

HOUSE BILL No. 1528

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-2-1-13; IC 27-1-18-2.

Synopsis: Funding for law enforcement academy. Increases the insurance premiums tax from 1.3% to 1.35%. Transfers the money received from the increase in the tax to the law enforcement academy fund (fund). Amends the fund provisions to allow the law enforcement training board to use money in the fund for: (1) capital projects; (2) technology equipment and services; and (3) curriculum development; for a law enforcement academy (including the northwest Indiana law enforcement academy and the southwest Indiana law enforcement academy). Specifies that money in the fund at the end of a state fiscal year does not revert to the state general fund.

Effective: January 1, 2020.

Mayfield

January 17, 2019, read first time and referred to Committee on Ways and Means.



Introduced

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1528

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 5-2-1-13, AS AMENDED BY P.L.217-2017,
2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020]: Sec. 13. (a) There is created a fund known as the
4 law enforcement academy fund.

5 (b) The fund consists of amounts:

6 (1) **deposited under IC 27-1-18-2(j); and**
7 (2) deposited under IC 33-37-7-9.

8 (c) **Amounts held in the fund shall be used only for the purposes**
9 **set forth in subsection (e).**

10 (d) **Not more than ten percent (10%) of the money in the fund**
11 **may be used by the board for administration costs.**

12 (e) This fund may be used by the board for the following:

13 (1) To acquire for the state land and interests in and to land, and
14 to construct upon such land a fully equipped law enforcement
15 academy to consist of classrooms, housing facilities, a cafeteria,
16 firearms ranges, a driving course, and other physical facilities
17 which are deemed necessary in the discretion of the board for the



1 basic, inservice, and advanced training of law enforcement
2 officers in the skills and techniques of law enforcement.

3 (2) Expenditures may be made by the board for, among other
4 things, all expenses required for land acquisition and transfer,
5 including but not limited to personal services, appraisers fees, and
6 the cost of acquiring any interest in land and the construction and
7 maintenance of improvements thereon.

8 (3) Building and grounds maintenance for the law enforcement
9 academy.

10 (4) Training equipment and supplies necessary to operate the a
11 law enforcement academy.

12 (5) Aid to approved law enforcement training schools certified as
13 having met or exceeded the minimum standards established by
14 the board.

15 (6) Personal services, as authorized by the board, with the
16 approval of the governor.

17 (7) **Capital projects related to the building and grounds for a**
18 **law enforcement academy.**

19 (8) **Technology equipment and services for a law enforcement**
20 **academy.**

21 (9) **Curriculum development for a law enforcement academy.**

22 (7) (10) Any other purpose necessary to carry out this chapter, as
23 determined by the board.

24 **For purposes of subdivisions (4), (7), (8), and (9), "law enforcement**
25 **academy" includes the northwest Indiana law enforcement**
26 **academy and the southwest Indiana law enforcement academy.**

27 (b) (f) The budget agency may, with the approval of the board and
28 the governor, make allocations and transfers of funds appropriated by
29 the general assembly to state agencies having jurisdiction and control
30 over land acquired by the board for the purposes stated in this section,
31 except that these allocations and transfers may not be made in the
32 acquisition of land which has been declared surplus land of the state
33 pursuant to statute.

34 (c) (g) The board is further authorized to acquire land for the
35 purposes of this section and law enforcement academy buildings by
36 gift, donation, bequest, devise, exchange, purchase, or eminent domain,
37 or other means. However, any money or proceeds from gifts, bequests,
38 grants, or other donations shall be deposited in a special donation fund,
39 which must be established for the purposes described in this section,
40 for the use of the board to accomplish the purposes of this section. No
41 part of the special donation fund reverts to the general fund unless
42 specified by the donor as a condition to the donor's gift. All land and



1 academy buildings, however acquired, become the property of the state.

2 **(h) Except as provided in the case of the special donation fund**
3 **in subsection (g), money in the fund at the end of a state fiscal year**
4 **does not revert to the state general fund.**

5 SECTION 2. IC 27-1-18-2, AS AMENDED BY P.L.136-2018,
6 SECTION 162, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2020]: Sec. 2. (a) Every insurance
8 company not organized under the laws of this state, and each domestic
9 company electing to be taxed under this section, and doing business
10 within this state shall, on or before March 1 of each year, report to the
11 department, under the oath of the president and secretary, the gross
12 amount of all premiums received by it on policies of insurance
13 covering risks within this state, or in the case of marine or
14 transportation risks, on policies made, written, or renewed within this
15 state during the twelve (12) month period ending on December 31 of
16 the preceding calendar year. From the amount of gross premiums
17 described in this subsection shall be deducted:

18 (1) considerations received for reinsurance of risks within this
19 state from companies authorized to transact an insurance business
20 in this state;

21 (2) the amount of dividends paid or credited to resident insureds,
22 or used to reduce current premiums of resident insureds;

23 (3) the amount of premiums actually returned to residents on
24 account of applications not accepted or on account of policies not
25 delivered; and

26 (4) the amount of unearned premiums returned on account of the
27 cancellation of policies covering risks within the state.

28 (b) A domestic company shall be taxed under this section only in
29 each calendar year with respect to which it files a notice of election.
30 The notice of election shall be filed with the insurance commissioner
31 and the commissioner of the department of state revenue on or before
32 November 30 in each year and shall state that the domestic company
33 elects to submit to the tax imposed by this section with respect to the
34 calendar year commencing January 1 next following the filing of the
35 notice. The exemption from license fees, privilege, or other taxes
36 accorded by this section to insurance companies not organized under
37 the laws of this state and doing business within this state which are
38 taxed under this chapter shall be applicable to each domestic company
39 in each calendar year with respect to which it is taxed under this
40 section. In each calendar year with respect to which a domestic
41 company has not elected to be taxed under this section it shall be taxed
42 without regard to this section.



15 (f) Any overpayment of the estimated tax during the preceding
16 calendar year shall be allowed as a credit against the liability for the
17 first installment of the current calendar year.

18 (g) In the event a company subject to taxation under this section
19 fails to make any quarterly payment in an amount equal to at least:

(1) twenty-five percent (25%) of the total tax paid during the preceding calendar year; or

(2) twenty per cent (20%) of the actual tax for the current calendar year:

the company shall be liable, in addition to the amount due, for interest in the amount of one percent (1%) of the amount due and unpaid for each month or part of a month that the amount due, together with interest, remains unpaid. This interest penalty shall be exclusive of and in addition to any other fee, assessment, or charge made by the department.

(h) The taxes under this article shall be in lieu of all license fees or privilege or other tax levied or assessed by this state or by any municipality, county, or other political subdivision of this state. No municipality, county, or other political subdivision of this state shall impose any license fee or privilege or other tax upon any insurance company or any of its agents for the privilege of doing an insurance business in the municipality, county, or other political subdivision, except the tax authorized by IC 22-12-6-5. However, the taxes authorized under IC 22-12-6-5 shall be credited against the taxes provided under this chapter. This section shall not be construed to prohibit the levy and collection of state, county, or municipal taxes upon real and tangible personal property of such company, or to prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by



1 law. However, all insurance companies, foreign or domestic, paying
2 taxes in this state predicated in part on their premium income from
3 policies sold and premiums received in Indiana, shall have the same
4 rights and privileges from further taxation and shall be given the same
5 credits wherever applicable, as those set out for those companies
6 paying only a tax on premiums as set out in this section.

7 (i) Any insurance company failing or refusing, for more than thirty
8 (30) days, to render an accurate account of its premium receipts as
9 provided in this section and pay the tax due thereon shall be subject to
10 a penalty of one hundred dollars (\$100) for each additional day such
11 report and payment shall be delayed, not to exceed a maximum penalty
12 of ten thousand dollars (\$10,000). The penalty may be ordered by the
13 commissioner after a hearing under IC 4-21.5-3. The commissioner
14 may revoke all authority of such defaulting company to do business
15 within this state, or suspend such authority during the period of such
16 default, in the discretion of the commissioner.

17 (j) **This subsection applies after December 31, 2020. Before
18 March 15, 2021, and before March 15 of each year thereafter, the
19 auditor of state shall transfer from the state general fund to the law
20 enforcement academy fund under IC 5-2-1-13 an amount equal to:**

21 (1) the total amount of taxes collected under this section in the
22 preceding calendar year; multiplied by
23 (2) five one-hundredths of one percent (0.05%).

