

# HOUSE BILL No. 1414

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.6; IC 6-3.7; IC 6-8.1-1-1.

**Synopsis:** Local income taxes. Expires the existing local income tax law on December 31, 2021, and adds a new local income tax law effective in 2022 and thereafter. Does the following under the new local income tax law: (1) Authorizes counties, municipalities, and school corporations to each enact a property tax relief tax rate of not more than 0.5%. Provides that in Marion County, municipalities may not enact a property tax relief rate, but the Marion County city-county council may adopt a 1% property tax relief rate. (2) Authorizes counties (other than Marion County), municipalities (other than municipalities in Marion County), and school corporations to each enact an expenditure rate of not more than 0.5%. (3) Provides that if an expenditure rate is imposed by a municipality or school corporation, the municipality or school corporation shall receive the revenue from the tax, and specifies that the revenue may be used for any legal purpose of the municipality or school corporation (including providing additional property tax credits). (4) Provides that if an expenditure rate is imposed by a county other than Marion County, the revenue shall be distributed as certified shares to civil taxing units in the county (other than municipalities and school corporations) on the basis of property tax levies. (5) Authorizes Marion County to enact an expenditure rate of not more than 0.5%, to be distributed as certified shares to the county and to excluded cities in the county on the basis of property tax levies, and provides that the revenue may be used for any legal purpose of the county or excluded cities. (6) Authorizes Marion County to enact an expenditure rate of not more than 0.5%, to be distributed as certified shares to the county and to townships in the county on the basis of  
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**Effective:** Upon passage; July 1, 2017.

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## Thompson

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January 17, 2017, read first time and referred to Committee on Ways and Means.

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Digest Continued

property tax levies, and provides that the revenue may be used for any legal purpose of the county or townships. (7) Specifies that in counties other than Marion County, the revenue from the county's expenditure rate may be allocated to a public safety answering point (PSAP) before the remaining revenue is distributed as certified shares, and provides that the revenue also may be used to provide additional property tax credits. (8) Specifies that in Marion County, the revenue from the county's expenditure rate may be allocated to a public communications system and computer facilities district, a public library, or a public transportation corporation before the remaining revenue is distributed as certified shares, and provides that the revenue also may be used to provide additional property tax credits. (9) Provides that, after May 31, 2017, a political subdivision may not pledge for the payment of bonds, leases, or other obligations any tax revenue received under the current local income tax law. (10) For property taxes due and payable in 2022 and thereafter, requires the department of local government finance to adjust each maximum property tax levy for which a levy freeze amount was applied under the existing local income tax law in 2021. Specifies that the legislative council shall provide for the preparation and introduction of legislation in the 2018 session of the general assembly to correct cross references and make other changes to the Indiana Code, as necessary, to bring other provisions of the Indiana Code into conformity with this act.



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. 1414

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 6-3.6-1-2, AS ADDED BY P.L.243-2015,  
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]: Sec. 2. This article applies to:  
4 (1) taxes and tax liability in effect after December 31, 2016, **and**  
5 **before January 1, 2022;**  
6 (2) homestead and property tax credits against property tax  
7 liability imposed for an assessment date after December 31, 2015,  
8 **and before January 1, 2021;** and  
9 (3) subject to subdivisions (1) and (2), administration of taxes  
10 described in section 3 of this chapter, after December 31, 2016,  
11 **and before January 1, 2022.**  
12 SECTION 2. IC 6-3.6-1-11 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2017]: **Sec. 11. This article expires December 31, 2021.**  
15 SECTION 3. IC 6-3.6-1-12 IS ADDED TO THE INDIANA CODE  
16 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
17 UPON PASSAGE]: **Sec. 12. After May 31, 2017, a political**



1 **subdivision may not pledge tax revenue received under this article**  
 2 **for the payment of any bonds, leases, or other obligations.**

3 SECTION 4. IC 6-3.6-6-18, AS ADDED BY P.L.243-2015,  
 4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 UPON PASSAGE]: Sec. 18. A civil taxing unit may **before June 1,**  
 6 **2017**, pledge its certified shares to the payment of bonds or to lease  
 7 payments for:

- 8 (1) any purpose of the civil taxing unit;  
 9 (2) any purpose of another governmental entity located in any part  
 10 in the county, including a governmental entity organized on a  
 11 regional basis; or  
 12 (3) any purpose for which certified shares may be used under  
 13 IC 6-3.6-10.

14 The pledge must be approved in an ordinance adopted by the fiscal  
 15 body of the political subdivision.

16 SECTION 5. IC 6-3.6-7-12, AS AMENDED BY P.L.197-2016,  
 17 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]: Sec. 12. (a) This section applies only to Jasper  
 19 County.

20 (b) The county council may, by ordinance, determine that additional  
 21 local income tax revenue is needed in the county to:

- 22 (1) finance, construct, acquire, improve, renovate, or equip:  
 23 (A) jail facilities;  
 24 (B) juvenile court, detention, and probation facilities;  
 25 (C) other criminal justice facilities; and  
 26 (D) related buildings and parking facilities;  
 27 located in the county, including costs related to the demolition of  
 28 existing buildings and the acquisition of land; and  
 29 (2) repay bonds issued or leases entered into for the purposes  
 30 described in subdivision (1).

31 (c) The county council may, by ordinance, determine that additional  
 32 local income tax revenue is also needed in the county to operate or  
 33 maintain any of the facilities described in subsection (b)(1)(A) through  
 34 (b)(1)(D) that are located in the county. The county council may make  
 35 a determination under both this subsection and subsection (b).

36 (d) The county council may impose a tax rate of:

- 37 (1) fifteen-hundredths percent (0.15%);  
 38 (2) two-tenths percent (0.2%); or  
 39 (3) twenty-five hundredths percent (0.25%);

40 on the adjusted gross income of local taxpayers if the adopting body  
 41 makes a finding and determination set forth in subsection (b) or (c).

42 (e) If the county council imposes the tax under this section to pay



- 1 for the purposes described in both subsections (b) and (c), when:
- 2 (1) the financing, construction, acquisition, improvement,
- 3 renovation, and equipping described in subsection (b) are
- 4 completed; and
- 5 (2) all bonds issued or leases entered into to finance the
- 6 construction, acquisition, improvement, renovation, and
- 7 equipping described in subsection (b) are fully paid;
- 8 the county council shall, subject to subsection (d), establish a tax rate
- 9 under this section by ordinance such that the revenue from the tax does
- 10 not exceed the costs of operating and maintaining the jail facilities
- 11 described in subsection (b)(1)(A). The tax rate may not be imposed at
- 12 a rate greater than is necessary to carry out the purposes described in
- 13 subsections (b) and (c), as applicable.
- 14 (f) The tax imposed under this section may be imposed only until
- 15 the latest of the following:
- 16 (1) The date on which the financing, construction, acquisition,
- 17 improvement, renovation, and equipping described in subsection
- 18 (b) are completed.
- 19 (2) The date on which the last of any bonds issued or leases
- 20 entered into to finance the construction, acquisition,
- 21 improvement, renovation, and equipping described in subsection
- 22 (b) are fully paid.
- 23 (3) The date on which an ordinance adopted under subsection (c)
- 24 is rescinded.
- 25 (g) The term of the bonds issued (including any refunding bonds) or
- 26 a lease entered into under subsection (b)(2) may not exceed twenty (20)
- 27 years.
- 28 (h) The county treasurer shall establish a criminal justice facilities
- 29 revenue fund to be used only for purposes described in this section.
- 30 Revenue derived from the tax imposed under this section shall be
- 31 deposited in the criminal justice facilities revenue fund.
- 32 (i) Revenue derived from the tax imposed under this section:
- 33 (1) may be used only for the purposes described in this section;
- 34 (2) may not be considered by the department of local government
- 35 finance in determining the county's maximum permissible
- 36 property tax levy limit under IC 6-1.1-18.5; and
- 37 (3) may be pledged **before June 1, 2017**, to the repayment of
- 38 bonds issued or leases entered into for any or all the purposes
- 39 described in subsection (b).
- 40 (j) Notwithstanding any other law, money remaining in the criminal
- 41 justice facilities revenue fund established under subsection (h) after the
- 42 tax imposed by this section is terminated under subsection (f) shall be



1 transferred to the county highway fund to be used for construction,  
2 resurfacing, restoration, and rehabilitation of county highways, roads,  
3 and bridges.

4 SECTION 6. IC 6-3.6-7-19.5, AS ADDED BY P.L.197-2016,  
5 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 UPON PASSAGE]: Sec. 19.5. (a) This section applies to Rush County.

7 (b) The county council may, by ordinance, determine that additional  
8 local income tax revenue is needed in the county to do the following:

9 (1) Finance, construct, acquire, improve, renovate, and equip the  
10 county jail and related buildings and parking facilities, including  
11 costs related to the demolition of existing buildings, the  
12 acquisition of land, and any other reasonably related costs.

13 (2) Repay bonds issued or leases entered into for the purposes  
14 described in subdivision (1).

15 (3) Operate and maintain the facilities described in subdivision  
16 (1).

17 (c) If the county council makes the determination set forth in  
18 subsection (b), the county council may adopt an ordinance to impose  
19 a local income tax rate of:

20 (1) fifteen-hundredths percent (0.15%);

21 (2) two-tenths percent (0.2%);

22 (3) twenty-five hundredths percent (0.25%);

23 (4) three-tenths percent (0.3%);

24 (5) thirty-five hundredths percent (0.35%);

25 (6) four-tenths percent (0.4%);

26 (7) forty-five hundredths percent (0.45%);

27 (8) five-tenths percent (0.5%);

28 (9) fifty-five hundredths percent (0.55%); or

29 (10) six-tenths percent (0.6%).

30 The tax rate may not be greater than the rate necessary to pay for the  
31 purposes described in subsection (b).

32 (d) The tax rate used to pay for the purposes described in subsection  
33 (b)(1) and (b)(2) may be imposed only until the latest of the following  
34 dates:

35 (1) The date on which the financing, construction, acquisition,  
36 improvement, and equipping of the facilities as described in  
37 subsection (b) are completed.

38 (2) The date on which the last of any bonds issued (including  
39 refunding bonds) or leases entered into to finance the  
40 construction, acquisition, improvement, renovation, and  
41 equipping of the facilities described in subsection (b) are fully  
42 paid.



- 1           (3) The date on which an ordinance adopted under subsection (c)  
2           is rescinded.
- 3           (e) If the county council imposes a tax under this section to pay for  
4           the purposes described in subsection (b)(1) and (b)(2), in the year  
5           before the facilities are ready for occupancy, the county council shall  
6           by ordinance establish a tax rate at a rate permitted under subsection  
7           (c) so that the revenue from the tax rate established under this  
8           subsection does not exceed the costs of operating and maintaining the  
9           facilities described in subsection (b). The tax rate under this subsection  
10          may be imposed beginning in the year following the year the ordinance  
11          is adopted and until the date on which the ordinance adopted under this  
12          subsection is rescinded.
- 13          (f) The term of a bond issued (including any refunding bond) or a  
14          lease entered into under subsection (b) may not exceed twenty-five (25)  
15          years.
- 16          (g) The county treasurer shall establish a county jail revenue fund  
17          to be used only for the purposes described in this section. Local income  
18          tax revenues derived from the tax rate imposed under this section shall  
19          be deposited in the county jail revenue fund.
- 20          (h) Local income tax revenues derived from the tax rate imposed  
21          under this section:
- 22                (1) may be used only for the purposes described in this section;  
23                (2) may not be considered by the department of local government  
24                finance in determining the county's maximum permissible  
25                property tax levy limit under IC 6-1.1-18.5; and  
26                (3) may be pledged **before June 1, 2017**, to the repayment of  
27                bonds issued or leases entered into for the purposes described in  
28                subsection (b).
- 29          (i) Rush County possesses unique governmental and economic  
30          development challenges and opportunities due to the following:
- 31                (1) Deficiencies in the current county jail, including the  
32                following:
- 33                    (A) Aging facilities that have not been significantly improved  
34                    or renovated since the original construction.  
35                    (B) Lack of recreation and medical facilities.  
36                    (C) Inadequate line of sight supervision of inmates due to the  
37                    configuration of the aging jail.  
38                    (D) Lack of adequate housing for an increasing female inmate  
39                    population and for inmates with special needs.  
40                    (E) Lack of adequate administrative space.  
41                    (F) Increasing maintenance demands and costs resulting from  
42                    having aging facilities.



- 1           (2) A limited industrial and commercial assessed valuation in the  
2           county.
- 3           The use of local income tax revenues as provided in this section is  
4           necessary for the county to provide adequate jail capacity in the county  
5           and to maintain low property tax rates essential to economic  
6           development. The use of local income tax revenues as provided in this  
7           section to pay any bonds issued or leases entered into to finance the  
8           construction, acquisition, improvement, renovation, and equipping of  
9           the facilities described in subsection (b), rather than the use of property  
10          taxes, promotes those purposes.
- 11          (j) Money accumulated from the local income tax rate imposed  
12          under this section after the termination of the tax under this section  
13          shall be transferred to the county rainy day fund under IC 36-1-8-5.1.
- 14          SECTION 7. IC 6-3.6-7-21.5, AS ADDED BY P.L.197-2016,  
15          SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16          UPON PASSAGE]: Sec. 21.5. (a) This section applies only to Tipton  
17          County.
- 18          (b) The county council may, by ordinance, determine that additional  
19          local income tax revenue is needed in the county to:
- 20               (1) finance the:
- 21                   (A) construction, acquisition, and equipping of the county jail  
22                   and related buildings and parking facilities, including costs  
23                   related to the demolition of existing buildings, the acquisition  
24                   of land, and any other reasonably related costs; and  
25                   (B) improvement, renovation, remodeling, repair, and  
26                   equipping of the courthouse to address security concerns and  
27                   mitigate excess moisture in the courthouse; and
- 28               (2) repay bonds issued or leases entered into for the purposes  
29               described in subdivision (1).
- 30          (c) If the county council makes the determination set forth in  
31          subsection (b), the county council may adopt an ordinance to impose  
32          a local income tax rate of:
- 33               (1) fifteen-hundredths percent (0.15%);  
34               (2) two-tenths percent (0.2%);  
35               (3) twenty-five hundredths percent (0.25%);  
36               (4) three-tenths percent (0.3%);  
37               (5) thirty-five hundredths percent (0.35%); or  
38               (6) four-tenths percent (0.4%).
- 39          The tax rate may not be imposed at a rate greater than is necessary to  
40          pay for the purposes described in subsection (b).
- 41          (d) The tax imposed under this section may be imposed only until  
42          the later of the date on which:





- 1 (1) the financing for constructing, acquisition, improvement,  
 2 renovation, remodeling, and equipping described in subsection (b)  
 3 is completed; or  
 4 (2) the last of any bonds issued or leases entered into to finance  
 5 the construction, acquisition, improvement, renovation,  
 6 remodeling, and equipping described in subsection (b) are fully  
 7 paid.
- 8 The term of the bonds issued (including any refunding bonds) or a  
 9 lease entered into under subsection (b)(2) may not exceed twenty (20)  
 10 years.
- 11 (e) The county treasurer shall establish a county facilities revenue  
 12 fund to be used only for the purposes described in this section. Local  
 13 income tax revenues derived from the tax rate imposed under this  
 14 section shall be deposited in the county facilities revenue fund.
- 15 (f) Local income tax revenues derived from the tax rate imposed  
 16 under this section:
- 17 (1) may be used only for the purposes described in this section;  
 18 (2) may not be considered by the department of local government  
 19 finance in determining the county's maximum permissible ad  
 20 valorem property tax levy limit under IC 6-1.1-18.5; and  
 21 (3) may be pledged **before June 1, 2017**, to the repayment of  
 22 bonds issued or leases entered into for the purposes described in  
 23 subsection (b).
- 24 (g) Tipton County possesses unique governmental and economic  
 25 development challenges and opportunities due to:
- 26 (1) the county's heavy agricultural base;  
 27 (2) deficiencies in the current county jail, including:  
 28 (A) overcrowding;  
 29 (B) lack of program and support space for efficient jail  
 30 operations;  
 31 (C) inadequate line of sight supervision of inmates, due to  
 32 current jail configuration;  
 33 (D) lack of adequate housing for an increasing female inmate  
 34 population and inmates with special needs;  
 35 (E) lack of adequate administrative space; and  
 36 (F) increasing maintenance demands and costs resulting from  
 37 having aging facilities;  
 38 (3) the presence of a large industrial employer that offers the  
 39 opportunity to expand the income tax base; and  
 40 (4) the presence of the historic Tipton County jail and sheriff's  
 41 home, listed on the National Register of Historic Places.  
 42 The use of local income tax revenue as provided in this section is



1 necessary for the county to provide adequate jail facilities in the county  
 2 and to maintain low property tax rates essential to economic  
 3 development. The use of local income tax revenues as provided in this  
 4 section to pay any bonds issued or leases entered into to finance the  
 5 construction, acquisition, improvement, renovation, remodeling, and  
 6 equipping described in subsection (b), rather than the use of property  
 7 taxes, promotes those purposes.

8 (h) Money accumulated from the local income tax rate imposed  
 9 under this section after:

10 (1) the redemption of bonds issued; or

11 (2) the final payment of lease rentals due under a lease entered  
 12 into under this section;

13 shall be transferred to the county rainy day fund under IC 36-1-8-5.1.

14 SECTION 8. IC 6-3.6-10-3, AS ADDED BY P.L.243-2015,  
 15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 UPON PASSAGE]: Sec. 3. (a) The fiscal body of a county, city, or  
 17 town may issue bonds payable from revenue under IC 6-3.6-6.  
 18 **However, after May 31, 2017, a political subdivision may not**  
 19 **pledge tax revenue received under this article for the payment of**  
 20 **any bonds.** The bonds must be for economic development projects.

21 (b) The fiscal body of a county, city, or town may issue bonds  
 22 payable from revenue described in section 2 of this chapter for any  
 23 capital project for which the fiscal body is authorized to issue general  
 24 obligation bonds. The bonds issued under this section may be payable  
 25 from the tax if the county option income tax (IC 6-3.5-6 repealed), the  
 26 county adjusted gross income tax (IC 6-3.5-1.1 repealed), or a tax  
 27 under IC 6-3.6-6 is also in effect in the county at the time the bonds are  
 28 issued.

29 (c) If there are bonds outstanding that have been issued under this  
 30 section, or leases in effect under section 4 of this chapter, the adopting  
 31 body may not reduce the tax imposed under IC 6-3.6-6, or an allocation  
 32 under IC 6-3.6-6-9, or certified shares pledged to repay bonds, as  
 33 appropriate, below a rate that would produce one and twenty-five  
 34 hundredths (1.25) times the total of the highest annual debt service on  
 35 the bonds to their final maturity, plus the highest annual lease  
 36 payments, unless:

37 (1) the body that imposed a tax under IC 6-3.6-6; or

38 (2) any city, town, or county;

39 pledges all or a part of its certified shares for the life of the bonds or the  
 40 term of the lease, in an amount that is sufficient, when combined with  
 41 the amount pledged by the city, town, or county that issued the bonds,  
 42 to produce one and twenty-five hundredths (1.25) times the total of the



1 highest outstanding annual debt service plus the highest annual lease  
2 payments.

3 (d) For purposes of subsection (c), the determination of a tax rate  
4 sufficient to produce one and twenty-five hundredths (1.25) times the  
5 total of the highest outstanding annual debt service plus the highest  
6 annual lease payments must be based on an average of the immediately  
7 preceding three (3) years tax collections, if the tax has been imposed  
8 for the last preceding three (3) years. If the tax has not been imposed  
9 for the last preceding three (3) years, the body that imposed the tax may  
10 not reduce the rate below a rate that would produce one and twenty-five  
11 hundredths (1.25) times the total of the highest annual debt service,  
12 plus the highest annual lease payments, based upon a study by a  
13 qualified public accountant or financial advisor.

14 (e) IC 6-1.1-20 does not apply to the issuance of bonds under this  
15 section.

16 (f) Bonds issued under this section may be sold at a public sale in  
17 accordance with IC 5-1-11 or may be sold at a negotiated sale.

18 (g) After a sale of bonds under this section, the county auditor shall  
19 prepare a debt service schedule for the bonds.

20 (h) The general assembly covenants that it will not repeal or amend  
21 this article in a manner that would adversely affect owners of  
22 outstanding bonds issued, or payment of any lease rentals due, under  
23 this section.

24 SECTION 9. IC 6-3.7 IS ADDED TO THE INDIANA CODE AS A  
25 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
26 2017]:

27 **ARTICLE 3.7. LOCAL INCOME TAX**

28 **Chapter 1. Application**

29 **Sec. 1. Notwithstanding the July 1, 2017, effective date of this**  
30 **article and notwithstanding any other law:**

31 **(1) an adopting body may not take any action before May 1,**  
32 **2021, to impose a tax under this article; and**

33 **(2) a tax rate imposed under this article may not take effect**  
34 **before January 1, 2022.**

35 **Chapter 2. Definitions**

36 **Sec. 1. The definitions in this chapter apply throughout this**  
37 **article.**

38 **Sec. 2. (a) Subject to subsections (b) and (c), "adjusted gross**  
39 **income" has the meaning set forth in IC 6-3-1-3.5.**

40 **(b) In the case of an individual who is not a resident of Indiana,**  
41 **the term includes only adjusted gross income derived from the**  
42 **individual's principal place of business or employment within an**



1 eligible unit that imposes a tax under this article.

2 (c) In the case of a resident local taxpayer of Perry County, the  
3 term does not include adjusted gross income described in  
4 IC 6-3.7-8-7.

5 Sec. 3. "Adopting body" has the meaning set forth in  
6 IC 6-3.7-3-1.

7 Sec. 4. "Allocation amount" refers to an amount that qualifies  
8 as an allocation amount under IC 6-3.7-6-11.

9 Sec. 5. "Attributed allocation amount" equals the sum of:

10 (1) the allocation amount of a political subdivision for that  
11 calendar year; plus

12 (2) in the case of a county, the welfare allocation amount.

13 Sec. 6. "Certified distribution" refers to the amount certified  
14 under IC 6-3.7-9-5(b), as adjusted under IC 6-3.7-9.

15 Sec. 7. "Certified shares" refers to the amount distributed as  
16 certified shares under IC 6-3.7-6 from revenue raised from a tax  
17 imposed by a county under IC 6-3.7-6.

18 Sec. 8. "Eligible unit" means any of the following:

19 (1) A county.

20 (2) A municipality, other than an included town or an  
21 excluded city.

22 (3) A school corporation.

23 Sec. 9. "Excluded city" has the meaning set forth in IC 36-3-1-7.

24 Sec. 10. "Executive" has the meaning set forth in IC 36-1-2-5.

25 Sec. 11. "Fiscal body" has the meaning set forth in IC 36-1-2-6.

26 Sec. 12. "Impose" includes adopt, amend, increase, decrease,  
27 and rescind.

28 Sec. 13. "Included town" has the meaning set forth in  
29 IC 36-3-1-7.

30 Sec. 14. "Local taxpayer", as it relates to a particular eligible  
31 unit that may impose a tax under this article, means the following:

32 (1) An individual who resides in that eligible unit on the date  
33 specified in IC 6-3.7-8-3.

34 (2) An individual who is not a resident of Indiana and  
35 maintains the individual's principal place of business or  
36 employment in that eligible unit on the date specified in  
37 IC 6-3.7-8-3.

38 Sec. 15. "PSAP" means a PSAP (as defined in IC 36-8-16.7-20)  
39 that is part of the statewide 911 system (as defined in  
40 IC 36-8-16.7-22).

41 Sec. 16. "Qualified civil taxing unit" means the following:

42 (1) For purposes of the distribution of certified shares in a



1 county other than Marion County, the term means any entity  
2 having the power to impose ad valorem property taxes, other  
3 than a school corporation or a municipality. The term does  
4 not include a solid waste management district unless the  
5 county fiscal body has approved a distribution under  
6 IC 6-3.7-6-8(c).

7 (2) For purposes of the distribution of certified shares from  
8 revenue received from a tax imposed under IC 6-3.7-6-1(b)(1)  
9 in Marion County, the term includes only Marion County and  
10 the excluded cities.

11 (3) For purposes of the distribution of certified shares from  
12 revenue received from a tax imposed under IC 6-3.7-6-1(b)(2)  
13 in Marion County, the term includes only Marion County and  
14 the townships located in Marion County.

15 Sec. 17. "School corporation" has the meaning set forth in  
16 IC 6-1.1-1-16. The term does not include a charter school.

17 Sec. 18. "Tax" refers to a tax imposed under this article.

18 Sec. 19. "Welfare allocation amount" means the sum of the  
19 following:

20 (1) The amount of the property taxes imposed by the county  
21 in 1999 for the county's welfare fund and welfare  
22 administration fund.

23 (2) If the county received a certified distribution in 2008  
24 under IC 6-3.5-1.1 (before its repeal), IC 6-3.5-6 (before its  
25 repeal), or IC 6-3.5-7 (before its repeal), an amount equal to  
26 the sum of:

27 (A) the amount of property taxes imposed by the county in  
28 2008 for the county's county medical assistance to wards  
29 fund, family and children's fund, children's psychiatric  
30 residential treatment services fund, county hospital care  
31 for the indigent fund, and children with special health care  
32 needs county fund; plus

33 (B) in the case of Marion County, thirty-five million dollars  
34 (\$35,000,000).

35 Chapter 3. Adopting Body; Adoption Procedures; Effective  
36 Date of Ordinances and Resolutions

37 Sec. 1. (a) The following are the adopting bodies for purposes of  
38 this article:

39 (1) The fiscal body, in the case of an eligible unit that is a  
40 county or municipality.

41 (2) The governing body, in the case of an eligible unit that is  
42 a school corporation.



1           **(b) In the case of Marion County and the city of Indianapolis,**  
 2 **the county and the city are considered to be one (1) eligible unit for**  
 3 **purposes of this article (referred to as Marion County in this**  
 4 **article), whose adopting body is the Marion County city-county**  
 5 **council.**

6           **Sec. 2. (a) In the case of a county or municipality, the adopting**  
 7 **body may take an action under this article only by ordinance.**

8           **(b) In the case of a school corporation, the adopting body may**  
 9 **take an action under this article only by resolution.**

10           **(c) The department of local government finance, in consultation**  
 11 **with the department of state revenue, shall prescribe and make**  
 12 **available electronically the uniform notices, ordinances, and**  
 13 **resolutions for use by an adopting body to take an action under this**  
 14 **article.**

15           **(d) An adopting body may submit a proposed notice, ordinance,**  
 16 **or resolution to the department of local government finance for**  
 17 **review. The department of local government finance shall provide**  
 18 **to the submitting adopting body a determination of the**  
 19 **appropriateness of the proposed notice, ordinance, or resolution,**  
 20 **including recommended modifications, not later than thirty (30)**  
 21 **days after receiving the proposed notice, ordinance, or resolution.**

22           **(e) The department of local government finance shall prescribe**  
 23 **the hearing requirements and procedures to be used for the**  
 24 **following:**

25           **(1) Submitting notice and vote results on ordinances and**  
 26 **resolutions under this article.**

27           **(2) Adopting and submitting an ordinance or a resolution**  
 28 **under this article.**

29           **(f) An action taken by an adopting body under this article is not**  
 30 **effective unless the adopting body satisfies all the requirements**  
 31 **prescribed by the department of local government finance.**

32           **Sec. 3. (a) Subject to IC 6-3.7-1-1, an ordinance or resolution**  
 33 **adopted under this article takes effect as provided in this section.**

34           **(b) An ordinance or resolution that adopts, increases, decreases,**  
 35 **or rescinds a tax or a tax rate takes effect as follows:**

36           **(1) An ordinance or resolution adopted after December 31 of**  
 37 **the immediately preceding year and before September 1 of the**  
 38 **current year takes effect on October 1 of the current year.**

39           **(2) An ordinance or resolution adopted after August 31 and**  
 40 **before November 1 of the current year takes effect on**  
 41 **January 1 of the following year.**

42           **(3) An ordinance or resolution adopted after October 31 of**



- 1           the current year and before January 1 of the following year  
 2           takes effect on October 1 of the following year.
- 3           (c) Subject to IC 6-3.7-1-1, an ordinance or resolution that  
 4           grants, increases, decreases, rescinds, or changes a credit against  
 5           the property tax liability of a taxpayer takes effect as follows:
- 6           (1) An ordinance or resolution adopted after December 31 of  
 7           the immediately preceding year and before November 2 of the  
 8           current year:
- 9           (A) takes effect on January 1 of; and  
 10           (B) applies to property taxes first due and payable in;  
 11           the year immediately following the year in which the  
 12           ordinance is adopted.
- 13           (2) An ordinance or resolution adopted after November 1 of  
 14           the current year and before January 1 of the immediately  
 15           succeeding year:
- 16           (A) takes effect on January 1 of; and  
 17           (B) applies to property taxes first due and payable in;  
 18           the year that follows the current year by two (2) years.
- 19           (d) Subject to IC 6-3.7-1-1, an ordinance or resolution not  
 20           described in subsection (b) or (c) takes effect as provided under  
 21           IC 36 for other ordinances or resolutions of the governmental  
 22           entity adopting the ordinance or resolution.
- 23           Sec. 4. (a) Except for a tax rate that has an expiration date, a tax  
 24           rate remains in effect until the effective date of an ordinance or  
 25           resolution that increases, decreases, or rescinds that tax rate.
- 26           (b) A tax rate may not be changed more than once each year  
 27           under this article.
- 28           Sec. 5. An adopting body shall record all votes taken on  
 29           ordinances or resolutions presented for a vote under this article  
 30           and not more than ten (10) days after the vote, send a certified  
 31           copy of the results to:
- 32           (1) the commissioner of the department of state revenue; and  
 33           (2) the commissioner of the department of local government  
 34           finance;
- 35           in an electronic format approved by the commissioner of the  
 36           department of local government finance.
- 37           Sec. 6. (a) Before an adopting body may vote on a proposed  
 38           ordinance or resolution under this article, the adopting body must  
 39           hold a public hearing on the proposed ordinance or resolution and  
 40           provide the public with notice of the date, time, and place where  
 41           the public hearing will be held.
- 42           (b) The notice required by subsection (a) must be given in



1 accordance with IC 5-3-1 and include the proposed ordinance or  
2 resolution.

3 (c) In addition to the notice required by subsection (a), the  
4 adopting body shall also provide a copy of the notice to all taxing  
5 units in the county at least ten (10) days before the public hearing.

6 **Chapter 4. Imposition of Tax**

7 **Sec. 1. A tax is imposed on the adjusted gross income of an**  
8 **individual at a tax rate that is a sum of the tax rates imposed under**  
9 **this article by:**

- 10 (1) the county;  
11 (2) the municipality (if any); and  
12 (3) the school corporation;

13 **in which the individual is a local taxpayer.**

14 **Sec. 2. Subject to section 3 of this chapter, a tax rate authorized**  
15 **under IC 6-3.7-5, IC 6-3.7-6, or IC 6-3.7-7 may be adopted,**  
16 **increased, decreased, or rescinded without adopting, increasing,**  
17 **decreasing, or rescinding a tax rate authorized by either of the two**  
18 **(2) other chapters. However, an adopting body may:**

- 19 (1) adopt, increase, decrease, or rescind a tax authorized  
20 under a particular chapter of this article; and  
21 (2) adopt, increase, decrease, or rescind a tax authorized  
22 under another chapter of this article;

23 **in the same ordinance or resolution.**

24 **Sec. 3. (a) If a municipality or school corporation has bonds or**  
25 **leases that are outstanding and are payable from a tax imposed by**  
26 **the municipality or school corporation under IC 6-3.7-6-1(a), the**  
27 **adopting body of the municipality or school corporation may not**  
28 **reduce the tax rate below a rate that would produce one and**  
29 **twenty-five hundredths (1.25) times the total of the highest annual**  
30 **outstanding debt service plus the highest annual lease payments**  
31 **plus any amount required under the agreements for the bonds or**  
32 **leases to be deposited in a sinking fund or other reserve, unless:**

- 33 (1) the adopting body; or  
34 (2) any city, town, or county;

35 **pledges all or a part of its share of revenues from the tax imposed**  
36 **under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term**  
37 **of the lease, in an amount that is sufficient, when combined with**  
38 **the amount pledged by the municipality or school corporation that**  
39 **issued the bonds, to produce one and twenty-five hundredths (1.25)**  
40 **times the total of the highest annual outstanding debt service plus**  
41 **the highest annual lease payments plus the amount required under**  
42 **the agreements for the bonds or leases to be deposited in a sinking**





- 1 fund or other reserve.
- 2 (b) If a county, excluded city, or township has bonds or leases  
3 that are outstanding and are payable from a tax imposed by the  
4 county under IC 6-3.7-6-1(b)(1) or IC 6-3.7-6-1(b)(2), the adopting  
5 body of the county may not reduce the tax rate below a rate that  
6 would produce one and twenty-five hundredths (1.25) times the  
7 total of the highest annual outstanding debt service plus the highest  
8 annual lease payments plus any amount required under the  
9 agreements for the bonds or leases to be deposited in a sinking fund  
10 or other reserve, unless:
- 11 (1) the adopting body; or
- 12 (2) any city, town, or county;
- 13 pledges all or a part of its share of revenues from the tax imposed  
14 under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term  
15 of the lease, in an amount that is sufficient, when combined with  
16 the amount pledged by the county, excluded city, or township that  
17 issued the bonds, to produce one and twenty-five hundredths (1.25)  
18 times the total of the highest annual outstanding debt service plus  
19 the highest annual lease payments plus the amount required under  
20 the agreements for the bonds or leases to be deposited in a sinking  
21 fund or other reserve.
- 22 (c) If there are bonds or leases outstanding that are payable  
23 from a tax imposed under IC 6-3.7-7, the adopting body of a county  
24 may not reduce the tax rate below a rate that would produce one  
25 and twenty-five hundredths (1.25) times the total of the highest  
26 annual outstanding debt service plus the highest annual lease  
27 payments plus any amount required under the agreements for the  
28 bonds or leases to be deposited in a sinking fund or other reserve,  
29 unless:
- 30 (1) the adopting body; or
- 31 (2) any city, town, or county;
- 32 pledges all or a part of its share of revenues from the tax imposed  
33 under IC 6-3.7-6 or IC 6-3.7-7 for the life of the bonds or the term  
34 of the lease, in an amount that is sufficient, when combined with  
35 the amount pledged by the county that issued the bonds, to produce  
36 one and twenty-five hundredths (1.25) times the total of the highest  
37 annual outstanding debt service plus the highest annual lease  
38 payments plus the amount required under the agreements for the  
39 bonds or leases to be deposited in a sinking fund or other reserve.
- 40 (d) For purposes of this section, the determination of a tax rate  
41 sufficient to produce one and twenty-five hundredths (1.25) times  
42 the total of the highest outstanding annual debt service plus the



1 highest annual lease payments must be based on an average of the  
 2 immediately preceding three (3) years tax collections, if the tax has  
 3 been imposed for the last preceding three (3) years. If the tax has  
 4 not been imposed for the last preceding three (3) years, the body  
 5 that imposed the tax may not reduce the rate below a rate that  
 6 would produce one and twenty-five hundredths (1.25) times the  
 7 total of the highest annual debt service, plus the highest annual  
 8 lease payments, based upon a study by a qualified public  
 9 accountant or financial adviser.

10 (e) To inform an adopting body concerning the payment of  
 11 bonds, leases, or other obligations, a political subdivision may  
 12 provide the adopting body with information regarding any  
 13 outstanding bonds, leases, or other obligations that are secured by  
 14 additional revenue.

15 **Chapter 5. Property Tax Relief Rates**

16 **Sec. 1.** The adopting body of an eligible unit may impose a tax  
 17 under section 6 of this chapter on the adjusted gross income of  
 18 individuals who are local taxpayers of the eligible unit. However,  
 19 a municipality that is an excluded city or an included town may not  
 20 impose a tax under this chapter.

21 **Sec. 2.** A tax imposed under this chapter shall be treated as  
 22 property taxes for all purposes. However, the department of local  
 23 government finance may not reduce:

24 (1) a taxing unit's maximum permissible property tax levy  
 25 limit under IC 6-1.1-18.5; or

26 (2) the approved property tax levy or rate for any fund of a  
 27 taxing unit;

28 because of any credits granted under this chapter.

29 **Sec. 3.** To impose a tax under this chapter, an adopting body of  
 30 an eligible unit must adopt an ordinance (in the case of a county or  
 31 municipality) or a resolution (in the case of a school corporation)  
 32 finding and determining that revenues from the tax are needed for  
 33 the purposes described in section 6 of this chapter.

34 **Sec. 4. (a)** A credit granted under this chapter shall be applied  
 35 to reduce the property tax liability of a taxpayer before the  
 36 application of a credit granted under IC 6-1.1-20.4 or  
 37 IC 6-1.1-20.6.

38 (b) A reduction in property taxes granted under section 6 of this  
 39 chapter shall be applied to reduce the property tax liability of a  
 40 taxpayer in the order set forth in section 6 of this chapter.

41 **Sec. 5.** The auditor of state shall assist adopting bodies and  
 42 county auditors in calculating credit percentages and amounts



1 under this article.

2 **Sec. 6. (a) This subsection does not apply to the adopting body**  
 3 **of Marion County. The adopting body of an eligible unit may**  
 4 **impose a tax rate under this chapter that does not exceed**  
 5 **five-tenths of one percent (0.5%) on the adjusted gross income of**  
 6 **individuals who are local taxpayers of the eligible unit.**

7 **(b) The adopting body of Marion County may impose a tax rate**  
 8 **under this chapter that does not exceed one percent (1%) on the**  
 9 **adjusted gross income of individuals who are local taxpayers of the**  
 10 **county.**

11 **(c) Revenues from a tax imposed by an eligible unit under this**  
 12 **section may be used only for the purpose of funding a property tax**  
 13 **credit against property taxes imposed by the eligible unit, applied**  
 14 **on a percentage basis to reduce the property tax liability of**  
 15 **taxpayers with tangible property located in the eligible unit as**  
 16 **authorized under this section. However, property taxes imposed by**  
 17 **the eligible unit due to a referendum in which a majority of the**  
 18 **voters in the eligible unit imposing the property taxes approved the**  
 19 **property taxes are not eligible for a credit under this section.**

20 **(d) The adopting body of an eligible unit shall specify by**  
 21 **ordinance (in the case of a county or municipality) or resolution (in**  
 22 **the case of a school corporation) how the revenue from the tax**  
 23 **shall be applied to provide property tax credits in subsequent**  
 24 **years. The ordinance or resolution must be adopted as provided in**  
 25 **IC 6-3.7-3 and takes effect and applies to property taxes as**  
 26 **specified in IC 6-3.7-3-3. The ordinance or resolution continues to**  
 27 **apply thereafter until it is rescinded or modified. The property tax**  
 28 **credits may be allocated to all property categories or among any**  
 29 **combination of the following categories:**

30 **(1) For all tangible property within the eligible unit, at a**  
 31 **uniform percentage credit rate.**

32 **(2) For homesteads eligible for a credit under**  
 33 **IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax**  
 34 **liability for the property to one percent (1%).**

35 **(3) For residential property, long term care property,**  
 36 **agricultural land, and other tangible property (if any) eligible**  
 37 **for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's**  
 38 **property tax liability for the property to two percent (2%).**

39 **(4) For the following types of property as a single category:**

40 **(A) Residential property (as defined in IC 6-1.1-20.6-4).**

41 **(B) Real property, a mobile home, and industrialized**  
 42 **housing that would qualify as a homestead if the taxpayer**



1 had filed for the standard deduction under IC 6-1.1-12-37.  
 2 (C) Real property consisting of units that are regularly  
 3 used to rent or otherwise furnish residential  
 4 accommodations for periods of at least thirty (30) days,  
 5 regardless of whether the tangible property is subject to  
 6 assessment under rules of the department of local  
 7 government finance that apply to:

- 8 (i) residential property; or
- 9 (ii) commercial property.

10 (5) For nonresidential real property, personal property, and  
 11 other tangible property (if any) eligible for a credit under  
 12 IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax  
 13 liability for the property to three percent (3%). However, a  
 14 taxpayer that owns an industrial plant located in Jasper  
 15 County is ineligible for a credit under this chapter against the  
 16 property taxes due on the industrial plant if the assessed value  
 17 of the industrial plant as of March 1, 2006, exceeded twenty  
 18 percent (20%) of the total assessed value of all taxable  
 19 property in the county on that date. The general assembly  
 20 finds that the provisions of this subdivision are necessary  
 21 because the industrial plant represents such a large  
 22 percentage of Jasper County's assessed valuation.

23 (e) Within a category described in subsection (d) for which an  
 24 ordinance or resolution adopted by an eligible unit grants property  
 25 tax credits, the property tax credit rate must be a uniform  
 26 percentage for all qualifying taxpayers with property in that  
 27 category in the eligible unit. The credit percentage may be, but  
 28 does not have to be, uniform for all categories of property listed in  
 29 subsection (d). The total of all tax credits granted under this  
 30 section for a year may not exceed the amount of revenue raised by  
 31 the tax imposed under this section. If the amount available in a  
 32 year for property tax credits under this section is less than the  
 33 amount necessary to provide all the property tax credits authorized  
 34 by the adopting body, the county auditor shall reduce the property  
 35 tax credits granted to eliminate the excess. The county auditor shall  
 36 reduce credits within the categories described in subsection (d)(1)  
 37 through (d)(5) as follows:

- 38 (1) First, against property taxes imposed on property  
 39 described in subsection (d)(5).
- 40 (2) Second, if an excess remains after applying the reduction  
 41 as described in subdivision (1), against property taxes  
 42 imposed on property described in subsection (d)(4).



1           **(3) Third, if an excess remains after applying the reduction as**  
 2           **described in subdivisions (1) and (2), against property taxes**  
 3           **imposed on property described in subsection (d)(3).**

4           **(4) Fourth, if an excess remains after applying the reduction**  
 5           **as described in subdivisions (1) through (3), against property**  
 6           **taxes imposed on property described in subsection (d)(2).**

7           **(5) Fifth, if an excess remains after applying the reduction as**  
 8           **described in subdivisions (1) through (4), against property**  
 9           **taxes imposed on property described in subsection (d)(1).**

10          **(f) The total of all tax credits granted under this section for a**  
 11          **year may not exceed the amount authorized by the adopting body.**  
 12          **If the amount available in a year for property tax credits under**  
 13          **this section is greater than the amount necessary to provide all the**  
 14          **property tax credits authorized by the adopting body, the county**  
 15          **auditor shall retain and apply the excess as necessary to provide**  
 16          **the property tax credits authorized by the adopting body for the**  
 17          **following year. The adopting body may adopt an ordinance (in the**  
 18          **case of a county or municipality) or resolution (in the case of a**  
 19          **school corporation) that directs to which categories described in**  
 20          **subsection (d) the excess is to be uniformly applied.**

21          **(g) An eligible unit shall allocate the amount of revenue applied**  
 22          **as tax credits under this section to each fund of the eligible unit in**  
 23          **the same proportion as the property tax rate for that fund bears to**  
 24          **the total property tax rate imposed by the eligible unit for all**  
 25          **funds.**

26          **Chapter 6. Expenditure Rates**

27          **Sec. 1. (a) This subsection does not apply to the adopting body**  
 28          **of Marion County. The adopting body of an eligible unit may adopt**  
 29          **an ordinance (in the case of a county or municipality) or a**  
 30          **resolution (in the case of a school corporation) to impose a tax rate**  
 31          **under this chapter that does not exceed five-tenths of one percent**  
 32          **(0.5%) on the adjusted gross income of individuals who are local**  
 33          **taxpayers of the eligible unit.**

34          **(b) This subsection applies only to the adopting body of Marion**  
 35          **County. The adopting body of Marion County may do one (1) or**  
 36          **both of the following:**

37               **(1) Adopt an ordinance to impose a tax rate under this**  
 38               **chapter that does not exceed five-tenths of one percent (0.5%)**  
 39               **on the adjusted gross income of individuals who are local**  
 40               **taxpayers of the county, for purposes of raising revenue that**  
 41               **shall be distributed as certified shares to the county and to**  
 42               **excluded cities as provided in section 9 of this chapter.**



1           **(2) Adopt an ordinance to impose a tax rate under this**  
2           **chapter that does not exceed five-tenths of one percent (0.5%)**  
3           **on the adjusted gross income of individuals who are local**  
4           **taxpayers of the county, for purposes of raising revenue that**  
5           **shall be distributed as certified shares to the county and to**  
6           **townships in the county as provided in section 10 of this**  
7           **chapter.**

8           **Sec. 2. (a) An eligible unit that is a school corporation may use**  
9           **revenue that is raised by the school corporation from a tax imposed**  
10           **under this chapter for any legal purpose of the school corporation,**  
11           **including any purpose authorized by IC 6-3.7-10. An eligible unit**  
12           **that is a school corporation may by resolution provide that all or**  
13           **part of the revenue shall be used to provide additional property tax**  
14           **credits in any combination of the ways in which property tax**  
15           **credits may be provided under IC 6-3.7-5. The adopting body shall**  
16           **specify by resolution the amount or percentage of the revenue that**  
17           **shall be used to provide additional property tax credits.**

18           **(b) This subsection does not apply to an eligible unit located in**  
19           **Marion County. An eligible unit that is a municipality may use**  
20           **revenue that is raised from a tax imposed by the municipality**  
21           **under this chapter for any legal purpose of the municipality,**  
22           **including any purpose authorized by IC 6-3.7-10. An eligible unit**  
23           **that is a municipality may by ordinance provide that all or part of**  
24           **the revenue shall be used to provide additional property tax credits**  
25           **in any combination of the ways in which property tax credits may**  
26           **be provided under IC 6-3.7-5. The adopting body shall specify by**  
27           **ordinance the amount or percentage of the revenue that shall be**  
28           **used to provide additional property tax credits.**

29           **(c) The following apply to Marion County:**

30           **(1) The revenue raised from a tax imposed by the adopting**  
31           **body of the county under section 1(b)(1) of this chapter and**  
32           **distributed as certified shares to the county and excluded**  
33           **cities in the county under section 9 of this chapter may be**  
34           **used by the county for any legal purpose of the county**  
35           **(including any purpose authorized by IC 6-3.7-10) and may be**  
36           **used by an excluded city for any legal purpose of the excluded**  
37           **city (including any purpose authorized by IC 6-3.7-10).**

38           **(2) The revenue raised from a tax imposed by the adopting**  
39           **body of the county under section 1(b)(2) of this chapter and**  
40           **distributed as certified shares to the county and townships in**  
41           **the county under section 10 of this chapter may be used by the**  
42           **county for any legal purpose of the county (including any**



1           purpose authorized by IC 6-3.7-10) and may be used by a  
2           township for any legal purpose of the township (including any  
3           purpose authorized by IC 6-3.7-10).

4           **Sec. 3. Subject to sections 4, 5, 6, and 7 of this chapter, an**  
5           **eligible unit that is a county shall distribute revenue that is raised**  
6           **from a tax imposed by the county under this chapter:**

7           (1) as certified shares to qualified civil taxing units in the  
8           county as provided in section 8 of this chapter, in the case of  
9           a tax imposed by a county other than Marion County;

10          (2) as certified shares to the county and excluded cities in the  
11          county as provided in section 9 of this chapter, in the case of  
12          a tax imposed by Marion County under section 1(b)(1) of this  
13          chapter; and

14          (3) as certified shares to the county and townships in the  
15          county as provided in section 10 of this chapter, in the case of  
16          a tax imposed by Marion County under section 1(b)(2) of this  
17          chapter.

18          **Sec. 4. (a) This section does not apply to Marion County.**

19          (b) If a county has imposed a tax under this chapter, the county  
20          fiscal body may adopt an ordinance to provide that a part of the  
21          revenue that is raised from the tax shall be used for a PSAP in the  
22          county. The county fiscal body shall specify by ordinance the  
23          percentage of the revenue that shall be used for a PSAP in the  
24          county. However, the part of the revenue that may be used for a  
25          PSAP in the county under this section may not exceed ten percent  
26          (10%) of the amount of revenue raised from the tax imposed by the  
27          county under this chapter.

28          (c) The revenue to be used for a PSAP in the county must be  
29          distributed directly to the county before the remainder of the  
30          revenue received by the county from a tax imposed under this  
31          chapter is distributed as certified shares to qualified civil taxing  
32          units. The revenue shall be maintained in a separate dedicated  
33          county fund and used only for paying for a PSAP in the county.

34          **Sec. 5. (a) This section applies only to Marion County.**

35          (b) The county fiscal body may adopt an ordinance to provide  
36          that a part of the revenue that is raised from the tax imposed by  
37          the county under this chapter shall be used to fund the operation  
38          of a public communications system and computer facilities district  
39          as provided in an election, if any, made by the county fiscal body  
40          under IC 36-8-15-19(b). The county fiscal body shall specify by  
41          ordinance the percentage of the revenue that shall be used to fund  
42          the operation of a public communications system and computer



1 facilities district. However, the part of the revenue that may be  
 2 used for this purpose may not exceed ten percent (10%) of the  
 3 amount of revenue raised from the tax imposed by the county  
 4 under this chapter.

5 (c) The revenue to be used to fund the operation of a public  
 6 communications system and computer facilities district must be  
 7 distributed directly to the county before the remainder of the  
 8 revenue received by the county from a tax imposed under this  
 9 chapter is distributed as certified shares to qualified civil taxing  
 10 units.

11 Sec. 6. (a) This section applies only to Marion County.

12 (b) The county fiscal body may adopt an ordinance to provide  
 13 that a part of the revenue that is raised from a tax imposed by the  
 14 county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 15 both the tax imposed under section 1(b)(1) of this chapter and the  
 16 tax imposed under section 1(b)(2) of this chapter) shall be used to  
 17 fund the operation of a public library in the county, as provided in  
 18 an election, if any, made by the county fiscal body under  
 19 IC 36-3-7-6. The county fiscal body shall specify by ordinance the  
 20 percentage of the revenue that shall be used to fund the operation  
 21 of the public library. The revenue to be used to fund the operation  
 22 of a public library in the county must be distributed directly to the  
 23 public library before the remainder of the revenue received by the  
 24 county from a tax imposed under this chapter is distributed as  
 25 certified shares to qualified civil taxing units.

26 (c) The county fiscal body may adopt an ordinance to provide  
 27 that a part of the revenue that is raised from a tax imposed by the  
 28 county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 29 both the tax imposed under section 1(b)(1) of this chapter and the  
 30 tax imposed under section 1(b)(2) of this chapter) shall be used to  
 31 fund the operation of a public transportation corporation as  
 32 provided in an election, if any, made by the county fiscal body  
 33 under IC 36-9-4-42. The county fiscal body shall specify by  
 34 ordinance the percentage of the revenue that shall be used to fund  
 35 the operation of a public transportation corporation. The revenue  
 36 to be used to fund the operation of a public transportation  
 37 corporation must be distributed directly to the public  
 38 transportation corporation before the remainder of the revenue  
 39 received by the county from a tax imposed under this chapter is  
 40 distributed as certified shares to qualified civil taxing units.

41 (d) The county fiscal body may adopt an ordinance to provide  
 42 that any part of the revenue that is raised from a tax imposed by





1 the county under section 1(b)(1) or 1(b)(2) of this chapter (or from  
 2 both the tax imposed under section 1(b)(1) of this chapter and the  
 3 tax imposed under section 1(b)(2) of this chapter) shall be used to  
 4 provide additional property tax credits in the county in any  
 5 combination of the ways in which property tax credits may be  
 6 provided under IC 6-3.7-5. The county fiscal body shall specify by  
 7 ordinance the amount or percentage of the revenue that shall be  
 8 used to provide additional property tax credits. The revenue to be  
 9 used to provide additional property tax credits must be distributed  
 10 to the county auditor for purposes of paying the property tax  
 11 credits before the remainder of the revenue received by the county  
 12 from a tax imposed under this chapter is distributed as certified  
 13 shares.

14 **Sec. 7. (a) This section applies only to Porter County.**

15 **(b) Revenue received by the county as certified shares under this**  
 16 **chapter shall be allocated and used in the following order:**

17 **(1) The revenue received by the county as certified shares**  
 18 **under this chapter each year and attributable to an income**  
 19 **tax rate of twenty-five hundredths percent (0.25%) may be**  
 20 **used for any legal purpose of the county.**

21 **(2) The next three million five hundred thousand dollars**  
 22 **(\$3,500,000) of the revenue received by the county as certified**  
 23 **shares under this chapter each year shall be used to make**  
 24 **transfers as provided in and required under IC 36-7.5-4-2.**  
 25 **This amount shall be paid by the county treasurer to the**  
 26 **treasurer of the northwest Indiana regional development**  
 27 **authority under IC 36-7.5-4-2.**

28 **(3) After making the transfers required under subdivision (2),**  
 29 **any remaining revenue received by the county as certified**  
 30 **shares under this chapter each year may be used for any legal**  
 31 **purpose of the county.**

32 **Sec. 8. (a) This section applies to counties other than Marion**  
 33 **County.**

34 **(b) The part of the certified distribution received by the county**  
 35 **that is attributable to the tax imposed by a county under section**  
 36 **1(a) of this chapter shall be distributed as provided in subsection**  
 37 **(d) to qualified civil taxing units as certified shares, after deducting**  
 38 **the amounts (if any) dedicated to a PSAP under section 4 of this**  
 39 **chapter.**

40 **(c) Subject to this chapter, any qualified civil taxing unit that**  
 41 **imposes an ad valorem property tax in the county that has a tax**  
 42 **rate in effect under this chapter is eligible for an allocation under**



1 this chapter. However, a county solid waste management district  
 2 (as defined in IC 13-11-2-47) or a joint solid waste management  
 3 district (as defined in IC 13-11-2-113) is not a qualified civil taxing  
 4 unit for the purpose of receiving a distribution of certified shares  
 5 under this chapter unless a majority of the members of each of the  
 6 county fiscal bodies of the counties within the district passes a  
 7 resolution approving the distribution. A resolution passed by a  
 8 county fiscal body approving a distribution of certified shares for  
 9 a county solid waste management district or a joint solid waste  
 10 management district may expire on a date specified in the  
 11 resolution or remain in effect until the county fiscal body revokes  
 12 or rescinds the resolution.

13 (d) Subject to the requirements of this chapter, certified shares  
 14 shall be distributed to the qualified civil taxing units based on the  
 15 attributed allocation amounts of the qualified civil taxing units in  
 16 the county. The amount of certified shares to be distributed to each  
 17 qualified civil taxing unit is equal to:

18 (1) the part of the certified distribution received by the county  
 19 that is attributable to the tax imposed by the county under  
 20 section 1(a) of this chapter, after deducting amounts (if any)  
 21 dedicated to a PSAP under section 4 of this chapter;  
 22 multiplied by

23 (2) the quotient of:

24 (A) the attributed allocation amount for the qualified civil  
 25 taxing unit in the county during the calendar year; divided  
 26 by

27 (B) the sum of the attributed allocation amounts for all  
 28 qualified civil taxing units in the county during the  
 29 calendar year.

30 (e) IC 36-8-19-7.5 applies to the adjustment of the amounts  
 31 distributed to a qualified civil taxing unit that participates in a fire  
 32 protection territory.

33 Sec. 9. (a) This section applies only to Marion County. The  
 34 revenue that is raised from a tax imposed by the county under  
 35 section 1(b)(1) of this chapter shall be distributed to the county and  
 36 to each excluded city in the county in an amount equal to the result  
 37 determined in the following STEPS:

38 STEP ONE: Determine the part of the certified distribution  
 39 received by the county that is attributable to the tax imposed  
 40 by the county under section 1(b)(1) of this chapter.

41 STEP TWO: Determine the result of:

42 (A) the STEP ONE result; minus



- 1                   **(B) the sum of:**  
 2                    (i) the amounts (if any) of the tax imposed by the county  
 3                    under section 1(b)(1) of this chapter that are used to  
 4                    fund the operation of a public communications system  
 5                    and computer facilities district under section 5 of this  
 6                    chapter;  
 7                    (ii) the amounts (if any) of the tax imposed by the county  
 8                    under section 1(b)(1) of this chapter that are used to  
 9                    fund the operation of a public library in the county  
 10                   under section 6(b) of this chapter;  
 11                   (iii) the amounts (if any) of the tax imposed by the county  
 12                   under section 1(b)(1) of this chapter that are used to  
 13                   fund the operation of a public transportation  
 14                   corporation under section 6(c) of this chapter; and  
 15                   (iv) the amounts (if any) of the tax imposed by the county  
 16                   under section 1(b)(1) of this chapter that are used to  
 17                   fund additional property tax credits under section 6(d)  
 18                   of this chapter.
- 19                   **STEP THREE: For purposes of determining the distribution**  
 20                   **to the county or to an excluded city, multiply the STEP TWO**  
 21                   **result by the quotient of:**
- 22                    (A) the attributed allocation amount for the county or the  
 23                    excluded city for the calendar year; divided by  
 24                    (B) the sum of the attributed allocation amounts for the  
 25                    county and all excluded cities for the calendar year.
- 26                   **(b) IC 36-8-19-7.5 applies to the adjustment of the amounts**  
 27                   **distributed to a county or excluded city that participates in a fire**  
 28                   **protection territory.**
- 29                   **Sec. 10. (a) This section applies only to Marion County. The**  
 30                   **revenue that is raised from a tax imposed by the county under**  
 31                   **section 1(b)(2) of this chapter shall be distributed to the county and**  
 32                   **to each township in the county in an amount equal to the result**  
 33                   **determined in the following STEPS:**
- 34                    **STEP ONE: Determine the part of the certified distribution**  
 35                    **received by the county that is attributable to the tax imposed**  
 36                    **by the county under section 1(b)(2) of this chapter.**
- 37                    **STEP TWO: Determine the result of:**
- 38                    (A) the STEP ONE result; minus  
 39                    **(B) the sum of:**  
 40                    (i) the amounts (if any) of the tax imposed by the county  
 41                    under section 1(b)(2) of this chapter that are used to  
 42                    fund the operation of a public communications system



- 1 and computer facilities district under section 5 of this  
 2 chapter;  
 3 (ii) the amounts (if any) of the tax imposed by the county  
 4 under section 1(b)(2) of this chapter that are used to  
 5 fund the operation of a public library in the county  
 6 under section 6(b) of this chapter;  
 7 (iii) the amounts (if any) of the tax imposed by the county  
 8 under section 1(b)(2) of this chapter that are used to  
 9 fund the operation of a public transportation  
 10 corporation under section 6(c) of this chapter; and  
 11 (iv) the amounts (if any) of the tax imposed by the county  
 12 under section 1(b)(2) of this chapter that are used to  
 13 fund additional property tax credits under section 6(d)  
 14 of this chapter.

15 **STEP THREE:** For purposes of determining the distribution  
 16 to the county or to a township in the county, multiply the  
 17 **STEP TWO** result by the quotient of:

18 (A) the attributed allocation amount for the county or the  
 19 township for the calendar year; divided by

20 (B) the sum of the attributed allocation amounts for the  
 21 county and all townships for the calendar year.

22 (b) IC 36-8-19-7.5 applies to the adjustment of the amounts  
 23 distributed to a county or township that participates in a fire  
 24 protection territory.

25 **Sec. 11. (a)** This subsection applies to the determination of the  
 26 allocation amount of a qualified civil taxing unit for purposes of the  
 27 distribution of certified shares under section 8 of this chapter. The  
 28 allocation amount of a qualified civil taxing unit for a calendar  
 29 year is equal to the amount determined using the following  
 30 formula:

31 **STEP ONE:** Determine the sum of the total property taxes  
 32 being imposed by the civil taxing unit during the calendar  
 33 year of the distribution.

34 **STEP TWO:** Determine the sum of the following:

35 (A) Amounts appropriated by the civil taxing unit from  
 36 property taxes to pay the principal of or interest on any  
 37 debenture or other debt obligation issued after June 30,  
 38 2005, other than an obligation described in subsection (d).

39 (B) Amounts appropriated by the civil taxing unit from  
 40 property taxes to make payments on any lease entered into  
 41 after June 30, 2005, other than a lease described in  
 42 subsection (e).



- 1           **STEP THREE:** Subtract the **STEP TWO** amount from the  
 2           **STEP ONE** amount.
- 3           **STEP FOUR:** Determine the sum of:
- 4                (A) the **STEP THREE** amount; plus  
 5                (B) the civil taxing unit's certified shares for the previous  
 6                calendar year.
- 7           The allocation amount is subject to adjustment as provided in  
 8           **IC 36-8-19-7.5.**
- 9           (b) This subsection applies to the determination of the allocation  
 10           amount of a county or excluded city for purposes of the  
 11           distribution of certified shares under section 9 of this chapter. The  
 12           allocation amount of a county or excluded city for a calendar year  
 13           is equal to the amount determined using the following formula:
- 14                **STEP ONE:** Determine the sum of the total property taxes  
 15                being imposed by the county or excluded city during the  
 16                calendar year of the distribution.
- 17                **STEP TWO:** Determine the sum of the following:
- 18                    (A) Amounts appropriated by the county or excluded city  
 19                    from property taxes to pay the principal of or interest on  
 20                    any debenture or other debt obligation issued after June  
 21                    30, 2005, other than an obligation described in subsection  
 22                    (d).
- 23                    (B) Amounts appropriated by the county or excluded city  
 24                    from property taxes to make payments on any lease  
 25                    entered into after June 30, 2005, other than a lease  
 26                    described in subsection (e).
- 27                **STEP THREE:** Subtract the **STEP TWO** amount from the  
 28                **STEP ONE** amount.
- 29                **STEP FOUR:** Determine the sum of:
- 30                    (A) the **STEP THREE** amount; plus  
 31                    (B) the county's or excluded city's certified shares for the  
 32                    previous calendar year.
- 33           The allocation amount is subject to adjustment as provided in  
 34           **IC 36-8-19-7.5.**
- 35           (c) This subsection applies to the determination of the allocation  
 36           amount of a county or township for purposes of the distribution of  
 37           certified shares under section 10 of this chapter. The allocation  
 38           amount of a county or township for a calendar year is equal to the  
 39           amount determined using the following formula:
- 40                **STEP ONE:** Determine the sum of the total property taxes  
 41                being imposed by the county or township during the calendar  
 42                year of the distribution.



1           **STEP TWO: Determine the sum of the following:**

2           (A) Amounts appropriated by the county or township from  
3           property taxes to pay the principal of or interest on any  
4           debenture or other debt obligation issued after June 30,  
5           2005, other than an obligation described in subsection (d).

6           (B) Amounts appropriated by the county or township from  
7           property taxes to make payments on any lease entered into  
8           after June 30, 2005, other than a lease described in  
9           subsection (e).

10          **STEP THREE: Subtract the STEP TWO amount from the**  
11          **STEP ONE amount.**

12          **STEP FOUR: Determine the sum of:**

13          (A) the STEP THREE amount; plus

14          (B) the county's or township's certified shares for the  
15          previous calendar year.

16          The allocation amount is subject to adjustment as provided in  
17          IC 36-8-19-7.5.

18          (d) Except as provided in this subsection, an appropriation from  
19          property taxes to repay interest and principal of a debt obligation  
20          is not deducted from the allocation amount for a civil taxing unit  
21          if:

22               (1) the debt obligation was issued; and

23               (2) the proceeds were appropriated from property taxes;  
24          to refund or otherwise refinance a debt obligation or a lease issued  
25          before July 1, 2005. However, an appropriation from property  
26          taxes related to a debt obligation issued after June 30, 2005, is  
27          deducted if the debt extends payments on a debt or lease beyond  
28          the time in which the debt or lease would have been payable if the  
29          debt or lease had not been refinanced or increases the total amount  
30          that must be paid on a debt or lease in excess of the amount that  
31          would have been paid if the debt or lease had not been refinanced.  
32          The amount of the deduction is the annual amount for each year of  
33          the extension period or the annual amount of the increase over the  
34          amount that would have been paid.

35          (e) Except as provided in this subsection, an appropriation from  
36          property taxes to make payments on a lease is not deducted from  
37          the allocation amount for a civil taxing unit if:

38               (1) the lease was issued; and

39               (2) the proceeds were appropriated from property taxes;  
40          to refinance a debt obligation or lease issued before July 1, 2005.  
41          However, an appropriation from property taxes related to a lease  
42          entered into after June 30, 2005, is deducted if the lease extends



1 payments on a debt or lease beyond the time in which the debt or  
 2 lease would have been payable if the debt or lease had not been  
 3 refinanced or increases the total amount that must be paid on a  
 4 debt or lease in excess of the amount that would have been paid if  
 5 the debt or lease had not been refinanced. The amount of the  
 6 deduction is the annual amount for each year of the extension  
 7 period or the annual amount of the increase over the amount that  
 8 would have been paid.

9 **Sec. 12. Revenue received by a political subdivision from a tax**  
 10 **imposed under this chapter may not be considered by the**  
 11 **department of local government finance in determining:**

- 12 (1) any maximum permissible property tax levy limit that  
 13 applies to the political subdivision; or  
 14 (2) the approved property tax levy or rate for any fund of a  
 15 political subdivision.

16 **Sec. 13. (a) This section applies to any county that used revenue**  
 17 **under IC 6-3.6-6 (before its expiration) to provide for a levy freeze**  
 18 **as specified in IC 6-3.6-11-1 (before its expiration).**

19 (b) Beginning with property taxes first due and payable in 2022,  
 20 the department of local government finance shall adjust each  
 21 maximum permissible ad valorem property tax levy for which a  
 22 levy freeze amount was applied in 2021. The maximum permissible  
 23 ad valorem property tax levy for property taxes first due and  
 24 payable in 2022 shall be adjusted so that it is equal to:

- 25 (1) the sum of:  
 26 (A) the maximum permissible ad valorem property tax  
 27 levy for property taxes first due and payable in 2021; plus  
 28 (B) the levy freeze amount applied to that property tax levy  
 29 in 2021; multiplied by  
 30 (2) the assessed value growth quotient determined under  
 31 IC 6-1.1-18.5-2.

32 **Chapter 7. Special Purpose Rates**

33 **Sec. 1. (a) Maintaining low property tax rates is essential to**  
 34 **economic development. The use of a tax imposed for the purposes**  
 35 **of this chapter, rather than the use of property taxes, promotes this**  
 36 **policy.**

37 (b) A special purpose rate in effect under IC 6-3.6-7 on  
 38 December 31, 2021, for a particular county continues in effect  
 39 under this chapter after December 31, 2021, without any action  
 40 required by the county fiscal body to continue the tax. The tax  
 41 continues in effect until it is otherwise increased, decreased, or  
 42 rescinded as provided under this article. However, if there are



1 bonds or leases outstanding that are payable from a special  
 2 purpose tax imposed under IC 6-3.5-1.1 (before its repeal on  
 3 January 1, 2017), IC 6-3.5-6 (before its repeal on January 1, 2017),  
 4 IC 6-3.5-7 (before its repeal on January 1, 2017), or IC 6-3.6-7  
 5 (before its expiration), the county fiscal body may not reduce the  
 6 tax rate below a rate that would produce one and twenty-five  
 7 hundredths (1.25) times the total of the highest annual outstanding  
 8 debt service plus the highest annual lease payments plus any  
 9 amount required under the agreements for the bonds or leases to  
 10 be deposited in a sinking fund or other reserve.

11 **Sec. 2.** The fiscal body of a county may impose a tax on the  
 12 adjusted gross income of local taxpayers in the county that is a  
 13 combination of one (1) or more of the tax rates permitted in that  
 14 county under this chapter. The total of all tax rates under this  
 15 chapter in a county may not be greater than the sum of the tax  
 16 rates specified in this chapter for special purpose projects in the  
 17 county and may be imposed only for the length of time that rate is  
 18 permitted under this chapter, including any periods that occurred  
 19 before the expiration or repeal of similar provisions for that county  
 20 under IC 6-3.5-1.1, IC 6-3.5-6, IC 6-3.5-7, or IC 6-3.6.

21 **Sec. 3. (a)** A separate tax rate is permitted under this chapter  
 22 for each of the special purposes set forth in this chapter.

23 **(b)** A tax rate permitted under the section in this chapter  
 24 authorizing the special purpose tax rate may include a rate to  
 25 repay bonds issued or leases entered into for the special purpose.  
 26 However, for a bond or lease entered into after December 31, 2021,  
 27 the term of the bonds issued (including any refunding bonds) or a  
 28 lease entered into under this section may not exceed twenty (20)  
 29 years, unless the section in this chapter authorizing the tax rate  
 30 specifies a different term. The adopting body shall provide a notice  
 31 to the budget agency, the department of local government finance,  
 32 and the department of state revenue specifying that the date for the  
 33 termination of the tax rate has occurred.

34 **(c)** If the section in this chapter authorizing a tax rate does not  
 35 specify the permitted uses of the money accumulated from the tax  
 36 after:

- 37 (1) the redemption of bonds issued; or
- 38 (2) the final payment of lease rentals due under a lease
- 39 entered into under this section;

40 the money accumulated shall be transferred to the county highway  
 41 fund to be used for construction, resurfacing, restoration, and  
 42 rehabilitation of county highways, roads, and bridges.





1           **Sec. 4. In order to impose a tax under this chapter, an adopting**  
 2 **body must adopt an ordinance finding and determining that**  
 3 **revenues from the tax are needed for the purposes described in the**  
 4 **section under which the tax is imposed.**

5           **Sec. 5. (a) Revenue raised from a tax imposed under this chapter**  
 6 **shall be treated as additional revenue and may not be considered**  
 7 **by the department of local government finance in determining:**

8                   **(1) any taxing unit's maximum permissible property tax levy**  
 9 **limit under IC 6-1.1-18.5; or**

10                   **(2) the approved property tax rate for any fund.**

11           **(b) Notwithstanding any other law, if a county desires to issue**  
 12 **obligations, or enter into leases, payable wholly or in part by the**  
 13 **taxes imposed under this chapter, the obligations of the county or**  
 14 **any lessor may be sold at public sale in accordance with IC 5-1-11**  
 15 **or at negotiated sale. With respect to obligations for which a pledge**  
 16 **has been made under this chapter:**

17                   **(1) the general assembly covenants with the county and the**  
 18 **purchasers or owners of those obligations that this article will**  
 19 **not be repealed or amended in any manner that will adversely**  
 20 **affect the tax collected under this article as long as the**  
 21 **principal of or interest on those obligations is unpaid; and**

22                   **(2) the pledge of revenues is enforceable in accordance with**  
 23 **IC 5-1-14.**

24           **Sec. 6. A governmental entity to which revenue raised from a**  
 25 **tax under this chapter is distributed must segregate the amount**  
 26 **raised from the tax in a separate account or fund and maintain**  
 27 **sufficient records, as required by the state board of accounts, to**  
 28 **demonstrate that the revenue is used only for the purposes for**  
 29 **which the tax was imposed.**

30           **Sec. 7. (a) This section applies to Daviess County.**

31           **(b) Daviess County possesses unique governmental and**  
 32 **economic development challenges due to:**

33                   **(1) underemployment in relation to similarly situated counties**  
 34 **and the loss of a major manufacturing business;**

35                   **(2) an increase in property taxes for taxable years after**  
 36 **December 31, 2000, for the construction of a new elementary**  
 37 **school; and**

38                   **(3) overcrowding of the county jail, the costs associated with**  
 39 **housing the county's inmates outside the county, and the**  
 40 **potential unavailability of additional housing for inmates**  
 41 **outside the county.**

42           **The use of a tax under this section is necessary for the county to**



1 provide adequate jail capacity in the county and to maintain low  
 2 property tax rates essential to economic development. The use of  
 3 a tax under this section for the purposes of this section, rather than  
 4 the use of property taxes, promotes these purposes.

5 (c) The county fiscal body may impose a tax on the adjusted  
 6 gross income of local taxpayers of the county at a tax rate that does  
 7 not exceed the lesser of the following:

8 (1) Twenty-five hundredths percent (0.25%).

9 (2) The rate necessary to carry out the purposes described in  
 10 this section.

11 (d) Revenue from the tax under this section may be used only  
 12 for the following purposes:

13 (1) To finance, construct, acquire, improve, renovate,  
 14 remodel, or equip the county jail and related buildings and  
 15 parking facilities, including costs related to the demolition of  
 16 existing buildings, the acquisition of land, and any other  
 17 reasonably related costs.

18 (2) To repay bonds issued or leases entered into for  
 19 constructing, acquiring, improving, renovating, remodeling,  
 20 and equipping the county jail and related buildings and  
 21 parking facilities, including costs related to the demolition of  
 22 existing buildings, the acquisition of land, and any other  
 23 reasonably related costs.

24 (e) The tax imposed under this section may be imposed only  
 25 until the later of the following dates:

26 (1) The date on which the purposes described in subsection  
 27 (d)(1) are completed.

28 (2) The date on which the last of any bonds issued (including  
 29 any refunding bonds) or leases described in subsection (d)(2)  
 30 are fully paid.

31 The term of the bonds issued (including any refunding bonds) or a  
 32 lease entered into under subsection (d)(2) may not exceed  
 33 twenty-five (25) years.

34 (f) Money accumulated from the tax under this section after:

35 (1) the redemption of bonds issued; or

36 (2) the final payment of lease rentals due under a lease  
 37 entered into under this section;

38 shall be transferred to the county highway fund to be used for  
 39 construction, resurfacing, restoration, and rehabilitation of county  
 40 highways, roads, and bridges.

41 Sec. 8. (a) This section applies to Elkhart County.

42 (b) The county fiscal body may impose a tax on the adjusted



1 gross income of local taxpayers of the county at a tax rate that does  
2 not exceed the lesser of the following:

3 (1) Twenty-five hundredths percent (0.25%).

4 (2) The rate necessary to carry out the purposes described in  
5 subsection (c).

6 (c) Revenue raised from a tax under this section may be used  
7 only for the following purposes:

8 (1) To finance, construct, acquire, improve, renovate, or  
9 equip:

10 (A) jail facilities;

11 (B) juvenile court, detention, and probation facilities;

12 (C) other criminal justice facilities; and

13 (D) related buildings and parking facilities;

14 located in the county, including costs related to the demolition  
15 of existing buildings and the acquisition of land.

16 (2) To repay bonds issued or leases entered into for the  
17 purposes described in subdivision (1).

18 (3) To operate and maintain jail facilities described in  
19 subdivision (1)(A) after the purposes described in subdivision

20 (1) are completed and any bonds issued or leases entered into  
21 under subdivision (2) are fully paid.

22 (d) The term of the bonds issued (including any refunding  
23 bonds) or a lease entered into under this section may not exceed  
24 twenty (20) years.

25 (e) Money accumulated from a tax under this section that  
26 remains after the tax imposed by this section is terminated shall be  
27 transferred to the county highway fund to be used for construction,  
28 resurfacing, restoration, and rehabilitation of county highways,  
29 roads, and bridges.

30 Sec. 9. (a) This section applies only to Hancock County.

31 (b) The county fiscal body may impose a tax on the adjusted  
32 gross income of local taxpayers of the county at a tax rate that does  
33 not exceed a tax rate of fifteen hundredths percent (0.15%), for the  
34 purpose of providing a property tax credit against the property tax  
35 liability imposed for public libraries in the county, if all territory  
36 in the county is included in a library district. The county treasurer  
37 shall establish a library property tax replacement fund to be used  
38 only for the purposes described in this section. Tax revenues  
39 derived from the rate imposed under this section shall be deposited  
40 in the library property tax replacement fund. Any interest earned  
41 on money in the library property tax replacement fund shall be  
42 credited to the library property tax replacement fund.



1           (c) The amount of property tax replacement credits that each  
2 public library in the county is entitled to receive during a calendar  
3 year under this section equals the lesser of:

4           (1) the product of:

5           (A) the amount of revenue deposited by the county auditor  
6 in the library property tax replacement fund; multiplied  
7 by

8           (B) a fraction described as follows:

9           (i) The numerator of the fraction equals the sum of the  
10 total property taxes that would have been collected by  
11 the public library during the previous calendar year  
12 from taxpayers located within the library district if the  
13 property tax replacement under this section had not been  
14 in effect.

15           (ii) The denominator of the fraction equals the sum of  
16 the total property taxes that would have been collected  
17 during the previous year from taxpayers located within  
18 the county by all public libraries that are eligible to  
19 receive property tax replacement credits under this  
20 section if the property tax replacement under this section  
21 had not been in effect; or

22           (2) the total property taxes that would otherwise be collected  
23 by the public library for the calendar year if the property tax  
24 replacement credit under this section were not in effect.

25 The department of local government finance shall make any  
26 adjustments necessary to account for the expansion of a library  
27 district. However, a public library is eligible to receive property  
28 tax replacement credits under this section only if it has entered into  
29 reciprocal borrowing agreements with all other public libraries in  
30 the county. If the total amount of tax revenue deposited by the  
31 county auditor in the library property tax replacement fund for a  
32 calendar year exceeds the total property tax liability that would  
33 otherwise be imposed for public libraries in the county for the  
34 year, the excess must remain in the library property tax  
35 replacement fund and may be used for library property tax  
36 replacement purposes in the following calendar year.

37           (d) A public library receiving property tax replacement credits  
38 under this section shall allocate the credits among each fund for  
39 which a distinct property tax levy is imposed in proportion to the  
40 property taxes levied for each fund. However, if a public library  
41 did not impose a property tax levy during the previous calendar  
42 year or did not impose a property tax levy for a particular fund



1 during the previous calendar year, but the public library is  
 2 imposing a property tax levy in the current calendar year or is  
 3 imposing a property tax levy for the particular fund in the current  
 4 calendar year, the department of local government finance shall  
 5 adjust the amount of property tax replacement credits allocated  
 6 among the various funds of the public library and shall provide the  
 7 adjustment to the county auditor. If a public library receiving  
 8 property tax replacement credits under this section does not  
 9 impose a property tax levy for a particular fund that is first due  
 10 and payable in a calendar year in which the property tax  
 11 replacement credits are being distributed, the public library is not  
 12 required to allocate to that fund a part of the property tax  
 13 replacement credits to be distributed to the public library.  
 14 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives  
 15 property tax replacement credits under this section is subject to the  
 16 procedures for the issuance of bonds set forth in IC 6-1.1-20.

17 (e) A public library shall treat property tax replacement credits  
 18 received during a particular calendar year under this section as a  
 19 part of the public library's property tax levy for each fund for that  
 20 same calendar year for purposes of fixing the public library's  
 21 budget and for purposes of the property tax levy limits imposed by  
 22 IC 6-1.1-18.5.

23 (f) For the purpose of distributing tax revenue under IC 6-3.7-6  
 24 and computing and distributing tax revenue under IC 6-5.5 or  
 25 IC 6-6-5, the property tax replacement credits that are received  
 26 under this section shall be treated as though they were property  
 27 taxes that were due and payable during that same calendar year.

28 Sec. 10. (a) This section applies only to Howard County.

29 (b) Maintaining low property tax rates is essential to economic  
 30 development, and the use of a tax under this section, as needed in  
 31 the county, to carry out the purposes of this section, rather than  
 32 the use of property taxes, promotes these purposes.

33 (c) The county fiscal body may impose a tax rate on the adjusted  
 34 gross income of local taxpayers of the county that does not exceed  
 35 twenty-five hundredths percent (0.25%).

36 (d) Revenues raised from a tax imposed under this section may  
 37 be used only for the purposes of funding a property tax credit to  
 38 reduce the property tax liability imposed by a county to fund the  
 39 county's operation and maintenance of a jail or a juvenile  
 40 detention center, or both.

41 (e) The total of all tax credits granted under this section for a  
 42 year may not exceed the amount of revenue raised by the tax



1 imposed under this section. If the amount available in a year for  
 2 property tax credits under this section is less than the amount  
 3 necessary to provide all the property tax credits authorized by the  
 4 adopting body, the county auditor shall reduce the property tax  
 5 credits granted to eliminate the excess. The county auditor shall  
 6 reduce credits uniformly in proportion to the tax liability incurred  
 7 by each taxpayer.

8 (f) The total of all tax credits granted under this section for a  
 9 year may not exceed the amount necessary to offset the property  
 10 tax liability imposed for the purposes of this section. If the amount  
 11 available in a year for property tax credits under this section is  
 12 greater than the amount necessary to provide property tax credits  
 13 to offset the property tax liability imposed for the purposes of this  
 14 section, the county auditor shall retain and apply the excess, as  
 15 necessary, to provide the property tax credits for the purposes of  
 16 this section for the following year.

17 (g) The county auditor shall allocate the amount of revenue  
 18 applied as tax credits under this section to the county.

19 Sec. 11. (a) This section applies only to Jackson County.

20 (b) For calendar years ending before January 1, 2024, the  
 21 county fiscal body may impose a tax on the adjusted gross income  
 22 of local taxpayers of the county at a tax rate that does not exceed  
 23 one-tenth percent (0.1%).

24 (c) Revenue raised from a tax under this section may be used  
 25 only for the purposes of funding the operation and maintenance of  
 26 a jail and juvenile detention center opened after July 1, 1998.

27 Sec. 12. (a) This section applies only to Jasper County.

28 (b) The county fiscal body may, by ordinance, determine that  
 29 additional local income tax revenue is needed in the county to:

30 (1) finance, construct, acquire, improve, renovate, or equip:

31 (A) jail facilities;

32 (B) juvenile court, detention, and probation facilities;

33 (C) other criminal justice facilities; and

34 (D) related buildings and parking facilities;

35 located in the county, including costs related to the demolition  
 36 of existing buildings and the acquisition of land; and

37 (2) repay bonds issued or leases entered into for the purposes  
 38 described in subdivision (1).

39 (c) The county fiscal body may, by ordinance, determine that  
 40 additional local income tax revenue is also needed in the county to  
 41 operate or maintain any of the facilities described in subsection  
 42 (b)(1)(A) through (b)(1)(D) that are located in the county. The



1 county fiscal body may make a determination under both this  
2 subsection and subsection (b).

3 (d) The county fiscal body may impose a tax rate of:

4 (1) fifteen-hundredths percent (0.15%);

5 (2) two-tenths percent (0.2%); or

6 (3) twenty-five hundredths percent (0.25%);

7 on the adjusted gross income of local taxpayers of the county if the  
8 fiscal body makes a finding and determination set forth in  
9 subsection (b) or (c).

10 (e) If the county fiscal body imposes the tax under this section  
11 to pay for the purposes described in both subsections (b) and (c),  
12 when:

13 (1) the financing, construction, acquisition, improvement,  
14 renovation, and equipping described in subsection (b) are  
15 completed; and

16 (2) all bonds issued or leases entered into to finance the  
17 construction, acquisition, improvement, renovation, and  
18 equipping described in subsection (b) are fully paid;

19 the county fiscal body shall, subject to subsection (d), establish a  
20 tax rate under this section by ordinance such that the revenue from  
21 the tax does not exceed the costs of operating and maintaining the  
22 jail facilities described in subsection (b)(1)(A). The tax rate may  
23 not be imposed at a rate greater than is necessary to carry out the  
24 purposes described in subsections (b) and (c), as applicable.

25 (f) The tax imposed under this section may be imposed only  
26 until the latest of the following:

27 (1) The date on which the financing, construction, acquisition,  
28 improvement, renovation, and equipping described in  
29 subsection (b) are completed.

30 (2) The date on which the last of any bonds issued or leases  
31 entered into to finance the construction, acquisition,  
32 improvement, renovation, and equipping described in  
33 subsection (b) are fully paid.

34 (3) The date on which an ordinance adopted under subsection  
35 (c) is rescinded.

36 (g) The term of the bonds issued (including any refunding  
37 bonds) or a lease entered into under subsection (b)(2) may not  
38 exceed twenty (20) years.

39 (h) The county treasurer shall establish a criminal justice  
40 facilities revenue fund to be used only for purposes described in  
41 this section. Revenue derived from the tax imposed under this  
42 section shall be deposited in the criminal justice facilities revenue



- 1 **fund.**
- 2 (i) Revenue derived from the tax imposed under this section:
- 3 (1) may be used only for the purposes described in this
- 4 section;
- 5 (2) may not be considered by the department of local
- 6 government finance in determining the county's maximum
- 7 permissible property tax levy limit under IC 6-1.1-18.5; and
- 8 (3) may be pledged to the repayment of bonds issued or leases
- 9 entered into for any or all of the purposes described in
- 10 subsection (b).
- 11 (j) Notwithstanding any other law, money remaining in the
- 12 criminal justice facilities revenue fund established under
- 13 subsection (h) after the tax imposed by this section is terminated
- 14 under subsection (f) shall be transferred to the county highway
- 15 fund to be used for construction, resurfacing, restoration, and
- 16 rehabilitation of county highways, roads, and bridges.
- 17 **Sec. 13. (a) This section applies only to Knox County.**
- 18 (b) The county fiscal body may impose a tax on the adjusted
- 19 gross income of local taxpayers of the county at a tax rate that does
- 20 not exceed the lesser of the following:
- 21 (1) Twenty-five hundredths percent (0.25%).
- 22 (2) The rate necessary to carry out the purposes described in
- 23 this section.
- 24 (c) Revenue from a tax under this section may be used only for
- 25 the following purposes:
- 26 (1) To finance, construct, acquire, and equip the county jail.
- 27 (2) To repay bonds issued or leases entered into for
- 28 constructing, acquiring, and equipping the county jail.
- 29 **Sec. 14. (a) This section applies only to Marshall County.**
- 30 (b) The county fiscal body may impose a tax on the adjusted
- 31 gross income of local taxpayers of the county at a tax rate that does
- 32 not exceed the lesser of the following:
- 33 (1) Twenty-five hundredths percent (0.25%).
- 34 (2) The rate necessary to carry out the purposes described in
- 35 subsection (c).
- 36 (c) Revenue raised from a tax under this section may be used
- 37 only for the following purposes:
- 38 (1) To finance, construct, acquire, improve, renovate, or
- 39 equip:
- 40 (A) jail facilities;
- 41 (B) juvenile court, detention, and probation facilities;
- 42 (C) other criminal justice facilities; and





1           **(D) related buildings and parking facilities;**  
 2           **located in the county, including costs related to the demolition**  
 3           **of existing buildings and the acquisition of land.**

4           **(2) Repay bonds issued or leases entered into for the purposes**  
 5           **described in subdivision (1).**

6           **(d) The tax imposed under this section may be imposed only**  
 7           **until the later of the following dates:**

8           **(1) The date on which the purposes described in subsection**  
 9           **(c)(1) are completed.**

10           **(2) The date on which the last of any bonds issued (including**  
 11           **any refunding bonds) or leases described in subsection (c)(2)**  
 12           **are fully paid.**

13           **The term of the bonds issued (including any refunding bonds) or a**  
 14           **lease entered into under subsection (c)(2) may not exceed twenty**  
 15           **(20) years.**

16           **(e) Money accumulated from the tax under this section after the**  
 17           **tax imposed by this section is terminated shall be transferred to the**  
 18           **county highway fund to be used for construction, resurfacing,**  
 19           **restoration, and rehabilitation of county highways, roads, and**  
 20           **bridges.**

21           **Sec. 15. (a) This section applies only to Miami County.**

22           **(b) Miami County possesses unique economic development**  
 23           **challenges due to:**

24           **(1) underemployment in relation to similarly situated**  
 25           **counties; and**

26           **(2) the presence of a United States government military base**  
 27           **or other military installation that is completely or partially**  
 28           **inactive or closed.**

29           **Maintaining low property tax rates is essential to economic**  
 30           **development, and the use of a tax under this section to pay any**  
 31           **bonds issued or leases entered into to carry out the purposes of this**  
 32           **section rather than the use of property taxes promotes these**  
 33           **purposes.**

34           **(c) The county fiscal body may impose a tax rate on the adjusted**  
 35           **gross income of local taxpayers of the county that is the lesser of**  
 36           **the following:**

37           **(1) Twenty-five hundredths percent (0.25%).**

38           **(2) The rate necessary to pay the costs of financing,**  
 39           **constructing, acquiring, renovating, and equipping a county**  
 40           **jail.**

41           **(d) Revenue raised from a tax imposed under this section may**  
 42           **be used only for the purposes of paying the costs of financing,**



1 constructing, acquiring, renovating, and equipping a county jail,  
2 including the repayment of bonds issued, or leases entered into, for  
3 financing, constructing, acquiring, renovating, and equipping a  
4 county jail.

5 **Sec. 16. (a) This section applies only to Monroe County.**

6 **(b) Maintaining low property tax rates is essential to economic**  
7 **development, and the use of a tax under this section, as needed in**  
8 **the county, to carry out the purposes of this section, rather than**  
9 **the use of property taxes, promotes these purposes.**

10 **(c) The county fiscal body may impose a tax rate on the adjusted**  
11 **gross income of local taxpayers of the county that does not exceed**  
12 **twenty-five hundredths percent (0.25%).**

13 **(d) Revenues raised from a tax imposed under this section may**  
14 **be used only for the purposes of funding a property tax credit to**  
15 **reduce the property tax liability imposed by a county to fund the**  
16 **operation and maintenance of a juvenile detention center and other**  
17 **facilities to provide juvenile services.**

18 **(e) The total of all tax credits granted under this section for a**  
19 **year may not exceed the amount of revenue raised by the tax**  
20 **imposed under this section. If the amount available in a year for**  
21 **property tax credits under this section is less than the amount**  
22 **necessary to provide all the property tax credits authorized by the**  
23 **adopting body, the county auditor shall reduce the property tax**  
24 **credits granted to eliminate the excess. The county auditor shall**  
25 **reduce credits uniformly in proportion to the tax liability incurred**  
26 **by each taxpayer.**

27 **(f) The total of all tax credits granted under this section for a**  
28 **year may not exceed the amount necessary to offset the property**  
29 **tax liability imposed for the purposes of this section. If the amount**  
30 **available in a year for property tax credits under this section is**  
31 **greater than the amount necessary to provide property tax credits**  
32 **to offset the property tax liability imposed for the purposes of this**  
33 **section, the county auditor shall retain and apply the excess, as**  
34 **necessary, to provide the property tax credits for the purposes of**  
35 **this section for the following year.**

36 **(g) The county auditor shall allocate the amount of revenue**  
37 **applied as tax credits under this section to the county.**

38 **Sec. 17. (a) This section applies only to Perry County.**

39 **(b) Perry County possesses unique governmental and economic**  
40 **development challenges due to:**

41 **(1) underemployment in relation to similarly situated counties**  
42 **and the loss of a major manufacturing business; and**



1           **(2) overcrowding of the county jail, the costs associated with**  
 2           **housing the county's inmates outside the county, and the**  
 3           **potential unavailability of additional housing for inmates**  
 4           **outside the county.**

5           **The use of a tax under this section is necessary for the county to**  
 6           **provide adequate jail capacity in the county and to maintain low**  
 7           **property tax rates essential to economic development. The use of**  
 8           **a tax under this section for the purposes described in this section**  
 9           **promotes these purposes.**

10           **(c) The county fiscal body may impose a tax on the adjusted**  
 11           **gross income of local taxpayers of the county at a tax rate that does**  
 12           **not exceed the lesser of the following:**

13           **(1) Five-tenths percent (0.5%).**

14           **(2) The rate necessary to carry out the purposes described in**  
 15           **this section.**

16           **(d) Revenue from a tax imposed under this section may be used**  
 17           **only for the following purposes:**

18           **(1) To finance, construct, acquire, improve, renovate,**  
 19           **remodel, or equip the county jail and related buildings and**  
 20           **parking facilities, including costs related to the demolition of**  
 21           **existing buildings, the acquisition of land, and any other**  
 22           **reasonably related costs.**

23           **(2) To repay bonds issued or leases entered into for**  
 24           **constructing, acquiring, improving, renovating, remodeling,**  
 25           **and equipping the county jail and related buildings and**  
 26           **parking facilities, including costs related to the demolition of**  
 27           **existing buildings, the acquisition of land, and any other**  
 28           **reasonably related costs.**

29           **(e) The tax imposed under this section may be imposed only**  
 30           **until the later of the following dates:**

31           **(1) The date on which the purposes described in subsection**  
 32           **(d)(1) are completed.**

33           **(2) The date on which the last of any bonds issued (including**  
 34           **any refunding bonds) or leases described in subsection (d)(2)**  
 35           **are fully paid.**

36           **The term of the bonds issued (including any refunding bonds) or a**  
 37           **lease entered into under subsection (d)(2) may not exceed**  
 38           **twenty-five (25) years.**

39           **(f) Funds accumulated from a tax under this section after:**

40           **(1) the redemption of the bonds issued; or**

41           **(2) the final payment of lease rentals due under a lease**  
 42           **entered into under this section;**



1 shall be transferred to the county highway fund to be used for  
 2 construction, resurfacing, restoration, and rehabilitation of county  
 3 highways, roads, and bridges.

4 **Sec. 18. (a) This section applies only to Pulaski County.**

5 **(b) For calendar years beginning before January 1, 2021, the**  
 6 **county fiscal body may impose a tax on the adjusted gross income**  
 7 **of local taxpayers of the county at a tax rate that does not exceed**  
 8 **three-tenths percent (0.3%).**

9 **(c) Revenue from a tax imposed under this section may be used**  
 10 **only for the purposes of paying the costs of operating and**  
 11 **maintaining a jail and justice center.**

12 **Sec. 19. (a) This section applies only to Randolph County.**

13 **(b) Randolph County possesses:**

14 **(1) unique fiscal challenges to finance the operations of county**  
 15 **government due to the county's ongoing obligation to repay**  
 16 **amounts received by the county due to an overpayment of the**  
 17 **county's certified distribution under IC 6-3.5-1.1-9 (before its**  
 18 **repeal) for a prior year; and**

19 **(2) unique capital financing needs related to the purposes**  
 20 **described in this section.**

21 **(c) The county fiscal body may impose a tax on the adjusted**  
 22 **gross income of local taxpayers of the county at a tax rate that does**  
 23 **not exceed the lesser of the following:**

24 **(1) Twenty-five hundredths percent (0.25%).**

25 **(2) The rate necessary to carry out the purposes described in**  
 26 **this section.**

27 **(d) Revenues from a tax under this section may be used only for**  
 28 **the following purposes:**

29 **(1) Financing, constructing, acquiring, renovating, and**  
 30 **equipping the county courthouse, and financing and**  
 31 **renovating the former county hospital for additional office**  
 32 **space, educational facilities, nonsecure juvenile facilities, and**  
 33 **other county functions, including the repayment of bonds**  
 34 **issued, or leases entered into, for constructing, acquiring,**  
 35 **renovating, and equipping the county courthouse and for**  
 36 **renovating the former county hospital for additional office**  
 37 **space, educational facilities, nonsecure juvenile facilities, and**  
 38 **other county functions.**

39 **(2) Financing, constructing, acquiring, renovating, and**  
 40 **equipping buildings for a volunteer fire department (as**  
 41 **defined in IC 36-8-12-2) that provides services in any part of**  
 42 **the county.**



1           (3) Financing, constructing, acquiring, and renovating  
2           firefighting apparatus or other related equipment for a  
3           volunteer fire department (as defined in IC 36-8-12-2) that  
4           provides services in any part of the county.

5           Sec. 20. (a) This section applies to Rush County.

6           (b) The county fiscal body may, by ordinance, determine that  
7           additional local income tax revenue is needed in the county to do  
8           the following:

9           (1) Finance, construct, acquire, improve, renovate, and equip  
10          the county jail and related buildings and parking facilities,  
11          including costs related to the demolition of existing buildings,  
12          the acquisition of land, and any other reasonably related  
13          costs.

14          (2) Repay bonds issued or leases entered into for the purposes  
15          described in subdivision (1).

16          (3) Operate and maintain the facilities described in  
17          subdivision (1).

18          (c) If the county fiscal body makes the determination set forth  
19          in subsection (b), the county council may adopt an ordinance to  
20          impose a local income tax rate of:

21          (1) fifteen-hundredths percent (0.15%);

22          (2) two-tenths percent (0.2%);

23          (3) twenty-five hundredths percent (0.25%);

24          (4) three-tenths percent (0.3%);

25          (5) thirty-five hundredths percent (0.35%);

26          (6) four-tenths percent (0.4%);

27          (7) forty-five hundredths percent (0.45%);

28          (8) five-tenths percent (0.5%);

29          (9) fifty-five hundredths percent (0.55%); or

30          (10) six-tenths percent (0.6%);

31          on the adjusted gross income of local taxpayers of the county. The  
32          tax rate may not be greater than the rate necessary to pay for the  
33          purposes described in subsection (b).

34          (d) The tax rate used to pay for the purposes described in  
35          subsection (b)(1) and (b)(2) may be imposed only until the latest of  
36          the following dates:

37          (1) The date on which the financing, construction, acquisition,  
38          improvement, renovating, and equipping of the facilities as  
39          described in subsection (b) are completed.

40          (2) The date on which the last of any bonds issued (including  
41          refunding bonds) or leases entered into to finance the  
42          construction, acquisition, improvement, renovation, and



- 1           equipping of the facilities described in subsection (b) are fully  
2           paid.
- 3           **(3) The date on which an ordinance adopted under subsection**  
4           **(c) is rescinded.**
- 5           **(e) If the county fiscal body imposes a tax under this section to**  
6           **pay for the purposes described in subsection (b)(1) and (b)(2), in**  
7           **the year before the facilities are ready for occupancy, the county**  
8           **council shall by ordinance establish a tax rate at a rate permitted**  
9           **under subsection (c) so that the revenue from the tax rate**  
10           **established under this subsection does not exceed the costs of**  
11           **operating and maintaining the facilities described in subsection (b).**  
12           **The tax rate under this subsection may be imposed beginning in the**  
13           **year following the year the ordinance is adopted and until the date**  
14           **on which the ordinance adopted under this subsection is rescinded.**
- 15           **(f) The term of a bond issued (including any refunding bond) or**  
16           **a lease entered into under subsection (b) may not exceed**  
17           **twenty-five (25) years.**
- 18           **(g) The county treasurer shall establish a county jail revenue**  
19           **fund to be used only for the purposes described in this section.**  
20           **Local income tax revenues derived from the tax rate imposed**  
21           **under this section shall be deposited in the county jail revenue**  
22           **fund.**
- 23           **(h) Local income tax revenues derived from the tax rate**  
24           **imposed under this section:**
- 25                   **(1) may be used only for the purposes described in this**  
26                   **section;**
- 27                   **(2) may not be considered by the department of local**  
28                   **government finance in determining the county's maximum**  
29                   **permissible property tax levy limit under IC 6-1.1-18.5; and**  
30                   **(3) may be pledged to the repayment of bonds issued or leases**  
31                   **entered into for the purposes described in subsection (b).**
- 32           **(i) Rush County possesses unique governmental and economic**  
33           **development challenges and opportunities due to the following:**
- 34                   **(1) Deficiencies in the current county jail, including the**  
35                   **following:**
- 36                           **(A) Aging facilities that have not been significantly**  
37                           **improved or renovated since the original construction.**
- 38                           **(B) Lack of recreation and medical facilities.**
- 39                           **(C) Inadequate line of sight supervision of inmates due to**  
40                           **the configuration of the aging jail.**
- 41                           **(D) Lack of adequate housing for an increasing female**  
42                           **inmate population and for inmates with special needs.**



1 (E) Lack of adequate administrative space.

2 (F) Increasing maintenance demands and costs resulting  
3 from having aging facilities.

4 (2) A limited industrial and commercial assessed valuation in  
5 the county.

6 The use of local income tax revenues as provided in this section is  
7 necessary for the county to provide adequate jail capacity in the  
8 county and to maintain low property tax rates essential to  
9 economic development. The use of local income tax revenues as  
10 provided in this section to pay any bonds issued or leases entered  
11 into to finance the construction, acquisition, improvement,  
12 renovation, and equipping of the facilities described in subsection  
13 (b), rather than the use of property taxes, promotes those purposes.

14 (j) Money accumulated from the local income tax rate imposed  
15 under this section after the termination of the tax under this  
16 section shall be transferred to the county rainy day fund under  
17 IC 36-1-8-5.1.

18 Sec. 21. (a) This section applies only to Scott County.

19 (b) Scott County is a county in which:

20 (1) maintaining low property tax rates is essential to economic  
21 development; and

22 (2) the use of additional tax revenues as provided in this  
23 section, rather than the use of property taxes, to fund:

24 (A) the financing, construction, acquisition, improvement,  
25 renovation, equipping, operation, or maintenance of jail  
26 facilities; and

27 (B) the repayment of bonds issued or leases entered into  
28 for the purposes described in clause (A), except operation  
29 or maintenance;

30 promotes the purpose of maintaining low property tax rates.

31 (c) The county fiscal body may impose a tax rate on the adjusted  
32 gross income of local taxpayers of the county that is the lesser of  
33 the following:

34 (1) Twenty-five hundredths percent (0.25%).

35 (2) The rate necessary to pay the costs of financing,  
36 constructing, acquiring, improving, renovating, and equipping  
37 the facilities described in subsection (d).

38 (d) Revenues raised under this section may be used only for the  
39 following purposes:

40 (1) The financing, construction, acquisition, improvement,  
41 renovation, equipping, operation, or maintenance of jail  
42 facilities.



- 1           (2) The repayment of bonds issued or leases entered into for  
2           the purposes described in subdivision (1), except operation or  
3           maintenance.
- 4           **Sec. 22. (a) This section applies only to Starke County.**
- 5           **(b) Starke County possesses unique governmental and economic**  
6           **development challenges due to:**
- 7               (1) the county's predominantly rural geography, demography,  
8               and economy;
- 9               (2) the county's relatively low tax base and relatively high  
10              property tax rates;
- 11              (3) the current maximum capacity of the county jail, which  
12              was constructed in 1976; and
- 13              (4) pending federal class action litigation seeking a mandate  
14              to address capacity and living conditions in the county jail.
- 15           The use of a tax under this section is necessary for the county to  
16           address jail capacity and appropriate inmate living conditions and  
17           to maintain low property tax rates essential to economic  
18           development. The use of a tax under this section for the purposes  
19           described in this section promotes these purposes.
- 20           **(c) The county fiscal body may impose a tax on the adjusted**  
21           **gross income of local taxpayers of the county at a tax rate that does**  
22           **not exceed the lesser of the following:**
- 23               (1) Sixty-five hundredths percent (0.65%).
- 24               (2) The rate necessary to carry out the purposes described in  
25               this section.
- 26           **(d) Revenue from a tax under this section may be used only for**  
27           **the following purposes:**
- 28               (1) To finance, construct, acquire, and equip the county jail  
29               and related buildings and parking facilities, including costs  
30               related to the demolition of existing buildings, the acquisition  
31               of land, and any other reasonably related costs.
- 32               (2) To repay bonds issued or leases entered into for  
33               constructing, acquiring, and equipping the county jail and  
34               related buildings and parking facilities, including costs related  
35               to the demolition of existing buildings, the acquisition of land,  
36               and any other reasonably related costs.
- 37           **(e) The tax imposed under this section may be imposed only**  
38           **until the later of the following dates:**
- 39               (1) The date on which the purposes described in subsection  
40               (d)(1) are completed.
- 41               (2) The date on which the last of any bonds issued (including  
42               any refunding bonds) or leases described in subsection (d)(2)





- 1           are fully paid.  
 2           The term of the bonds issued (including any refunding bonds) or a  
 3           lease entered into under subsection (d)(2) may not exceed  
 4           twenty-five (25) years.
- 5           Sec. 23. (a) This section applies only to Tipton County.  
 6           (b) The county council may, by ordinance, determine that  
 7           additional local income tax revenue is needed in the county to:  
 8           (1) finance the:  
 9                (A) construction, acquisition, and equipping of the county  
 10              jail and related buildings and parking facilities, including  
 11              costs related to the demolition of existing buildings, the  
 12              acquisition of land, and any other reasonably related costs;  
 13              and  
 14              (B) improvement, renovation, remodeling, repair, and  
 15              equipping of the courthouse to address security concerns  
 16              and mitigate excess moisture in the courthouse; and  
 17           (2) repay bonds issued or leases entered into for the purposes  
 18           described in subdivision (1).
- 19           (c) If the county council makes the determination set forth in  
 20           subsection (b), the county council may adopt an ordinance to  
 21           impose a local income tax rate of:  
 22                (1) fifteen-hundredths percent (0.15%);  
 23                (2) two-tenths percent (0.2%);  
 24                (3) twenty-five hundredths percent (0.25%);  
 25                (4) three-tenths percent (0.3%);  
 26                (5) thirty-five hundredths percent (0.35%); or  
 27                (6) four-tenths percent (0.4%);  
 28           on the adjusted gross income of local taxpayers of the county. The  
 29           tax rate may not be imposed at a rate greater than is necessary to  
 30           pay for the purposes described in subsection (b).
- 31           (d) The tax imposed under this section may be imposed only  
 32           until the later of the date on which:  
 33                (1) the financing for constructing, acquisition, improvement,  
 34                renovation, remodeling, repair, and equipping described in  
 35                subsection (b) is completed; or  
 36                (2) the last of any bonds issued or leases entered into to  
 37                finance the construction, acquisition, improvement,  
 38                renovation, remodeling, repair, and equipping described in  
 39                subsection (b) are fully paid.
- 40           The term of the bonds issued (including any refunding bonds) or a  
 41           lease entered into under subsection (b)(2) may not exceed twenty  
 42           (20) years.



1           (e) The county treasurer shall establish a county facilities  
2 revenue fund to be used only for the purposes described in this  
3 section. Local income tax revenues derived from the tax rate  
4 imposed under this section shall be deposited in the county facilities  
5 revenue fund.

6           (f) Local income tax revenues derived from the tax rate imposed  
7 under this section:

8               (1) may be used only for the purposes described in this  
9 section;

10              (2) may not be considered by the department of local  
11 government finance in determining the county's maximum  
12 permissible ad valorem property tax levy limit under  
13 IC 6-1.1-18.5; and

14              (3) may be pledged to the repayment of bonds issued or leases  
15 entered into for the purposes described in subsection (b).

16           (g) Tipton County possesses unique governmental and economic  
17 development challenges and opportunities due to:

18               (1) the county's heavy agricultural base;

19               (2) deficiencies in the current county jail, including:

20                   (A) overcrowding;

21                   (B) lack of program and support space for efficient jail  
22 operations;

23                   (C) inadequate line of sight supervision of inmates, due to  
24 current jail configuration;

25                   (D) lack of adequate housing for an increasing female  
26 inmate population and inmates with special needs;

27                   (E) lack of adequate administrative space; and

28                   (F) increasing maintenance demands and costs resulting  
29 from having aging facilities;

30               (3) the presence of a large industrial employer that offers the  
31 opportunity to expand the income tax base; and

32               (4) the presence of the historic Tipton County jail and  
33 sheriff's home, listed on the National Register of Historic  
34 Places.

35           The use of local income tax revenue as provided in this section is  
36 necessary for the county to provide adequate jail facilities in the  
37 county and to maintain low property tax rates essential to  
38 economic development. The use of local income tax revenues as  
39 provided in this section to pay any bonds issued or leases entered  
40 into to finance the construction, acquisition, improvement,  
41 renovation, remodeling, repairing, and equipping described in  
42 subsection (b), rather than the use of property taxes, promotes



1 those purposes.

2 (h) Money accumulated from the local income tax rate imposed  
3 under this section after:

4 (1) the redemption of bonds issued; or

5 (2) the final payment of lease rentals due under a lease  
6 entered into under this section;

7 shall be transferred to the county rainy day fund under  
8 IC 36-1-8-5.1.

9 Sec. 24. (a) This section applies only to Union County.

10 (b) Union County possesses unique economic development  
11 challenges due to:

12 (1) the county's heavy agricultural base;

13 (2) the presence of a large amount of state owned property in  
14 the county that is exempt from property taxation; and

15 (3) recent obligations of the school corporation in the county  
16 that have already increased property taxes in the county and  
17 imposed additional property tax burdens on the county's  
18 agricultural base.

19 Maintaining low property tax rates is essential to economic  
20 development. The use of a tax under this section for the purposes  
21 described in this section, rather than the use of property taxes,  
22 promotes these purposes.

23 (c) The county fiscal body may impose a tax on the adjusted  
24 gross income of local taxpayers of the county at a tax rate that does  
25 not exceed the lesser of the following:

26 (1) Twenty-five hundredths percent (0.25%).

27 (2) The rate necessary to carry out the purposes described in  
28 this section.

29 (d) Revenue raised from a tax under this section may be used  
30 only for the following purposes:

31 (1) To finance, construct, acquire, improve, renovate, or equip  
32 the county courthouse.

33 (2) To repay bonds issued, or leases entered into, for  
34 constructing, acquiring, improving, renovating, and equipping  
35 the county courthouse.

36 (e) The tax imposed under this section may be imposed only  
37 until the later of the following dates:

38 (1) The date on which the purposes described in subsection  
39 (d)(1) are completed.

40 (2) The date on which the last of any bonds issued (including  
41 any refunding bonds) or leases described in subsection (d)(2)  
42 are fully paid.



1       **The term of the bonds issued (including any refunding bonds) or a**  
 2       **lease entered into under subsection (d)(2) may not exceed**  
 3       **twenty-two (22) years.**

4       **(f) Funds accumulated from a tax under this section after:**

5           **(1) the redemption of the bonds issued; or**

6           **(2) the final payment of lease rentals due under a lease**  
 7           **entered into under this section;**

8       **shall be transferred to the county highway fund to be used for**  
 9       **construction, resurfacing, restoration, and rehabilitation of county**  
 10       **highways, roads, and bridges.**

11       **Sec. 25. (a) This section applies only to Wayne County.**

12       **(b) Wayne County possesses unique economic development**  
 13       **challenges due to underemployment in relation to similarly**  
 14       **situated counties. Maintaining low property tax rates is essential**  
 15       **to economic development, and the use of a tax under this section to**  
 16       **pay any bonds issued or leases entered into to carry out the**  
 17       **purposes of this section, rather than the use of property taxes,**  
 18       **promotes these purposes.**

19       **(c) The county fiscal body may impose a tax on the adjusted**  
 20       **gross income of local taxpayers of the county at a tax rate that does**  
 21       **not exceed twenty-five hundredths percent (0.25%).**

22       **(d) Revenue raised from a tax under this section may be used**  
 23       **only for the following purposes:**

24           **(1) To finance, construct, acquire, improve, renovate, or equip**  
 25           **the county jail and related buildings and parking facilities,**  
 26           **including costs related to the demolition of existing buildings**  
 27           **and the acquisition of land.**

28           **(2) To repay bonds issued, or leases entered into, for**  
 29           **constructing, acquiring, improving, renovating, and equipping**  
 30           **the county jail and related buildings and parking facilities,**  
 31           **including costs related to the demolition of existing buildings**  
 32           **and the acquisition of land.**

33       **(e) The tax imposed under this section may be imposed only**  
 34       **until the later of the date on which the financing, acquisition,**  
 35       **improvement, renovation, and equipping described in this section**  
 36       **are completed or the date on which the last of any bonds issued or**  
 37       **leases entered into to finance the construction, acquisition,**  
 38       **improvement, renovation, and equipping described in this section**  
 39       **are fully paid. The term of the bonds issued (including any**  
 40       **refunding bonds) or a lease entered into under this section may not**  
 41       **exceed twenty (20) years.**

42       **(f) Notwithstanding any other law, funds accumulated from the**



1 tax imposed under this section after:

2 (1) the redemption of bonds issued; or

3 (2) the final payment of lease rentals due under a lease  
4 entered into under this section;

5 shall be transferred to the county highway fund to be used for  
6 construction, resurfacing, restoration, and rehabilitation of county  
7 highways, roads, and bridges.

8 Sec. 26. (a) This section applies only to a county that is a  
9 member of a regional development authority under IC 36-7.6.

10 (b) The county fiscal body may impose a tax rate on the  
11 adjusted gross income tax of local taxpayers of the county that is  
12 not greater than:

13 (1) in the case of a county described in IC 36-7.6-4-2(c)(2),  
14 twenty-five thousandths of one percent (0.025%); or

15 (2) in the case of any other county to which this section  
16 applies, five-hundredths of one percent (0.05%).

17 (c) The revenue from a tax under this section may be used only  
18 for the purpose of transferring the revenue in the regional  
19 development authority under IC 36-7.6.

20 Sec. 27. (a) This section applies only to a county that:

21 (1) operates a county jail that is subject to an order that:

22 (A) was issued by a federal district court before January 1,  
23 2003; and

24 (B) has not been terminated;

25 (2) operates a county jail that fails to meet:

26 (A) American Correctional Association Jail Construction  
27 Standards; and

28 (B) Indiana jail operation standards adopted by the  
29 department of correction; and

30 (3) has insufficient revenue to finance the construction,  
31 acquisition, improvement, renovation, and equipping of a  
32 county jail and related buildings and parking facilities.

33 (b) A county described in subsection (a) possesses unique  
34 economic development challenges due to underemployment in  
35 relation to similarly situated counties. Maintaining low property  
36 tax rates is essential to economic development. The use of a tax  
37 under this section for the purposes of this section, rather than the  
38 use of property taxes, promotes these purposes.

39 (c) For purposes of this section, "county jail" includes any other  
40 penal facility that is:

41 (1) located in; and

42 (2) operated by;



- 1 the county.
- 2 (d) The county fiscal body may impose a tax on the adjusted
- 3 gross income of local taxpayers of the county at a tax rate that does
- 4 not exceed the lesser of the following:
- 5 (1) Twenty-five hundredths percent (0.25%).
- 6 (2) The rate necessary to carry out the purposes described in
- 7 this section.
- 8 (e) Revenue from a tax under this section may be used only for
- 9 the following purposes:
- 10 (1) To finance, construct, acquire, improve, renovate, or equip
- 11 a county jail and related buildings and parking facilities,
- 12 including costs related to the demolition of existing buildings
- 13 and the acquisition of land.
- 14 (2) To repay bonds issued or leases entered into for
- 15 constructing, acquiring, improving, renovating, and equipping
- 16 the county jail and related buildings and parking facilities,
- 17 including costs related to the demolition of existing buildings
- 18 and the acquisition of land.
- 19 (f) The tax imposed under this section may be imposed only
- 20 until the later of the following dates:
- 21 (1) The date on which the purposes described in subsection
- 22 (e)(1) are completed.
- 23 (2) The date on which the last of any bonds issued (including
- 24 any refunding bonds) or leases described in subsection (e)(2)
- 25 are fully paid.
- 26 The term of the bonds issued (including any refunding bonds) or a
- 27 lease entered into under subsection (e)(2) may not exceed thirty
- 28 (30) years.
- 29 (g) Funds accumulated from the tax under this section after:
- 30 (1) the redemption of bonds issued; or
- 31 (2) the final payment of lease rentals due under a lease
- 32 entered into under this section;
- 33 shall be transferred to the county general fund.
- 34 Sec. 28. (a) This section applies to a county that:
- 35 (1) operates a courthouse that is subject to an order that:
- 36 (A) is issued by a federal district court;
- 37 (B) applies to an action commenced before January 1,
- 38 2003; and
- 39 (C) requires the county to comply with the federal
- 40 Americans with Disabilities Act; and
- 41 (2) has insufficient revenues to finance the construction,
- 42 acquisition, improvement, renovation, equipping, and



1 operation of the courthouse facilities and related facilities.

2 (b) A county described in this section possesses unique fiscal  
3 challenges in financing, renovating, equipping, and operating the  
4 county courthouse facilities and related facilities because the  
5 county consistently has one (1) of the highest unemployment rates  
6 in Indiana. Maintaining low property tax rates is essential to  
7 economic development in the county. The use of a tax under this  
8 section for the purposes of this section promotes these purposes.

9 (c) The county fiscal body may impose a tax on the adjusted  
10 gross income of local taxpayers of the county at a tax rate that does  
11 not exceed the lesser of the following:

12 (1) Twenty-five hundredths percent (0.25%).

13 (2) The rate necessary to carry out the purposes described in  
14 this section.

15 (d) Revenue from a tax under this section may be used only for  
16 the following purposes:

17 (1) To finance, construct, acquire, improve, renovate, equip,  
18 or operate the county courthouse or related facilities.

19 (2) To repay bonds issued or leases entered into for  
20 constructing, acquiring, improving, renovating, equipping, or  
21 operating the county courthouse or related facilities.

22 (3) To pay for economic development projects described in the  
23 county's capital improvement plan.

24 (e) Funds accumulated from a tax under this section or any  
25 other revenues of the county may be deposited into a nonreverting  
26 fund of the county to be used for operating costs of the courthouse  
27 facilities, juvenile detention facilities, or related facilities.

28 Sec. 29. (a) This section applies only to an eligible county (as  
29 defined in IC 8-25-1-4).

30 (b) If the voters of the county approve a local public question  
31 under IC 8-25-2, the fiscal body of the county may adopt an  
32 ordinance to provide for the use of local income tax revenues  
33 attributable to a tax rate imposed by the county under IC 6-3.7-6  
34 to fund a public transportation project under IC 8-25. However, a  
35 county fiscal body shall adopt an ordinance under this subsection  
36 if required by IC 8-25-6-10 to impose an additional tax rate on the  
37 county taxpayers (as defined in IC 8-24-1-10, repealed) who reside  
38 in a township in which the voters approve a public transportation  
39 project in a local public question held under IC 8-25-6. An  
40 ordinance adopted under this subsection must specify an additional  
41 tax rate to be imposed in the county (or township in the case of an  
42 additional rate required by IC 8-25-6-10) of at least one-tenth



1 percent (0.1%), but not more than twenty-five hundredths percent  
 2 (0.25%). If an ordinance is adopted under this subsection, the  
 3 amount of the certified distribution attributable to the additional  
 4 tax rate imposed under this subsection must be:

5 (1) retained by the county auditor from the tax revenue  
 6 received from the county's tax rate under IC 6-3.7-6, before  
 7 distributions of certified shares are made and before any  
 8 distributions are made to a PSAP under IC 6-3.7-6-4 or to a  
 9 public communications system and computer facilities district  
 10 under IC 6-3.7-6-5;

11 (2) deposited in the county public transportation project fund  
 12 established under IC 8-25-3-7; and

13 (3) used for the purpose provided in this subsection instead of  
 14 as a property tax replacement distribution.

15 (c) A tax rate imposed by the county fiscal body under this  
 16 section plus any tax rate imposed by the county fiscal body under  
 17 IC 6-3.7-6 may not exceed the maximum tax rate specified in  
 18 IC 6-3.7-6-1.

19 **Chapter 8. Administration of Tax**

20 **Sec. 1.** If for any taxable year a local taxpayer is subject to  
 21 different tax rates for the tax imposed by a particular eligible unit,  
 22 the taxpayer's tax rate for that eligible unit and that taxable year  
 23 is the rate determined in the last STEP of the following STEPS:

24 **STEP ONE:** For each tax rate in effect in a year, multiply:

25 (A) the number of months in the taxpayer's taxable year in  
 26 which the rate is in effect; by

27 (B) the rate.

28 **STEP TWO:** Divide:

29 (A) the sum of the amounts determined under STEP ONE;  
 30 by

31 (B) twelve (12).

32 **Sec. 2.** If the tax imposed by an eligible unit under this article is  
 33 not in effect during a local taxpayer's entire taxable year, the  
 34 amount of tax that the local taxpayer owes for that taxable year  
 35 equals the product of:

36 (1) the amount of tax the local taxpayer would owe if the tax  
 37 had been imposed by the eligible unit during the local  
 38 taxpayer's entire taxable year; multiplied by

39 (2) a fraction equal to:

40 (A) the number of days in the local taxpayer's taxable year  
 41 during which the tax was in effect; divided by

42 (B) the total number of days in the local taxpayer's taxable





1           year.  
 2           However, if the taxpayer files state income tax returns on a  
 3           calendar year basis, the fraction to be applied under this section is  
 4           one-half (1/2).

5           Sec. 3. (a) For purposes of this article, an individual shall be  
 6           treated as a resident of an eligible unit in which the individual:

- 7           (1) maintains a home, if the individual maintains only one (1)  
 8           home in Indiana;  
 9           (2) if subdivision (1) does not apply, is registered to vote;  
 10          (3) if subdivision (1) or (2) does not apply, registers the  
 11          individual's personal automobile; or  
 12          (4) spent the majority of the individual's time in Indiana  
 13          during the taxable year in question, if subdivision (1), (2), or  
 14          (3) does not apply.

15          (b) The residence or principal place of business or employment  
 16          of an individual is to be determined on January 1 of the calendar  
 17          year in which the individual's taxable year commences. If an  
 18          individual changes the location of the individual's residence or  
 19          principal place of employment or business to another county in  
 20          Indiana during a calendar year, the individual's liability for tax is  
 21          not affected.

22          (c) Notwithstanding subsection (b), if an individual becomes a  
 23          local taxpayer for purposes of IC 36-7-27 during a calendar year  
 24          because the individual:

- 25          (1) changes the location of the individual's residence to an  
 26          eligible unit in which the individual begins employment or  
 27          business at a qualified economic development tax project (as  
 28          defined in IC 36-7-27-9); or  
 29          (2) changes the location of the individual's principal place of  
 30          employment or business to a qualified economic development  
 31          tax project and does not reside in another county in which a  
 32          tax is in effect under this article;

33          the individual's adjusted gross income attributable to employment  
 34          or business at the qualified economic development tax project is  
 35          taxable only by the eligible unit containing the qualified economic  
 36          development tax project.

37          Sec. 4. (a) Using procedures provided under this chapter, the  
 38          adopting body of an eligible unit may pass an ordinance (in the  
 39          case of a county) or a resolution (in the case of a school  
 40          corporation) to enter into reciprocity agreements with the taxing  
 41          authority of any city, town, municipality, county, or other similar  
 42          local governmental entity of any other state. The reciprocity



1 agreements must provide that the income of resident local  
 2 taxpayers is exempt from income taxation by the other local  
 3 governmental entity to the extent income of the residents of the  
 4 other local governmental entity is exempt from the tax imposed by  
 5 the eligible unit.

6 (b) A reciprocity agreement adopted under this section may not  
 7 become effective until it is also made effective in the other local  
 8 governmental entity that is a party to the agreement.

9 (c) The form and effective date of any reciprocity agreement  
 10 described in this section must be approved by the department.

11 **Sec. 5. (a) Except as otherwise provided in subsection (b) and**  
 12 **the other provisions of this article, all provisions of the adjusted**  
 13 **gross income tax law (IC 6-3) concerning:**

14 (1) definitions;

15 (2) declarations of estimated tax;

16 (3) filing of returns;

17 (4) deductions or exemptions from adjusted gross income;

18 (5) remittances;

19 (6) incorporation of the provisions of the Internal Revenue  
 20 Code;

21 (7) penalties and interest; and

22 (8) exclusion of military pay credits for withholding;

23 apply to the imposition, collection, and administration of the tax  
 24 imposed by this article.

25 (b) Notwithstanding subsection (a), each employer shall report  
 26 to the department of state revenue the amount of withholdings  
 27 attributable to each eligible unit. This report shall be submitted to  
 28 the department of state revenue:

29 (1) each time the employer remits to the department of state  
 30 revenue the tax that is withheld; and

31 (2) annually along with the employer's annual withholding  
 32 report.

33 **Sec. 6. (a) Except as provided in subsection (b), if for a**  
 34 **particular taxable year a local taxpayer is liable for an income tax**  
 35 **imposed by a county, city, town, or other local governmental entity**  
 36 **located outside Indiana, that local taxpayer is entitled to a credit**  
 37 **against the tax liability imposed under this article for that same**  
 38 **taxable year. The amount of the credit equals the amount of tax**  
 39 **imposed by the other governmental entity on income derived from**  
 40 **sources outside Indiana and subject to the tax imposed under this**  
 41 **article. However, the credit provided by this section may not**  
 42 **reduce a local taxpayer's tax liability to an amount less than would**



1 have been owed if the income subject to taxation by the other  
 2 governmental entity had been ignored. If the local taxpayer has a  
 3 tax liability to more than one (1) eligible unit, the credit shall be  
 4 applied proportionally to the tax liabilities owed by the taxpayer to  
 5 those eligible units for the taxable year.

6 (b) The credit provided by this section does not apply to a local  
 7 taxpayer to the extent that the other governmental entity provides  
 8 for a credit to the taxpayer for the amount of taxes owed under this  
 9 article.

10 (c) To claim the credit provided by this section, a local taxpayer  
 11 must provide the department of state revenue with satisfactory  
 12 evidence that the taxpayer is entitled to the credit.

13 **Sec. 7. In the case of a local taxpayer who is a resident of Perry  
 14 County, the term "adjusted gross income" does not include  
 15 adjusted gross income that is:**

16 (1) earned in a county that is:

17 (A) located in another state; and

18 (B) adjacent to the county in which the taxpayer resides;  
 19 and

20 (2) subject to an income tax imposed by a county, city, town,  
 21 or other local governmental entity in the other state.

22 **Chapter 9. Distribution of Revenue**

23 **Sec. 1. (a) A trust account within the state general fund shall be  
 24 established for each eligible unit that imposes a tax. Any revenue  
 25 derived from the imposition of the tax by an eligible unit shall be  
 26 deposited in that eligible unit's trust account in the state general  
 27 fund. The eligible unit's trust account shall be maintained by the  
 28 budget agency.**

29 (b) Any income earned on money held in a trust account under  
 30 subsection (a) becomes a part of that trust account.

31 (c) Any revenue remaining in a trust account established under  
 32 subsection (a) at the end of a fiscal year does not revert to the state  
 33 general fund.

34 **Sec. 2. The budget agency shall before May 1 of every  
 35 odd-numbered year publish an estimate of the statewide total  
 36 amount of certified distributions to be made under this article  
 37 during the following two (2) calendar years.**

38 **Sec. 3. The budget agency shall before May 1 of every  
 39 even-numbered year publish an estimate of the statewide total  
 40 amount of certified distributions to be made under this article  
 41 during the following calendar year.**

42 **Sec. 4. Revenue derived from the imposition of a tax under this**



1 article shall, in the manner prescribed by this chapter, be  
 2 distributed to the eligible unit that imposed the tax. The amount  
 3 that is to be distributed to an eligible unit during an ensuing  
 4 calendar year equals the amount of tax revenue that the budget  
 5 agency determines has been:

6 (1) received from local taxpayers of that eligible unit for a  
 7 taxable year ending in a calendar year preceding the calendar  
 8 year in which the determination is made; and

9 (2) reported on an annual return or amended return  
 10 processed by the department in the state fiscal year ending  
 11 before July 1 of the calendar year in which the determination  
 12 is made;

13 as adjusted for refunds of tax made in the state fiscal year.

14 **Sec. 5. (a)** Before June 1 of each year, the budget agency shall  
 15 provide to the department of local government finance and the  
 16 fiscal officer of each adopting eligible unit an estimate of the  
 17 amount that will be distributed to the eligible unit, based on known  
 18 tax rates. Not later than July 1 of each year, the department of  
 19 local government finance shall determine for each taxing unit and  
 20 notify the fiscal officer of each taxing unit of the estimated amount  
 21 of property tax credits, certified shares, and special purpose  
 22 revenue that will be distributed to the taxing unit under this article  
 23 during the ensuing calendar year.

24 **(b)** Before October 1 of each calendar year, the budget agency  
 25 shall certify to the department of local government finance and the  
 26 fiscal officer of each adopting eligible unit:

27 (1) the amount determined under section 4 of this chapter;  
 28 and

29 (2) the amount of interest in the county's account that has  
 30 accrued and has not been included in a certification made in  
 31 a preceding year.

32 The amount certified is the eligible unit's certified distribution for  
 33 the immediately succeeding calendar year. The amount certified  
 34 shall be adjusted, as necessary, under sections 6, 7, and 8 of this  
 35 chapter. Not later than fifteen (15) days after receiving the amount  
 36 of the certified distribution, the department of local government  
 37 finance shall determine for each taxing unit and notify the fiscal  
 38 officer of each taxing unit of the certified amount of property tax  
 39 credits, certified shares, and special purpose revenue that will be  
 40 distributed to the taxing unit under this article during the ensuing  
 41 calendar year.

42 **Sec. 6.** The budget agency shall certify an amount less than the



1 amount determined under section 5(b) of this chapter if the budget  
2 agency determines that the reduced distribution is necessary to  
3 offset overpayments made in a calendar year before the calendar  
4 year of the distribution. The budget agency may reduce the amount  
5 of the certified distribution over several calendar years so that any  
6 overpayments are offset over several years rather than in one (1)  
7 lump sum.

8 **Sec. 7.** The budget agency shall adjust the certified distribution  
9 for an eligible unit to correct for any clerical or mathematical  
10 errors made in any previous certification under this chapter. The  
11 budget agency may reduce the amount of the certified distribution  
12 over several calendar years so that any adjustment under this  
13 section is offset over several years rather than in one (1) lump sum.

14 **Sec. 8.** This section applies to an eligible unit that imposes,  
15 increases, decreases, or rescinds a tax or tax rate under this article  
16 before November 1 in the same calendar year in which the budget  
17 agency makes a certification under this section. The budget agency  
18 shall adjust the certified distribution of a county to provide for a  
19 distribution in the immediately following calendar year and in each  
20 calendar year thereafter. The budget agency shall provide for a full  
21 transition to certification of distributions as provided in section  
22 4(1) and 4(2) of this chapter in the manner provided in section 6 of  
23 this chapter. If the eligible unit imposes, increases, decreases, or  
24 rescinds a tax or tax rate under this article after the date for which  
25 a certification under section 5(b) of this chapter is based, the  
26 budget agency shall adjust the certified distribution of the eligible  
27 unit after October 1 and before December 1 of the calendar year.  
28 The adjustment must reflect any other adjustment required under  
29 sections 6 and 7 of this chapter. The adjusted certification shall be  
30 treated as the eligible unit's certified distribution for the  
31 immediately succeeding calendar year. The budget agency shall  
32 certify the adjusted certified distribution to the fiscal officer for the  
33 eligible unit and provide the adopting body of the eligible unit with  
34 an informative summary of the calculations that revises the  
35 informative summary provided in section 9 of this chapter and  
36 reflects the changes made in the adjustment.

37 **Sec. 9.** The budget agency shall provide the adopting body with  
38 an informative summary of the calculations used to determine the  
39 certified distribution. The summary of calculations must include:

- 40 (1) the amount reported on individual income tax returns  
41 processed by the department during the previous fiscal year;  
42 (2) adjustments for over distributions in prior years;



1 (3) adjustments for clerical or mathematical errors in prior  
2 years;

3 (4) adjustments for tax rate changes; and

4 (5) the amount of excess account balances to be distributed  
5 under section 15 of this chapter.

6 Sec. 10. The budget agency shall also certify information  
7 concerning the part of the certified distribution to each eligible unit  
8 that is attributable to each of the following:

9 (1) The tax rate imposed under IC 6-3.7-5.

10 (2) The tax rate imposed under IC 6-3.7-6, separately stating  
11 the part of the distribution dedicated to a PSAP under  
12 IC 6-3.7-6-4 and that part of the distribution dedicated to a  
13 public communications system and computer facilities district  
14 under IC 6-3.7-6-5.

15 The amount certified shall be adjusted to reflect any adjustment in  
16 the certified distribution under this chapter.

17 Sec. 11. The information described in sections 9 and 10 of this  
18 chapter must be certified to the county auditor, to the fiscal officer  
19 of each taxing unit in the county, and to the department of local  
20 government finance not later than the later of the following:

21 (1) October 1 of each calendar year.

22 (2) Thirty (30) days after the adopting body certifies a new  
23 rate to the budget agency.

24 Sec. 12. One-twelfth (1/12) of an eligible unit's certified  
25 distribution for a calendar year shall be distributed from its trust  
26 account established under this chapter to the fiscal officer of the  
27 eligible unit on the first regular business day of each month of that  
28 calendar year.

29 Sec. 13. All distributions from a trust account established under  
30 this chapter shall be made by warrants issued by the auditor of  
31 state to the treasurer of state ordering the appropriate payments.

32 Sec. 14. Before November 2 of each year, the budget agency  
33 shall submit a report to the fiscal officer of each eligible unit that  
34 has adopted a tax under this chapter. The report must indicate the  
35 balance in the eligible unit's trust account as of the cutoff date set  
36 by the budget agency.

37 Sec. 15. (a) If the budget agency determines that the balance in  
38 an eligible unit's trust account exceeds fifteen percent (15%) of the  
39 certified distributions to be made to the eligible unit in the  
40 determination year, the budget agency shall make a supplemental  
41 distribution to the eligible unit from the eligible unit's trust  
42 account. The budget agency shall use the trust account balance as



1 of December 31 of the year that precedes the determination year  
 2 by two (2) years (referred to as the "trust account balance year"  
 3 in this section).

4 (b) A supplemental distribution described in subsection (a) must  
 5 be:

6 (1) made at the same time as the determinations are provided  
 7 to the fiscal officer of the eligible unit under subsection (d)(2);  
 8 and

9 (2) allocated in the same manner as certified distributions for  
 10 the purposes described in this article.

11 (c) The amount of a supplemental distribution described in  
 12 subsection (a) is equal to the amount by which:

13 (1) the balance in the eligible unit's trust account; minus

14 (2) the amount of any supplemental or special distribution  
 15 that has not yet been accounted for in the last known balance  
 16 of the eligible unit's trust account;

17 exceeds fifteen percent (15%) of the certified distributions to be  
 18 made to the eligible unit in the determination year.

19 (d) For an eligible unit that qualifies for a supplemental  
 20 distribution under this section in a year, the following apply:

21 (1) Before May 2, the budget agency shall provide the amount  
 22 of the supplemental distribution for the eligible unit to the  
 23 department of local government finance and to the fiscal  
 24 officer of the eligible unit.

25 (2) The department of local government finance shall  
 26 determine for the eligible unit the amount and allocation of  
 27 the supplemental distribution attributable to the taxes that  
 28 were imposed as of December 31 of the trust account balance  
 29 year, including any specific distributions for that year. In the  
 30 case of a county that receives a supplemental distribution, the  
 31 department of local government finance shall determine the  
 32 part of the supplemental distribution that shall be distributed  
 33 to each qualified civil taxing unit in the county as certified  
 34 shares and the amount (if any) to be distributed for a PSAP  
 35 under IC 6-3.7-6-4 and the amount (if any) to be distributed  
 36 to a public communications system and computer facilities  
 37 district under IC 6-3.7-6-5. The department of local  
 38 government finance shall provide these determinations to the  
 39 fiscal officer of the eligible unit before May 16 of the  
 40 determination year.

41 (3) In the case of a county that receives a supplemental  
 42 distribution, the county auditor shall before June 1 of the year



1           **distribute to each qualified civil taxing unit the amount of the**  
 2           **supplemental distribution that is allocated to the qualified**  
 3           **civil taxing unit as certified shares under subdivision (2).**

4           **(e) Any income earned on money held in a trust account**  
 5           **established for an eligible unit under this chapter shall be deposited**  
 6           **in that trust account.**

7           **Chapter 10. Use of Expenditure Rate Revenue**

8           **Sec. 1. A school corporation may use revenue that is raised by**  
 9           **the school corporation from a tax imposed under IC 6-3.7-6 for any**  
 10          **legal purpose of the school corporation, including any purpose**  
 11          **authorized by this chapter.**

12          **Sec. 2. A municipality may use revenue that is raised from a tax**  
 13          **imposed by the municipality under IC 6-3.7-6 for any legal purpose**  
 14          **of the municipality, including any purpose authorized by this**  
 15          **chapter.**

16          **Sec. 3. A qualified civil taxing unit may use revenue received as**  
 17          **certified shares under IC 6-3.7-6 for any legal purpose of the**  
 18          **qualified civil taxing unit, including any purpose authorized by this**  
 19          **chapter.**

20          **Sec. 4. The permissible uses described in sections 5 through 15**  
 21          **of this chapter are not an exhaustive list of the purposes for which**  
 22          **revenue raised under IC 6-3.7-6 may be expended.**

23          **Sec. 5. (a) The fiscal body of a school corporation, municipality,**  
 24          **or qualified civil taxing unit may issue bonds payable from revenue**  
 25          **received under IC 6-3.7-6.**

26          **(b) IC 6-1.1-20 does not apply to the issuance of bonds under**  
 27          **this section.**

28          **(c) Bonds issued under this section may be sold at a public sale**  
 29          **in accordance with IC 5-1-11 or may be sold at a negotiated sale.**

30          **(d) After a sale of bonds under this section, the fiscal officer of**  
 31          **the school corporation, municipality, or qualified civil taxing unit**  
 32          **shall prepare a debt service schedule for the bonds.**

33          **(e) The general assembly covenants that it will not repeal or**  
 34          **amend this article in a manner that would adversely affect owners**  
 35          **of outstanding bonds issued, or payment of any lease rentals due,**  
 36          **under this section.**

37          **Sec. 6. (a) A school corporation, municipality, or qualified civil**  
 38          **taxing unit may enter into a lease with a leasing body (as defined**  
 39          **in IC 5-1-1-1) of any property that could be financed with the**  
 40          **proceeds of bonds issued under this chapter with a lessor for a**  
 41          **term not to exceed fifty (50) years, and the lease may provide for**  
 42          **payments from revenue received under IC 6-3.7-6, any other**





1 revenue available to the school corporation, municipality, or  
2 qualified civil taxing unit, or any combination of these sources.

3 (b) A lease may provide that payments by the school  
4 corporation, municipality, or qualified civil taxing unit to the lessor  
5 are required only to the extent and only for the period that the  
6 lessor is able to provide the leased facilities in accordance with the  
7 lease. The terms of each lease must be based upon the value of the  
8 facilities leased and may not create a debt of the school  
9 corporation, municipality, or qualified civil taxing unit for  
10 purposes of the Constitution of the State of Indiana.

11 (c) A lease may be entered into by the executive of the school  
12 corporation, municipality, or qualified civil taxing unit only after  
13 a public hearing at which all interested parties are provided the  
14 opportunity to be heard. After the public hearing, the executive  
15 may approve the execution of the lease on behalf of the school  
16 corporation, municipality, or qualified civil taxing unit if the  
17 executive finds that the service to be provided throughout the term  
18 of the lease will serve the public purpose of the school corporation,  
19 municipality, or qualified civil taxing unit and is in the best  
20 interests of its residents. Any lease approved by the executive must  
21 also be approved by an ordinance of the fiscal body of the school  
22 corporation, municipality, or qualified civil taxing unit.

23 (d) Upon execution of a lease providing for payments by the  
24 school corporation, municipality, or qualified civil taxing unit in  
25 whole or in part from revenues described in section 1, 2, or 3 of this  
26 chapter and upon approval of the lease by the fiscal body of the  
27 school corporation, municipality, or qualified civil taxing unit, the  
28 executive of the school corporation, municipality, or qualified civil  
29 taxing unit shall publish notice of the execution of the lease and its  
30 approval in accordance with IC 5-3-1.

31 (e) Except as provided in this section, no approvals of any  
32 governmental body or agency are required before the school  
33 corporation, municipality, or qualified civil taxing unit enters into  
34 a lease under this section.

35 (f) An action to contest the validity of the lease under this  
36 section or to enjoin the performance of any of its terms and  
37 conditions must be brought within thirty (30) days after the  
38 publication of the notice of the execution and approval of the lease.

39 (g) If a school corporation, municipality, or qualified civil taxing  
40 unit exercises an option to buy a leased facility from a lessor, the  
41 unit may subsequently sell the leased facility, without regard to any  
42 other statute, to the lessor at the end of the lease term at a price set



1       forth in the lease or at fair market value established at the time of  
2       the sale by the executive of the school corporation, municipality, or  
3       qualified civil taxing unit through auction, appraisal, or arms  
4       length negotiation. If the facility is sold at auction, after appraisal,  
5       or through negotiation, the school corporation, municipality, or  
6       qualified civil taxing unit shall conduct a hearing after public  
7       notice in accordance with IC 5-3-1 before the sale. Any action to  
8       contest the sale must be brought within fifteen (15) days of the  
9       hearing.

10       Sec. 7. Notwithstanding any other law, if a school corporation,  
11       municipality, or qualified civil taxing unit desires to issue  
12       obligations, or enter into leases, payable wholly or in part by the  
13       taxes imposed under IC 6-3.7-6 or IC 6-3.7-7, the obligations of the  
14       school corporation, municipality, or qualified civil taxing unit or  
15       any lessor may be sold at public sale in accordance with IC 5-1-11  
16       or at negotiated sale.

17       Sec. 8. A political subdivision may pledge the revenue it receives  
18       from a tax imposed under IC 6-3.7-6 to the payment of bonds or to  
19       lease payments for:

- 20               (1) any purpose of the political subdivision; or  
21               (2) any purpose of another governmental entity located in any  
22               part in the county, including a governmental entity organized  
23               on a regional basis.

24       Sec. 9. (a) A pledge of revenues from a tax imposed under  
25       IC 6-3.7-6 is enforceable in accordance with IC 5-1-14.

26       (b) With respect to obligations for which a pledge has been  
27       made under IC 6-3.7-6, the general assembly covenants with the  
28       school corporation, municipality, or qualified civil taxing unit and  
29       the purchasers or owners of those obligations that this article will  
30       not be repealed or amended in any manner that will adversely  
31       affect the tax collected under this article as long as the principal of  
32       or interest on those obligations is unpaid.

33       Sec. 10. (a) A political subdivision may distribute any part of the  
34       revenue it receives from a tax imposed under IC 6-3.7-6 to any  
35       governmental entity (including a governmental entity organized on  
36       a regional basis to serve an area in more than one (1) county) to  
37       carry out a joint purpose or fund the purposes of the other  
38       governmental entity.

39       (b) The distribution must be authorized by ordinance (in the  
40       case of a county or municipality) or resolution (in the case of a  
41       political subdivision other than a county or municipality) of the  
42       fiscal body of the political subdivision to which the revenue is



1 distributed under IC 6-3.7-6. An ordinance or resolution must  
2 specify the purpose of the designation and its duration.

3 (c) The fiscal body of the political subdivision may direct the  
4 county auditor in the ordinance to withhold from the political  
5 subdivision's distribution of revenue under IC 6-3.7-6 the amount  
6 that is the subject of the ordinance and distribute the amount  
7 directly to the other governmental entity authorized to receive the  
8 money.

9 Sec. 11. A county or municipality may use the revenue it  
10 receives from a tax imposed under IC 6-3.7-6 for any combination  
11 of the following purposes:

12 (1) To pay all or a part of the interest owed by a private  
13 developer or user on a loan extended by a financial institution  
14 or other lender to the developer or user if the proceeds of the  
15 loan are or are to be used to finance an economic development  
16 project.

17 (2) For the retirement of bonds for economic development  
18 projects.

19 (3) For leases or for leases or bonds entered into or issued  
20 before the date the county economic development income tax  
21 (IC 6-3.5-7 repealed) was imposed if the purpose of the lease  
22 or bonds would have qualified as a purpose under this article  
23 at the time the lease was entered into or the bonds were  
24 issued.

25 (4) The construction or acquisition of, or remedial action with  
26 respect to, a capital project for which the county or  
27 municipality is empowered to issue general obligation bonds  
28 or establish a fund under any statute listed in  
29 IC 6-1.1-18.5-9.8.

30 (5) The retirement of bonds issued under any provision of  
31 Indiana law for a capital project.

32 (6) The payment of lease rentals under any statute for a  
33 capital project.

34 (7) Contract payments to a nonprofit corporation whose  
35 primary corporate purpose is to assist government in  
36 planning and implementing economic development projects.

37 (8) Operating expenses of a governmental entity that plans or  
38 implements economic development projects.

39 (9) Funding of a revolving fund established under  
40 IC 5-1-14-14.

41 (10) For a regional venture capital fund or a local venture  
42 capital fund.



1           **Sec. 12.** An eligible unit may use the revenue the eligible unit  
 2 receives from a tax imposed under IC 6-3.7-6 to provide property  
 3 tax credits in the same manner that the eligible unit may provide  
 4 property tax credits under IC 6-3.7-5.

5           **Sec. 13. (a)** The general assembly finds that counties and  
 6 municipalities in Indiana have a need to foster economic  
 7 development, the development of new technology, and industrial  
 8 and commercial growth. The general assembly finds that it is  
 9 necessary and proper to provide an alternative method for counties  
 10 and municipalities to foster the following:

- 11           (1) Economic development.
- 12           (2) The development of new technology.
- 13           (3) Industrial and commercial growth.
- 14           (4) Employment opportunities.
- 15           (5) The diversification of industry and commerce.

16           The fostering of economic development and the development of  
 17 new technology under this section or section 14 of this chapter for  
 18 the benefit of the general public, including industrial and  
 19 commercial enterprises, is a public purpose.

20           **(b)** The fiscal bodies of two (2) or more counties or  
 21 municipalities may, by resolution, do the following:

- 22           (1) Determine that part or all the revenue received under  
 23 IC 6-3.7-6 should be combined to foster:
  - 24           (A) economic development;
  - 25           (B) the development of new technology; and
  - 26           (C) industrial and commercial growth.
- 27           (2) Establish a regional venture capital fund.

28           **(c)** Each unit participating in a regional venture capital fund  
 29 established under subsection (b) may deposit the following in the  
 30 fund:

- 31           (1) Revenues received under IC 6-3.7-6.
- 32           (2) The proceeds of public or private grants.

33           **(d)** A regional venture capital fund shall be administered by a  
 34 governing board. The expenses of administering the fund shall be  
 35 paid from money in the fund. The governing board shall invest the  
 36 money in the fund not currently needed to meet the obligations of  
 37 the fund in the same manner as other public money may be  
 38 invested. Interest that accrues from these investments shall be  
 39 deposited into the fund. The fund is subject to audit by the state  
 40 board of accounts under IC 5-11-1. The fund must bear the full  
 41 costs of the audit.

42           **(e)** The fiscal body of each participating unit shall approve an



1 interlocal agreement created under IC 36-1-7 establishing the  
2 terms for the administration of the regional venture capital fund.

3 The terms must include the following:

- 4 (1) The membership of the governing board.  
5 (2) The amount of each unit's contribution to the fund.  
6 (3) The procedures and criteria under which the governing  
7 board may loan or grant money from the fund.  
8 (4) The procedures for the dissolution of the fund and for the  
9 distribution of money remaining in the fund at the time of the  
10 dissolution.

11 (f) An interlocal agreement made by the participating units  
12 under subsection (e) must provide that:

- 13 (1) each of the participating units is represented by at least  
14 one (1) member of the governing board; and  
15 (2) the membership of the governing board is established on  
16 a bipartisan basis so that the number of the members of the  
17 governing board who are members of one (1) political party  
18 may not exceed the number of members of the governing  
19 board required to establish a quorum.

20 (g) A majority of the governing board constitutes a quorum, and  
21 the concurrence of a majority of the governing board is necessary  
22 to authorize any action.

23 (h) An interlocal agreement made by the participating units  
24 under subsection (e) must be submitted to the Indiana economic  
25 development corporation for approval before the participating  
26 units may contribute to the fund.

27 (i) A majority of members of a governing board of a regional  
28 venture capital fund established under this section must have at  
29 least five (5) years of experience in business, finance, or venture  
30 capital.

31 (j) The governing board of the fund may loan or grant money  
32 from the fund to a private or public entity if the governing board  
33 finds that the loan or grant will be used by the borrower or grantee  
34 for at least one (1) of the following economic development  
35 purposes:

- 36 (1) To promote significant employment opportunities for the  
37 residents of the units participating in the regional venture  
38 capital fund.  
39 (2) To attract a major new business enterprise to a  
40 participating unit.  
41 (3) To develop, retain, or expand a significant business  
42 enterprise in a participating unit.



1           **(k) The expenditures of a borrower or grantee of money from**  
 2 **a regional venture capital fund that are considered to be for an**  
 3 **economic development purpose include expenditures for any of the**  
 4 **following:**

- 5           **(1) Research and development of technology.**  
 6           **(2) Job training and education.**  
 7           **(3) Acquisition of property interests.**  
 8           **(4) Infrastructure improvements.**  
 9           **(5) New buildings or structures.**  
 10          **(6) Rehabilitation, renovation, or enlargement of buildings or**  
 11          **structures.**  
 12          **(7) Machinery, equipment, and furnishings.**  
 13          **(8) Funding small business development with respect to:**  
 14               **(A) prototype products or processes;**  
 15               **(B) marketing studies to determine the feasibility of new**  
 16               **products or processes; or**  
 17               **(C) business plans for the development and production of**  
 18               **new products or processes.**

19          **Sec. 14. (a) The fiscal body of a county or municipality may, by**  
 20 **resolution, establish a local venture capital fund.**

21          **(b) A unit establishing a local venture capital fund under**  
 22 **subsection (a) may deposit the following in the fund:**

- 23               **(1) Revenues received under IC 6-3.7-6.**  
 24               **(2) The proceeds of public or private grants.**

25          **(c) A local venture capital fund shall be administered by a**  
 26 **governing board. The expenses of administering the fund shall be**  
 27 **paid from money in the fund. The governing board shall invest the**  
 28 **money in the fund not currently needed to meet the obligations of**  
 29 **the fund in the same manner as other public money may be**  
 30 **invested. Interest that accrues from these investments shall be**  
 31 **deposited into the fund. The fund is subject to audit by the state**  
 32 **board of accounts under IC 5-11-1. The fund must bear the full**  
 33 **costs of the audit.**

34          **(d) The fiscal body of a unit establishing a local venture capital**  
 35 **fund under subsection (a) shall establish the terms for the**  
 36 **administration of the local venture capital fund. The terms must**  
 37 **include the following:**

- 38               **(1) The membership of the governing board.**  
 39               **(2) The amount of the unit's contribution to the fund.**  
 40               **(3) The procedures and criteria under which the governing**  
 41               **board may loan or grant money from the fund.**  
 42               **(4) The procedures for the dissolution of the fund and for the**



- 1           distribution of money remaining in the fund at the time of the  
2           dissolution.
- 3           (e) A unit establishing a local venture capital fund under  
4 subsection (a) must be represented by at least one (1) member of  
5 the governing board.
- 6           (f) The membership of the governing board must be established  
7 on a bipartisan basis so that the number of the members of the  
8 governing board who are members of one (1) political party may  
9 not exceed the number of members of the governing board  
10 required to establish a quorum.
- 11           (g) A majority of the governing board constitutes a quorum, and  
12 the concurrence of a majority of the governing board is necessary  
13 to authorize any action.
- 14           (h) The terms established under subsection (d) for the  
15 administration of the local venture capital fund must be submitted  
16 to the Indiana economic development corporation for approval  
17 before a unit may contribute to the fund.
- 18           (i) A majority of members of a governing board of a local  
19 venture capital fund established under this section must have at  
20 least five (5) years of experience in business, finance, or venture  
21 capital.
- 22           (j) The governing board of the fund may loan or grant money  
23 from the fund to a private or public entity if the governing board  
24 finds that the loan or grant will be used by the borrower or grantee  
25 for at least one (1) of the following economic development  
26 purposes:
- 27           (1) To promote significant employment opportunities for the  
28 residents of the unit establishing the local venture capital  
29 fund.
- 30           (2) To attract a major new business enterprise to the unit.
- 31           (3) To develop, retain, or expand a significant business  
32 enterprise in the unit.
- 33           (k) The expenditures of a borrower or grantee of money from  
34 a local venture capital fund that are considered to be for an  
35 economic development purpose include expenditures for any of the  
36 following:
- 37           (1) Research and development of technology.
- 38           (2) Job training and education.
- 39           (3) Acquisition of property interests.
- 40           (4) Infrastructure improvements.
- 41           (5) New buildings or structures.
- 42           (6) Rehabilitation, renovation, or enlargement of buildings or



1 structures.

2 (7) Machinery, equipment, and furnishings.

3 (8) Funding small business development with respect to:

4 (A) prototype products or processes;

5 (B) marketing studies to determine the feasibility of new  
6 products or processes; or

7 (C) business plans for the development and production of  
8 new products or processes.

9 **Sec. 15. This section applies only to Lake County. The county or**  
10 **a municipality in the county may use revenue received by the**  
11 **county or municipality under IC 6-3.7-6 to provide homestead**  
12 **credits in the county or municipality. In the case of a county, the**  
13 **revenue shall be allocated from the county's certified share under**  
14 **IC 6-3.7-7. The following apply to homestead credits provided**  
15 **under this section:**

16 (1) The county or municipal fiscal body must adopt an  
17 ordinance authorizing the homestead credits. The ordinance  
18 must specify the amount of revenue that will be used to  
19 provide homestead credits in the following year.

20 (2) The county or municipal fiscal body that adopts an  
21 ordinance under this section must forward a copy of the  
22 ordinance to the county auditor and the department of local  
23 government finance not more than thirty (30) days after the  
24 ordinance is adopted.

25 (3) The homestead credits must be applied uniformly to  
26 provide a homestead credit for homesteads in the county or  
27 municipality.

28 (4) The homestead credits shall be treated for all purposes as  
29 property tax levies.

30 (5) The homestead credits shall be applied to the net property  
31 taxes due on the homestead after the application of all other  
32 assessed value deductions or property tax deductions and  
33 credits that apply to the amount owed under IC 6-1.1.

34 (6) The auditor of state shall determine the homestead credit  
35 percentage for a particular year based on the amount of  
36 additional revenue that will be used under this section to  
37 provide homestead credits in that year.

38 SECTION 10. IC 6-8.1-1-1, AS AMENDED BY THE TECHNICAL  
39 CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS  
40 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:  
41 Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes  
42 (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax





1 (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine  
 2 wagering tax (IC 4-35-8); the type II gambling game excise tax  
 3 (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility  
 4 receipts and utility services use taxes (IC 6-2.3); the state gross retail  
 5 and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the  
 6 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted  
 7 gross income tax (IC 6-3.5-1.1) (*repealed*); the county option income  
 8 tax (IC 6-3.5-6) (*repealed*); the county economic development income  
 9 tax (IC 6-3.5-7) (*repealed*); *the local income tax (IC 6-3.6, before its*  
 10 **expiration on December 31, 2021, and IC 6-3.7, after December 31,**  
 11 **2021)**; the auto rental excise tax (IC 6-6-9); the financial institutions  
 12 tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the special fuel tax  
 13 (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax  
 14 collected under a reciprocal agreement under IC 6-8.1-3; the motor  
 15 vehicle excise tax (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13);  
 16 the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed  
 17 on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous  
 18 waste disposal tax (IC 6-6-6.6) (repealed); the cigarette tax (IC 6-7-1);  
 19 the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the  
 20 wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5);  
 21 the malt excise tax (IC 7.1-4-5); the petroleum severance tax  
 22 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and  
 23 beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and  
 24 IC 6-9-28); the oil inspection fee (IC 16-44-2); the penalties assessed  
 25 for oversize vehicles (IC 9-20-3 and ~~IC 9-30~~; *IC 9-20-18*); the fees  
 26 and penalties assessed for overweight vehicles (IC 9-20-4 and  
 27 ~~IC 9-30~~; *IC 9-20-18*); and any other tax or fee that the department is  
 28 required to collect or administer.

29 SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) The legislative**  
 30 **council shall provide for the preparation and introduction of**  
 31 **legislation in the 2018 session of the general assembly to correct**  
 32 **cross references and make other changes to the Indiana Code, as**  
 33 **necessary, to bring provisions into conformity with this act,**  
 34 **including provisions enacted in the 2017 regular session of the**  
 35 **general assembly that are amendatory or added to IC 6-3.6.**

36 **(b) The general assembly recognizes that this act expires**  
 37 **IC 6-3.6 effective December 31, 2021, and that various other**  
 38 **enactments may amend or add provisions to IC 6-3.6 before**  
 39 **December 31, 2021. The general assembly intends to expire**  
 40 **IC 6-3.6 effective December 31, 2021, including any amendments**  
 41 **or additions to IC 6-3.6 made after June 30, 2017.**

42 **(c) This SECTION expires July 1, 2023.**



1        **SECTION 12. An emergency is declared for this act.**

