

HOUSE BILL No. 1116

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-58.

Synopsis: Hammond food and beverage tax. Authorizes the city of Hammond to impose a food and beverage tax.

Effective: July 1, 2024.

Jackson, Harris, Soliday

January 8, 2024, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1116

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 6-9-58 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2024]:

4 **Chapter 58. Hammond Food and Beverage Tax**

5 **Sec. 1. This chapter applies to the city of Hammond.**

6 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
7 **chapter.**

8 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance to**
9 **impose an excise tax, known as the city food and beverage tax, on**
10 **transactions described in section 4 of this chapter. The fiscal body**
11 **of the city may adopt an ordinance under this subsection only after**
12 **the fiscal body has previously held at least one (1) separate public**
13 **hearing in which a discussion of the proposed ordinance to impose**
14 **the city food and beverage tax is the only substantive issue on the**
15 **agenda for the public hearing.**

16 **(b) If the city fiscal body adopts an ordinance under subsection**
17 **(a), the city fiscal body shall immediately send a certified copy of**



1 the ordinance to the department of state revenue.
2 (c) If the city fiscal body adopts an ordinance under subsection
3 (a), the city food and beverage tax applies to transactions that
4 occur after the later of the following:
5 (1) The day specified in the ordinance.
6 (2) The last day of the month that succeeds the month in
7 which the ordinance is adopted.
8 Sec. 4. (a) Except as provided in subsection (c), a tax imposed
9 under section 3 of this chapter applies to a transaction in which
10 food or beverage is furnished, prepared, or served:
11 (1) for consumption at a location or on equipment provided by
12 a retail merchant;
13 (2) in the city; and
14 (3) by a retail merchant for consideration.
15 (b) Transactions described in subsection (a)(1) include
16 transactions in which food or beverage is:
17 (1) served by a retail merchant off the merchant's premises;
18 (2) sold in a heated state or heated by a retail merchant;
19 (3) made of two (2) or more food ingredients, mixed or
20 combined by a retail merchant for sale as a single item (other
21 than food that is only cut, repackaged, or pasteurized by the
22 seller, and eggs, fish, meat, poultry, and foods containing these
23 raw animal foods requiring cooking by the consumer as
24 recommended by the federal Food and Drug Administration
25 in chapter 3, subpart 3-401.11 of its Food Code so as to
26 prevent food borne illnesses); or
27 (4) sold with eating utensils provided by a retail merchant,
28 including plates, knives, forks, spoons, glasses, cups, napkins,
29 or straws (for purposes of this subdivision, a plate does not
30 include a container or package used to transport food).
31 (c) The city food and beverage tax does not apply to the
32 furnishing, preparing, or serving of a food or beverage in a
33 transaction that is exempt, or to the extent the transaction is
34 exempt, from the state gross retail tax imposed by IC 6-2.5.
35 Sec. 5. The city food and beverage tax rate:
36 (1) must be imposed in an increment of twenty-five
37 hundredths percent (0.25%); and
38 (2) may not exceed one percent (1%);
39 of the gross retail income received by the merchant from the food
40 or beverage transaction described in section 4 of this chapter. For
41 purposes of this chapter, the gross retail income received by the
42 retail merchant from a transaction does not include the amount of



1 tax imposed on the transaction under IC 6-2.5.

2 Sec. 6. A tax imposed under this chapter is imposed, paid, and
3 collected in the same manner that the state gross retail tax is
4 imposed, paid, and collected under IC 6-2.5. However, the return
5 to be filed with the payment of the tax imposed under this chapter
6 may be made on a separate return or may be combined with the
7 return filed for the payment of the state gross retail tax, as
8 prescribed by the department of state revenue.

9 Sec. 7. The amounts received from the tax imposed under this
10 chapter shall be paid monthly by the treasurer of state to the city
11 fiscal officer upon warrants issued by the state comptroller.

12 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by
13 the city, the city fiscal officer shall establish a food and beverage
14 tax receipts fund.

15 (b) The city fiscal officer shall deposit in the fund all amounts
16 received under this chapter.

17 (c) Money earned from the investment of money in the fund
18 becomes a part of the fund.

19 Sec. 9. Money in the food and beverage tax receipts fund must
20 be used by the city only for the following purposes:

21 (1) Development related to the northern Indiana commuter
22 transportation district's construction of the West Lake
23 Corridor Commuter Rail Project.

24 (2) Development in the city's downtown area, including the
25 purchase of land for development in the city's downtown area.

26 (3) The expansion and improvement of the Hammond
27 Sportsplex and Community Center, including the purchase of
28 land for the expansion and improvement of the Hammond
29 Sportsplex and Community Center.

30 (4) The expansion and improvement of the Pavilion at Wolf
31 Lake Memorial Park, including the purchase of land for the
32 expansion and improvement of the Pavilion at Wolf Lake
33 Memorial Park.

34 (5) The pledge of money under IC 5-1-14-4 for bonds, leases,
35 or other obligations incurred for a purpose described in
36 subdivisions (1) through (4).

37 Revenue derived from the imposition of a tax under this chapter
38 may be treated by the city as additional revenue for the purpose of
39 fixing its budget for the budget year during which the revenues are
40 to be distributed to the city.

41 Sec. 10. With respect to obligations for which a pledge has been
42 made under section 9 of this chapter, the general assembly



1 **covenants with the holders of the obligations that this chapter will**
2 **not be repealed or amended in a manner that will adversely affect**
3 **the imposition or collection of the tax imposed under this chapter**
4 **if the payment of any of the obligations is outstanding.**

5 **Sec. 11. (a) If the city imposes the tax authorized by this chapter,**
6 **the tax terminates on July 1, 2047.**

7 **(b) This chapter expires July 1, 2047.**

