

HOUSE BILL No. 1053

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6-7-8.7.

Synopsis: Local income tax rate for Fulton County jail. Authorizes the county council of Fulton County to impose an additional local income tax rate of not more than 0.25%. Provides that revenue from the additional tax rate may be used only to: (1) pay the costs of financing, constructing, acquiring, improving, renovating, equipping, operating, and maintaining a county jail and related buildings and parking facilities; and (2) pay bonds issued or leases entered into for the constructing, acquiring, improving, renovating, or equipping of the county jail and related buildings and parking facilities.

Effective: July 1, 2018.

Friend, Gutwein

January 3, 2018, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1053

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 6-3.6-7-8.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2018]: **Sec. 8.7. (a) This section applies to Fulton County.**

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

8 **(c) The county council may, by ordinance, determine that**
9 **additional local income tax revenue is needed in the county to do**
10 **the following:**

11 **(1) Finance, construct, acquire, improve, renovate, and equip**
12 **a county jail and related buildings and parking facilities,**
13 **including costs related to the demolition of existing buildings,**
14 **the acquisition of land, and any other reasonably related**
15 **costs.**

16 **(2) Pay bonds issued or leases entered into for the purposes**
17 **described in subdivision (1).**



(3) Operate and maintain the facilities described in subdivision (1).

(d) If the county council makes the determination set forth in subsection (c), the county council may adopt an ordinance to impose a local income tax rate on the adjusted gross income of local taxpayers that is the lesser of the following:

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

(2) The rate necessary to pay for the purposes described in subsection (c).

(e) The tax rate used to pay for the purposes described in subsection (c)(1) and (c)(2) may be imposed only until the latest of the following dates:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping of the facilities as described in subsection (c) are completed.

(2) The date on which the last of any bonds issued (including refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping of the facilities described in subsection (c) are fully paid.

(3) The date on which an ordinance adopted under subsection (d) is rescinded.

(f) The tax rate under this section may be imposed beginning in the year following the year the ordinance is adopted and until the date on which the ordinance adopted under this section is rescinded.

(g) The term of a bond issued (including any refunding bond) or a lease entered into under subsection (c) may not exceed twenty-five (25) years.

(h) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. Local income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund.

(i) Local income tax revenues derived from the tax rate imposed under this section:

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

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

(3) may be pledged to the repayment of bonds issued or leases



1 **entered into for the purposes described in subsection (c).**

