

SENATE BILL No. 258

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5; IC 8-18-22-6; IC 12-20-25-35.

Synopsis: County income tax council. Replaces the county income tax council with the county council, or city-county council in the case of Marion County, for purposes of the county option income tax, the county motor vehicle excise surtax, and the county wheel tax.

Effective: January 1, 2015.

Smith J

January 13, 2014, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 258



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 6-3.5-4-1, AS AMENDED BY P.L.205-2013,
2 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2015]: Sec. 1. As used in this chapter:
4 "Adopting entity" means ~~either the county council. or the county~~
5 ~~income tax council established by IC 6-3.5-6-2 for the county;~~
6 ~~whichever adopts an ordinance to impose a surtax first.~~
7 "Branch office" means a branch office of the bureau of motor
8 vehicles.
9 "County council" includes the city-county council of a county that
10 contains a consolidated city. ~~of the first class.~~
11 "Motor vehicle" means a vehicle which is subject to the annual
12 license excise tax imposed under IC 6-6-5.
13 "Net annual license excise tax" means the tax due under IC 6-6-5
14 after the application of the adjustments and credits provided by that
15 chapter.



1 "Surtax" means the annual license excise surtax imposed by an
2 adopting entity under this chapter.

3 SECTION 2. IC 6-3.5-4-1.1 IS REPEALED [EFFECTIVE
4 JANUARY 1, 2015]. ~~Sec. 1.1. For purposes of acting as the adopting~~
5 ~~entity under this chapter, a county income tax council is comprised of~~
6 ~~the same members as the county income tax council that is established~~
7 ~~by IC 6-3.5-6-2 for the county (regardless of the income tax that may~~
8 ~~be in effect in the county). The county income tax council shall use the~~
9 ~~same procedures that apply under IC 6-3.5-6 when acting as an~~
10 ~~adopting entity under this chapter.~~

11 SECTION 3. IC 6-3.5-4-17 IS ADDED TO THE INDIANA CODE
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2015]: **Sec. 17. Notwithstanding the replacement of**
14 **the adopting body with the county council for purposes of this**
15 **chapter, all actions taken before January 1, 2015, with respect to**
16 **the following, continue in full force and effect, unless modified by**
17 **the county council under this chapter after December 31, 2014:**

18 (1) **The imposition of the tax under this chapter.**

19 (2) **The total tax rate imposed under this chapter.**

20 (3) **The uses of the tax revenue under this chapter.**

21 (4) **All agreements relating to the use of the tax revenue.**

22 (5) **All proceedings and any action taken at a proceeding**
23 **concerning the tax.**

24 (6) **Any final action taken by the county income tax council**
25 **before January 1, 2015, with regard to tax rate increases,**
26 **decreases, or other matters that will not take effect until after**
27 **December 31, 2014.**

28 SECTION 4. IC 6-3.5-5-1, AS AMENDED BY P.L.205-2013,
29 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2015]: Sec. 1. As used in this chapter:

31 "Adopting entity" means ~~either the county council. or the county~~
32 ~~income tax council established by IC 6-3.5-6-2 for the county,~~
33 ~~whichever adopts an ordinance to impose a wheel tax first.~~

34 "Branch office" means a branch office of the bureau of motor
35 vehicles.

36 "Bus" has the meaning set forth in IC 9-13-2-17(a).

37 "Commercial motor vehicle" has the meaning set forth in
38 IC 6-6-5.5-1(c).

39 "County council" includes the city-county council of a county that
40 contains a consolidated city. ~~of the first class.~~

41 "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

42 "Political subdivision" has the meaning set forth in IC 34-6-2-110.



- 1 "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.
 2 "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
 3 "State agency" has the meaning set forth in IC 34-6-2-141.
 4 "Tractor" has the meaning set forth in IC 9-13-2-180.
 5 "Trailer" has the meaning set forth in IC 9-13-2-184(a).
 6 "Truck" has the meaning set forth in IC 9-13-2-188(a).
 7 "Wheel tax" means the tax imposed under this chapter.

8 SECTION 5. IC 6-3.5-5-1.1 IS REPEALED [EFFECTIVE
 9 JANUARY 1, 2015]. ~~Sec. 1.1. For purposes of acting as the adopting~~
 10 ~~entity under this chapter, a county income tax council is comprised of~~
 11 ~~the same members as the county income tax council that is established~~
 12 ~~by IC 6-3.5-6-2 for the county (regardless of the income tax that may~~
 13 ~~be in effect in the county). The county income tax council shall use the~~
 14 ~~same procedures that apply under IC 6-3.5-6 when acting as an~~
 15 ~~adopting entity under this chapter.~~

16 SECTION 6. IC 6-3.5-5-19 IS ADDED TO THE INDIANA CODE
 17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2015]: **Sec. 19. Notwithstanding the replacement of**
 19 **the adopting body with the county council for purposes of this**
 20 **chapter, all actions taken before January 1, 2015, with respect to**
 21 **the following, continue in full force and effect, unless modified by**
 22 **the county council under this chapter after December 31, 2014:**

- 23 (1) **The imposition of the tax under this chapter.**
 24 (2) **The total tax rate imposed under this chapter.**
 25 (3) **The uses of the tax revenue under this chapter.**
 26 (4) **All agreements relating to the use of the tax revenue.**
 27 (5) **All proceedings and any action taken at a proceeding**
 28 **concerning the tax.**
 29 (6) **Any final action taken by the county income tax council**
 30 **before January 1, 2015, with regard to tax rate increases,**
 31 **decreases, or other matters that will not take effect until after**
 32 **December 31, 2014.**

33 SECTION 7. IC 6-3.5-6-1, AS AMENDED BY P.L.146-2008,
 34 SECTION 335, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this chapter:

36 "Adjusted gross income" has the same definition that the term is
 37 given in IC 6-3-1-3.5. However, in the case of a county taxpayer who
 38 is not treated as a resident county taxpayer of a county, the term
 39 includes only adjusted gross income derived from the taxpayer's
 40 principal place of business or employment.

41 "Apartment complex" means real property consisting of at least five
 42 (5) units that are regularly used to rent or otherwise furnish residential



1 accommodations for periods of at least thirty (30) days.

2 "Civil taxing unit" means any entity, except a school corporation,
3 that has the power to impose ad valorem property taxes. The term does
4 not include a solid waste management district that is not entitled to a
5 distribution under section 1.3 of this chapter. However, in the case of
6 a county in which a consolidated city is located, the consolidated city,
7 the county, all special taxing districts, special service districts, included
8 towns (as defined in IC 36-3-1-7), and all other political subdivisions
9 except townships, excluded cities (as defined in IC 36-3-1-7), and
10 school corporations shall be deemed to comprise one (1) civil taxing
11 unit whose fiscal body is the fiscal body of the consolidated city.

12 "County ~~income tax~~ council" ~~means a council established by section~~
13 ~~2 of this chapter.~~ **includes the city-county council of a consolidated**
14 **city.**

15 "County taxpayer", as it relates to a particular county, means any
16 individual:

- 17 (1) who resides in that county on the date specified in section 20
18 of this chapter; or
19 (2) who maintains the taxpayer's principal place of business or
20 employment in that county on the date specified in section 20 of
21 this chapter and who does not reside on that same date in another
22 county in which the county option income tax, the county adjusted
23 income tax, or the county economic development income tax is in
24 effect.

25 "Department" refers to the Indiana department of state revenue.

26 "Fiscal body" has the same definition that the term is given in
27 IC 36-1-2-6.

28 "Homestead" has the meaning set forth in IC 6-1.1-12-37.

29 "Qualified residential property" refers to any of the following:

- 30 (1) An apartment complex.
31 (2) A homestead.
32 (3) Residential rental property.

33 "Resident county taxpayer", as it relates to a particular county,
34 means any county taxpayer who resides in that county on the date
35 specified in section 20 of this chapter.

36 "Residential rental property" means real property consisting of not
37 more than four (4) units that are regularly used to rent or otherwise
38 furnish residential accommodations for periods of at least thirty (30)
39 days.

40 "School corporation" has the same definition that the term is given
41 in IC 6-1.1-1-16.

42 SECTION 8. IC 6-3.5-6-2, AS AMENDED BY P.L.77-2011,



1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2015]: Sec. 2. (a) A county income tax council is
3 established for each county in Indiana. The membership of each
4 county's county income tax council consists of the fiscal body of the
5 county and the fiscal body of each city or town that lies either partially
6 or entirely within that county.

7 (b) Using procedures described in this chapter, A county income tax
8 council may adopt ordinances to:

- 9 (1) impose the county option income tax in its county;
10 (2) subject to section 12 of this chapter, rescind the county option
11 income tax in its county;
12 (3) increase the county option income tax rate for the county;
13 (4) freeze the county option income tax rate for its county;
14 (5) increase the homestead credit in its county; or
15 (6) subject to section 12.5 of this chapter, decrease the county
16 option income tax rate for the county.

17 **A county council may pass only one (1) ordinance described in**
18 **subdivisions (1) through (4) or subdivision (6) in any one (1) year.**

19 SECTION 9. IC 6-3.5-6-3 IS REPEALED [EFFECTIVE JANUARY
20 1, 2015]. Sec. 3: (a) In the case of a city or town that lies within more
21 than one (1) county, the county auditor of each county shall base the
22 allocations required by subsection (b) on the population of that part of
23 the city or town that lies within the county for which the allocations are
24 being made:

25 (b) Every county income tax council has a total of one hundred
26 (100) votes. Every member of the county income tax council is
27 allocated a percentage of the total one hundred (100) votes that may be
28 cast. The percentage that a city or town is allocated for a year equals
29 the same percentage that the population of the city or town bears to the
30 population of the county. The percentage that the county is allocated
31 for a year equals the same percentage that the population of all areas in
32 the county not located in a city or town bears to the population of the
33 county. On or before January 1 of each year, the county auditor shall
34 certify to each member of the county income tax council the number of
35 votes, rounded to the nearest one hundredth (0.01); it has for that year.

36 SECTION 10. IC 6-3.5-6-4 IS REPEALED [EFFECTIVE
37 JANUARY 1, 2015]. Sec. 4: (a) A member of the county income tax
38 council may exercise its votes by passing a resolution and transmitting
39 the resolution to the auditor of the county. However, in the case of an
40 ordinance to impose, rescind, increase, decrease, or freeze the county
41 rate of the county option income tax, the member must transmit the
42 resolution to the county auditor by the appropriate time described in



1 section 8; 9; 10; or 11 of this chapter. The form of a resolution is as
2 follows:

3 "The _____ (name of civil taxing unit's fiscal body)
4 casts its _____ votes _____ (for or against) the proposed
5 ordinance of the _____ County Income Tax Council;
6 which reads as follows:"

7 (b) A resolution passed by a member of the county income tax
8 council exercises all votes of the member on the proposed ordinance;
9 and those votes may not be changed during the year.

10 SECTION 11. IC 6-3.5-6-5 IS REPEALED [EFFECTIVE
11 JANUARY 1, 2015]. Sec. 5: Any member of a county income tax
12 council may present an ordinance for passage. To do so, the member
13 must pass a resolution to propose the ordinance to the county income
14 tax council and distribute a copy of the proposed ordinance to the
15 auditor of the county. The auditor of the county shall treat any proposed
16 ordinance presented to the auditor under this section as a casting of all
17 that member's votes in favor of that proposed ordinance. Subject to the
18 limitations of section 6 of this chapter, the auditor of the county shall
19 deliver copies of a proposed ordinance the auditor receives to all
20 members of the county income tax council within ten (10) days after
21 receipt. Once a member receives a proposed ordinance from the auditor
22 of the county, the member shall vote on it within thirty (30) days after
23 receipt.

24 SECTION 12. IC 6-3.5-6-6 IS REPEALED [EFFECTIVE
25 JANUARY 1, 2015]. Sec. 6: (a) A county income tax council may pass
26 only one (1) ordinance described in section 2(b)(1), 2(b)(2), 2(b)(3);
27 2(b)(4), or 2(b)(6) of this chapter in one (1) year. Once an ordinance
28 described in section 2(b)(1), 2(b)(2), 2(b)(3), 2(b)(4), or 2(b)(6) of this
29 chapter has been passed, the auditor of the county shall:

30 (1) cease distributing proposed ordinances of those types for the
31 rest of the year; and

32 (2) withdraw from the membership any other of those types of
33 proposed ordinances:

34 Any votes subsequently received by the auditor of the county on
35 proposed ordinances of those types during that same year are void.

36 (b) The county income tax council may not vote on, nor may the
37 auditor of the county distribute to the members of the county income
38 tax council, any proposed ordinance during a year, if previously during
39 that same year the auditor of the county received and distributed to the
40 members of the county income tax council a proposed ordinance whose
41 passage would have substantially the same effect.

42 SECTION 13. IC 6-3.5-6-7 IS REPEALED [EFFECTIVE



1 JANUARY 1, 2015]. Sec. 7: (a) Before a member of the county income
2 tax council may propose an ordinance or vote on a proposed ordinance;
3 the member must hold a public hearing on the proposed ordinance and
4 provide the public with notice of the time and place where the public
5 hearing will be held:

6 (b) The notice required by subsection (a) must be given in
7 accordance with IC 5-3-1:

8 (c) The form of the notice required by this section must be in
9 substantially the following form:

10 "NOTICE OF COUNTY OPTION
11 INCOME TAX ORDINANCE VOTE:

12 The fiscal body of the _____ (insert name of civil taxing
13 unit) hereby declares that on _____ (insert date) at
14 _____ (insert the time of day) a public hearing will be held
15 at _____ (insert location) concerning the following
16 resolution to propose an ordinance (or proposed ordinance) that is
17 before the members of the county income tax council. Members of the
18 public are cordially invited to attend the hearing for the purpose of
19 expressing their views:

20 (Insert a copy of the proposed ordinance or resolution to propose an
21 ordinance.)":

22 SECTION 14. IC 6-3.5-6-8, AS AMENDED BY P.L.261-2013,
23 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2015]: Sec. 8. (a) The county income tax council of any
25 county in which the county adjusted gross income tax will not be in
26 effect on December 1 of a year under an ordinance adopted during a
27 previous calendar year may impose the county option income tax on the
28 adjusted gross income of county taxpayers of its county.

29 (b) Except as provided in sections 30, 31, and 32 of this chapter, the
30 county option income tax may initially be imposed at a rate of
31 two-tenths of one percent (0.2%) on the resident county taxpayers of
32 the county and at a rate of five-hundredths of one percent (0.05%) for
33 all other county taxpayers.

34 (c) To impose the county option income tax, a county income tax
35 council must pass an ordinance. The ordinance must substantially state
36 the following:

37 "The _____ County Income Tax Council imposes the
38 county option income tax on the county taxpayers of
39 _____ County. The county option income tax is
40 imposed at a rate of two-tenths of one percent (0.2%) on the
41 resident county taxpayers of the county and at a rate of
42 five-hundredths of one percent (0.05%) on all other county



1 taxpayers."

2 (d) Except as provided in sections 30, 31, and 32 of this chapter, if
3 the county option income tax is imposed on the county taxpayers of a
4 county, then the county option income tax rate that is in effect for
5 resident county taxpayers of that county increases by one-tenth of one
6 percent (0.1%) on each succeeding October 1 until the rate equals
7 six-tenths of one percent (0.6%).

8 (e) The county option income tax rate in effect for the county
9 taxpayers of a county who are not resident county taxpayers of that
10 county is at all times one-fourth (1/4) of the tax rate imposed upon
11 resident county taxpayers.

12 (f) The auditor of a county shall record all votes taken on ordinances
13 presented for a vote under this section and, not more than ten (10) days
14 after the vote, send a certified copy of the results to the commissioner
15 of the department, the director of the budget agency, and the
16 commissioner of the department of local government finance in an
17 electronic format approved by the director of the budget agency.

18 SECTION 15. IC 6-3.5-6-9, AS AMENDED BY P.L.261-2013,
19 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2015]: Sec. 9. (a) If on January 1 of a calendar year the
21 county option income tax rate in effect for resident county taxpayers
22 equals six tenths of one percent (0.6%), excluding a tax rate imposed
23 under section 30, 31, or 32 of this chapter, the county ~~income tax~~
24 council of that county may pass an ordinance to increase its tax rate for
25 resident county taxpayers. If a county ~~income tax~~ council passes an
26 ordinance under this section, its county option income tax rate for
27 resident county taxpayers increases by one-tenth of one percent (0.1%)
28 in the year in which the ordinance is adopted, as provided in section 1.5
29 of this chapter, and on each succeeding October 1 until its rate reaches
30 a maximum of one percent (1%), excluding a tax rate imposed under
31 section 30, 31, or 32 of this chapter.

32 (b) The auditor of the county shall record any vote taken on an
33 ordinance proposed under the authority of this section and, not more
34 than ten (10) days after the vote, send a certified copy of the results to
35 the commissioner of the department, the director of the budget agency,
36 and the commissioner of the department of local government finance
37 in an electronic format approved by the director of the budget agency.

38 SECTION 16. IC 6-3.5-6-10 IS REPEALED [EFFECTIVE
39 JANUARY 1, 2015]. ~~Sec. 10. If during a particular calendar year the~~
40 ~~county council of a county adopts an ordinance to impose the county~~
41 ~~adjusted gross income tax on the same day that the county option~~
42 ~~income tax council of the county adopts an ordinance to impose the~~



1 county option income tax; the county option income tax takes effect in
 2 that county and the county adjusted gross income tax shall not take
 3 effect in that county.

4 SECTION 17. IC 6-3.5-6-11, AS AMENDED BY P.L.261-2013,
 5 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2015]: Sec. 11. (a) This section does not apply to a tax
 7 rate imposed under section 30 of this chapter.

8 (b) The county ~~income tax~~ council of any county may adopt an
 9 ordinance to permanently freeze the county option income tax rates at
 10 the rate in effect for its county on December 1 of a year.

11 (c) To freeze the county option income tax rates, a county ~~income~~
 12 ~~tax~~ council must adopt an ordinance. The ordinance must substantially
 13 state the following:

14 "The _____ County ~~Income Tax~~ Council permanently
 15 freezes the county option income tax rates at the rate in effect on
 16 December 1 of the current year."

17 (d) An ordinance adopted under the authority of this section remains
 18 in effect until rescinded.

19 (e) If a county ~~income tax~~ council rescinds an ordinance as adopted
 20 under this section, the county option income tax rate shall
 21 automatically increase by one-tenth of one percent (0.1%) until:

22 (1) the tax rate is again frozen under another ordinance adopted
 23 under this section; or

24 (2) the tax rate equals six-tenths of one percent (0.6%) (if the
 25 frozen tax rate equaled an amount less than six-tenths of one
 26 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
 27 an amount in excess of six-tenths of one percent (0.6%)).

28 (f) The county auditor shall record any vote taken on an ordinance
 29 proposed under the authority of this section and, not more than ten (10)
 30 days after the vote, send a certified copy of the results to the
 31 commissioner of the department, the director of the budget agency, and
 32 the commissioner of the department of local government finance in an
 33 electronic format approved by the director of the budget agency.

34 SECTION 18. IC 6-3.5-6-12, AS AMENDED BY P.L.261-2013,
 35 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2015]: Sec. 12. (a) The county option income tax
 37 imposed by a county ~~income tax~~ council under this chapter remains in
 38 effect until rescinded.

39 (b) Subject to subsection (c), the county ~~income tax~~ council of a
 40 county may rescind the county option income tax by passing an
 41 ordinance.

42 (c) A county ~~income tax~~ council may not rescind the county option



1 income tax or take any action that would result in a civil taxing unit in
 2 the county having a smaller distributive share than the distributive
 3 share to which it was entitled when it pledged county option income
 4 tax, if the civil taxing unit or any commission, board, department, or
 5 authority that is authorized by statute to pledge county option income
 6 tax, has pledged county option income tax for any purpose permitted
 7 by IC 5-1-14 or any other statute.

8 (d) The auditor of a county shall record all votes taken on a
 9 proposed ordinance presented for a vote under the authority of this
 10 section and, not more than ten (10) days after the vote, send a certified
 11 copy of the results to the commissioner of the department, the director
 12 of the budget agency, and the commissioner of the department of local
 13 government finance in an electronic format approved by the director of
 14 the budget agency.

15 SECTION 19. IC 6-3.5-6-12.5, AS AMENDED BY P.L.261-2013,
 16 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2015]: Sec. 12.5. (a) The county ~~income tax~~ council may
 18 adopt an ordinance to decrease the county option income tax rate in
 19 effect.

20 (b) To decrease the county option income tax rate, the county
 21 ~~income tax~~ council must adopt an ordinance. The ordinance must
 22 substantially state the following:

23 "The _____ County ~~Income Tax~~ Council decreases the
 24 county option income tax rate from _____ percent (___ %)
 25 to _____ percent (___ %)."

26 (c) A county ~~income tax~~ council may not decrease the county option
 27 income tax if the county or any commission, board, department, or
 28 authority that is authorized by statute to pledge the county option
 29 income tax has pledged the county option income tax for any purpose
 30 permitted by IC 5-1-14 or any other statute.

31 (d) The county auditor shall record the votes taken on an ordinance
 32 under this subsection and, not more than ten (10) days after the vote,
 33 shall send a certified copy of the ordinance to the commissioner of the
 34 department, the director of the budget agency, and the commissioner
 35 of the department of local government finance in an electronic format
 36 approved by the director of the budget agency.

37 (e) Notwithstanding IC 6-3.5-7, a county ~~income tax~~ council that
 38 decreases the county option income tax in a year may not in the same
 39 year adopt or increase the county economic development income tax
 40 under IC 6-3.5-7.

41 SECTION 20. IC 6-3.5-6-13, AS AMENDED BY P.L.77-2011,
 42 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2015]: Sec. 13. (a) A county ~~income tax~~ council of a
 2 county in which the county option income tax is in effect may adopt an
 3 ordinance to provide a homestead credit for homesteads in its county.

4 (b) A county ~~income tax~~ council may not provide a homestead credit
 5 percentage that exceeds the amount determined in the last STEP of the
 6 following formula:

7 STEP ONE: Determine the amount of the sum of all property tax
 8 levies for all taxing units in a county which are to be paid in the
 9 county in 2003 as reflected by the auditor's abstract for the 2002
 10 assessment year, adjusted, however, for any postabstract
 11 adjustments which change the amount of the levies.

12 STEP TWO: Determine the amount of the county's estimated
 13 property tax replacement under IC 6-1.1-21-3(a) (before its
 14 repeal) for property taxes first due and payable in 2003.

15 STEP THREE: Subtract the STEP TWO amount from the STEP
 16 ONE amount.

17 STEP FOUR: Determine the amount of the county's total county
 18 levy (as defined in IC 6-1.1-21-2(g) before its repeal) for property
 19 taxes first due and payable in 2003.

20 STEP FIVE: Subtract the STEP FOUR amount from the STEP
 21 ONE amount.

22 STEP SIX: Subtract the STEP FIVE result from the STEP THREE
 23 result.

24 STEP SEVEN: Divide the STEP THREE result by the STEP SIX
 25 result.

26 STEP EIGHT: Multiply the STEP SEVEN result by
 27 eight-hundredths (0.08).

28 STEP NINE: Round the STEP EIGHT product to the nearest
 29 one-thousandth (0.001) and express the result as a percentage.

30 (c) The homestead credit percentage must be uniform for all
 31 homesteads in a county.

32 (d) In the ordinance that establishes the homestead credit
 33 percentage, a county ~~income tax~~ council may provide for a series of
 34 increases or decreases to take place for each of a group of succeeding
 35 calendar years.

36 (e) Any ordinance adopted under this section for a county is
 37 repealed for a year if on January 1 of that year the county option
 38 income tax is not in effect.

39 SECTION 21. IC 6-3.5-6-13.5, AS ADDED BY P.L.182-2009(ss),
 40 SECTION 218, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2015]: Sec. 13.5. A county ~~income tax~~
 42 council must before August 1 of each odd-numbered year hold at least



1 one (1) public meeting at which the county ~~income tax~~ council
 2 discusses whether the county option income tax rate under this chapter
 3 should be adjusted.

4 SECTION 22. IC 6-3.5-6-21 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 21. (a) Using
 6 procedures provided under this chapter, the county ~~income tax~~ council
 7 of any adopting county may pass an ordinance to enter into reciprocity
 8 agreements with the taxing authority of any city, town, municipality,
 9 county, or other similar local governmental entity of any other state.
 10 The reciprocity agreements must provide that the income of resident
 11 county taxpayers is exempt from income taxation by the other local
 12 governmental entity to the extent income of the residents of the other
 13 local governmental entity is exempt from the county option income tax
 14 in the adopting county.

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

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

20 SECTION 23. IC 6-3.5-6-30, AS AMENDED BY P.L.261-2013,
 21 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2015]: Sec. 30. (a) In a county in which the county
 23 option income tax is in effect, the county ~~income tax~~ council may adopt
 24 an ordinance to impose or increase (as applicable) a tax rate under this
 25 section.

26 (b) In a county in which neither the county option adjusted gross
 27 income tax nor the county option income tax is in effect, the county
 28 ~~income tax~~ council may adopt an ordinance to impose a tax rate under
 29 this section.

30 (c) If a county ~~income tax~~ council adopts an ordinance to impose or
 31 increase a tax rate under this section, not more than ten (10) days after
 32 the vote, the county auditor shall send a certified copy of the ordinance
 33 to the commissioner of the department, the director of the budget
 34 agency, and the commissioner of the department of local government
 35 finance in an electronic format approved by the director of the budget
 36 agency.

37 (d) A tax rate under this section is in addition to any other tax rates
 38 imposed under this chapter and does not affect the purposes for which
 39 other tax revenue under this chapter may be used.

40 (e) The following apply only in the year in which a county ~~income~~
 41 ~~tax~~ council first imposes a tax rate under this section:

42 (1) The county ~~income tax~~ council shall, in the ordinance



- 1 imposing the tax rate, specify the tax rate for each of the
 2 following two (2) years.
- 3 (2) The tax rate that must be imposed in the county in the first
 4 year is equal to the result of:
- 5 (A) the tax rate determined for the county under
 6 IC 6-3.5-1.5-1(a) in that year; multiplied by
- 7 (B) the following:
- 8 (i) In a county containing a consolidated city, one and
 9 five-tenths (1.5).
- 10 (ii) In a county other than a county containing a consolidated
 11 city, two (2).
- 12 (3) The tax rate that must be imposed in the county in the second
 13 year is the tax rate determined for the county under
 14 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
 15 in effect in later years unless the tax rate is increased under this
 16 section.
- 17 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 18 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 19 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 20 payable in the ensuing calendar year and to property taxes first
 21 due and payable in the calendar year after the ensuing calendar
 22 year.
- 23 (f) The following apply only in a year in which a county ~~income tax~~
 24 council increases a tax rate under this section:
- 25 (1) The county ~~income tax~~ council shall, in the ordinance
 26 increasing the tax rate, specify the tax rate for the following year.
- 27 (2) The tax rate that must be imposed in the county is equal to the
 28 result of:
- 29 (A) the tax rate determined for the county under
 30 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
- 31 (B) the tax rate currently in effect in the county under this
 32 section.
- 33 The tax rate under this subdivision continues in effect in later
 34 years unless the tax rate is increased under this section.
- 35 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 36 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 37 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 38 payable in the ensuing calendar year.
- 39 (g) The department of local government finance shall determine the
 40 following property tax replacement distribution amounts:
- 41 STEP ONE: Determine the sum of the amounts determined under
 42 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the



- 1 county in the preceding year.
- 2 STEP TWO: For distribution to each civil taxing unit that in the
- 3 year had a maximum permissible property tax levy limited under
- 4 IC 6-1.1-18.5-3(b), determine the result of:
- 5 (1) the quotient of:
- 6 (A) the part of the amount determined under STEP ONE of
- 7 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
- 8 to the civil taxing unit; divided by
- 9 (B) the STEP ONE amount; multiplied by
- 10 (2) the tax revenue received by the county treasurer under this
- 11 section.
- 12 STEP THREE: For distributions in 2009 and thereafter, the result
- 13 of this STEP is zero (0). For distribution to the county for deposit
- 14 in the county family and children's fund before 2009, determine
- 15 the result of:
- 16 (1) the quotient of:
- 17 (A) the amount determined under STEP TWO of
- 18 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 19 (B) the STEP ONE amount; multiplied by
- 20 (2) the tax revenue received by the county treasurer under this
- 21 section.
- 22 STEP FOUR: For distributions in 2009 and thereafter, the result
- 23 of this STEP is zero (0). For distribution to the county for deposit
- 24 in the county children's psychiatric residential treatment services
- 25 fund before 2009, determine the result of:
- 26 (1) the quotient of:
- 27 (A) the amount determined under STEP THREE of
- 28 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 29 (B) the STEP ONE amount; multiplied by
- 30 (2) the tax revenue received by the county treasurer under this
- 31 section.
- 32 STEP FIVE: For distribution to the county for community mental
- 33 health center purposes, determine the result of:
- 34 (1) the quotient of:
- 35 (A) the amount determined under STEP FOUR of
- 36 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 37 (B) the STEP ONE amount; multiplied by
- 38 (2) the tax revenue received by the county treasurer under this
- 39 section.
- 40 Except as provided in subsection (m), the county treasurer shall
- 41 distribute the portion of the certified distribution that is attributable to
- 42 a tax rate under this section as specified in this section. The county



1 treasurer shall make the distributions under this subsection at the same
2 time that distributions are made to civil taxing units under section 18
3 of this chapter.

4 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
5 ~~income tax~~ council may not decrease or rescind a tax rate imposed
6 under this section.

7 (i) The tax rate under this section shall not be considered for
8 purposes of computing:

9 (1) the maximum income tax rate that may be imposed in a county
10 under section 8 or 9 of this chapter or any other provision of this
11 chapter; or

12 (2) the maximum permissible property tax levy under
13 IC 6-1.1-18.5-3.

14 (j) The tax levy under this section shall not be considered for
15 purposes of the credit under IC 6-1.1-20.6.

16 (k) A distribution under this section shall be treated as a part of the
17 receiving civil taxing unit's property tax levy for that year for purposes
18 of fixing its budget and for determining the distribution of taxes that
19 are distributed on the basis of property tax levies.

20 (l) If a county ~~income tax~~ council imposes a tax rate under this
21 section, the county option income tax rate dedicated to locally funded
22 homestead credits in the county may not be decreased.

23 (m) In the year following the year in which a county first imposes
24 a tax rate under this section:

25 (1) one-third (1/3) of the tax revenue that is attributable to the tax
26 rate under this section must be deposited in the county
27 stabilization fund established under subsection (o), in the case of
28 a county containing a consolidated city; and

29 (2) one-half (1/2) of the tax revenue that is attributable to the tax
30 rate under this section must be deposited in the county
31 stabilization fund established under subsection (o), in the case of
32 a county not containing a consolidated city.

33 (n) A pledge of county option income taxes does not apply to
34 revenue attributable to a tax rate under this section.

35 (o) A county stabilization fund is established in each county that
36 imposes a tax rate under this section. The county stabilization fund
37 shall be administered by the county auditor. If for a year the certified
38 distributions attributable to a tax rate under this section exceed the
39 amount calculated under STEP ONE through STEP FOUR of
40 IC 6-3.5-1.5-1(a) that is used by the department of local government
41 finance and the department of state revenue to determine the tax rate
42 under this section, the excess shall be deposited in the county



1 stabilization fund. Money shall be distributed from the county
 2 stabilization fund in a year by the county auditor to political
 3 subdivisions entitled to a distribution of tax revenue attributable to the
 4 tax rate under this section if:

5 (1) the certified distributions attributable to a tax rate under this
 6 section are less than the amount calculated under STEP ONE
 7 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
 8 department of local government finance and the department of
 9 state revenue to determine the tax rate under this section for a
 10 year; or

11 (2) the certified distributions attributable to a tax rate under this
 12 section in a year are less than the certified distributions
 13 attributable to a tax rate under this section in the preceding year.

14 However, subdivision (2) does not apply to the year following the first
 15 year in which certified distributions of revenue attributable to the tax
 16 rate under this section are distributed to the county.

17 (p) Notwithstanding any other provision, a tax rate imposed under
 18 this section may not exceed one percent (1%).

19 (q) A county ~~income tax~~ council must each year hold at least one (1)
 20 public meeting at which the county council discusses whether the tax
 21 rate under this section should be imposed or increased.

22 (r) The department of local government finance and the department
 23 of state revenue may take any actions necessary to carry out the
 24 purposes of this section.

25 ~~(s) Notwithstanding any other provision, in Lake County the county~~
 26 ~~council (and not the county income tax council) is the entity authorized~~
 27 ~~to take actions concerning the additional tax rate under this section.~~

28 SECTION 24. IC 6-3.5-6-31, AS AMENDED BY P.L.261-2013,
 29 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2015]: Sec. 31. (a) As used in this section, "public
 31 safety" refers to the following:

32 (1) A police and law enforcement system to preserve public peace
 33 and order.

34 (2) A firefighting and fire prevention system.

35 (3) Emergency ambulance services (as defined in
 36 IC 16-18-2-107).

37 (4) Emergency medical services (as defined in IC 16-18-2-110).

38 (5) Emergency action (as defined in IC 13-11-2-65).

39 (6) A probation department of a court.

40 (7) Confinement, supervision, services under a community
 41 corrections program (as defined in IC 35-38-2.6-2), or other
 42 correctional services for a person who has been:



- 1 (A) diverted before a final hearing or trial under an agreement
 2 that is between the county prosecuting attorney and the person
 3 or the person's custodian, guardian, or parent and that provides
 4 for confinement, supervision, community corrections services,
 5 or other correctional services instead of a final action
 6 described in clause (B) or (C);
 7 (B) convicted of a crime; or
 8 (C) adjudicated as a delinquent child or a child in need of
 9 services.
- 10 (8) A juvenile detention facility under IC 31-31-8.
 11 (9) A juvenile detention center under IC 31-31-9.
 12 (10) A county jail.
 13 (11) A communications system (as defined in IC 36-8-15-3), an
 14 enhanced emergency telephone system (as defined in
 15 IC 36-8-16-2 (before its repeal on July 1, 2012)), or the statewide
 16 911 system (as defined in IC 36-8-16.7-22).
 17 (12) Medical and health expenses for jail inmates and other
 18 confined persons.
 19 (13) Pension payments for any of the following:
 20 (A) A member of the fire department (as defined in
 21 IC 36-8-1-8) or any other employee of a fire department.
 22 (B) A member of the police department (as defined in
 23 IC 36-8-1-9), a police chief hired under a waiver under
 24 IC 36-8-4-6.5, or any other employee hired by a police
 25 department.
 26 (C) A county sheriff or any other member of the office of the
 27 county sheriff.
 28 (D) Other personnel employed to provide a service described
 29 in this section.
- 30 (b) The county ~~income tax~~ council may adopt an ordinance to
 31 impose an additional tax rate under this section to provide funding for
 32 public safety if:
 33 (1) the county ~~income tax~~ council has imposed a tax rate under
 34 section 30 of this chapter, in the case of a county containing a
 35 consolidated city; or
 36 (2) the county ~~income tax~~ council has imposed a tax rate of at
 37 least twenty-five hundredths of one percent (0.25%) under section
 38 30 of this chapter, a tax rate of at least twenty-five hundredths of
 39 one percent (0.25%) under section 32 of this chapter, or a total
 40 combined tax rate of at least twenty-five hundredths of one
 41 percent (0.25%) under sections 30 and 32 of this chapter, in the
 42 case of a county other than a county containing a consolidated



- 1 city.
- 2 (c) A tax rate under this section may not exceed the following:
- 3 (1) Five-tenths of one percent (0.5%), in the case of a county
- 4 containing a consolidated city.
- 5 (2) Twenty-five hundredths of one percent (0.25%), in the case of
- 6 a county other than a county containing a consolidated city.
- 7 (d) If a county ~~income tax~~ council adopts an ordinance to impose a
- 8 tax rate under this section, not more than ten (10) days after the vote,
- 9 the county auditor shall send a certified copy of the ordinance to the
- 10 commissioner of the department, the director of the budget agency, and
- 11 the commissioner of the department of local government finance in an
- 12 electronic format approved by the director of the budget agency.
- 13 (e) A tax rate under this section is in addition to any other tax rates
- 14 imposed under this chapter and does not affect the purposes for which
- 15 other tax revenue under this chapter may be used.
- 16 (f) Except as provided in subsections ~~(j)~~ **(k)** and ~~(m)~~ **(l)**, the county
- 17 auditor shall distribute the portion of the certified distribution that is
- 18 attributable to a tax rate under this section to the county and to each
- 19 municipality in the county that is carrying out or providing at least one
- 20 (1) of the public safety purposes described in subsection (a). The
- 21 amount that shall be distributed to the county or municipality is equal
- 22 to the result of:
- 23 (1) the portion of the certified distribution that is attributable to a
- 24 tax rate under this section; multiplied by
- 25 (2) a fraction equal to:
- 26 (A) the total property taxes being collected in the county by
- 27 the county or municipality for the calendar year; divided by
- 28 (B) the sum of the total property taxes being collected in the
- 29 county by the county and each municipality in the county that
- 30 is entitled to a distribution under this section for the calendar
- 31 year.
- 32 The county auditor shall make the distributions required by this
- 33 subsection not more than thirty (30) days after receiving the portion of
- 34 the certified distribution that is attributable to a tax rate under this
- 35 section. Tax revenue distributed to a county or municipality under this
- 36 subsection must be deposited into a separate account or fund and may
- 37 be appropriated by the county or municipality only for public safety
- 38 purposes.
- 39 (g) The department of local government finance may not require a
- 40 county or municipality receiving tax revenue under this section to
- 41 reduce the county's or municipality's property tax levy for a particular
- 42 year on account of the county's or municipality's receipt of the tax



- 1 revenue.
- 2 (h) The tax rate under this section and the tax revenue attributable
- 3 to the tax rate under this section shall not be considered for purposes
- 4 of computing:
- 5 (1) the maximum income tax rate that may be imposed in a county
- 6 under section 8 or 9 of this chapter or any other provision of this
- 7 chapter;
- 8 (2) the maximum permissible property tax levy under
- 9 IC 6-1.1-18.5-3; or
- 10 (3) the credit under IC 6-1.1-20.6.
- 11 (i) The tax rate under this section may be imposed or rescinded at
- 12 the same time and in the same manner that the county may impose or
- 13 increase a tax rate under section 30 of this chapter.
- 14 (j) The department of local government finance and the department
- 15 of state revenue may take any actions necessary to carry out the
- 16 purposes of this section.
- 17 ~~(k) Notwithstanding any other provision, in Lake County the county~~
- 18 ~~council (and not the county income tax council) is the entity authorized~~
- 19 ~~to take actions concerning the additional tax rate under this section.~~
- 20 ~~(k)~~ (k) Two (2) or more political subdivisions that are entitled to
- 21 receive a distribution under this section may adopt resolutions
- 22 providing that some part or all of those distributions shall instead be
- 23 paid to one (1) political subdivision in the county to carry out specific
- 24 public safety purposes specified in the resolutions.
- 25 ~~(m)~~ (l) A fire department, volunteer fire department, or emergency
- 26 medical services provider that:
- 27 (1) provides fire protection or emergency medical services within
- 28 the county; and
- 29 (2) is operated by or serves a political subdivision that is not
- 30 otherwise entitled to receive a distribution of tax revenue under
- 31 this section;
- 32 may before July 1 of a year apply to the county ~~income tax~~ council for
- 33 a distribution of tax revenue under this section during the following
- 34 calendar year. The county ~~income tax~~ council shall review an
- 35 application submitted under this subsection and may before September
- 36 1 of a year adopt a resolution requiring that one (1) or more of the
- 37 applicants shall receive a specified amount of the tax revenue to be
- 38 distributed under this section during the following calendar year. A
- 39 resolution approved under this subsection providing for a distribution
- 40 to one (1) or more fire departments, volunteer fire departments, or
- 41 emergency services providers applies only to distributions in the
- 42 following calendar year. Any amount of tax revenue distributed under



1 this subsection to a fire department, volunteer fire department, or
 2 emergency medical services provider shall be distributed before the
 3 remainder of the tax revenue is distributed under subsection (f).

4 SECTION 25. IC 6-3.5-6-32, AS AMENDED BY P.L.261-2013,
 5 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2015]: Sec. 32. (a) A county ~~income tax~~ council may
 7 impose a tax rate under this section to provide property tax relief to
 8 taxpayers in the county. A county ~~income tax~~ council is not required to
 9 impose any other tax before imposing a tax rate under this section.

10 (b) A tax rate under this section may be imposed in increments of
 11 five-hundredths of one percent (0.05%) determined by the county
 12 ~~income tax~~ council. A tax rate under this section may not exceed one
 13 percent (1%).

14 (c) A tax rate under this section is in addition to any other tax rates
 15 imposed under this chapter and does not affect the purposes for which
 16 other tax revenue under this chapter may be used.

17 (d) If a county ~~income tax~~ council adopts an ordinance to impose or
 18 increase a tax rate under this section, not more than ten (10) days after
 19 the vote, the county auditor shall send a certified copy of the ordinance
 20 to the commissioner of the department, the director of the budget
 21 agency, and the commissioner of the department of local government
 22 finance in an electronic format approved by the director of the budget
 23 agency.

24 (e) A tax rate under this section may be imposed, increased,
 25 decreased, or rescinded at the same time and in the same manner that
 26 the county ~~income tax~~ council may impose or increase a tax rate under
 27 section 30 of this chapter.

28 (f) Tax revenue attributable to a tax rate under this section may be
 29 used for any combination of the following purposes, as specified by
 30 ordinance of the county ~~income tax~~ council:

31 (1) The tax revenue may be used to provide local property tax
 32 replacement credits at a uniform rate to all taxpayers in the
 33 county. The local property tax replacement credits shall be treated
 34 for all purposes as property tax levies. The county auditor shall
 35 determine the local property tax replacement credit percentage for
 36 a particular year based on the amount of tax revenue that will be
 37 used under this subdivision to provide local property tax
 38 replacement credits in that year. A county ~~income tax~~ council may
 39 not adopt an ordinance determining that tax revenue shall be used
 40 under this subdivision to provide local property tax replacement
 41 credits at a uniform rate to all taxpayers in the county unless the
 42 county council has done the following:



- 1 (A) Made available to the public the county council's best
 2 estimate of the amount of property tax replacement credits to
 3 be provided under this subdivision to homesteads, other
 4 residential property, commercial property, industrial property,
 5 and agricultural property.
- 6 (B) Adopted a resolution or other statement acknowledging
 7 that some taxpayers in the county that do not pay the tax rate
 8 under this section will receive a property tax replacement
 9 credit that is funded with tax revenue from the tax rate under
 10 this section.
- 11 (2) The tax revenue may be used to uniformly increase (before
 12 January 1, 2011) or uniformly provide (after December 31, 2010)
 13 the homestead credit percentage in the county. The homestead
 14 credits shall be treated for all purposes as property tax levies. The
 15 homestead credits do not reduce the basis for determining any
 16 state homestead credit. The homestead credits shall be applied to
 17 the net property taxes due on the homestead after the application
 18 of all other assessed value deductions or property tax deductions
 19 and credits that apply to the amount owed under IC 6-1.1. The
 20 county auditor shall determine the homestead credit percentage
 21 for a particular year based on the amount of tax revenue that will
 22 be used under this subdivision to provide homestead credits in
 23 that year.
- 24 (3) The tax revenue may be used to provide local property tax
 25 replacement credits at a uniform rate for all qualified residential
 26 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
 27 and as defined in section 1 of this chapter after December 31,
 28 2008) in the county. The local property tax replacement credits
 29 shall be treated for all purposes as property tax levies. The county
 30 auditor shall determine the local property tax replacement credit
 31 percentage for a particular year based on the amount of tax
 32 revenue that will be used under this subdivision to provide local
 33 property tax replacement credits in that year.
- 34 (4) This subdivision applies only to Lake County. The Lake
 35 County council may adopt an ordinance providing that the tax
 36 revenue from the tax rate under this section is used for any of the
 37 following:
- 38 (A) To reduce all property tax levies imposed by the county by
 39 the granting of property tax replacement credits against those
 40 property tax levies.
- 41 (B) To provide local property tax replacement credits in Lake
 42 County in the following manner:



1 (i) The tax revenue under this section that is collected from
 2 taxpayers within a particular municipality in Lake County
 3 (as determined by the department based on the department's
 4 best estimate) shall be used only to provide a local property
 5 tax credit against property taxes imposed by that
 6 municipality.

7 (ii) The tax revenue under this section that is collected from
 8 taxpayers within the unincorporated area of Lake County (as
 9 determined by the department) shall be used only to provide
 10 a local property tax credit against property taxes imposed by
 11 the county. The local property tax credit for the
 12 unincorporated area of Lake County shall be available only
 13 to those taxpayers within the unincorporated area of the
 14 county.

15 (C) To provide property tax credits in the following manner:

16 (i) Sixty percent (60%) of the tax revenue under this section
 17 shall be used as provided in clause (B).

18 (ii) Forty percent (40%) of the tax revenue under this section
 19 shall be used to provide property tax replacement credits
 20 against property tax levies of the county and each township
 21 and municipality in the county. The percentage of the tax
 22 revenue distributed under this item that shall be used as
 23 credits against the county's levies or against a particular
 24 township's or municipality's levies is equal to the percentage
 25 determined by dividing the population of the county,
 26 township, or municipality by the sum of the total population
 27 of the county, each township in the county, and each
 28 municipality in the county.

29 The Lake County council shall determine whether the credits
 30 under clause (A), (B), or (C) shall be provided to homesteads, to
 31 all qualified residential property, or to all taxpayers. The
 32 department of local government finance, with the assistance of the
 33 budget agency, shall certify to the county auditor and the fiscal
 34 body of the county and each township and municipality in the
 35 county the amount of property tax credits under this subdivision.
 36 Except as provided in subsection (g), the tax revenue under this
 37 section that is used to provide credits under this subdivision shall
 38 be treated for all purposes as property tax levies.

39 The county ~~income tax~~ council may adopt an ordinance changing the
 40 purposes for which tax revenue attributable to a tax rate under this
 41 section shall be used in the following year.

42 (g) The tax rate under this section shall not be considered for



- 1 purposes of computing:
 2 (1) the maximum income tax rate that may be imposed in a county
 3 under section 8 or 9 of this chapter or any other provision of this
 4 chapter;
 5 (2) the maximum permissible property tax levy under
 6 IC 6-1.1-18.5-3; or
 7 (3) the credit under IC 6-1.1-20.6.

8 (h) Tax revenue under this section shall be treated as a part of the
 9 receiving civil taxing unit's or school corporation's property tax levy for
 10 that year for purposes of fixing the budget of the civil taxing unit or
 11 school corporation and for determining the distribution of taxes that are
 12 distributed on the basis of property tax levies. To the extent the county
 13 auditor determines that there is income tax revenue remaining from the
 14 tax under this section after providing the property tax replacement, the
 15 excess shall be credited to a dedicated county account and may be used
 16 only for property tax replacement under this section in subsequent
 17 years.

18 (i) The department of local government finance and the department
 19 of state revenue may take any actions necessary to carry out the
 20 purposes of this section.

21 ~~(j) Notwithstanding any other provision, in Lake County the county~~
 22 ~~council (and not the county income tax council) is the entity authorized~~
 23 ~~to take actions concerning the tax rate under this section.~~

24 SECTION 26. IC 6-3.5-6-34 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2015]: **Sec. 34. Notwithstanding the replacement of**
 27 **the county income tax council with the county council for purposes**
 28 **of this chapter, all actions taken before January 1, 2015, with**
 29 **respect to the following, continue in full force and effect, unless**
 30 **modified by the county council under this chapter after December**
 31 **31, 2014:**

- 32 (1) **The imposition of the tax under this chapter.**
 33 (2) **The total tax rate imposed under this chapter.**
 34 (3) **The uses of the tax revenue under this chapter.**
 35 (4) **All agreements relating to the use of the tax revenue.**
 36 (5) **All proceedings and any action taken at a proceeding**
 37 **concerning the tax.**
 38 (6) **Any final action taken by the county income tax council**
 39 **before January 1, 2015, with regard to tax rate increases,**
 40 **decreases, or other matters that will not take effect until after**
 41 **December 31, 2014.**

42 SECTION 27. IC 6-3.5-7-5, AS AMENDED BY P.L.261-2013,



1 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2015]: Sec. 5. (a) Except as provided in subsection (c),
3 the county economic development income tax may be imposed on the
4 adjusted gross income of county taxpayers. The **entity that county**
5 **council** may impose the tax. ~~is:~~

6 ~~(1) the county income tax council (as defined in IC 6-3.5-6-1) if~~
7 ~~the county option income tax is in effect on October 1 of the year~~
8 ~~the county economic development income tax is imposed;~~

9 ~~(2) the county council if the county adjusted gross income tax is~~
10 ~~in effect on October 1 of the year the county economic~~
11 ~~development tax is imposed; or~~

12 ~~(3) the county income tax council or the county council;~~
13 ~~whichever acts first, for a county not covered by subdivision (1)~~
14 ~~or (2).~~

15 To impose the county economic development income tax, a county
16 income tax council shall use the procedures set forth in IC 6-3.5-6
17 concerning the imposition of the county option income tax.

18 (b) Except as provided in this section and section 28 of this chapter,
19 the county economic development income tax may be imposed at a rate
20 of:

- 21 (1) one-tenth percent (0.1%);
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%); or
28 (8) five-tenths percent (0.5%);

29 on the adjusted gross income of county taxpayers.

30 (c) Except as provided in this section, the county economic
31 development income tax rate plus the county adjusted gross income tax
32 rate, if any, that are in effect on January 1 of a year may not exceed one
33 and twenty-five hundredths percent (1.25%). Except as provided in this
34 section, the county economic development tax rate plus the county
35 option income tax rate, if any, that are in effect on January 1 of a year
36 may not exceed one percent (1%).

37 (d) To impose, increase, decrease, or rescind the county economic
38 development income tax, the ~~appropriate body~~ **county council** must
39 adopt an ordinance.

40 (e) The ordinance to impose the tax must substantially state the
41 following:

42 "The _____ County **Council** imposes the county economic



1 development income tax on the county taxpayers of _____
 2 County. The county economic development income tax is imposed at
 3 a rate of _____ percent (____%) on the county taxpayers of the
 4 county."

5 (f) The auditor of a county shall record all votes taken on ordinances
 6 presented for a vote under the authority of this chapter and shall, not
 7 more than ten (10) days after the vote, send a certified copy of the
 8 results to the commissioner of the department, the director of the
 9 budget agency, and the commissioner of the department of local
 10 government finance in an electronic format approved by the director of
 11 the budget agency.

12 (g) For Jackson County, except as provided in subsection (o), the
 13 county economic development income tax rate plus the county adjusted
 14 gross income tax rate that are in effect on January 1 of a year may not
 15 exceed one and thirty-five hundredths percent (1.35%) if the county has
 16 imposed the county adjusted gross income tax at a rate of one and
 17 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

18 (h) For Pulaski County, except as provided in subsection (o), the
 19 county economic development income tax rate plus the county adjusted
 20 gross income tax rate that are in effect on January 1 of a year may not
 21 exceed one and fifty-five hundredths percent (1.55%).

22 (i) For Wayne County, except as provided in subsection (o), the
 23 county economic development income tax rate plus the county adjusted
 24 gross income tax rate that are in effect on January 1 of a year may not
 25 exceed one and five-tenths percent (1.5%).

26 (j) This subsection applies to Randolph County. Except as provided
 27 in subsection (o), in addition to the rates permitted under subsection
 28 (b):

29 (1) the county economic development income tax may be imposed
 30 at a rate of twenty-five hundredths percent (0.25%); and

31 (2) the sum of the county economic development income tax rate
 32 and the county adjusted gross income tax rate that are in effect on
 33 January 1 of a year may not exceed one and five-tenths percent
 34 (1.5%);

35 if the county council makes a determination to impose rates under this
 36 subsection and section 22.5 of this chapter.

37 (k) For Daviess County, except as provided in subsection (o), the
 38 county economic development income tax rate plus the county adjusted
 39 gross income tax rate that are in effect on January 1 of a year may not
 40 exceed one and five-tenths percent (1.5%).

41 (l) For:

42 (1) Elkhart County; or



- 1 (2) Marshall County;
 2 except as provided in subsection (o), the county economic development
 3 income tax rate plus the county adjusted gross income tax rate that are
 4 in effect on January 1 of a year may not exceed one and five-tenths
 5 percent (1.5%).
- 6 (m) For Union County, except as provided in subsection (o), the
 7 county economic development income tax rate plus the county adjusted
 8 gross income tax rate that are in effect on January 1 of a year may not
 9 exceed one and five-tenths percent (1.5%).
- 10 (n) This subsection applies to Knox County. Except as provided in
 11 subsection (o), in addition to the rates permitted under subsection (b):
 12 (1) the county economic development income tax may be imposed
 13 at a rate of twenty-five hundredths percent (0.25%); and
 14 (2) the sum of the county economic development income tax rate
 15 and:
 16 (A) the county adjusted gross income tax rate that are in effect
 17 on January 1 of a year may not exceed one and five-tenths
 18 percent (1.5%); or
 19 (B) the county option income tax rate that are in effect on
 20 January 1 of a year may not exceed one and twenty-five
 21 hundredths percent (1.25%);
 22 if the county council makes a determination to impose rates under this
 23 subsection and section 24 of this chapter.
- 24 (o) In addition:
 25 (1) the county economic development income tax may be imposed
 26 at a rate that exceeds by not more than twenty-five hundredths
 27 percent (0.25%) the maximum rate that would otherwise apply
 28 under this section; and
 29 (2) the:
 30 (A) county economic development income tax; and
 31 (B) county option income tax or county adjusted gross income
 32 tax;
 33 may be imposed at combined rates that exceed by not more than
 34 twenty-five hundredths percent (0.25%) the maximum combined
 35 rates that would otherwise apply under this section.
- 36 However, the additional rate imposed under this subsection may not
 37 exceed the amount necessary to mitigate the increased ad valorem
 38 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)
 39 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 40 residential property (as defined in section 26 of this chapter), as
 41 appropriate under the ordinance adopted by the adopting body in the
 42 county, resulting from the deduction of the assessed value of inventory



1 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 2 exclusion in 2008 of inventory from the definition of personal property
 3 in IC 6-1.1-1-11.

4 (p) If the county economic development income tax is imposed as
 5 authorized under subsection (o) at a rate that exceeds the maximum
 6 rate that would otherwise apply under this section, the certified
 7 distribution must be used for the purpose provided in section 26 of this
 8 chapter to the extent that the certified distribution results from the
 9 difference between:

- 10 (1) the actual county economic development tax rate; and
 11 (2) the maximum rate that would otherwise apply under this
 12 section.

13 (q) This subsection applies only to a county described in section 27
 14 of this chapter. Except as provided in subsection (o), in addition to the
 15 rates permitted by subsection (b), the:

- 16 (1) county economic development income tax may be imposed at
 17 a rate of twenty-five hundredths percent (0.25%); and
 18 (2) county economic development income tax rate plus the county
 19 option income tax rate that are in effect on January 1 of a year
 20 may equal up to one and twenty-five hundredths percent (1.25%);
 21 if the county council makes a determination to impose rates under this
 22 subsection and section 27 of this chapter.

23 (r) Except as provided in subsection (o), the county economic
 24 development income tax rate plus the county adjusted gross income tax
 25 rate that are in effect on January 1 of a year may not exceed one and
 26 five-tenths percent (1.5%) if the county has imposed the county
 27 adjusted gross income tax under IC 6-3.5-1.1-3.3.

28 (s) This subsection applies to Howard County. Except as provided
 29 in subsection (o), the sum of the county economic development income
 30 tax rate and the county option income tax rate that are in effect on
 31 January 1 of a year may not exceed one and twenty-five hundredths
 32 percent (1.25%).

33 (t) This subsection applies to Scott County. Except as provided in
 34 subsection (o), the sum of the county economic development income
 35 tax rate and the county option income tax rate that are in effect on
 36 January 1 of a year may not exceed one and twenty-five hundredths
 37 percent (1.25%).

38 (u) This subsection applies to Jasper County. Except as provided in
 39 subsection (o), the sum of the county economic development income
 40 tax rate and the county adjusted gross income tax rate that are in effect
 41 on January 1 of a year may not exceed one and five-tenths percent
 42 (1.5%).



1 (v) An additional county economic development income tax rate
 2 imposed under section 28 of this chapter may not be considered in
 3 calculating any limit under this section on the sum of:

- 4 (1) the county economic development income tax rate plus the
 5 county adjusted gross income tax rate; or
 6 (2) the county economic development tax rate plus the county
 7 option income tax rate.

8 (w) The income tax rate limits imposed by subsection (c) or (x) or
 9 any other provision of this chapter do not apply to:

- 10 (1) a county adjusted gross income tax rate imposed under
 11 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
 12 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
 13 IC 6-3.5-6-31, or IC 6-3.5-6-32.

14 For purposes of computing the maximum combined income tax rate
 15 under subsection (c) or (x) or any other provision of this chapter that
 16 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
 17 chapter, a county's county adjusted gross income tax rate or county
 18 option income tax rate for a particular year does not include the county
 19 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
 20 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
 21 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

22 (x) This subsection applies to Monroe County. Except as provided
 23 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
 24 sum of the county economic development income tax rate and the
 25 county option income tax rate that are in effect on January 1 of a year
 26 may not exceed one and twenty-five hundredths percent (1.25%).

27 (y) This subsection applies to Perry County. Except as provided in
 28 subsection (o), if an ordinance is adopted under section 27.5 of this
 29 chapter, the county economic development income tax rate plus the
 30 county option income tax rate that is in effect on January 1 of a year
 31 may not exceed one and seventy-five hundredths percent (1.75%).

32 (z) This subsection applies to Starke County. Except as provided in
 33 subsection (o), if an ordinance is adopted under section 27.6 of this
 34 chapter, the county economic development income tax rate plus the
 35 county adjusted gross income tax rate that is in effect on January 1 of
 36 a year may not exceed two percent (2%).

37 SECTION 28. IC 6-3.5-7-12, AS AMENDED BY P.L.137-2012,
 38 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2015]: Sec. 12. (a) Except as provided in sections 23, 26,
 40 27, 27.5, 27.6, and 28 of this chapter, the county auditor shall distribute
 41 in the manner specified in this section the certified distribution to the
 42 county.



1 (b) Except as provided in subsections (c) and (h) and section 15 of
 2 this chapter, and subject to adjustment as provided in IC 36-8-19-7.5,
 3 the amount of the certified distribution that the county and each city or
 4 town in a county is entitled to receive each month of each year equals
 5 the product of the following:

6 (1) The amount of the certified distribution for that month;
 7 multiplied by

8 (2) A fraction. The numerator of the fraction equals the sum of:

9 (A) total property taxes that are first due and payable to the
 10 county, city, or town during the calendar year in which the
 11 month falls; plus

12 (B) for a county, the welfare allocation amount.

13 The denominator of the fraction equals the sum of the total
 14 property taxes that are first due and payable to the county and all
 15 cities and towns of the county during the calendar year in which
 16 the month falls, plus the welfare allocation amount. The welfare
 17 allocation amount is an amount equal to the sum of the property
 18 taxes imposed by the county in 1999 for the county's welfare fund
 19 and welfare administration fund and, if the county received a
 20 certified distribution under this chapter in 2008, the property
 21 taxes imposed by the county in 2008 for the county's county
 22 medical assistance to wards fund, family and children's fund,
 23 children's psychiatric residential treatment services fund, county
 24 hospital care for the indigent fund, and children with special
 25 health care needs county fund.

26 (c) This subsection applies to a county council ~~or county income tax~~
 27 ~~council~~ that imposes a tax under this chapter after June 1, 1992. The
 28 ~~body imposing the tax~~ **county council** may adopt an ordinance before
 29 August 2 of a year to provide for the distribution of certified
 30 distributions under this subsection instead of a distribution under
 31 subsection (b). The following apply if an ordinance is adopted under
 32 this subsection:

33 (1) The ordinance is effective January 1 of the following year.

34 (2) Except as provided in section 26 of this chapter, the amount
 35 of the certified distribution that the county and each city and town
 36 in the county is entitled to receive during each month of each year
 37 equals the product of:

38 (A) the amount of the certified distribution for the month;
 39 multiplied by

40 (B) a fraction. For a city or town, the numerator of the fraction
 41 equals the population of the city or the town. For a county, the
 42 numerator of the fraction equals the population of the part of



- 1 the county that is not located in a city or town. The
 2 denominator of the fraction equals the sum of the population
 3 of all cities and towns located in the county and the population
 4 of the part of the county that is not located in a city or town.
- 5 (3) The ordinance may be made irrevocable for the duration of
 6 specified lease rental or debt service payments.
- 7 (d) The ~~body imposing the tax~~ **county council** may not adopt an
 8 ordinance under subsection (c) if, before the adoption of the proposed
 9 ordinance, any of the following have pledged the county economic
 10 development income tax for any purpose permitted by IC 5-1-14 or any
 11 other statute:
- 12 (1) The county.
 13 (2) A city or town in the county.
 14 (3) A commission, a board, a department, or an authority that is
 15 authorized by statute to pledge the county economic development
 16 income tax.
- 17 (e) The department of local government finance shall provide each
 18 county auditor with the fractional amount of the certified distribution
 19 that the county and each city or town in the county is entitled to receive
 20 under this section.
- 21 (f) Money received by a county, city, or town under this section
 22 shall be deposited in the unit's economic development income tax fund.
- 23 (g) Except as provided in subsection (b)(2)(B), in determining the
 24 fractional amount of the certified distribution the county and its cities
 25 and towns are entitled to receive under subsection (b) during a calendar
 26 year, the department of local government finance shall consider only
 27 property taxes imposed on tangible property subject to assessment in
 28 that county.
- 29 (h) In a county having a consolidated city, only the consolidated city
 30 is entitled to the certified distribution, subject to the requirements of
 31 sections 15 and 26 of this chapter.
- 32 SECTION 29. IC 6-3.5-7-26, AS AMENDED BY P.L.137-2012,
 33 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2015]: Sec. 26. (a) This section applies
 35 only to homestead and property tax replacement credits for property
 36 taxes first due and payable after calendar year 2006.
- 37 (b) The following definitions apply throughout this section:
- 38 (1) "Adopt" includes amend.
 39 (2) "~~Adopting entity~~" means:
 40 (A) ~~the entity that adopts an ordinance under~~
 41 ~~IC 6-1.1-12-41(f); or~~
 42 (B) any other entity that may impose a county economic



- 1 ~~development income tax under section 5 of this chapter.~~
- 2 (3) (2) "Homestead" refers to tangible property that is eligible for
- 3 a homestead credit under IC 6-1.1-20.9 (repealed) or the standard
- 4 deduction under IC 6-1.1-12-37.
- 5 (4) (3) "Residential" refers to the following:
- 6 (A) Real property, a mobile home, and industrialized housing
- 7 that would qualify as a homestead if the taxpayer had filed for
- 8 a homestead credit under IC 6-1.1-20.9 (repealed) or the
- 9 standard deduction under IC 6-1.1-12-37.
- 10 (B) Real property not described in clause (A) designed to
- 11 provide units that are regularly used to rent or otherwise
- 12 furnish residential accommodations for periods of thirty (30)
- 13 days or more, regardless of whether the tangible property is
- 14 subject to assessment under rules of the department of local
- 15 government finance that apply to:
- 16 (i) residential property; or
- 17 (ii) commercial property.
- 18 (c) ~~An adopting entity~~ **A county council** may adopt an ordinance to
- 19 provide for the use of the certified distribution described in section 16
- 20 of this chapter for the purpose provided in subsection (e). ~~An adopting~~
- 21 **entity A county council** that adopts an ordinance under this subsection
- 22 shall use the procedures set forth in IC 6-3.5-6 concerning the adoption
- 23 of an ordinance for the imposition of the county option income tax. The
- 24 ordinance may provide for an additional rate under section 5(o) of this
- 25 chapter. An ordinance adopted under this subsection:
- 26 (1) first applies to the certified distribution described in section 16
- 27 of this chapter made in the later of the calendar year that
- 28 immediately succeeds the calendar year in which the ordinance is
- 29 adopted or calendar year 2007; and
- 30 (2) must specify that the certified distribution must be used to
- 31 provide for one (1) of the following, as determined by the
- 32 ~~adopting entity:~~ **county council:**
- 33 (A) Uniformly applied homestead credits as provided in
- 34 subsection (f).
- 35 (B) Uniformly applied residential credits as provided in
- 36 subsection (g).
- 37 (C) Allocated homestead credits as provided in subsection (i).
- 38 (D) Allocated residential credits as provided in subsection (j).
- 39 An ordinance adopted under this subsection may be combined with an
- 40 ordinance adopted under section 25 of this chapter (before its repeal).
- 41 (d) If an ordinance is adopted under subsection (c), the percentage
- 42 of the certified distribution specified in the ordinance for use for the



1 purpose provided in subsection (e) shall be:

- 2 (1) retained by the county auditor under subsection (k); and
 3 (2) used for the purpose provided in subsection (e) instead of the
 4 purposes specified in the capital improvement plans adopted
 5 under section 15 of this chapter.

6 (e) If an ordinance is adopted under subsection (c), the ~~adopting~~
 7 **entity county council** shall use the certified distribution described in
 8 section 16 of this chapter to provide:

- 9 (1) if the ordinance grants a credit described in subsection
 10 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or
 11 (2) if the ordinance grants a credit described in subsection
 12 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 13 residential property;

14 for property taxes to offset the effect on homesteads or residential
 15 property, as applicable, in the county resulting from the statewide
 16 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 17 2008 of inventory from the definition of personal property in
 18 IC 6-1.1-1-11. The amount of a residential property tax replacement
 19 credit granted under this section may not be considered in computing
 20 the amount of any homestead credit to which the residential property
 21 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 22 other than IC 6-1.1-20.6.

23 (f) If the ~~imposing~~ **entity county council** specifies the application
 24 of uniform homestead credits under subsection (c)(2)(A), the county
 25 auditor shall, for each calendar year in which a homestead credit
 26 percentage is authorized under this section, determine:

- 27 (1) the amount of the certified distribution that is available to
 28 provide a homestead credit percentage under this section for the
 29 year;
 30 (2) the amount of uniformly applied homestead credits for the
 31 year in the county that equals the amount determined under
 32 subdivision (1); and
 33 (3) the percentage of homestead credit under this section that
 34 equates to the amount of homestead credits determined under
 35 subdivision (2).

36 (g) If the ~~imposing~~ **entity county council** specifies the application
 37 of uniform residential credits under subsection (c)(2)(B), the county
 38 auditor shall determine for each calendar year in which a homestead
 39 credit percentage is authorized under this section:

- 40 (1) the amount of the certified distribution that is available to
 41 provide a residential property tax replacement credit percentage
 42 for the year;



1 (2) the amount of uniformly applied residential property tax
2 replacement credits for the year in the county that equals the
3 amount determined under subdivision (1); and

4 (3) the percentage of residential property tax replacement credit
5 under this section that equates to the amount of residential
6 property tax replacement credits determined under subdivision
7 (2).

8 (h) The percentage of homestead credit determined by the county
9 auditor under subsection (f) or the percentage of residential property
10 tax replacement credit determined by the county auditor under
11 subsection (g) applies uniformly in the county in the calendar year for
12 which the percentage is determined.

13 (i) If the ~~imposing entity~~ **county council** specifies the application of
14 allocated homestead credits under subsection (c)(2)(C), the county
15 auditor shall, for each calendar year in which a homestead credit is
16 authorized under this section, determine:

17 (1) the amount of the certified distribution that is available to
18 provide a homestead credit under this section for the year; and

19 (2) except as provided in subsection (1), a percentage of
20 homestead credit for each taxing district in the county that
21 allocates to the taxing district an amount of homestead credits that
22 bears the same proportion to the amount determined under
23 subdivision (1) that the amount of inventory assessed value
24 deducted under IC 6-1.1-12-42 in the taxing district for the
25 assessment date in 2006 bears to the total inventory assessed
26 value deducted under IC 6-1.1-12-42 in the county for the
27 assessment date in 2006.

28 (j) If the ~~imposing entity~~ **county council** specifies the application of
29 allocated residential property tax replacement credits under subsection
30 (c)(2)(D), the county auditor shall determine for each calendar year in
31 which a residential property tax replacement credit is authorized under
32 this section:

33 (1) the amount of the certified distribution that is available to
34 provide a residential property tax replacement credit under this
35 section for the year; and

36 (2) except as provided in subsection (1), a percentage of
37 residential property tax replacement credit for each taxing district
38 in the county that allocates to the taxing district an amount of
39 residential property tax replacement credits that bears the same
40 proportion to the amount determined under subdivision (1) that
41 the amount of inventory assessed value deducted under
42 IC 6-1.1-12-42 in the taxing district for the assessment date in



1 2006 bears to the total inventory assessed value deducted under
2 IC 6-1.1-12-42 in the county for the assessment date in 2006.

3 (k) The county auditor shall retain from the payments of the county's
4 certified distribution an amount equal to the revenue lost, if any, due to
5 the homestead credit or residential property tax replacement credit
6 provided under this section within the county. The money shall be
7 distributed to the civil taxing units and school corporations of the
8 county:

- 9 (1) as if the money were from property tax collections; and
10 (2) in such a manner that no civil taxing unit or school
11 corporation will suffer a net revenue loss because of the
12 allowance of a homestead credit or residential property tax
13 replacement credit under this section.

14 (l) Subject to the approval of the ~~imposing entity~~, **county council**,
15 the county auditor may adjust the increased percentage of:

- 16 (1) homestead credit determined under subsection (i)(2) if the
17 county auditor determines that the adjustment is necessary to
18 achieve an equitable reduction of property taxes among the
19 homesteads in the county; or
20 (2) residential property tax replacement credit determined under
21 subsection (j)(2) if the county auditor determines that the
22 adjustment is necessary to achieve an equitable reduction of
23 property taxes among the residential property in the county.

24 SECTION 30. IC 6-3.5-7-29 IS ADDED TO THE INDIANA CODE
25 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
26 JANUARY 1, 2015]: **Sec. 29. Notwithstanding the replacement of**
27 **the county income tax council with the county council for purposes**
28 **of this chapter, all actions taken before January 1, 2015, with**
29 **respect to the following, continue in full force and effect, unless**
30 **modified by the county council under this chapter after December**
31 **31, 2014:**

- 32 **(1) The imposition of the tax under this chapter.**
33 **(2) The total tax rate imposed under this chapter.**
34 **(3) The uses of the tax revenue under this chapter.**
35 **(4) All agreements relating to the use of the tax revenue.**
36 **(5) All proceedings and any action taken at a proceeding**
37 **concerning the tax.**
38 **(6) Any final action taken by the county income tax council**
39 **before January 1, 2015, with regard to tax rate increases,**
40 **decreases, or other matters that will not take effect until after**
41 **December 31, 2014.**



1 SECTION 31. IC 8-18-22-6 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 6. (a) Except as
 3 provided in subsection (b), the county fiscal body may pledge revenues
 4 for the payment of principal and interest on the bonds and for other
 5 purposes under the ordinance as provided by IC 5-1-14-4, including
 6 revenues from the following sources:

- 7 (1) The motor vehicle highway account.
- 8 (2) The local road and street account.
- 9 (3) The county motor vehicle excise surtax.
- 10 (4) The county wheel tax.
- 11 (5) The county adjusted gross income tax.
- 12 (6) The county option income tax.
- 13 (7) The economic development income tax.
- 14 (8) Assessments.
- 15 (9) Any other unappropriated or unencumbered money.

16 (b) The county fiscal body may not pledge to levy ad valorem
 17 property taxes for these purposes, except for revenues from the
 18 following:

- 19 (1) IC 8-16-3.
- 20 (2) IC 8-16-3.1.

21 (c) If the county fiscal body has pledged revenues from the county
 22 option income tax as set forth in subsection (a), the county ~~income tax~~
 23 council (as defined in IC 6-3.5-6-1) may covenant that the council will
 24 not repeal or modify the tax in a manner that would adversely affect
 25 owners of outstanding bonds issued under this chapter. The county
 26 ~~income tax~~ council may make the covenant by adopting an ordinance
 27 using procedures described in IC 6-3.5-6.

28 (d) If the county fiscal body has pledged revenues from the
 29 economic development income tax as set forth in subsection (a), the
 30 county ~~income tax~~ council (~~if the council is the body that imposed the~~
 31 ~~tax~~) may covenant that the council will not repeal or modify the tax in
 32 a manner that would adversely affect owners of outstanding bonds
 33 issued under this chapter. The county ~~income tax~~ council may make the
 34 covenant by adopting an ordinance using procedures described in
 35 IC 6-3.5-6.

36 **(e) A covenant made under this section by a county income tax**
 37 **council before January 1, 2015, is considered a covenant of the**
 38 **county council after December 31, 2014.**

39 SECTION 32. IC 12-20-25-35 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 35. (a) The
 41 control board shall report the following to the county fiscal body:

- 42 (1) The audit findings of the management committee.



- 1 (2) The financial plan adopted under section 33 of this chapter.
 2 (b) Not more than thirty (30) days after notice, the county fiscal
 3 body shall adopt one (1) of the following:
 4 (1) An ordinance adopting the financial plan adopted by the
 5 control board.
 6 (2) An ordinance rejecting the financial plan adopted by the
 7 control board.
 8 (c) Notwithstanding IC 6-3.5-6, if:
 9 (1) the financial plan adopted under section 33 of this chapter
 10 includes the county option income tax; and
 11 (2) the fiscal body adopts an ordinance adopting the financial plan
 12 under subsection (b);
 13 the county option income tax is imposed at the rate adopted in the
 14 financial plan. Subject to the requirements of this chapter, the county
 15 fiscal body ~~rather than the county income tax council~~; has the authority
 16 granted ~~to a county income tax council~~ by IC 6-3.5-6 as long as the
 17 county option income tax imposed under this chapter remains in effect.

