



Reprinted  
February 20, 2015

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## HOUSE BILL No. 1485

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DIGEST OF HB 1485 (Updated February 19, 2015 3:18 pm - DI 58)

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

**Synopsis:** Local option income taxes. 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 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.

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

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## Thompson

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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.

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HB 1485—LS 7183/DI 58





Reprinted  
February 20, 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.

## 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 IC 6-3.5-1.1 IS REPEALED [EFFECTIVE JANUARY  
2 1, 2017]. (County Adjusted Gross Income Tax).  
3 SECTION 2. IC 6-3.5-1.5 IS REPEALED [EFFECTIVE JANUARY  
4 1, 2017]. (Calculation of Levy Freeze Amounts).  
5 SECTION 3. IC 6-3.5-6 IS REPEALED [EFFECTIVE JANUARY  
6 1, 2017]. (County Option Income Tax).  
7 SECTION 4. IC 6-3.5-7 IS REPEALED [EFFECTIVE JANUARY  
8 1, 2017]. (County Economic Development Income Tax).  
9 SECTION 5. IC 6-3.6 IS ADDED TO THE INDIANA CODE AS A  
10 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
11 2015]:  
12 **ARTICLE 3.6. LOCAL INCOME TAXES**  
13 **Chapter 1. Purpose; Application; Transitional Provisions**  
14 **Sec. 1. (a) The purpose of this article is to consolidate and**  
15 **simplify the various local income tax laws (referred to as a "former**

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1 tax" in this article) that are in effect on May 1, 2016, into a  
2 uniform law that transitions each county from the former taxes to  
3 the tax governed by this article without any change in the purposes  
4 of the former taxes to the extent practicable. The intent is that the  
5 transition will take effect January 1, 2017, and that the revenue  
6 from the taxes under this article shall be distributed and used as  
7 close as possible to the way the revenue was distributed and used  
8 under the former taxes until an ordinance is adopted under this  
9 article to change the distribution and use of the revenue as  
10 permitted by this article.

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

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

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

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

30 (2) Categorize the tax rate under the former taxes into the  
31 appropriate tax rate or rates under this article to provide  
32 revenue for all the same purposes for which revenue under a  
33 former tax was used in 2016. The revenue shall be  
34 apportioned, allocated, and distributed to taxing units, to the  
35 extent possible, in the same amounts in 2017, and be applied  
36 to those taxpayers in each property class that received any  
37 form of property tax relief in 2016 so that the benefits are  
38 received by the same property classes in the same  
39 proportionate amounts as in 2016. Matching the purposes of  
40 a former tax to the purposes under this article, including the  
41 apportionment, allocation, and distribution of revenue under  
42 this article shall be accomplished by using the best



1 information available. These purposes include, but are not  
2 limited to, one (1) or more of the following:

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

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

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

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

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

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

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

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

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



1           **Sec. 2. This article applies to:**

- 2           (1) taxes and tax liability in effect after December 31, 2015;  
 3           (2) homestead and property tax credits against property tax  
 4           liability imposed for an assessment date after February 28,  
 5           2016; and  
 6           (3) subject to subdivisions (1) and (2), administration of taxes  
 7           described in section 3 of this chapter, after December 31,  
 8           2016.

9           **Sec. 3. Except to the extent that taxes imposed in a county**  
 10          **under:**

- 11          (1) IC 6-3.5-1 (repealed);  
 12          (2) IC 6-3.5-1.1 (repealed);  
 13          (3) IC 6-3.5-6 (repealed); or  
 14          (4) IC 6-3.5-7 (repealed);

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

20          **Sec. 4. Notwithstanding:**

- 21          (1) IC 6-3.5-1 (repealed);  
 22          (2) IC 6-3.5-1.1 (repealed);  
 23          (3) IC 6-3.5-6 (repealed); or  
 24          (4) IC 6-3.5-7 (repealed);

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

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

35          **Sec. 6. A pledge of a tax described in section 3 of this chapter for**  
 36          **the payment of bonds, leases, or other expenditures shall be treated**  
 37          **as a pledge of the related tax under this article for the same**  
 38          **purpose. Notwithstanding the repeal of IC 6-3.5 and the enactment**  
 39          **of this article, any pledge of revenues received from a tax imposed**  
 40          **under any of the provisions of IC 6-3.5 (prior to its repeal) to the**  
 41          **payment, in whole or in part, of:**

- 42          (1) the principal of and interest on bonds;



1           (2) lease rentals due under a lease; and  
 2           (3) the payment of any other obligation;  
 3 is binding and enforceable and remains in full force and effect as  
 4 long as the principal of and interest on any bonds, the lease rentals  
 5 due under any lease, or the payment of any obligation remains  
 6 unpaid. The enactment of this article does not affect any rights,  
 7 duties, obligations, proceedings, or liabilities accrued before  
 8 January 1, 2017. Those rights, duties, obligations, proceedings, or  
 9 liabilities continue and shall be imposed and enforced under prior  
 10 law as if this article had not been enacted.

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

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

25           Sec. 9. Before August 2, 2016, the budget agency, with the  
 26 assistance of the department of local government finance, shall  
 27 certify to each county the income tax rates under this article, by tax  
 28 rate category, as categorized by the office of management and  
 29 budget under this chapter.

30           Sec. 10. The department of local government finance shall assist  
 31 adopting bodies and other local governmental entities as necessary  
 32 to provide for a transition to the administration of taxes under this  
 33 article.

#### 34           Chapter 2. Definitions

35           Sec. 1. The definitions in this chapter apply throughout this  
 36 article.

37           Sec. 2. "Adjusted gross income" has the meaning set forth in  
 38 IC 6-3-1-3.5. However:

39           (1) in the case of a local taxpayer who is not treated as a  
 40 resident local taxpayer of a county, the term includes only  
 41 adjusted gross income derived from the taxpayer's principal  
 42 place of business or employment; and



- 1           (2) in the case of a resident local taxpayer of Perry County,  
2           the term does not include adjusted gross income described in  
3           IC 6-3.6-8-7.
- 4           Sec. 3. "Allocation amount" refers to an amount that qualifies  
5           as an allocation amount under IC 6-3.6-6.
- 6           Sec. 4. "Attributed allocation amount" refers to an amount that  
7           qualifies as an attributed allocation amount under IC 6-3.6-6.
- 8           Sec. 5. "Certified distribution" refers to the amount certified  
9           under IC 6-3.6-9-5(b), as adjusted under IC 6-3.6-9.
- 10          Sec. 6. "Certified shares" refers to the amount allocated for  
11          distribution as certified shares under IC 6-3.6-6.
- 12          Sec. 7. "Civil taxing unit" means any entity having the power to  
13          impose ad valorem property taxes except a school corporation. The  
14          term does not include a solid waste management district that is not  
15          entitled to a distribution under IC 6-3.6-6. However, in the case of  
16          a consolidated city, the term "civil taxing unit" includes the  
17          consolidated city and all special taxing districts, all special service  
18          districts, and all entities whose budgets and property tax levies are  
19          subject to review under IC 36-3-6-9.
- 20          Sec. 8. "Economic development project" means any project  
21          that:
- 22                (1) the county, city, or town determines will:
- 23                    (A) promote significant opportunities for the gainful  
24                    employment of its citizens;
- 25                    (B) attract a major new business enterprise to the county,  
26                    city, or town; or
- 27                    (C) retain or expand a significant business enterprise  
28                    within the county, city, or town; and
- 29                (2) involves an expenditure for:
- 30                    (A) the acquisition of land;
- 31                    (B) interests in land;
- 32                    (C) site improvements;
- 33                    (D) infrastructure improvements;
- 34                    (E) buildings;
- 35                    (F) structures;
- 36                    (G) rehabilitation, renovation, and enlargement of  
37                    buildings and structures;
- 38                    (H) machinery;
- 39                    (I) equipment;
- 40                    (J) furnishings;
- 41                    (K) facilities;
- 42                    (L) administrative expenses associated with a project





1 described in this section, including contract payments to a  
 2 nonprofit corporation whose primary corporate purpose  
 3 is to assist government in planning and implementing  
 4 economic development projects;

5 (M) operating expenses of a governmental entity that plans  
 6 or implements economic development projects; or

7 (N) substance removal or remedial action in a designated  
 8 county, city, or town;

9 or any combination of these.

10 Sec. 9. "Executive" has the meaning set forth in IC 36-1-2-5.

11 Sec. 10. "Fiscal body" has the meaning set forth in IC 36-1-2-6.

12 Sec. 11. "Impose" includes adopt, amend, increase, decrease,  
 13 and rescind.

14 Sec. 12. "Local income tax council" means a council established  
 15 by IC 6-3.6-3-1.

16 Sec. 13. "Local taxpayer", as it relates to a particular county,  
 17 means any individual who:

18 (1) resides in that county on the date specified in IC 6-3.6-8-3;

19 or

20 (2) maintains the taxpayer's principal place of business or  
 21 employment in that county on the date specified in  
 22 IC 6-3.6-8-3 and who does not reside on that same date in  
 23 another county in Indiana in which a tax under this article is  
 24 in effect.

25 Sec. 14. "Public safety" refers to the following:

26 (1) A police and law enforcement system to preserve public  
 27 peace and order.

28 (2) A firefighting and fire prevention system.

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

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

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

34 (6) A probation department of a court.

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

38 (A) diverted before a final hearing or trial under an  
 39 agreement that is between the county prosecuting attorney  
 40 and the person or the person's custodian, guardian, or  
 41 parent and that provides for confinement, supervision,  
 42 community corrections services, or other correctional



- 1 services instead of a final action described in clause (B) or  
 2 (C);  
 3 (B) convicted of a crime; or  
 4 (C) adjudicated as a delinquent child or a child in need of  
 5 services.  
 6 (8) A juvenile detention facility under IC 31-31-8.  
 7 (9) A juvenile detention center under IC 31-31-9.  
 8 (10) A county jail.  
 9 (11) A communications system (as defined in IC 36-8-15-3), an  
 10 enhanced emergency telephone system (as defined in  
 11 IC 36-8-16-2, before its repeal on July 1, 2012), or the  
 12 statewide 911 system (as defined in IC 36-8-16.7-22).  
 13 (12) Medical and health expenses for jailed inmates and other  
 14 confined persons.  
 15 (13) Pension payments for any of the following:  
 16 (A) A member of a fire department (as defined in  
 17 IC 36-8-1-8) or any other employee of the fire department.  
 18 (B) A member of a police department (as defined in  
 19 IC 36-8-1-9), a police chief hired under a waiver under  
 20 IC 36-8-4-6.5, or any other employee hired by the police  
 21 department.  
 22 (C) A county sheriff or any other member of the office of  
 23 the county sheriff.  
 24 (D) Other personnel employed to provide a service  
 25 described in this section.

26 **Sec. 15. "Resident local taxpayer", as it relates to a particular**  
 27 **county, means any local taxpayer who resides in that county on the**  
 28 **date specified in IC 6-3.6-8-3.**

29 **Sec. 16. "School corporation" has the meaning set forth in**  
 30 **IC 6-1.1-1-16.**

31 **Sec. 17. "Tax" refers to the following:**

- 32 (1) A tax imposed under this article.  
 33 (2) A tax that was originally imposed under:  
 34 (A) IC 6-3.5-1 (repealed);  
 35 (B) IC 6-3.5-1.1 (repealed);  
 36 (C) IC 6-3.5-6 (repealed); or  
 37 (D) IC 6-3.5-7 (repealed);  
 38 and that is continued in effect under this article by  
 39 IC 6-3.6-1-3.

40 **Sec. 18. "Welfare allocation amount" means an amount equal**  
 41 **to the sum of the property taxes imposed by the county in 1999 for**  
 42 **the county's welfare fund and welfare administration fund and, if**



1 the county received a certified distribution under a former tax in  
 2 2008, the property taxes imposed by the county in 2008 for the  
 3 county's county medical assistance to wards fund, family and  
 4 children's fund, children's psychiatric residential treatment  
 5 services fund, county hospital care for the indigent fund, and  
 6 children with special health care needs county fund, plus, in the  
 7 case of Marion County, thirty-five million dollars (\$35,000,000).

8 **Chapter 3. Adopting Body; Adoption Procedures; Effective**  
 9 **Date of Ordinances**

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

11 (1) The local income tax council in a county in which the  
 12 county income tax council adopted either:

13 (A) a county option income tax under IC 6-3.5-6 (repealed)  
 14 that was in effect on January 1, 2015; or

15 (B) a county economic development income tax for the  
 16 county under IC 6-3.5-7 (repealed) that was in effect on  
 17 January 1, 2015.

18 (2) The county fiscal body in any other county.

19 (b) A local income tax council is established for each county.

20 The membership of each county's local income tax council consists  
 21 of the fiscal body of the county and the fiscal body of each city or  
 22 town that lies either partially or entirely within that county.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

42 (e) An ordinance not described in subsections (b) through (d)



1 takes effect as provided under IC 36 for other ordinances of the  
2 governmental entity adopting the ordinance.

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

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

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

- 12 (1) the commissioner of the department of state revenue; and
- 13 (2) the commissioner of the department of local government  
14 finance;

15 in an electronic format approved by the commissioner of the  
16 department of local government finance.

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

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

25 (b) In the case of a city or town that lies within more than one  
26 (1) county, the county auditor of each county shall base the  
27 allocations required by subsection (c) on the population of that  
28 part of the city or town that lies within the county for which the  
29 allocations are being made.

30 (c) Each local income tax council has a total of one hundred  
31 (100) votes. Each member of a local income tax council is allocated  
32 a percentage of the total one hundred (100) votes that may be cast.  
33 The percentage that a city or town is allocated for a year equals the  
34 same percentage that the population of the city or town bears to  
35 the population of the county. The percentage that the county is  
36 allocated for a year equals the same percentage that the population  
37 of all areas in the county not located in a city or town bears to the  
38 population of the county. On or before January 1 of each year, the  
39 county auditor shall certify to each member of the local income tax  
40 council the number of votes, rounded to the nearest one hundredth  
41 (0.01), each member has for that year.

42 Sec. 7. (a) This section applies to a county in which the county



1 adopting body is a local income tax council.

2 (b) Before a member of the local income tax council may  
3 propose an ordinance or vote on a proposed ordinance, the  
4 member must hold a public hearing on the proposed ordinance and  
5 provide the public with notice of the time and place where the  
6 public hearing will be held.

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

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

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

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

25 (d) If, before the elapse of thirty (30) days after receipt of a  
26 proposed ordinance, the county auditor notifies the member that  
27 the members of the local income tax council have cast a majority  
28 of the votes on the local income tax council for or against the  
29 proposed ordinance, the member need not vote on the proposed  
30 ordinance.

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

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

36 (c) A resolution passed by a member of the local income tax  
37 council exercises all votes of the member on the proposed  
38 ordinance, and those votes may not be changed during the year.

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

41 (b) A local income tax council may pass only one (1) ordinance  
42 adopting, increasing, decreasing, or rescinding a tax in one (1)



1 year. Once the ordinance has been passed, the county auditor shall:

2 (1) cease distributing those types of proposed ordinances for  
3 the rest of the year; and

4 (2) withdraw from the membership any other of those types  
5 of proposed ordinances.

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

8 (c) The local income tax council may not vote on, nor may the  
9 county auditor distribute to the members of the local income tax  
10 council, any proposed ordinance during a year, if previously  
11 during that same year the county auditor received and distributed  
12 to the members of the local income tax council a proposed  
13 ordinance whose passage would have substantially the same effect.

14 **Chapter 4. Imposition of Tax**

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

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

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

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

28 (2) adopt, increase, decrease, or rescind a tax authorized  
29 under another chapter of this article;

30 in the same ordinance.

31 **Sec. 3.** If there are bonds or leases outstanding that are payable  
32 from a tax imposed under IC 6-3.6-6 or IC 6-3.6-7 (but not  
33 IC 6-3.6-5), the adopting body may not reduce the tax rate below  
34 a rate that would produce one and twenty-five hundredths (1.25)  
35 times the total of the highest annual outstanding debt service plus  
36 the highest annual lease payments plus any amount required under  
37 the agreements for the bonds or leases to be deposited in a sinking  
38 fund or other reserve, unless:

39 (1) the adopting body; or

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

41 pledges all or a part of its share of revenues from the tax imposed  
42 under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5) for the life of the



1 bonds or the term of the lease, in an amount that is sufficient, when  
 2 combined with the amount pledged by the city, town, or county  
 3 that issued the bonds, to produce one and twenty-five hundredths  
 4 (1.25) times the total of the highest annual outstanding debt service  
 5 plus the highest annual lease payments plus the amount required  
 6 under the agreements for the bonds or leases to be deposited in a  
 7 sinking fund or other reserve.

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

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

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

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

17 (2) the approved property tax levy or rate for any fund;  
 18 by the amount of any credits granted under this chapter.

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

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

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

30 **Sec. 5.** The auditor of state shall assist adopting bodies and  
 31 county auditors in calculating credit percentages and amounts  
 32 under this chapter.

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

34 (b) The adopting body may impose a tax rate under this chapter  
 35 that does not exceed two and five-tenths percent (2.5%) on the  
 36 adjusted gross income of local taxpayers in the county served by  
 37 the adopting body.

38 (c) Revenues from a tax under this section may be used only for  
 39 the purpose of funding a property tax credit applied on a  
 40 percentage basis to reduce the property tax liability of taxpayers  
 41 with tangible property located in the county as authorized under  
 42 this section. Property taxes imposed due to a referendum in which





1 a majority of the voters in the taxing unit imposing the property  
 2 taxes approved the property taxes are not eligible for a credit  
 3 under this section.

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

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

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

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

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

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

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

29 (i) residential property; or

30 (ii) commercial property.

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

36 (e) Within a category described in subsection (d) for which an  
 37 ordinance grants property tax credits, the property tax credit rate  
 38 must be a uniform percentage for all qualifying taxpayers with  
 39 property in that category in the county. The credit percentage may  
 40 be, but does not have to be, uniform for all categories of property  
 41 listed in subsection (d). The total of all tax credits granted under  
 42 this section for a year may not exceed the amount of revenue raised



1 by the tax imposed under this section. If the amount available in a  
 2 year for property tax credits under this section is less than the  
 3 amount necessary to provide all the property tax credits authorized  
 4 by the adopting body, the county auditor shall reduce the property  
 5 tax credits granted to eliminate the excess. The county auditor shall  
 6 reduce credits within the categories described in subsection (d)(1)  
 7 through (d)(4) as follows:

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

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

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

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

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

29 (g) The county auditor shall allocate the amount of revenue  
 30 applied as tax credits under this section to the taxing units that  
 31 imposed the eligible property taxes against which the credits are  
 32 applied.

### 33 Chapter 6. Expenditure Rate

34 Sec. 1. An adopting body may impose a tax under section 2 of  
 35 this chapter on the adjusted gross income of local taxpayers in the  
 36 county served by the adopting body.

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

38 (b) The adopting body may impose a tax rate under this chapter  
 39 that does not exceed:

40 (1) one and twenty-five hundredths percent (1.25%) in all  
 41 counties other than Marion County; and

42 (2) one and five-tenths percent (1.5%) in Marion County;



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

3 **Sec. 3. Revenue raised from a tax imposed under this chapter**  
4 **shall be treated as additional revenue (referred to as additional**  
5 **revenue in this chapter). Additional revenue may not be considered**  
6 **by the department of local government finance in determining:**

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

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

- 16 (1) Public safety.  
17 (2) Economic development projects.  
18 (3) Certified shares.

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

21 **Sec. 5. The adopting body may not allocate in a year less to the**  
22 **payment of bonds or leases for which the tax under this chapter**  
23 **has been pledged in accordance with law than the amount pledged**  
24 **and payable in that year or required under the agreements for the**  
25 **bonds or leases to be deposited in a sinking fund or other reserve**  
26 **in that year.**

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

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

37 **(c) Subject to subsection (b), the county auditor shall reduce**  
38 **allocations under this section in accordance with the instructions**  
39 **in an ordinance adopted by the adopting body. To the extent that**  
40 **the adopting body has not adopted an ordinance to specify how a**  
41 **deficiency is to be eliminated, or the ordinance does not eliminate**  
42 **the deficiency, the county auditor shall, subject to subsection (b),**



1 uniformly reduce allocations in each category.

2 **Sec. 7. The county auditor may not allocate more than the**  
 3 **amount authorized by the adopting body. If the amount available**  
 4 **in a year for allocation under this chapter is greater than the**  
 5 **amount necessary to fund all the purposes authorized by the**  
 6 **adopting body, the county auditor shall:**

- 7 (1) allocate the excess as directed by the adopting body; or  
 8 (2) in the absence of an ordinance that allocates all the excess,  
 9 retain the excess and apply it, as necessary, to fund the  
 10 purposes authorized by the adopting body for the following  
 11 year.

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

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

20 **(c) Except as provided in subsection (d), the amount of the**  
 21 **certified distribution that is allocated to public safety purposes,**  
 22 **and for Marion County after making allocations under IC 6-3.6-11,**  
 23 **shall be allocated to the county and to each municipality in the**  
 24 **county that is carrying out or providing at least one (1) public**  
 25 **safety purpose. The amount allocated under this subsection to a**  
 26 **county or municipality is equal to the result of:**

- 27 (1) the amount of the certified distribution that is allocated to  
 28 public safety purposes; multiplied by  
 29 (2) a fraction equal to:

30 (A) the total property taxes imposed in the county by the  
 31 county or municipality for the calendar year; divided by

32 (B) the sum of the total property taxes imposed in the  
 33 county by the county and each municipality in the county  
 34 that is entitled to a distribution under this section for the  
 35 calendar year.

36 **(d) A fire department, volunteer fire department, or emergency**  
 37 **medical services provider that:**

38 (1) provides fire protection or emergency medical services  
 39 within the county; and

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



1 may, before July 1 of a year, apply to the adopting body for a  
 2 distribution of tax revenue under this section during the following  
 3 calendar year. The adopting body shall review an application  
 4 submitted under this subsection and may, before September 1 of a  
 5 year, adopt a resolution requiring that one (1) or more of the  
 6 applicants shall receive a specified amount of the tax revenue to be  
 7 distributed under this section during the following calendar year.  
 8 A resolution approved under this subsection providing for a  
 9 distribution to one (1) or more fire departments, volunteer fire  
 10 departments, or emergency medical services providers applies only  
 11 to distributions in the following calendar year. Any amount of tax  
 12 revenue distributed under this subsection to a fire department,  
 13 volunteer fire department, or emergency medical services provider  
 14 shall be distributed before the remainder of the tax revenue is  
 15 allocated under subsection (c).

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

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

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

29 **(A)** the total property taxes being imposed by the county,  
 30 city, or town during the calendar year of the distribution;  
 31 plus

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

33 **STEP TWO: Determine the sum of the following:**

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

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

41 **STEP THREE: Subtract the STEP TWO amount from the**  
 42 **STEP ONE amount.**



1           **STEP FOUR: Determine the quotient of:**

2           (A) The STEP THREE amount; divided by

3           (B) the sum of the total property taxes that are first due  
4           and payable to the county and all cities and towns of the  
5           county during the calendar year in which the month falls,  
6           plus the welfare allocation amount.

7           **STEP FIVE: Determine the product of:**

8           (A) the amount of the certified distribution allocated to  
9           economic development purposes for that month; multiplied  
10          by

11          (B) the STEP FOUR amount.

12          (c) The body imposing the tax may adopt an ordinance before  
13          August 2 of a year to provide for a distribution of the amount  
14          allocated to economic development purposes based on population  
15          instead of a distribution under subsection (b). The following apply  
16          if an ordinance is adopted under this subsection:

17          (1) The ordinance is effective January 1 of the following year.

18          (2) The amount of the certified distribution allocated to  
19          economic development purposes that the county and each city  
20          and town in the county are entitled to receive during each  
21          month of each year equals the product of:

22          (A) the amount of the certified distribution that is allocated  
23          to economic development purposes for the month;  
24          multiplied by

25          (B) the quotient of:

26                (A) for a city or town, the population of the city or the  
27                town that is located in the county and for a county, the  
28                population of the part of the county that is not located in  
29                a city or town; divided by

30                (B) the population of the entire county.

31          (3) The ordinance may be made irrevocable for the duration  
32          of specified lease rental or debt service payments.

33          (d) In a county having a consolidated city, only the consolidated  
34          city is entitled to the amount of the certified distribution that is  
35          allocated to economic development purposes.

36          (e) Except as provided in this subsection, an appropriation from  
37          property taxes to repay interest and principal of a debt obligation  
38          is not deducted from the allocation amount for a civil taxing unit  
39          if:

40                (1) the debt obligation was issued; and

41                (2) the proceeds were appropriated from property taxes;  
42          to refund or otherwise refinance a debt obligation or a lease issued



1 before July 1, 2005. However, an appropriation from property  
2 taxes related to a debt obligation issued after June 30, 2005, is  
3 deducted if the debt extends payments on a debt or lease beyond  
4 the time in which the debt or lease would have been payable if the  
5 debt or lease had not been refinanced or increases the total amount  
6 that must be paid on a debt or lease in excess of the amount that  
7 would have been paid if the debt or lease had not been refinanced.  
8 The amount of the deduction is the annual amount for each year of  
9 the extension period or the annual amount of the increase over the  
10 amount that would have been paid.

11 (f) Except as provided in this subsection, an appropriation from  
12 property taxes to make payments on a lease is not deducted from  
13 the allocation amount for a civil taxing unit if:

14 (1) the lease was issued; and

15 (2) the proceeds were appropriated from property taxes;  
16 to refinance a debt obligation or lease issued before July 1, 2005.  
17 However, an appropriation from property taxes related to a lease  
18 entered into after June 30, 2005, is deducted if the lease extends  
19 payments on a debt or lease beyond the time in which the debt or  
20 lease would have been payable if the debt or lease had not been  
21 refinanced or increases the total amount that must be paid on a  
22 debt or lease in excess of the amount that would have been paid if  
23 the debt or lease had not been refinanced. The amount of the  
24 deduction is the annual amount for each year of the extension  
25 period or the annual amount of the increase over the amount that  
26 would have been paid.

27 Sec. 10. (a) This section applies to additional revenue from a tax  
28 under this chapter that is allocated for certified shares.

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

33 Sec. 11. (a) This section applies to an allocation of certified  
34 shares in all counties.

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

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

40 (d) A county solid waste management district (as defined in  
41 IC 13-11-2-47) or a joint solid waste management district (as  
42 defined in IC 13-11-2-113) is not a civil taxing unit for the purpose



1 of receiving an allocation of certified shares under this chapter  
 2 unless a majority of the members of each of the county fiscal bodies  
 3 of the counties within the district passes a resolution approving the  
 4 distribution.

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

- 7 (1) expire on a date specified in the resolution; or  
 8 (2) remain in effect until the county fiscal body revokes or  
 9 rescinds the resolution.

10 **Sec. 12. (a)** This section applies to an allocation of certified  
 11 shares in all counties.

12 (b) The allocation amount of a civil taxing unit during a  
 13 calendar year is equal to the amount determined using the  
 14 following formula:

15 **STEP ONE:** Determine the sum of the total property taxes  
 16 being imposed by the civil taxing unit during the calendar  
 17 year of the distribution.

18 **STEP TWO:** Determine the sum of the following:

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

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

26 **STEP THREE:** Subtract the STEP TWO amount from the  
 27 STEP ONE amount.

28 **STEP FOUR:** Determine the sum of:

- 29 (A) the STEP THREE amount; plus  
 30 (B) the civil taxing unit's certified shares for the previous  
 31 calendar year.

32 The allocation amount is subject to adjustment as provided in  
 33 IC 36-8-19-7.5.

34 (c) Except as provided in this subsection, an appropriation from  
 35 property taxes to repay interest and principal of a debt obligation  
 36 is not deducted from the allocation amount for a civil taxing unit  
 37 if:

- 38 (1) the debt obligation was issued; and  
 39 (2) the proceeds were appropriated from property taxes;  
 40 to refund or otherwise refinance a debt obligation or a lease issued  
 41 before July 1, 2005. However, an appropriation from property  
 42 taxes related to a debt obligation issued after June 30, 2005, is





1 deducted if the debt extends payments on a debt or lease beyond  
 2 the time in which the debt or lease would have been payable if the  
 3 debt or lease had not been refinanced or increases the total amount  
 4 that must be paid on a debt or lease in excess of the amount that  
 5 would have been paid if the debt or lease had not been refinanced.  
 6 The amount of the deduction is the annual amount for each year of  
 7 the extension period or the annual amount of the increase over the  
 8 amount that would have been paid.

9 (d) Except as provided in this subsection, an appropriation from  
 10 property taxes to make payments on a lease is not deducted from  
 11 the allocation amount for a civil taxing unit if:

12 (1) the lease was issued; and

13 (2) the proceeds were appropriated from property taxes;  
 14 to refinance a debt obligation or lease issued before July 1, 2005.  
 15 However, an appropriation from property taxes related to a lease  
 16 entered into after June 30, 2005, is deducted if the lease extends  
 17 payments on a debt or lease beyond the time in which the debt or  
 18 lease would have been payable if the debt or lease had not been  
 19 refinanced or increases the total amount that must be paid on a  
 20 debt or lease in excess of the amount that would have been paid if  
 21 the debt or lease had not been refinanced. The amount of the  
 22 deduction is the annual amount for each year of the extension  
 23 period or the annual amount of the increase over the amount that  
 24 would have been paid.

25 Sec. 13. (a) This section applies to an allocation of certified  
 26 shares in all counties other than Marion County.

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

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

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

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

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

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

38 (1) the total amount of the certified distribution that is  
 39 allocated to certified shares for the county for the month;  
 40 multiplied by

41 (2) the quotient of:

42 (A) the attributed allocation amount for the civil taxing



1                   unit in the county during the calendar year; divided by  
 2                   **(B) the sum of the attributed allocation amounts for all**  
 3                   **civil taxing units in the county during the calendar year.**

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

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

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

12          **Sec. 17. A civil taxing unit may use its certified shares for any of**  
 13          **the purposes of the civil taxing unit.**

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

- 16           **(1) any purpose of the civil taxing unit;**  
 17           **(2) any purpose of another governmental entity located in any**  
 18           **part in the county, including a governmental entity organized**  
 19           **on a regional basis; or**  
 20           **(3) any purpose for which certified shares may be used under**  
 21           **IC 6-3.6-10.**

22          **The pledge must be approved in an ordinance adopted by the fiscal**  
 23          **body of the political subdivision.**

24          **Sec. 19. (a) A civil taxing unit may distribute any part of its**  
 25          **certified shares to any governmental entity located in any part of**  
 26          **its county to:**

- 27           **(1) carry out a joint purpose; or**  
 28           **(2) fund the purposes of the other governmental entity;**  
 29          **including a governmental entity organized on a regional basis to**  
 30          **serve an area in more than one (1) county.**

31          **(b) The distribution must be authorized by ordinance of the**  
 32          **fiscal body of the civil taxing unit to which the revenue is allocated**  
 33          **by this chapter. An ordinance must specify the purpose of the**  
 34          **designation and its duration.**

35          **(c) The fiscal body of the civil taxing unit may direct the county**  
 36          **auditor in the ordinance to withhold from the civil taxing unit's**  
 37          **allocation the amount that is the subject of the ordinance and**  
 38          **distribute the amount directly to the other governmental entity**  
 39          **authorized to receive the money.**

40          **Chapter 7. Special Purpose Rates**

41          **Sec. 1. Maintaining low property tax rates is essential to**  
 42          **economic development. The use of a tax imposed for the purposes**



1 of this chapter, rather than the use of property taxes, promotes this  
2 policy.

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

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

14 **(1) To finance, construct, acquire, improve, renovate,**  
15 **remodel, or equip a criminal justice facility, including a court,**  
16 **a jail, a juvenile detention center facility, or a juvenile**  
17 **probation facility, including:**

18 **(A) related buildings and parking facilities;**

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

20 **(C) the acquisition of land; and**

21 **(D) any other reasonably related costs;**

22 **for these purposes.**

23 **(2) To renovate a former county hospital for additional office**  
24 **space, educational facilities, nonsecure juvenile facilities, and**  
25 **other county functions.**

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

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

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

35 **(6) To carry out the purposes set forth throughout this**  
36 **chapter.**

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

41 **(1) The date on which the purposes described in subsection**  
42 **(a)(1) are completed.**



- 1           **(2) The date on which the last of any bonds issued (including**  
 2           **any refunding bonds) or leases described in subsection (a) are**  
 3           **fully paid.**
- 4           **However, for a bond or lease entered into after December 31, 2015,**  
 5           **the term of the bonds issued (including any refunding bonds) or a**  
 6           **lease entered into under this section may not exceed twenty (20)**  
 7           **years. The adopting body shall provide a notice to the budget**  
 8           **agency, the department of local government finance, and the**  
 9           **department of state revenue specifying that the date for the**  
 10           **termination of the tax rate has occurred.**
- 11           **(c) Money accumulated from the tax under this section after:**
- 12               **(1) the redemption of bonds issued; or**  
 13               **(2) the final payment of lease rentals due under a lease**  
 14               **entered into under this section;**
- 15           **shall be transferred to the county highway fund to be used for**  
 16           **construction, resurfacing, restoration, and rehabilitation of county**  
 17           **highways, roads, and bridges.**
- 18           **Sec. 4. In order to impose a tax under this chapter, the adopting**  
 19           **body must adopt an ordinance finding and determining that**  
 20           **revenues from the tax are needed for the purposes described in the**  
 21           **section under which the tax is imposed.**
- 22           **Sec. 5. Revenue raised from a tax imposed under this chapter**  
 23           **shall be treated as additional revenue and may not be considered**  
 24           **by the department of local government finance in determining:**
- 25               **(1) any taxing unit's maximum permissible property tax levy**  
 26               **limit under IC 6-1.1-18.5; or**  
 27               **(2) the approved property tax rate for any fund.**
- 28           **Sec. 6. A governmental entity to which revenue raised from a**  
 29           **tax under this chapter is distributed must segregate the amount**  
 30           **raised from the tax in a separate account or fund and maintain**  
 31           **sufficient records, as required by the state board of accounts, to**  
 32           **demonstrate that the revenue is used only for the purposes for**  
 33           **which the tax was imposed.**
- 34           **Sec. 7. (a) This section applies to Daviess County.**
- 35               **(b) Daviess County possesses unique governmental and**  
 36               **economic development challenges due to:**
- 37                   **(1) underemployment in relation to similarly situated counties**  
 38                   **and the loss of a major manufacturing business;**  
 39                   **(2) an increase in property taxes for taxable years after**  
 40                   **December 31, 2000, for the construction of a new elementary**  
 41                   **school; and**  
 42                   **(3) overcrowding of the county jail, the costs associated with**



- 1           housing the county's inmates outside the county, and the  
2           potential unavailability of additional housing for inmates  
3           outside the county.
- 4           **The use of a tax under this section is necessary for the county to  
5           provide adequate jail capacity in the county and to maintain low  
6           property tax rates essential to economic development. The use of  
7           a tax under this section for the purposes of this section, rather than  
8           the use of property taxes, promotes these purposes.**
- 9           (c) The county fiscal body may impose a tax on the adjusted  
10          gross income of local taxpayers at a tax rate that does not exceed  
11          the lesser of the following:
- 12               (1) Twenty-five hundredths percent (0.25%).  
13               (2) The rate necessary to carry out the purposes described in  
14               this section.
- 15          (d) Revenue from the tax under this section may be used only  
16          for the following purposes:
- 17               (1) To finance, construct, acquire, improve, renovate,  
18               remodel, or equip the county jail and related buildings and  
19               parking facilities, including costs related to the demolition of  
20               existing buildings, the acquisition of land, and any other  
21               reasonably related costs.  
22               (2) To repay bonds issued or leases entered into for  
23               constructing, acquiring, improving, renovating, remodeling,  
24               and equipping 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          (e) The tax imposed under this section may be imposed only  
29          until the last of the following dates:
- 30               (1) The date on which the purposes described in subsection  
31               (d)(1) are completed.  
32               (2) The date on which the last of any bonds issued (including  
33               any refunding bonds) or leases described in subsection (d)(2)  
34               are fully paid.
- 35          **The term of the bonds issued (including any refunding bonds) or a  
36          lease entered into under subsection (d)(2) may not exceed  
37          twenty-five (25) years.**
- 38          (f) Money accumulated from the tax under this section after:  
39               (1) the redemption of bonds issued; or  
40               (2) the final payment of lease rentals due under a lease  
41               entered into under this section;  
42          shall be transferred to the county highway fund to be used for



1 construction, resurfacing, restoration, and rehabilitation of county  
2 highways, roads, and bridges.

3 **Sec. 8. (a) This section applies to Elkhart County.**

4 **(b) The county fiscal body may impose a tax on the adjusted**  
5 **gross income of local taxpayers at a tax rate that does not exceed**  
6 **the lesser of the following:**

7 **(1) Twenty-five hundredths percent (0.25%).**

8 **(2) The rate necessary to carry out the purposes described in**  
9 **subsection (c).**

10 **(c) Revenue raised from a tax under this section may be used**  
11 **only for the following purposes:**

12 **(1) To finance, construct, acquire, improve, renovate, or**  
13 **equip:**

14 **(A) jail facilities;**

15 **(B) juvenile court, detention, and probation facilities;**

16 **(C) other criminal justice facilities; and**

17 **(D) related buildings and parking facilities;**

18 **located in the county, including costs related to the demolition**  
19 **of existing buildings and the acquisition of land.**

20 **(2) To repay bonds issued or leases entered into for the**  
21 **purposes described in subdivision (1).**

22 **(3) To operate and maintain jail facilities described in**  
23 **subdivision (1)(A) but only after the purposes described in**  
24 **subdivision (1) are completed and any bonds issued or leases**  
25 **entered into under subdivision (2) are fully paid.**

26 **(d) The term of the bonds issued (including any refunding**  
27 **bonds) or a lease entered into under this section may not exceed**  
28 **twenty (20) years.**

29 **(e) Money accumulated from a tax under this section that**  
30 **remains after the tax imposed by this section is terminated shall be**  
31 **transferred to the county highway fund to be used for construction,**  
32 **resurfacing, restoration, and rehabilitation of county highways,**  
33 **roads, and bridges.**

34 **Sec. 9. (a) This section applies only to Hancock County.**

35 **(b) The county fiscal body may, by ordinance, allocate part of**  
36 **the tax rate imposed under IC 6-3.6-5, not to exceed a tax rate of**  
37 **fifteen hundredths percent (0.15%), to a property tax credit**  
38 **against the property tax liability imposed for public libraries in the**  
39 **county, if all territory in the county is included in a library district.**

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



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- (1) the product of:**
  - (A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by**
  - (B) a fraction described as follows:**
    - (i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.**
    - (ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or**
- (2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.**

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess must remain in the library property tax replacement fund and may be used for library property tax replacement purposes in the following calendar year.

**(d) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed in proportion to the property taxes levied for each fund.**

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

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



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

4           (d) Revenues raised from a tax imposed under this section may  
5 be used only for the purposes of funding a property tax credit to  
6 reduce the property tax liability imposed by a county to fund the  
7 county's operation and maintenance of a jail or a juvenile  
8 detention center, or both.

9           (e) The total of all tax credits granted under this section for a  
10 year may not exceed the amount of revenue raised by the tax  
11 imposed under this section. If the amount available in a year for  
12 property tax credits under this section is less than the amount  
13 necessary to provide all the property tax credits authorized by the  
14 adopting body, the county auditor shall reduce the property tax  
15 credits granted to eliminate the excess. The county auditor shall  
16 reduce credits uniformly in proportion to the tax liability incurred  
17 by each taxpayer.

18           (f) The total of all tax credits granted under this section for a  
19 year may not exceed the amount necessary to offset the property  
20 tax liability imposed for the purposes of this section. If the amount  
21 available in a year for property tax credits under this section is  
22 greater than the amount necessary to provide property tax credits  
23 to offset the property tax liability imposed for the purposes of this  
24 section, the county auditor shall retain and apply the excess, as  
25 necessary, to provide the property tax credits for the purposes of  
26 this section for the following year.

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

29           Sec. 11. (a) This section applies only to Jackson County.

30           (b) For calendar years ending before January 1, 2024, the  
31 county fiscal body may impose a tax on the adjusted gross income  
32 of local taxpayers at a tax rate that does not exceed one-tenth  
33 percent (0.1%).

34           (c) Revenue raised from a tax under this section may be used  
35 only for the purposes of funding the operation and maintenance of  
36 a jail and juvenile detention center opened after July 1, 1998.

37           Sec. 12. (a) This section applies only to Jasper County.

38           (b) The county council may, by ordinance, determine that  
39 additional local income tax revenue is needed in the county to:

40           (1) finance, construct, acquire, improve, renovate, or equip:

41                   (A) jail facilities;

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





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



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



- 1           (1) Twenty-five hundredths percent (0.25%).  
 2           (2) The rate necessary to carry out the purposes described in  
 3           subsection (c).  
 4           (c) Revenue raised from a tax under this section may be used  
 5           only for the following purposes:  
 6           (1) To finance, construct, acquire, improve, renovate, or  
 7           equip:  
 8                (A) jail facilities;  
 9                (B) juvenile court, detention, and probation facilities;  
 10               (C) other criminal justice facilities; and  
 11               (D) related buildings and parking facilities;  
 12           located in the county, including costs related to the demolition  
 13           of existing buildings and the acquisition of land.  
 14           (2) Repay bonds issued or leases entered into for the purposes  
 15           described in subdivision (1).  
 16           (d) The tax imposed under this section may be imposed only  
 17           until the last of the following dates:  
 18               (1) The date on which the purposes described in subsection  
 19               (c)(1) are completed.  
 20               (2) The date on which the last of any bonds issued (including  
 21               any refunding bonds) or leases described in subsection (c)(2)  
 22               are fully paid.  
 23           The term of the bonds issued (including any refunding bonds) or a  
 24           lease entered into under subsection (c)(2) may not exceed twenty  
 25           (20) years.  
 26           (e) Money accumulated from the tax under this section after the  
 27           tax imposed by this section is terminated shall be transferred to the  
 28           county highway fund to be used for construction, resurfacing,  
 29           restoration, and rehabilitation of county highways, roads, and  
 30           bridges.  
 31           Sec. 15. (a) This section applies only to Miami County.  
 32           (b) Miami County possesses unique economic development  
 33           challenges due to:  
 34               (1) underemployment in relation to similarly situated  
 35               counties; and  
 36               (2) the presence of a United States government military base  
 37               or other military installation that is completely or partially  
 38               inactive or closed.  
 39           Maintaining low property tax rates is essential to economic  
 40           development, and the use of a tax under this section to pay any  
 41           bonds issued or leases entered into to carry out the purposes of this  
 42           section rather than use of property taxes promotes these purposes.



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

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

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

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

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

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

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

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

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

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



1 this section for the following year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (2) The date on which the last of any bonds issued (including  
42 any refunding bonds) or leases described in subsection (d)(2)



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



1 renovating, and equipping the county courthouse and for  
 2 renovating the former county hospital for additional office  
 3 space, educational facilities, nonsecure juvenile facilities, and  
 4 other county functions.

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

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

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

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

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

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

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

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

25 promotes the purpose of maintaining low property tax rates.

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

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

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

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

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

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

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

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



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

9 The use of a tax under this section is necessary for the county to  
 10 address jail capacity and appropriate inmate living conditions and  
 11 to maintain low property tax rates essential to economic  
 12 development. The use of a tax under this section for the purposes  
 13 described in this section 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) Sixty-five hundredths percent (0.65%).  
 18 (2) The rate necessary to carry out the purposes described in  
 19 this section.

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

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

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

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

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

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

42 (b) Union County possesses unique economic development





- 1 challenges due to:
- 2 (1) the county's heavy agricultural base;
- 3 (2) the presence of a large amount of state owned property in
- 4 the county that is exempt from property taxation; and
- 5 (3) recent obligations of the school corporation in the county
- 6 that have already increased property taxes in the county and
- 7 imposed additional property tax burdens on the county's
- 8 agricultural base.
- 9 Maintaining low property tax rates is essential to economic
- 10 development. The use of a tax under this section for the purposes
- 11 described in this section, rather than the use of property taxes,
- 12 promotes these purposes.
- 13 (c) The county fiscal body may impose a tax on the adjusted
- 14 gross income of local taxpayers at a tax rate that does not exceed
- 15 the lesser of the following:
- 16 (1) Twenty-five hundredths percent (0.25%).
- 17 (2) The rate necessary to carry out the purposes described in
- 18 this section.
- 19 (d) Revenue raised from a tax under this section may be used
- 20 only for the following purposes:
- 21 (1) To finance, construct, acquire, improve, renovate, or equip
- 22 the county courthouse.
- 23 (2) To repay bonds issued, or leases entered into, for
- 24 constructing, acquiring, improving, renovating, and equipping
- 25 the county courthouse.
- 26 (e) The tax imposed under this section may be imposed only
- 27 until the last of the following dates:
- 28 (1) The date on which the purposes described in subsection
- 29 (d)(1) are completed.
- 30 (2) The date on which the last of any bonds issued (including
- 31 any refunding bonds) or leases described in subsection (d)(2)
- 32 are fully paid.
- 33 The term of the bonds issued (including any refunding bonds) or a
- 34 lease entered into under subsection (d)(2) may not exceed
- 35 twenty-two (22) years.
- 36 (f) Funds accumulated from a tax under this section after:
- 37 (1) the redemption of the bonds issued; or
- 38 (2) the final payment of lease rentals due under a lease
- 39 entered into under this section;
- 40 shall be transferred to the county highway fund to be used for
- 41 construction, resurfacing, restoration, and rehabilitation of county
- 42 highways, roads, and bridges.



- 1           **Sec. 23. (a) This section applies only to Wayne County.**
- 2           **(b) Wayne County possesses unique economic development**
- 3 **challenges due to underemployment in relation to similarly**
- 4 **situated counties. Maintaining low property tax rates is essential**
- 5 **to economic development, and the use of a tax under this section to**
- 6 **pay any bonds issued or leases entered into to carry out the**
- 7 **purposes of this section, rather than the use of property taxes,**
- 8 **promotes these purposes.**
- 9           **(c) The county fiscal body may impose a tax on the adjusted**
- 10 **gross income of local taxpayers at a tax rate that does not exceed**
- 11 **twenty-five hundredths percent (0.25%).**
- 12           **(d) Revenue raised from a tax under this section may be used**
- 13 **only for the following purposes:**
- 14           **(1) To finance, construct, acquire, improve, renovate, or equip**
- 15 **the county jail and related buildings and parking facilities,**
- 16 **including costs related to the demolition of existing buildings**
- 17 **and the acquisition of land.**
- 18           **(2) To repay bonds issued, or leases entered into, for**
- 19 **constructing, acquiring, improving, renovating, and equipping**
- 20 **the county jail and related buildings and parking facilities,**
- 21 **including costs related to the demolition of existing buildings**
- 22 **and the acquisition of land.**
- 23           **(e) The tax imposed under this section may be imposed only**
- 24 **until the later of the date on which the financing, acquisition,**
- 25 **improvement, renovation, and equipping described in this section**
- 26 **are completed or the date on which the last of any bonds issued or**
- 27 **leases entered into to finance the construction, acquisition,**
- 28 **improvement, renovation, and equipping described in this section**
- 29 **are fully paid. The term of the bonds issued (including any**
- 30 **refunding bonds) or a lease entered into under this section may not**
- 31 **exceed twenty (20) years.**
- 32           **(f) Notwithstanding any other law, funds accumulated from the**
- 33 **tax imposed under this section after:**
- 34           **(1) the redemption of bonds issued; or**
- 35           **(2) the final payment of lease rentals due under a lease**
- 36 **entered into under this section;**
- 37 **shall be transferred to the county highway fund to be used for**
- 38 **construction, resurfacing, restoration, and rehabilitation of county**
- 39 **highways, roads, and bridges.**
- 40           **Sec. 24. (a) This section applies only to a county that is a**
- 41 **member of a regional development authority under IC 36-7.6.**
- 42           **(b) The adopting body for the county may impose a tax rate on**



1 the adjusted gross income tax of local taxpayers that is not greater  
2 than:

3 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),  
4 twenty-five thousandths of one percent (0.025%); or

5 (2) in the case of any other county to which this section  
6 applies, five-hundredths of one percent (0.05%).

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

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

11 (1) operates a county jail that is subject to an order that:

12 (A) was issued by a federal district court before January 1,  
13 2003; and

14 (B) has not been terminated;

15 (2) operates a county jail that fails to meet:

16 (A) American Correctional Association Jail Construction  
17 Standards; and

18 (B) Indiana jail operation standards adopted by the  
19 department of correction; and

20 (3) has insufficient revenue to finance the construction,  
21 acquisition, improvement, renovation, and equipping of a  
22 county jail and related buildings and parking facilities.

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

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

31 (1) located in; and

32 (2) operated by;

33 the county.

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

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

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

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

42 (1) To finance, construct, acquire, improve, renovate, or equip



1 a county jail and related buildings and parking facilities,  
 2 including costs related to the demolition of existing buildings  
 3 and the acquisition of land.

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

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

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

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

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

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

20 (1) the redemption of bonds issued; or

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

23 shall be transferred to the county general fund.

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

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

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

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

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

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

34 (b) A county described in this section possesses unique fiscal  
 35 challenges in financing, renovating, equipping, and operating the  
 36 county courthouse facilities and related facilities because the  
 37 county consistently has one (1) of the highest unemployment rates  
 38 in Indiana. Maintaining low property tax rates is essential to  
 39 economic development in the county. The use of a tax under this  
 40 section for the purposes of this section promotes these purposes.  
 41 The tax rate under this section plus the tax rate under IC 6-3.5-5  
 42 may not exceed two and five-tenths percent (2.5%).



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

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

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

- 9           (1) To finance, construct, acquire, improve, renovate, equip,  
10 or operate the county courthouse or related facilities.  
11           (2) To repay bonds issued or leases entered into for  
12 constructing, acquiring, improving, renovating, equipping, or  
13 operating the county courthouse or related facilities.  
14           (3) To pay for economic development projects described in the  
15 county's capital improvement plan.

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

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

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

- 38           (1) retained by the county auditor;  
39           (2) deposited in the county public transportation project fund  
40 established under IC 8-25-3-7; and  
41           (3) used for the purpose provided in this subsection instead of  
42 as a property tax replacement distribution.



1           **Chapter 8. Administration of Tax**

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

6           **STEP ONE: For each tax rate in effect in a year, multiply:**

7           **(A) the number of months in the taxpayer's taxable year in**  
 8 **which the rate is in effect; by**

9           **(B) the rate.**

10          **STEP TWO: Divide:**

11          **(A) the sum of the amounts determined under STEP ONE;**  
 12          **by**

13          **(B) twelve (12).**

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

17          **(1) the amount of tax the local taxpayer would owe if the tax**  
 18 **had been imposed during the local taxpayer's entire taxable**  
 19 **year; multiplied by**

20          **(2) a fraction equal to:**

21          **(A) the number of days in the local taxpayer's taxable year**  
 22 **during which the tax was in effect; divided by**

23          **(B) the total number of days in the local taxpayer's taxable**  
 24 **year.**

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

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

30          **(1) maintains a home, if the individual maintains only one (1)**  
 31 **home in Indiana;**

32          **(2) if subdivision (1) does not apply, is registered to vote;**

33          **(3) if subdivision (1) or (2) does not apply, registers the**  
 34 **individual's personal automobile; or**

35          **(4) spent the majority of the individual's time in Indiana**  
 36 **during the taxable year in question, if subdivision (1), (2), or**

37          **(3) does not apply.**

38          **(b) The residence or principal place of business or employment**  
 39 **of an individual is to be determined on January 1 of the calendar**  
 40 **year in which the individual's taxable year commences. If an**  
 41 **individual changes the location of the individual's residence or**  
 42 **principal place of employment or business to another county in**



1       **Indiana during a calendar year, the individual's liability for tax is**  
 2       **not affected.**

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

6               **(1) changes the location of the individual's residence to a**  
 7               **county in which the individual begins employment or business**  
 8               **at a qualified economic development tax project (as defined in**  
 9               **IC 36-7-27-9); or**

10              **(2) changes the location of the individual's principal place of**  
 11              **employment or business to a qualified economic development**  
 12              **tax project and does not reside in another county in which a**  
 13              **tax is in effect;**

14       **the individual's adjusted gross income attributable to employment**  
 15       **or business at the qualified economic development tax project is**  
 16       **taxable only by the county containing the qualified economic**  
 17       **development tax project.**

18       **Sec. 4. (a) Using procedures provided under this chapter, the**  
 19       **adopting body of any adopting county may pass an ordinance to**  
 20       **enter into reciprocity agreements with the taxing authority of any**  
 21       **city, town, municipality, county, or other similar local**  
 22       **governmental entity of any other state. The reciprocity agreements**  
 23       **must provide that the income of resident local taxpayers is exempt**  
 24       **from income taxation by the other local governmental entity to the**  
 25       **extent income of the residents of the other local governmental**  
 26       **entity is exempt from the tax in the adopting county.**

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

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

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

35               **(1) definitions;**

36               **(2) declarations of estimated tax;**

37               **(3) filing of returns;**

38               **(4) deductions or exemptions from adjusted gross income;**

39               **(5) remittances;**

40               **(6) incorporation of the provisions of the Internal Revenue**  
 41               **Code;**

42               **(7) penalties and interest; and**



1           **(8) exclusion of military pay credits for withholding;**  
 2 **apply to the imposition, collection, and administration of the tax**  
 3 **imposed by this article.**

4           **(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**  
 5 **not apply to the tax imposed by this article.**

6           **(c) Notwithstanding subsections (a) and (b), each employer shall**  
 7 **report to the department of state revenue the amount of**  
 8 **withholdings attributable to each county. This report shall be**  
 9 **submitted to the department of state revenue:**

10           **(1) each time the employer remits to the department the tax**  
 11 **that is withheld; and**

12           **(2) annually along with the employer's annual withholding**  
 13 **report.**

14           **Sec. 6. (a) Except as provided in subsection (b), if for a**  
 15 **particular taxable year a local taxpayer is liable for an income tax**  
 16 **imposed by a county, city, town, or other local governmental entity**  
 17 **located outside Indiana, that local taxpayer is entitled to a credit**  
 18 **against the tax liability imposed under this article for that same**  
 19 **taxable year. The amount of the credit equals the amount of tax**  
 20 **imposed by the other governmental entity on income derived from**  
 21 **sources outside Indiana and subject to the tax imposed under this**  
 22 **article. However, the credit provided by this section may not**  
 23 **reduce a local taxpayer's tax liability to an amount less than would**  
 24 **have been owed if the income subject to taxation by the other**  
 25 **governmental entity had been ignored.**

26           **(b) The credit provided by this section does not apply to a local**  
 27 **taxpayer to the extent that the other governmental entity provides**  
 28 **for a credit to the taxpayer for the amount of taxes owed under this**  
 29 **article.**

30           **(c) To claim the credit provided by this section, a local taxpayer**  
 31 **must provide the department with satisfactory evidence that the**  
 32 **taxpayer is entitled to the credit.**

33           **Sec. 7. In the case of a local taxpayer who is a resident of Perry**  
 34 **County, the term "adjusted gross income" does not include**  
 35 **adjusted gross income that is:**

36           **(1) earned in a county that is:**

37           **(A) located in another state; and**

38           **(B) adjacent to the county in which the taxpayer resides;**  
 39 **and**

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

42           **Sec. 8. (a) If for a particular taxable year a local taxpayer is, or**





1 a local taxpayer and the taxpayer's spouse who file a joint return  
 2 are, allowed a credit for the elderly or individuals with a total  
 3 disability under Section 22 of the Internal Revenue Code, the local  
 4 taxpayer is, or the local taxpayer and the taxpayer's spouse are,  
 5 entitled to a credit against the tax liability imposed under this  
 6 article for that same taxable year. The amount of the credit equals  
 7 the lesser of:

8 (1) the product of:

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

11 (B) a fraction equal to:

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

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

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

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

23 **Chapter 9. Distribution of Revenue**

24 **Sec. 1. (a)** A trust account within the state general fund shall be  
 25 established for each county that imposes a tax. Any revenue  
 26 derived from the imposition of the tax by a county shall be  
 27 deposited in that county's trust account in the state general fund.

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

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

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

37 **Sec. 3.** The budget agency shall before May 1 of every  
 38 even-numbered year publish an estimate of the statewide total  
 39 amount of certified distributions to be made under this article  
 40 during the following calendar year.

41 **Sec. 4.** Revenue derived from the imposition of the tax shall, in  
 42 the manner prescribed by this chapter, be distributed to the county



1 that imposed it. The amount that is to be distributed to a county  
 2 during an ensuing calendar year equals the amount of tax revenue  
 3 that the budget agency determines has been:

4 (1) received from that county for a taxable year ending in a  
 5 calendar year preceding the calendar year in which the  
 6 determination is made; and

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

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

12 **Sec. 5. (a) Before August 2 of each calendar year, the budget**  
 13 **agency shall provide to the department of local government finance**  
 14 **and the county auditor of each adopting county an estimate of the**  
 15 **amount determined under section 4 of this chapter that will be**  
 16 **distributed to the county, based on known tax rates. Not later than**  
 17 **fifteen (15) days after receiving the estimate of the certified**  
 18 **distribution, the department of local government finance shall**  
 19 **determine for each taxing unit and notify the county auditor of the**  
 20 **estimated amount of property tax credits, school distributions,**  
 21 **public safety revenue, economic development revenue, certified**  
 22 **shares, and special purpose revenue that will be distributed to the**  
 23 **taxing unit under this chapter during the ensuing calendar year.**  
 24 **Not later than thirty (30) days after receiving the department's**  
 25 **estimate, the county auditor shall notify each taxing unit of the**  
 26 **amounts estimated for the taxing unit.**

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

30 (1) the amount determined under section 4 of this chapter;  
 31 and

32 (2) the amount of interest in the county's account that has  
 33 accrued and has not been included in a certification made in  
 34 a preceding year.

35 The amount certified is the county's certified distribution for the  
 36 immediately succeeding calendar year. The amount certified shall  
 37 be adjusted, as necessary, under sections 6, 7, and 8 of this chapter.  
 38 Not later than fifteen (15) days after receiving the amount of the  
 39 certified distribution, the department of local government finance  
 40 shall determine for each taxing unit and notify the county auditor  
 41 of the certified amount of property tax credits, school distributions,  
 42 public safety revenue, economic development revenue, certified



1 shares, and special purpose revenue that will be distributed to the  
2 taxing unit under this chapter during the ensuing calendar year.  
3 Not later than thirty (30) days after receiving the department's  
4 estimate, the county auditor shall notify each taxing unit of the  
5 certified amounts for the taxing unit.

6 **Sec. 6.** The budget agency shall certify an amount less than the  
7 amount determined under section 5(b) of this chapter if the budget  
8 agency determines that the reduced distribution is necessary to  
9 offset overpayments made in a calendar year before the calendar  
10 year of the distribution. The budget agency may reduce the amount  
11 of the certified distribution over several calendar years so that any  
12 overpayments are offset over several years rather than in one (1)  
13 lump sum.

14 **Sec. 7.** The budget agency shall adjust the certified distribution  
15 of a county to correct for any clerical or mathematical errors made  
16 in any previous certification under this section. The budget agency  
17 may reduce the amount of the certified distribution over several  
18 calendar years so that any adjustment under this subsection is  
19 offset over several years rather than in one (1) lump sum.

20 **Sec. 8.** This section applies to a county that imposes, increases,  
21 decreases, or rescinds a tax or tax rate under this article before  
22 November 1 in the same calendar year in which the budget agency  
23 makes a certification under this section. The budget agency shall  
24 adjust the certified distribution of a county to provide for a  
25 distribution in the immediately following calendar year and in each  
26 calendar year thereafter. The budget agency shall provide for a full  
27 transition to certification of distributions as provided in section  
28 4(1) through 4(2) of this chapter in the manner provided in section  
29 6 of this chapter. If the county imposes, increases, decreases, or  
30 rescinds a tax or tax rate under this article after the date for which  
31 a certification under section 5(b) of this chapter is based, the  
32 budget agency shall adjust the certified distribution of the county  
33 after October 1 and before December 1 of the calendar year. The  
34 adjustment must reflect any other adjustment required under  
35 sections 6 and 7 of this chapter. The adjusted certification shall be  
36 treated as the county's certified distribution for the immediately  
37 succeeding calendar year. The budget agency shall certify the  
38 adjusted certified distribution to the county auditor for the county  
39 and provide the county council with an informative summary of  
40 the calculations that revises the informative summary provided in  
41 section 9 of this chapter and reflects the changes made in the  
42 adjustment.



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

- 4           (1) the amount reported on individual income tax returns  
5 processed by the department during the previous fiscal year;  
6           (2) adjustments for over distributions in prior years;  
7           (3) adjustments for clerical or mathematical errors in prior  
8 years;  
9           (4) adjustments for tax rate changes; and  
10          (5) the amount of excess account balances to be distributed  
11 under section 15 of this chapter.

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

- 15          (1) The tax rate imposed under IC 6-3.6-5.  
16          (2) The tax rate imposed under IC 6-3.6-6.  
17          (3) Each tax rate imposed under IC 6-3.6-7.

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

20          **Sec. 11.** The information described in sections 9 and 10 of this  
21 chapter must be certified to the county auditor and to the  
22 department of local government finance not later than the later of  
23 the following:

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

27          **Sec. 12.** One-twelfth (1/12) of each adopting county's certified  
28 distribution for a calendar year shall be distributed from its trust  
29 account established under this chapter to the appropriate county  
30 treasurer on the first regular business day of each month of that  
31 calendar year.

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

35          **Sec. 14.** Before November 2 of each year, the budget agency  
36 shall submit a report to each county auditor indicating the balance  
37 in the county's trust account as of the cutoff date set by the budget  
38 agency.

39          **Sec. 15. (a)** If the budget agency determines that the balance in  
40 a county trust account exceeds fifty percent (50%) of the certified  
41 distributions to be made to the county in the ensuing year, the  
42 budget agency shall make a supplemental distribution to the county



1 from the county's special account.

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

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

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

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

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

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

21 (d) A determination under this section must be made before  
22 November 2.

23 Sec. 16. Upon receipt, each monthly payment of a county's  
24 certified distribution or supplemental distribution shall be  
25 allocated and distributed to the appropriate entities in accordance  
26 with this article and the allocation ordinances adopted under this  
27 article.

#### 28 Chapter 10. Permitted Expenditures

29 Sec. 1. This chapter is not an exhaustive list of the purposes for  
30 which revenue raised under IC 6-3.6-6 may be expended.

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

34 (1) To pay all or a part of the interest owed by a private  
35 developer or user on a loan extended by a financial institution  
36 or other lender to the developer or user if the proceeds of the  
37 loan are or are to be used to finance an economic development  
38 project.

39 (2) For the retirement of bonds for economic development  
40 projects.

41 (3) For leases or for leases or bonds entered into or issued  
42 before the date the county economic development income tax



- 1 (IC 6-3.5-7 repealed) was imposed if the purpose of the lease  
 2 or bonds would have qualified as a purpose under this article  
 3 at the time the lease was entered into or the bonds were  
 4 issued.
- 5 (4) The construction or acquisition of, or remedial action with  
 6 respect to, a capital project for which the unit is empowered  
 7 to issue general obligation bonds or establish a fund under  
 8 any statute listed in IC 6-1.1-18.5-9.8.
- 9 (5) The retirement of bonds issued under any provision of  
 10 Indiana law for a capital project.
- 11 (6) The payment of lease rentals under any statute for a  
 12 capital project.
- 13 (7) Contract payments to a nonprofit corporation whose  
 14 primary corporate purpose is to assist government in  
 15 planning and implementing economic development projects.
- 16 (8) Operating expenses of a governmental entity that plans or  
 17 implements economic development projects.
- 18 (9) Funding of a revolving fund established under  
 19 IC 5-1-14-14.
- 20 (10) For a regional venture capital fund or a local venture  
 21 capital fund.
- 22 **Sec. 3. (a) The fiscal body of a county, city, or town may issue**  
 23 **bonds payable from revenue under IC 6-3.6-6. The bonds must be**  
 24 **for economic development projects.**
- 25 (b) The fiscal body of a county, city, or town may issue bonds  
 26 payable from revenue described in section 2 of this chapter for any  
 27 capital project for which the fiscal body is authorized to issue  
 28 general obligation bonds. The bonds issued under this section may  
 29 be payable from the tax if the county option income tax (IC 6-3.5-6  
 30 repealed), the county adjusted gross income tax (IC 6-3.5-1.1  
 31 repealed), or a tax under IC 6-3.6-6 is also in effect in the county at  
 32 the time the bonds are issued.
- 33 (c) If there are bonds outstanding that have been issued under  
 34 this section, or leases in effect under section 4 of this chapter, the  
 35 adopting body may not reduce the tax imposed under IC 6-3.6-6,  
 36 or an allocation under IC 6-3.6-6-9, or certified shares pledged to  
 37 repay bonds, as appropriate, below a rate that would produce one  
 38 and twenty-five hundredths (1.25) times the total of the highest  
 39 annual debt service on the bonds to their final maturity, plus the  
 40 highest annual lease payments, unless:
- 41 (1) the body that imposed a tax under IC 6-3.6-6; or  
 42 (2) any city, town, or county;



1 pledges all or a part of its certified shares for the life of the bonds  
 2 or the term of the lease, in an amount that is sufficient, when  
 3 combined with the amount pledged by the city, town, or county  
 4 that issued the bonds, to produce one and twenty-five hundredths  
 5 (1.25) times the total of the highest outstanding annual debt service  
 6 plus the highest annual lease payments.

7 (d) For purposes of subsection (c), the determination of a tax  
 8 rate sufficient to produce one and twenty-five hundredths (1.25)  
 9 times the total of the highest outstanding annual debt service plus  
 10 the highest annual lease payments must be based on an average of  
 11 the immediately preceding three (3) years tax collections, if the tax  
 12 has been imposed for the last preceding three (3) years. If the tax  
 13 has not been imposed for the last preceding three (3) years, the  
 14 body that imposed the tax may not reduce the rate below a rate  
 15 that would produce one and twenty-five hundredths (1.25) times  
 16 the total of the highest annual debt service, plus the highest annual  
 17 lease payments, based upon a study by a qualified public  
 18 accountant or financial advisor.

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

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

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

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

29 Sec. 4. (a) A county, city, or town may enter into a lease with a  
 30 leasing body (as defined in IC 5-1-1-1) of any property that could  
 31 be financed with the proceeds of bonds issued under this chapter  
 32 with a lessor for a term not to exceed fifty (50) years, and the lease  
 33 may provide for payments from revenues described in section 2 of  
 34 this chapter, any other revenue available to the unit, or any  
 35 combination of these sources.

36 (b) A lease may provide that payments by the unit to the lessor  
 37 are required only to the extent and only for the period that the  
 38 lessor is able to provide the leased facilities in accordance with the  
 39 lease. The terms of each lease must be based upon the value of the  
 40 facilities leased and may not create a debt of the unit for purposes  
 41 of the Constitution of the State of Indiana.

42 (c) A lease may be entered into by the executive of the unit only



1 after a public hearing at which all interested parties are provided  
 2 the opportunity to be heard. After the public hearing, the executive  
 3 may approve the execution of the lease on behalf of the unit if the  
 4 executive finds that the service to be provided throughout the term  
 5 of the lease will serve the public purpose of the unit and is in the  
 6 best interests of its residents. Any lease approved by the executive  
 7 must also be approved by an ordinance of the fiscal body of the  
 8 unit.

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

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

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

21 (g) If a unit exercises an option to buy a leased facility from a  
 22 lessor, the unit may subsequently sell the leased facility, without  
 23 regard to any other statute, to the lessor at the end of the lease  
 24 term at a price set forth in the lease or at fair market value  
 25 established at the time of the sale by the executive of the unit  
 26 through auction, appraisal, or arms length negotiation. If the  
 27 facility is sold at auction, after appraisal, or through negotiation,  
 28 the unit shall conduct a hearing after public notice in accordance  
 29 with IC 5-3-1 before the sale. Any action to contest the sale must be  
 30 brought within fifteen (15) days of the hearing.

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

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

40 (b) With respect to obligations for which a pledge has been  
 41 made under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5), the  
 42 general assembly covenants with the county and the purchasers or





1 owners of those obligations that this article will not be repealed or  
 2 amended in any manner that will adversely affect the tax collected  
 3 under this article as long as the principal of or interest on those  
 4 obligations is unpaid.

5 Sec. 7. (a) The general assembly finds that counties and  
 6 municipalities in Indiana have a need to foster economic  
 7 development, the development of new technology, and industrial  
 8 and commercial growth. The general assembly finds that it is  
 9 necessary and proper to provide an alternative method for counties  
 10 and municipalities to foster the following:

- 11 (1) Economic development.
- 12 (2) The development of new technology.
- 13 (3) Industrial and commercial growth.
- 14 (4) Employment opportunities.
- 15 (5) The diversification of industry and commerce.

16 The fostering of economic development and the development of  
 17 new technology under this section or section 8 of this chapter for  
 18 the benefit of the general public, including industrial and  
 19 commercial enterprises, is a public purpose.

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

- 22 (1) Determine that part or all the revenue described in section  
 23 2 of this chapter should be combined to foster:
  - 24 (A) economic development;
  - 25 (B) the development of new technology; and
  - 26 (C) industrial and commercial growth.
- 27 (2) Establish a regional venture capital fund.

28 (c) Each unit participating in a regional venture capital fund  
 29 established under subsection (b) may deposit the following in the  
 30 fund:

- 31 (1) Revenues described in section 2 of this chapter.
- 32 (2) The proceeds of public or private grants.

33 (d) A regional venture capital fund shall be administered by a  
 34 governing board. The expenses of administering the fund shall be  
 35 paid from money in the fund. The governing board shall invest the  
 36 money in the fund not currently needed to meet the obligations of  
 37 the fund in the same manner as other public money may be  
 38 invested. Interest that accrues from these investments shall be  
 39 deposited into the fund. The fund is subject to an annual audit by  
 40 the state board of accounts. The fund must bear the full costs of the  
 41 audit.

42 (e) The fiscal body of each participating unit shall approve an



1 interlocal agreement created under IC 36-1-7 establishing the  
2 terms for the administration of the regional venture capital fund.

3 The terms must include the following:

- 4 (1) The membership of the governing board.  
5 (2) The amount of each unit's contribution to the fund.  
6 (3) The procedures and criteria under which the governing  
7 board may loan or grant money from the fund.  
8 (4) The procedures for the dissolution of the fund and for the  
9 distribution of money remaining in the fund at the time of the  
10 dissolution.

11 (f) An interlocal agreement made by the participating units  
12 under subsection (e) must provide that:

- 13 (1) each of the participating units is represented by at least  
14 one (1) member of the governing board; and  
15 (2) the membership of the governing board is established on  
16 a bipartisan basis so that the number of the members of the  
17 governing board who are members of one (1) political party  
18 may not exceed the number of members of the governing  
19 board required to establish a quorum.

20 (g) A majority of the governing board constitutes a quorum, and  
21 the concurrence of a majority of the governing board is necessary  
22 to authorize any action.

23 (h) An interlocal agreement made by the participating units  
24 under subsection (e) must be submitted to the Indiana economic  
25 development corporation for approval before the participating  
26 units may contribute to the fund.

27 (i) A majority of members of a governing board of a regional  
28 venture capital fund established under this section must have at  
29 least five (5) years of experience in business, finance, or venture  
30 capital.

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

- 36 (1) To promote significant employment opportunities for the  
37 residents of the units participating in the regional venture  
38 capital fund.  
39 (2) To attract a major new business enterprise to a  
40 participating unit.  
41 (3) To develop, retain, or expand a significant business  
42 enterprise in a participating unit.



1           (k) The expenditures of a borrower or grantee of money from  
2 a regional venture capital fund that are considered to be for an  
3 economic development purpose include expenditures for any of the  
4 following:

- 5           (1) Research and development of technology.  
6           (2) Job training and education.  
7           (3) Acquisition of property interests.  
8           (4) Infrastructure improvements.  
9           (5) New buildings or structures.  
10          (6) Rehabilitation, renovation, or enlargement of buildings or  
11 structures.  
12          (7) Machinery, equipment, and furnishings.  
13          (8) Funding small business development with respect to:  
14            (A) prototype products or processes;  
15            (B) marketing studies to determine the feasibility of new  
16 products or processes; or  
17            (C) business plans for the development and production of  
18 new products or processes.

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

21          (b) A unit establishing a local venture capital fund under  
22 subsection (a) may deposit the following in the fund:

- 23           (1) Revenues described in section 2 of this chapter.  
24           (2) The proceeds of public or private grants.

25          (c) A local venture capital fund shall be administered by a  
26 governing board. The expenses of administering the fund shall be  
27 paid from money in the fund. The governing board shall invest the  
28 money in the fund not currently needed to meet the obligations of  
29 the fund in the same manner as other public money may be  
30 invested. Interest that accrues from these investments shall be  
31 deposited into the fund. The fund is subject to an annual audit by  
32 the state board of accounts. The fund must bear the full costs of the  
33 audit.

34          (d) The fiscal body of a unit establishing a local venture capital  
35 fund under subsection (a) shall establish the terms for the  
36 administration of the local venture capital fund. The terms must  
37 include the following:

- 38           (1) The membership of the governing board.  
39           (2) The amount of the unit's contribution to the fund.  
40           (3) The procedures and criteria under which the governing  
41 board may loan or grant money from the fund.  
42           (4) The procedures for the dissolution of the fund and for the



- 1           **distribution of money remaining in the fund at the time of the**  
2           **dissolution.**
- 3           **(e) A unit establishing a local venture capital fund under**  
4           **subsection (a) must be represented by at least one (1) member of**  
5           **the governing board.**
- 6           **(f) The membership of the governing board must be established**  
7           **on a bipartisan basis so that the number of the members of the**  
8           **governing board who are members of one (1) political party may**  
9           **not exceed the number of members of the governing board**  
10          **required to establish a quorum.**
- 11          **(g) A majority of the governing board constitutes a quorum, and**  
12          **the concurrence of a majority of the governing board is necessary**  
13          **to authorize any action.**
- 14          **(h) The terms established under subsection (d) for the**  
15          **administration of the local venture capital fund must be submitted**  
16          **to the Indiana economic development corporation for approval**  
17          **before a unit may contribute to the fund.**
- 18          **(i) A majority of members of a governing board of a local**  
19          **venture capital fund established under this section must have at**  
20          **least five (5) years of experience in business, finance, or venture**  
21          **capital.**
- 22          **(j) The governing board of the fund may loan or grant money**  
23          **from the fund to a private or public entity if the governing board**  
24          **finds that the loan or grant will be used by the borrower or grantee**  
25          **for at least one (1) of the following economic development**  
26          **purposes:**
- 27               **(1) To promote significant employment opportunities for the**  
28               **residents of the unit establishing the local venture capital**  
29               **fund.**
- 30               **(2) To attract a major new business enterprise to the unit.**
- 31               **(3) To develop, retain, or expand a significant business**  
32               **enterprise in the unit.**
- 33          **(k) The expenditures of a borrower or grantee of money from**  
34          **a local venture capital fund that are considered to be for an**  
35          **economic development purpose include expenditures for any of the**  
36          **following:**
- 37               **(1) Research and development of technology.**
- 38               **(2) Job training and education.**
- 39               **(3) Acquisition of property interests.**
- 40               **(4) Infrastructure improvements.**
- 41               **(5) New buildings or structures.**
- 42               **(6) Rehabilitation, renovation, or enlargement of buildings or**



1 structures.

2 (7) Machinery, equipment, and furnishings.

3 (8) Funding small business development with respect to:

4 (A) prototype products or processes;

5 (B) marketing studies to determine the feasibility of new  
6 products or processes; or

7 (C) business plans for the development and production of  
8 new products or processes.

9 Chapter 11. Supplemental Allocation and Distribution  
10 Requirements

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

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

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

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

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

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

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

27 (b) A taxpayer that owns an industrial plant located in Jasper  
28 County is ineligible for a credit under IC 6-3.5-5 against the  
29 property taxes due on the industrial plant if the assessed value of  
30 the industrial plant as of March 1, 2006, exceeded twenty percent  
31 (20%) of the total assessed value of all taxable property in the  
32 county on that date. The general assembly finds that the provisions  
33 of this subsection are necessary because the industrial plant  
34 represents such a large percentage of Jasper County's assessed  
35 valuation.

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

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

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



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



1 the credit under IC 6-1.1-20.6.  
 2 **Sec. 4. (a)** This section applies to Marion County's allocation of  
 3 the tax revenue under IC 6-3.6-6 that is dedicated to public safety.  
 4 **(b)** The adopting body may allocate part or all of the certified  
 5 distribution that is allocated to public safety purposes to fund the  
 6 operation of a public communications system and computer  
 7 facilities district as provided in an election, if any, made by the  
 8 county fiscal body under IC 36-8-15-19(b).  
 9 **Sec. 5. (a)** This section applies to Marion County's allocation of  
 10 the tax revenue under IC 6-3.6-6 that is dedicated to certified  
 11 shares.  
 12 **(b)** The consolidated city, the county, all special taxing districts,  
 13 special service districts, included towns (as defined in IC 36-3-1-7),  
 14 and all other political subdivisions except:  
 15 (1) townships;  
 16 (2) excluded cities (as defined in IC 36-3-1-7); and  
 17 (3) school corporations;  
 18 are considered to comprise one (1) civil taxing unit whose fiscal  
 19 body is the fiscal body of the consolidated city.  
 20 **(c)** For purposes of subsection (d), the following amounts are  
 21 referred to as the subsection (c) ratio:  
 22 Center Township .0251  
 23 Decatur Township .00217  
 24 Franklin Township .0023  
 25 Lawrence Township .01177  
 26 Perry Township .01130  
 27 Pike Township .01865  
 28 Warren Township .01359  
 29 Washington Township .01346  
 30 Wayne Township .01307  
 31 Lawrence-City .00858  
 32 Beech Grove .00845  
 33 Southport .00025  
 34 Speedway .00722  
 35 Indianapolis/Marion County .86409  
 36 **(d)** The distributive shares that each civil taxing unit in the  
 37 county is entitled to receive during a month equals the total  
 38 amount of revenues that are to be distributed as distributive shares  
 39 during that month calculated as follows:  
 40 **STEP ONE:** Determine the total amount of revenues that  
 41 were distributed as distributive shares during that month in  
 42 calendar year 1995.



- 1           **STEP TWO:** Determine the total amount of revenue that the  
 2           department has certified as distributive shares for that  
 3           month under IC 6-3.6-6 for the calendar year.
- 4           **STEP THREE:** Subtract the STEP ONE result from the  
 5           STEP TWO result.
- 6           **STEP FOUR:** If the STEP THREE result is less than or  
 7           equal to zero (0), multiply the STEP TWO result by the  
 8           applicable subsection (c) ratio for the civil taxing unit.
- 9           **STEP FIVE:** Determine the ratio of:
- 10           (A) the maximum permissible property tax levy under  
 11           IC 6-1.1-18.5 for each civil taxing unit for the calendar  
 12           year in which the month falls, plus, for a county, the  
 13           welfare allocation amount; divided by
- 14           (B) the sum of the maximum permissible property tax  
 15           levies under IC 6-1.1-18.5 for all civil taxing units of the  
 16           county during the calendar year in which the month falls,  
 17           and an amount equal to the welfare allocation amount.
- 18           **STEP SIX:** If the STEP THREE result is greater than zero  
 19           (0), the STEP ONE amount shall be distributed by  
 20           multiplying the STEP ONE amount by the subsection (c)  
 21           ratio.
- 22           **STEP SEVEN:** For each taxing unit determine the STEP  
 23           FIVE ratio multiplied by the STEP TWO amount.
- 24           **STEP EIGHT:** For each civil taxing unit determine the  
 25           difference between the STEP SEVEN amount minus the  
 26           product of the STEP ONE amount multiplied by the  
 27           subsection (c) ratio. The STEP THREE excess shall be  
 28           distributed as provided in STEP NINE only to the civil taxing  
 29           units that have a STEP EIGHT difference greater than or  
 30           equal to zero (0).
- 31           **STEP NINE:** For the civil taxing units qualifying for a  
 32           distribution under STEP EIGHT, each civil taxing unit's  
 33           share equals the STEP THREE excess multiplied by the ratio  
 34           of:
- 35           (A) the maximum permissible property tax levy under  
 36           IC 6-1.1-18.5 for the qualifying civil taxing unit during the  
 37           calendar year in which the month falls, plus, for a county,  
 38           an amount equal to the welfare allocation amount; divided  
 39           by
- 40           (B) the sum of the maximum permissible property tax  
 41           levies under IC 6-1.1-18.5 for all qualifying civil taxing  
 42           units of the county during the calendar year in which the





1                    **month falls, and an amount equal to the welfare allocation**  
2                    **amount.**  
3                    **SECTION 6. [EFFECTIVE JULY 1, 2015] (a) The legislative**  
4                    **council shall provide for the preparation and introduction of**  
5                    **legislation in the 2016 session of the general assembly to correct**  
6                    **cross-references and make other changes to the Indiana Code, as**  
7                    **necessary, to bring provisions that are not added or amended by**  
8                    **this act into conformity with this act.**  
9                    **(b) This SECTION expires January 1, 2017.**  
10                    **SECTION 7. 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**

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**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

