

HOUSE BILL No. 1265

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-2-1-13; IC 27-1-18-2.

Synopsis: Law enforcement academy funding. Increases the insurance premiums tax from 1.3% to 1.35%. Transfers the money received from the increase in the tax to the law enforcement academy fund (fund). Amends the fund provisions to allow the law enforcement training board to use money in the fund for: (1) capital projects; (2) technology equipment and services; and (3) curriculum development; for a law enforcement academy (including the northwest Indiana law enforcement academy and the southwest Indiana law enforcement academy). Specifies that money in the fund at the end of a state fiscal year does not revert to the state general fund.

Effective: July 1, 2021; January 1, 2022.

Abbott, Bartels, Ellington

January 14, 2021, read first time and referred to Committee on Ways and Means.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1265

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 5-2-1-13, AS AMENDED BY P.L.217-2017,
2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 13. (a) There is created a fund known as the law
4 enforcement academy fund.

5 (b) The fund consists of amounts:

6 (1) **deposited under IC 27-1-18-2(j); and**

7 (2) deposited under IC 33-37-7-9.

8 (c) **Amounts held in the fund shall be used only for the purposes**
9 **set forth in subsection (e).**

10 (d) **Not more than ten percent (10%) of the money in the fund**
11 **may be used by the board for administration costs.**

12 (e) This fund may be used by the board for the following:

13 (1) To acquire for the state land and interests in and to land, and
14 to construct upon such land a fully equipped law enforcement
15 academy to consist of classrooms, housing facilities, a cafeteria,
16 firearms ranges, a driving course, and other physical facilities
17 which are deemed necessary in the discretion of the board for the



basic, inservice, and advanced training of law enforcement officers in the skills and techniques of law enforcement.

(2) Expenditures may be made by the board for, among other things, all expenses required for land acquisition and transfer, including but not limited to personal services, appraisers fees, and the cost of acquiring any interest in land and the construction and maintenance of improvements thereon.

(3) Building and grounds maintenance for the law enforcement academy.

(4) Training equipment and supplies necessary to operate the a law enforcement academy.

(5) Aid to approved law enforcement training schools certified as having met or exceeded the minimum standards established by the board.

(6) Personal services, as authorized by the board, with the approval of the governor.

(7) Capital projects related to the building and grounds for a law enforcement academy.

(8) Technology equipment and services for a law enforcement academy.

(9) Curriculum development for a law enforcement academy, including but not limited to recommendations from the report of the Governor's Task Force on Law Enforcement Training dated October 31, 2019.

~~(7)~~ **(10)** Any other purpose necessary to carry out this chapter, as determined by the board.

For purposes of subdivisions (4), (7), (8), and (9), "law enforcement academy" includes the northwest Indiana law enforcement academy and the southwest Indiana law enforcement academy.

~~(b)~~ **(f)** The budget agency may, with the approval of the board and the governor, make allocations and transfers of funds appropriated by the general assembly to state agencies having jurisdiction and control over land acquired by the board for the purposes stated in this section, except that these allocations and transfers may not be made in the acquisition of land which has been declared surplus land of the state pursuant to statute.

~~(c)~~ **(g)** The board is further authorized to acquire land for the purposes of this section and law enforcement academy buildings by gift, donation, bequest, devise, exchange, purchase, or eminent domain, or other means. However, any money or proceeds from gifts, bequests, grants, or other donations shall be deposited in a special donation fund, which must be established for the purposes described in this section,



for the use of the board to accomplish the purposes of this section. No part of the special donation fund reverts to the general fund unless specified by the donor as a condition to the donor's gift. All land and academy buildings, however acquired, become the property of the state.

(h) Except as provided in the case of the special donation fund in subsection (g), money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 2. IC 27-1-18-2, AS AMENDED BY P.L.136-2018, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022]: Sec. 2. (a) Every insurance company not organized under the laws of this state, and each domestic company electing to be taxed under this section, and doing business within this state shall, on or before March 1 of each year, report to the department, under the oath of the president and secretary, the gross amount of all premiums received by it on policies of insurance covering risks within this state, or in the case of marine or transportation risks, on policies made, written, or renewed within this state during the twelve (12) month period ending on December 31 of the preceding calendar year. From the amount of gross premiums described in this subsection shall be deducted:

- (1) considerations received for reinsurance of risks within this state from companies authorized to transact an insurance business in this state;
- (2) the amount of dividends paid or credited to resident insureds, or used to reduce current premiums of resident insureds;
- (3) the amount of premiums actually returned to residents on account of applications not accepted or on account of policies not delivered; and
- (4) the amount of unearned premiums returned on account of the cancellation of policies covering risks within the state.

(b) A domestic company shall be taxed under this section only in each calendar year with respect to which it files a notice of election. The notice of election shall be filed with the insurance commissioner and the commissioner of the department of state revenue on or before November 30 in each year and shall state that the domestic company elects to submit to the tax imposed by this section with respect to the calendar year commencing January 1 next following the filing of the notice. The exemption from license fees, privilege, or other taxes accorded by this section to insurance companies not organized under the laws of this state and doing business within this state which are taxed under this chapter shall be applicable to each domestic company in each calendar year with respect to which it is taxed under this



1 section. In each calendar year with respect to which a domestic
 2 company has not elected to be taxed under this section it shall be taxed
 3 without regard to this section.

4 (c) For the privilege of doing business in this state, every insurance
 5 company required to file the report provided in this section shall pay
 6 into the treasury of this state an amount equal to the excess, if any, of
 7 the gross premiums over the allowable deductions multiplied by one
 8 and ~~three-tenths~~ **thirty-five hundredths** percent (~~1.3%~~) **(1.35%)**.

9 (d) Payments of the tax imposed by this section shall be made on a
 10 quarterly estimated basis. The amounts of the quarterly installments
 11 shall be computed on the basis of the total estimated tax liability for the
 12 current calendar year and the installments shall be due and payable on
 13 or before April 15, June 15, September 15, and December 15 of the
 14 current calendar year.

15 (e) Any balance due shall be paid in the next succeeding calendar
 16 year at the time designated for the filing of the annual report with the
 17 department.

18 (f) Any overpayment of the estimated tax during the preceding
 19 calendar year shall be allowed as a credit against the liability for the
 20 first installment of the current calendar year.

21 (g) In the event a company subject to taxation under this section
 22 fails to make any quarterly payment in an amount equal to at least:

23 (1) twenty-five percent (25%) of the total tax paid during the
 24 preceding calendar year; or

25 (2) twenty per cent (20%) of the actual tax for the current
 26 calendar year;

27 the company shall be liable, in addition to the amount due, for interest
 28 in the amount of one percent (1%) of the amount due and unpaid for
 29 each month or part of a month that the amount due, together with
 30 interest, remains unpaid. This interest penalty shall be exclusive of and
 31 in addition to any other fee, assessment, or charge made by the
 32 department.

33 (h) The taxes under this article shall be in lieu of all license fees or
 34 privilege or other tax levied or assessed by this state or by any
 35 municipality, county, or other political subdivision of this state. No
 36 municipality, county, or other political subdivision of this state shall
 37 impose any license fee or privilege or other tax upon any insurance
 38 company or any of its agents for the privilege of doing an insurance
 39 business in the municipality, county, or other political subdivision,
 40 except the tax authorized by IC 22-12-6-5. However, the taxes
 41 authorized under IC 22-12-6-5 shall be credited against the taxes
 42 provided under this chapter. This section shall not be construed to



1 prohibit the levy and collection of state, county, or municipal taxes
 2 upon real and tangible personal property of such company, or to
 3 prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by
 4 law. However, all insurance companies, foreign or domestic, paying
 5 taxes in this state predicated in part on their premium income from
 6 policies sold and premiums received in Indiana, shall have the same
 7 rights and privileges from further taxation and shall be given the same
 8 credits wherever applicable, as those set out for those companies
 9 paying only a tax on premiums as set out in this section.

10 (i) Any insurance company failing or refusing, for more than thirty
 11 (30) days, to render an accurate account of its premium receipts as
 12 provided in this section and pay the tax due thereon shall be subject to
 13 a penalty of one hundred dollars (\$100) for each additional day such
 14 report and payment shall be delayed, not to exceed a maximum penalty
 15 of ten thousand dollars (\$10,000). The penalty may be ordered by the
 16 commissioner after a hearing under IC 4-21.5-3. The commissioner
 17 may revoke all authority of such defaulting company to do business
 18 within this state, or suspend such authority during the period of such
 19 default, in the discretion of the commissioner.

20 **(j) This subsection applies after December 31, 2022. Before**
 21 **March 15, 2023, and before March 15 of each year thereafter, the**
 22 **auditor of state shall transfer from the state general fund to the law**
 23 **enforcement academy fund under IC 5-2-1-13 an amount equal to:**

- 24 (1) the sum total of gross premium amounts (less allowable
 25 deductions) upon which tax was imposed under this section in
 26 the preceding calendar year; multiplied by
 27 (2) five-hundredths of one percent (0.05%).

