

# HOUSE BILL No. 1273

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-9-13; IC 36-7-31.

**Synopsis:** Marion County PSDA. Provides that authority for the 10% rate for the Marion County admissions tax is extended through 2045 (rather than through February of 2023). Extends the period in current law under which the Marion County admissions tax applies to all events at a covered facility (rather than applying only to professional sporting events). Provides that the Marion County professional sports development area (PSDA) may be changed to include the site or future site of a facility or complex of facilities that includes a multipurpose stadium. Allows an additional \$5,000,000 of state revenue to be captured each year, for 30 years, from the area added to the PSDA to include a multipurpose stadium. Provides, however, that this amount of additional state revenue that may be captured is reduced each year by the amount of admissions tax revenue received from events held at the facility or complex of facilities that includes a multipurpose stadium.

**Effective:** Upon passage.

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## Huston

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January 13, 2015, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1273



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-9-13-1, AS AMENDED BY P.L.214-2005,  
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b),  
4 the city-county council of a county that contains a consolidated first  
5 class city may adopt an ordinance to impose an excise tax, known as  
6 the county admissions tax, for the privilege of attending, before January  
7 1, ~~2041~~, **2046**, any event and, after December 31, ~~2040~~, **2045**, any  
8 professional sporting event:  
9 (1) held in a facility financed in whole or in part by:  
10 (A) bonds or notes issued under IC 18-4-17 (before its repeal  
11 on September 1, 1981), IC 36-10-9, or IC 36-10-9.1; or  
12 (B) a lease or other agreement under IC 5-1-17; and  
13 (2) to which tickets are offered for sale to the public by:  
14 (A) the box office of the facility; or  
15 (B) an authorized agent of the facility.



1 (b) The excise tax imposed under subsection (a) does not apply to  
2 the following:

3 (1) An event sponsored by an educational institution or an  
4 association representing an educational institution.

5 (2) An event sponsored by a religious organization.

6 (3) An event sponsored by an organization that is considered a  
7 charitable organization by the Internal Revenue Service for  
8 federal tax purposes.

9 (4) An event sponsored by a political organization.

10 (c) If a city-county council adopts an ordinance under subsection  
11 (a), it shall immediately send a certified copy of the ordinance to the  
12 commissioner of the department of state revenue.

13 (d) If a city-county council adopts an ordinance under subsection (a)  
14 or section 2 of this chapter prior to June 1, the county admissions tax  
15 applies to admission charges collected after June 30 of the year in  
16 which the ordinance is adopted. If the city-county council adopts an  
17 ordinance under subsection (a) or section 2 of this chapter on or after  
18 June 1, the county admissions tax applies to admission charges  
19 collected after the last day of the month in which the ordinance is  
20 adopted.

21 SECTION 2. IC 6-9-13-2, AS AMENDED BY P.L.205-2013,  
22 SECTION 132, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in  
24 subsection (b), the county admissions tax equals five percent (5%) of  
25 the price for admission to any event described in section 1 of this  
26 chapter.

27 (b) On or before June 30, 2005, the city-county council may, by  
28 ordinance adopted by a majority of the members elected to the  
29 city-county council, increase the county admissions tax from five  
30 percent (5%) to six percent (6%) of the price for admission to any event  
31 described in section 1 of this chapter.

32 (c) After January 1, 2013, and before March 1, 2013, the city-county  
33 council may, by ordinance adopted by a majority of the members  
34 elected to the city-county council, increase the county admissions tax  
35 rate by not more than four percent (4%) of the price for admission to  
36 any event described in section 1 of this chapter. If the city-county  
37 council adopts an ordinance under this subsection:

38 (1) the city-county council shall immediately send a certified copy  
39 of the ordinance to the commissioner of the department of state  
40 revenue; and

41 (2) the tax applies to transactions after the last day of the month  
42 in which the ordinance is adopted, if the city-county council



1           adopts the ordinance on or before the fifteenth day of a month. If  
 2           the city-county council adopts the ordinance after the fifteenth  
 3           day of a month, the tax applies to transactions after the last day of  
 4           the month following the month in which the ordinance is adopted.  
 5           The increase in the tax imposed under this subsection continues in  
 6           effect unless the increase is rescinded. However, any increase in the tax  
 7           rate under this subsection may not continue in effect after ~~February 28,~~  
 8           ~~2023.~~ **December 31, 2045.**

9           (d) **Except as provided in subsection (f)**, the amount collected  
 10          from that portion of the county admissions tax imposed under:

- 11           (1) subsection (a) and collected after December 31, 2027; and  
 12           (2) subsection (b);

13          shall be distributed to the capital improvement board of managers or its  
 14          designee. So long as there are any current or future obligations owed  
 15          by the capital improvement board of managers to the Indiana stadium  
 16          and convention building authority created by IC 5-1-17 or any state  
 17          agency pursuant to a lease or other agreement entered into between the  
 18          capital improvement board of managers and the Indiana stadium and  
 19          convention building authority or any state agency under IC 5-1-17-26,  
 20          the capital improvement board of managers or its designee shall deposit  
 21          the revenues received from that portion of the county admissions tax  
 22          imposed under subsection (b) in a special fund, which may be used  
 23          only for the payment of the obligations described in this subsection.

24          (e) **Except as provided in subsection (f)**, the amount collected  
 25          from an increase adopted under subsection (c) shall be deposited in the  
 26          sports and convention facilities operating fund established by  
 27          IC 36-7-31-16.

28          (f) **The entire amount collected under this chapter from any**  
 29          **event held at a facility or complex of facilities that includes a**  
 30          **multipurpose stadium that:**

- 31           (1) **is constructed after June 30, 2015; and**  
 32           (2) **is financed as described in section 1(a)(1) of this chapter;**  
 33          **shall be distributed to the capital improvement board of managers**  
 34          **or its designee.**

35          SECTION 3. IC 36-7-31-11, AS AMENDED BY P.L.182-2009(ss),  
 36          SECTION 410, IS AMENDED TO READ AS FOLLOWS  
 37          [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A tax area must be  
 38          initially established before July 1, 1999, according to the procedures set  
 39          forth for the establishment of an economic development area under  
 40          IC 36-7-15.1. A tax area may be changed (including to the exclusion or  
 41          inclusion of a facility described in this chapter) or the terms governing  
 42          the tax area may be revised in the same manner as the establishment of



1 the initial tax area. However, a tax area may be changed as follows:

2 (1) After May 14, 2005, a tax area may be changed to include the  
3 site or future site of a facility that is or will be the subject of a  
4 lease or other agreement entered into between the capital  
5 improvement board and the Indiana stadium and convention  
6 building authority or any state agency under IC 5-1-17-26.

7 (2) After June 30, 2009, a tax area may be changed to include the  
8 site or future site of a facility or complex of facilities described in  
9 section 10(a)(3) of this chapter.

10 **(3) After June 30, 2015, a tax area may be changed to include**  
11 **the site or future site of a facility or complex of facilities that**  
12 **includes a multipurpose stadium.**

13 (3) (4) The terms governing a tax area may be revised only with  
14 respect to a facility or complex of facilities described in  
15 subdivision (1), or (2), or (3).

16 (b) In establishing or changing the tax area or revising the terms  
17 governing the tax area, the commission must do the following:

18 (1) With respect to a tax area change described in subsection  
19 (a)(1) or (a)(3), the commission must make the following findings  
20 instead of the findings required for the establishment of economic  
21 development areas:

22 (A) That a project to be undertaken or that has been  
23 undertaken in the tax area is for a facility at which a  
24 professional sporting event or a convention or similar event  
25 will be held.

26 (B) That the project to be undertaken or that has been  
27 undertaken in the tax area will benefit the public health and  
28 welfare and will be of public utility and benefit.

29 (C) That the project to be undertaken or that has been  
30 undertaken in the tax area will protect or increase state and  
31 local tax bases and tax revenues.

32 (2) With respect to a tax area change described in subsection  
33 (a)(2), the commission must make the following findings instead  
34 of the findings required for the establishment of an economic  
35 development area:

36 (A) That the facility or complex of facilities in the tax area  
37 provides both convenient accommodations for professional  
38 sporting events, conventions, or similar events and significant  
39 meeting and convention space that directly enhance events  
40 held in the capital improvements that are owned, leased, or  
41 operated by the capital improvement board.

42 (B) That the facility or complex of facilities in the tax area and



1 the capital improvements that are owned, leased, or operated  
 2 by the capital improvement board are integrally related to  
 3 enhancing the convention opportunities that directly affect the  
 4 success of both the facilities and capital improvements.

5 (C) That the facility or complex of facilities in the tax area  
 6 provides the opportunity for the capital improvement board to  
 7 hold events that would not otherwise be possible.

8 (D) That the facility or complex of facilities in the tax area  
 9 protects or increases state and local tax bases and tax  
 10 revenues.

11 (c) The tax area established by the commission under this chapter  
 12 is a special taxing district authorized by the general assembly to enable  
 13 the county to provide special benefits to taxpayers in the tax area by  
 14 promoting economic development that is of public use and benefit.

15 SECTION 4. IC 36-7-31-14, AS AMENDED BY P.L. 182-2009(ss),  
 16 SECTION 412, IS AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section does not  
 18 apply to that part of the tax area in which a facility or complex of  
 19 facilities described in section 10(a)(3) of this chapter is located. A  
 20 reference to "tax area" in this section does not include the part of the  
 21 tax area in which a facility or complex of facilities described in section  
 22 10(a)(3) of this chapter is located.

23 (b) A tax area must be established by resolution. A resolution  
 24 establishing a tax area must provide for the allocation of covered taxes  
 25 attributable to a taxable event or covered taxes earned in the tax area  
 26 to the professional sports development area fund established for the  
 27 county. The allocation provision must apply to the part of the tax area  
 28 covered by this section. The resolution must provide that the tax area  
 29 terminates not later than December 31, ~~2027~~. **2045**.

30 (c) All of the salary, wages, bonuses, and other compensation that  
 31 are:

- 32 (1) paid during a taxable year to a professional athlete for
- 33 professional athletic services;
- 34 (2) taxable in Indiana; and
- 35 (3) earned in the tax area;

36 shall be allocated to the tax area if the professional athlete is a member  
 37 of a team that plays the majority of the professional athletic events that  
 38 the team plays in Indiana in the tax area.

39 (d) Except as provided by section 14.1 of this chapter **and**  
 40 **subsection (f)**, the total amount of state revenue captured by the tax  
 41 area may not exceed:

- 42 (1) five million dollars (\$5,000,000) per year, for twenty (20)



1 consecutive years, **from that part of the tax area that does not**  
 2 **include the addition to the tax area described in section**  
 3 **11(a)(3) of this chapter; plus**  
 4 **(2) five million dollars (\$5,000,000) per year, for thirty (30)**  
 5 **consecutive years, from that part of the tax area that is the**  
 6 **addition to the tax area described in section 11(a)(3) of this**  
 7 **chapter.**

8 (e) The resolution establishing the tax area must designate the  
 9 facility and the facility site for which the tax area is established and  
 10 covered taxes will be used.

11 **(f) The total amount of state revenue that otherwise may be**  
 12 **captured by the tax area as provided in subsection (d)(2) shall be**  
 13 **reduced each year by the lesser of:**

14 **(1) the amount of admissions tax revenue received under**  
 15 **IC 6-9-13 from events held at a facility or complex of facilities**  
 16 **described in IC 6-9-13-2(f); or**

17 **(2) five million dollars (\$5,000,000).**

18 ~~(f)~~ **(g)** The department may adopt rules under IC 4-22-2 and  
 19 guidelines to govern the allocation of covered taxes to a tax area.

20 SECTION 5. IC 36-7-31-14.1, AS AMENDED BY  
 21 P.L.182-2009(ss), SECTION 413, IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.1. (a) The  
 23 budget director appointed under IC 4-12-1-3 may determine that,  
 24 commencing July 1, 2007, there may be captured in the tax area up to  
 25 eleven million dollars (\$11,000,000) per year in addition to the up to  
 26 ~~five ten~~ million dollars (~~\$5,000,000~~) **(\$10,000,000)** of state revenue to  
 27 be captured by the tax area under section 14 of this chapter for the  
 28 professional sports development area fund and in addition to the state  
 29 revenue to be captured by the part of the tax area covered by section  
 30 14.2 of this chapter for the sports and convention facilities operating  
 31 fund, for up to thirty-four (34) consecutive years. The budget director's  
 32 determination must specify that the termination date of the tax area for  
 33 purposes of the collection of the additional eleven million dollars  
 34 (\$11,000,000) per year for the professional sports development area  
 35 fund is extended to not later than:

36 (1) January 1, 2041; or

37 (2) January 1, 2010, if on that date there are no obligations owed  
 38 by the capital improvement board of managers to the Indiana  
 39 stadium and convention building authority or to any state agency  
 40 under IC 5-1-17-26.

41 Following the budget director's determination, and commencing July  
 42 1, 2007, the maximum total amount of revenue captured by the tax area



1 for years ending before January 1, 2041, is ~~sixteen~~ **twenty-one** million  
 2 dollars ~~(\$16,000,000)~~ **(\$21,000,000)** per year for the professional  
 3 sports development area fund.

4 (b) The additional revenue captured pursuant to a determination  
 5 under subsection (a) shall be distributed to the capital improvement  
 6 board or its designee. So long as there are any current or future  
 7 obligations owed by the capital improvement board to the Indiana  
 8 stadium and convention building authority created by IC 5-1-17 or any  
 9 state agency under a lease or another agreement entered into between  
 10 the capital improvement board and the Indiana stadium and convention  
 11 building authority or any state agency under IC 5-1-17-26, the capital  
 12 improvement board or its designee shall deposit the additional revenue  
 13 received under this subsection in a special fund, which may be used  
 14 only for the payment of the obligations described in this subsection.

15 (c) Notwithstanding the budget director's determination under  
 16 subsection (a), after January 1, 2010, the capture of the additional  
 17 eleven million dollars (\$11,000,000) per year described in subsection  
 18 (a) terminates on January 1 of the year following the first year in which  
 19 no obligations of the capital improvement board described in  
 20 subsection (b) remain outstanding.

21 SECTION 6. IC 36-7-31-23, AS AMENDED BY P.L.214-2005,  
 22 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 UPON PASSAGE]: Sec. 23. This chapter expires ~~December 31, 2040~~  
 24 **July 1, 2046.**

25 SECTION 7. **An emergency is declared for this act.**

