

HOUSE BILL No. 1124

DIGEST OF INTRODUCED BILL

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

Synopsis: Local income tax laws. Replaces the county adjusted gross income tax, the county option income tax, and the county economic development tax with a local income tax law. Provides for the introduction of legislation in the 2015 legislative session to make related amendments to implement the local income tax.

Effective: Upon passage; January 1, 2015.

Thompson, Karickhoff

January 9, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1124

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 IC 6-3.5-1.1 IS REPEALED [EFFECTIVE JANUARY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, 2015]. (County Adjusted Gross Income Tax).
- 3 SECTION 2. IC 6-3.5-1.5 IS REPEALED [EFFECTIVE JANUARY
- 4 1, 2015]. (Calculation of Levy Freeze Amounts).
- 5 SECTION 3. IC 6-3.5-6 IS REPEALED [EFFECTIVE JANUARY
- 6 1, 2015]. (County Option Income Tax).
- 7 SECTION 4. IC 6-3.5-7 IS REPEALED [EFFECTIVE JANUARY
- 8 1, 2015]. (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 UPON**
- 11 **PASSAGE]:**
- 12 **ARTICLE 3.6. LOCAL INCOME TAXES**
- 13 **Chapter 1. Application; Transitional Provisions**
- 14 **Sec. 1. This article applies to:**
- 15 **(1) taxes and tax liability in effect after September 30, 2014;**
- 16 **(2) homestead and property tax credits against property tax**



1 liability imposed for an assessment date after February 28,
2 2014; and

3 (3) subject to subdivisions (1) and (2), administration of taxes
4 described in section 2 of this chapter, after April 1, 2014.

5 Sec. 2. Except to the extent that taxes imposed in a county
6 under:

7 (1) IC 6-3.5-1 (repealed);

8 (2) IC 6-3.5-1.1 (repealed);

9 (3) IC 6-3.5-6 (repealed); or

10 (4) IC 6-3.5-7 (repealed);

11 are increased, decreased, or rescinded under this article, the total
12 tax rate in effect in a county under the provisions described in
13 subdivisions (1) through (4) on April 1, 2014, continue in effect
14 after April 1, 2014, and shall be treated as taxes imposed under this
15 article.

16 Sec. 3. Notwithstanding:

17 (1) IC 6-3.5-1 (repealed);

18 (2) IC 6-3.5-1.1 (repealed);

19 (3) IC 6-3.5-6 (repealed); or

20 (4) IC 6-3.5-7 (repealed);

21 a change in a tax imposed under a provision described in
22 subdivisions (1) through (4), credits related to property taxes,
23 allocations of tax revenue, and pledges for payment from tax
24 revenue after April 1, 2014, must be made under this article and
25 not under the provisions described in subdivisions (1) through (4).

26 Sec. 4. The certified distribution of a tax described in section
27 2(1) through 2(4) of this chapter shall be administered and
28 distributed for periods after December 31, 2014, based on this
29 article.

30 Sec. 5. A reference to a tax described in section 2(1) through 2(4)
31 of this chapter in a law or other document shall be treated as a
32 reference to the related tax under this article.

33 Sec. 6. A pledge of a tax described in section 2(1) through 2(4)
34 of this chapter for the payment of bonds, leases, or other
35 expenditures shall be treated as a pledge of the related tax under
36 this article for the same purpose.

37 Sec. 7. A period of time that began with respect to a tax
38 described in section 2(1) through 2(4) of this chapter and limits the
39 period in which the tax may be imposed continues under this
40 article from the starting date and time of the original action under
41 the laws described in section 2(1) through 2(4) of this chapter and
42 limits the period in which the related tax under this article may be



1 imposed as if the period of time were initiated under this article.

2 **Sec. 8.** A period of time that began with respect to the issuance
3 of bonds or leases payable from a tax described in section 2(1)
4 through 2(4) of this chapter and limits the period in which the
5 bonds or leases may be in effect continues under this article from
6 the starting date and time of the original action under the laws
7 described in section 2(1) through 2(4) of this chapter and limits the
8 period in which the bonds or leases may be in effect as if the period
9 of time were initiated under this article.

10 **Sec. 9. (a)** Except as provided in this section, a tax imposed
11 under IC 6-3.5-1 (repealed) or IC 6-3.5-1.1 (repealed) shall be
12 treated under this article as a tax imposed under IC 6-3.6-5-2.

13 **(b)** An amount equal to twenty-five hundredths percent (0.25%)
14 of the taxes imposed under IC 6-3.5-1.1 (repealed) shall be treated
15 as a tax under IC 6-3.6-6-6.

16 **(c)** A tax imposed under any of the following shall be treated as
17 a tax imposed under IC 6-3.6-6-6:

18 IC 6-3.5-1.1-24 (repealed)

19 IC 6-3.5-1.1-26 (repealed).

20 **(d)** A tax imposed under any of the following shall be treated as
21 a tax imposed under IC 6-3.6-6-6:

22 IC 6-3.5-1.1-2.3 (repealed)

23 IC 6-3.5-1.1-2.5 (repealed)

24 IC 6-3.5-1.1-2.7 (repealed)

25 IC 6-3.5-1.1-2.8 (repealed)

26 IC 6-3.5-1.1-2.9 (repealed)

27 IC 6-3.5-1.1-3.3 (repealed)

28 IC 6-3.5-1.1-3.5 (repealed)

29 IC 6-3.5-1.1-3.6 (repealed).

30 **Sec. 10. (a)** Except as provided in this section, a tax imposed
31 under IC 6-3.5-6 (repealed) shall be treated under this article as a
32 tax imposed under IC 6-3.6-5-2.

33 **(b)** A tax imposed under any of the following shall be treated as
34 a tax imposed under IC 6-3.6-6-6:

35 IC 6-3.5-6-30 (repealed)

36 IC 6-3.5-6-32 (repealed).

37 **(c)** An amount used for homestead credits under IC 6-3.5-6-13
38 (repealed) shall be treated as a tax imposed under IC 6-3.6-6-6.

39 **(d)** A tax imposed under IC 6-3.5-6-28 (repealed) shall be
40 treated under this article as a tax imposed under IC 6-3.6-6-8.

41 **(e)** A tax imposed under IC 6-3.5-6-33 (repealed) shall be
42 treated under this article as a tax imposed under IC 6-3.6-6-9.



1 (f) A tax imposed under any of the following shall be treated as
2 a tax imposed under the related provision in IC 6-3.6-7:

3 IC 6-3.5-6-27 (repealed)

4 IC 6-3.5-6-29 (repealed).

5 Sec. 11. (a) Except as provided in this section, a tax imposed
6 under IC 6-3.5-7 (repealed) shall be treated under this article as a
7 tax imposed under IC 6-3.6-5-2.

8 (b) An amount used for a reduction in a property tax levy under
9 IC 6-3.5-7-23 (repealed) or as homestead credits or property tax
10 replacement credits under IC 6-3.5-7-11 (repealed) or
11 IC 6-3.5-7-26 (repealed) shall be treated as a tax imposed under
12 IC 6-3.6-6-6.

13 (c) A tax imposed under any of the following shall be treated as
14 a tax imposed under the related provision in IC 6-3.6-7:

15 IC 6-3.5-7-22.5 (repealed)

16 IC 6-3.5-7-24 (repealed)

17 IC 6-3.5-7-27 (repealed)

18 IC 6-3.5-7-27.5 (repealed)

19 IC 6-3.5-7-27.6 (repealed)

20 IC 6-3.5-7-28 (repealed).

21 Sec. 12. Before August 2, 2014, the budget agency, with the
22 assistance of the department of local government finance, shall
23 certify to each county the tax rates under IC 6-3.6, by category,
24 that are equivalent to the tax rates imposed in the county under the
25 following:

26 IC 6-3.5-1 (repealed)

27 IC 6-3.5-1.1 (repealed)

28 IC 6-3.5-6 (repealed)

29 IC 6-3.5-7 (repealed).

30 Sec. 13. The purpose of this section is to provide for a uniform
31 method of calculating levies and tax rates in all taxing units and a
32 uniform method of applying property tax credits that are funded
33 by a tax under this article. The department of local government
34 finance shall recalculate maximum permissible levies under
35 IC 6-1.1-18.5 and maximum permissible ad valorem property tax
36 levies for the proceeding year and take other actions, as necessary
37 or appropriate, to eliminate the effect of levy freezes and other levy
38 reductions related to the implementation of a tax described in
39 section 2 of this chapter. The department of local government
40 finance shall certify the recalculated maximum levies to county
41 auditors before August 2, 2014.

42 Sec. 14. The budget agency, after consultation with the



1 department of local government finance, may adjust a tax rate
 2 under this article to eliminate any additional revenue that would
 3 result, relative to the related tax imposed under a provision
 4 described in section 2 of this chapter, from taxing county taxpayers
 5 that are not resident county taxpayers at the same tax rates as
 6 resident county taxpayers.

7 **Sec. 15.** The department of local government finance shall assist
 8 adopting bodies and other local governmental entities as necessary
 9 to provide for a transition to the administration of taxes under this
 10 article.

11 **Chapter 2. Definitions**

12 **Sec. 1.** The definitions in this chapter apply throughout this
 13 article.

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

16 (1) in the case of a county taxpayer who is not treated as a
 17 resident county taxpayer of a county, the term includes only
 18 adjusted gross income derived from the taxpayer's principal
 19 place of business or employment; and

20 (2) in the case of a resident county taxpayer of Perry County,
 21 the term does not include adjusted gross income described in
 22 IC 6-3.6-8-7.

23 **Sec. 3.** "Allocation amount" refers to an amount that qualifies
 24 as an allocation amount under IC 6-3.6-5-17.

25 **Sec. 4.** "Attributed allocation amount" refers to an amount that
 26 qualifies as an attributed allocation amount under IC 6-3.6-5-16.

27 **Sec. 5.** "Certified shares" refers to the amount allocated for
 28 distribution as certified shares under IC 6-3.6-5.

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

31 **Sec. 7.** "Civil taxing unit" refers to a taxing unit that is eligible
 32 to receive certified shares under IC 6-3.6-5.

33 **Sec. 8.** "County income tax council" means a council established
 34 by IC 6-3.6-3-10.

35 **Sec. 9.** "County taxpayer", as it relates to a particular county,
 36 means any individual:

37 (1) who resides in that county on the date specified in
 38 IC 6-3.6-8-3; or

39 (2) who maintains the taxpayer's principal place of business
 40 or employment in that county on the date specified in
 41 IC 6-3.6-8-3 and who does not reside on that same date in
 42 another county in Indiana in which a tax under this article is



1 in effect.

2 **Sec. 10. "Economic development project" means any project**
3 **that:**

4 **(1) the county, city, or town determines will:**

5 **(A) promote significant opportunities for the gainful**
6 **employment of its citizens;**

7 **(B) attract a major new business enterprise to the unit; or**

8 **(C) retain or expand a significant business enterprise**
9 **within the unit; and**

10 **(2) involves an expenditure for:**

11 **(A) the acquisition of land;**

12 **(B) interests in land;**

13 **(C) site improvements;**

14 **(D) infrastructure improvements;**

15 **(E) buildings;**

16 **(F) structures;**

17 **(G) rehabilitation, renovation, and enlargement of**
18 **buildings and structures;**

19 **(H) machinery;**

20 **(I) equipment;**

21 **(J) furnishings;**

22 **(K) facilities;**

23 **(L) administrative expenses associated with a project**
24 **described in this section, including contract payments to a**
25 **nonprofit corporation whose primary corporate purpose**
26 **is to assist government in planning and implementing**
27 **economic development projects;**

28 **(M) operating expenses of a governmental entity that plans**
29 **or implements economic development projects; or**

30 **(N) substance removal or remedial action in a designated**
31 **unit;**

32 **or any combination of these.**

33 **Sec. 11. "Executive" has the meaning set forth in IC 36-1-2-5.**

34 **Sec. 12. "Fiscal body" has the meaning set forth in IC 36-1-2-6.**

35 **Sec. 13. "Impose" includes adopt, amend, increase, decrease,**
36 **and rescind.**

37 **Sec. 14. "Public safety" refers to the following:**

38 **(1) A police and law enforcement system to preserve public**
39 **peace and order.**

40 **(2) A firefighting and fire prevention system.**

41 **(3) Emergency ambulance services (as defined in**
42 **IC 16-18-2-107).**



- 1 (4) Emergency medical services (as defined in
2 IC 16-18-2-110).
3 (5) Emergency action (as defined in IC 13-11-2-65).
4 (6) A probation department of a court.
5 (7) Confinement, supervision, services under a community
6 corrections program (as defined in IC 35-38-2.6-2), or other
7 correctional services for a person who has been:
8 (A) diverted before a final hearing or trial under an
9 agreement that is between the county prosecuting attorney
10 and the person or the person's custodian, guardian, or
11 parent and that provides for confinement, supervision,
12 community corrections services, or other correctional
13 services instead of a final action described in clause (B) or
14 (C);
15 (B) convicted of a crime; or
16 (C) adjudicated as a delinquent child or a child in need of
17 services.
18 (8) A juvenile detention facility under IC 31-31-8.
19 (9) A juvenile detention center under IC 31-31-9.
20 (10) A county jail.
21 (11) A communications system (as defined in IC 36-8-15-3), an
22 enhanced emergency telephone system (as defined in
23 IC 36-8-16-2 (before its repeal on July 1, 2012)), or the
24 statewide 911 system (as defined in IC 36-8-16.7-22).
25 (12) Medical and health expenses for jailed inmates and other
26 confined persons.
27 (13) Pension payments for any of the following:
28 (A) A member of the fire department (as defined in
29 IC 36-8-1-8) or any other employee of a fire department.
30 (B) A member of the police department (as defined in
31 IC 36-8-1-9), a police chief hired under a waiver under
32 IC 36-8-4-6.5, or any other employee hired by a police
33 department.
34 (C) A county sheriff or any other member of the office of
35 the county sheriff.
36 (D) Other personnel employed to provide a service
37 described in this section.

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

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



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

2 (1) A tax imposed under this article.

3 (2) A tax that was originally imposed under:

4 (A) IC 6-3.5-1 (repealed);

5 (B) IC 6-3.5-1.1 (repealed);

6 (C) IC 6-3.5-6 (repealed); or

7 (D) IC 6-3.5-7 (repealed);

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

10 **Chapter 3. Adopting Body; Adoption Procedures; Effective**
11 **Date of Ordinances**

12 **Sec. 1. Except as otherwise provided in this article, the following**
13 **is the adopting body for a county:**

14 (1) With respect to a particular tax, credit, or allocation of tax
15 revenue authorized by this article, the fiscal body or other
16 governmental entity specifically authorized by this article to
17 adopt, increase, decrease, or rescind the tax, credit, or
18 allocation.

19 (2) A county income tax council in a county other than
20 Marion County that had a county option income tax under
21 IC 6-3.5-6 (repealed) in effect on January 1, 2014, if
22 subdivision (1) does not apply.

23 (3) A county income tax council in a county, if a county
24 income tax council adopted a county economic development
25 income tax for the county under IC 6-3.5-7 (repealed) that
26 was in effect on January 1, 2014, if subdivisions (1) and (2) do
27 not apply.

28 (4) The county fiscal body in any other county, if subdivisions
29 (1), (2), and (3) do not apply.

30 (5) The county fiscal body in Lake County, regardless of
31 whether subdivisions (2) or (3) would apply.

32 **Sec. 2. An adopting body or, if authorized by this article,**
33 **another governmental entity that is not an adopting body may take**
34 **an action under this article only by ordinance, unless this article**
35 **permits the action to be taken by resolution.**

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

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

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



- 1 **(2) An ordinance adopted after August 31 and before**
 2 **November 1 of the current year takes effect on January 1 of**
 3 **the following year.**
- 4 **(3) An ordinance adopted after October 31 of the current year**
 5 **and before January 1 of the following year takes effect on**
 6 **October 1 of the following year.**
- 7 **(c) An ordinance that grants, increases, decreases, rescinds, or**
 8 **changes a homestead credit, property tax replacement credit, or**
 9 **other credit against the property tax liability of a taxpayer takes**
 10 **effect as follows:**
- 11 **(1) An ordinance adopted after December 31 of the**
 12 **immediately preceding year and before November 2 of the**
 13 **current year takes effect for and applies to property taxes**
 14 **first due and payable in the year immediately following the**
 15 **year in which the ordinance is adopted.**
- 16 **(2) An ordinance adopted after November 1 of the current**
 17 **year and before January 1 of the immediately succeeding year**
 18 **takes effect for and applies to property taxes first due and**
 19 **payable in the year that follows the current year by two (2).**
- 20 **(d) An ordinance that grants, increases, decreases, rescinds, or**
 21 **changes a distribution of allocation of taxes of another**
 22 **governmental entity takes effect as follows:**
- 23 **(1) An ordinance adopted after December 31 of the**
 24 **immediately preceding year and before November 2 of the**
 25 **current year takes effect for the year immediately following**
 26 **the year in which the ordinance is adopted.**
- 27 **(2) An ordinance adopted after November 1 of the current**
 28 **year and before January 1 of the immediately succeeding year**
 29 **takes effect for the year that follows the current year by two**
 30 **(2).**
- 31 **(e) An ordinance not described in subsections (b) through (d)**
 32 **takes effect as provided under IC 36 for other ordinances of the**
 33 **governmental entity adopting the ordinance.**
- 34 **Sec. 4. Except as provided by law, a tax remains in effect until**
 35 **the effective date of an ordinance that increases, decreases, or**
 36 **rescinds that tax.**
- 37 **Sec. 5. (a) This section applies to all adopting bodies and all**
 38 **other fiscal bodies authorized to adopt, increase, decrease, or**
 39 **rescind a tax under this article. The additional procedures**
 40 **described in sections 10 through 16 of this chapter apply to a**
 41 **county income tax council acting as an adopting body.**
- 42 **(b) This section applies only if the county has not previously**



1 adopted a tax rate under IC 6-3.6-5, IC 6-3.6-6, or IC 6-3.6-7
 2 (including a tax continued under IC 6-3.6-1) that is, or will be in
 3 the next twelve (12) months, effective in the county.

4 (c) To adopt a tax in a county that does not have a tax, an
 5 adopting body must pass an ordinance. The ordinance must
 6 substantially state the following:

7 "The _____ (Insert County Income Tax Council or
 8 other fiscal body name, as appropriate) imposes the county
 9 income tax on the county taxpayers of _____
 10 County. The tax is imposed at a rate of _____ percent
 11 (___ %) on all other county taxpayers."

12 Sec. 6. (a) This section applies to all adopting bodies and all
 13 other fiscal bodies authorized to adopt, increase, decrease, or
 14 rescind a tax under this article. The additional procedures
 15 described in sections 10 through 16 of this chapter apply to a
 16 county income tax council acting as an adopting body.

17 (b) To decrease or increase a tax rate, the adopting body must
 18 adopt an ordinance. The ordinance must substantially state the
 19 following:

20 "The _____ (Insert County Income Tax Council or
 21 other fiscal body name, as appropriate) decreases (or
 22 increases) the county income tax rate from _____
 23 percent (___ %) to _____ percent (___ %)."

24 Sec. 7. (a) This section applies to all adopting bodies and all
 25 other fiscal bodies authorized to adopt, increase, decrease, or
 26 rescind a tax under this article. The additional procedures
 27 described in sections 10 through 16 of this chapter apply to a
 28 county income tax council acting as an adopting body.

29 (b) To rescind a tax, the adopting body must adopt an
 30 ordinance. The ordinance must substantially state the following:

31 "The _____ (Insert County Income Tax Council or
 32 other fiscal body name, as appropriate) rescinds the county
 33 income tax rate."

34 Sec. 8. (a) This section applies to all adopting bodies. The
 35 additional procedures described in sections 10 through 16 of this
 36 chapter apply to a county income tax council acting as an adopting
 37 body.

38 (b) A tax rate may be changed not more than once each year.
 39 However, a single ordinance may provide for a series of annual
 40 increases or decreases.

41 Sec. 9. (a) This section applies to all adopting bodies and all
 42 other fiscal bodies authorized under this article to:



- 1 (1) adopt, increase, decrease, or rescind a tax; or
 2 (2) adopt, increase, decrease, rescind, or otherwise change a
 3 credit against the property tax liability of a taxpayer.

4 **The additional procedures described in sections 10 through 16 of**
 5 **this chapter apply to a county income tax council acting as an**
 6 **adopting body.**

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

- 11 (1) the commissioner of the department of state revenue;
 12 (2) the director of the budget agency; and
 13 (3) the commissioner of the department of local government
 14 finance;

15 **in an electronic format approved by the director of the budget**
 16 **agency.**

17 (c) This subsection applies only to a county that has a county
 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 county income tax council have cast
 21 a majority of the votes on the county income tax council for or
 22 against the proposed ordinance.

23 (d) If the commissioner of the department determines that an
 24 ordinance adopted under this article was not adopted according to
 25 the requirements of this article or is otherwise not in compliance
 26 with this article:

- 27 (1) the commissioner shall:
 28 (A) notify the county auditor that the ordinance was not
 29 adopted according to the requirements of this article or is
 30 not in compliance with this article; and
 31 (B) specify the corrective action that must be taken for the
 32 ordinance to be adopted according to the requirements of
 33 this article and to be in compliance with this article; and
 34 (2) the ordinance may not take effect until the corrective
 35 action is taken.

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

38 (b) A county income tax council is established for each county
 39 described in section 1(2) or 1(3) of this chapter. The membership
 40 of each county's county income tax council consists of the fiscal
 41 body of the county and the fiscal body of each city or town that lies
 42 either partially or entirely within that county.



1 **Sec. 11. (a) This section applies to a county in which the county**
 2 **adopting body is a county income tax council.**

3 **(b) In the case of a city or town that lies within more than one**
 4 **(1) county, the county auditor of each county shall base the**
 5 **allocations required by subsection (c) on the population of that**
 6 **part of the city or town that lies within the county for which the**
 7 **allocations are being made.**

8 **(c) Every county income tax council has a total of one hundred**
 9 **(100) votes. Every member of the county income tax council is**
 10 **allocated a percentage of the total one hundred (100) votes that**
 11 **may be cast. The percentage that a city or town is allocated for a**
 12 **year equals the same percentage that the population of the city or**
 13 **town bears to the population of the county. The percentage that the**
 14 **county is allocated for a year equals the same percentage that the**
 15 **population of all areas in the county not located in a city or town**
 16 **bears to the population of the county. On or before January 1 of**
 17 **each year, the county auditor shall certify to each member of the**
 18 **county income tax council the number of votes, rounded to the**
 19 **nearest one hundredth (0.01), each member has for that year.**

20 **Sec. 12. (a) This section applies to a county in which the county**
 21 **adopting body is a county income tax council.**

22 **(b) Before a member of the county income tax council may**
 23 **propose an ordinance or vote on a proposed ordinance, the**
 24 **member must hold a public hearing on the proposed ordinance and**
 25 **provide the public with notice of the time and place where the**
 26 **public hearing will be held.**

27 **(c) The notice required by subsection (b) must be given in**
 28 **accordance with IC 5-3-1.**

29 **(d) The form of the notice required by this section must be in**
 30 **substantially the following form:**

31 **"NOTICE OF COUNTY OPTION**
 32 **INCOME TAX ORDINANCE VOTE.**

33 **The fiscal body of the _____ (insert name of civil**
 34 **taxing unit) declares that on _____ (insert date) at**
 35 **_____ (insert the time of day) a public hearing will be**
 36 **held at _____ (insert location) concerning the following**
 37 **resolution to propose an ordinance (or proposed ordinance) that is**
 38 **before the members of the county income tax council. Members of**
 39 **the public are cordially invited to attend the hearing for the**
 40 **purpose of expressing their views.**

41 **(Insert a copy of the proposed ordinance or resolution to**
 42 **propose an ordinance.)"**



1 **Sec. 13. (a) This section applies to a county in which the county**
 2 **adopting body is a county income tax council.**

3 **(b) Any member of a county income tax council may present an**
 4 **ordinance for passage. To do so, the member must pass a**
 5 **resolution to propose the ordinance to the county income tax**
 6 **council and distribute a copy of the proposed ordinance to the**
 7 **auditor of the county. The auditor of the county shall treat any**
 8 **proposed ordinance presented to the auditor under this section as**
 9 **a casting of all that member's votes in favor of that proposed**
 10 **ordinance.**

11 **(c) The auditor of the county shall deliver copies of a proposed**
 12 **ordinance the auditor receives to all members of the county income**
 13 **tax council within ten (10) days after receipt. Subject to subsection**
 14 **(d), once a member receives a proposed ordinance from the auditor**
 15 **of the county, the member shall vote on it within thirty (30) days**
 16 **after receipt.**

17 **(d) If before the elapse of thirty (30) days after receipt of a**
 18 **proposed ordinance, the county auditor notifies the member that**
 19 **the members of the county income tax council have cast a majority**
 20 **of the votes on the county income tax council for or against the**
 21 **proposed ordinance, the member need not vote on the proposed**
 22 **ordinance.**

23 **Sec. 14. (a) This section applies to a county in which the county**
 24 **adopting body is a county income tax council.**

25 **(b) A member of the county income tax council may exercise its**
 26 **votes by passing a resolution and transmitting the resolution to the**
 27 **auditor of the county.**

28 **(c) The form of a resolution is as follows:**

29 **"The _____ (name of civil taxing unit's fiscal body)**
 30 **casts its _____ votes _____ (for or against) the proposed**
 31 **ordinance of the _____ County Income Tax**
 32 **Council, which reads as follows:".**

33 **(d) A resolution passed by a member of the county income tax**
 34 **council exercises all votes of the member on the proposed**
 35 **ordinance, and those votes may not be changed during the year.**

36 **Sec. 15. (a) This section applies to a county in which the county**
 37 **adopting body is a county income tax council.**

38 **(b) A county income tax council may pass only one (1) ordinance**
 39 **adopting, increasing, decreasing, or rescinding a tax in one (1)**
 40 **year. Once the ordinance has been passed, the auditor of the**
 41 **county shall:**

42 **(1) cease distributing those types of proposed ordinances for**



1 the rest of the year; and

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

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

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

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

15 (b) A county income tax council must, before August 1 of each
16 odd-numbered year, hold at least one (1) public meeting at which
17 the county income tax council discusses whether the tax rate under
18 IC 6-3.6-5 should be adjusted.

19 Chapter 4. Imposition of Tax

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

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

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

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

32 in the same ordinance.

33 Sec. 3. If there are bonds or leases outstanding that are payable
34 from a tax imposed under IC 6-3.6-5 or IC 6-3.6-7 (but not
35 IC 6-3.6-6), the adopting body may not reduce the tax rate below
36 a rate that would produce one and twenty-five hundredths (1.25)
37 times the total of the highest annual debt service on the bonds to
38 their final maturity, plus the highest annual lease payments, 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 6-3.6-5 or IC 6-3.6-7 (but not IC 6-3.6-6), for the life of



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

6 **Chapter 5. Expenditure Rate**

7 **Sec. 1.** An adopting body may impose a tax under section 2 of
 8 this chapter on the adjusted gross income of county taxpayers in
 9 the county served by the adopting body. The tax rate imposed
 10 under this chapter, when added to any tax rates imposed under
 11 IC 6-3.6-6 and IC 6-3.6-7, constitute the tax imposed on the
 12 adjusted gross income of county taxpayers in the county.

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

14 **(b)** The adopting body may impose a tax rate on the adjusted
 15 gross income of county taxpayers in the county served by the
 16 adopting body that does not exceed one and twenty-five hundredths
 17 percent (1.25%).

18 **Sec. 3.** Revenue raised from a tax imposed under this chapter
 19 shall be treated as additional revenue and may not be considered
 20 by the department of local government finance in determining:

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

24 **Sec. 4.** The adopting body shall, by ordinance, determine how
 25 the revenue from a tax under this chapter shall be allocated among
 26 the following uses as provided in this chapter:

- 27 (1) Public safety.
 28 (2) Economic development.
 29 (3) Certified shares.

30 The ordinance may describe the allocation of revenue by use of
 31 percentages or amounts.

32 **Sec. 5.** The adopting body may not allocate in a year less to the
 33 payment of bonds or leases for which the tax under this chapter
 34 has been pledged in accordance with law than the amount pledged
 35 and payable in that year or required under the agreements for the
 36 bonds or lease to be deposited in a sinking fund or other reserve in
 37 that year.

38 **Sec. 6. (a)** The total amount allocated in a year to the categories
 39 described in section 4 of this chapter may not, in the aggregate,
 40 exceed the amount of revenue raised by the tax imposed under this
 41 chapter for that year. If the amount available in a year is less than
 42 the amount necessary to fund all of the purposes authorized by the



1 adopting body, the county auditor shall reduce the amount
2 distributed to these purposes to eliminate the deficit.

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

6 (c) Subject to subsection (b), the county auditor shall reduce
7 allocations under this section in accordance with the instructions
8 in an ordinance adopted by the adopting body. To the extent that
9 the adopting body has not adopted an ordinance to specify how a
10 deficiency is to be eliminated or the ordinance does not eliminate
11 the deficiency, the county auditor shall, subject to subsection (b),
12 uniformly reduce allocations in each category.

13 Sec. 7. The county auditor may not allocate more than the
14 amount authorized by the adopting body. If the amount available
15 in a year for allocation under this chapter is greater than the
16 amount necessary to fund all of the purposes authorized by the
17 adopting body, the county auditor shall:

- 18 (1) allocate the excess as directed by the adopting body; or
19 (2) in the absence of an ordinance that allocates all of the
20 excess, retain the excess and apply it, as necessary to fund the
21 purposes authorized by the adopting body for the following
22 year.

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

25 (b) This subsection applies to Marion County. The adopting
26 body may allocate part or all of the allocation for public safety to
27 fund the operation of a public communications system and
28 computer facilities district as provided in an election, if any, made
29 by the county fiscal body under IC 36-8-15-19(b).

30 (c) Except as provided in subsection (d), revenue remaining
31 from the amount allocated for public safety purposes after making
32 allocations under subsection (b) shall be allocated to each
33 municipality in the county that is carrying out or providing at least
34 one (1) public safety purpose. The amount allocated under this
35 subsection to a municipality is equal to the result of:

- 36 (1) the revenue allocated to public safety purposes; multiplied
37 by
38 (2) a fraction equal to:
39 (A) the total property taxes being collected in the county by
40 the municipality for the calendar year; divided by
41 (B) the sum of the total property taxes being collected in
42 the county by each municipality in the county that is



- 1 entitled to a distribution under this section for the calendar
2 year.
- 3 (d) A fire department, volunteer fire department, or emergency
4 medical services provider that:
- 5 (1) provides fire protection or emergency medical services
6 within the county; and
- 7 (2) is operated by or serves a political subdivision that is not
8 otherwise entitled to receive a distribution of tax revenue
9 under this section;
- 10 may, before July 1 of a year, apply to the adopting body for a
11 distribution of tax revenue under this section during the following
12 calendar year. The adopting body shall review an application
13 submitted under this subsection and may, before September 1 of a
14 year, adopt a resolution requiring that one (1) or more of the
15 applicants shall receive a specified amount of the tax revenue to be
16 distributed under this section during the following calendar year.
17 A resolution approved under this subsection providing for a
18 distribution to one (1) or more fire departments, volunteer fire
19 departments, or emergency services providers applies only to
20 distributions in the following calendar year. Any amount of tax
21 revenue distributed under this subsection to a fire department,
22 volunteer fire department, or emergency medical services provider
23 shall be distributed before the remainder of the tax revenue is
24 allocated under subsection (c).
- 25 Sec. 9. (a) This section applies to the allocation of revenue from
26 a tax under this chapter for economic development purposes.
- 27 (b) Money designated for economic development purposes shall
28 be allocated to the county for use by the county fiscal body for any
29 of the purposes described in IC 6-3.6-10.
- 30 Sec. 10. (a) This section applies to the allocation of revenue from
31 a tax under this chapter for certified shares.
- 32 (b) Revenues remaining from a tax imposed under this chapter,
33 after deducting the amounts allocated to public safety purposes
34 and economic development purposes, shall be distributed among
35 the civil taxing units as certified shares.
- 36 Sec. 11. (a) This section applies to an allocation of certified
37 shares.
- 38 (b) Subject to this chapter, any taxing unit that imposes an ad
39 valorem property tax in the county with a tax under this chapter
40 is eligible for an allocation under this chapter.
- 41 Sec. 12. (a) This section applies to the allocation of revenue from
42 a tax under this chapter for certified shares.



1 (b) A county solid waste management district (as defined in
2 IC 13-11-2-47) or a joint solid waste management district (as
3 defined in IC 13-11-2-113) is not a civil taxing district for the
4 purpose of receiving an allocation of certified shares under this
5 chapter unless a majority of the members of each of the county
6 fiscal bodies of the counties within the district passes a resolution
7 approving the distribution.

8 (c) A resolution passed by a county fiscal body under subsection
9 (b) may:

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

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

13 Sec. 13. (a) This section applies to the allocation of revenue from
14 a tax under this chapter for certified shares.

15 (b) A school corporation is not a civil taxing district for the
16 purpose of receiving an allocation of certified shares under this
17 chapter.

18 Sec. 14. (a) This section applies to the allocation of revenue from
19 a tax under this chapter for certified shares.

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

23 (1) townships;

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

25 (3) school corporations;

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

28 Sec. 15. (a) This section applies to an allocation of certified
29 shares in a county other than Marion County.

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

32 (c) This subsection applies to the allocation of certified shares
33 based on the attributed allocation amount. The amount of certified
34 shares to be allocated to each civil taxing unit is equal to:

35 (1) the total amount of certified shares available for the
36 certified distribution to the county for the month; multiplied
37 by

38 (2) a fraction.

39 (d) The numerator of the fraction is equal to the attributed
40 allocation amount for the civil taxing unit in the county during the
41 calendar year.

42 (e) The denominator of the fraction is equal to the sum of the



1 attributed allocation amounts for all civil taxing units in the county
2 during the calendar year.

3 Sec. 16. (a) This section applies to an allocation of certified
4 shares.

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

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

9 (2) the current ad valorem property tax levy of any special
10 taxing district, authority, board, or other entity formed to
11 discharge governmental services or functions on behalf of or
12 ordinarily attributable to the civil taxing unit; plus

13 (3) in the case of a county, an amount equal to the welfare
14 allocation amount.

15 The welfare allocation amount is an amount equal to the sum of the
16 property taxes imposed by the county in 1999 for the county's
17 welfare fund and welfare administration fund and, if the county
18 received a certified distribution under IC 6-3.5-1.1 (repealed) or
19 IC 6-3.5-6 (repealed) in 2008, the property taxes imposed by the
20 county in 2008 for the county's county medical assistance to wards
21 fund, family and children's fund, children's psychiatric residential
22 treatment services fund, county hospital care for the indigent fund,
23 and children with special health care needs county fund.

24 Sec. 17. (a) This section applies to an allocation of certified
25 shares.

26 (b) The allocation amount of a taxing unit during a calendar
27 year is equal to the amount determined using the following
28 formula:

29 **STEP ONE:** Determine the sum of the total property taxes
30 being collected by the civil taxing unit or school corporation
31 during the calendar year of the distribution.

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

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

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

40 (C) The proceeds of any property that are:

41 (i) received as the result of the issuance of a debt
42 obligation described in clause (A) or a lease described in



1 clause (B); and

2 (ii) appropriated from property taxes for any purpose
3 other than to refund or otherwise refinance a debt
4 obligation or lease described in subsection (c) or (d).

5 **STEP THREE:** Subtract the STEP TWO amount from the
6 STEP ONE amount.

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

8 (A) the STEP THREE amount; plus

9 (B) the civil taxing unit's or school corporation's certified
10 distribution for the previous calendar year.

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

13 (c) Except as provided in this subsection, an appropriation from
14 property taxes to repay interest and principal of a debt obligation
15 is not deducted from the allocation amount for a civil taxing unit
16 or school corporation if:

17 (1) the debt obligation was issued; and

18 (2) the proceeds appropriated from property taxes;

19 to refund or otherwise refinance a debt obligation or a lease issued
20 before July 1, 2005. However, an appropriation from property
21 taxes related to a debt obligation issued after June 30, 2005, is
22 deducted if the debt extends payments on a debt or lease beyond
23 the time in which the debt or lease would have been payable if the
24 debt or lease had not been refinanced or increases the total amount
25 that must be paid on a debt or lease in excess of the amount that
26 would have been paid if the debt or lease had not been refinanced.
27 The amount of the deduction is the annual amount for each year of
28 the extension period or the annual amount of the increase over the
29 amount that would have been paid.

30 (d) Except as provided in this subsection, an appropriation from
31 property taxes to make payments on a lease is not deducted from
32 the allocation amount for a civil taxing unit or school corporation
33 if:

34 (1) the lease was issued; and

35 (2) the proceeds were appropriated from property taxes;

36 to refinance a debt obligation or lease issued before July 1, 2005.
37 However, an appropriation from property taxes related to a lease
38 entered into after June 30, 2005, is deducted if the lease extends
39 payments on a debt or lease beyond the time in which the debt or
40 lease would have been payable if the debt or lease had not been
41 refinanced or increases the total amount that must be paid on a
42 debt or lease in excess of the amount that would have been paid if



1 the debt or lease had not been refinanced. The amount of the
 2 deduction is the annual amount for each year of the extension
 3 period or the annual amount of the increase over the amount that
 4 would have been paid.

5 **Sec. 18. (a) This section applies to an allocation of certified**
 6 **shares in a county other than Marion County.**

7 **(b) The county adopting body may adopt an ordinance to**
 8 **allocate part or all of the certified shares among civil taxing**
 9 **districts based on population.**

10 **(c) For purposes of this section, the population of a civil taxing**
 11 **unit is the population as determined under IC 1-1-3.5-3(a).**

12 **(d) This subsection applies to the allocation of certified shares**
 13 **based on population. The amount of certified shares to be allocated**
 14 **to each civil taxing unit is equal to:**

15 **(1) the total amount of certified shares available for the**
 16 **certified distribution to the county for the month; multiplied**
 17 **by**

18 **(2) a fraction.**

19 **(e) For a city or town, the numerator of the fraction equals the**
 20 **population of the city or the town.**

21 **(f) For a county, the numerator of the fraction equals the**
 22 **population of the part of the county that is not located in a city or**
 23 **town.**

24 **(g) The denominator of the fraction equals the sum of the**
 25 **population of all cities and towns located in the county and the**
 26 **population of the part of the county that is not located in a city or**
 27 **town.**

28 **Sec. 19. (a) This section applies to an allocation or distribution,**
 29 **or both, of certified shares that is required to be made to a civil**
 30 **taxing unit in a county other than Marion County.**

31 **(b) IC 36-8-19-7.5 applies to the adjustment of the amounts**
 32 **distributed to a civil taxing unit that participates in a fire**
 33 **protection district.**

34 **Sec. 20. (a) This section applies to an allocation of certified**
 35 **shares in Marion County.**

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

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

41 **(2) the following factor:**

42 **.0251 for Center Township**



1 **.00217 for Decatur Township**
 2 **.0023 for Franklin Township**
 3 **.01177 for Lawrence Township**
 4 **.01130 for Perry Township**
 5 **.01865 for Pike Township**
 6 **.01359 for Warren Township**
 7 **.01346 for Washington Township**
 8 **.01307 for Wayne Township**
 9 **.00858 for Lawrence-City**
 10 **.00845 for Beech Grove**
 11 **.00025 for Southport**
 12 **.00722 for Speedway**
 13 **.86409 for Indianapolis/Marion County.**

14 **Sec. 21. A civil taxing unit may use its certified shares for any of**
 15 **the purposes of the civil taxing unit.**

16 **Sec. 22. A civil taxing unit may pledge its certified shares to the**
 17 **payment of bonds or to lease payments for:**

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

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

26 **Sec. 23. (a) A civil taxing unit may distribute any part of its**
 27 **certified shares to any governmental entity located in any part of**
 28 **its county to:**

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

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

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

42 **Chapter 6. Property Tax Relief Rates**



1 **Sec. 1.** An adopting body may impose a tax on the adjusted gross
 2 income of county taxpayers in the county served by the adopting
 3 body that is a combination of one (1) or more of the tax rates
 4 permitted in this chapter in the county served by the adopting
 5 body. The tax rates imposed under this chapter, when added to any
 6 tax rates imposed under IC 6-3.6-5 and IC 6-3.6-7, constitute the
 7 tax imposed on the adjusted gross income of county taxpayers in
 8 the county.

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

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

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

16 **Sec. 3. (a)** This section applies to a tax imposed under section 8
 17 or 9 of this chapter.

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

26 **(b)** A credit granted under section 8 or 9 of this chapter shall be
 27 applied to reduce the property tax liability of a taxpayer before the
 28 application of a credit granted under section 6 of this chapter.

29 **Sec. 5.** The department of local government finance shall assist
 30 adopting bodies and county auditors in calculating credit
 31 percentages and amounts under this chapter.

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

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

37 **(c)** Revenues from a tax under this section may be used only for
 38 the purpose of funding a property tax credit to reduce the property
 39 tax liability of taxpayers with tangible property located in the
 40 county as authorized under this section. The following are property
 41 taxes that are not eligible for a credit under this section:

42 (1) Property taxes levied after a referendum in which a



1 majority of the voters in the taxing unit imposing the property
2 taxes approved the property taxes.

3 (2) A property tax that does not qualify as an allocation
4 amount.

5 (d) This subsection applies to Hancock County. The county
6 fiscal body may, by ordinance, allocate part of the tax imposed
7 under this section not to exceed an amount equal to a tax rate of
8 fifteen hundredths percent (0.15%) to a property tax credit against
9 the property tax liability imposed for public libraries in the county,
10 if all territory in the county is included in a library district. Section
11 7 of this chapter applies to the allocation of revenue for property
12 tax credits among the public libraries in the county.

13 (e) The adopting body shall specify by ordinance how the
14 amount remaining after allocating an amount for property tax
15 credits under subsection (d) shall be applied to provide property
16 tax credits among any combination of the following categories of
17 tangible property:

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

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

25 (3) Nonresidential real property, personal property, and other
26 tangible property (if any) eligible for a credit under
27 IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax
28 liability for the property to three percent (3%).

29 (f) Within a category described in subsection (e) for which an
30 ordinance grants property tax credits, the property tax credit rate
31 must be uniform for all qualifying taxpayers with property in that
32 category in the county. However, the adopting body may limit part
33 or all of the credits provided in a category described in subsection
34 (e) to providing credits for the increased property tax liability
35 imposed on property located in the county or one (1) or more
36 taxing districts in the county that results from the inventory
37 assessed value deducted under IC 6-1.1-12-42.

38 (g) The total of all tax credits granted under this section for a
39 year may not exceed the amount of revenue raised by the tax
40 imposed under this section. If the amount available in a year for
41 property tax credits under this section is less than the amount
42 necessary to provide all of the property tax credits authorized by



1 the adopting body, the county auditor shall reduce the property tax
 2 credits granted to eliminate the excess. The county auditor shall
 3 reduce credits uniformly within a category described in subsection
 4 (e) as follows:

5 (1) First, against property taxes imposed on property
 6 described in subsection (e)(3).

7 (2) Second, if an excess remains after applying the reduction
 8 as described in subdivision (1), against property taxes
 9 imposed on property described in subsection (e)(2).

10 (3) Third, if an excess remains after applying the reduction as
 11 described in subdivisions (1) and (2), against property taxes
 12 imposed on property described in subsection (e)(1).

13 (h) The total of all tax credits granted under this section for a
 14 year may not exceed the amount authorized by the adopting body.
 15 If the amount available in a year for property tax credits under
 16 this section is greater than the amount necessary to provide all of
 17 the property tax credits authorized by the adopting body, the
 18 county auditor shall retain and apply the excess, as necessary to
 19 provide the property tax credits authorized by the adopting body
 20 for the following year. The adopting body may adopt an ordinance
 21 that directs to which categories described in subsection (e) the
 22 excess is to be uniformly applied.

23 (i) The county auditor shall allocate the amount of revenue
 24 applied as tax credits under this section to the taxing units that
 25 imposed the eligible property taxes against which the credits are
 26 applied.

27 Sec. 7. (a) This section applies to Hancock County if the county
 28 fiscal body provides for an allocation of taxes to public libraries
 29 under section 6(d) of this chapter.

30 (b) The amount of property tax replacement credits that each
 31 public library in the county is entitled to receive during a calendar
 32 year under this section equals the lesser of:

33 (1) the product of:

34 (A) the amount of revenue deposited by the county auditor
 35 in the library property tax replacement fund; multiplied
 36 by

37 (B) a fraction described as follows:

38 (i) The numerator of the fraction equals the sum of the
 39 total property taxes that would have been collected by
 40 the public library during the previous calendar year
 41 from taxpayers located within the library district if the
 42 property tax replacement under this section had not been



1 in effect.

2 (ii) The denominator of the fraction equals the sum of
3 the total property taxes that would have been collected
4 during the previous year from taxpayers located within
5 the county by all public libraries that are eligible to
6 receive property tax replacement credits under this
7 section if the property tax replacement under this section
8 had not been in effect; or

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

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

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

28 Sec. 8. (a) This section applies only to Howard County.

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

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

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

41 (e) The total of all tax credits granted under this section for a
42 year may not exceed the amount of revenue raised by the tax



1 imposed under this section. If the amount available in a year for
2 property tax credits under this section is less than the amount
3 necessary to provide all the property tax credits authorized by the
4 adopting body, the county auditor shall reduce the property tax
5 credits granted to eliminate the excess. The county auditor shall
6 reduce credits uniformly in proportion to the tax liability incurred
7 by each taxpayer.

8 (f) The total of all tax credits granted under this section for a
9 year may not exceed the amount necessary to offset the property
10 tax liability imposed for the purposes of this section. If the amount
11 available in a year for property tax credits under this section is
12 greater than the amount necessary to provide property tax credits
13 to offset the property tax liability imposed for the purposes of this
14 section, the county auditor shall retain and apply the excess, as
15 necessary to provide the property tax credits for the purposes of
16 this section for the following year.

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

19 Sec. 9. (a) This section applies only to Monroe County.

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

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

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

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

41 (f) The total of all tax credits granted under this section for a
42 year may not exceed the amount necessary to offset the property



1 tax liability imposed for the purposes of this section. If the amount
 2 available in a year for property tax credits under this section is
 3 greater than the amount necessary to provide property tax credits
 4 to offset the property tax liability imposed for the purposes of this
 5 section, the county auditor shall retain and apply the excess, as
 6 necessary to provide the property tax credits for the purposes of
 7 this section for the following year.

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

10 **Chapter 7. Other Restricted Purpose Rates**

11 **Sec. 1.** An adopting body may impose a tax on the adjusted gross
 12 income of county taxpayers in the county served by the adopting
 13 body that is a combination of one (1) or more of the tax rates
 14 permitted in this chapter in the county served by the adopting
 15 body. The tax rates imposed under this chapter, when added to any
 16 tax rates imposed under IC 6-3.6-5 and IC 6-3.6-6, constitute the
 17 tax imposed on the adjusted gross income of county taxpayers in
 18 the county.

19 **Sec. 2.** In order to impose a tax under this chapter, the adopting
 20 body must adopt an ordinance finding and determining that
 21 revenues from the tax are needed for the purposes described in the
 22 section under which the tax is imposed.

23 **Sec. 3.** Revenue raised from a tax imposed under this chapter
 24 shall be treated as additional revenue and may not be considered
 25 by the department of local government finance in determining:

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

29 **Sec. 4.** A governmental entity to which revenue raised from a
 30 tax under this chapter is distributed must segregate the amount
 31 raised from the tax in a separate account or fund and maintain
 32 sufficient records, as required by the state board of accounts, to
 33 demonstrate that the revenue is used only for the purposes for
 34 which the tax was imposed.

35 **Sec. 5. (a)** This section applies to Daviess County.

36 (b) Daviess County possesses unique governmental and
 37 economic development challenges due to:

- 38 (1) underemployment in relation to similarly situated counties
 39 and the loss of a major manufacturing business;
 40 (2) an increase in property taxes for taxable years after
 41 December 31, 2000, for the construction of a new elementary
 42 school; and



1 **(3) overcrowding of the county jail, the costs associated with**
 2 **housing the county's inmates outside the county, and the**
 3 **potential unavailability of additional housing for inmates**
 4 **outside the county.**

5 **The use of a tax under this section is necessary for the county to**
 6 **provide adequate jail capacity in the county and to maintain low**
 7 **property tax rates essential to economic development. The use of**
 8 **a tax under this section for the purposes of this section, rather than**
 9 **the use of property taxes, promotes these purposes.**

10 **(c) The county fiscal body may impose a tax on the adjusted**
 11 **gross income of county taxpayers at a tax rate that does not exceed**
 12 **the lesser of the following:**

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

14 **(2) The rate necessary to carry out the purposes described in**
 15 **this section.**

16 **(d) Revenue from the tax under this section may be used only**
 17 **for the following purposes:**

18 **(1) To finance, construct, acquire, improve, renovate,**
 19 **remodel, or equip the county jail and related buildings and**
 20 **parking facilities, including costs related to the demolition of**
 21 **existing buildings, the acquisition of land, and any other**
 22 **reasonably related costs.**

23 **(2) To repay bonds issued or leases entered into for**
 24 **constructing, acquiring, improving, renovating, remodeling,**
 25 **and equipping the county jail and related buildings and**
 26 **parking facilities, including costs related to the demolition of**
 27 **existing buildings, the acquisition of land, and any other**
 28 **reasonably related costs.**

29 **(e) The tax imposed under this section may be imposed only**
 30 **until the last of the following dates:**

31 **(1) The date on which the purposes described in subsection**
 32 **(d)(1) are completed.**

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

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

39 **(f) Money accumulated from the tax under this section after:**

40 **(1) the redemption of bonds issued; or**

41 **(2) the final payment of lease rentals due under a lease**
 42 **entered into under this section;**



1 shall be transferred to the county highway fund to be used for
 2 construction, resurfacing, restoration, and rehabilitation of county
 3 highways, roads, and bridges.

4 **Sec. 6. (a) This section applies to Elkhart County.**

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

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

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

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

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

15 **(A) jail facilities;**

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

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

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

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

21 **(2) Repay bonds issued or leases entered into for the purposes**
 22 **described in subdivision (1).**

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

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

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

35 **Sec. 7. (a) This section applies only to Jackson County.**

36 **(b) For calendar years ending before January 1, 2024, the**
 37 **county fiscal body may impose a tax on the adjusted gross income**
 38 **of county taxpayers at a tax rate that does not exceed one-tenth**
 39 **percent (0.1%).**

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



- 1 **Sec. 8. (a) This section applies only to Knox County.**
 2 **(b) The county fiscal body may impose a tax on the adjusted**
 3 **gross income of county taxpayers at a tax rate that does not exceed**
 4 **the lesser of the following:**
 5 **(1) Twenty-five hundredths percent (0.25%).**
 6 **(2) The rate necessary to carry out the purposes described in**
 7 **this section.**
 8 **(c) Revenue from a tax under this section may be used only for**
 9 **the following purposes:**
 10 **(1) To finance, construct, acquire, and equip the county jail.**
 11 **(2) To repay bonds issued or leases entered into for**
 12 **constructing, acquiring, and equipping the county jail.**
 13 **Sec. 9. (a) This section applies only to Marshall County.**
 14 **(b) The county fiscal body may impose a tax on the adjusted**
 15 **gross income of county taxpayers at a tax rate that does not exceed**
 16 **the lesser of the following:**
 17 **(1) Twenty-five hundredths percent (0.25%).**
 18 **(2) The rate necessary to carry out the purposes described in**
 19 **subsection (c).**
 20 **(c) Revenue raised from a tax under this section may be used**
 21 **only for the following purposes:**
 22 **(1) To finance, construct, acquire, improve, renovate, or**
 23 **equip:**
 24 **(A) jail facilities;**
 25 **(B) juvenile court, detention, and probation facilities;**
 26 **(C) other criminal justice facilities; and**
 27 **(D) related buildings and parking facilities;**
 28 **located in the county, including costs related to the demolition**
 29 **of existing buildings and the acquisition of land.**
 30 **(2) Repay bonds issued or leases entered into for the purposes**
 31 **described in subdivision (1).**
 32 **(d) The tax imposed under this section may be imposed only**
 33 **until the last of the following dates:**
 34 **(1) The date on which the purposes described in subsection**
 35 **(c)(1) are completed.**
 36 **(2) The date on which the last of any bonds issued (including**
 37 **any refunding bonds) or leases described in subsection (c)(2)**
 38 **are fully paid.**
 39 **The term of the bonds issued (including any refunding bonds) or a**
 40 **lease entered into under subsection (c)(2) may not exceed twenty**
 41 **(20) years.**
 42 **(e) Money accumulated from the tax under this section after the**



1 tax imposed by this section is terminated shall be transferred to the
 2 county highway fund to be used for construction, resurfacing,
 3 restoration, and rehabilitation of county highways, roads, and
 4 bridges.

5 Sec. 10. (a) This section applies only to Miami County.

6 (b) Miami County possesses unique economic development
 7 challenges due to:

8 (1) underemployment in relation to similarly situated
 9 counties; and

10 (2) the presence of a United States government military base
 11 or other military installation that is completely or partially
 12 inactive or closed.

13 Maintaining low property tax rates is essential to economic
 14 development, and the use of a tax under this section to pay any
 15 bonds issued or leases entered into to carry out the purposes of this
 16 section rather than use of property taxes promotes these purposes.

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

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

20 (2) The rate necessary to pay the costs of financing,
 21 constructing, acquiring, renovating, and equipping a county
 22 jail.

23 (d) Revenue raised from a tax imposed under this section may
 24 be used only for the purposes of paying the costs of financing,
 25 constructing, acquiring, renovating, and equipping a county jail,
 26 including the repayment of bonds issued, or leases entered into, for
 27 financing, constructing, acquiring, renovating, and equipping a
 28 county jail.

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

30 (b) Perry County possesses unique governmental and economic
 31 development challenges due to:

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

34 (2) overcrowding of the county jail, the costs associated with
 35 housing the county's inmates outside the county, and the
 36 potential unavailability of additional housing for inmates
 37 outside the county.

38 The use of a tax under this section is necessary for the county to
 39 provide adequate jail capacity in the county and to maintain low
 40 property tax rates essential to economic development. The use of
 41 a tax under this section for the purposes described in this section
 42 promotes these purposes.



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

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

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

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

9 (1) To finance, construct, acquire, improve, renovate,
10 remodel, or equip the county jail and related buildings and
11 parking facilities, including costs related to the demolition of
12 existing buildings, the acquisition of land, and any other
13 reasonably related costs.

14 (2) To repay bonds issued or leases entered into for
15 constructing, acquiring, improving, renovating, remodeling,
16 and equipping the county jail and related buildings and
17 parking facilities, including costs related to the demolition of
18 existing buildings, the acquisition of land, and any other
19 reasonably related costs.

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

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

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

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

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

31 (1) the redemption of the bonds issued; or

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

34 shall be transferred to the county highway fund to be used for
35 construction, resurfacing, restoration, and rehabilitation of county
36 highways, roads, and bridges.

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

38 (b) For calendar years beginning before January 1, 2021, the
39 county fiscal body may impose a tax on the adjusted gross income
40 of county taxpayers at a tax rate that does not exceed three-tenths
41 percent (0.3%).

42 (c) Revenue from a tax imposed under this section may be used



1 only for the purposes of paying the costs of operating and
 2 maintaining a jail and justice center.

3 **Sec. 13. (a) This section applies only to Randolph County.**

4 **(b) Randolph County possesses:**

5 **(1) unique fiscal challenges to finance the operations of county**
 6 **government due to the county's ongoing obligation to repay**
 7 **amounts received by the county due to an overpayment of the**
 8 **county's certified distribution under IC 6-3.5-1.1-9 (before its**
 9 **repeal) for a prior year; and**

10 **(2) unique capital financing needs related to the purposes**
 11 **described in this section.**

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

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

16 **(2) The rate necessary to carry out the purposes described in**
 17 **this section.**

18 **(d) Revenues from a tax under this section may be used only for**
 19 **the following purposes:**

20 **(1) Financing, constructing, acquiring, renovating, and**
 21 **equipping the county courthouse, and financing and**
 22 **renovating the former county hospital for additional office**
 23 **space, educational facilities, nonsecure juvenile facilities, and**
 24 **other county functions, including the repayment of bonds**
 25 **issued, or leases entered into, for constructing, acquiring,**
 26 **renovating, and equipping the county courthouse and for**
 27 **renovating the former county hospital for additional office**
 28 **space, educational facilities, nonsecure juvenile facilities, and**
 29 **other county functions.**

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

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

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

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

40 **(1) maintaining low property tax rates is essential to economic**
 41 **development; and**

42 **(2) the use of additional tax revenues as provided in this**



1 section, rather than the use of property taxes, to fund:

2 (A) the financing, construction, acquisition, improvement,
3 renovation, equipping, operation, or maintenance of jail
4 facilities; and

5 (B) the repayment of bonds issued or leases entered into
6 for the purposes described in clause (A), except operation
7 or maintenance;

8 promotes the purpose of maintaining low property tax rates.

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

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

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

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

17 (1) The financing, construction, acquisition, improvement,
18 renovation, equipping, operation, or maintenance of jail
19 facilities.

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

23 Sec. 15. (a) This section applies only to Starke County.

24 (b) Starke County possesses unique governmental and economic
25 development challenges due to:

26 (1) the county's predominantly rural geography, demography,
27 and economy;

28 (2) the county's relatively low tax base and relatively high
29 property tax rates;

30 (3) the current maximum capacity of the county jail, which
31 was constructed in 1976; and

32 (4) pending federal class action litigation seeking a mandate
33 to address capacity and living conditions in the county jail.

34 The use of a tax under this section is necessary for the county to
35 address jail capacity and appropriate inmate living conditions and
36 to maintain low property tax rates essential to economic
37 development. The use of a tax revenue under this section for the
38 purposes described in this section promotes these purposes.

39 (c) The county fiscal body may impose a tax on the adjusted
40 gross income of county taxpayers at a tax rate that does not exceed
41 the lesser of the following:

42 (1) Sixty-five hundredths percent (0.65%).



- 1 (2) The rate necessary to carry out the purposes described in
2 this section.
- 3 (d) Revenue from a tax under this section may be used only for
4 the following purposes:
- 5 (1) To finance, construct, acquire, and equip the county jail
6 and related buildings and parking facilities, including costs
7 related to the demolition of existing buildings, the acquisition
8 of land, and any other reasonably related costs.
- 9 (2) To repay bonds issued or leases entered into for
10 constructing, acquiring, and equipping the county jail and
11 related buildings and parking facilities, including costs related
12 to the demolition of existing buildings, the acquisition of land,
13 and any other reasonably related costs.
- 14 (e) The tax imposed under this section may be imposed only
15 until the last of the following dates:
- 16 (1) The date on which the purposes described in subsection
17 (d)(1) are completed.
- 18 (2) The date on which the last of any bonds issued (including
19 any refunding bonds) or leases described in subsection (d)(2)
20 are fully paid.
- 21 The term of the bonds issued (including any refunding bonds) or a
22 lease entered into under subsection (d)(2) may not exceed
23 twenty-five (25) years.
- 24 Sec. 16. (a) This section applies only to Union County.
- 25 (b) Union County possesses unique economic development
26 challenges due to:
- 27 (1) the county's heavy agricultural base;
- 28 (2) the presence of a large amount of state owned property in
29 the county that is exempt from property taxation; and
- 30 (3) recent obligations of the school corporation in the county
31 that have already increased property taxes in the county and
32 imposed additional property tax burdens on the county's
33 agricultural base.
- 34 Maintaining low property tax rates is essential to economic
35 development. The use of a tax under this section for the purposes
36 described in this section, rather than the use of property taxes,
37 promotes these purposes.
- 38 (c) The county fiscal body may impose a tax on the adjusted
39 gross income of county taxpayers at a tax rate that does not exceed
40 the lesser of the following:
- 41 (1) Twenty-five hundredths percent (0.25%).
- 42 (2) The rate necessary to carry out the purposes described in



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



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

6 (e) The tax imposed under this section may be imposed only
7 until the later of the date on which the financing, acquisition,
8 improvement, renovation, and equipping described in this section
9 are completed or the date on which the last of any bonds issued or
10 leases entered into to finance the construction, acquisition,
11 improvement, renovation, and equipping described in this section
12 are fully paid. The term of the bonds issued (including any
13 refunding bonds) or a lease entered into under this section may not
14 exceed twenty (20) years.

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

17 (1) the redemption of bonds issued; or

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

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

23 Sec. 18. (a) This section applies only to a county that is a
24 member of a regional development authority under IC 36-7.6.

25 (b) The adopting body for the county may impose a tax rate on
26 the adjusted gross income tax of county taxpayers that is not
27 greater than:

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

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

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

35 Sec. 19. (a) This section applies only to a county that:

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

37 (A) was issued by a federal district court before January 1,
38 2003; and

39 (B) has not been terminated;

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

41 (A) American Correctional Association Jail Construction
42 Standards; and



- 1 **(B) Indiana jail operation standards adopted by the**
 2 **department of correction; and**
 3 **(3) has insufficient revenue to finance the construction,**
 4 **acquisition, improvement, renovation, and equipping of a**
 5 **county jail and related buildings and parking facilities.**
 6 **(b) A county described in subsection (a) possesses unique**
 7 **economic development challenges due to underemployment in**
 8 **relation to similarly situated counties. Maintaining low property**
 9 **tax rates is essential to economic development. The use of a tax**
 10 **under this section for the purposes of this section, rather than the**
 11 **use of property taxes, promotes these purposes.**
 12 **(c) For purposes of this section, "county jail" includes any other**
 13 **penal facility that is:**
 14 **(1) located in; and**
 15 **(2) operated by;**
 16 **the county.**
 17 **(d) The county fiscal body may impose a tax on the adjusted**
 18 **gross income of county taxpayers at a tax rate that does not exceed**
 19 **the lesser of the following:**
 20 **(1) Twenty-five hundredths percent (0.25%).**
 21 **(2) The rate necessary to carry out the purposes described in**
 22 **this section.**
 23 **(e) Revenue from a tax under this section may be used only for**
 24 **the following purposes:**
 25 **(1) To finance, construct, acquire, improve, renovate, or equip**
 26 **a county jail and related buildings and parking facilities,**
 27 **including costs related to the demolition of existing buildings**
 28 **and the acquisition of land.**
 29 **(2) To repay bonds issued or leases entered into for**
 30 **constructing, acquiring, improving, renovating, and equipping**
 31 **the county jail and related buildings and parking facilities,**
 32 **including costs related to the demolition of existing buildings**
 33 **and the acquisition of land.**
 34 **(f) The tax imposed under this section may be imposed only**
 35 **until the last of the following dates:**
 36 **(1) The date on which the purposes described in subsection**
 37 **(e)(1) are completed.**
 38 **(2) The date on which the last of any bonds issued (including**
 39 **any refunding bonds) or leases described in subsection (e)(2)**
 40 **are fully paid.**
 41 **The term of the bonds issued (including any refunding bonds) or a**
 42 **lease entered into under subsection (e)(2) may not exceed thirty**



- 1 (30) years.
- 2 (g) Funds accumulated from the tax under this section after:
- 3 (1) the redemption of bonds issued; or
- 4 (2) the final payment of lease rentals due under a lease
- 5 entered into under this section;
- 6 shall be transferred to the county general fund.
- 7 **Sec. 20. (a) This section applies to a county that:**
- 8 (1) operates a courthouse that is subject to an order that:
- 9 (A) is issued by a federal district court;
- 10 (B) applies to an action commenced before January 1,
- 11 2003; and
- 12 (C) requires the county to comply with the federal
- 13 Americans with Disabilities Act; and
- 14 (2) has insufficient revenues to finance the construction,
- 15 acquisition, improvement, renovation, equipping, and
- 16 operation of the courthouse facilities and related facilities.
- 17 (b) A county described in this section possesses unique fiscal
- 18 challenges in financing, renovating, equipping, and operating the
- 19 county courthouse facilities and related facilities because the
- 20 county consistently has one (1) of the highest unemployment rates
- 21 in Indiana. Maintaining low property tax rates is essential to
- 22 economic development in the county. The use of a tax under this
- 23 section for the purposes of this section promotes these purposes.
- 24 (c) The county fiscal body may impose a tax on the adjusted
- 25 gross income of county taxpayers at a tax rate that does not exceed
- 26 the lesser of the following:
- 27 (1) Twenty-five hundredths percent (0.25%).
- 28 (2) The rate necessary to carry out the purposes described in
- 29 this section.
- 30 (d) Revenue from a tax under this section may be used only for
- 31 the following purposes:
- 32 (1) To finance, construct, acquire, improve, renovate, equip,
- 33 or operate the county courthouse or related facilities.
- 34 (2) To repay bonds issued or leases entered into for
- 35 constructing, acquiring, improving, renovating, equipping, or
- 36 operating the county courthouse or related facilities.
- 37 (3) To pay for economic development projects described in the
- 38 county's capital improvement plan.
- 39 (e) Funds accumulated from a tax under this section or any
- 40 other revenues of the county may be deposited into a nonreverting
- 41 fund of the county to be used for operating costs of the courthouse
- 42 facilities, juvenile detention facilities, or related facilities.



1 **Chapter 8. Administration of Tax**

2 **Sec. 1. If for any taxable year a county 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 county taxpayer's entire**
 15 **taxable year, the amount of tax that the county taxpayer owes for**
 16 **that taxable year equals the product of:**

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

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

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

23 **(B) the total number of days in the county taxpayer's**
 24 **taxable 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) if subdivision (1), (2), or (3) does not apply, the majority of**
 36 **the individual's time is spent in Indiana during the taxable**
 37 **year in question.**

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 **county 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 county taxpayers is**
 24 **exempt from income taxation by the other local governmental**
 25 **entity to the extent income of the residents of the other local**
 26 **governmental 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 the amount of withholdings attributable**
 8 **to each county. This report shall be submitted to the department:**

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

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

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

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

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

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

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

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

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

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

41 **Sec. 8. (a) If for a particular taxable year a county taxpayer is,**
 42 **or a county taxpayer and the taxpayer's spouse who file a joint**



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

7 (1) the product of:

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

10 (B) a fraction equal to:

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

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

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

17 (b) If a county 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 shall compute the credit under this section by using the
 20 formula provided by subsection (a), except that they shall 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 (as determined after review of the recommendation of
 12 the budget agency) for refunds of tax made in the state fiscal year.

13 **Sec. 5. (a)** Before August 2 of each calendar year, the budget
 14 agency shall provide to the county auditor of each adopting county
 15 an estimate of the amount determined under section 4 of this
 16 chapter that will be distributed to the county, based on known tax
 17 rates. Not later than thirty (30) days after receiving the estimate of
 18 the certified distribution, the county auditor shall notify each
 19 taxing unit of the estimated amount of property tax replacement
 20 credits, certified shares, and other revenue that will be distributed
 21 to the taxing unit under this chapter during the ensuing calendar
 22 year.

23 **(b)** Before October 1 of each calendar year, the budget agency
 24 shall certify to the county auditor of each adopting county:

25 (1) the amount determined under section 4 of this chapter;
 26 and

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

30 The amount certified is the county's certified distribution for the
 31 immediately succeeding calendar year. The amount certified shall
 32 be adjusted, as necessary, under sections 6, 7, and 8 of this chapter.
 33 Not later than thirty (30) days after receiving the notice of the
 34 amount of the certified distribution, the county auditor shall notify
 35 each taxing unit of the amount of property tax replacement credits,
 36 certified shares, and other revenue that will be distributed to the
 37 taxing unit under this chapter during the ensuing calendar year.

38 **Sec. 6.** The budget agency shall certify an amount less than the
 39 amount determined under section 5(b) of this chapter if the budget
 40 agency determines that the reduced distribution is necessary to
 41 offset overpayments made in a calendar year before the calendar
 42 year of the distribution. The budget agency may reduce the amount



1 of the certified distribution over several calendar years so that any
 2 overpayments are offset over several years rather than in one (1)
 3 lump sum.

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

10 **Sec. 8. This section applies to a county that imposes, increases,**
 11 **decreases, or rescinds a tax or tax rate under this article before**
 12 **November 1 in the same calendar year in which the budget agency**
 13 **makes a certification under this section. The budget agency shall**
 14 **adjust the certified distribution of a county to provide for a**
 15 **distribution in the immediately following calendar year and in each**
 16 **calendar year thereafter. The budget agency shall provide for a full**
 17 **transition to certification of distributions as provided in section**
 18 **4(1) through 4(2) of this chapter in the manner provided in section**
 19 **6 of this chapter. If the county imposes, increases, decreases, or**
 20 **rescinds a tax or tax rate under this article after the date for which**
 21 **a certification under section 5(b) of this chapter is based, the**
 22 **budget agency shall adjust the certified distribution of the county**
 23 **after October 1 of the calendar year. The adjustment shall reflect**
 24 **any other adjustment required under sections 6 and 7 of this**
 25 **chapter. The adjusted certification shall be treated as the county's**
 26 **certified distribution for the immediately succeeding calendar year.**
 27 **The budget agency shall certify the adjusted certified distribution**
 28 **to the county auditor for the county and provide the county council**
 29 **with an informative summary of the calculations that revises the**
 30 **informative summary provided in section 9 of this chapter and**
 31 **reflects the changes made in the adjustment.**

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

- 35 (1) the amount reported on individual income tax returns
- 36 processed by the department during the previous fiscal year;
- 37 (2) adjustments for over distributions in prior years;
- 38 (3) adjustments for clerical or mathematical errors in prior
- 39 years;
- 40 (4) adjustments for tax rate changes; and
- 41 (5) the amount of excess account balances to be distributed
- 42 under section 15 of this chapter.



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

- 4 (1) **The tax rate imposed under IC 6-3.6-5.**
 5 (2) **Each tax rate imposed under IC 6-3.6-6.**
 6 (3) **Each tax rate imposed under IC 6-3.6-7.**

7 **The amount certified shall be adjusted to reflect any adjustment in**
 8 **the certified distribution under this chapter.**

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

- 13 (1) **October 1 of each calendar year.**
 14 (2) **Thirty (30) days after the adopting body certifies a new**
 15 **rate to the budget agency.**

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

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

24 **Sec. 14. Before October 2 of each year, the budget agency shall**
 25 **submit a report to each county auditor indicating the balance in**
 26 **the county's trust account as of the cutoff date set by the budget**
 27 **agency.**

28 **Sec. 15. (a) If the budget agency determines that the balance in**
 29 **a county trust account exceeds fifty percent (50%) of the certified**
 30 **distributions to be made to the county in the ensuing year, the**
 31 **budget agency shall make a supplemental distribution to the county**
 32 **from the county's special account.**

33 **(b) A supplemental distribution described in subsection (a) must**
 34 **be:**

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

- 41 **(A) shall be used for the purpose specified in the statute**
 42 **authorizing the additional rate; and**



1 **(B) is not required to be deposited in the unit's rainy day**
 2 **fund.**

3 **The amount of the supplemental distribution is equal to the**
 4 **amount by which the balance in the county trust account exceeds**
 5 **fifty percent (50%) of the certified distributions to be made to the**
 6 **county in the ensuing year.**

7 **(c) Any income earned on money held in a trust account**
 8 **established for a county under this chapter shall be deposited in**
 9 **that trust account.**

10 **(d) A determination under this section must be made before**
 11 **October 2.**

12 **Sec. 16. Upon receipt, each monthly payment of a county's**
 13 **certified distribution or supplemental distribution shall be**
 14 **allocated and distributed to the appropriate entities in accordance**
 15 **with this article and the allocation ordinances adopted under this**
 16 **article.**

17 **Chapter 10. Permitted Expenditures**

18 **Sec. 1. This chapter is not an exhaustive list of the purposes for**
 19 **which revenue raised under IC 6-3.6-5 may be expended.**

20 **Sec. 2. (a) A county may use revenue allocated for economic**
 21 **development purposes under IC 6-3.6-5-9 for the purposes**
 22 **described in this section.**

23 **(b) A county may fund the operation of a public transportation**
 24 **corporation as provided in an election, if any, made by the county**
 25 **fiscal body under IC 36-9-4-42 from revenues described in**
 26 **subsection (a).**

27 **Sec. 3. (a) Marion County may use revenue allocated for**
 28 **economic development purposes under IC 6-3.6-5-9 for the**
 29 **purposes described in this section.**

30 **(b) A county may fund the operation of a public library in a**
 31 **county containing a consolidated city as provided in an election, if**
 32 **any, made by the county fiscal body under IC 36-3-7-6 from**
 33 **revenues described in subsection (a).**

34 **Sec. 4. (a) Marion County may use revenue allocated for**
 35 **economic development purposes under IC 6-3.6-5-9 for the**
 36 **purposes described in this section.**

37 **(b) A county may make payments permitted under**
 38 **IC 36-7-14-25.5 or IC 36-7-15.1-17.5 from revenues described in**
 39 **subsection (a).**

40 **Sec. 5. (a) Marion County may use revenue allocated for**
 41 **economic development purposes under IC 6-3.6-5-9 for the**
 42 **purposes described in this section.**



1 (b) The county fiscal body may pledge revenues described in
 2 subsection (a) to the payment of bonds or lease rentals to finance
 3 a qualified economic development tax project under IC 36-7-27 in
 4 that county or in any other county if the county fiscal body
 5 determines that the project will promote significant opportunities
 6 for the gainful employment or retention of employment of the
 7 county's residents.

8 Sec. 6. (a) This section applies to LaPorte County if:

9 (1) the county fiscal body has adopted an ordinance under
 10 IC 36-7.5-2-3(e) providing that the county is joining the
 11 northwest Indiana regional development authority; and

12 (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has
 13 adopted an ordinance under IC 36-7.5-2-3(e) providing that
 14 the city is joining the development authority.

15 (b) The:

16 (1) county may use revenue allocated for economic
 17 development purposes under IC 6-3.6-5-9; and

18 (2) county or a city may use its certified shares;

19 for the purposes described in this section.

20 (c) A county or city may use revenue described in subsection (b)
 21 for making transfers required by IC 36-7.5-4-2.

22 (d) This subsection applies if the county economic development
 23 income tax rate under IC 6-3.5-7 (repealed) was increased in
 24 LaPorte County after June 30, 2006. Three million five hundred
 25 thousand dollars (\$3,500,000) of the revenue from the tax imposed
 26 under IC 6-3.6-5 shall be used by the county to make the county's
 27 transfer required by IC 36-7.5-4-2. This amount shall be paid by
 28 the county treasurer to the treasurer of the northwest Indiana
 29 regional development authority under IC 36-7.5-4-2 from the
 30 revenue allocated for economic development purposes under
 31 IC 6-3.6-5-9.

32 Sec. 7. (a) This section applies to the following counties:

33 (1) Porter County.

34 (2) Lake County.

35 (b) The:

36 (1) county may use revenue allocated for economic
 37 development purposes under IC 6-3.6-5-9; and

38 (2) county or a city may use its certified shares;

39 for the purposes described in this section.

40 (c) A county or city may use revenue described in subsection (b)
 41 for making transfers required by IC 36-7.5-4-2.

42 (d) This subsection applies if the county economic development



1 income tax rate was increased in Porter County after April 30,
2 2005. Three million five hundred thousand dollars (\$3,500,000) of
3 the revenue from the tax imposed under IC 6-3.6-5 shall be used by
4 the county to make the county's transfer required by IC 36-7.5-4-2.
5 This amount shall be paid by the county treasurer to the treasurer
6 of the northwest Indiana regional development authority under
7 IC 36-7.5-4-2 from the revenue allocated for economic
8 development purposes under IC 6-3.6-5-9. If Porter County ceases
9 to be a member of the northwest Indiana regional development
10 authority under IC 36-7.5 but two (2) or more municipalities in the
11 county have become members of the northwest Indiana regional
12 development authority as authorized by IC 36-7.5-2-3(i), the
13 county treasurer shall continue to transfer the three million five
14 hundred thousand dollars (\$3,500,000) to the treasurer of the
15 northwest Indiana regional development authority under
16 IC 36-7.5-4-2 from the revenue allocated for economic
17 development purposes under IC 6-3.6-5-9.

18 Sec. 8. (a) This section applies to all counties.

19 (b) The:

20 (1) county may use revenue allocated for economic
21 development purposes under IC 6-3.6-5-9; and

22 (2) county or a city may use its certified shares;

23 for the purposes described in this section.

24 (c) A county, city, or town may use revenue described in
25 subsection (b) for any combination of the following purposes:

26 (1) To pay all or a part of the interest owed by a private
27 developer or user on a loan extended by a financial institution
28 or other lender to the developer or user if the proceeds of the
29 loan are or are to be used to finance an economic development
30 project.

31 (2) For the retirement of bonds under section 9 of this chapter
32 for economic development projects.

33 (3) For leases under section 10 of this chapter, or for leases or
34 bonds entered into or issued prior to the date the economic
35 development income tax (repealed) was imposed if the
36 purpose of the lease or bonds would have qualified as a
37 purpose under this article at the time the lease was entered
38 into or the bonds were issued.

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



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



1 rate sufficient to produce one and twenty-five hundredths (1.25)
2 times the total of the highest annual debt service plus the highest
3 annual lease payments shall be based on an average of the
4 immediately preceding three (3) years tax collections, if the tax has
5 been imposed for the last preceding three (3) years. If the tax has
6 not been imposed for the last preceding three (3) years, the body
7 that imposed the tax may not reduce the rate below a rate that
8 would produce one and twenty-five hundredths (1.25) times the
9 total of the highest annual debt service, plus the highest annual
10 lease payments, based upon a study by a qualified public
11 accountant or financial advisor.

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

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

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

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

22 Sec. 10. (a) A county, city, or town may enter into a lease with
23 a leasing body (as defined in IC 5-1-1-1) of any property that could
24 be financed with the proceeds of bonds issued under this chapter
25 with a lessor for a term not to exceed fifty (50) years, and the lease
26 may provide for payments from revenues described in section 8(b)
27 of this chapter, any other revenue available to the unit, or any
28 combination of these sources.

29 (b) A lease may provide that payments by the unit to the lessor
30 are required only to the extent and only for the period that the
31 lessor is able to provide the leased facilities in accordance with the
32 lease. The terms of each lease must be based upon the value of the
33 facilities leased and may not create a debt of the unit for purposes
34 of the Constitution of the State of Indiana.

35 (c) A lease may be entered into by the executive of the unit only
36 after a public hearing at which all interested parties are provided
37 the opportunity to be heard. After the public hearing, the executive
38 may approve the execution of the lease on behalf of the unit if the
39 executive finds that the service to be provided throughout the term
40 of the lease will serve the public purpose of the unit and is in the
41 best interests of its residents. Any lease approved by the executive
42 must also be approved by an ordinance of the fiscal body of the



1 unit.

2 (d) Upon execution of a lease providing for payments by the unit
3 in whole or in part from revenues described in section 8(b) of this
4 chapter and upon approval of the lease by the unit's fiscal body,
5 the executive of the unit shall publish notice of the execution of the
6 lease and its approval in accordance with IC 5-3-1.

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

10 (f) An action to contest the validity of the lease or to enjoin the
11 performance of any of its terms and conditions must be brought
12 within thirty (30) days after the publication of the notice of the
13 execution and approval of the lease.

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

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

30 Sec. 12. (a) A pledge of revenues from a tax imposed under
31 IC 6-3.6-5 or IC 6-3.6-7 (but not IC 6-3.6-6) is enforceable in
32 accordance with IC 5-1-14.

33 (b) With respect to obligations for which a pledge has been
34 made under IC 6-3.6-5 or IC 6-3.6-7 (but not IC 6-3.6-6), the
35 general assembly covenants with the county and the purchasers or
36 owners of those obligations that this article will not be repealed or
37 amended in any manner that will adversely affect the tax collected
38 under this article as long as the principal of or interest on those
39 obligations is unpaid.

40 Sec. 13. (a) The general assembly finds that counties and
41 municipalities in Indiana have a need to foster economic
42 development, the development of new technology, and industrial



1 and commercial growth. The general assembly finds that it is
 2 necessary and proper to provide an alternative method for counties
 3 and municipalities to foster the following:

- 4 (1) Economic development.
- 5 (2) The development of new technology.
- 6 (3) Industrial and commercial growth.
- 7 (4) Employment opportunities.
- 8 (5) The diversification of industry and commerce.

9 The fostering of economic development and the development of
 10 new technology under this section or section 14 of this chapter for
 11 the benefit of the general public, including industrial and
 12 commercial enterprises, is a public purpose.

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

- 15 (1) Determine that part or all the taxes described in section
 16 8(b) of this chapter should be combined to foster:
 17 (A) economic development;
 18 (B) the development of new technology; and
 19 (C) industrial and commercial growth.
- 20 (2) Establish a regional venture capital fund.

21 (c) Each unit participating in a regional venture capital fund
 22 established under subsection (b) may deposit the following in the
 23 fund:

- 24 (1) Revenues described in section 8(b) of this chapter.
- 25 (2) The proceeds of public or private grants.

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

35 (e) The fiscal body of each participating unit shall approve an
 36 interlocal agreement created under IC 36-1-7 establishing the
 37 terms for the administration of the regional venture capital fund.
 38 The terms must include the following:

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



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



- 1 **(4) Infrastructure improvements.**
 2 **(5) New buildings or structures.**
 3 **(6) Rehabilitation, renovation, or enlargement of buildings or**
 4 **structures.**
 5 **(7) Machinery, equipment, and furnishings.**
 6 **(8) Funding small business development with respect to:**
 7 **(A) prototype products or processes;**
 8 **(B) marketing studies to determine the feasibility of new**
 9 **products or processes; or**
 10 **(C) business plans for the development and production of**
 11 **new products or processes.**
- 12 **Sec. 14. (a) The fiscal body of a county or municipality may, by**
 13 **resolution, establish a local venture capital fund.**
- 14 **(b) A unit establishing a local venture capital fund under**
 15 **subsection (a) may deposit the following in the fund:**
- 16 **(1) Revenues described in section 8(b) of this chapter.**
 17 **(2) The proceeds of public or private grants.**
- 18 **(c) A local venture capital fund shall be administered by a**
 19 **governing board. The expenses of administering the fund shall be**
 20 **paid from money in the fund. The governing board shall invest the**
 21 **money in the fund not currently needed to meet the obligations of**
 22 **the fund in the same manner as other public money may be**
 23 **invested. Interest that accrues from these investments shall be**
 24 **deposited into the fund. The fund is subject to an annual audit by**
 25 **the state board of accounts. The fund must bear the full costs of the**
 26 **audit.**
- 27 **(d) The fiscal body of a unit establishing a local venture capital**
 28 **fund under subsection (a) shall establish the terms for the**
 29 **administration of the local venture capital fund. The terms must**
 30 **include the following:**
- 31 **(1) The membership of the governing board.**
 32 **(2) The amount of the unit's contribution to the fund.**
 33 **(3) The procedures and criteria under which the governing**
 34 **board may loan or grant money from the fund.**
 35 **(4) The procedures for the dissolution of the fund and for the**
 36 **distribution of money remaining in the fund at the time of the**
 37 **dissolution.**
- 38 **(e) A unit establishing a local venture capital fund under**
 39 **subsection (a) must be represented by at least one (1) member of**
 40 **the governing board.**
- 41 **(f) The membership of the governing board must be established**
 42 **on a bipartisan basis so that the number of the members of the**



1 governing board who are members of one (1) political party may
 2 not exceed the number of members of the governing board
 3 required to establish a quorum.

4 (g) A majority of the governing board constitutes a quorum, and
 5 the concurrence of a majority of the governing board is necessary
 6 to authorize any action.

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

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

15 (j) The governing board of the fund may loan or grant money
 16 from the fund to a private or public entity if the governing board
 17 finds that the loan or grant will be used by the borrower or grantee
 18 for at least one (1) of the following economic development
 19 purposes:

20 (1) To promote significant employment opportunities for the
 21 residents of the unit establishing the local venture capital
 22 fund.

23 (2) To attract a major new business enterprise to the unit.

24 (3) To develop, retain, or expand a significant business
 25 enterprise in the unit.

26 (k) The expenditures of a borrower or grantee of money from
 27 a local venture capital fund that are considered to be for an
 28 economic development purpose include expenditures for any of the
 29 following:

30 (1) Research and development of technology.

31 (2) Job training and education.

32 (3) Acquisition of property interests.

33 (4) Infrastructure improvements.

34 (5) New buildings or structures.

35 (6) Rehabilitation, renovation, or enlargement of buildings or
 36 structures.

37 (7) Machinery, equipment, and furnishings.

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

39 (A) prototype products or processes;

40 (B) marketing studies to determine the feasibility of new
 41 products or processes; or

42 (C) business plans for the development and production of



1 **new products or processes.**
2 SECTION 6. [EFFECTIVE UPON PASSAGE] **(a) The legislative**
3 **council shall provide for the preparation and introduction of**
4 **legislation in the 2015 session of the general assembly to correct**
5 **cross references and make other changes, as necessary, to bring**
6 **provisions that are not added or amended by this act into**
7 **conformity with this act.**
8 **(b) This SECTION expires January 1, 2016.**
9 SECTION 7. **An emergency is declared for this act.**

