



February 10, 2017

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## HOUSE BILL No. 1350

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DIGEST OF HB 1350 (Updated February 8, 2017 4:58 pm - DI 107)

**Citations Affected:** IC 4-33; IC 6-3; IC 36-7.5.

**Synopsis:** Gaming taxes. Provides that certain tax rates apply to a riverboat in a historic hotel district. Makes the supplemental wagering tax: (1) starting January 1, 2018, 3% of a riverboat's adjusted gross receipts (AGR) for a riverboat that has relocated to an inland casino by December 31, 2017; (2) 3% of AGR for all riverboats for state fiscal year 2019; (3) 2.9% of AGR for all riverboats for state fiscal year 2020; and (4) 2.8% of AGR for all riverboats after state fiscal year 2020. Provides that the Indiana income tax add back for: (1) 70% of deductions in state fiscal year 2019; and (2) 40% of deductions in state fiscal year 2020; is required for any deduction allowed on the taxpayer's federal income tax return for wagering taxes. Provides that after state fiscal year 2020, 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 wagering taxes. Reduces the amount of maximum supplemental distributions from \$48,000,000 to: (1) \$44,000,000 in state fiscal year 2020; and (2) \$40,000,000 after state fiscal year 2020. Removes the supplemental distribution to the division of mental health and addiction. Removes references to "gambling excursions." Repeals flexible scheduling for riverboats.

**Effective:** July 1, 2017.

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### Huston, Brown T

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January 12, 2017, read first time and referred to Committee on Public Policy.  
February 9, 2017, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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HB 1350—LS 6808/DI 107





February 10, 2017

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

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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

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

16 ~~(5) (4)~~ (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)~~ (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)~~ (6) The operating agent must collect and remit all taxes under  
 26 IC 4-33-12 and IC 4-33-13.

27 ~~(8) (7)~~ (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. **This subsection expires July 1, 2018.**~~

22 (b) **Beginning January 1, 2018, this subsection applies to a  
 23 gaming operation that has relocated from a docked riverboat to an  
 24 inland casino by December 31, 2017, as described in IC 4-33-6-24.  
 25 A supplemental wagering tax is imposed and authorized under this  
 26 article at a rate of three percent (3%) of adjusted gross receipts.  
 27 This subsection expires July 1, 2018.**

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

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

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

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

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

42 (c) **Beginning July 1, 2018, a supplemental wagering tax is**



1 imposed and authorized under this article at a rate of three percent  
2 (3%) of adjusted gross receipts of the prior fiscal year.

3 (d) Beginning July 1, 2019, a supplemental wagering tax is  
4 imposed and authorized under this article at a rate of two and  
5 nine-tenths percent (2.9%) of adjusted gross receipts of the prior  
6 fiscal year.

7 (e) Beginning July 1, 2020, a supplemental wagering tax is  
8 imposed and authorized under this article at a rate of two and  
9 eight-tenths percent (2.8%) of adjusted gross receipts of the prior  
10 fiscal year.

11 SECTION 9. IC 4-33-12-2 IS REPEALED [EFFECTIVE JULY 1,  
12 2017]. Sec. 2: (a) This section does not apply to a riverboat that has  
13 implemented flexible scheduling under IC 4-33-6-21.

14 (b) If tickets are issued that may be used for admission to more than  
15 one (1) gambling excursion, the admission tax must be paid for each  
16 person using the ticket on each gambling excursion for which the ticket  
17 is used.

18 (c) If free passes or complimentary admission tickets are issued, a  
19 person who has been issued an owner's license shall pay the same tax  
20 on the passes or complimentary tickets as if the passes or tickets were  
21 sold at the regular admission rate.

22 SECTION 10. IC 4-33-12-3 IS REPEALED [EFFECTIVE JULY 1,  
23 2017]. Sec. 3: (a) A licensed owner or an operating agent may issue  
24 tax-free passes to the following persons:

25 (1) Actual and necessary officials and employees of the licensee  
26 or operating agent.

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

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

31 SECTION 11. IC 4-33-12-4 IS REPEALED [EFFECTIVE JULY 1,  
32 2017]. Sec. 4: (a) A licensed owner or an operating agent must pay the  
33 admissions taxes collected to the department. The licensed owner or  
34 operating agent must make the tax payments each day for the preceding  
35 day's admissions.

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

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

40 (d) If the department requires taxes to be paid under this section  
41 through electronic funds transfer, the department may allow the  
42 licensed owner or operating agent to file a monthly report to reconcile



1 the amount of taxes paid to the department.

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

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

8 (1) Except as provided in section 9(g) of this chapter, ~~one dollar~~  
9 ~~(\$1)~~ **thirty-three and one-third percent (33 1/3%)** of the  
10 admissions tax **and supplemental wagering tax** collected by the  
11 licensed owner ~~for each person embarking on a gambling~~  
12 ~~excursion during the quarter or admitted to a riverboat that has~~  
13 ~~implemented flexible scheduling under IC 4-33-6-21 during the~~  
14 ~~quarter~~ shall be paid to:

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

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

19 (ii) is contiguous to the Ohio River and is the largest city in  
20 the county; and

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

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

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

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

30 shall be paid to the county in which the riverboat is docked. In the  
31 case of a county described in subdivision (1)(B), this ~~one dollar~~  
32 ~~(\$1)~~ **thirty-three and one-third percent (33 1/3%) of the**  
33 **admissions tax and supplemental wagering tax** is in addition to  
34 the ~~one dollar (\$1)~~ **thirty-three and one-third percent**  
35 **(33 1/3%)** received under subdivision (1)(B).

36 (3) Except as provided in section 9(g) of this chapter, ~~ten cents~~  
37 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of  
38 the admissions tax **and supplemental wagering tax** collected by  
39 the licensed owner ~~for each person~~

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

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





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

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

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

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

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

12 (5) Except as provided in section 9(g) of this chapter, ~~ten cents~~  
13 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of  
14 the admissions tax **and supplemental wagering tax** collected by  
15 the licensed owner for each person:

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

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

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

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

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

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

38 (1) The lesser of:

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

41 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**  
42 **(33 1/3%)** of the admissions tax **and supplemental wagering**



- 1           **tax** collected by the licensed owner ~~for each person admitted~~  
 2           ~~to the riverboat~~ during the preceding calendar quarter;  
 3           to the fiscal officer of the northwest Indiana regional development  
 4           authority to partially satisfy East Chicago's funding obligation to  
 5           the authority under IC 36-7.5-4-2.
- 6           (2) The lesser of:
- 7                (A) two hundred eighteen thousand seven hundred fifty dollars  
 8                (\$218,750); or  
 9                (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**  
 10               **(33 1/3%)** of the admissions tax **and supplemental wagering**  
 11               **tax** collected by the licensed owner ~~for each person admitted~~  
 12               ~~to the riverboat~~ during the preceding calendar quarter;  
 13               to the fiscal officer of the northwest Indiana regional development  
 14               authority to partially satisfy Lake County's funding obligation to  
 15               the authority under IC 36-7.5-4-2.
- 16           (3) Except as provided in section 9(g) of this chapter, the  
 17           remainder, if any, of:
- 18                (A) ~~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; minus  
 22                (B) the amount distributed to the northwest Indiana regional  
 23               development authority under subdivision (1) for the calendar  
 24               quarter;  
 25           must be paid to the city of East Chicago.
- 26           (4) Except as provided in section 9(g) of this chapter, the  
 27           remainder, if any, of:
- 28                (A) ~~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; minus  
 32                (B) the amount distributed to the northwest Indiana regional  
 33               development authority under subdivision (2) for the calendar  
 34               quarter;  
 35           must be paid to Lake County.
- 36           (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~  
 37           ~~(\$0.09)~~ **three percent (3%)** 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 county convention and  
 41           visitors bureau for Lake County.
- 42           (6) Except as provided in section 9(g) of this chapter, ~~one cent~~



1 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**  
 2 **(.333%)** of the admissions tax **and supplemental wagering tax**  
 3 collected by the licensed owner **for each person admitted to the**  
 4 **riverboat** during the preceding calendar quarter must be paid to  
 5 the northwest Indiana law enforcement training center.

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

13 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~  
 14 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of  
 15 the admissions tax **and supplemental wagering tax** collected by  
 16 the licensed owner **for each person admitted to the riverboat**  
 17 during the preceding calendar quarter must be paid to the division  
 18 of mental health and addiction.

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

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

27 (1) The lesser of:

28 (A) four hundred thirty-seven thousand five hundred dollars  
 29 (\$437,500); or

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

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

37 (2) The lesser of:

38 (A) two hundred eighteen thousand seven hundred fifty dollars  
 39 (\$218,750); or

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



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

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

7           (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**  
 8           **(33 1/3%)** of the admissions tax **and supplemental wagering**  
 9           **tax** collected by the licensed owner for **each person admitted**  
 10           **to of** a riverboat operating **from in** Gary during the preceding  
 11           calendar quarter; minus

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

15           must be paid to the city of Gary.

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

18           (A) ~~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 of** a riverboat operating **from in** Gary during the preceding  
 22           calendar quarter; minus

23           (B) the amount distributed to the northwest Indiana regional  
 24           development authority under subdivision (2) for the calendar  
 25           quarter;

26           must be paid to Lake County.

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

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

40           (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~  
 41           ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**  
 42           **supplemental wagering tax** collected by the licensed owner for



1 each person admitted to of a riverboat operating from in Gary  
 2 during the preceding calendar quarter must be paid to the state  
 3 fair commission for use in any activity that the commission is  
 4 authorized to carry out under IC 15-13-3.

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

11 (9) ~~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 admitted to of a riverboat operating from  
 15 in Gary during the preceding calendar quarter must be paid to the  
 16 state general fund.

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

21 (1) The lesser of:

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

24 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**  
 25 **(33 1/3%)** of the admissions tax **and supplemental wagering**  
 26 **tax** collected by the licensed owner for each person admitted  
 27 ~~to of~~ a riverboat operating from in Hammond during the  
 28 preceding calendar quarter;

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

32 (2) The lesser of:

33 (A) two hundred eighteen thousand seven hundred fifty dollars  
 34 (\$218,750); or

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

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

42 (3) Except as provided in section 9(g) of this chapter, the



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



1 the admissions tax **and supplemental wagering tax** collected by  
 2 the licensed owner for each person admitted to the riverboat  
 3 during the preceding calendar quarter must be paid to the division  
 4 of mental health and addiction.

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

10 SECTION 14. IC 4-33-13-0.1, AS ADDED BY P.L.220-2011,  
 11 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2017]: Sec. 0.1. The following amendments to this chapter  
 13 apply as follows:

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

17 ~~(2) (1) The addition of section 1.5 of this chapter by~~  
 18 ~~P.L.192-2002(ss) applies to admissions occurring and receipts~~  
 19 ~~received after June 30, 2002.~~

20 ~~(3) (2) The amendments made to section 5 of this chapter by~~  
 21 ~~P.L.234-2007 apply to riverboat wagering taxes remitted by an~~  
 22 ~~operating agent after June 30, 2007.~~

23 SECTION 15. IC 4-33-13-0.2 IS REPEALED [EFFECTIVE JULY  
 24 1, 2017]. Sec. 0.2: (a) This section applies to the calculation and  
 25 collection of wagering taxes on the adjusted gross receipts of a  
 26 riverboat received:

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

29 ~~(2) before July 1, 2003.~~

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

38 ~~(c) Wagering taxes imposed under section 1.5 of this chapter on~~  
 39 ~~adjusted gross receipts received on or after the date that the riverboat~~  
 40 ~~implemented flexible scheduling under IC 4-33-6-21 must be~~  
 41 ~~calculated and deposited using a graduated wagering tax rate selected~~  
 42 ~~(as stated in section 1.5 of this chapter) through a calculation that~~



1 includes "adjusted gross receipts received during the period beginning  
2 July 1 of each year and ending June 30 of the following year".

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

13 (1) July 1, 2003.

14 (2) July 1, 2004.

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

18 (b) Subject to section 1.5(j) of this chapter, a tax is imposed on the  
19 adjusted gross receipts received from gambling games authorized under  
20 this article at the rate of twenty-two and five-tenths percent (22.5%) of  
21 the amount of the adjusted gross receipts.

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

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

27 (e) If the department requires taxes to be remitted under this chapter  
28 through electronic funds transfer, the department may allow the  
29 licensed owner to file a monthly report to reconcile the amounts  
30 remitted to the department.

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

33 SECTION 17. IC 4-33-13-1.5, AS AMENDED BY P.L.229-2013,  
34 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2017]: Sec. 1.5. (a) This section applies only to a riverboat  
36 that has implemented flexible scheduling under IC 4-33-6-21 or  
37 IC 4-33-6.5:

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





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



- 1 (3) Twenty-five percent (25%) of the adjusted gross receipts in  
 2 excess of fifty million dollars (\$50,000,000) but not exceeding  
 3 seventy-five million dollars (\$75,000,000) received during the  
 4 period beginning July 1 of each year and ending June 30 of the  
 5 following year.
- 6 (4) Thirty percent (30%) of the adjusted gross receipts in excess  
 7 of seventy-five million dollars (\$75,000,000) but not exceeding  
 8 one hundred fifty million dollars (\$150,000,000) received during  
 9 the period beginning July 1 of each year and ending June 30 of  
 10 the following year.
- 11 (5) Thirty-five percent (35%) of all adjusted gross receipts in  
 12 excess of one hundred fifty million dollars (\$150,000,000) but not  
 13 exceeding six hundred million dollars (\$600,000,000) received  
 14 during the period beginning July 1 of each year and ending June  
 15 30 of the following year.
- 16 (6) Forty percent (40%) of all adjusted gross receipts exceeding  
 17 six hundred million dollars (\$600,000,000) received during the  
 18 period beginning July 1 of each year and ending June 30 of the  
 19 following year.
- 20 ~~(d)~~ (c) The licensed owner or operating agent of a riverboat taxed  
 21 under subsection (c) shall pay an additional tax of two million five  
 22 hundred thousand dollars (\$2,500,000) in any state fiscal year in which  
 23 the riverboat's adjusted gross receipts exceed seventy-five million  
 24 dollars (\$75,000,000). The additional tax imposed under this  
 25 subsection is due before July 1 of the following state fiscal year.
- 26 ~~(e)~~ (d) The licensed owner or operating agent shall remit the tax  
 27 imposed by this chapter to the department before the close of the  
 28 business day following the day the wagers are made.
- 29 ~~(f)~~ (e) The department may require payment under this section to be  
 30 made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).
- 31 ~~(g)~~ (f) If the department requires taxes to be remitted under this  
 32 chapter through electronic funds transfer, the department may allow the  
 33 licensed owner or operating agent to file a monthly report to reconcile  
 34 the amounts remitted to the department.
- 35 ~~(h)~~ (g) The department may allow taxes remitted under this section  
 36 to be reported on the same form used for taxes paid under IC 4-33-12.
- 37 ~~(i)~~ If a riverboat implements flexible scheduling during any part of  
 38 a period beginning July 1 of each year and ending June 30 of the  
 39 following year, the tax rate imposed on the adjusted gross receipts  
 40 received while the riverboat implements flexible scheduling shall be  
 41 computed as if the riverboat had engaged in flexible scheduling during  
 42 the entire period beginning July 1 of each year and ending June 30 of



1 the following year:

2 (j) If a riverboat:

3 (1) implements flexible scheduling during any part of a period  
4 beginning July 1 of each year and ending June 30 of the following  
5 year; and

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

8 the riverboat shall continue to pay a wagering tax at the tax rates  
9 imposed under subsection (b) until the end of that period as if the  
10 riverboat had not ceased to conduct flexible scheduling:

11 SECTION 18. IC 4-33-13-5, AS AMENDED BY P.L.204-2016,  
12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2017]: Sec. 5. (a) This subsection does not apply to tax  
14 revenue remitted by an operating agent operating a riverboat in a  
15 historic hotel district. After funds are appropriated under section 4 of  
16 this chapter, each month the treasurer of state shall distribute the tax  
17 revenue deposited in the state gaming fund under this chapter to the  
18 following:

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

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

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

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

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

32 (B) to the county that is designated as the home dock of the  
33 riverboat from which the tax revenue was collected, in the case  
34 of a riverboat whose home dock is not in a city described in  
35 clause (A).

36 (3) Subject to subsection (d), the remainder of the tax revenue  
37 remitted by each licensed owner shall be paid to the state general  
38 fund. In each state fiscal year, the treasurer of state shall make the  
39 transfer required by this subdivision not later than the last  
40 business day of the month in which the tax revenue is remitted to  
41 the state for deposit in the state gaming fund. However, if tax  
42 revenue is received by the state on the last business day in a



- 1 month, the treasurer of state may transfer the tax revenue to the  
 2 state general fund in the immediately following month.
- 3 (b) This subsection applies only to tax revenue remitted by an  
 4 operating agent operating a riverboat in a historic hotel district after  
 5 June 30, 2015. After funds are appropriated under section 4 of this  
 6 chapter, each month the treasurer of state shall distribute the tax  
 7 revenue remitted by the operating agent under this chapter as follows:
- 8 (1) Fifty-six and five-tenths percent (56.5%) shall be paid to the  
 9 state general fund.
- 10 (2) Forty-three and five-tenths percent (43.5%) shall be paid as  
 11 follows:
- 12 (A) Twenty-two and four-tenths percent (22.4%) shall be paid  
 13 as follows:
- 14 (i) Fifty percent (50%) to the fiscal officer of the town of  
 15 French Lick.
- 16 (ii) Fifty percent (50%) to the fiscal officer of the town of  
 17 West Baden Springs.
- 18 (B) Fourteen and eight-tenths percent (14.8%) shall be paid to  
 19 the county treasurer of Orange County for distribution among  
 20 the school corporations in the county. The governing bodies  
 21 for the school corporations in the county shall provide a  
 22 formula for the distribution of the money received under this  
 23 clause among the school corporations by joint resolution  
 24 adopted by the governing body of each of the school  
 25 corporations in the county. Money received by a school  
 26 corporation under this clause must be used to improve the  
 27 educational attainment of students enrolled in the school  
 28 corporation receiving the money. Not later than the first  
 29 regular meeting in the school year of a governing body of a  
 30 school corporation receiving a distribution under this clause,  
 31 the superintendent of the school corporation shall submit to  
 32 the governing body a report describing the purposes for which  
 33 the receipts under this clause were used and the improvements  
 34 in educational attainment realized through the use of the  
 35 money. The report is a public record.
- 36 (C) Thirteen and one-tenth percent (13.1%) shall be paid to the  
 37 county treasurer of Orange County.
- 38 (D) Five and three-tenths percent (5.3%) shall be distributed  
 39 quarterly to the county treasurer of Dubois County for  
 40 appropriation by the county fiscal body after receiving a  
 41 recommendation from the county executive. The county fiscal  
 42 body for the receiving county shall provide for the distribution



1 of the money received under this clause to one (1) or more  
 2 taxing units (as defined in IC 6-1.1-1-21) in the county under  
 3 a formula established by the county fiscal body after receiving  
 4 a recommendation from the county executive.  
 5 (E) Five and three-tenths percent (5.3%) shall be distributed  
 6 quarterly to the county treasurer of Crawford County for  
 7 appropriation by the county fiscal body after receiving a  
 8 recommendation from the county executive. The county fiscal  
 9 body for the receiving county shall provide for the distribution  
 10 of the money received under this clause to one (1) or more  
 11 taxing units (as defined in IC 6-1.1-1-21) in the county under  
 12 a formula established by the county fiscal body after receiving  
 13 a recommendation from the county executive.  
 14 (F) Six and thirty-five hundredths percent (6.35%) shall be  
 15 paid to the fiscal officer of the town of Paoli.  
 16 (G) Six and thirty-five hundredths percent (6.35%) shall be  
 17 paid to the fiscal officer of the town of Orleans.  
 18 (H) Twenty-six and four-tenths percent (26.4%) shall be paid  
 19 to the Indiana economic development corporation established  
 20 by IC 5-28-3-1 for transfer to Radius Indiana or a successor  
 21 regional entity or partnership for the development and  
 22 implementation of a regional economic development strategy  
 23 to assist the residents of Orange County and the counties  
 24 contiguous to Orange County in improving their quality of life  
 25 and to help promote successful and sustainable communities.  
 26 However, an amount sufficient to meet current obligations to  
 27 retire or refinance indebtedness or leases for which tax  
 28 revenues under this section were pledged before January 1,  
 29 2015, by the Orange County development commission shall be  
 30 paid to the Orange County development commission before  
 31 making a distribution to Radius Indiana or a successor regional  
 32 entity or partnership. The amount paid to the Orange County  
 33 development commission reduces the amount payable to  
 34 Radius Indiana or its successor entity or partnership.  
 35 (c) For each city and county receiving money under subsection  
 36 (a)(2), the treasurer of state shall determine the total amount of money  
 37 paid by the treasurer of state to the city or county during the state fiscal  
 38 year 2002. The amount determined is the base year revenue for the city  
 39 or county. The treasurer of state shall certify the base year revenue  
 40 determined under this subsection to the city or county. The total  
 41 amount of money distributed to a city or county under this section  
 42 during a state fiscal year may not exceed the entity's base year revenue.



1 For each state fiscal year, the treasurer of state shall pay that part of the  
2 riverboat wagering taxes that:

- 3 (1) exceeds a particular city's or county's base year revenue; and  
4 (2) would otherwise be due to the city or county under this  
5 section;

6 to the state general fund instead of to the city or county.

7 (d) Each state fiscal year the treasurer of state shall transfer from the  
8 tax revenue remitted to the state general fund under subsection (a)(3)  
9 to the build Indiana fund an amount that when added to the following  
10 may not exceed two hundred fifty million dollars (\$250,000,000):

- 11 (1) Surplus lottery revenues under IC 4-30-17-3.  
12 (2) Surplus revenue from the charity gaming enforcement fund  
13 under IC 4-32.2-7-7.  
14 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

15 The treasurer of state shall make transfers on a monthly basis as needed  
16 to meet the obligations of the build Indiana fund. If in any state fiscal  
17 year insufficient money is transferred to the state general fund under  
18 subsection (a)(3) to comply with this subsection, the treasurer of state  
19 shall reduce the amount transferred to the build Indiana fund to the  
20 amount available in the state general fund from the transfers under  
21 subsection (a)(3) for the state fiscal year.

22 (e) Before August 15 of each year, the treasurer of state shall  
23 distribute the wagering taxes set aside for revenue sharing under  
24 subsection (a)(1) to the county treasurer of each county that does not  
25 have a riverboat according to the ratio that the county's population  
26 bears to the total population of the counties that do not have a  
27 riverboat. Except as provided in subsection (h), the county auditor shall  
28 distribute the money received by the county under this subsection as  
29 follows:

- 30 (1) To each city located in the county according to the ratio the  
31 city's population bears to the total population of the county.  
32 (2) To each town located in the county according to the ratio the  
33 town's population bears to the total population of the county.  
34 (3) After the distributions required in subdivisions (1) and (2) are  
35 made, the remainder shall be retained by the county.

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

- 38 (1) To reduce the property tax levy of the city, town, or county for  
39 a particular year (a property tax reduction under this subdivision  
40 does not reduce the maximum levy of the city, town, or county  
41 under IC 6-1.1-18.5).  
42 (2) For deposit in a special fund or allocation fund created under



- 1 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and  
 2 IC 36-7-30 to provide funding for debt repayment.
- 3 (3) To fund sewer and water projects, including storm water  
 4 management projects.
- 5 (4) For police and fire pensions.
- 6 (5) To carry out any governmental purpose for which the money  
 7 is appropriated by the fiscal body of the city, town, or county.  
 8 Money used under this subdivision does not reduce the property  
 9 tax levy of the city, town, or county for a particular year or reduce  
 10 the maximum levy of the city, town, or county under  
 11 IC 6-1.1-18.5.
- 12 (g) Before July 15 of each year, the treasurer of state shall determine  
 13 the total amount of money distributed to an entity under IC 4-33-12-6  
 14 or IC 4-33-12-8 during the preceding state fiscal year. If the treasurer  
 15 of state determines that the total amount of money distributed to an  
 16 entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state  
 17 fiscal year was less than the entity's base year revenue (as determined  
 18 under IC 4-33-12-9), the treasurer of state shall make a supplemental  
 19 distribution to the entity from taxes collected under this chapter and  
 20 deposited into the state general fund. **Beginning July 1, 2019, the**  
 21 **division of mental health and addiction shall not receive a**  
 22 **supplemental distribution under this subsection.** Except as provided  
 23 in ~~subsection (i); subsections (i), (j), or (k)~~, the amount of an entity's  
 24 supplemental distribution is equal to:
- 25 (1) the entity's base year revenue (as determined under  
 26 IC 4-33-12-9); minus
- 27 (2) the sum of:
- 28 (A) the total amount of money distributed to the entity and  
 29 constructively received by the entity during the preceding state  
 30 fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus
- 31 (B) the amount of any admissions taxes deducted under  
 32 IC 6-3.1-20-7.
- 33 (h) This subsection applies only to a county containing a  
 34 consolidated city. The county auditor shall distribute the money  
 35 received by the county under subsection (e) as follows:
- 36 (1) To each city, other than a consolidated city, located in the  
 37 county according to the ratio that the city's population bears to the  
 38 total population of the county.
- 39 (2) To each town located in the county according to the ratio that  
 40 the town's population bears to the total population of the county.
- 41 (3) After the distributions required in subdivisions (1) and (2) are  
 42 made, the remainder shall be paid in equal amounts to the



- 1 consolidated city and the county.
- 2 (i) This subsection applies to a supplemental distribution made after  
3 June 30, 2013. The maximum amount of money that may be distributed  
4 under subsection (g) in a state fiscal year is forty-eight million dollars  
5 (\$48,000,000). If the total amount determined under subsection (g)  
6 exceeds forty-eight million dollars (\$48,000,000), the amount  
7 distributed to an entity under subsection (g) must be reduced according  
8 to the ratio that the amount distributed to the entity under IC 4-33-12-6  
9 or IC 4-33-12-8 bears to the total amount distributed under  
10 IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental  
11 distribution. **This subsection expires July 1, 2019.**
- 12 (j) **This subsection applies to a supplemental distribution made  
13 after June 30, 2019. The maximum amount of money that may be  
14 distributed under subsection (g) in a state fiscal year is forty-four  
15 million dollars (\$44,000,000). If the total amount determined under  
16 subsection (g) exceeds forty-four million dollars (\$44,000,000), the  
17 amount distributed to an entity under subsection (g) must be  
18 reduced according to the ratio that the amount distributed to the  
19 entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount  
20 distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities  
21 receiving a supplemental distribution. The division of mental  
22 health and addiction shall not receive a supplemental distribution  
23 under this subsection. This subsection expires July 1, 2020.**
- 24 (k) This subsection applies to a supplemental distribution made  
25 after June 30, 2020. The maximum amount of money that may be  
26 distributed under subsection (g) in a state fiscal year is forty  
27 million dollars (\$40,000,000). If the total amount determined under  
28 subsection (g) exceeds forty million dollars (\$40,000,000), the  
29 amount distributed to an entity under subsection (g) must be  
30 reduced according to the ratio that the amount distributed to the  
31 entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount  
32 distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities  
33 receiving a supplemental distribution. The division of mental  
34 health and addiction shall not receive a supplemental distribution  
35 under this subsection.
- 36 (l) This subsection applies to a supplemental distribution, if any,  
37 payable to Lake County, Hammond, Gary, or East Chicago under  
38 subsections ~~(g) and (i)~~: (g), (i), (j), and (k). Beginning in July 2016, the  
39 treasurer of state shall, after making any deductions from the  
40 supplemental distribution required by IC 6-3.1-20-7, deduct from the  
41 remainder of the supplemental distribution otherwise payable to the  
42 unit under this section the lesser of:





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

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

11 ~~(k)~~ **(m)** Money distributed to a political subdivision under  
 12 subsection (b):

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

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

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

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

- 36 (1) Subtract income that is exempt from taxation under this article  
 37 by the Constitution and statutes of the United States.  
 38 (2) **Except as provided in subsections (c), (d), and (e)**, add an  
 39 amount equal to any deduction or deductions allowed or  
 40 allowable pursuant to Section 62 of the Internal Revenue Code for  
 41 taxes based on or measured by income and levied at the state level  
 42 by any state of the United States.



- 1 (3) Subtract one thousand dollars (\$1,000), or in the case of a  
 2 joint return filed by a husband and wife, subtract for each spouse  
 3 one thousand dollars (\$1,000).  
 4 (4) Subtract one thousand dollars (\$1,000) for:  
 5 (A) each of the exemptions provided by Section 151(c) of the  
 6 Internal Revenue Code;  
 7 (B) each additional amount allowable under Section 63(f) of  
 8 the Internal Revenue Code; and  
 9 (C) the spouse of the taxpayer if a separate return is made by  
 10 the taxpayer and if the spouse, for the calendar year in which  
 11 the taxable year of the taxpayer begins, has no gross income  
 12 and is not the dependent of another taxpayer.  
 13 (5) Subtract:  
 14 (A) one thousand five hundred dollars (\$1,500) for each of the  
 15 exemptions allowed under Section 151(c)(1)(B) of the Internal  
 16 Revenue Code (as effective January 1, 2004);  
 17 (B) for taxable years beginning after December 31, 2017, one  
 18 thousand five hundred dollars (\$1,500) for each exemption  
 19 allowed under Section 151(c) of the Internal Revenue Code for  
 20 an individual:  
 21 (i) who is less than nineteen (19) years of age or is a  
 22 full-time student who is less than twenty-four (24) years of  
 23 age;  
 24 (ii) for whom the taxpayer is the legal guardian; and  
 25 (iii) for whom the taxpayer does not claim an exemption  
 26 under clause (A); and  
 27 (C) five hundred dollars (\$500) for each additional amount  
 28 allowable under Section 63(f)(1) of the Internal Revenue Code  
 29 if the adjusted gross income of the taxpayer, or the taxpayer  
 30 and the taxpayer's spouse in the case of a joint return, is less  
 31 than forty thousand dollars (\$40,000).  
 32 This amount is in addition to the amount subtracted under  
 33 subdivision (4).  
 34 (6) Subtract any amounts included in federal adjusted gross  
 35 income under Section 111 of the Internal Revenue Code as a  
 36 recovery of items previously deducted as an itemized deduction  
 37 from adjusted gross income.  
 38 (7) Subtract any amounts included in federal adjusted gross  
 39 income under the Internal Revenue Code which amounts were  
 40 received by the individual as supplemental railroad retirement  
 41 annuities under 45 U.S.C. 231 and which are not deductible under  
 42 subdivision (1).



- 1 (8) Subtract an amount equal to the amount of federal Social  
2 Security and Railroad Retirement benefits included in a taxpayer's  
3 federal gross income by Section 86 of the Internal Revenue Code.  
4 (9) In the case of a nonresident taxpayer or a resident taxpayer  
5 residing in Indiana for a period of less than the taxpayer's entire  
6 taxable year, the total amount of the deductions allowed pursuant  
7 to subdivisions (3), (4), and (5) shall be reduced to an amount  
8 which bears the same ratio to the total as the taxpayer's income  
9 taxable in Indiana bears to the taxpayer's total income.  
10 (10) In the case of an individual who is a recipient of assistance  
11 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,  
12 subtract an amount equal to that portion of the individual's  
13 adjusted gross income with respect to which the individual is not  
14 allowed under federal law to retain an amount to pay state and  
15 local income taxes.  
16 (11) In the case of an eligible individual, subtract the amount of  
17 a Holocaust victim's settlement payment included in the  
18 individual's federal adjusted gross income.  
19 (12) Subtract an amount equal to the portion of any premiums  
20 paid during the taxable year by the taxpayer for a qualified long  
21 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer  
22 or the taxpayer's spouse, or both.  
23 (13) Subtract an amount equal to the lesser of:  
24 (A) two thousand five hundred dollars (\$2,500); or  
25 (B) the amount of property taxes that are paid during the  
26 taxable year in Indiana by the individual on the individual's  
27 principal place of residence.  
28 (14) Subtract an amount equal to the amount of a September 11  
29 terrorist attack settlement payment included in the individual's  
30 federal adjusted gross income.  
31 (15) Add or subtract the amount necessary to make the adjusted  
32 gross income of any taxpayer that owns property for which bonus  
33 depreciation was allowed in the current taxable year or in an  
34 earlier taxable year equal to the amount of adjusted gross income  
35 that would have been computed had an election not been made  
36 under Section 168(k) of the Internal Revenue Code to apply bonus  
37 depreciation to the property in the year that it was placed in  
38 service.  
39 (16) Add an amount equal to any deduction allowed under  
40 Section 172 of the Internal Revenue Code.  
41 (17) Add or subtract the amount necessary to make the adjusted  
42 gross income of any taxpayer that placed Section 179 property (as



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

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

13 (19) Subtract an amount equal to the amount of the taxpayer's  
 14 qualified military income that was not excluded from the  
 15 taxpayer's gross income for federal income tax purposes under  
 16 Section 112 of the Internal Revenue Code.

17 (20) Subtract income that is:

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

19 (B) included in the individual's federal adjusted gross income  
 20 under the Internal Revenue Code.

21 (21) Add an amount equal to any income not included in gross  
 22 income as a result of the deferral of income arising from business  
 23 indebtedness discharged in connection with the reacquisition after  
 24 December 31, 2008, and before January 1, 2011, of an applicable  
 25 debt instrument, as provided in Section 108(i) of the Internal  
 26 Revenue Code. Subtract the amount necessary from the adjusted  
 27 gross income of any taxpayer that added an amount to adjusted  
 28 gross income in a previous year to offset the amount included in  
 29 federal gross income as a result of the deferral of income arising  
 30 from business indebtedness discharged in connection with the  
 31 reacquisition after December 31, 2008, and before January 1,  
 32 2011, of an applicable debt instrument, as provided in Section  
 33 108(i) of the Internal Revenue Code.

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

39 (b) In the case of corporations, the same as "taxable income" (as  
 40 defined in Section 63 of the Internal Revenue Code) adjusted as  
 41 follows:

42 (1) Subtract income that is exempt from taxation under this article



- 1 by the Constitution and statutes of the United States.
- 2 (2) Add an amount equal to any deduction or deductions allowed
- 3 or allowable pursuant to Section 170 of the Internal Revenue
- 4 Code.
- 5 (3) **Except as provided in subsections (c), (d), and (e)**, add an
- 6 amount equal to any deduction or deductions allowed or
- 7 allowable pursuant to Section 63 of the Internal Revenue Code for
- 8 taxes based on or measured by income and levied at the state level
- 9 by any state of the United States.
- 10 (4) Subtract an amount equal to the amount included in the
- 11 corporation's taxable income under Section 78 of the Internal
- 12 Revenue Code.
- 13 (5) Add or subtract the amount necessary to make the adjusted
- 14 gross income of any taxpayer that owns property for which bonus
- 15 depreciation was allowed in the current taxable year or in an
- 16 earlier taxable year equal to the amount of adjusted gross income
- 17 that would have been computed had an election not been made
- 18 under Section 168(k) of the Internal Revenue Code to apply bonus
- 19 depreciation to the property in the year that it was placed in
- 20 service.
- 21 (6) Add an amount equal to any deduction allowed under Section
- 22 172 of the Internal Revenue Code.
- 23 (7) Add or subtract the amount necessary to make the adjusted
- 24 gross income of any taxpayer that placed Section 179 property (as
- 25 defined in Section 179 of the Internal Revenue Code) in service
- 26 in the current taxable year or in an earlier taxable year equal to
- 27 the amount of adjusted gross income that would have been
- 28 computed had an election for federal income tax purposes not
- 29 been made for the year in which the property was placed in
- 30 service to take deductions under Section 179 of the Internal
- 31 Revenue Code in a total amount exceeding twenty-five thousand
- 32 dollars (\$25,000).
- 33 (8) Add an amount equal to the amount that a taxpayer claimed as
- 34 a deduction for domestic production activities for the taxable year
- 35 under Section 199 of the Internal Revenue Code for federal
- 36 income tax purposes.
- 37 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 38 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 39 related interest expenses (as defined in IC 6-3-2-20) for the
- 40 taxable year that reduced the corporation's taxable income (as
- 41 defined in Section 63 of the Internal Revenue Code) for federal
- 42 income tax purposes.



1 (10) Add an amount equal to any deduction for dividends paid (as  
 2 defined in Section 561 of the Internal Revenue Code) to  
 3 shareholders of a captive real estate investment trust (as defined  
 4 in section 34.5 of this chapter).

5 (11) Subtract income that is:

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

7 (B) included in the corporation's taxable income under the  
 8 Internal Revenue Code.

9 (12) Add an amount equal to any income not included in gross  
 10 income as a result of the deferral of income arising from business  
 11 indebtedness discharged in connection with the reacquisition after  
 12 December 31, 2008, and before January 1, 2011, of an applicable  
 13 debt instrument, as provided in Section 108(i) of the Internal  
 14 Revenue Code. Subtract from the adjusted gross income of any  
 15 taxpayer that added an amount to adjusted gross income in a  
 16 previous year the amount necessary to offset the amount included  
 17 in federal gross income as a result of the deferral of income  
 18 arising from business indebtedness discharged in connection with  
 19 the reacquisition after December 31, 2008, and before January 1,  
 20 2011, of an applicable debt instrument, as provided in Section  
 21 108(i) of the Internal Revenue Code.

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

27 **(c) Beginning January 1, 2019, a taxpayer is required to add**  
 28 **back under this section seventy percent (70%) of any deduction**  
 29 **allowed on the taxpayer's federal income tax return for wagering**  
 30 **taxes in:**

31 (1) subsection (a)(2) if the taxpayer is an individual; or

32 (2) subsection (b)(3) if the taxpayer is a corporation.

33 **This subsection expires December 31, 2019.**

34 **(d) Beginning January 1, 2020, a taxpayer is required to add**  
 35 **back under this section forty percent (40%) of any deduction**  
 36 **allowed on the taxpayer's federal income tax return for wagering**  
 37 **taxes in:**

38 (1) subsection (a)(2) if the taxpayer is an individual; or

39 (2) subsection (b)(3) if the taxpayer is a corporation.

40 **This subsection expires December 31, 2020.**

41 **(e) Beginning January 1, 2021, a taxpayer is not required to add**  
 42 **back under this section any deduction allowed on the taxpayer's**



1 **federal income tax return for wagering taxes.**

2 (e) (f) In the case of life insurance companies (as defined in Section  
3 816(a) of the Internal Revenue Code) that are organized under Indiana  
4 law, the same as "life insurance company taxable income" (as defined  
5 in Section 801 of the Internal Revenue Code), adjusted as 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 allowed or allowable  
9 under Section 170 of the Internal Revenue Code.

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

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

17 (5) Add or subtract the amount necessary to make the adjusted  
18 gross income of any taxpayer that owns property for which bonus  
19 depreciation was allowed in the current taxable year or in an  
20 earlier taxable year equal to the amount of adjusted gross income  
21 that would have been computed had an election not been made  
22 under Section 168(k) of the Internal Revenue Code to apply bonus  
23 depreciation to the property in the year that it was placed in  
24 service.

25 (6) Add an amount equal to any deduction allowed under Section  
26 172 or Section 810 of the Internal Revenue Code.

27 (7) Add or subtract the amount necessary to make the adjusted  
28 gross income of any taxpayer that placed Section 179 property (as  
29 defined in Section 179 of the Internal Revenue Code) in service  
30 in the current taxable year or in an earlier taxable year equal to  
31 the amount of adjusted gross income that would have been  
32 computed had an election for federal income tax purposes not  
33 been made for the year in which the property was placed in  
34 service to take deductions under Section 179 of the Internal  
35 Revenue Code in a total amount exceeding twenty-five thousand  
36 dollars (\$25,000).

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

41 (9) Subtract income that is:

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



- 1 (B) included in the insurance company's taxable income under  
 2 the Internal Revenue Code.
- 3 (10) Add an amount equal to any income not included in gross  
 4 income as a result of the deferral of income arising from business  
 5 indebtedness discharged in connection with the reacquisition after  
 6 December 31, 2008, and before January 1, 2011, of an applicable  
 7 debt instrument, as provided in Section 108(i) of the Internal  
 8 Revenue Code. Subtract from the adjusted gross income of any  
 9 taxpayer that added an amount to adjusted gross income in a  
 10 previous year the amount necessary to offset the amount included  
 11 in federal gross income as a result of the deferral of income  
 12 arising from business indebtedness discharged in connection with  
 13 the reacquisition after December 31, 2008, and before January 1,  
 14 2011, of an applicable debt instrument, as provided in Section  
 15 108(i) of the Internal Revenue Code.
- 16 (11) Add an amount equal to any exempt insurance income under  
 17 Section 953(e) of the Internal Revenue Code that is active  
 18 financing income under Subpart F of Subtitle A, Chapter 1,  
 19 Subchapter N of the Internal Revenue Code.
- 20 (12) Add the amount excluded from federal gross income under  
 21 Section 103 of the Internal Revenue Code for interest received on  
 22 an obligation of a state other than Indiana, or a political  
 23 subdivision of such a state, that is acquired by the taxpayer after  
 24 December 31, 2011.
- 25 ~~(d)~~ (g) In the case of insurance companies subject to tax under  
 26 Section 831 of the Internal Revenue Code and organized under Indiana  
 27 law, the same as "taxable income" (as defined in Section 832 of the  
 28 Internal Revenue Code), adjusted as follows:
- 29 (1) Subtract income that is exempt from taxation under this article  
 30 by the Constitution and statutes of the United States.
- 31 (2) Add an amount equal to any deduction allowed or allowable  
 32 under Section 170 of the Internal Revenue Code.
- 33 (3) Add an amount equal to a deduction allowed or allowable  
 34 under Section 805 or Section 832(c) of the Internal Revenue Code  
 35 for taxes based on or measured by income and levied at the state  
 36 level by any state.
- 37 (4) Subtract an amount equal to the amount included in the  
 38 company's taxable income under Section 78 of the Internal  
 39 Revenue Code.
- 40 (5) Add or subtract the amount necessary to make the adjusted  
 41 gross income of any taxpayer that owns property for which bonus  
 42 depreciation was allowed in the current taxable year or in an





- 1 earlier taxable year equal to the amount of adjusted gross income  
 2 that would have been computed had an election not been made  
 3 under Section 168(k) of the Internal Revenue Code to apply bonus  
 4 depreciation to the property in the year that it was placed in  
 5 service.
- 6 (6) Add an amount equal to any deduction allowed under Section  
 7 172 of the Internal Revenue Code.
- 8 (7) Add or subtract the amount necessary to make the adjusted  
 9 gross income of any taxpayer that placed Section 179 property (as  
 10 defined in Section 179 of the Internal Revenue Code) in service  
 11 in the current taxable year or in an earlier taxable year equal to  
 12 the amount of adjusted gross income that would have been  
 13 computed had an election for federal income tax purposes not  
 14 been made for the year in which the property was placed in  
 15 service to take deductions under Section 179 of the Internal  
 16 Revenue Code in a total amount exceeding twenty-five thousand  
 17 dollars (\$25,000).
- 18 (8) Add an amount equal to the amount that a taxpayer claimed as  
 19 a deduction for domestic production activities for the taxable year  
 20 under Section 199 of the Internal Revenue Code for federal  
 21 income tax purposes.
- 22 (9) Subtract income that is:
- 23 (A) exempt from taxation under IC 6-3-2-21.7; and  
 24 (B) included in the insurance company's taxable income under  
 25 the Internal Revenue Code.
- 26 (10) Add an amount equal to any income not included in gross  
 27 income as a result of the deferral of income arising from business  
 28 indebtedness discharged in connection with the reacquisition after  
 29 December 31, 2008, and before January 1, 2011, of an applicable  
 30 debt instrument, as provided in Section 108(i) of the Internal  
 31 Revenue Code. Subtract from the adjusted gross income of any  
 32 taxpayer that added an amount to adjusted gross income in a  
 33 previous year the amount necessary to offset the amount included  
 34 in federal gross income as a result of the deferral of income  
 35 arising from business indebtedness discharged in connection with  
 36 the reacquisition after December 31, 2008, and before January 1,  
 37 2011, of an applicable debt instrument, as provided in Section  
 38 108(i) of the Internal Revenue Code.
- 39 (11) Add an amount equal to any exempt insurance income under  
 40 Section 953(e) of the Internal Revenue Code that is active  
 41 financing income under Subpart F of Subtitle A, Chapter 1,  
 42 Subchapter N of the Internal Revenue Code.



- 1 (12) Add the amount excluded from federal gross income under  
 2 Section 103 of the Internal Revenue Code for interest received on  
 3 an obligation of a state other than Indiana, or a political  
 4 subdivision of such a state, that is acquired by the taxpayer after  
 5 December 31, 2011.
- 6 ~~(e)~~ **(h)** In the case of trusts and estates, "taxable income" (as defined  
 7 for trusts and estates in Section 641(b) of the Internal Revenue Code)  
 8 adjusted as follows:
- 9 (1) Subtract income that is exempt from taxation under this article  
 10 by the Constitution and statutes of the United States.
- 11 (2) Subtract an amount equal to the amount of a September 11  
 12 terrorist attack settlement payment included in the federal  
 13 adjusted gross income of the estate of a victim of the September  
 14 11 terrorist attack or a trust to the extent the trust benefits a victim  
 15 of the September 11 terrorist attack.
- 16 (3) Add or subtract the amount necessary to make the adjusted  
 17 gross income of any taxpayer that owns property for which bonus  
 18 depreciation was allowed in the current taxable year or in an  
 19 earlier taxable year equal to the amount of adjusted gross income  
 20 that would have been computed had an election not been made  
 21 under Section 168(k) of the Internal Revenue Code to apply bonus  
 22 depreciation to the property in the year that it was placed in  
 23 service.
- 24 (4) Add an amount equal to any deduction allowed under Section  
 25 172 of the Internal Revenue Code.
- 26 (5) Add or subtract the amount necessary to make the adjusted  
 27 gross income of any taxpayer that placed Section 179 property (as  
 28 defined in Section 179 of the Internal Revenue Code) in service  
 29 in the current taxable year or in an earlier taxable year equal to  
 30 the amount of adjusted gross income that would have been  
 31 computed had an election for federal income tax purposes not  
 32 been made for the year in which the property was placed in  
 33 service to take deductions under Section 179 of the Internal  
 34 Revenue Code in a total amount exceeding twenty-five thousand  
 35 dollars (\$25,000).
- 36 (6) Add an amount equal to the amount that a taxpayer claimed as  
 37 a deduction for domestic production activities for the taxable year  
 38 under Section 199 of the Internal Revenue Code for federal  
 39 income tax purposes.
- 40 (7) Subtract income that is:
- 41 (A) exempt from taxation under IC 6-3-2-21.7; and  
 42 (B) included in the taxpayer's taxable income under the



1 Internal Revenue Code.

2 (8) Add an amount equal to any income not included in gross  
3 income as a result of the deferral of income arising from business  
4 indebtedness discharged in connection with the reacquisition after  
5 December 31, 2008, and before January 1, 2011, of an applicable  
6 debt instrument, as provided in Section 108(i) of the Internal  
7 Revenue Code. Subtract from the adjusted gross income of any  
8 taxpayer that added an amount to adjusted gross income in a  
9 previous year the amount necessary to offset the amount included  
10 in federal gross income as a result of the deferral of income  
11 arising from business indebtedness discharged in connection with  
12 the reacquisition after December 31, 2008, and before January 1,  
13 2011, of an applicable debt instrument, as provided in Section  
14 108(i) of the Internal Revenue Code.

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

20 SECTION 20. IC 36-7.5-4-2, AS AMENDED BY P.L.197-2016,  
21 SECTION 143, IS AMENDED TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) Except as provided in  
23 subsections (b) and (d), the fiscal officer of each city and county  
24 described in IC 36-7.5-2-3(b) shall each transfer three million five  
25 hundred thousand dollars (\$3,500,000) each year to the development  
26 authority for deposit in the development authority fund established  
27 under section 1 of this chapter. However, if a county having a  
28 population of more than one hundred fifty thousand (150,000) but less  
29 than one hundred seventy thousand (170,000) ceases to be a member  
30 of the development authority and two (2) or more municipalities in the  
31 county have become members of the development authority as  
32 authorized by IC 36-7.5-2-3(i), the transfer of the local income tax  
33 revenue that is dedicated to economic development purposes that is  
34 required to be transferred under IC 6-3.6-11-6 is the contribution of the  
35 municipalities in the county that have become members of the  
36 development authority.

37 (b) This subsection applies only if:

38 (1) the fiscal body of the county described in IC 36-7.5-2-3(e) has  
39 adopted an ordinance under IC 36-7.5-2-3(e) providing that the  
40 county is joining the development authority;

41 (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has  
42 adopted an ordinance under IC 36-7.5-2-3(e) providing that the



- 1 city is joining the development authority; and  
 2 (3) the county described in IC 36-7.5-2-3(e) is an eligible county  
 3 participating in the development authority.  
 4 The fiscal officer of the county described in IC 36-7.5-2-3(e) shall  
 5 transfer two million six hundred twenty-five thousand dollars  
 6 (\$2,625,000) each year to the development authority for deposit in the  
 7 development authority fund established under section 1 of this chapter.  
 8 The fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer  
 9 eight hundred seventy-five thousand dollars (\$875,000) each year to  
 10 the development authority for deposit in the development authority  
 11 fund established under section 1 of this chapter.  
 12 (c) This subsection does not apply to Lake County, Hammond, Gary,  
 13 or East Chicago. The following apply to the remaining transfers  
 14 required by subsections (a) and (b):  
 15 (1) Except for transfers of money described in subdivision (4)(D),  
 16 the transfers shall be made without appropriation by the city or  
 17 county fiscal body or approval by any other entity.  
 18 (2) Except as provided in subdivision (3), each fiscal officer shall  
 19 transfer eight hundred seventy-five thousand dollars (\$875,000)  
 20 to the development authority fund before the last business day of  
 21 January, April, July, and October of each year. Food and beverage  
 22 tax revenue deposited in the fund under IC 6-9-36-8 is in addition  
 23 to the transfers required by this section.  
 24 (3) The fiscal officer of the county described in IC 36-7.5-2-3(e)  
 25 shall transfer six hundred fifty-six thousand two hundred fifty  
 26 dollars (\$656,250) to the development authority fund before the  
 27 last business day of January, April, July, and October of each  
 28 year. The county is not required to make any payments or  
 29 transfers to the development authority covering any time before  
 30 January 1, 2007. The fiscal officer of a city described in  
 31 IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand  
 32 seven hundred fifty dollars (\$218,750) to the development  
 33 authority fund before the last business day of January, April, July,  
 34 and October of each year. The city is not required to make any  
 35 payments or transfers to the development authority covering any  
 36 time before January 1, 2007.  
 37 (4) The transfers shall be made from one (1) or more of the  
 38 following:  
 39 (A) Riverboat admissions tax revenue received by the city or  
 40 county, riverboat wagering tax revenue received by the city or  
 41 county, or riverboat incentive payments received from a  
 42 riverboat licensee by the city or county.



- 1 (B) Any local income tax revenue that is dedicated to  
 2 economic development purposes under IC 6-3.6-6 and  
 3 received under IC 6-3.6-9 by the city or county.  
 4 (C) Any other local revenue other than property tax revenue  
 5 received by the city or county.  
 6 (D) In the case of a county described in IC 36-7.5-2-3(e) or a  
 7 city described in IC 36-7.5-2-3(e), any money from the major  
 8 moves construction fund that is distributed to the county or  
 9 city under IC 8-14-16.
- 10 (d) This subsection applies only to Lake County, Hammond, Gary,  
 11 and East Chicago. The obligations of each city and the county under  
 12 subsection (a) are satisfied by the distributions made by the auditor of  
 13 state on behalf of each unit under IC 4-33-12-6(d) and ~~IC 4-33-13-5(j)~~.  
 14 **IC 4-33-13-5(l)**. However, if the total amount distributed under IC 4-33  
 15 on behalf of a unit with respect to a particular state fiscal year is less  
 16 than the amount required by subsection (a), the fiscal officer of the unit  
 17 shall transfer the amount of the shortfall to the authority from any  
 18 source of revenue available to the unit other than property taxes. The  
 19 auditor of state shall certify the amount of any shortfall to the fiscal  
 20 officer of the unit after making the distribution required by  
 21 ~~IC 4-33-13-5(j)~~ **IC 4-33-13-5(l)** on behalf of the unit with respect to a  
 22 particular state fiscal year.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1350, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 19, after "admitted" insert ".".

Page 4, line 19, strike "to the gambling excursion."

Page 4, line 20, after "owner" insert ".".

Page 4, line 20, strike "conducting the".

Page 4, line 21, strike "gambling excursion." and insert "**This subsection expires July 1, 2018.**".

Page 4, line 22, delete "This" and insert "**Beginning January 1, 2018, this**".

Page 4, line 24, delete "2019," and insert "**2017,**".

Page 4, line 26, after "receipts." insert "**This subsection expires July 1, 2018.**".

Page 4, between lines 40 and 41, begin a new paragraph and insert:

**"(c) Beginning July 1, 2018, a supplemental wagering tax is imposed and authorized under this article at a rate of three percent (3%) of adjusted gross receipts of the prior fiscal year.**

**(d) Beginning July 1, 2019, a supplemental wagering tax is imposed and authorized under this article at a rate of two and nine-tenths percent (2.9%) of adjusted gross receipts of the prior fiscal year.**

**(e) Beginning July 1, 2020, a supplemental wagering tax is imposed and authorized under this article at a rate of two and eight-tenths percent (2.8%) of adjusted gross receipts of the prior fiscal year."**

Page 14, line 23, strike "(a) This section".

Page 14, line 25, delete "does not apply to a riverboat in a historic hotel district."

Page 14, line 26, strike "(b)" and insert "**(a)**".

Page 15, line 17, strike "(c)" and insert "**(b)**".

Page 16, line 8, strike "(d)" and insert "**(c)**".

Page 16, line 14, strike "(e)" and insert "**(d)**".

Page 16, line 17, strike "(f)" and insert "**(e)**".

Page 16, line 19, strike "(g)" and insert "**(f)**".

Page 16, line 23, strike "(h)" and insert "**(g)**".

Page 21, line 8, after "fund." insert "**Beginning July 1, 2019, the division of mental health and addiction shall not receive a supplemental distribution under this subsection.**".



Page 21, line 8, strike "subsection".

Page 21, line 9, strike "(i)," and insert "**subsections (i), (j), or (k),**".

Page 21, line 31, reset in roman "forty-eight".

Page 21, line 31, delete "thirty".

Page 21, line 32, reset in roman "(\$48,000,000)".

Page 21, line 32, delete "(\$30,000,000)".

Page 21, line 33, reset in roman "forty-eight".

Page 21, line 33, delete "thirty".

Page 21, line 34, reset in roman "(\$48,000,000)".

Page 21, line 34, delete "(\$30,000,000)".

Page 21, line 38, after "distribution." insert "**This subsection expires July 1, 2019.**

**(j) This subsection applies to a supplemental distribution made after June 30, 2019. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty-four million dollars (\$44,000,000). If the total amount determined under subsection (g) exceeds forty-four million dollars (\$44,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution. The division of mental health and addiction shall not receive a supplemental distribution under this subsection. This subsection expires July 1, 2020.**

**(k) This subsection applies to a supplemental distribution made after June 30, 2020. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty million dollars (\$40,000,000). If the total amount determined under subsection (g) exceeds forty million dollars (\$40,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution. The division of mental health and addiction shall not receive a supplemental distribution under this subsection."**

Page 21, line 39, strike "(j)" and insert "**(l)**".

Page 21, line 41, strike "(g) and (i)." and insert "**(g), (i), (j), and (k).**".

Page 22, line 14, strike "(k)" and insert "**(m)**".

Page 22, line 41, delete "Add" and insert "**Except as provided in subsections (c), (d), and (e), add**".



Page 23, line 2, delete "However, a taxpayer is".

Page 23, delete lines 3 through 6.

Page 26, line 11, delete "Add" and insert **"Except as provided in subsections (c), (d), and (e), add"**.

Page 26, line 14, delete "However, a taxpayer is".

Page 26, delete lines 15 through 18.

Page 27, between lines 35 and 36, begin a new paragraph and insert:

**"(c) Beginning January 1, 2019, a taxpayer is required to add back under this section seventy percent (70%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes in:**

**(1) subsection (a)(2) if the taxpayer is an individual; or**

**(2) subsection (b)(3) if the taxpayer is a corporation.**

**This subsection expires December 31, 2019.**

**(d) Beginning January 1, 2020, a taxpayer is required to add back under this section forty percent (40%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes in:**

**(1) subsection (a)(2) if the taxpayer is an individual; or**

**(2) subsection (b)(3) if the taxpayer is a corporation.**

**This subsection expires December 31, 2020.**

**(e) Beginning January 1, 2021, a taxpayer is not required to add back under this section any deduction allowed on the taxpayer's federal income tax return for wagering taxes."**

Page 27, line 36, strike "(c)" and insert "(f)".

Page 29, line 17, strike "(d)" and insert "(g)".

Page 30, line 40, strike "(e)" and insert "(h)".

Page 32, after line 11, begin a new paragraph and insert:

"SECTION 20. IC 36-7.5-4-2, AS AMENDED BY P.L.197-2016, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) Except as provided in subsections (b) and (d), the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of the local income tax revenue that is dedicated to economic development purposes that is





required to be transferred under IC 6-3.6-11-6 is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

- (1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;
- (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and
- (3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

The fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars (\$2,625,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. The fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars (\$875,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter.

(c) This subsection does not apply to Lake County, Hammond, Gary, or East Chicago. The following apply to the remaining transfers required by subsections (a) and (b):

- (1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.
- (2) Except as provided in subdivision (3), each fiscal officer shall transfer eight hundred seventy-five thousand dollars (\$875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.
- (3) The fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars (\$656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars (\$218,750) to the development authority fund before the last business day of January, April, July,



and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.

(B) Any local income tax revenue that is dedicated to economic development purposes under IC 6-3.6-6 and received under IC 6-3.6-9 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

(d) This subsection applies only to Lake County, Hammond, Gary, and East Chicago. The obligations of each city and the county under subsection (a) are satisfied by the distributions made by the auditor of state on behalf of each unit under IC 4-33-12-6(d) and ~~IC 4-33-13-5(j)~~. **IC 4-33-13-5(i)**. However, if the total amount distributed under IC 4-33 on behalf of a unit with respect to a particular state fiscal year is less than the amount required by subsection (a), the fiscal officer of the unit shall transfer the amount of the shortfall to the authority from any source of revenue available to the unit other than property taxes. The auditor of state shall certify the amount of any shortfall to the fiscal officer of the unit after making the distribution required by ~~IC 4-33-13-5(j)~~ **IC 4-33-13-5(i)** on behalf of the unit with respect to a particular state fiscal year."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1350 as introduced.)

SMALTZ

Committee Vote: yeas 9, nays 1.

