department of local government finance shall, if necessary, recalculate maximum permissible property tax levies and property tax rates for all taxing units to transition to the use of property tax credits as prescribed in this article.

(f) The office of management and budget shall compile a comprehensive report detailing for each taxing unit throughout the state and for each property class type described in IC 6-3.5-6, the





categorization of revenue and its uses under this article compared to the former taxes. Before November 1, 2015, the department shall submit its report to the legislative council in an electronic format under IC 5-14-6.

**(g) The transition under this article shall be completed by August 1, 2016, for purposes of local government budgets for 2017."**

Page 3, line 2, delete "2015." and insert "**2016**."

Page 3, line 11, delete "2015," and insert "**2016**,".

Page 3, line 12, delete "2015," and insert "**2016**,".

Page 3, line 14, delete "(a)".

Page 3, line 22, delete "2015," and insert "**2016**,".

Page 3, delete lines 24 through 28, begin a new paragraph and insert:  
**"Sec. 5. A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in this article shall be treated after December 31, 2016, as a reference to the new provision."**

Page 3, line 32, after "purpose." insert "**Notwithstanding the repeal of IC 6-3.5 and the enactment of this article, any pledge of revenues received from a tax imposed under any of the provisions of IC 6-3.5 (prior to its repeal) to the payment, in whole or in part, of:**

- (1) the principal of and interest on bonds;**
- (2) lease rentals due under a lease; and**
- (3) the payment of any other obligation;**

**is binding and enforceable and remains in full force and effect as long as the principal of and interest on any bonds, the lease rentals due under any lease, or the payment of any obligation remains unpaid. The enactment of this article does not affect any rights, duties, obligations, proceedings, or liabilities accrued before January 1, 2017. Those rights, duties, obligations, proceedings, or liabilities continue and shall be imposed and enforced under prior law as if this article had not been enacted."**

Page 4, delete lines 5 through 24, begin a new paragraph and insert:  
**"Sec. 9. Before August 2, 2016, the budget agency, with the assistance of the department of local government finance, shall certify to each county the income tax rates under this article, by tax rate category, as categorized by the office of management and budget under this chapter."**

Page 4, line 25, delete "12." and insert "**10**."

Page 8, line 1, delete "fund." and insert "**fund, plus, in the case of Marion County, thirty-five million dollars (\$35,000,000)**."

Page 12, delete lines 8 through 13.

Page 13, line 35, delete "one percent (1%)" and insert "**two and**



five-tenths percent (2.5%)".

Page 13, delete line 42 and insert "**this section. Property taxes imposed due to a referendum in which a majority of the voters in the taxing unit imposing the property taxes approved the property taxes are not eligible for a credit under this section.**".

Page 14, delete lines 1 through 6.

Page 14, line 9, after "credits" insert "**in subsequent years. The ordinance must be adopted before July 1 and first applies in the following year and then thereafter until it is rescinded or modified. The property tax credits may be allocated**".

Page 14, between lines 16 and 17, begin a new line block indented and insert:

**"(3) For any of the following types of property as a single category:**

**(A) Residential property, as defined in 6-1.1-20.6-4.**

**(B) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20.9 (repealed) or the standard deduction under IC 6-1.1-12-37.**

**(C) Real property consisting of units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:**

**(i) residential property; or**

**(ii) commercial property."**

Page 14, line 17, delete "(3)" and insert "(4)".

Page 14, delete lines 30 through 42.

Page 15, delete lines 1 through 38.

Page 15, line 42, after "county." insert "**The credit percentage may be, but does not have to be, uniform for all categories of property.**".

Page 16, line 7, delete "uniformly only".

Page 16, line 8, delete "(d)(3)" and insert "**(d)(4)**".

Page 16, line 11, delete "(d)(3)." and insert "**(d)(4).**".

Page 16, line 14, delete "(d)(2)." and insert "**(d)(3).**".

Page 16, line 17, delete "(d)(1)." and insert "**(d)(2).**".

Page 16, between lines 17 and 18, begin a new line block indented and insert:

**"(4) Fourth, if an excess remains after applying the reduction as described in subdivisions (1) through (3), against property taxes imposed on property described in subsection (d)(1).**".

Page 16, line 39, delete "two and five-tenths percent (2.5%)" and



insert **"one and twenty-five hundredths percent (1.25%)"**.

Page 16, line 41, delete "two and seventy-five hundredths percent (2.75%)" and insert **"one and five-tenths percent (1.5%)"**.

Page 17, line 22, after "allocated" insert **"in subsequent years. The ordinance must be adopted before July 1 and first applies in the following year and then thereafter until it is rescinded or modified. The revenue must be allocated"**.

Page 18, line 29, delete "subsection" and insert **"IC 6-3.6-11,"**.

Page 18, line 30, delete "(b),".

Page 18, line 38, before "municipality" insert **"county or"**.

Page 18, line 40, after "by" insert **"the county and"**.

Page 20, delete lines 36 through 38, begin a new line double block indented and insert:

**"(B) the population of the entire county."**

Page 23, line 34, delete "." and insert **"other than Marion County."**

Page 23, delete lines 39 through 42.

Page 24, line 1, delete "(3)" and insert **"(2)"**.

Page 24, line 22, delete "(a) This section" and insert **"IC 6-3.6-11"**.

Page 24, delete lines 24 through 42.

Page 25, delete lines 1 through 9.

Page 27, line 5, after "years." insert **"The adopting body shall provide a notice to the budget agency, the department of local government finance, and the department of state revenue specifying that the date for the termination of the tax rate has occurred."**

Page 47, line 1, after "department" insert **"of state revenue"**.

Page 47, line 2, delete ":" and insert **"of state revenue:"**.

Page 53, line 40, after "highest" insert **"outstanding"**.

Page 54, line 2, after "highest" insert **"outstanding"**.

Page 60, between lines 1 and 2, begin a new paragraph and insert:

**"Chapter 11. Supplemental Allocation and Distribution Requirements**

**Sec. 1. (a) This section applies to any county that imposed a former tax to provide for a levy freeze.**

**(b) The revenue used to offset the levy freeze shall be part of the tax rate under IC 6-3.6-5.**

**(c) The levy freeze amount prescribed by the adopting body shall continue to be applied under this article as it was applied under the former tax until an adopting body adopts an ordinance:**

**(1) that fixes the levy freeze amount as of a certain date as permitted under the former tax; or**

**(2) provides that the levy freeze no longer applies.**



(d) The levy freeze, levy amounts, and income tax distributions shall be administered in the same manner as under the former tax. The distributions of income tax shall be made before applying the property tax credits funded by a tax rate under IC 6-3.6-5.

Sec. 2. (a) This section applies to Jasper County's allocation of property tax credits provided by a tax rate under IC 6-3.6-5.

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

Sec. 3. (a) This section applies to Lake County's categorizations, allocations, and distributions under IC 6-3.6-5.

(b) The rate under the former tax in Lake County that was used for any of the following shall be categorized under IC 6-3.6-5 and used for the following:

(1) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

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

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

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

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

(A) Sixty percent (60%) of the tax revenue shall be used as provided in subdivision (2).



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

**The Lake County council shall determine whether the credits under subdivision (1), (2), or (3) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. The tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies but shall not be considered for purposes of computing the maximum permissible property tax levy under IC 6-1.1-18.5-3 or the credit under IC 6-1.1-20.6.**

**Sec. 4. (a) This section applies to Marion County's allocation of the tax revenue under IC 6-3.6-6 that is dedicated to public safety.**

**(b) The adopting body may allocate part or all of the certified distribution that is allocated to public safety purposes to fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b).**

**Sec. 5. (a) This section applies to Marion County's allocation of the tax revenue under IC 6-3.6-6 that is dedicated to certified shares.**

**(b) The consolidated city, the county, all special taxing districts, special service districts, included towns (as defined in IC 36-3-1-7), and all other political subdivisions except:**

- (1) townships;**
- (2) excluded cities (as defined in IC 36-3-1-7); and**
- (3) school corporations;**

**are considered to comprise one (1) civil taxing unit whose fiscal body is the fiscal body of the consolidated city.**

**(c) For purposes of subsection (d), the following amounts are**



referred to as the subsection (c) ratio:

|                            |        |
|----------------------------|--------|
| Center Township            | .0251  |
| Decatur Township           | .00217 |
| Franklin Township          | .0023  |
| Lawrence Township          | .01177 |
| Perry Township             | .01130 |
| Pike Township              | .01865 |
| Warren Township            | .01359 |
| Washington Township        | .01346 |
| Wayne Township             | .01307 |
| Lawrence-City              | .00858 |
| Beech Grove                | .00845 |
| Southport                  | .00025 |
| Speedway                   | .00722 |
| Indianapolis/Marion County | .86409 |

(d) The distributive shares that each civil taxing unit in the county is entitled to receive during a month equals the total amount of revenues that are to be distributed as distributive shares during that month calculated as follows:

**STEP ONE:** Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

**STEP TWO:** Determine the total amount of revenue that the department has certified as distributive shares for that month under IC 6-3.6-6 for the calendar year.

**STEP THREE:** Subtract the STEP ONE result from the STEP TWO result.

**STEP FOUR:** If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the applicable subsection (c) ratio for the civil taxing unit.

**STEP FIVE:** Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 for each civil taxing unit for the calendar year in which the month falls, plus, for a county, the welfare allocation amount; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the welfare allocation amount.

**STEP SIX:** If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the subsection (c)



ratio.

**STEP SEVEN:** For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

**STEP EIGHT:** For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the subsection (c) ratio. The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

**STEP NINE:** For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the welfare allocation amount; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the welfare allocation amount."

and when so amended that said bill do pass.

(Reference is to HB 1485 as introduced.)

BROWN T

Committee Vote: yeas 19, nays 0.

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#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1485 be amended to read as follows:

Page 2, line 3, delete "purpose" and insert "**the purposes**".

Page 2, line 4, after "that" insert "**the transition will take effect January 1, 2017, and that**".

Page 2, line 7, delete "a county adopts".

Page 2, line 7, after "ordinance" insert "**is adopted**".

Page 2, line 17, after "uninterrupted" delete "." and insert "**until an**

**EH 1485—LS 7183/DI 58**



**ordinance is adopted under this article."**

Page 2, line 34, after "amounts" insert "**in 2017**".

Page 3, line 37, delete "department" and insert "**office of management and budget**".

Page 4, line 4, delete "2015;" and insert "**2016**";.

Page 4, line 27, delete "May 1" and insert "**December 31**".

Page 15, line 15, delete "any of".

Page 15, line 33, delete "A taxpayer" and insert "**However, IC 6-3.6-11-2 applies in Jasper County.**".

Page 15, delete lines 34 through 42.

Page 16, line 5, after "property" insert "**listed in subsection (d)**".

Page 17, line 11, delete "follows:" and insert "**additional**".

Page 17, delete lines 12 through 20.

Page 17, run in lines 11 through 21.

Page 17, line 24, delete "(A)", begin a new line block indented and insert:

**"(1)"**.

Page 17, line 26, delete "(B)", begin a new line block indented and insert:

**"(2)"**.

Page 29, line 11, after "tax" insert "**rate**".

Page 29, line 11, delete "this section" and insert "**IC 6-3.6-5**".

Page 29, line 11, delete "an amount equal".

Page 29, line 12, before "a tax" delete "to".

Page 29, line 12, delete "(0.15%)" and insert "**(0.15%)**".

Page 43, line 16, after "." insert "**The tax rate under this section plus the tax rate under IC 6-3.5-5 may not exceed two and five-tenths percent (2.5%)**".

Page 43, line 41, delete "this subsection" and insert "**IC 6-3.5-6**".

Page 60, line 2, delete "this section" and insert "**IC 6-3.5-5**".

Page 60, line 4, delete "exceeds" and insert "**exceeded**".

(Reference is to HB 1485 as printed February 17, 2015.)

THOMPSON





## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1485, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-3-7.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2015]: **Sec. 7.3. (a) A county fiscal body may adopt an ordinance to impose a local service fee on each person that files an annual certification with the county assessor under section 7.2 of this chapter stating that the person's business personal property in the county is exempt from taxation under section 7.2 of this chapter for an assessment date after December 31, 2015.**

**(b) The county fiscal body shall specify the amount of the local service fee in the ordinance. A local service fee imposed on a person under this section may not exceed fifty dollars (\$50).**

**(c) A local service fee imposed for an assessment date is due and payable at the same time that property taxes for that assessment date are due and payable. A county may collect a delinquent local service fee in the same manner as delinquent property taxes are collected.**

**(d) The revenue from a local service fee:**

**(1) shall be allocated in the same manner and proportion and at the same time as property taxes are allocated to each taxing unit in the county; and**

**(2) may be used by a taxing unit for any lawful purpose of the taxing unit."**

Page 2, line 3, after "article" delete "without any changes in the purposes" and insert ".".

Page 2, delete lines 4 through 18.

Page 2, line 19, delete "(c)" and insert "**(b)**".

Page 2, line 21, delete "2015." and insert "**2016.**".

Page 2, line 25, delete "(d)" and insert "**(c)**".

Page 2, line 33, delete ". The revenue shall be" and insert "**, except to the extent required under this article and to the extent that an adopting body takes action under this article after June 30, 2016, to change the purposes and allocation of the revenue as permitted under this article.**".

Page 2, delete lines 34 through 38.

Page 2, line 39, delete "proportionate amounts as in 2016."

**EH 1485—LS 7183/DI 58**



Page 3, delete lines 3 through 33, begin a new line double block indented and insert:

**"(A) Property tax credits using the options set forth in IC 6-3.6-5. This categorization is limited to former tax rates that were dedicated to providing credits against property taxes under IC 6-3.5-1.1-26, IC 6-3.5-6, or IC 6-3.5-7.**

**(B) School corporation distributions and additional revenue. All former tax rates not used for a specified project or categorized under clause (A) shall be categorized under IC 6-3.6-6 using the former tax rates or dollar amounts that were dedicated for school corporation distributions, public safety, economic development, and certified shares.**

**(C) A special purpose project (IC 6-3.6-7) using the former tax rate that was dedicated to the project."**

Page 3, line 34, delete "(f)" and insert "(d)".

Page 3, line 41, delete "(g)" and insert "(e)".

Page 3, line 42, after "2017" delete "." and insert **"and for purposes of the distribution and allocation of revenue under this article after December 31, 2016."**

Page 4, line 4, delete "February 28," and insert **"December 31, 2015; and"**.

Page 4, delete line 5.

Page 4, line 38, delete "IC 6-3.5" and insert **"IC 6-3.5-1.1, IC 6-3.5-1.5, IC 6-3.5-6, and IC 6-3.5-7"**.

Page 4, line 40, delete "IC 6-3.5" and insert **"IC 6-3.5-1.1, IC 6-3.5-1.5, IC 6-3.5-6, and IC 6-3.5-7"**.

Page 4, line 40, delete "its" and insert **"their"**.

Page 5, line 10, after "enacted" delete "." and insert **"and the prior law had not been repealed."**

Page 13, line 32, after "under" insert **"IC 6-3.5-1.1 (before its repeal January 1, 2017), IC 6-3.5-6 (before its repeal January 1, 2017), IC 6-3.5-7 (before its repeal January 1, 2017),"**.

Page 13, line 32, after "IC 6-3.6-6" insert ",".

Page 14, line 35, delete "two and five-tenths percent (2.5%)" and insert **"one and twenty-five hundredths percent (1.25%)"**.

Page 16, line 40, delete "one and twenty-five hundredths percent (1.25%)" and insert **"two and five-tenths percent (2.5%)"**.

Page 16, line 42, delete "one and five-tenths percent (1.5%)" and insert **"two and seventy-five hundredths percent (2.75%)"**.

Page 17, line 4, delete "additional revenue (referred to as additional" and insert **"follows:**

**(1) To make distributions to school corporations and civil**



taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1. The revenue categorized from the first twenty-five hundredths percent (0.25%) of the rate for a former tax adopted under IC 6-3.5-1.1 shall be allocated to school corporations and civil taxing units. The amount of the allocation to a school corporation or civil taxing unit shall be determined using the allocation amounts for civil taxing units and school corporations in the determination.

(2) The remaining revenue shall be treated as additional revenue (referred to as "additional revenue" in this chapter). Additional revenue may not be considered by the department of local government finance in determining:

(A) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or

(B) the approved property tax rate for any fund."

Page 17, delete lines 5 through 9.

Page 18, line 25, after "purpose." insert "For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9."

Page 18, delete lines 30 through 35, begin a new line double block indented and insert:

"(A) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-6, the result of the total property taxes imposed in the county by the county or municipality for the calendar year, divided by the sum of the total property taxes imposed in the county by the county and each municipality in the county that is entitled to a distribution under this section for the calendar year; or

(B) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-1.1 or a county that did not impose a rate for public safety under either IC 6-3.5-1.1 or IC 6-3.5-6, the result of the attributed allocation amount of the county or municipality for the calendar year, divided by the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for the calendar year."

Page 19, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 8.5. (a) This section applies only to Marion County.

(b) The adopting body may allocate additional revenue to fund



the operation of a public library in a county containing a consolidated city as provided in an election, if any, made by the county fiscal body under IC 36-3-7-6. An allocation under this section shall be made from the part of the additional revenue that would otherwise be allocated as certified shares.

(c) The adopting body may allocate additional revenue to fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42. An allocation under this section shall be made from the part of the additional revenue that would otherwise be allocated as certified shares."

Page 19, delete lines 33 through 42.

Page 20, line 1, delete "FOUR:" and insert "TWO:".

Page 20, line 2, delete "THREE" and insert "ONE".

Page 20, line 7, delete "FIVE:" and insert "THREE:".

Page 20, line 11, delete "FOUR" and insert "TWO".

Page 20, delete lines 36 through 42.

Page 21, delete lines 1 through 26, begin a new paragraph and insert:  
**"(e) This section applies to Porter County. Three million five hundred thousand dollars (\$3,500,000) of the additional revenue that is allocated each year for economic development purposes shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county to make transfers as provided in and required under IC 36-7.5-4-2 (before its repeal).**

**Sec. 9.5. (a) The executive of a county, city, or town may:**

- (1) adopt a capital improvement plan specifying the uses of the additional revenue to be allocated for economic development purposes; or**
- (2) designate the county or a city or town in the county as the recipient of all or a part of its share of the additional revenue that is distributed to it for economic development purposes.**

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

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

- (1) its fractional amount of the additional revenue to be allocated for economic development purposes; or**
- (2) any amount designated under subsection (a)(2);**

**for the year or years in which the unit does not have a plan. The county treasurer shall retain the amounts not distributed for such**



a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes part of the account. If a unit fails to adopt a plan for a period of three (3) years, the balance in the separate account shall be distributed to the other units in the county in the same manner that other additional revenue allocated for economic development purposes is distributed.

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

- (1) Identification and general description of each project that would be funded by other additional revenue allocated for economic development purposes.
- (2) The estimated total cost of the project.
- (3) Identification of all sources of funds expected to be used for each project.
- (4) The planning, development, and construction schedule of each project.

(e) A capital improvement plan:

- (1) must encompass a period of not less than two (2) years; and
- (2) must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount of additional revenue allocated for economic development purposes that is expected to be received by the county, city, or town in that period.

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

Page 21, line 33, delete "This" and insert "Except as provided in this chapter and IC 6-3.6-11, this".

Page 22, line 10, delete "This" and insert "Except as provided in this chapter and IC 6-3.6-11, this".

Page 24, between lines 39 and 40, begin a new paragraph and insert:  
**"Sec. 20. (a) This section applies to any allocation or distribution of revenue under section 3(1) or 3(2) of this chapter that is made on the basis of property tax levies. If a school corporation or civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which revenue under section 3(1) or 3(2) of this chapter is being allocated or distributed, that school corporation or civil taxing unit is entitled to receive a part of the revenue under section 3(1) or 3(2) of this chapter (as appropriate) to be distributed within the county.**



The fractional amount that such a school corporation or civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount of revenue under section 3(1) or 3(2) of this chapter to be distributed on the basis of property tax levies during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that school corporation or civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all school corporations or civil taxing units of that county for that calendar year.

(b) If for a calendar year a school corporation or civil taxing unit is allocated a part of a county's revenue under section 3(1) or 3(2) of this chapter by subsection (a), the calculations used to determine the shares of revenue of all other school corporations and civil taxing units under section 3(1) or 3(2) of this chapter (as appropriate) shall be changed each month for that same year by reducing the amount of revenue to be distributed by the amount of revenue under section 3(1) or 3(2) of this chapter allocated under subsection (a) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors."

Page 28, line 39, after "district." insert "The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. Tax revenues derived from the part of the tax rate imposed under IC 6-3-5 that is designated for property tax replacement credits under this section shall be deposited in the library property tax replacement fund. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund."

Page 29, line 37, after "fund." insert "However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not



impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

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

(f) For the purpose of allocating tax revenue under IC 6-3.6-6 and computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year."

Page 42, delete lines 41 through 42.

Page 43, after line 42, begin a new paragraph and insert:

"(c) The tax rate under this section plus the tax rate under IC 6-3.5-5 may not exceed two and five-tenths percent (2.5%).

Sec. 28. (a) This section applies only to Rush County.

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

- (1) finance the construction, acquisition, improvement, renovation, equipping, operation, or maintenance of the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs; and
- (2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

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

(d) The county council may impose a tax on the adjusted gross income of local taxpayers at a tax rate of:

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



- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%);
- (8) five-tenths percent (0.5%);
- (9) fifty-five hundredths percent (0.55%); or
- (10) six-tenths percent (0.6%);

on the adjusted gross income of county taxpayers if the county council makes the determination set forth in subsection (b).

(e) If the county council imposes the tax under this section to pay for the purposes described in subsection (b) when:

- (1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and
- (2) all bonds issued (including any refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the facilities referred to in subsection (b)(1).

(f) The tax imposed under this section may be imposed only until the latest of the following dates:

- (1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.
- (2) The date on which the last of any bonds issued (including any refundable bond) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid.
- (3) The date on which an ordinance adopted under subsection (c) is rescinded.

(g) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b) may not exceed twenty-five (25) years.

(h) The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in this section. Revenue derived from the tax imposed under this section shall be deposited in the county facilities revenue fund.

(i) Revenue derived from the tax imposed under this section:

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





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

(j) Rush County possesses unique governmental and economic development challenges due to:

(1) deficiencies in the current county jail, including:

- (A) aging facilities, which have been significantly improved or renovated since the original constructions;
- (B) lack of recreation and medical facilities;
- (C) inadequate line of sight supervision of inmates due to current jail configurations;
- (D) lack of adequate housing for an increasing population of female inmate population and inmates with special needs;
- (E) lack of adequate administrative space; and
- (F) increasing maintenance demands and costs resulting from the age of the facilities; and

(2) a limited amount of industrial and other commercial tax base.

The use of a tax under this section is necessary for the county to provide adequate jail facilities in the county and to maintain low property tax rates essential to economic development. The use of a tax under this section as provided in subsection (b) rather than use of property taxes promotes these purposes.

(k) Notwithstanding any other law, money remaining in the county facilities revenue fund established under subsection (h) after the tax imposed by this section is terminated under subsection (f) shall be transferred to the county rainy day fund under IC 36-1-8-5.1."

Page 59, line 14, delete "IC 6-3.6-5." and insert "IC 6-3.6-6."

Page 59, line 17, after "ordinance" delete ":".

Page 59, line 18, delete "(1)".

Page 59, run in lines 17 through 18.

Page 59, line 19, delete "; or" and insert ". A levy freeze may be fixed as of a certain date, but may not be rescinded."

Page 59, delete line 20.

Page 59, line 23, after "before" insert "allocating or distributing revenue under IC 6-3.6-6 or".

Page 59, between lines 24 and 25, begin a new paragraph and insert:  
 "(e) Notwithstanding IC 6-1.1-18.5-3 and IC 6-3.5-1.5, for



purposes of calculating the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for an ensuing calendar year beginning after December 31, 2016, revenue under IC 6-3.6-6 that is applied under this section for purposes of a levy freeze shall not be included in the amount determined under STEP ONE of IC 6-1.1-18.5-3 for the civil taxing unit.

(f) This subsection applies for ensuing calendar years beginning after December 31, 2016. This subsection applies in a county that:

- (1) imposed a tax rate for a levy freeze under IC 6-3.5-1.1-24 (before its repeal January 1, 2017) or IC 6-3.5-6-30 (before its repeal January 1, 2017); and
- (2) has not adopted an ordinance specifying that the levy freeze will not apply to future increases in maximum permissible ad valorem property tax levies.

The maximum permissible ad valorem property tax levy calculated under IC 6-1.1-18.5 for the ensuing calendar year for a civil taxing unit in a county subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year."

Page 59, line 39, after "IC 6-3.6-5" delete "and" and insert ", and the Lake County council may adopt an ordinance providing that the revenue from the tax rate under this section may be".

Page 59, line 40, after "for" insert "any of".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1485 as reprinted February 20, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1485 be amended to read as follows:

Page 21, line 18, delete "section" and insert "**subsection**".

(Reference is to EHB 1485 as printed April 3, 2015.)

HERSHMAN



## SENATE MOTION

Madam President: I move that Engrossed House Bill 1485 be amended to read as follows:

Page 68, between lines 25 and 26, begin a new paragraph and insert: "SECTION 7. IC 6-9-47, AS ADDED BY HEA 1044-2015, IS REPEALED [EFFECTIVE JULY 1, 2015]. (Indiana Toll Road Food and Beverage Tax).".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1485 as printed April 3, 2015.)

HERSHMAN

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 SENATE MOTION

Madam President: I move that Engrossed House Bill 1485 be amended to read as follows:

Page 2, between lines 15 and 16, begin a new paragraph and insert: "SECTION 6. IC 6-3.5-7-5, AS AMENDED BY P.L.153-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. Except as provided in section 26(m) of this chapter, the entity that may impose the tax is:

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

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

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

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);

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- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

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

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

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

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

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

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

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

(i) For Wayne County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted



gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

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

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

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

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

(l) For:

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

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

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

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

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

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

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

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



(o) This subsection applies to a county in which an adopting entity approves the use of the certified distribution for property tax relief under section 26(c) and 26(e) of this chapter or to a county in which the county fiscal body approves the use of the certified distribution to fund a public transportation project under section 26(m) of this chapter. In addition:

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

(2) the:

(A) county economic development income tax; and

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

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

Except as provided in section 5.5 of this chapter, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed) before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

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

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

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

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

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

(2) county economic development income tax rate plus the county



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

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

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

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

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

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

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

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

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

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



adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

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

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

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

**(aa) This subsection applies to Greene County. The county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). However, if the county economic development tax rate plus the county option income tax rate in effect exceed one percent (1%), the maximum rate that may be imposed in the county for public safety purposes under IC 6-3.5-1.1-25 or IC 6-3.5-6-31 is equal to the difference between:**

- (1) twenty-five hundredths of one percent (0.25%); minus**
- (2) the amount by which the county economic development tax rate plus the county option income tax rate in effect exceeds one percent (1%)."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1485 as printed April 3, 2015.)

KENLEY





## SENATE MOTION

Madam President: I move that Engrossed House Bill 1485 be amended to read as follows:

Page 68, between lines 32 and 33, begin a new paragraph and insert:  
**"SECTION 8. [EFFECTIVE UPON PASSAGE] (a) The Indiana general assembly recognizes the importance of Clark County in the southern Indiana region and to the state. Further, the Indiana general assembly finds that the creation of a local commission under which local leaders can enter into a dialogue and plan Clark County's future and to provide the general assembly with a report of its findings is in the best interest of the state of Indiana.**

**(b) As used in this SECTION, "commission" refers to the Clark County leadership commission established by subsection (c).**

**(c) The Clark County leadership commission is established.**

**(d) The commission consists of the following members:**

**(1) One (1) representative from the fiscal body of Clark County and from the fiscal body of each incorporated city and town in the county, from the membership of the fiscal body or as designated by official action of its membership.**

**(2) One (1) representative from each school corporation in Clark County, from its governing board or as designated by its governing body.**

**(3) A representative of the River Ridge Commerce Center governing board, from its membership or as designated by the governing board.**

**(4) A representative of One Southern Indiana as designated by its governing board. The representative of One Southern Indiana shall act as secretary of the commission.**

**(5) The sheriff of Clark County, or the sheriff's designee, who shall provide public safety, jail, and other law enforcement information and recommendations to the commission.**

**(6) A representative from the Clark County Fire Chiefs Association.**

**The governor shall appoint the chair of the commission. The appointment of the chair of the commission shall be made from the membership of the commission or by appointment of an additional member to the commission as otherwise determined by the governor. The speaker of the house of representatives shall appoint the vice chair of the commission from the membership of the commission or by appointment of an additional member to the commission as otherwise determined by the speaker. The president pro tempore of the senate shall appoint a legal counsel and a**



nonvoting facilitator for the commission. The commission's business must be conducted during a public meeting held in compliance with IC 5-14-1.5.

(e) The commission shall:

- (1) study the structure and operation of each existing tax increment financing district in Clark County;
- (2) study the property tax impact of tax increment financing districts on county government, municipal government, schools, libraries, public safety, and fire protection districts in Clark County;
- (3) study the overall tax structure of Clark County, including local ordinances, in order to make recommendations to stabilize the future fiscal circumstances for all Clark County local governmental units;
- (4) study the public services and infrastructure needs for potential population growth in Clark County as a result of economic development in Clark County;
- (5) study whether tax increment financing strategies and policies in Clark County need to be changed or modified to support the potential population growth in Clark County;
- (6) study any other fiscal challenge that the commission believes is affecting the greater Clark County area;
- (7) make recommendations for best practices concerning tax increment financing methods that ensure:
  - (A) transparency and practicality; and
  - (B) that all units of local government that are affected by the establishment of a tax increment financing district have meaningful input in the approval process;
- (8) prepare a recommended plan for the management of tax increment financing districts in Clark County; and
- (9) make recommendations for the development of a comprehensive land use and thoroughfare plan for Clark County that is transparent and practical.

The commission shall complete the commission's duties under this subsection within a reasonable time.

(f) The commission is entitled to reimbursement for expenses of the commission from each redevelopment commission or other entity that has established at least one (1) existing tax increment financing district in Clark County. The reimbursement amount to which the commission is entitled from a redevelopment commission or other entity under this subsection must be proportionate to:

- (1) the incremental property tax revenue in the preceding year



that is attributable to all existing tax increment financing districts established by the redevelopment commission or other entity; divided by

(2) the total incremental property tax revenue in the preceding year that is attributable to all existing tax increment financing districts established by all redevelopment commissions or other entities in Clark County.

Notwithstanding any other law, upon submission by the commission of a claim for reimbursement of expenses under this SECTION, a redevelopment commission or other entity shall pay the reimbursement amount to the commission.

(g) The commission may contract for professional services for purposes of completing the duties of the commission.

(h) The chair of the commission may request the legislative council to authorize the legislative services agency to provide assistance to the commission that relates to the duties of the commission under subsection (e)(2). If the legislative council authorizes assistance under this subsection, the legislative council may enter into an agreement with the commission that specifies the services that the legislative services agency will provide to the commission.

(i) The commission shall prepare and submit a written report of the study and recommendations of the commission under subsection (e), including a description of work conducted by the commission, a listing of recommended local actions, and requested changes to state statutes (if any), to the legislative council before December 1, 2015. The report submitted to the legislative council must be in an electronic format under IC 5-14-6. In addition, the commission shall present the commission's report at a public meeting that must be scheduled within thirty (30) days following submission of the report to the legislative council.

(j) This SECTION expires May 1, 2016."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1485 as printed April 3, 2015.)

SMITH J

