

# HOUSE BILL No. 1409

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.6-9-15.

**Synopsis:** Local income tax excess balance. Requires the budget agency to make a supplemental distribution to a county from the county's trust account if the budget agency determines that the balance in the county's trust account exceeds 11% (which is a decrease from 15% under current law) of the certified distributions to be made to the county in a determination year. Provides that the amount of the supplemental distribution is equal to the amount by which: (1) the balance in the county trust account; minus (2) the amount of any supplemental or special distribution that has not yet been accounted for in the last known balance of the county's trust account; exceeds 11% (which is a decrease from 15% under current law) of the certified distributions to be made to the county in the determination year.

**Effective:** January 1, 2023 (retroactive); January 1, 2024.

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## Smaltz

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January 17, 2023, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

# HOUSE BILL No. 1409

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

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

1 SECTION 1. IC 6-3.6-9-15, AS AMENDED BY P.L.257-2019,  
2 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2024]: Sec. 15. (a) If the budget agency determines that  
4 the balance in a county trust account exceeds ~~fifteen percent (15%)~~  
5 **eleven percent (11%)** of the certified distributions to be made to the  
6 county in the determination year, the budget agency shall make a  
7 supplemental distribution to the county from the county's trust account.  
8 The budget agency shall use the trust account balance as of December  
9 31 of the year that precedes the determination year by two (2) years  
10 (referred to as the "trust account balance year" in this section).  
11 (b) A supplemental distribution described in subsection (a) must be:  
12 (1) made at the same time as the determinations are provided to  
13 the county auditor under subsection (d)(3); and  
14 (2) allocated in the same manner as certified distributions for the  
15 purposes described in this article.  
16 (c) The amount of a supplemental distribution described in  
17 subsection (a) is equal to the amount by which:



1 (1) the balance in the county trust account; minus  
 2 (2) the amount of any supplemental or special distribution that has  
 3 not yet been accounted for in the last known balance of the  
 4 county's trust account;  
 5 exceeds ~~fifteen percent (15%)~~ **eleven percent (11%)** of the certified  
 6 distributions to be made to the county in the determination year.

7 (d) For a county that qualifies for a supplemental distribution under  
 8 this section in a year, the following apply:

9 (1) Before February 15, the budget agency shall update the  
 10 information described in section 9 of this chapter to include the  
 11 excess account balances to be distributed under this section.

12 (2) Before May 2, the budget agency shall provide the amount of  
 13 the supplemental distribution for the county to the department of  
 14 local government finance and to the county auditor.

15 (3) The department of local government finance shall determine  
 16 for the county and each taxing unit within the county:

17 (A) the amount and allocation of the supplemental distribution  
 18 attributable to the taxes that were imposed as of December 31  
 19 of the trust account balance year, including any specific  
 20 distributions for that year; and

21 (B) the amount of the allocation for each of the purposes set  
 22 forth in this article, using the allocation percentages in effect  
 23 in the trust account balance year.

24 The department of local government finance shall provide these  
 25 determinations to the county auditor before May 16 of the  
 26 determination year.

27 (4) Before June 1, the county auditor shall distribute to each  
 28 taxing unit the amount of the supplemental distribution that is  
 29 allocated to the taxing unit under subdivision (3).

30 For determinations before 2019, the tax rates in effect under and the  
 31 allocation methods specified in the former income tax laws shall be  
 32 used for the determinations under subdivision (3).

33 (e) For any part of a supplemental distribution attributable to  
 34 property tax credits under a former income tax or IC 6-3.6-5, the  
 35 adopting body for the county may allocate the supplemental  
 36 distribution to property tax credits for not more than the three (3) years  
 37 after the year the supplemental distribution is received.

38 (f) Any income earned on money held in a trust account established  
 39 for a county under this chapter shall be deposited in that trust account.

40 SECTION 2. [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]

41 **(a) IC 6-3.6-9-15, as amended by this act, applies to taxable years**  
 42 **beginning after December 31, 2023.**



1       **(b) This SECTION expires July 1, 2026.**  
2       **SECTION 3. An emergency is declared for this act.**

