

HOUSE BILL No. 1350

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 6-3-1-3.5.

Synopsis: Gaming taxes. Reduces the amount of maximum supplemental distributions from \$48,000,000 to \$30,000,000 per year. Provides that the Indiana income tax add back for deductions allowed under the Internal Revenue Code for taxes based on or measured by income and levied at the state level does not apply to any deduction allowed on the taxpayer's federal income tax return for riverboat wagering taxes or racino wagering taxes. Repeals flexible scheduling for riverboats. Changes the riverboat admissions tax to a supplemental wagering tax of 3% of a riverboat's adjusted gross receipts for a riverboat that has relocated to an inland casino by December 31, 2019. Changes the distributions of riverboat admissions taxes from a set dollar amount to percentages of the adjusted gross receipts.

Effective: July 1, 2017.

Huston

January 12, 2017, read first time and referred to Committee on Public Policy.



First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1350

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

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

- 1 SECTION 1. IC 4-33-2-7.5 IS REPEALED [EFFECTIVE JULY 1,
2 2017]. Sec. 7.5: "Flexible scheduling" refers to the practice of
3 conducting gambling games and allowing the continuous ingress and
4 egress of patrons for the purpose of gambling.
- 5 SECTION 2. IC 4-33-2-8 IS REPEALED [EFFECTIVE JULY 1,
6 2017]. Sec. 8: "Gambling excursion" means the time during which
7 gambling games may be operated on a riverboat that has not
8 implemented flexible scheduling under IC 4-33-6-21.
- 9 SECTION 3. IC 4-33-4-22 IS REPEALED [EFFECTIVE JULY 1,
10 2017]. Sec. 22: (a) The commission may not adopt a rule or resolution
11 limiting the ordinary business hours in which a licensed owner that has
12 implemented flexible scheduling under IC 4-33-6-21 may conduct
13 gambling operations.
- 14 (b) This section may not be construed to limit the commission's
15 power to:
- 16 (1) enforce this article under IC 4-33-4-1(a)(6); IC 4-33-4-1(a)(7);
17 or IC 4-33-4-8; or



1 ~~(2) respond to an emergency; as determined by the commission.~~
 2 SECTION 4. IC 4-33-6-10, AS AMENDED BY P.L.255-2015,
 3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2017]: Sec. 10. (a) An owner's license issued under this
 5 chapter permits the holder to own and operate one (1) riverboat and
 6 equipment for each license.

7 ~~(b) The holder of an owner's license issued under this chapter may~~
 8 ~~implement flexible scheduling for the operation of the holder's~~
 9 ~~riverboat under section 21 of this chapter.~~

10 ~~(c) (b) Except as provided in subsections (d) (c) and (e); (d), an~~
 11 ~~owner's license issued under this chapter must specify the place where~~
 12 ~~the riverboat must operate and dock.~~

13 ~~(d) (c) The commission may permit a riverboat to dock at a~~
 14 ~~temporary dock in the applicable city for a specific period of time not~~
 15 ~~to exceed one (1) year after the owner's license is issued.~~

16 ~~(e) (d) An owner's license issued with respect to a riverboat~~
 17 ~~constructed under section 24 of this chapter must specify the site of the~~
 18 ~~riverboat.~~

19 ~~(f) (e) An owner's initial license expires five (5) years after the~~
 20 ~~effective date of the license.~~

21 SECTION 5. IC 4-33-6-21 IS REPEALED [EFFECTIVE JULY 1,
 22 2017]. Sec. 21. ~~(a) A licensed owner may submit a plan for flexible~~
 23 ~~scheduling to the commission by a date designated by the commission.~~
 24 ~~Upon receipt of an appropriate plan, the commission shall authorize~~
 25 ~~flexible scheduling and the licensed owner shall implement the flexible~~
 26 ~~scheduling plan by the date designated by the commission.~~

27 ~~(b) A licensed owner that:~~

28 ~~(1) submits a plan for flexible scheduling to the commission may~~
 29 ~~include provisions; or~~

30 ~~(2) has implemented a flexible scheduling plan may amend the~~
 31 ~~plan to include provisions;~~

32 ~~to conduct gambling operations for up to twenty-four (24) hours a day.~~
 33 ~~Upon receipt of a plan or an amendment to a plan concerning operating~~
 34 ~~hours, the commission shall authorize the licensed owner to implement~~
 35 ~~the plan or amendment for the days and hours specified in the plan or~~
 36 ~~amendment. The licensed owner shall implement the provisions related~~
 37 ~~to operating days and hours by the date designated by the commission.~~
 38 ~~If the licensed owner fails or ceases to operate in accordance with the~~
 39 ~~authorized provisions concerning operating days and hours, the~~
 40 ~~commission may rescind the authorization.~~

41 SECTION 6. IC 4-33-6.5-5, AS AMENDED BY P.L.234-2007,
 42 SECTION 278, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2017]: Sec. 5. After selecting the most
 2 appropriate operating agent applicant, the commission may enter into
 3 an operating agent contract with the person. The operating agent
 4 contract must comply with this article and include the following terms
 5 and conditions:

6 (1) The operating agent must pay a nonrefundable initial fee of
 7 one million dollars (\$1,000,000) to the commission. The fee must
 8 be deposited by the commission into the West Baden Springs
 9 historic hotel preservation and maintenance fund established by
 10 IC 36-7-11.5-11(b).

11 (2) The operating agent must post a bond as required in section 6
 12 of this chapter.

13 ~~(3) The operating agent must implement flexible scheduling.~~

14 ~~(4) (3)~~ The operating agent must locate the riverboat in a historic
 15 hotel district at a location approved by the commission.

16 ~~(5) (4)~~ The operating agent must comply with any requirements
 17 concerning the exterior design of the riverboat that are approved
 18 by the commission.

19 ~~(6) (5)~~ Notwithstanding any law limiting the maximum length of
 20 contracts:

21 (A) the initial term of the contract may not exceed twenty (20)
 22 years; and

23 (B) any renewal or extension period permitted under the
 24 contract may not exceed twenty (20) years.

25 ~~(7) (6)~~ The operating agent must collect and remit all taxes under
 26 IC 4-33-12 and IC 4-33-13.

27 ~~(8) (7)~~ The operating agent must comply with the restrictions on
 28 the transferability of the operating agent contract under section 12
 29 of this chapter.

30 SECTION 7. IC 4-33-9-2 IS REPEALED [EFFECTIVE JULY 1,
 31 2017]. Sec. 2: (a) This section does not apply to a riverboat that has
 32 implemented flexible scheduling under IC 4-33-6-21.

33 (b) Except as provided in subsections (c) and (d), gambling may not
 34 be conducted while a riverboat is docked.

35 (c) If the master of the riverboat reasonably determines and certifies
 36 in writing that:

37 (1) specific weather conditions, water conditions, or traffic
 38 conditions present a danger to the riverboat and the riverboat's
 39 passengers and crew;

40 (2) either the vessel or the docking facility is undergoing
 41 mechanical or structural repair;

42 (3) water traffic conditions present a danger to:



1 (A) the riverboat, riverboat passengers, and crew; or
 2 (B) other vessels on the water; or
 3 (4) the master has been notified that a condition exists that would
 4 cause a violation of federal law if the riverboat were to cruise;
 5 the riverboat may remain docked and gaming may take place until the
 6 master determines that the conditions have sufficiently diminished or
 7 been corrected for the riverboat to safely proceed or the duration of the
 8 authorized excursion has expired.

9 (d) The commission shall by rule permit gambling to be conducted
 10 for periods of not more than thirty (30) minutes during passenger
 11 embarkation and not more than thirty (30) minutes during passenger
 12 disembarkation.

13 SECTION 8. IC 4-33-12-1, AS AMENDED BY P.L.96-2010,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2017]: Sec. 1. (a) This subsection does not apply to a riverboat
 16 that has implemented flexible scheduling under IC 4-33-6-21. **Except**
 17 **as provided in subsection (b)**, a tax is imposed on admissions to
 18 gambling excursions authorized under this article at a rate of three
 19 dollars (\$3) for each person admitted to the gambling excursion. This
 20 admission tax is imposed upon the licensed owner conducting the
 21 gambling excursion.

22 (b) This subsection applies to a gaming operation that has
 23 relocated from a docked riverboat to an inland casino by
 24 December 31, 2019, as described in IC 4-33-6-24. A supplemental
 25 wagering tax is imposed and authorized under this article at a rate
 26 of three percent (3%) of adjusted gross receipts.

27 (b) This subsection applies only to a riverboat that has implemented
 28 flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is
 29 imposed on the admissions to a riverboat that has implemented flexible
 30 scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the rate of three
 31 dollars (\$3) for each person admitted to the riverboat. This admission
 32 tax is imposed upon the licensed owner or operating agent operating
 33 the riverboat.

34 (e) The commission may by rule determine the point at which a
 35 person is considered to be:

36 (1) admitted to a gambling excursion, in the case of a riverboat
 37 subject to subsection (a); or

38 (2) admitted to a riverboat, in the case of a riverboat subject to
 39 subsection (b);

40 for purposes of collecting the admissions tax under this chapter.

41 SECTION 9. IC 4-33-12-2 IS REPEALED [EFFECTIVE JULY 1,
 42 2017]. Sec. 2: (a) This section does not apply to a riverboat that has



1 implemented flexible scheduling under IC 4-33-6-21.

2 (b) If tickets are issued that may be used for admission to more than
3 one (1) gambling excursion, the admission tax must be paid for each
4 person using the ticket on each gambling excursion for which the ticket
5 is used:

6 (c) If free passes or complimentary admission tickets are issued; a
7 person who has been issued an owner's license shall pay the same tax
8 on the passes or complimentary tickets as if the passes or tickets were
9 sold at the regular admission rate.

10 SECTION 10. IC 4-33-12-3 IS REPEALED [EFFECTIVE JULY 1,
11 2017]. Sec. 3: (a) A licensed owner or an operating agent may issue
12 tax-free passes to the following persons:

13 (1) Actual and necessary officials and employees of the licensee
14 or operating agent.

15 (2) Other persons actually working on the riverboat.

16 (b) The number and issuance of tax-free passes is subject to the
17 rules of the commission. A list of all persons to whom the tax-free
18 passes are issued must be filed with the commission.

19 SECTION 11. IC 4-33-12-4 IS REPEALED [EFFECTIVE JULY 1,
20 2017]. Sec. 4: (a) A licensed owner or an operating agent must pay the
21 admissions taxes collected to the department. The licensed owner or
22 operating agent must make the tax payments each day for the preceding
23 day's admissions:

24 (b) The payment of the tax under this section must be on a form
25 prescribed by the department.

26 (c) The department may require payment under this section to be
27 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)).

28 (d) If the department requires taxes to be paid under this section
29 through electronic funds transfer, the department may allow the
30 licensed owner or operating agent to file a monthly report to reconcile
31 the amount of taxes paid to the department.

32 SECTION 12. IC 4-33-12-6, AS AMENDED BY P.L.204-2016,
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2017]: Sec. 6. (a) The department shall place in the state
35 general fund the tax revenue collected under this chapter.

36 (b) Except as provided by section 8 of this chapter, the treasurer of
37 state shall quarterly pay the following amounts:

38 (1) Except as provided in section 9(g) of this chapter, ~~one dollar~~
39 **(\$1) thirty-three and one-third percent (33 1/3%)** of the
40 admissions tax **and supplemental wagering tax** collected by the
41 licensed owner for each person embarking on a gambling
42 excursion during the quarter or admitted to a riverboat that has



1 implemented flexible scheduling under IC 4-33-6-21 during the
2 quarter shall be paid to:

3 (A) the city in which the riverboat is docked, if the city:

4 (i) is located in a county having a population of more than
5 one hundred eleven thousand (111,000) but less than one
6 hundred fifteen thousand (115,000); or

7 (ii) is contiguous to the Ohio River and is the largest city in
8 the county; and

9 (B) the county in which the riverboat is docked, if the
10 riverboat is not docked in a city described in clause (A).

11 (2) Except as provided in section 9(g) of this chapter, ~~one dollar~~
12 **(\$1) thirty-three and one-third percent (33 1/3%)** of the
13 admissions tax **and supplemental wagering tax** collected by the
14 licensed owner for each person:

15 (A) ~~embarking on a gambling excursion during the quarter; or~~

16 (B) ~~admitted to a riverboat during the quarter that has~~
17 ~~implemented flexible scheduling under IC 4-33-6-21;~~

18 shall be paid to the county in which the riverboat is docked. In the
19 case of a county described in subdivision (1)(B), this ~~one dollar~~
20 **(\$1) thirty-three and one-third percent (33 1/3%)** of the
21 **admissions tax and supplemental wagering tax** is in addition to
22 the ~~one dollar (\$1) thirty-three and one-third percent~~
23 **(33 1/3%)** received under subdivision (1)(B).

24 (3) Except as provided in section 9(g) of this chapter, ~~ten cents~~
25 **(\$0.10) three and thirty-three hundredths percent (3.33%)** of
26 the admissions tax **and supplemental wagering tax** collected by
27 the licensed owner for each person

28 (A) ~~embarking on a gambling excursion during the quarter; or~~

29 (B) ~~admitted to a riverboat during the quarter that has~~
30 ~~implemented flexible scheduling under IC 4-33-6-21;~~

31 shall be paid to the county convention and visitors bureau or
32 promotion fund for the county in which the riverboat is docked.

33 (4) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
34 **(\$0.15) five percent (5%)** of the admissions tax **and**
35 **supplemental wagering tax** collected by the licensed owner for
36 each person:

37 (A) ~~embarking on a gambling excursion during the quarter; or~~

38 (B) ~~admitted to a riverboat during a quarter that has~~
39 ~~implemented flexible scheduling under IC 4-33-6-21;~~

40 shall be paid to the state fair commission, for use in any activity
41 that the commission is authorized to carry out under IC 15-13-3.

42 (5) Except as provided in section 9(g) of this chapter, ~~ten cents~~



1 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 2 the admissions tax **and supplemental wagering tax** collected by
 3 the licensed owner for each person:

4 (A) ~~embarking on a gambling excursion during the quarter; or~~

5 (B) ~~admitted to a riverboat during the quarter that has~~
 6 ~~implemented flexible scheduling under IC 4-33-6-21;~~

7 shall be paid to the division of mental health and addiction. The
 8 division shall allocate at least twenty-five percent (25%) of the
 9 funds derived from the admissions tax to the prevention and
 10 treatment of compulsive gambling.

11 (6) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 12 **sixty-seven thousandths percent (21.667%)** of the admissions
 13 tax **and supplemental wagering tax** collected by the licensed
 14 owner for each person ~~embarking on a gambling excursion during~~
 15 ~~the quarter or admitted to a riverboat during the quarter that has~~
 16 ~~implemented flexible scheduling under IC 4-33-6-21~~ shall be paid
 17 to the state general fund.

18 SECTION 13. IC 4-33-12-8, AS ADDED BY P.L.204-2016,
 19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2017]: Sec. 8. (a) This section applies to tax revenue collected
 21 from a riverboat operating from Lake County.

22 (b) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 23 quarterly pay the following amounts from the taxes collected during the
 24 preceding calendar quarter from the riverboat operating from East
 25 Chicago:

26 (1) The lesser of:

27 (A) eight hundred seventy-five thousand dollars (\$875,000);
 28 or

29 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 30 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 31 **tax** collected by the licensed owner for each person ~~admitted~~
 32 ~~to the riverboat~~ during the preceding calendar quarter;

33 to the fiscal officer of the northwest Indiana regional development
 34 authority to partially satisfy East Chicago's funding obligation to
 35 the authority under IC 36-7.5-4-2.

36 (2) The lesser of:

37 (A) two hundred eighteen thousand seven hundred fifty dollars
 38 (\$218,750); or

39 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 40 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 41 **tax** collected by the licensed owner for each person ~~admitted~~
 42 ~~to the riverboat~~ during the preceding calendar quarter;



1 to the fiscal officer of the northwest Indiana regional development
 2 authority to partially satisfy Lake County's funding obligation to
 3 the authority under IC 36-7.5-4-2.

4 (3) Except as provided in section 9(g) of this chapter, the
 5 remainder, if any, of:

6 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 7 **(33 1/3%)** of the admissions tax **and supplemental wagering**

8 **tax** collected by the licensed owner ~~for each person admitted~~
 9 ~~to the riverboat~~ during the preceding calendar quarter; minus

10 (B) the amount distributed to the northwest Indiana regional
 11 development authority under subdivision (1) for the calendar
 12 quarter;

13 must be paid to the city of East Chicago.

14 (4) Except as provided in section 9(g) of this chapter, the
 15 remainder, if any, of:

16 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 17 **(33 1/3%)** of the admissions tax **and supplemental wagering**

18 **tax** collected by the licensed owner ~~for each person admitted~~
 19 ~~to the riverboat~~ during the preceding calendar quarter; minus

20 (B) the amount distributed to the northwest Indiana regional
 21 development authority under subdivision (2) for the calendar
 22 quarter;

23 must be paid to Lake County.

24 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 25 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 26 **supplemental wagering tax** collected by the licensed owner ~~for~~
 27 ~~each person admitted to the riverboat~~ during the preceding
 28 calendar quarter must be paid to the county convention and
 29 visitors bureau for Lake County.

30 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 31 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 32 **(.333%)** of the admissions tax **and supplemental wagering tax**
 33 collected by the licensed owner ~~for each person admitted to the~~
 34 ~~riverboat~~ during the preceding calendar quarter must be paid to
 35 the northwest Indiana law enforcement training center.

36 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
 37 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 38 **supplemental wagering tax** collected by the licensed owner ~~for~~
 39 ~~each person admitted to the riverboat~~ during the preceding
 40 calendar quarter must be paid to the state fair commission for use
 41 in any activity that the commission is authorized to carry out
 42 under IC 15-13-3.



1 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 2 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 3 the admissions tax **and supplemental wagering tax** collected by
 4 the licensed owner for each person admitted to the riverboat
 5 during the preceding calendar quarter must be paid to the division
 6 of mental health and addiction.

7 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 8 **sixty-seven thousandths percent (21.667%)** of the admissions
 9 tax **and supplemental wagering tax** collected by the licensed
 10 owner for each person admitted to the riverboat during the
 11 preceding calendar quarter must be paid to the state general fund.

12 (c) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 13 quarterly pay the following amounts from the taxes collected during the
 14 preceding calendar quarter from each riverboat operating ~~from in~~ Gary:

15 (1) The lesser of:

16 (A) four hundred thirty-seven thousand five hundred dollars
 17 (\$437,500); or

18 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 19 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 20 **tax** collected by the licensed owner for each person admitted
 21 ~~to the riverboat~~ during the preceding calendar quarter;

22 to the fiscal officer of the northwest Indiana regional development
 23 authority to partially satisfy Gary's funding obligation to the
 24 authority under IC 36-7.5-4-2.

25 (2) The lesser of:

26 (A) two hundred eighteen thousand seven hundred fifty dollars
 27 (\$218,750); or

28 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 29 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 30 **tax** collected by the licensed owner for each person admitted
 31 ~~to the riverboat~~ during the preceding calendar quarter;

32 to the fiscal officer of the northwest Indiana regional development
 33 authority to partially satisfy Lake County's funding obligation to
 34 the authority under IC 36-7.5-4-2.

35 (3) Except as provided in section 9(g) of this chapter, the
 36 remainder, if any, of:

37 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 38 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 39 **tax** collected by the licensed owner for each person admitted
 40 ~~to of~~ a riverboat operating ~~from in~~ Gary during the preceding
 41 calendar quarter; minus

42 (B) the amount distributed to the northwest Indiana regional



- 1 development authority under subdivision (1) for the calendar
 2 quarter;
 3 must be paid to the city of Gary.
 4 (4) Except as provided in section 9(g) of this chapter, the
 5 remainder, if any, of:
 6 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 7 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 8 **tax** collected by the licensed owner **for each person admitted**
 9 **to of** a riverboat operating **from in** Gary during the preceding
 10 calendar quarter; minus
 11 (B) the amount distributed to the northwest Indiana regional
 12 development authority under subdivision (2) for the calendar
 13 quarter;
 14 must be paid to Lake County.
 15 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 16 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 17 **supplemental wagering tax** collected by the licensed owner **for**
 18 **each person admitted to of** a riverboat operating **from in** Gary
 19 during the preceding calendar quarter must be paid to the county
 20 convention and visitors bureau for Lake County.
 21 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 22 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 23 **(.333%)** of the admissions tax **and supplemental wagering tax**
 24 collected by the licensed owner **for each person admitted to of**
 25 a riverboat operating **from in** Gary during the preceding calendar
 26 quarter must be paid to the northwest Indiana law enforcement
 27 training center.
 28 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
 29 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 30 **supplemental wagering tax** collected by the licensed owner **for**
 31 **each person admitted to of** a riverboat operating **from in** Gary
 32 during the preceding calendar quarter must be paid to the state
 33 fair commission for use in any activity that the commission is
 34 authorized to carry out under IC 15-13-3.
 35 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 36 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 37 the admissions tax **and supplemental wagering tax** collected by
 38 the licensed owner **for each person admitted to of** a riverboat
 39 operating **from in** Gary during the preceding calendar quarter
 40 must be paid to the division of mental health and addiction.
 41 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 42 **sixty-seven thousandths percent (21.667%)** of the admissions



1 tax **and supplemental wagering tax** collected by the licensed
2 owner ~~for each person admitted to of~~ a riverboat operating ~~from~~
3 **in** Gary during the preceding calendar quarter must be paid to the
4 state general fund.

5 (d) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
6 quarterly pay the following amounts from the taxes collected during the
7 preceding calendar quarter from the riverboat operating ~~from in~~
8 Hammond:

9 (1) The lesser of:
10 (A) eight hundred seventy-five thousand dollars (\$875,000);
11 or
12 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
13 **(33 1/3%)** of the admissions tax **and supplemental wagering**
14 **tax** collected by the licensed owner ~~for each person admitted~~
15 ~~to of~~ a riverboat operating ~~from in~~ Hammond during the
16 preceding calendar quarter;

17 to the fiscal officer of the northwest Indiana regional development
18 authority to partially satisfy Hammond's funding obligation to the
19 authority under IC 36-7.5-4-2.

20 (2) The lesser of:
21 (A) two hundred eighteen thousand seven hundred fifty dollars
22 (\$218,750); or
23 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
24 **(33 1/3%)** of the admissions tax **and supplemental wagering**
25 **tax** collected by the licensed owner ~~for each person admitted~~
26 ~~to the riverboat~~ during the preceding calendar quarter;

27 to the fiscal officer of the northwest Indiana regional development
28 authority to partially satisfy Lake County's funding obligation to
29 the authority under IC 36-7.5-4-2.

30 (3) Except as provided in section 9(g) of this chapter, the
31 remainder, if any, of:

32 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
33 **(33 1/3%)** of the admissions tax **and supplemental wagering**
34 **tax** collected by the licensed owner ~~for each person admitted~~
35 ~~to of~~ the riverboat during the preceding calendar quarter;
36 minus

37 (B) the amount distributed to the northwest Indiana regional
38 development authority under subdivision (1) for the calendar
39 quarter;

40 must be paid to the city of Hammond.

41 (4) Except as provided in section 9(g) of this chapter, the
42 remainder, if any, of:



- 1 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 2 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 3 **tax** collected by the licensed owner ~~for each person admitted~~
 4 ~~to of~~ the riverboat during the preceding calendar quarter;
 5 minus
 6 (B) the amount distributed to the northwest Indiana regional
 7 development authority under subdivision (2) for the calendar
 8 quarter;
 9 must be paid to Lake County.
- 10 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 11 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 12 **supplemental wagering tax** collected by the licensed owner ~~for~~
 13 ~~each person admitted to of~~ the riverboat during the preceding
 14 calendar quarter must be paid to the county convention and
 15 visitors bureau for Lake County.
- 16 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 17 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 18 **(.333%)** of the admissions tax **and supplemental wagering tax**
 19 collected by the licensed owner ~~for each person admitted to of~~ a
 20 riverboat during the preceding calendar quarter must be paid to
 21 the northwest Indiana law enforcement training center.
- 22 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
 23 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 24 **supplemental wagering tax** collected by the licensed owner ~~for~~
 25 ~~each person admitted to of~~ the riverboat during the preceding
 26 calendar quarter must be paid to the state fair commission for use
 27 in any activity that the commission is authorized to carry out
 28 under IC 15-13-3.
- 29 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 30 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 31 the admissions tax **and supplemental wagering tax** collected by
 32 the licensed owner for each person admitted to the riverboat
 33 during the preceding calendar quarter must be paid to the division
 34 of mental health and addiction.
- 35 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 36 **sixty-seven thousandths percent (21.667%)** of the admissions
 37 tax **and supplemental wagering tax** collected by the licensed
 38 owner ~~for each person admitted to of~~ the riverboat during the
 39 preceding calendar quarter must be paid to the state general fund.
- 40 SECTION 14. IC 4-33-13-0.1, AS ADDED BY P.L.220-2011,
 41 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 0.1. The following amendments to this chapter



1 apply as follows:

2 (1) The amendments made to section 4 of this chapter by
3 P.L.192-2002(ss) apply to admissions occurring and receipts
4 received after June 30, 2002.

5 (2) (1) The addition of section 1.5 of this chapter by
6 P.L.192-2002(ss) applies to admissions occurring and receipts
7 received after June 30, 2002.

8 (3) (2) The amendments made to section 5 of this chapter by
9 P.L.234-2007 apply to riverboat wagering taxes remitted by an
10 operating agent after June 30, 2007.

11 SECTION 15. IC 4-33-13-0.2 IS REPEALED [EFFECTIVE JULY
12 1, 2017]. Sec. 0-2: (a) This section applies to the calculation and
13 collection of wagering taxes on the adjusted gross receipts of a
14 riverboat received:

15 (1) on or after the date that the riverboat implemented flexible
16 scheduling under IC 4-33-6-21; and

17 (2) before July 1, 2003.

18 (b) The general assembly does not acquiesce in any interpretation
19 of section 1.5 of this chapter and P.L.192-2002(ss); SECTION 205 that
20 excludes adjusted gross receipts of a riverboat received after June 30;
21 2002; and before the date that the riverboat implemented flexible
22 scheduling under IC 4-33-6-21 from the determination of which
23 wagering tax rate to apply to adjusted gross receipts of the riverboat
24 received on or after the riverboat implemented flexible scheduling
25 under IC 4-33-6-21.

26 (c) Wagering taxes imposed under section 1.5 of this chapter on
27 adjusted gross receipts received on or after the date that the riverboat
28 implemented flexible scheduling under IC 4-33-6-21 must be
29 calculated and deposited using a graduated wagering tax rate selected
30 (as stated in section 1.5 of this chapter) through a calculation that
31 includes "adjusted gross receipts received during the period beginning
32 July 1 of each year and ending June 30 of the following year".

33 (d) All penalties and interest otherwise due from a riverboat that
34 underpaid the amount of wagering tax due after June 30, 2002, and
35 before May 1, 2003, as a result of a failure to include adjusted gross
36 receipts received by the riverboat after June 30, 2002, and before the
37 date that the riverboat implemented flexible scheduling under
38 IC 4-33-6-21 in the determination of which wagering tax rate to apply
39 to adjusted gross receipts received after the riverboat implemented
40 flexible scheduling under IC 4-33-6-21 are waived if the riverboat paid
41 the unpaid balance due in two (2) equal installments on the following
42 dates:



1 (1) July 1, 2003:

2 (2) July 1, 2004:

3 SECTION 16. IC 4-33-13-1 IS REPEALED [EFFECTIVE JULY 1,
4 2017]. Sec. 1. (a) This section does not apply to a riverboat that has
5 implemented flexible scheduling under IC 4-33-6-21.

6 (b) Subject to section 1-5(j) of this chapter, a tax is imposed on the
7 adjusted gross receipts received from gambling games authorized under
8 this article at the rate of twenty-two and five-tenths percent (22.5%) of
9 the amount of the adjusted gross receipts:

10 (c) The licensed owner shall remit the tax imposed by this chapter
11 to the department before the close of the business day following the day
12 the wagers are made:

13 (d) The department may require payment under this section to be
14 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)):

15 (e) If the department requires taxes to be remitted under this chapter
16 through electronic funds transfer, the department may allow the
17 licensed owner to file a monthly report to reconcile the amounts
18 remitted to the department:

19 (f) The department may allow taxes remitted under this section to
20 be reported on the same form used for taxes paid under IC 4-33-12:

21 SECTION 17. IC 4-33-13-1.5, AS AMENDED BY P.L.229-2013,
22 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2017]: Sec. 1.5. (a) This section applies only to a riverboat
24 that has implemented flexible scheduling under IC 4-33-6-21 or
25 IC 4-33-6.5: **does not apply to a riverboat in a historic hotel district.**

26 (b) This subsection applies only to a riverboat that received at least
27 seventy-five million dollars (\$75,000,000) of adjusted gross receipts
28 during the preceding state fiscal year. A graduated tax is imposed on
29 the adjusted gross receipts received from gambling games authorized
30 under this article as follows:

31 (1) Fifteen percent (15%) of the first twenty-five million dollars
32 (\$25,000,000) of adjusted gross receipts received during the
33 period beginning July 1 of each year and ending June 30 of the
34 following year.

35 (2) Twenty percent (20%) of the adjusted gross receipts in excess
36 of twenty-five million dollars (\$25,000,000) but not exceeding
37 fifty million dollars (\$50,000,000) received during the period
38 beginning July 1 of each year and ending June 30 of the following
39 year.

40 (3) Twenty-five percent (25%) of the adjusted gross receipts in
41 excess of fifty million dollars (\$50,000,000) but not exceeding
42 seventy-five million dollars (\$75,000,000) received during the



- 1 period beginning July 1 of each year and ending June 30 of the
2 following year.
- 3 (4) Thirty percent (30%) of the adjusted gross receipts in excess
4 of seventy-five million dollars (\$75,000,000) but not exceeding
5 one hundred fifty million dollars (\$150,000,000) received during
6 the period beginning July 1 of each year and ending June 30 of
7 the following year.
- 8 (5) Thirty-five percent (35%) of all adjusted gross receipts in
9 excess of one hundred fifty million dollars (\$150,000,000) but not
10 exceeding six hundred million dollars (\$600,000,000) received
11 during the period beginning July 1 of each year and ending June
12 30 of the following year.
- 13 (6) Forty percent (40%) of all adjusted gross receipts exceeding
14 six hundred million dollars (\$600,000,000) received during the
15 period beginning July 1 of each year and ending June 30 of the
16 following year.
- 17 (c) This subsection applies only to a riverboat that received less than
18 seventy-five million dollars (\$75,000,000) of adjusted gross receipts
19 during the preceding state fiscal year. A graduated tax is imposed on
20 the adjusted gross receipts received from gambling games authorized
21 under this article as follows:
- 22 (1) Five percent (5%) of the first twenty-five million dollars
23 (\$25,000,000) of adjusted gross receipts received during the
24 period beginning July 1 of each year and ending June 30 of the
25 following year.
- 26 (2) Twenty percent (20%) of the adjusted gross receipts in excess
27 of twenty-five million dollars (\$25,000,000) but not exceeding
28 fifty million dollars (\$50,000,000) received during the period
29 beginning July 1 of each year and ending June 30 of the following
30 year.
- 31 (3) Twenty-five percent (25%) of the adjusted gross receipts in
32 excess of fifty million dollars (\$50,000,000) but not exceeding
33 seventy-five million dollars (\$75,000,000) received during the
34 period beginning July 1 of each year and ending June 30 of the
35 following year.
- 36 (4) Thirty percent (30%) of the adjusted gross receipts in excess
37 of seventy-five million dollars (\$75,000,000) but not exceeding
38 one hundred fifty million dollars (\$150,000,000) received during
39 the period beginning July 1 of each year and ending June 30 of
40 the following year.
- 41 (5) Thirty-five percent (35%) of all adjusted gross receipts in
42 excess of one hundred fifty million dollars (\$150,000,000) but not



1 exceeding six hundred million dollars (\$600,000,000) received
 2 during the period beginning July 1 of each year and ending June
 3 30 of the following year.

4 (6) Forty percent (40%) of all adjusted gross receipts exceeding
 5 six hundred million dollars (\$600,000,000) received during the
 6 period beginning July 1 of each year and ending June 30 of the
 7 following year.

8 (d) The licensed owner or operating agent of a riverboat taxed under
 9 subsection (c) shall pay an additional tax of two million five hundred
 10 thousand dollars (\$2,500,000) in any state fiscal year in which the
 11 riverboat's adjusted gross receipts exceed seventy-five million dollars
 12 (\$75,000,000). The additional tax imposed under this subsection is due
 13 before July 1 of the following state fiscal year.

14 (e) The licensed owner or operating agent shall remit the tax
 15 imposed by this chapter to the department before the close of the
 16 business day following the day the wagers are made.

17 (f) The department may require payment under this section to be
 18 made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

19 (g) If the department requires taxes to be remitted under this chapter
 20 through electronic funds transfer, the department may allow the
 21 licensed owner or operating agent to file a monthly report to reconcile
 22 the amounts remitted to the department.

23 (h) The department may allow taxes remitted under this section to
 24 be reported on the same form used for taxes paid under IC 4-33-12.

25 (i) If a riverboat implements flexible scheduling during any part of
 26 a period beginning July 1 of each year and ending June 30 of the
 27 following year, the tax rate imposed on the adjusted gross receipts
 28 received while the riverboat implements flexible scheduling shall be
 29 computed as if the riverboat had engaged in flexible scheduling during
 30 the entire period beginning July 1 of each year and ending June 30 of
 31 the following year:

32 (j) If a riverboat:

33 (1) implements flexible scheduling during any part of a period
 34 beginning July 1 of each year and ending June 30 of the following
 35 year; and

36 (2) before the end of that period ceases to operate the riverboat
 37 with flexible scheduling;

38 the riverboat shall continue to pay a wagering tax at the tax rates
 39 imposed under subsection (b) until the end of that period as if the
 40 riverboat had not ceased to conduct flexible scheduling.

41 SECTION 18. IC 4-33-13-5, AS AMENDED BY P.L.204-2016,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 5. (a) This subsection does not apply to tax
 2 revenue remitted by an operating agent operating a riverboat in a
 3 historic hotel district. After funds are appropriated under section 4 of
 4 this chapter, each month the treasurer of state shall distribute the tax
 5 revenue deposited in the state gaming fund under this chapter to the
 6 following:

7 (1) The first thirty-three million dollars (\$33,000,000) of tax
 8 revenues collected under this chapter shall be set aside for
 9 revenue sharing under subsection (e).

10 (2) Subject to subsection (c), twenty-five percent (25%) of the
 11 remaining tax revenue remitted by each licensed owner shall be
 12 paid:

13 (A) to the city that is designated as the home dock of the
 14 riverboat from which the tax revenue was collected, in the case
 15 of:

16 (i) a city described in IC 4-33-12-6(b)(1)(A); or

17 (ii) a city located in a county having a population of more
 18 than four hundred thousand (400,000) but less than seven
 19 hundred thousand (700,000); or

20 (B) to the county that is designated as the home dock of the
 21 riverboat from which the tax revenue was collected, in the case
 22 of a riverboat whose home dock is not in a city described in
 23 clause (A).

24 (3) Subject to subsection (d), the remainder of the tax revenue
 25 remitted by each licensed owner shall be paid to the state general
 26 fund. In each state fiscal year, the treasurer of state shall make the
 27 transfer required by this subdivision not later than the last
 28 business day of the month in which the tax revenue is remitted to
 29 the state for deposit in the state gaming fund. However, if tax
 30 revenue is received by the state on the last business day in a
 31 month, the treasurer of state may transfer the tax revenue to the
 32 state general fund in the immediately following month.

33 (b) This subsection applies only to tax revenue remitted by an
 34 operating agent operating a riverboat in a historic hotel district after
 35 June 30, 2015. After funds are appropriated under section 4 of this
 36 chapter, each month the treasurer of state shall distribute the tax
 37 revenue remitted by the operating agent under this chapter as follows:

38 (1) Fifty-six and five-tenths percent (56.5%) shall be paid to the
 39 state general fund.

40 (2) Forty-three and five-tenths percent (43.5%) shall be paid as
 41 follows:

42 (A) Twenty-two and four-tenths percent (22.4%) shall be paid



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as follows:
(i) Fifty percent (50%) to the fiscal officer of the town of French Lick.
(ii) Fifty percent (50%) to the fiscal officer of the town of West Baden Springs.
(B) Fourteen and eight-tenths percent (14.8%) shall be paid to the county treasurer of Orange County for distribution among the school corporations in the county. The governing bodies for the school corporations in the county shall provide a formula for the distribution of the money received under this clause among the school corporations by joint resolution adopted by the governing body of each of the school corporations in the county. Money received by a school corporation under this clause must be used to improve the educational attainment of students enrolled in the school corporation receiving the money. Not later than the first regular meeting in the school year of a governing body of a school corporation receiving a distribution under this clause, the superintendent of the school corporation shall submit to the governing body a report describing the purposes for which the receipts under this clause were used and the improvements in educational attainment realized through the use of the money. The report is a public record.
(C) Thirteen and one-tenth percent (13.1%) shall be paid to the county treasurer of Orange County.
(D) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Dubois County for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.
(E) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Crawford County for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving



- 1 a recommendation from the county executive.
- 2 (F) Six and thirty-five hundredths percent (6.35%) shall be
- 3 paid to the fiscal officer of the town of Paoli.
- 4 (G) Six and thirty-five hundredths percent (6.35%) shall be
- 5 paid to the fiscal officer of the town of Orleans.
- 6 (H) Twenty-six and four-tenths percent (26.4%) shall be paid
- 7 to the Indiana economic development corporation established
- 8 by IC 5-28-3-1 for transfer to Radius Indiana or a successor
- 9 regional entity or partnership for the development and
- 10 implementation of a regional economic development strategy
- 11 to assist the residents of Orange County and the counties
- 12 contiguous to Orange County in improving their quality of life
- 13 and to help promote successful and sustainable communities.
- 14 However, an amount sufficient to meet current obligations to
- 15 retire or refinance indebtedness or leases for which tax
- 16 revenues under this section were pledged before January 1,
- 17 2015, by the Orange County development commission shall be
- 18 paid to the Orange County development commission before
- 19 making a distribution to Radius Indiana or a successor regional
- 20 entity or partnership. The amount paid to the Orange County
- 21 development commission reduces the amount payable to
- 22 Radius Indiana or its successor entity or partnership.
- 23 (c) For each city and county receiving money under subsection
- 24 (a)(2), the treasurer of state shall determine the total amount of money
- 25 paid by the treasurer of state to the city or county during the state fiscal
- 26 year 2002. The amount determined is the base year revenue for the city
- 27 or county. The treasurer of state shall certify the base year revenue
- 28 determined under this subsection to the city or county. The total
- 29 amount of money distributed to a city or county under this section
- 30 during a state fiscal year may not exceed the entity's base year revenue.
- 31 For each state fiscal year, the treasurer of state shall pay that part of the
- 32 riverboat wagering taxes that:
- 33 (1) exceeds a particular city's or county's base year revenue; and
- 34 (2) would otherwise be due to the city or county under this
- 35 section;
- 36 to the state general fund instead of to the city or county.
- 37 (d) Each state fiscal year the treasurer of state shall transfer from the
- 38 tax revenue remitted to the state general fund under subsection (a)(3)
- 39 to the build Indiana fund an amount that when added to the following
- 40 may not exceed two hundred fifty million dollars (\$250,000,000):
- 41 (1) Surplus lottery revenues under IC 4-30-17-3.
- 42 (2) Surplus revenue from the charity gaming enforcement fund



1 under IC 4-32.2-7-7.

2 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

3 The treasurer of state shall make transfers on a monthly basis as needed
4 to meet the obligations of the build Indiana fund. If in any state fiscal
5 year insufficient money is transferred to the state general fund under
6 subsection (a)(3) to comply with this subsection, the treasurer of state
7 shall reduce the amount transferred to the build Indiana fund to the
8 amount available in the state general fund from the transfers under
9 subsection (a)(3) for the state fiscal year.

10 (e) Before August 15 of each year, the treasurer of state shall
11 distribute the wagering taxes set aside for revenue sharing under
12 subsection (a)(1) to the county treasurer of each county that does not
13 have a riverboat according to the ratio that the county's population
14 bears to the total population of the counties that do not have a
15 riverboat. Except as provided in subsection (h), the county auditor shall
16 distribute the money received by the county under this subsection as
17 follows:

18 (1) To each city located in the county according to the ratio the
19 city's population bears to the total population of the county.

20 (2) To each town located in the county according to the ratio the
21 town's population bears to the total population of the county.

22 (3) After the distributions required in subdivisions (1) and (2) are
23 made, the remainder shall be retained by the county.

24 (f) Money received by a city, town, or county under subsection (e)
25 or (h) may be used for any of the following purposes:

26 (1) To reduce the property tax levy of the city, town, or county for
27 a particular year (a property tax reduction under this subdivision
28 does not reduce the maximum levy of the city, town, or county
29 under IC 6-1.1-18.5).

30 (2) For deposit in a special fund or allocation fund created under
31 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
32 IC 36-7-30 to provide funding for debt repayment.

33 (3) To fund sewer and water projects, including storm water
34 management projects.

35 (4) For police and fire pensions.

36 (5) To carry out any governmental purpose for which the money
37 is appropriated by the fiscal body of the city, town, or county.

38 Money used under this subdivision does not reduce the property
39 tax levy of the city, town, or county for a particular year or reduce
40 the maximum levy of the city, town, or county under
41 IC 6-1.1-18.5.

42 (g) Before July 15 of each year, the treasurer of state shall determine



1 the total amount of money distributed to an entity under IC 4-33-12-6
 2 or IC 4-33-12-8 during the preceding state fiscal year. If the treasurer
 3 of state determines that the total amount of money distributed to an
 4 entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state
 5 fiscal year was less than the entity's base year revenue (as determined
 6 under IC 4-33-12-9), the treasurer of state shall make a supplemental
 7 distribution to the entity from taxes collected under this chapter and
 8 deposited into the state general fund. Except as provided in subsection
 9 (i), the amount of an entity's supplemental distribution is equal to:

10 (1) the entity's base year revenue (as determined under
 11 IC 4-33-12-9); minus

12 (2) the sum of:

13 (A) the total amount of money distributed to the entity and
 14 constructively received by the entity during the preceding state
 15 fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus

16 (B) the amount of any admissions taxes deducted under
 17 IC 6-3.1-20-7.

18 (h) This subsection applies only to a county containing a
 19 consolidated city. The county auditor shall distribute the money
 20 received by the county under subsection (e) as follows:

21 (1) To each city, other than a consolidated city, located in the
 22 county according to the ratio that the city's population bears to the
 23 total population of the county.

24 (2) To each town located in the county according to the ratio that
 25 the town's population bears to the total population of the county.

26 (3) After the distributions required in subdivisions (1) and (2) are
 27 made, the remainder shall be paid in equal amounts to the
 28 consolidated city and the county.

29 (i) This subsection applies to a supplemental distribution made after
 30 June 30, 2013. The maximum amount of money that may be distributed
 31 under subsection (g) in a state fiscal year is ~~forty-eight~~ **thirty** million
 32 dollars ~~(\$48,000,000)~~; **(\$30,000,000)**. If the total amount determined
 33 under subsection (g) exceeds ~~forty-eight~~ **thirty** million dollars
 34 ~~(\$48,000,000)~~; **(\$30,000,000)**, the amount distributed to an entity under
 35 subsection (g) must be reduced according to the ratio that the amount
 36 distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the
 37 total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all
 38 entities receiving a supplemental distribution.

39 (j) This subsection applies to a supplemental distribution, if any,
 40 payable to Lake County, Hammond, Gary, or East Chicago under
 41 subsections (g) and (i). Beginning in July 2016, the treasurer of state
 42 shall, after making any deductions from the supplemental distribution



1 required by IC 6-3.1-20-7, deduct from the remainder of the
 2 supplemental distribution otherwise payable to the unit under this
 3 section the lesser of:

- 4 (1) the remaining amount of the supplemental distribution; or
 5 (2) the difference, if any, between:
 6 (A) three million five hundred thousand dollars (\$3,500,000);
 7 minus
 8 (B) the amount of admissions taxes constructively received by
 9 the unit in the previous state fiscal year.

10 The treasurer of state shall distribute the amounts deducted under this
 11 subsection to the northwest Indiana redevelopment authority
 12 established under IC 36-7.5-2-1 for deposit in the development
 13 authority fund established under IC 36-7.5-4-1.

14 (k) Money distributed to a political subdivision under subsection
 15 (b):

- 16 (1) must be paid to the fiscal officer of the political subdivision
 17 and may be deposited in the political subdivision's general fund
 18 or riverboat fund established under IC 36-1-8-9, or both;
 19 (2) may not be used to reduce the maximum levy under
 20 IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate
 21 of a school corporation, but, except as provided in subsection
 22 (b)(2)(B), may be used at the discretion of the political
 23 subdivision to reduce the property tax levy of the county, city, or
 24 town for a particular year;
 25 (3) except as provided in subsection (b)(2)(B), may be used for
 26 any legal or corporate purpose of the political subdivision,
 27 including the pledge of money to bonds, leases, or other
 28 obligations under IC 5-1-14-4; and
 29 (4) is considered miscellaneous revenue.

30 Money distributed under subsection (b)(2)(B) must be used for the
 31 purposes specified in subsection (b)(2)(B).

32 SECTION 19. IC 6-3-1-3.5, AS AMENDED BY P.L.181-2016,
 33 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2017]: Sec. 3.5. When used in this article, the term "adjusted
 35 gross income" shall mean the following:

36 (a) In the case of all individuals, "adjusted gross income" (as
 37 defined in Section 62 of the Internal Revenue Code), modified as
 38 follows:

- 39 (1) Subtract income that is exempt from taxation under this article
 40 by the Constitution and statutes of the United States.
 41 (2) Add an amount equal to any deduction or deductions allowed
 42 or allowable pursuant to Section 62 of the Internal Revenue Code



1 for taxes based on or measured by income and levied at the state
 2 level by any state of the United States. **However, a taxpayer is**
 3 **not required to add back under this subdivision any deduction**
 4 **allowed on the taxpayer's federal income tax return for**
 5 **wagering taxes under IC 4-33-13 or slot machine wagering**
 6 **taxes under IC 4-35-8.**

7 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 8 joint return filed by a husband and wife, subtract for each spouse
 9 one thousand dollars (\$1,000).

10 (4) Subtract one thousand dollars (\$1,000) for:

11 (A) each of the exemptions provided by Section 151(c) of the
 12 Internal Revenue Code;

13 (B) each additional amount allowable under Section 63(f) of
 14 the Internal Revenue Code; and

15 (C) the spouse of the taxpayer if a separate return is made by
 16 the taxpayer and if the spouse, for the calendar year in which
 17 the taxable year of the taxpayer begins, has no gross income
 18 and is not the dependent of another taxpayer.

19 (5) Subtract:

20 (A) one thousand five hundred dollars (\$1,500) for each of the
 21 exemptions allowed under Section 151(c)(1)(B) of the Internal
 22 Revenue Code (as effective January 1, 2004);

23 (B) for taxable years beginning after December 31, 2017, one
 24 thousand five hundred dollars (\$1,500) for each exemption
 25 allowed under Section 151(c) of the Internal Revenue Code for
 26 an individual:

27 (i) who is less than nineteen (19) years of age or is a
 28 full-time student who is less than twenty-four (24) years of
 29 age;

30 (ii) for whom the taxpayer is the legal guardian; and

31 (iii) for whom the taxpayer does not claim an exemption
 32 under clause (A); and

33 (C) five hundred dollars (\$500) for each additional amount
 34 allowable under Section 63(f)(1) of the Internal Revenue Code
 35 if the adjusted gross income of the taxpayer, or the taxpayer
 36 and the taxpayer's spouse in the case of a joint return, is less
 37 than forty thousand dollars (\$40,000).

38 This amount is in addition to the amount subtracted under
 39 subdivision (4).

40 (6) Subtract any amounts included in federal adjusted gross
 41 income under Section 111 of the Internal Revenue Code as a
 42 recovery of items previously deducted as an itemized deduction



- 1 from adjusted gross income.
- 2 (7) Subtract any amounts included in federal adjusted gross
3 income under the Internal Revenue Code which amounts were
4 received by the individual as supplemental railroad retirement
5 annuities under 45 U.S.C. 231 and which are not deductible under
6 subdivision (1).
- 7 (8) Subtract an amount equal to the amount of federal Social
8 Security and Railroad Retirement benefits included in a taxpayer's
9 federal gross income by Section 86 of the Internal Revenue Code.
- 10 (9) In the case of a nonresident taxpayer or a resident taxpayer
11 residing in Indiana for a period of less than the taxpayer's entire
12 taxable year, the total amount of the deductions allowed pursuant
13 to subdivisions (3), (4), and (5) shall be reduced to an amount
14 which bears the same ratio to the total as the taxpayer's income
15 taxable in Indiana bears to the taxpayer's total income.
- 16 (10) In the case of an individual who is a recipient of assistance
17 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
18 subtract an amount equal to that portion of the individual's
19 adjusted gross income with respect to which the individual is not
20 allowed under federal law to retain an amount to pay state and
21 local income taxes.
- 22 (11) In the case of an eligible individual, subtract the amount of
23 a Holocaust victim's settlement payment included in the
24 individual's federal adjusted gross income.
- 25 (12) Subtract an amount equal to the portion of any premiums
26 paid during the taxable year by the taxpayer for a qualified long
27 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
28 or the taxpayer's spouse, or both.
- 29 (13) Subtract an amount equal to the lesser of:
- 30 (A) two thousand five hundred dollars (\$2,500); or
- 31 (B) the amount of property taxes that are paid during the
32 taxable year in Indiana by the individual on the individual's
33 principal place of residence.
- 34 (14) Subtract an amount equal to the amount of a September 11
35 terrorist attack settlement payment included in the individual's
36 federal adjusted gross income.
- 37 (15) Add or subtract the amount necessary to make the adjusted
38 gross income of any taxpayer that owns property for which bonus
39 depreciation was allowed in the current taxable year or in an
40 earlier taxable year equal to the amount of adjusted gross income
41 that would have been computed had an election not been made
42 under Section 168(k) of the Internal Revenue Code to apply bonus



- 1 depreciation to the property in the year that it was placed in
2 service.
- 3 (16) Add an amount equal to any deduction allowed under
4 Section 172 of the Internal Revenue Code.
- 5 (17) Add or subtract the amount necessary to make the adjusted
6 gross income of any taxpayer that placed Section 179 property (as
7 defined in Section 179 of the Internal Revenue Code) in service
8 in the current taxable year or in an earlier taxable year equal to
9 the amount of adjusted gross income that would have been
10 computed had an election for federal income tax purposes not
11 been made for the year in which the property was placed in
12 service to take deductions under Section 179 of the Internal
13 Revenue Code in a total amount exceeding twenty-five thousand
14 dollars (\$25,000).
- 15 (18) Add an amount equal to the amount that a taxpayer claimed
16 as a deduction for domestic production activities for the taxable
17 year under Section 199 of the Internal Revenue Code for federal
18 income tax purposes.
- 19 (19) Subtract an amount equal to the amount of the taxpayer's
20 qualified military income that was not excluded from the
21 taxpayer's gross income for federal income tax purposes under
22 Section 112 of the Internal Revenue Code.
- 23 (20) Subtract income that is:
- 24 (A) exempt from taxation under IC 6-3-2-21.7; and
25 (B) included in the individual's federal adjusted gross income
26 under the Internal Revenue Code.
- 27 (21) Add an amount equal to any income not included in gross
28 income as a result of the deferral of income arising from business
29 indebtedness discharged in connection with the reacquisition after
30 December 31, 2008, and before January 1, 2011, of an applicable
31 debt instrument, as provided in Section 108(i) of the Internal
32 Revenue Code. Subtract the amount necessary from the adjusted
33 gross income of any taxpayer that added an amount to adjusted
34 gross income in a previous year to offset the amount included in
35 federal gross income as a result of the deferral of income arising
36 from business indebtedness discharged in connection with the
37 reacquisition after December 31, 2008, and before January 1,
38 2011, of an applicable debt instrument, as provided in Section
39 108(i) of the Internal Revenue Code.
- 40 (22) Add the amount excluded from federal gross income under
41 Section 103 of the Internal Revenue Code for interest received on
42 an obligation of a state other than Indiana, or a political



- 1 subdivision of such a state, that is acquired by the taxpayer after
 2 December 31, 2011.
- 3 (b) In the case of corporations, the same as "taxable income" (as
 4 defined in Section 63 of the Internal Revenue Code) adjusted as
 5 follows:
- 6 (1) Subtract income that is exempt from taxation under this article
 7 by the Constitution and statutes of the United States.
- 8 (2) Add an amount equal to any deduction or deductions allowed
 9 or allowable pursuant to Section 170 of the Internal Revenue
 10 Code.
- 11 (3) Add an amount equal to any deduction or deductions allowed
 12 or allowable pursuant to Section 63 of the Internal Revenue Code
 13 for taxes based on or measured by income and levied at the state
 14 level by any state of the United States. **However, a taxpayer is**
 15 **not required to add back under this subdivision any deduction**
 16 **allowed on the taxpayer's federal income tax return for**
 17 **wagering taxes under IC 4-33-13 or slot machine wagering**
 18 **taxes under IC 4-35-8.**
- 19 (4) Subtract an amount equal to the amount included in the
 20 corporation's taxable income under Section 78 of the Internal
 21 Revenue Code.
- 22 (5) Add or subtract the amount necessary to make the adjusted
 23 gross income of any taxpayer that owns property for which bonus
 24 depreciation was allowed in the current taxable year or in an
 25 earlier taxable year equal to the amount of adjusted gross income
 26 that would have been computed had an election not been made
 27 under Section 168(k) of the Internal Revenue Code to apply bonus
 28 depreciation to the property in the year that it was placed in
 29 service.
- 30 (6) Add an amount equal to any deduction allowed under Section
 31 172 of the Internal Revenue Code.
- 32 (7) Add or subtract the amount necessary to make the adjusted
 33 gross income of any taxpayer that placed Section 179 property (as
 34 defined in Section 179 of the Internal Revenue Code) in service
 35 in the current taxable year or in an earlier taxable year equal to
 36 the amount of adjusted gross income that would have been
 37 computed had an election for federal income tax purposes not
 38 been made for the year in which the property was placed in
 39 service to take deductions under Section 179 of the Internal
 40 Revenue Code in a total amount exceeding twenty-five thousand
 41 dollars (\$25,000).
- 42 (8) Add an amount equal to the amount that a taxpayer claimed as



- 1 a deduction for domestic production activities for the taxable year
 2 under Section 199 of the Internal Revenue Code for federal
 3 income tax purposes.
- 4 (9) Add to the extent required by IC 6-3-2-20 the amount of
 5 intangible expenses (as defined in IC 6-3-2-20) and any directly
 6 related interest expenses (as defined in IC 6-3-2-20) for the
 7 taxable year that reduced the corporation's taxable income (as
 8 defined in Section 63 of the Internal Revenue Code) for federal
 9 income tax purposes.
- 10 (10) Add an amount equal to any deduction for dividends paid (as
 11 defined in Section 561 of the Internal Revenue Code) to
 12 shareholders of a captive real estate investment trust (as defined
 13 in section 34.5 of this chapter).
- 14 (11) Subtract income that is:
- 15 (A) exempt from taxation under IC 6-3-2-21.7; and
 16 (B) included in the corporation's taxable income under the
 17 Internal Revenue Code.
- 18 (12) Add an amount equal to any income not included in gross
 19 income as a result of the deferral of income arising from business
 20 indebtedness discharged in connection with the reacquisition after
 21 December 31, 2008, and before January 1, 2011, of an applicable
 22 debt instrument, as provided in Section 108(i) of the Internal
 23 Revenue Code. Subtract from the adjusted gross income of any
 24 taxpayer that added an amount to adjusted gross income in a
 25 previous year the amount necessary to offset the amount included
 26 in federal gross income as a result of the deferral of income
 27 arising from business indebtedness discharged in connection with
 28 the reacquisition after December 31, 2008, and before January 1,
 29 2011, of an applicable debt instrument, as provided in Section
 30 108(i) of the Internal Revenue Code.
- 31 (13) Add the amount excluded from federal gross income under
 32 Section 103 of the Internal Revenue Code for interest received on
 33 an obligation of a state other than Indiana, or a political
 34 subdivision of such a state, that is acquired by the taxpayer after
 35 December 31, 2011.
- 36 (c) In the case of life insurance companies (as defined in Section
 37 816(a) of the Internal Revenue Code) that are organized under Indiana
 38 law, the same as "life insurance company taxable income" (as defined
 39 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 40 (1) Subtract income that is exempt from taxation under this article
 41 by the Constitution and statutes of the United States.
- 42 (2) Add an amount equal to any deduction allowed or allowable



- 1 under Section 170 of the Internal Revenue Code.
- 2 (3) Add an amount equal to a deduction allowed or allowable
3 under Section 805 or Section 832(c) of the Internal Revenue Code
4 for taxes based on or measured by income and levied at the state
5 level by any state.
- 6 (4) Subtract an amount equal to the amount included in the
7 company's taxable income under Section 78 of the Internal
8 Revenue Code.
- 9 (5) Add or subtract the amount necessary to make the adjusted
10 gross income of any taxpayer that owns property for which bonus
11 depreciation was allowed in the current taxable year or in an
12 earlier taxable year equal to the amount of adjusted gross income
13 that would have been computed had an election not been made
14 under Section 168(k) of the Internal Revenue Code to apply bonus
15 depreciation to the property in the year that it was placed in
16 service.
- 17 (6) Add an amount equal to any deduction allowed under Section
18 172 or Section 810 of the Internal Revenue Code.
- 19 (7) Add or subtract the amount necessary to make the adjusted
20 gross income of any taxpayer that placed Section 179 property (as
21 defined in Section 179 of the Internal Revenue Code) in service
22 in the current taxable year or in an earlier taxable year equal to
23 the amount of adjusted gross income that would have been
24 computed had an election for federal income tax purposes not
25 been made for the year in which the property was placed in
26 service to take deductions under Section 179 of the Internal
27 Revenue Code in a total amount exceeding twenty-five thousand
28 dollars (\$25,000).
- 29 (8) Add an amount equal to the amount that a taxpayer claimed as
30 a deduction for domestic production activities for the taxable year
31 under Section 199 of the Internal Revenue Code for federal
32 income tax purposes.
- 33 (9) Subtract income that is:
- 34 (A) exempt from taxation under IC 6-3-2-21.7; and
35 (B) included in the insurance company's taxable income under
36 the Internal Revenue Code.
- 37 (10) Add an amount equal to any income not included in gross
38 income as a result of the deferral of income arising from business
39 indebtedness discharged in connection with the reacquisition after
40 December 31, 2008, and before January 1, 2011, of an applicable
41 debt instrument, as provided in Section 108(i) of the Internal
42 Revenue Code. Subtract from the adjusted gross income of any



1 taxpayer that added an amount to adjusted gross income in a
 2 previous year the amount necessary to offset the amount included
 3 in federal gross income as a result of the deferral of income
 4 arising from business indebtedness discharged in connection with
 5 the reacquisition after December 31, 2008, and before January 1,
 6 2011, of an applicable debt instrument, as provided in Section
 7 108(i) of the Internal Revenue Code.

8 (11) Add an amount equal to any exempt insurance income under
 9 Section 953(e) of the Internal Revenue Code that is active
 10 financing income under Subpart F of Subtitle A, Chapter 1,
 11 Subchapter N of the Internal Revenue Code.

12 (12) Add the amount excluded from federal gross income under
 13 Section 103 of the Internal Revenue Code for interest received on
 14 an obligation of a state other than Indiana, or a political
 15 subdivision of such a state, that is acquired by the taxpayer after
 16 December 31, 2011.

17 (d) In the case of insurance companies subject to tax under Section
 18 831 of the Internal Revenue Code and organized under Indiana law, the
 19 same as "taxable income" (as defined in Section 832 of the Internal
 20 Revenue Code), adjusted as follows:

21 (1) Subtract income that is exempt from taxation under this article
 22 by the Constitution and statutes of the United States.

23 (2) Add an amount equal to any deduction allowed or allowable
 24 under Section 170 of the Internal Revenue Code.

25 (3) Add an amount equal to a deduction allowed or allowable
 26 under Section 805 or Section 832(c) of the Internal Revenue Code
 27 for taxes based on or measured by income and levied at the state
 28 level by any state.

29 (4) Subtract an amount equal to the amount included in the
 30 company's taxable income under Section 78 of the Internal
 31 Revenue Code.

32 (5) Add or subtract the amount necessary to make the adjusted
 33 gross income of any taxpayer that owns property for which bonus
 34 depreciation was allowed in the current taxable year or in an
 35 earlier taxable year equal to the amount of adjusted gross income
 36 that would have been computed had an election not been made
 37 under Section 168(k) of the Internal Revenue Code to apply bonus
 38 depreciation to the property in the year that it was placed in
 39 service.

40 (6) Add an amount equal to any deduction allowed under Section
 41 172 of the Internal Revenue Code.

42 (7) Add or subtract the amount necessary to make the adjusted



1 gross income of any taxpayer that placed Section 179 property (as
 2 defined in Section 179 of the Internal Revenue Code) in service
 3 in the current taxable year or in an earlier taxable year equal to
 4 the amount of adjusted gross income that would have been
 5 computed had an election for federal income tax purposes not
 6 been made for the year in which the property was placed in
 7 service to take deductions under Section 179 of the Internal
 8 Revenue Code in a total amount exceeding twenty-five thousand
 9 dollars (\$25,000).

10 (8) Add an amount equal to the amount that a taxpayer claimed as
 11 a deduction for domestic production activities for the taxable year
 12 under Section 199 of the Internal Revenue Code for federal
 13 income tax purposes.

14 (9) Subtract income that is:

15 (A) exempt from taxation under IC 6-3-2-21.7; and

16 (B) included in the insurance company's taxable income under
 17 the Internal Revenue Code.

18 (10) Add an amount equal to any income not included in gross
 19 income as a result of the deferral of income arising from business
 20 indebtedness discharged in connection with the reacquisition after
 21 December 31, 2008, and before January 1, 2011, of an applicable
 22 debt instrument, as provided in Section 108(i) of the Internal
 23 Revenue Code. Subtract from the adjusted gross income of any
 24 taxpayer that added an amount to adjusted gross income in a
 25 previous year the amount necessary to offset the amount included
 26 in federal gross income as a result of the deferral of income
 27 arising from business indebtedness discharged in connection with
 28 the reacquisition after December 31, 2008, and before January 1,
 29 2011, of an applicable debt instrument, as provided in Section
 30 108(i) of the Internal Revenue Code.

31 (11) Add an amount equal to any exempt insurance income under
 32 Section 953(e) of the Internal Revenue Code that is active
 33 financing income under Subpart F of Subtitle A, Chapter 1,
 34 Subchapter N of the Internal Revenue Code.

35 (12) Add the amount excluded from federal gross income under
 36 Section 103 of the Internal Revenue Code for interest received on
 37 an obligation of a state other than Indiana, or a political
 38 subdivision of such a state, that is acquired by the taxpayer after
 39 December 31, 2011.

40 (e) In the case of trusts and estates, "taxable income" (as defined for
 41 trusts and estates in Section 641(b) of the Internal Revenue Code)
 42 adjusted as follows:



- 1 (1) Subtract income that is exempt from taxation under this article
2 by the Constitution and statutes of the United States.
- 3 (2) Subtract an amount equal to the amount of a September 11
4 terrorist attack settlement payment included in the federal
5 adjusted gross income of the estate of a victim of the September
6 11 terrorist attack or a trust to the extent the trust benefits a victim
7 of the September 11 terrorist attack.
- 8 (3) Add or subtract the amount necessary to make the adjusted
9 gross income of any taxpayer that owns property for which bonus
10 depreciation was allowed in the current taxable year or in an
11 earlier taxable year equal to the amount of adjusted gross income
12 that would have been computed had an election not been made
13 under Section 168(k) of the Internal Revenue Code to apply bonus
14 depreciation to the property in the year that it was placed in
15 service.
- 16 (4) Add an amount equal to any deduction allowed under Section
17 172 of the Internal Revenue Code.
- 18 (5) Add or subtract the amount necessary to make the adjusted
19 gross income of any taxpayer that placed Section 179 property (as
20 defined in Section 179 of the Internal Revenue Code) in service
21 in the current taxable year or in an earlier taxable year equal to
22 the amount of adjusted gross income that would have been
23 computed had an election for federal income tax purposes not
24 been made for the year in which the property was placed in
25 service to take deductions under Section 179 of the Internal
26 Revenue Code in a total amount exceeding twenty-five thousand
27 dollars (\$25,000).
- 28 (6) Add an amount equal to the amount that a taxpayer claimed as
29 a deduction for domestic production activities for the taxable year
30 under Section 199 of the Internal Revenue Code for federal
31 income tax purposes.
- 32 (7) Subtract income that is:
- 33 (A) exempt from taxation under IC 6-3-2-21.7; and
34 (B) included in the taxpayer's taxable income under the
35 Internal Revenue Code.
- 36 (8) Add an amount equal to any income not included in gross
37 income as a result of the deferral of income arising from business
38 indebtedness discharged in connection with the reacquisition after
39 December 31, 2008, and before January 1, 2011, of an applicable
40 debt instrument, as provided in Section 108(i) of the Internal
41 Revenue Code. Subtract from the adjusted gross income of any
42 taxpayer that added an amount to adjusted gross income in a



1 previous year the amount necessary to offset the amount included
2 in federal gross income as a result of the deferral of income
3 arising from business indebtedness discharged in connection with
4 the reacquisition after December 31, 2008, and before January 1,
5 2011, of an applicable debt instrument, as provided in Section
6 108(i) of the Internal Revenue Code.
7 (9) Add the amount excluded from federal gross income under
8 Section 103 of the Internal Revenue Code for interest received on
9 an obligation of a state other than Indiana, or a political
10 subdivision of such a state, that is acquired by the taxpayer after
11 December 31, 2011.

