



February 25, 2014

ENGROSSED

SENATE BILL No. 367

DIGEST OF SB 367 (Updated February 25, 2014 9:37 am - DI 120)

Citations Affected: IC 4-4; IC 5-3; IC 5-13; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-6; IC 6-7; IC 6-9; IC 7.1-4; IC 8-22; IC 36-4; IC 36-5; IC 36-6; IC 36-8; noncode.

Synopsis: Various tax matters. Establishes the rural entrepreneurship grant program. Makes numerous changes to the following: (1) Ad valorem property taxes. (2) Sales and use taxes. (3) The adjusted gross income tax. (4) Fuel taxes. (5) The tobacco products tax. (6) Innkeeper's taxes. Makes numerous changes concerning state and local administration. Authorizes a pilot project in Hendricks County concerning public service answering point funding. Requires reports and studies concerning government assistance, use tax collections, income tax credits, and the use of state owned land north of the State House.

Effective: Upon passage; January 1, 2014 (retroactive); July 1, 2014; January 1, 2015.

Hershman, Kenley

(HOUSE SPONSORS — TURNER, BROWN T)

January 14, 2014, read first time and referred to Committee on Appropriations.
January 30, 2014, amended, reported favorably — Do Pass.
February 3, 2014, read second time, amended, ordered engrossed.
February 4, 2014, engrossed. Read third time, passed. Yeas 44, nays 4.

HOUSE ACTION

February 10, 2014, read first time and referred to Committee on Ways and Means.
February 24, 2014, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
February 25, 2014, amended, reported — Do Pass.

ES 367—LS 6939/DI 58



February 25, 2014

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.

ENGROSSED SENATE BILL No. 367

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 4-4-39 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]:

4 **Chapter 39. Rural Entrepreneurship Grant Program**
5 **Sec. 1. This chapter applies to an executive of a rural county or**
6 **a person who submits a grant application after June 30, 2015.**

7 **Sec. 2. The purpose of this chapter is to:**
8 **(1) establish and fund programs to identify entrepreneurs**
9 **with marketable ideas; and**

10 **(2) support the organization and development of new**
11 **businesses in rural counties.**

12 **Sec. 3. The general assembly finds that establishing and**
13 **supporting new businesses in rural counties serves a public**
14 **purpose that benefits the general welfare of rural counties by**
15 **encouraging investment, job creation and retention, economic**
16 **growth, and more diverse economies.**

ES 367—LS 6939/DI 58



1 **Sec. 4.** As used in this chapter, "incubator" means a facility in
 2 which space may be leased by a tenant and in which management
 3 provides access to business development services for use by
 4 tenants.

5 **Sec. 5.** As used in this chapter, "new business" refers to a
 6 business entity certified by the office as a new business under
 7 section 9 of this chapter.

8 **Sec. 6.** As used in this chapter, "office" refers to the office of
 9 community and rural affairs established by IC 4-4-9.7-4.

10 **Sec. 7.** As used in this chapter, "rural county" refers to a county
 11 having a population of less than fifty thousand (50,000).

12 **Sec. 8. (a)** The executive of a rural county may apply to the
 13 office for a grant that is renewable for up to three (3) years to
 14 promote entrepreneurship and new business development in the
 15 rural county. The application must:

- 16 (1) be in a form specified by the office;
- 17 (2) include a copy of an ordinance adopted by the county
 18 executive:

- 19 (A) committing up to two hundred fifty thousand dollars
 20 (\$250,000) of local funds each state fiscal year for a dollar
 21 for dollar match to the grant received under this chapter;
- 22 and

- 23 (B) specifying the source or sources of the funds
 24 committed; and

- 25 (3) include any information that the office determines
 26 necessary for evaluating the application.

27 **(b)** The local match required by subsection (a) may be funded
 28 from any of the following:

- 29 (1) The county economic development income tax under
 30 IC 6-3.5-7.

- 31 (2) Any public funds (other than property taxes) of the county
 32 or the county redevelopment commission.

- 33 (3) Any contributions, grants, donations, or bequests from an
 34 individual or a private entity.

35 **Sec. 9.** The office shall determine whether a business in a rural
 36 county is a new business and may certify the business as a new
 37 business if the office determines that the new business meets all the
 38 following criteria:

- 39 (1) The business is established or organized to do business in
 40 Indiana less than one (1) year before the business locates
 41 business operations in the rural county.

- 42 (2) The business conducts business operations in the rural



1 county to provide goods or services for profit.
 2 (3) The business meets any other criteria specified by the
 3 office.
 4 **Sec. 10. The office shall do the following:**
 5 (1) Adopt guidelines to determine standards for awarding
 6 grants under this chapter.
 7 (2) Prepare and supervise the issuance of public information
 8 concerning the grant program established under this chapter.
 9 (3) Prescribe the form for and regulate the submission of
 10 applications for grants under this chapter.
 11 (4) Determine an applicant's eligibility to receive or renew a
 12 grant under this chapter.
 13 (5) Work with the office of small business and
 14 entrepreneurship for assistance and information regarding
 15 small businesses.
 16 **Sec. 11. The office shall determine the amount of each grant**
 17 **awarded under this chapter.**
 18 **Sec. 12. (a) Each county that receives a grant under this chapter**
 19 **shall establish a rural entrepreneurship grant fund for the deposit**
 20 **of the grant money.**
 21 **(b) Upon appropriation by the county fiscal body, money**
 22 **deposited in the rural entrepreneurship grant fund may be used for**
 23 **any of the following purposes, after recommendation by a local**
 24 **economic development organization in the county:**
 25 (1) Incubator development and operation.
 26 (2) Accelerator development and operation.
 27 (3) Obtaining small business support services provided by the
 28 office of small business and entrepreneurship or a similar
 29 entity.
 30 (4) Assisting in the deployment of high speed Internet service
 31 (as defined by IC 5-28-33-2) to a new business located within
 32 the county if the service does not exist.
 33 (5) Entrepreneurial internships established in the area that
 34 partner with high schools located within the county, or
 35 entrepreneurial classes established at local high schools that
 36 involve cooperation and collaboration with businesses in the
 37 area.
 38 **(c) Money in the fund may not be used to pay the administrative**
 39 **expenses of the fund.**
 40 **Sec. 13. A county that receives a grant awarded under this**
 41 **chapter must comply with any guidelines developed by the office**
 42 **in connection with grants awarded under this chapter.**



1 SECTION 2. IC 5-3-1-2, AS AMENDED BY P.L.141-2009,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2014]: Sec. 2. (a) This section applies only when notice of an
 4 event is required to be given by publication in accordance with this
 5 chapter.

6 (b) If the event is a public hearing or meeting concerning any matter
 7 not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h)
 8 notice shall be published one (1) time, at least ten (10) days before the
 9 date of the hearing or meeting.

10 (c) If the event is an election, notice shall be published one (1) time,
 11 at least ten (10) days before the date of the election.

12 (d) If the event is a sale of bonds, notes, or warrants, notice shall be
 13 published two (2) times, at least one (1) week apart, with:

14 (1) the first publication made at least fifteen (15) days before the
 15 date of the sale; and

16 (2) the second publication made at least three (3) days before the
 17 date of the sale.

18 (e) If the event is the receiving of bids, notice shall be published two
 19 (2) times, at least one (1) week apart, with the second publication made
 20 at least seven (7) days before the date the bids will be received.

21 (f) If the event is the establishment of a cumulative or sinking fund,
 22 notice of the proposal and of the public hearing that is required to be
 23 held by the political subdivision shall be published two (2) times, at
 24 least one (1) week apart, with the second publication made at least
 25 three (3) days before the date of the hearing.

26 (g) If the event is the submission of a proposal adopted by a political
 27 subdivision for a cumulative or sinking fund for the approval of the
 28 department of local government finance, the notice of the submission
 29 shall be published one (1) time. The political subdivision shall publish
 30 the notice when directed to do so by the department of local
 31 government finance.

32 (h) If the event is the required publication of an ordinance, notice of
 33 the passage of the ordinance shall be published one (1) time within
 34 thirty (30) days after the passage of the ordinance.

35 (i) If the event is one about which notice is required to be published
 36 after the event, notice shall be published one (1) time within thirty (30)
 37 days after the date of the event.

38 (j) If the event is anything else, notice shall be published two (2)
 39 times, at least one (1) week apart, with the second publication made at
 40 least three (3) days before the event.

41 (k) If any officer charged with the duty of publishing any notice
 42 required by law is unable to procure advertisement:



- 1 (1) at the price fixed by law;
 2 (2) because the newspaper refuses to publish the advertisement;
 3 or
 4 (3) because the newspaper refuses to post the advertisement on
 5 the newspaper's Internet web site (if required under section 1.5 of
 6 this chapter);

7 it is sufficient for the officer to post printed notices in three (3)
 8 prominent places in the political subdivision, instead of publication of
 9 the notice in newspapers and on an Internet web site (if required under
 10 section 1.5 of this chapter).

11 (†) If a notice of budget estimates for a political subdivision is
 12 published as required in IC 6-1.1-17-3, and the published notice
 13 contains an error due to the fault of a newspaper, the notice as
 14 presented for publication is a valid notice under this chapter.

15 (m) Notwithstanding subsection (j); if a notice of budget estimates
 16 for a political subdivision is published as required in IC 6-1.1-17-3, and
 17 if the notice is not published at least ten (10) days before the date fixed
 18 for the public hearing on the budget estimate due to the fault of a
 19 newspaper, the notice is a valid notice under this chapter if it is
 20 published one (1) time at least three (3) days before the hearing.

21 SECTION 3. IC 5-3-1-2.3, AS AMENDED BY P.L.169-2006,
 22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2014]: Sec. 2.3. (a) A notice published in accordance with this
 24 chapter or any other Indiana statute is valid even though the notice
 25 contains errors or omissions, as long as:

- 26 (1) a reasonable person would not be misled by the error or
 27 omission; and
 28 (2) the notice is in substantial compliance with the time and
 29 publication requirements applicable under this chapter or any
 30 other Indiana statute under which the notice is published.

31 (b) This subsection applies if:

- 32 (1) a county auditor publishes a notice concerning a tax rate, tax
 33 levy, or budget of a political subdivision in the county;
 34 (2) the notice contains an error or omission that causes the notice
 35 to inaccurately reflect the tax rate, tax levy, or budget actually
 36 proposed or fixed by the political subdivision; and
 37 (3) the county auditor is responsible for the error or omission
 38 described in subdivision (2).

39 Notwithstanding any other law, the department of local government
 40 finance may correct an error or omission described in subdivision (2)
 41 at any time. If an error or omission described in subdivision (2) occurs,
 42 the county auditor must publish, at the county's expense, a notice



1 containing the correct tax rate, tax levy, or budget as proposed or fixed
2 by the political subdivision.

3 SECTION 4. IC 5-13-6-3, AS AMENDED BY P.L.89-2010,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2014]: Sec. 3. (a) All taxes collected by the county treasurer
6 shall be deposited as one (1) fund in the several depositories selected
7 for the deposit of county funds and, except as provided in subsection
8 (b), remain in the depositories until distributed at the following
9 semiannual distribution made by the county auditor.

10 (b) Every county treasurer who, by virtue of the treasurer's office, is
11 the collector of any taxes for any political subdivision wholly or partly
12 within the county shall, not later than thirty (30) days after receipt of a
13 written request for funds filed with the treasurer by a proper officer of
14 any political subdivision within the county, **provide to the county**
15 **auditor the amount available for distribution, as certified for each**
16 **semiannual distribution under IC 6-1.1-27-2. The county auditor**
17 **shall** advance to that political subdivision a portion of the taxes
18 collected before the semiannual distribution. The amount advanced
19 may not exceed the lesser of:

- 20 (1) ninety-five percent (95%) of the total amount collected at the
21 time of the advance; or
22 (2) ninety-five percent (95%) of the amount to be distributed at
23 the semiannual distribution.

24 (c) Upon notice from the county treasurer of the amount to be
25 advanced, the county auditor shall draw a warrant upon the county
26 treasurer for the amount. The amount of the advance must be available
27 immediately for the use of the political subdivision.

28 (d) At the semiannual distribution all the advances made to any
29 political subdivision under subsection (b) shall be deducted from the
30 total amount due any political subdivision as shown by the distribution.

31 (e) If a county auditor fails to make a distribution of tax collections
32 by the deadline for distribution under subsection (b), a political
33 subdivision that was to receive a distribution may recover interest on
34 the undistributed tax collections under IC 6-1.1-27-1.

35 SECTION 5. IC 6-1.1-8-19 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) Each year a
37 public utility company shall file a statement concerning the value and
38 description of the property which is either owned or used by the
39 company on the assessment date of that year. The company shall file
40 this statement with the department of local government finance ~~on the~~
41 ~~form in the manner~~ prescribed by the department. The department of
42 local government finance may extend the due date for a statement.



1 Unless the department of local government finance grants an extension,
2 a public utility company shall file its statement for a year:

- 3 (1) on or before March 1st of that year unless the company is a
4 railroad car company; or
5 (2) on or before ~~May~~ **July** 1st of that year if the company is a
6 railroad car company.

7 **(b) A public utility company may, not later than sixty (60) days**
8 **after filing a valid and timely statement under subsection (a), file**
9 **an amended statement:**

- 10 **(1) for distribution purposes;**
11 **(2) to correct errors; or**
12 **(3) for any other reason, except:**
13 **(A) obsolescence; or**
14 **(B) the credit for railroad car maintenance and**
15 **improvements provided under IC 6-1.1-8.2.**

16 SECTION 6. IC 6-1.1-8-20 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) If a public utility
18 company does not file a statement with the department of local
19 government finance on or before the date prescribed under section 19
20 of this chapter, the company shall pay a penalty of one hundred dollars
21 (\$100) per day for each day that the statement is late. **However, a**
22 **penalty under this subsection may not exceed one thousand dollars**
23 **(\$1,000).**

24 (b) The department of local government finance shall notify the
25 attorney general if a public utility company fails to file a statement on
26 or before the due date. The attorney general shall then bring an action
27 in the name of this state to collect the penalty due under this section.

28 (c) The state auditor shall deposit amounts collected under this
29 section in the state treasury for credit to the state general fund.

30 SECTION 7. IC 6-1.1-8-22 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. **(a)** The department
32 of local government finance shall assess the property of a public utility
33 company based upon the information available to the department if the
34 company:

- 35 (1) does not file a statement which is required under section 19 of
36 this chapter;
37 (2) does not permit the department to examine the company's
38 property, books, or records; or
39 (3) does not comply with a summons issued by the department.

40 ~~An assessment which is made by the department of local government~~
41 ~~finance under this section is final unless the company establishes that~~
42 ~~the department committed actual fraud in making the assessment.~~



1 **(b) A public utility company may provide the department with**
 2 **a statement under section 19 of this chapter not later than one (1)**
 3 **year after the department makes the department's assessment**
 4 **under this section. If a public utility company does so, the**
 5 **department may amend the assessment it makes under this section**
 6 **in reliance on the public utility company's statement filed under**
 7 **this subsection.**

8 SECTION 8. IC 6-1.1-11-4, AS AMENDED BY P.L.173-2011,
 9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2014]: Sec. 4. (a) The exemption application referred to in
 11 section 3 of this chapter is not required if the exempt property is owned
 12 by the United States, the state, an agency of this state, or a political
 13 subdivision (as defined in IC 36-1-2-13). However, this subsection
 14 applies only when the property is used, and in the case of real property
 15 occupied, by the owner.

16 (b) The exemption application referred to in section 3 of this chapter
 17 is not required if the exempt property is a cemetery:

18 (1) described by IC 6-1.1-2-7; or

19 (2) maintained by a township executive under IC 23-14-68.

20 (c) The exemption application referred to in section 3 of this chapter
 21 is not required if the exempt property is owned by the bureau of motor
 22 vehicles commission established under IC 9-15-1.

23 (d) The exemption application referred to in section 3 or 3.5 of this
 24 chapter is not required if:

25 (1) the exempt property is:

26 (A) tangible property used for religious purposes described in
 27 IC 6-1.1-10-21;

28 (B) tangible property owned by a church or religious society
 29 used for educational purposes described in IC 6-1.1-10-16;

30 (C) other tangible property owned, occupied, and used by a
 31 person for educational, literary, scientific, religious, or
 32 charitable purposes described in IC 6-1.1-10-16; or

33 (D) other tangible property owned by a fraternity or sorority
 34 (as defined in IC 6-1.1-10-24).

35 (2) the exemption application referred to in section 3 or 3.5 of this
 36 chapter was filed properly at least once for a religious use under
 37 IC 6-1.1-10-21, an educational, literary, scientific, religious, or
 38 charitable use under IC 6-1.1-10-16, or use by a fraternity or
 39 sorority under IC 6-1.1-10-24; and

40 (3) the property continues to meet the requirements for an
 41 exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or
 42 IC 6-1.1-10-24.



1 A change in ownership of property does not terminate an exemption of
2 the property if after the change in ownership the property continues to
3 meet the requirements for an exemption under IC 6-1.1-10-16;
4 IC 6-1.1-10-21; or IC 6-1.1-10-24. However, if title to any of the real
5 property subject to the exemption changes or any of the tangible
6 property subject to the exemption is used for a nonexempt purpose after
7 the date of the last properly filed exemption application, the person that
8 obtained the exemption or the current owner of the property shall notify
9 the county assessor for the county where the tangible property is
10 located of the change in the year that the change occurs. The notice
11 must be in the form prescribed by the department of local government
12 finance. If the county assessor discovers that title to property granted
13 an exemption described in IC 6-1.1-10-16, IC 6-1.1-10-21, or
14 IC 6-1.1-10-24 has changed, the county assessor shall notify the
15 persons entitled to a tax statement under IC 6-1.1-22-8.1 for the
16 property of the change in title and indicate that the county auditor will
17 suspend the exemption for the property until the persons provide the
18 county assessor with an affidavit, signed under penalties of perjury, that
19 identifies the new owners of the property and indicates that the
20 property continues to meet the requirements for an exemption under
21 IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24. Upon receipt of the
22 affidavit, the county assessor shall reinstate the exemption for the years
23 for which the exemption was suspended and each year thereafter that
24 the property continues to meet the requirements for an exemption under
25 IC 6-1.1-10-21, IC 6-1.1-10-16, or IC 6-1.1-10-24.

26 (e) If, after an assessment date, an exempt property is
27 transferred or its use is changed resulting in its ineligibility for an
28 exemption under IC 6-1.1-10, the county assessor shall terminate
29 the exemption for that assessment date. However, if the property
30 remains eligible for an exemption under IC 6-1.1-10 following the
31 transfer or change in use, the exemption shall be left in place for
32 that assessment date. For the following assessment date, the person
33 that obtained the exemption or the current owner of the property,
34 as applicable, shall, under section 3 of this chapter and except as
35 provided under section 4 of this chapter, file a certified application
36 in duplicate with the county assessor of the county in which the
37 property that is the subject of the exemption is located. In all cases,
38 the person that obtained the exemption or the current owner of the
39 property shall notify the county assessor for the county where the
40 tangible property is located of the change in ownership or use in
41 the year that the change occurs. The notice must be in the form
42 prescribed by the department of local government finance.



1 (f) If the county assessor discovers that title to or use of
 2 property granted an exemption under IC 6-1.1-10 has changed, the
 3 county assessor shall notify the persons entitled to a tax statement
 4 under IC 6-1.1-22-8.1 for the property of the change in title or use
 5 and indicate that the county auditor will suspend the exemption for
 6 the property until the persons provide the county assessor with an
 7 affidavit, signed under penalties of perjury, that identifies the new
 8 owners or use of the property and indicates whether the property
 9 continues to meet the requirements for an exemption under
 10 IC 6-1.1-10. Upon receipt of the affidavit, the county assessor shall
 11 reinstate the exemption under IC 6-1.1-15-12. However, a claim
 12 under IC 6-1.1-26-1 for a refund of all or a part of a tax installment
 13 paid and any correction of error under IC 6-1.1-15-12 must be filed
 14 not later than three (3) years after the taxes are first due.

15 SECTION 9, IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,
 16 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2014]: Sec. 10.1. (a) Except as provided in section 17.8 of this
 18 chapter and subject to section 45 of this chapter, an individual who
 19 desires to claim the deduction provided by section 9 of this chapter
 20 must file a sworn statement, on forms prescribed by the department of
 21 local government finance, with the auditor of the county in which the
 22 real property, mobile home, or manufactured home is located. With
 23 respect to real property, the statement must be ~~filed during the year for~~
 24 ~~which the individual wishes to obtain the deduction.~~ **completed and**
 25 **dated in the calendar year for which the individual wishes to obtain**
 26 **the deduction and filed with the county auditor on or before**
 27 **January 5 of the immediately succeeding calendar year.** With
 28 respect to a mobile home that is not assessed as real property or a
 29 manufactured home that is not assessed as real property, the statement
 30 must be filed during the twelve (12) months before March 31 of each
 31 year for which the individual wishes to obtain the deduction. The
 32 statement may be filed in person or by mail. If mailed, the mailing must
 33 be postmarked on or before the last day for filing.

34 (b) The statement referred to in subsection (a) shall be in affidavit
 35 form or require verification under penalties of perjury. The statement
 36 must be filed in duplicate if the applicant owns, or is buying under a
 37 contract, real property, a mobile home, or a manufactured home subject
 38 to assessment in more than one (1) county or in more than one (1)
 39 taxing district in the same county. The statement shall contain:

40 (1) the source and exact amount of gross income received by the
 41 individual and the individual's spouse during the preceding
 42 calendar year;



1 (2) the description and assessed value of the real property, mobile
2 home, or manufactured home;

3 (3) the individual's full name and complete residence address;

4 (4) the record number and page where the contract or
5 memorandum of the contract is recorded if the individual is
6 buying the real property, mobile home, or manufactured home on
7 contract; and

8 (5) any additional information which the department of local
9 government finance may require.

10 (c) In order to substantiate the deduction statement, the applicant
11 shall submit for inspection by the county auditor a copy of the
12 applicant's and a copy of the applicant's spouse's income tax returns for
13 the preceding calendar year. If either was not required to file an income
14 tax return, the applicant shall subscribe to that fact in the deduction
15 statement.

16 SECTION 10. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009,
17 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2014]: Sec. 12. (a) Except as provided in section 17.8 of this
19 chapter and subject to section 45 of this chapter, a person who desires
20 to claim the deduction provided in section 11 of this chapter must file
21 an application, on forms prescribed by the department of local
22 government finance, with the auditor of the county in which the real
23 property, mobile home not assessed as real property, or manufactured
24 home not assessed as real property is located. With respect to real
25 property, the application must be ~~filed during the year for which the~~
26 ~~individual wishes to obtain the deduction.~~ **completed and dated in the**
27 **calendar year for which the person wishes to obtain the deduction**
28 **and filed with the county auditor on or before January 5 of the**
29 **immediately succeeding calendar year.** With respect to a mobile
30 home that is not assessed as real property or a manufactured home that
31 is not assessed as real property, the application must be filed during the
32 twelve (12) months before March 31 of each year for which the
33 individual wishes to obtain the deduction. The application may be filed
34 in person or by mail. If mailed, the mailing must be postmarked on or
35 before the last day for filing.

36 (b) Proof of blindness may be supported by:

37 (1) the records of the division of family resources or the division
38 of disability and rehabilitative services; or

39 (2) the written statement of a physician who is licensed by this
40 state and skilled in the diseases of the eye or of a licensed
41 optometrist.

42 (c) The application required by this section must contain the record



1 number and page where the contract or memorandum of the contract
2 is recorded if the individual is buying the real property, mobile home,
3 or manufactured home on a contract that provides that the individual
4 is to pay property taxes on the real property, mobile home, or
5 manufactured home.

6 SECTION 11. IC 6-1.1-12-15, AS AMENDED BY
7 P.L.293-2013(ts), SECTION 3, IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Except as
9 provided in section 17.8 of this chapter and subject to section 45 of this
10 chapter, an individual who desires to claim the deduction provided by
11 section 13 or 14 of this chapter must file a statement with the auditor
12 of the county in which the individual resides. With respect to real
13 property, the statement must be ~~filed during the year for which the~~
14 ~~individual wishes to obtain the deduction:~~ **completed and dated in the**
15 **calendar year for which the individual wishes to obtain the**
16 **deduction and filed with the county auditor on or before January**
17 **5 of the immediately succeeding calendar year.** With respect to a
18 mobile home that is not assessed as real property or a manufactured
19 home that is not assessed as real property, the statement must be filed
20 during the twelve (12) months before March 31 of each year for which
21 the individual wishes to obtain the deduction. The statement may be
22 filed in person or by mail. If mailed, the mailing must be postmarked
23 on or before the last day for filing. The statement shall contain a sworn
24 declaration that the individual is entitled to the deduction.

25 (b) In addition to the statement, the individual shall submit to the
26 county auditor for the auditor's inspection:

27 (1) a pension certificate, an award of compensation, or a disability
28 compensation check issued by the United States Department of
29 Veterans Affairs if the individual claims the deduction provided
30 by section 13 of this chapter;

31 (2) a pension certificate or an award of compensation issued by
32 the United States Department of Veterans Affairs if the individual
33 claims the deduction provided by section 14 of this chapter; or

34 (3) the appropriate certificate of eligibility issued to the individual
35 by the Indiana department of veterans' affairs if the individual
36 claims the deduction provided by section 13 or 14 of this chapter.

37 (c) If the individual claiming the deduction is under guardianship,
38 the guardian shall file the statement required by this section. If a
39 deceased veteran's surviving spouse is claiming the deduction, the
40 surviving spouse shall provide the documentation necessary to
41 establish that at the time of death the deceased veteran satisfied the
42 requirements of section 13(a)(1) through 13(a)(4) of this chapter or



1 section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

2 (d) If the individual claiming a deduction under section 13 or 14 of
3 this chapter is buying real property, a mobile home not assessed as real
4 property, or a manufactured home not assessed as real property under
5 a contract that provides that the individual is to pay property taxes for
6 the real estate, mobile home, or manufactured home, the statement
7 required by this section must contain the record number and page
8 where the contract or memorandum of the contract is recorded.

9 SECTION 12. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008,
10 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2014]: Sec. 17. Except as provided in section 17.8 of this
12 chapter and subject to section 45 of this chapter, a surviving spouse
13 who desires to claim the deduction provided by section 16 of this
14 chapter must file a statement with the auditor of the county in which
15 the surviving spouse resides. With respect to real property, the
16 statement must be ~~filed during the year for which the surviving spouse~~
17 ~~wishes to obtain the deduction.~~ **completed and dated in the calendar**
18 **year for which the person wishes to obtain the deduction and filed**
19 **with the county auditor on or before January 5 of the immediately**
20 **succeeding calendar year.** With respect to a mobile home that is not
21 assessed as real property or a manufactured home that is not assessed
22 as real property, the statement must be filed during the twelve (12)
23 months before March 31 of each year for which the individual wishes
24 to obtain the deduction. The statement may be filed in person or by
25 mail. If mailed, the mailing must be postmarked on or before the last
26 day for filing. The statement shall contain:

27 (1) a sworn statement that the surviving spouse is entitled to the
28 deduction; and

29 (2) the record number and page where the contract or
30 memorandum of the contract is recorded, if the individual is
31 buying the real property on a contract that provides that the
32 individual is to pay property taxes on the real property.

33 In addition to the statement, the surviving spouse shall submit to the
34 county auditor for the auditor's inspection a letter or certificate from the
35 United States Department of Veterans Affairs establishing the service
36 of the deceased spouse in the military or naval forces of the United
37 States before November 12, 1918.

38 SECTION 13. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,
39 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2014]: Sec. 17.5. (a) Except as provided in section 17.8 of this
41 chapter and subject to section 45 of this chapter, a veteran who desires
42 to claim the deduction provided in section 17.4 of this chapter must file



1 a sworn statement, on forms prescribed by the department of local
 2 government finance, with the auditor of the county in which the real
 3 property, mobile home, or manufactured home is assessed. With
 4 respect to real property, the veteran must ~~file the statement during the~~
 5 ~~year for which the veteran wishes to obtain the deduction: **complete**~~
 6 ~~**and date the statement in the calendar year for which the veteran**~~
 7 ~~**wishes to obtain the deduction and file the statement with the**~~
 8 ~~**county auditor on or before January 5 of the immediately**~~
 9 ~~**succeeding calendar year.**~~ With respect to a mobile home that is not
 10 assessed as real property or a manufactured home that is not assessed
 11 as real property, the statement must be filed during the twelve (12)
 12 months before March 31 of each year for which the individual wishes
 13 to obtain the deduction. The statement may be filed in person or by
 14 mail. If mailed, the mailing must be postmarked on or before the last
 15 day for filing.

16 (b) The statement required under this section shall be in affidavit
 17 form or require verification under penalties of perjury. The statement
 18 shall be filed in duplicate if the veteran has, or is buying under a
 19 contract, real property in more than one (1) county or in more than one
 20 (1) taxing district in the same county. The statement shall contain:

- 21 (1) a description and the assessed value of the real property,
 22 mobile home, or manufactured home;
- 23 (2) the veteran's full name and complete residence address;
- 24 (3) the record number and page where the contract or
 25 memorandum of the contract is recorded, if the individual is
 26 buying the real property, mobile home, or manufactured home on
 27 a contract that provides that the individual is to pay property taxes
 28 on the real property, mobile home, or manufactured home; and
- 29 (4) any additional information which the department of local
 30 government finance may require.

31 SECTION 14. IC 6-1.1-12-27.1, AS AMENDED BY P.L.137-2012,
 32 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2014]: Sec. 27.1. Except as provided in sections 36 and 44 of
 34 this chapter and subject to section 45 of this chapter, a person who
 35 desires to claim the deduction provided by section 26 or 26.1 of this
 36 chapter must file a certified statement in duplicate, on forms prescribed
 37 by the department of local government finance, with the auditor of the
 38 county in which the real property, mobile home, manufactured home,
 39 or solar power device is subject to assessment. With respect to real
 40 property or a solar power device that is assessed as distributable
 41 property under IC 6-1.1-8 or as personal property, the person must ~~file~~
 42 ~~the statement during the year for which the person desires to obtain the~~



1 ~~deduction.~~ **complete and date the certified statement in the calendar**
 2 **year for which the person wishes to obtain the deduction and file**
 3 **the certified statement with the county auditor on or before**
 4 **January 5 of the immediately succeeding calendar year.** Except as
 5 provided in sections 36 and 44 of this chapter and subject to section 45
 6 of this chapter, with respect to a mobile home which is not assessed as
 7 real property, the person must file the statement during the twelve (12)
 8 months before March 31 of each year for which the person desires to
 9 obtain the deduction. The person must:

- 10 (1) own the real property, mobile home, or manufactured home or
 11 own the solar power device;
 12 (2) be buying the real property, mobile home, manufactured
 13 home, or solar power device under contract; or
 14 (3) be leasing the real property from the real property owner and
 15 be subject to assessment and property taxation with respect to the
 16 solar power device;

17 on the date the statement is filed under this section. The statement may
 18 be filed in person or by mail. If mailed, the mailing must be postmarked
 19 on or before the last day for filing. On verification of the statement by
 20 the assessor of the township in which the real property, mobile home,
 21 manufactured home, or solar power device is subject to assessment, or
 22 the county assessor if there is no township assessor for the township,
 23 the county auditor shall allow the deduction.

24 SECTION 15. IC 6-1.1-12-30, AS AMENDED BY P.L.1-2009,
 25 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2014]: Sec. 30. Except as provided in sections 36 and 44 of
 27 this chapter and subject to section 45 of this chapter, a person who
 28 desires to claim the deduction provided by section 29 of this chapter
 29 must file a certified statement in duplicate, on forms prescribed by the
 30 department of local government finance, with the auditor of the county
 31 in which the real property or mobile home is subject to assessment.
 32 With respect to real property, the person must ~~file the statement during~~
 33 ~~the year for which the person desires to obtain the deduction.~~ **complete**
 34 **and date the statement in the calendar year for which the person**
 35 **desires to obtain the deduction and file the statement with the**
 36 **county auditor on or before January 5 of the immediately**
 37 **succeeding calendar year.** With respect to a mobile home which is not
 38 assessed as real property, the person must file the statement during the
 39 twelve (12) months before March 31 of each year for which the person
 40 desires to obtain the deduction. The person must:

- 41 (1) own the real property, mobile home, or manufactured home;
 42 or



1 (2) be buying the real property, mobile home, or manufactured
 2 home under contract;
 3 on the date the statement is filed under this section. On verification of
 4 the statement by the assessor of the township in which the real property
 5 or mobile home is subject to assessment, or the county assessor if there
 6 is no township assessor for the township, the county auditor shall allow
 7 the deduction.

8 SECTION 16. IC 6-1.1-12-35.5, AS AMENDED BY P.L.1-2009,
 9 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2014]: Sec. 35.5. (a) Except as provided in section 36 or 44
 11 of this chapter and subject to section 45 of this chapter, a person who
 12 desires to claim the deduction provided by section 31, 33, 34, or 34.5
 13 of this chapter must file a certified statement in duplicate, on forms
 14 prescribed by the department of local government finance and proof of
 15 certification under subsection (b) or (f) with the auditor of the county
 16 in which the property for which the deduction is claimed is subject to
 17 assessment. Except as provided in subsection (e), with respect to
 18 property that is not assessed under IC 6-1.1-7, the person must ~~file the~~
 19 statement during the year for which the person wishes to obtain the
 20 deduction. ~~The person must file the statement in each year for which~~
 21 the person desires to obtain the deduction. **complete and date the**
 22 **certified statement in the calendar year for which the person**
 23 **wishes to obtain the deduction and file the certified statement with**
 24 **the county auditor on or before January 5 of the immediately**
 25 **succeeding calendar year.** With respect to a property which is
 26 assessed under IC 6-1.1-7, the person must file the statement during the
 27 twelve (12) months before March 31 of each year for which the person
 28 desires to obtain the deduction. The statement may be filed in person
 29 or by mail. If mailed, the mailing must be postmarked on or before the
 30 last day for filing. On verification of the statement by the assessor of
 31 the township in which the property for which the deduction is claimed
 32 is subject to assessment, or the county assessor if there is no township
 33 assessor for the township, the county auditor shall allow the deduction.

34 (b) This subsection does not apply to an application for a deduction
 35 under section 34.5 of this chapter. The department of environmental
 36 management, upon application by a property owner, shall determine
 37 whether a system or device qualifies for a deduction provided by
 38 section 31, 33, or 34 of this chapter. If the department determines that
 39 a system or device qualifies for a deduction, it shall certify the system
 40 or device and provide proof of the certification to the property owner.
 41 The department shall prescribe the form and manner of the certification
 42 process required by this subsection.



1 (c) This subsection does not apply to an application for a deduction
 2 under section 34.5 of this chapter. If the department of environmental
 3 management receives an application for certification, the department
 4 shall determine whether the system or device qualifies for a deduction.
 5 If the department fails to make a determination under this subsection
 6 before December 31 of the year in which the application is received,
 7 the system or device is considered certified.

8 (d) A denial of a deduction claimed under section 31, 33, 34, or 34.5
 9 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal
 10 is limited to a review of a determination made by the township assessor
 11 county property tax assessment board of appeals, or department of local
 12 government finance.

13 (e) A person who timely files a personal property return under
 14 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the
 15 deduction provided in section 31 of this chapter for property that is not
 16 assessed under IC 6-1.1-7 must file the statement described in
 17 subsection (a) during the year in which the personal property return is
 18 filed.

19 (f) This subsection applies only to an application for a deduction
 20 under section 34.5 of this chapter. The center for coal technology
 21 research established by IC 21-47-4-1, upon receiving an application
 22 from the owner of a building, shall determine whether the building
 23 qualifies for a deduction under section 34.5 of this chapter. If the center
 24 determines that a building qualifies for a deduction, the center shall
 25 certify the building and provide proof of the certification to the owner
 26 of the building. The center shall prescribe the form and procedure for
 27 certification of buildings under this subsection. If the center receives
 28 an application for certification of a building under section 34.5 of this
 29 chapter:

30 (1) the center shall determine whether the building qualifies for
 31 a deduction; and

32 (2) if the center fails to make a determination before December 31
 33 of the year in which the application is received, the building is
 34 considered certified.

35 SECTION 17. IC 6-1.1-12-37, AS AMENDED BY SEA 24-2014,
 36 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2014]: Sec. 37. (a) The following definitions apply throughout
 38 this section:

39 (1) "Dwelling" means any of the following:

40 (A) Residential real property improvements that an individual
 41 uses as the individual's residence, including a house or garage.

42 (B) A mobile home that is not assessed as real property that an



- 1 individual uses as the individual's residence.
 2 (C) A manufactured home that is not assessed as real property
 3 that an individual uses as the individual's residence.
 4 (2) "Homestead" means an individual's principal place of
 5 residence:
 6 (A) that is located in Indiana;
 7 (B) that:
 8 (i) the individual owns;
 9 (ii) the individual is buying under a contract; recorded in the
 10 county recorder's office, that provides that the individual is
 11 to pay the property taxes on the residence;
 12 (iii) the individual is entitled to occupy as a
 13 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 14 cooperative housing corporation (as defined in 26 U.S.C.
 15 216); or
 16 (iv) is a residence described in section 17.9 of this chapter
 17 that is owned by a trust if the individual is an individual
 18 described in section 17.9 of this chapter; and
 19 (C) that consists of a dwelling and the real estate, not
 20 exceeding one (1) acre, that immediately surrounds that
 21 dwelling.
 22 Except as provided in subsection (k), the term does not include
 23 property owned by a corporation, partnership, limited liability
 24 company, or other entity not described in this subdivision.
 25 (b) Each year a homestead is eligible for a standard deduction from
 26 the assessed value of the homestead for an assessment date. *Except as*
 27 *provided in subsection (p)*, the deduction provided by this section
 28 applies to property taxes first due and payable for an assessment date
 29 only if an individual has an interest in the homestead described in
 30 subsection (a)(2)(B) on:
 31 (1) the assessment date; or
 32 (2) any date in the same year after an assessment date that a
 33 statement is filed under subsection (e) or section 44 of this
 34 chapter, if the property consists of real property.
 35 Subject to subsection (c), the auditor of the county shall record and
 36 make the deduction for the individual or entity qualifying for the
 37 deduction.
 38 (c) Except as provided in section 40.5 of this chapter, the total
 39 amount of the deduction that a person may receive under this section
 40 for a particular year is the lesser of:
 41 (1) sixty percent (60%) of the assessed value of the real property,
 42 mobile home not assessed as real property, or manufactured home



- 1 not assessed as real property; or
 2 (2) forty-five thousand dollars (\$45,000).
 3 (d) A person who has sold real property, a mobile home not assessed
 4 as real property, or a manufactured home not assessed as real property
 5 to another person under a contract that provides that the contract buyer
 6 is to pay the property taxes on the real property, mobile home, or
 7 manufactured home may not claim the deduction provided under this
 8 section with respect to that real property, mobile home, or
 9 manufactured home.
 10 (e) Except as provided in sections 17.8 and 44 of this chapter and
 11 subject to section 45 of this chapter, an individual who desires to claim
 12 the deduction provided by this section must file a certified statement in
 13 duplicate, on forms prescribed by the department of local government
 14 finance, with the auditor of the county in which the homestead is
 15 located. The statement must include:
 16 (1) the parcel number or key number of the property and the name
 17 of the city, town, or township in which the property is located;
 18 (2) the name of any other location in which the applicant or the
 19 applicant's spouse owns, is buying, or has a beneficial interest in
 20 residential real property;
 21 (3) the names of:
 22 (A) the applicant and the applicant's spouse (if any):
 23 (i) as the names appear in the records of the United States
 24 Social Security Administration for the purposes of the
 25 issuance of a Social Security card and Social Security
 26 number; or
 27 (ii) that they use as their legal names when they sign their
 28 names on legal documents;
 29 if the applicant is an individual; or
 30 (B) each individual who qualifies property as a homestead
 31 under subsection (a)(2)(B) and the individual's spouse (if any):
 32 (i) as the names appear in the records of the United States
 33 Social Security Administration for the purposes of the
 34 issuance of a Social Security card and Social Security
 35 number; or
 36 (ii) that they use as their legal names when they sign their
 37 names on legal documents;
 38 if the applicant is not an individual; and
 39 (4) either:
 40 (A) the last five (5) digits of the applicant's Social Security
 41 number and the last five (5) digits of the Social Security
 42 number of the applicant's spouse (if any); or



1 (B) if the applicant or the applicant's spouse (if any) ~~do~~ **does**
 2 not have a Social Security number, any of the following for
 3 that individual:

4 (i) The last five (5) digits of the individual's driver's license
 5 number.

6 (ii) The last five (5) digits of the individual's state
 7 identification card number.

8 (iii) If the individual does not have a driver's license or a
 9 state identification card, the last five (5) digits of a control
 10 number that is on a document issued to the individual by the
 11 federal government and determined by the department of
 12 local government finance to be acceptable.

13 If a form or statement provided to the county auditor under this section,
 14 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 15 part or all of the Social Security number of a party or other number
 16 described in subdivision (4)(B) of a party, the telephone number and
 17 the Social Security number or other number described in subdivision
 18 (4)(B) included are confidential. The statement may be filed in person
 19 or by mail. If the statement is mailed, the mailing must be postmarked
 20 on or before the last day for filing. The statement applies for that first
 21 year and any succeeding year for which the deduction is allowed. With
 22 respect to real property, the statement must be completed and dated in
 23 the calendar year for which the person desires to obtain the deduction
 24 and filed with the county auditor on or before January 5 of the
 25 immediately succeeding calendar year. With respect to a mobile home
 26 that is not assessed as real property, the person must file the statement
 27 during the twelve (12) months before March 31 of the year for which
 28 the person desires to obtain the deduction.

29 (f) If an individual who is receiving the deduction provided by this
 30 section or who otherwise qualifies property for a deduction under this
 31 section:

32 (1) changes the use of the individual's property so that part or all
 33 of the property no longer qualifies for the deduction under this
 34 section; or

35 (2) is no longer eligible for a deduction under this section on
 36 another parcel of property because:

37 (A) the individual would otherwise receive the benefit of more
 38 than one (1) deduction under this chapter; or

39 (B) the individual maintains the individual's principal place of
 40 residence with another individual who receives a deduction
 41 under this section;

42 the individual must file a certified statement with the auditor of the



1 county, notifying the auditor of the change of use, not more than sixty
2 (60) days after the date of that change. An individual who fails to file
3 the statement required by this subsection is liable for any additional
4 taxes that would have been due on the property if the individual had
5 filed the statement as required by this subsection plus a civil penalty
6 equal to ten percent (10%) of the additional taxes due. The civil penalty
7 imposed under this subsection is in addition to any interest and
8 penalties for a delinquent payment that might otherwise be due. One
9 percent (1%) of the total civil penalty collected under this subsection
10 shall be transferred by the county to the department of local
11 government finance for use by the department in establishing and
12 maintaining the homestead property data base under subsection (i) and,
13 to the extent there is money remaining, for any other purposes of the
14 department. This amount becomes part of the property tax liability for
15 purposes of this article.

16 (g) The department of local government finance shall adopt rules or
17 guidelines concerning the application for a deduction under this
18 section.

19 (h) This subsection does not apply to property in the first year for
20 which a deduction is claimed under this section if the sole reason that
21 a deduction is claimed on other property is that the individual or
22 married couple maintained a principal residence at the other property
23 on March 1 in the same year in which an application for a deduction is
24 filed under this section or, if the application is for a homestead that is
25 assessed as personal property, on March 1 in the immediately
26 preceding year and the individual or married couple is moving the
27 individual's or married couple's principal residence to the property that
28 is the subject of the application. Except as provided in subsection (n),
29 the county auditor may not grant an individual or a married couple a
30 deduction under this section if:

31 (1) the individual or married couple, for the same year, claims the
32 deduction on two (2) or more different applications for the
33 deduction; and

34 (2) the applications claim the deduction for different property.

35 (i) The department of local government finance shall provide secure
36 access to county auditors to a homestead property data base that
37 includes access to the homestead owner's name and the numbers
38 required from the homestead owner under subsection (e)(4) for the sole
39 purpose of verifying whether an owner is wrongly claiming a deduction
40 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
41 IC 6-3.5.

42 (j) A county auditor may require an individual to provide evidence



1 proving that the individual's residence is the individual's principal place
 2 of residence as claimed in the certified statement filed under subsection
 3 (e). The county auditor may limit the evidence that an individual is
 4 required to submit to a state income tax return, a valid driver's license,
 5 or a valid voter registration card showing that the residence for which
 6 the deduction is claimed is the individual's principal place of residence.
 7 The department of local government finance shall work with county
 8 auditors to develop procedures to determine whether a property owner
 9 that is claiming a standard deduction or homestead credit is not eligible
 10 for the standard deduction or homestead credit because the property
 11 owner's principal place of residence is outside Indiana.

12 (k) As used in this section, "homestead" includes property that
 13 satisfies each of the following requirements:

14 (1) The property is located in Indiana and consists of a dwelling
 15 and the real estate, not exceeding one (1) acre, that immediately
 16 surrounds that dwelling.

17 (2) The property is the principal place of residence of an
 18 individual.

19 (3) The property is owned by an entity that is not described in
 20 subsection (a)(2)(B).

21 (4) The individual residing on the property is a shareholder,
 22 partner, or member of the entity that owns the property.

23 (5) The property was eligible for the standard deduction under
 24 this section on March 1, 2009.

25 (l) If a county auditor terminates a deduction for property described
 26 in subsection (k) with respect to property taxes that are:

27 (1) imposed for an assessment date in 2009; and

28 (2) first due and payable in 2010;

29 on the grounds that the property is not owned by an entity described in
 30 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 31 the taxpayer provides proof that the property is eligible for the
 32 deduction in accordance with subsection (k) and that the individual
 33 residing on the property is not claiming the deduction for any other
 34 property.

35 (m) For ~~assessments~~ *assessment* dates after 2009, the term
 36 "homestead" includes:

37 (1) a deck or patio;

38 (2) a gazebo; or

39 (3) another residential yard structure, as defined in rules adopted
 40 by the department of local government finance (other than a
 41 swimming pool);

42 that is assessed as real property and attached to the dwelling.



1 (n) A county auditor shall grant an individual a deduction under this
2 section regardless of whether the individual and the individual's spouse
3 claim a deduction on two (2) different applications and each
4 application claims a deduction for different property if the property
5 owned by the individual's spouse is located outside Indiana and the
6 individual files an affidavit with the county auditor containing the
7 following information:

8 (1) The names of the county and state in which the individual's
9 spouse claims a deduction substantially similar to the deduction
10 allowed by this section.

11 (2) A statement made under penalty of perjury that the following
12 are true:

13 (A) That the individual and the individual's spouse maintain
14 separate principal places of residence.

15 (B) That neither the individual nor the individual's spouse has
16 an ownership interest in the other's principal place of
17 residence.

18 (C) That neither the individual nor the individual's spouse has,
19 for that same year, claimed a standard or substantially similar
20 deduction for any property other than the property maintained
21 as a principal place of residence by the respective individuals.

22 A county auditor may require an individual or an individual's spouse to
23 provide evidence of the accuracy of the information contained in an
24 affidavit submitted under this subsection. The evidence required of the
25 individual or the individual's spouse may include state income tax
26 returns, excise tax payment information, property tax payment
27 information, driver license information, and voter registration
28 information.

29 (o) If:

30 (1) a property owner files a statement under subsection (e) to
31 claim the deduction provided by this section for a particular
32 property; and

33 (2) the county auditor receiving the filed statement determines
34 that the property owner's property is not eligible for the deduction;
35 the county auditor shall inform the property owner of the county
36 auditor's determination in writing. If a property owner's property is not
37 eligible for the deduction because the county auditor has determined
38 that the property is not the property owner's principal place of
39 residence, the property owner may appeal the county auditor's
40 determination to the county property tax assessment board of appeals
41 as provided in IC 6-1.1-15. The county auditor shall inform the
42 property owner of the owner's right to appeal to the county property tax



1 assessment board of appeals when the county auditor informs the
 2 property owner of the county auditor's determination under this
 3 subsection.

4 (p) *An individual is entitled to the deduction under this section for*
 5 *a homestead for a particular assessment date if:*

6 (1) *either:*

7 (A) *the individual's interest in the homestead as described in*
 8 *subsection (a)(2)(B) is conveyed to the individual after the*
 9 *assessment date, but within the calendar year in which the*
 10 *assessment date occurs; or*

11 (B) *the individual contracts to purchase the homestead after*
 12 *the assessment date, but within the calendar year in which the*
 13 *assessment date occurs;*

14 (2) *on the assessment date:*

15 (A) *the property on which the homestead is currently located*
 16 *was vacant land; or*

17 (B) *the construction of the dwelling that constitutes the*
 18 *homestead was not completed;*

19 (3) *either:*

20 (A) *the individual ~~files~~ **completes** the certified statement*
 21 *required by subsection (e) on or before December 31 of the*
 22 *calendar year in which the assessment date occurs ~~to claim~~*
 23 *the deduction under this section; and files the certified*
 24 *statement with the county auditor on or before **January 5***
 25 *of the immediately succeeding calendar year; or*

26 (B) *a sales disclosure form that meets the requirements of*
 27 *section 44 of this chapter is submitted to the county assessor*
 28 *on or before ~~December 31~~ **January 5** of the calendar year ~~for~~*
 29 ***immediately succeeding** the individual's purchase of the*
 30 *homestead; and*

31 (4) *the individual files with the county auditor on or before*
 32 *~~December 31~~ **January 5** of the calendar year **immediately***
 33 ***succeeding the calendar year** in which the assessment date*
 34 *occurs a statement that:*

35 (A) *lists any other property for which the individual would*
 36 *otherwise receive a deduction under this section for the*
 37 *assessment date; and*

38 (B) *cancels the deduction described in clause (A) for that*
 39 *property.*

40 *An individual who satisfies the requirements of subdivisions (1)*
 41 *through (4) is entitled to the deduction under this section for the*
 42 *homestead for the assessment date, even if on the assessment date the*



1 *property on which the homestead is currently located was vacant land*
 2 *or the construction of the dwelling that constitutes the homestead was*
 3 *not completed. The county auditor shall apply the deduction for the*
 4 *assessment date and for the assessment date in any later year in which*
 5 *the homestead remains eligible for the deduction. A homestead that*
 6 *qualifies for the deduction under this section as provided in this*
 7 *subsection is considered a homestead for purposes of section 37.5 of*
 8 *this chapter and IC 6-1.1-20.6. The county auditor shall cancel the*
 9 *deduction under this section for any property that is located in the*
 10 *county and is listed on the statement filed by the individual under*
 11 *subdivision (4). If the property listed on the statement filed under*
 12 *subdivision (4) is located in another county, the county auditor who*
 13 *receives the statement shall forward the statement to the county*
 14 *auditor of that other county, and the county auditor of that other*
 15 *county shall cancel the deduction under this section for that property.*

16 ~~(p)~~ **(q)** *This subsection applies to an application for the deduction*
 17 *provided by this section that is filed for an assessment date occurring*
 18 *after December 31, 2013. Notwithstanding any other provision of this*
 19 *section, an individual buying a mobile home that is not assessed as*
 20 *real property or a manufactured home that is not assessed as real*
 21 *property under a contract providing that the individual is to pay the*
 22 *property taxes on the mobile home or manufactured home is not*
 23 *entitled to the deduction provided by this section unless the parties to*
 24 *the contract comply with IC 9-17-6-17.*

25 ~~(q)~~ **(r)** *This subsection:*

26 *(1) applies to an application for the deduction provided by this*
 27 *section that is filed for an assessment date occurring after*
 28 *December 31, 2013; and*

29 *(2) does not apply to an individual described in subsection ~~(p)~~*
 30 **(q).**

31 *The owner of a mobile home that is not assessed as real property or a*
 32 *manufactured home that is not assessed as real property must attach*
 33 *a copy of the owner's title to the mobile home or manufactured home*
 34 *to the application for the deduction provided by this section.*

35 **(s) For assessment dates after 2013, the term "homestead"**
 36 **includes property that is owned by an individual who:**

37 **(1) is serving on active duty in any branch of the armed forces**
 38 **of the United States;**

39 **(2) was ordered to transfer to a location outside Indiana;**

40 **(3) was otherwise eligible, without regard to this subsection,**
 41 **for the deduction under this section for the property for the**
 42 **assessment date immediately preceding the transfer date**



1 specified in the order described in subdivision (2).

2 For property to qualify under this subsection for the deduction
 3 provided by this section, the individual described in subdivisions
 4 (1) through (3) must submit to the county auditor a copy of the
 5 individual's transfer orders or other information sufficient to show
 6 that the individual was ordered to transfer to a location outside
 7 Indiana. The property continues to qualify for the deduction
 8 provided by this section until the individual ceases to be on active
 9 duty, the property is sold, or the individual's ownership interest is
 10 otherwise terminated, whichever occurs first. Notwithstanding
 11 subsection (a)(2), the property remains a homestead regardless of
 12 whether the property continues to be the individual's principal
 13 place of residence after the individual transfers to a location
 14 outside Indiana. However, the property ceases to qualify as a
 15 homestead under this subsection if the property is leased while the
 16 individual is away from Indiana. Property that qualifies as a
 17 homestead under this subsection shall also be construed as a
 18 homestead for purposes of section 37.5 of this chapter and
 19 IC 6-1.1-20.6.

20 SECTION 18. IC 6-1.1-12-38, AS AMENDED BY P.L.1-2009,
 21 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 38. (a) A person is entitled to a deduction from the
 23 assessed value of the person's property in an amount equal to the
 24 difference between:

25 (1) the assessed value of the person's property, including the
 26 assessed value of the improvements made to comply with the
 27 fertilizer storage rules adopted by the state chemist under
 28 IC 15-16-2-44 and the pesticide storage rules adopted by the state
 29 chemist under IC 15-16-4-52; minus

30 (2) the assessed value of the person's property, excluding the
 31 assessed value of the improvements made to comply with the
 32 fertilizer storage rules adopted by the state chemist under
 33 IC 15-16-2-44 and the pesticide storage rules adopted by the state
 34 chemist under IC 15-16-4-52.

35 (b) To obtain the deduction under this section, a person must file a
 36 certified statement in duplicate, on forms prescribed by the department
 37 of local government finance, with the auditor of the county in which the
 38 property is subject to assessment. In addition to the certified statement,
 39 the person must file a certification by the state chemist listing the
 40 improvements that were made to comply with the fertilizer storage
 41 rules adopted under IC 15-16-2-44 and the pesticide storage rules
 42 adopted by the state chemist under IC 15-16-4-52. Subject to section



1 45 of this chapter, the statement and certification ~~must be filed during~~
 2 ~~the year preceding the year the deduction will first be applied.~~ **must be**
 3 **completed and dated in the calendar year for which the person**
 4 **wishes to obtain the deduction, and the statement and certification**
 5 **must be filed with the county auditor on or before January 5 of the**
 6 **immediately succeeding calendar year.** Upon the verification of the
 7 statement and certification by the assessor of the township in which the
 8 property is subject to assessment, or the county assessor if there is no
 9 township assessor for the township, the county auditor shall allow the
 10 deduction.

11 (c) The deduction provided by this section applies only if the
 12 person:

13 (1) owns the property; or

14 (2) is buying the property under contract;

15 on the assessment date for which the deduction applies.

16 SECTION 19. IC 6-1.1-12-45, AS ADDED BY P.L.144-2008,
 17 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2014]: Sec. 45. (a) Subject to subsections (b) and (c), a
 19 deduction under this chapter applies for an assessment date and for the
 20 property taxes due and payable based on the assessment for that
 21 assessment date, regardless of whether with respect to the real property
 22 or mobile home or manufactured home not assessed as real property:

23 (1) the title is conveyed one (1) or more times; or

24 (2) one (1) or more contracts to purchase are entered into;

25 after that assessment date and on or before the next succeeding
 26 assessment date.

27 (b) Subsection (a) applies:

28 (1) only if the title holder or the contract buyer on that next
 29 succeeding assessment date is eligible for the deduction for that
 30 next succeeding assessment date; and

31 (2) regardless of whether:

32 (A) one (1) or more grantees of title under subsection (a)(1);

33 or

34 (B) one (1) or more contract purchasers under subsection

35 (a)(2);

36 files a statement under this chapter to claim the deduction.

37 (c) A deduction applies under subsection (a) for only one (1) year.
 38 The requirements of this chapter for filing a statement to apply for a
 39 deduction under this chapter apply to subsequent years.

40 (d) If:

41 (1) a statement is filed under this chapter ~~in~~ **on or before**
 42 **January 5 of** a calendar year to claim a deduction under this



1 chapter with respect to real property; and
 2 (2) the eligibility criteria for the deduction are met;
 3 the deduction applies for the assessment date in ~~that~~ **the preceding**
 4 calendar year and for the property taxes due and payable based on the
 5 assessment for that assessment date.

6 (e) If:

7 (1) a statement is filed under this chapter in a twelve (12) month
 8 filing period designated under this chapter to claim a deduction
 9 under this chapter with respect to a mobile home or a
 10 manufactured home not assessed as real property; and

11 (2) the eligibility criteria for the deduction are met;
 12 the deduction applies for the assessment date in that twelve (12) month
 13 period and for the property taxes due and payable based on the
 14 assessment for that assessment date.

15 SECTION 20. IC 6-1.1-12.6-3, AS ADDED BY P.L.70-2008,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2014]: Sec. 3. (a) A property owner that qualifies for the
 18 deduction under this chapter **and that desires to receive the**
 19 **deduction** must file a statement containing the information required by
 20 subsection (b) with the county auditor to claim the deduction for each
 21 assessment date for which the property owner wishes to receive the
 22 deduction **complete and date a statement containing the**
 23 **information required by subsection (b) in the calendar year for**
 24 **which the person desires to obtain the deduction and file the**
 25 **statement with the county auditor on or before January 5 of the**
 26 **immediately succeeding calendar year**, in the manner prescribed in
 27 rules adopted under section 9 of this chapter. The township assessor
 28 shall verify each statement filed under this section, and the county
 29 auditor shall:

30 (1) make the deductions; and

31 (2) notify the county property tax assessment board of appeals of
 32 all deductions approved;

33 under this section.

34 (b) The statement referred to in subsection (a) must be verified
 35 under penalties for perjury and must contain the following information:

36 (1) The assessed value of the real property for which the person
 37 is claiming the deduction.

38 (2) The full name and complete business address of the person
 39 claiming the deduction.

40 (3) The complete address and a brief description of the real
 41 property for which the person is claiming the deduction.

42 (4) The name of any other county in which the person has applied



1 for a deduction under this chapter for that assessment date.

2 (5) The complete address and a brief description of any other real
3 property for which the person has applied for a deduction under
4 this chapter for that assessment date.

5 SECTION 21. IC 6-1.1-12.8-4, AS ADDED BY P.L.175-2011,
6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2014]: Sec. 4. (a) A property owner that qualifies for the
8 deduction under this chapter **and that desires to receive the**
9 **deduction** must file a statement containing the information required by
10 subsection (b) with the county auditor to claim the deduction for each
11 assessment date for which the property owner wishes to receive the
12 **deduction complete and date a statement containing the**
13 **information required by subsection (b) in the calendar year for**
14 **which the person desires to obtain the deduction and file the**
15 **statement with the county auditor on or before January 5 of the**
16 **immediately succeeding calendar year**, in the manner prescribed in
17 rules adopted under section 8 of this chapter. The township assessor,
18 or the county assessor if there is no township assessor for the township,
19 shall verify each statement filed under this section, and the county
20 auditor shall:

21 (1) make the deductions; and

22 (2) notify the county property tax assessment board of appeals of
23 all deductions approved;

24 under this section.

25 (b) The statement referred to in subsection (a) must be verified
26 under penalties for perjury and must contain the following information:

27 (1) The assessed value of the real property for which the person
28 is claiming the deduction.

29 (2) The full name and complete business address of the person
30 claiming the deduction.

31 (3) The complete address and a brief description of the real
32 property for which the person is claiming the deduction.

33 (4) The name of any other county in which the person has applied
34 for a deduction under this chapter for that assessment date.

35 (5) The complete address and a brief description of any other real
36 property for which the person has applied for a deduction under
37 this chapter for that assessment date.

38 (6) An affirmation by the owner that the owner is receiving not
39 more than three (3) deductions under this chapter, including the
40 deduction being applied for by the owner, either:

41 (A) as the owner of the residence in inventory; or

42 (B) as an owner that is part of an affiliated group.



1 (7) An affirmation that the real property has not been leased and
 2 will not be leased for any purpose during the term of the
 3 deduction.

4 SECTION 22. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,
 5 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in
 7 subsections (c) and (d), a county auditor shall correct errors which are
 8 discovered in the tax duplicate for any one (1) or more of the following
 9 reasons:

- 10 (1) The description of the real property was in error.
 11 (2) The assessment was against the wrong person.
 12 (3) Taxes on the same property were charged more than one (1)
 13 time in the same year.
 14 (4) There was a mathematical error in computing the taxes or
 15 penalties on the taxes.
 16 (5) There was an error in carrying delinquent taxes forward from
 17 one (1) tax duplicate to another.
 18 (6) The taxes, as a matter of law, were illegal.
 19 (7) There was a mathematical error in computing an assessment.
 20 (8) Through an error of omission by any state or county officer,
 21 the taxpayer was not given:
 22 (A) the proper credit under IC 6-1.1-20.6-7.5 for property
 23 taxes imposed for an assessment date after January 15, 2011;
 24 (B) any other credit permitted by law;
 25 (C) an exemption permitted by law; or
 26 (D) a deduction permitted by law.

27 (b) **Subject to subsection (i)**, the county auditor shall correct an
 28 error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5)
 29 when the county auditor finds that the error exists.

30 (c) If the tax is based on an assessment made or determined by the
 31 department of local government finance, the county auditor shall not
 32 correct an error described under subsection (a)(6), (a)(7), or (a)(8) until
 33 after the correction is either approved by the department of local
 34 government finance or ordered by the tax court.

35 (d) If the tax is not based on an assessment made or determined by
 36 the department of local government finance, the county auditor shall
 37 correct an error described under subsection (a)(6), (a)(7), or (a)(8) only
 38 if the correction is first approved by at least two (2) of the following
 39 officials:

- 40 (1) The township assessor (if any).
 41 (2) The county auditor.
 42 (3) The county assessor.



1 If two (2) of these officials do not approve such a correction, the county
2 auditor shall refer the matter to the county board for determination. The
3 county board shall provide a copy of the determination to the taxpayer
4 and to the county auditor.

5 (e) A taxpayer may appeal a determination of the county board to
6 the Indiana board for a final administrative determination. An appeal
7 under this section shall be conducted in the same manner as appeals
8 under sections 4 through 8 of this chapter. The Indiana board shall send
9 the final administrative determination to the taxpayer, the county
10 auditor, the county assessor, and the township assessor (if any).

11 (f) If a correction or change is made in the tax duplicate after it is
12 delivered to the county treasurer, the county auditor shall transmit a
13 certificate of correction to the county treasurer. The county treasurer
14 shall keep the certificate as the voucher for settlement with the county
15 auditor.

16 (g) A taxpayer that files a personal property tax return under
17 IC 6-1.1-3 may not petition under this section for the correction of an
18 error made by the taxpayer on the taxpayer's personal property tax
19 return. If the taxpayer wishes to correct an error made by the taxpayer
20 on the taxpayer's personal property tax return, the taxpayer must
21 instead file an amended personal property tax return under
22 IC 6-1.1-3-7.5.

23 (h) A taxpayer that files a statement under IC 6-1.1-8-19 may not
24 petition under this section for the correction of an error made by the
25 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct
26 an error made by the taxpayer on the taxpayer's statement, the taxpayer
27 must instead initiate an objection under IC 6-1.1-8-28 or an appeal
28 under IC 6-1.1-8-30.

29 **(i) A taxpayer is not entitled to relief under this section unless**
30 **the taxpayer files a petition to correct an error:**

31 **(1) with the auditor of the county in which the taxes were**
32 **originally paid; and**

33 **(2) within three (3) years after the taxes were first due.**

34 SECTION 23. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012,
35 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision
37 shall formulate its estimated budget and its proposed tax rate and tax
38 levy on the form prescribed by the department of local government
39 finance and approved by the state board of accounts. The political
40 subdivision or appropriate fiscal body, if the political subdivision is
41 subject to section 20 of this chapter, shall give notice by publication to
42 taxpayers of:



- 1 (1) the estimated budget;
- 2 (2) the estimated maximum permissible levy;
- 3 (3) the current and proposed tax levies of each fund; and
- 4 (4) the amounts of excessive levy appeals to be requested.

5 The political subdivision or appropriate fiscal body shall also state the
 6 time and place at which the political subdivision or appropriate fiscal
 7 body will hold a public hearing on these items. **Each year** the political
 8 subdivision or appropriate fiscal body shall ~~publish the notice twice in~~
 9 ~~accordance with IC 5-3-1 with the first publication at least ten (10)~~
 10 ~~days before the date fixed for the public hearing. The first publication~~
 11 ~~must be before September 14, and the second publication must be~~
 12 ~~before September 21 of the year. The political subdivision shall pay for~~
 13 ~~the publishing of the notice. submit this information to the~~
 14 ~~department's computer gateway before September 14 and at least~~
 15 ~~ten (10) days before the public hearing required by this subsection~~
 16 ~~in the manner prescribed by the department. The department shall~~
 17 ~~make this information available to taxpayers through its computer~~
 18 ~~gateway at least ten (10) days before the public hearing required~~
 19 ~~by this subsection and provide a telephone number through which~~
 20 ~~taxpayers may request mailed copies of a political subdivision's~~
 21 ~~information under this subsection. The department's computer~~
 22 ~~gateway must allow a taxpayer to search for the information under~~
 23 ~~this subsection by the taxpayer's address.~~

24 (b) For taxes due and payable in 2015 and 2016, each county
 25 shall publish a notice in accordance with IC 5-3-1 in two (2)
 26 newspapers published in the county stating the Internet address at
 27 which the information under subsection (a) is available and the
 28 telephone number through which taxpayers may request copies of
 29 a political subdivision's information under subsection (a). If only
 30 one (1) newspaper is published in the county, publication in that
 31 newspaper is sufficient. The department of local government
 32 finance shall prescribe the notice. Notice under this subsection
 33 shall be published before September 14. Counties may seek
 34 reimbursement from the political subdivisions within their legal
 35 boundaries for the cost of the notice required under this
 36 subsection. The actions under this subsection shall be completed in
 37 the manner prescribed by the department.

38 (c) The board of directors of a solid waste management district
 39 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 40 conduct the public hearing required under subsection (a):

- 41 (1) in any county of the solid waste management district; and
- 42 (2) in accordance with the annual notice of meetings published



1 under IC 13-21-5-2.

2 ~~(c)~~ (d) The trustee of each township in the county shall estimate the
3 amount necessary to meet the cost of township assistance in the
4 township for the ensuing calendar year. The township board shall adopt
5 with the township budget a tax rate sufficient to meet the estimated cost
6 of township assistance. The taxes collected as a result of the tax rate
7 adopted under this subsection are credited to the township assistance
8 fund.

9 (e) **A political subdivision for which any of the information
10 under subsection (a) is not submitted to the department's computer
11 gateway in the manner prescribed by the department shall have its
12 most recent annual appropriations and annual tax levy continued
13 for the ensuing budget year.**

14 (f) **If a political subdivision or appropriate fiscal body timely
15 submits the information under subsection (a) but subsequently
16 discovers the information contains a typographical error, the
17 political subdivision or appropriate fiscal body may request
18 permission from the department to submit amended information
19 to the department's computer gateway. However, such a request
20 must occur not later than seven (7) days before the public hearing
21 held under subsection (a). Acknowledgment of the correction of an
22 error shall be posted on the department's computer gateway and
23 communicated by the political subdivision or appropriate fiscal
24 body to the fiscal body of the county in which the political
25 subdivision and appropriate fiscal body are located.**

26 SECTION 24. IC 6-1.1-17-16, AS AMENDED BY P.L.218-2013,
27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2014]: Sec. 16. (a) Subject to the limitations and requirements
29 prescribed in this section, the department of local government finance
30 may revise, reduce, or increase a political subdivision's budget by fund,
31 tax rate, or tax levy which the department reviews under section 8 or
32 10 of this chapter.

33 (b) Subject to the limitations and requirements prescribed in this
34 section, the department of local government finance may review,
35 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
36 any of the political subdivisions whose tax rates compose the aggregate
37 tax rate within a political subdivision whose budget, tax rate, or tax
38 levy is the subject of an appeal initiated under this chapter.

39 (c) Except as provided in section 16.1 of this chapter, the
40 department of local government finance is not required to hold a public
41 hearing before the department of local government finance reviews,
42 revises, reduces, or increases a political subdivision's budget by fund,



1 tax rate, or tax levy under this section.

2 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
3 the department of local government finance may not increase a political
4 subdivision's budget by fund, tax rate, or tax levy to an amount which
5 exceeds the amount originally fixed by the political subdivision.
6 However, if the department of local government finance determines
7 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
8 political subdivision, the maximum amount by which the department
9 may increase the tax rate, tax levy, or budget is the amount originally
10 fixed by the political subdivision, and not the amount that was
11 incorrectly published or omitted in the notice described in
12 IC 5-3-1-2.3(b). The department of local government finance shall give
13 the political subdivision notification electronically in the manner
14 prescribed by the department of local government finance specifying
15 any revision, reduction, or increase the department proposes in a
16 political subdivision's tax levy or tax rate. The political subdivision has
17 ten (10) calendar days from the date the political subdivision receives
18 the notice to provide a response electronically in the manner prescribed
19 by the department of local government finance. The response may
20 include budget reductions, reallocation of levies, a revision in the
21 amount of miscellaneous revenues, and further review of any other
22 item about which, in the view of the political subdivision, the
23 department is in error. The department of local government finance
24 shall consider the adjustments as specified in the political subdivision's
25 response if the response is provided as required by this subsection and
26 shall deliver a final decision to the political subdivision.

27 (e) The department of local government finance may not approve a
28 levy for lease payments by a city, town, county, library, or school
29 corporation if the lease payments are payable to a building corporation
30 for use by the building corporation for debt service on bonds and if:

- 31 (1) no bonds of the building corporation are outstanding; or
32 (2) the building corporation has enough legally available funds on
33 hand to redeem all outstanding bonds payable from the particular
34 lease rental levy requested.

35 (f) The department of local government finance shall certify its
36 action to:

- 37 (1) the county auditor;
38 (2) the political subdivision if the department acts pursuant to an
39 appeal initiated by the political subdivision;
40 (3) the taxpayer that initiated an appeal under section 13 of this
41 chapter, or, if the appeal was initiated by multiple taxpayers, the
42 first ten (10) taxpayers whose names appear on the statement filed



1 to initiate the appeal; and

2 (4) a taxpayer that owns property that represents at least ten
3 percent (10%) of the taxable assessed valuation in the political
4 subdivision.

5 (g) The following may petition for judicial review of the final
6 determination of the department of local government finance under
7 subsection (f):

8 (1) If the department acts under an appeal initiated by a political
9 subdivision, the political subdivision.

10 (2) If the department:

11 (A) acts under an appeal initiated by one (1) or more taxpayers
12 under section 13 of this chapter; or

13 (B) fails to act on the appeal before the department certifies its
14 action under subsection (f);

15 a taxpayer who signed the statement filed to initiate the appeal.

16 (3) If the department acts under an appeal initiated by the county
17 auditor under section 14 of this chapter, the county auditor.

18 (4) A taxpayer that owns property that represents at least ten
19 percent (10%) of the taxable assessed valuation in the political
20 subdivision.

21 The petition must be filed in the tax court not more than forty-five (45)
22 days after the department certifies its action under subsection (f).

23 (h) The department of local government finance is expressly
24 directed to complete the duties assigned to it under this section not later
25 than February 15 of each year for taxes to be collected during that year.

26 (i) Subject to the provisions of all applicable statutes, the
27 department of local government finance ~~may~~ **shall** increase a political
28 subdivision's tax levy to an amount that exceeds the amount originally
29 **fixed advertised or adopted** by the political subdivision if:

30 (1) the increase is ~~(†)~~ requested in writing by the officers of the
31 political subdivision;

32 (2) ~~either: the requested increase is published on the~~
33 **department's advertising Internet web site; and**

34 (A) ~~based on information first obtained by the political~~
35 ~~subdivision after the public hearing under section 3 of this~~
36 ~~chapter; or~~

37 (B) ~~results from an inadvertent mathematical error made in~~
38 ~~determining the levy; and~~

39 (3) ~~published by the political subdivision according to a notice~~
40 ~~provided by the department. notice is given to the county fiscal~~
41 **body of the error and the department's correction.**

42 **If the department increases a levy beyond what was advertised or**



1 **adopted under this subsection, it shall reduce the levy affected**
 2 **below the maximum allowable levy by the lesser of five percent**
 3 **(5%) of the difference between the advertised or adopted levy and**
 4 **the increased levy, or one hundred thousand dollars (\$100,000).**

5 (j) The department of local government finance shall annually
 6 review the budget by fund of each school corporation not later than
 7 April 1. The department of local government finance shall give the
 8 school corporation written notification specifying any revision,
 9 reduction, or increase the department proposes in the school
 10 corporation's budget by fund. A public hearing is not required in
 11 connection with this review of the budget.

12 SECTION 25. IC 6-1.1-18.5-13.7, AS ADDED BY P.L.172-2011,
 13 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2014]: Sec. 13.7. (a) Notwithstanding any other provision of
 15 this chapter, Fairfield Township in Tippecanoe County may request
 16 that the department of local government finance make an adjustment
 17 to the township's maximum permissible property tax levy. ~~The request~~
 18 ~~by the township under this section must be filed before September 1,~~
 19 ~~2011.~~

20 (b) The amount of the requested adjustment may not exceed one
 21 hundred thirty thousand dollars (\$130,000) for each year.

22 (c) ~~If the~~ **For a** township ~~makes that made~~ a request for an
 23 adjustment in an amount not exceeding the limit prescribed by
 24 subsection (b), the department of local government finance shall make
 25 the adjustment ~~each year (beginning with property taxes first due and~~
 26 ~~payable in 2012)~~ **a permanent adjustment** to the township's maximum
 27 permissible ad valorem property tax levy. ~~for the number of years~~
 28 ~~requested by the township (but not to exceed a total of four (4) years).~~

29 ~~(d) This section expires July 1, 2016.~~

30 SECTION 26. IC 6-1.1-20.3-6.5, AS AMENDED BY P.L.257-2013,
 31 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 6.5. (a) After the board receives a petition
 33 concerning a political subdivision under section 6(a) or 6(b)(2) of this
 34 chapter, the board may designate the political subdivision as a
 35 distressed political subdivision if at least one (1) of the following
 36 conditions applies to the political subdivision:

37 (1) The political subdivision has defaulted in payment of principal
 38 or interest on any of its bonds or notes.

39 (2) The political subdivision has failed to make required
 40 payments to payroll employees for thirty (30) days or two (2)
 41 consecutive payrolls.

42 (3) The political subdivision has failed to make required



- 1 payments to judgment creditors for sixty (60) days beyond the
 2 date of the recording of the judgment.
- 3 (4) The political subdivision, for at least thirty (30) days beyond
 4 the due date, has failed to do any of the following:
- 5 (A) Forward taxes withheld on the incomes of employees.
 6 (B) Transfer employer or employee contributions due under
 7 the Federal Insurance Contributions Act (FICA).
 8 (C) Deposit the political subdivision's minimum obligation
 9 payment to a pension fund.
- 10 (5) The political subdivision has accumulated a deficit equal to
 11 eight percent (8%) or more of the political subdivision's revenues.
 12 For purposes of this subdivision, "deficit" means a negative fund
 13 balance calculated as a percentage of revenues at the end of a
 14 budget year for any governmental or proprietary fund. The
 15 calculation must be presented on an accrual basis according to
 16 generally accepted accounting principles.
- 17 (6) The political subdivision has sought to negotiate a resolution
 18 or an adjustment of claims that in the aggregate:
- 19 (A) exceed thirty percent (30%) of the political subdivision's
 20 anticipated annual revenues; and
 21 (B) are ninety (90) days or more past due.
- 22 (7) The political subdivision has carried over interfund loans for
 23 the benefit of the same fund at the end of two (2) successive
 24 years.
- 25 (8) The political subdivision has been severely affected, as
 26 determined by the board, as a result of granting the property tax
 27 credits under IC 6-1.1-20.6.
- 28 (9) In addition to the conditions listed in subdivisions (1) through
 29 (8), and in the case of a school corporation, the board may also
 30 designate a school corporation as a distressed political
 31 subdivision if at least one (1) of the following conditions applies:
- 32 (A) The school corporation has:
- 33 (i) issued refunding bonds under IC 5-1-5-2.5; or
 34 (ii) adopted a resolution under IC 5-1-5-2.5 making the
 35 determinations and including the information specified in
 36 IC 5-1-5-2.5(g).
- 37 (B) The ratio that the amount of the school corporation's debt
 38 (as determined in December 2010) bears to the school
 39 corporation's 2011 ADM ranks in the highest ten (10) among
 40 all school corporations.
- 41 (C) The ratio that the amount of the school corporation's debt
 42 (as determined in December 2010) bears to the school



1 corporation's total assessed valuation for calendar year 2011
2 ranks in the highest ten (10) among all school corporations.

3 (D) The amount of homestead assessed valuation in the school
4 corporation for calendar year 2011 was at least sixty percent
5 (60%) of the total amount of assessed valuation in the school
6 corporation for calendar year 2011.

7 **(10) In addition to the conditions listed in subdivisions (1)**
8 **through (9), and in the case of a school corporation, the board**
9 **shall also designate a school corporation as a distressed**
10 **political subdivision if the school corporation's petition for a**
11 **loan from the counter-cyclical revenue and economic**
12 **stabilization fund was denied in October 2013.**

13 The board may consider whether a political subdivision has fully
14 exercised all the local options available to the political subdivision,
15 such as a local option income tax or a local option income tax rate
16 increase or, in the case of a school corporation, an operating
17 referendum.

18 (b) If the board designates a political subdivision as distressed under
19 subsection (a), the board shall review the designation annually to
20 determine if the distressed political subdivision meets at least one (1)
21 of the conditions listed in subsection (a).

22 (c) If the board designates a political subdivision as a distressed
23 political subdivision under subsection (a), the board shall immediately
24 notify:

- 25 (1) the treasurer of state; and
26 (2) the county auditor and county treasurer of each county in
27 which the distressed political subdivision is wholly or partially
28 located;

29 that the board has designated the political subdivision as a distressed
30 political subdivision.

31 SECTION 27. IC 6-1.1-20.3-7.5, AS AMENDED BY SEA 24-2014,
32 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 7.5. (a) This section does not apply to:

- 34 (1) a school corporation designated before July 1, 2013, as a
35 distressed political subdivision; or
36 (2) a school corporation designated as a distressed political
37 subdivision under section 6.5(a)(10) of this chapter, regardless
38 of the date of the designation.

39 (b) If the board designates a political subdivision as a distressed
40 political subdivision under section 6.5 or 6.7 of this chapter, the board
41 shall appoint an emergency manager for the distressed political
42 subdivision. An emergency manager serves at the pleasure of the



1 board.

2 (c) The chairperson of the board shall oversee the activities of an
3 emergency manager.

4 (d) The distressed political subdivision shall pay the emergency
5 manager's compensation and reimburse the emergency manager for
6 actual and necessary expenses.

7 SECTION 28. IC 6-1.1-20.3-8.3, AS AMENDED BY P.L.257-2013,
8 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 8.3. **(a)** After the board receives a petition
10 concerning a school corporation under section 6(b)(1) of this chapter,
11 the board shall review the school corporation's request for a loan from
12 the counter-cyclical revenue and economic stabilization fund under
13 IC 6-1.1-21.4-3(b). **Subject to subsection (b)**, the board shall make a
14 recommendation to the state board of finance regarding the loan
15 request. The board may consider whether a school corporation has
16 attempted to secure temporary cash flow loans from the Indiana bond
17 bank or a financial institution in making its recommendation.

18 **(b) The board shall recommend that the state board of finance**
19 **approve a loan request submitted by a school corporation**
20 **designated as a distressed political subdivision under section**
21 **6.5(a)(10) of this chapter.**

22 SECTION 29. IC 6-1.1-21.4-2, AS AMENDED BY P.L.145-2012,
23 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible school
25 corporation" refers to **either any** of the following:

26 (1) A school corporation located in a county in which
27 distributions of property tax revenue for 2007 or 2008 to the
28 taxing units (as defined in IC 6-1.1-1-21) of the county:

29 (A) have not been made; or

30 (B) were delayed by more than sixty (60) days after either due
31 date specified in IC 6-1.1-22-9.

32 (2) A school corporation that is:

33 (A) designated by the distressed unit appeal board as a
34 distressed political subdivision under IC 6-1.1-20.3; or

35 (B) approved for a loan by the distressed unit appeal board
36 under IC 6-1.1-20.3-8.3.

37 **(3) A school corporation approved for a loan by the distressed**
38 **unit appeal board under IC 6-1.1-20.3-8.3(b).**

39 SECTION 30. IC 6-1.1-21.4-3, AS AMENDED BY P.L.145-2012,
40 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 UPON PASSAGE]: Sec. 3. (a) An eligible school corporation may
42 apply to the board for a loan from the counter-cyclical revenue and



- 1 economic stabilization fund.
- 2 (b) Subject to subsections (c) and (d) and section 3.5 of this chapter,
3 an eligible school corporation described in section 2(2) of this chapter
4 may apply to the board for a loan. The maximum amount of a loan that
5 the board may approve for the eligible school corporation is the lesser
6 of the following:
- 7 (1) Five million dollars (\$5,000,000).
8 (2) The product of:
9 (A) one thousand dollars (\$1,000); multiplied by
10 (B) the school corporation's 2012 ADM.
- 11 (c) At the time the distressed unit appeal board designates a school
12 corporation as a distressed political subdivision under IC 6-1.1-20.3 or
13 recommends under IC 6-1.1-20.3-8.3 that a loan from the fund be
14 approved for a school corporation, the distressed unit appeal board may
15 also recommend to the state board of finance that a loan from the fund
16 to the school corporation be contingent upon any of the following:
- 17 (1) The sale of specified unused property by the school board.
18 (2) The school corporation modifying one (1) or more specified
19 contracts entered into by the school corporation.
- 20 (d) In making a loan from the fund to a school corporation, the state
21 board of finance may make the loan contingent upon any condition
22 recommended by the distressed unit appeal board under subsection (c).
- 23 **(e) This subsection applies only to an eligible school corporation
24 approved for a loan by the distressed unit appeal board under
25 IC 6-1.1-20.3-8.3(b). The board shall make the loan approved by
26 the distressed unit appeal board as requested by the eligible school
27 corporation. The following apply to a loan made under this
28 subsection:**
- 29 **(1) The maximum amount of a loan set forth in subsection (b).**
30 **(2) Sections 3.5 through 7 of this chapter.**
- 31 **In addition, an eligible school corporation receiving a loan under
32 this subsection shall sell any unimproved land owned by the eligible
33 school corporation that on April 1, 2014, is not contiguous to the
34 grounds of any school.**
- 35 SECTION 31. IC 6-1.1-20.6-4, AS AMENDED BY P.L.288-2013,
36 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 4. As used in this
38 chapter, "residential property" refers to real property that consists of
39 any of the following:
- 40 (1) A single family dwelling that is not part of a homestead and
41 the land, not exceeding one (1) acre, on which the dwelling is
42 located.



1 (2) Real property that consists of:

2 (A) a building that includes two (2) or more dwelling units;

3 (B) any common areas shared by the dwelling units (including
4 any land that is a common area, as described in section
5 1.2(b)(2) of this chapter); and

6 (C) the land on which the building is located.

7 (3) Land rented or leased for the placement of a manufactured
8 home or mobile home, including any common areas shared by the
9 manufactured homes or mobile homes.

10 **The term includes a single family dwelling that is under**
11 **construction and the land, not exceeding one (1) acre, on which the**
12 **dwelling will be located. The term does not include real property**
13 **that consists of a commercial hotel, motel, inn, tourist camp, or**
14 **tourist cabin.**

15 SECTION 32. IC 6-1.1-24-1, AS AMENDED BY P.L.203-2013,
16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2014]: Sec. 1. (a) On or after January 1 of each calendar year
18 in which a tax sale will be held in a county and not later than fifty-one
19 (51) days after the first tax payment due date in that calendar year, the
20 county treasurer (or county executive, in the case of property described
21 in subdivision (2)) shall certify to the county auditor a list of real
22 property on which any of the following exist:

23 (1) In the case of real property other than real property described
24 in subdivision (2), any property taxes or special assessments
25 certified to the county auditor for collection by the county
26 treasurer from the prior year's spring installment or before are
27 delinquent as determined under IC 6-1.1-37-10 and the delinquent
28 property ~~tax or taxes~~, special assessments, **penalties, fees, or**
29 **interest** due exceed twenty-five dollars (\$25).

30 (2) In the case of real property for which a county executive has
31 certified to the county auditor that the real property is:

32 (A) vacant; or

33 (B) abandoned;

34 any property taxes or special assessments from the prior year's fall
35 installment or before that are delinquent as determined under
36 IC 6-1.1-37-10. The county executive must make a certification
37 under this subdivision not later than sixty-one (61) days before
38 the earliest date on which application for judgment and order for
39 sale may be made. The executive of a city or town may provide to
40 the county executive of the county in which the city or town is
41 located a list of real property that the city or town has determined
42 to be vacant or abandoned. The county executive shall include



1 real property included on the list provided by a city or town
 2 executive on the list certified by the county executive to the
 3 county auditor under this subsection.

4 (3) Any unpaid costs are due under section 2(b) of this chapter
 5 from a prior tax sale.

6 (b) The county auditor shall maintain a list of all real property
 7 eligible for sale. Except as provided in section 1.2 or another provision
 8 of this chapter, the taxpayer's property shall remain on the list. The list
 9 must:

10 (1) describe the real property by parcel number and common
 11 address, if any;

12 (2) for a tract or item of real property with a single owner,
 13 indicate the name of the owner; and

14 (3) for a tract or item with multiple owners, indicate the name of
 15 at least one (1) of the owners.

16 (c) Except as otherwise provided in this chapter, the real property
 17 so listed is eligible for sale in the manner prescribed in this chapter.

18 (d) Not later than fifteen (15) days after the date of the county
 19 treasurer's certification under subsection (a), the county auditor shall
 20 mail by certified mail a copy of the list described in subsection (b) to
 21 each mortgagee who requests from the county auditor by certified mail
 22 a copy of the list. Failure of the county auditor to mail the list under
 23 this subsection does not invalidate an otherwise valid sale.

24 SECTION 33. IC 6-1.1-24-1.2, AS AMENDED BY P.L.48-2013,
 25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2014]: Sec. 1.2. (a) Except as provided in subsection (c), a
 27 tract or an item of real property may not be removed from the list
 28 certified under section 1 of this chapter before the tax sale unless all:

29 (1) delinquent taxes and special assessments due before the date
 30 the list on which the property appears was certified under section
 31 1 of this chapter; and

32 (2) penalties due on the delinquency, interest, and costs directly
 33 attributable to the tax sale;

34 have been paid in full.

35 (b) A county treasurer may accept partial payments of delinquent
 36 property taxes, assessments, penalties, interest, or costs under
 37 subsection (a) after the list of real property is certified under section 1
 38 of this chapter. However, a partial payment does not remove a tract or
 39 an item from the list certified under section 1 of this chapter unless the
 40 taxpayer complies with subsection (a) or (c) before the date of the tax
 41 sale.

42 (c) A county auditor shall remove a tract or an item of real property



1 from the list certified under section 1 of this chapter before the tax sale
 2 if the county treasurer and the taxpayer agree to a mutually satisfactory
 3 arrangement for the payment of the delinquent taxes.

4 (d) The county auditor shall remove the tract or item from the list
 5 certified under section 1 of this chapter if:

6 (1) the arrangement described in subsection (c):

7 (A) is in writing;

8 (B) is signed by the taxpayer; and

9 (C) requires the taxpayer to pay the delinquent taxes in full not
 10 later than the last business day before ~~July 1 of the year after~~
 11 **the first anniversary of the date the agreement is signed; and**

12 (2) the county treasurer has provided a copy of the written
 13 agreement to the county auditor.

14 (e) If the taxpayer fails to make a payment under the arrangement
 15 described in subsection (c):

16 (1) the arrangement is void; and

17 (2) the county auditor shall immediately place the tract or item of
 18 real property on the list of real property eligible for sale at a tax
 19 sale.

20 (f) If the county auditor acts under subsection (e) with respect to a
 21 tract or item subject to an arrangement described in subsection (c), the
 22 taxpayer may ~~not~~ enter into another arrangement under subsection (c)
 23 with respect to that tract or item after the due date of the payment
 24 referred to in subsection (d) ~~and only if the new payment~~
 25 **arrangement requires that the taxpayer:**

26 **(1) pay at least one-third (1/3) of the taxes due and payable**
 27 **when the new payment arrangement is entered into; and**

28 **(2) pay the balance of the taxes due and payable that remains**
 29 **after application of the payment described in subdivision (1)**
 30 **before the first anniversary of the date on which the new**
 31 **payment arrangement is entered into.**

32 **If the county auditor acts under subsection (e) with respect to a**
 33 **tract or item subject to an arrangement described in subsection (c)**
 34 **and the county auditor and the taxpayer do not make a new**
 35 **arrangement under subsection (c) with respect to that tract or item**
 36 **that conforms with subdivisions (1) and (2), the taxpayer may not**
 37 **enter into another arrangement with respect to that tract or item**
 38 **before the date that succeeds by five (5) years fifth anniversary of the**
 39 **date on which the original arrangement would have expired if the**
 40 **arrangement had not become void under subsection (e). If the county**
 41 **auditor and the taxpayer make a new arrangement under**
 42 **subsection (c) with respect to that tract or item that conforms with**



1 subdivisions (1) and (2) and the county auditor again acts under
 2 subsection (e) with respect to the tract or item subject to the new
 3 arrangement, the taxpayer may not enter into another
 4 arrangement with respect to that tract or item before the fifth
 5 anniversary of the date on which the new arrangement would have
 6 expired if the new arrangement had not become void under
 7 subsection (e).

8 SECTION 34. IC 6-2.5-2-1 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) An excise tax,
 10 known as the state gross retail tax, is imposed on retail transactions
 11 made in Indiana.

12 (b) The person who acquires property in a retail transaction is liable
 13 for the tax on the transaction and, except as otherwise provided in this
 14 chapter, shall pay the tax to the retail merchant as a separate added
 15 amount to the consideration in the transaction. ~~The A~~ retail merchant
 16 **engaged in business in Indiana (as defined in IC 6-2.5-3-1(c)) or**
 17 **who has permission from the department to collect the tax shall**
 18 collect the tax as agent for the state.

19 SECTION 35. IC 6-2.5-2-3 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2014]: Sec. 3. (a) As used in this section, "motor vehicle" means
 22 a vehicle that would be subject to the annual license excise tax
 23 imposed under IC 6-6-5 if the vehicle were to be used in Indiana.

24 (b) Notwithstanding section 2 of this chapter, the state gross
 25 retail tax rate on a motor vehicle that a purchaser intends to:

26 (1) transport to a destination outside Indiana within thirty
 27 (30) days after delivery; and

28 (2) title or register for use in another state or country;

29 is the rate of that state or country (excluding any locally imposed
 30 tax rates) as certified by the seller and purchaser in an affidavit
 31 satisfying the requirements of subsection (c).

32 (c) The department of state revenue shall prescribe the form of
 33 the affidavit required by subsection (b). In addition to the
 34 certification required by subsection (b), the affidavit must include
 35 the following:

36 (1) The name of the state or country in which the motor
 37 vehicle will be titled or registered.

38 (2) An affirmation by the purchaser under the penalties for
 39 perjury that the information contained in the affidavit is true.

40 (3) Any other information required by the department of state
 41 revenue for the purpose of verifying the information
 42 contained in the affidavit.



1 **(d) The department may audit affidavits submitted under this**
 2 **section and make a proposed assessment of the amount of unpaid**
 3 **tax due with respect to any incorrect information submitted in an**
 4 **affidavit required by this section.**

5 SECTION 36. IC 6-2.5-3-1 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. For purposes of this
 7 chapter:

8 (a) "Use" means the exercise of any right or power of ownership
 9 over tangible personal property.

10 (b) "Storage" means the keeping or retention of tangible personal
 11 property in Indiana for any purpose except the subsequent use of that
 12 property solely outside Indiana.

13 (c) "A retail merchant engaged in business in Indiana" includes any
 14 retail merchant who makes retail transactions in which a person
 15 acquires personal property or services for use, storage, or consumption
 16 in Indiana and who:

17 (1) maintains an office, place of distribution, sales location,
 18 sample location, warehouse, storage place, or other place of
 19 business which is located in Indiana and which the retail
 20 merchant maintains, occupies, or uses, either permanently or
 21 temporarily, either directly or indirectly, and either by the retail
 22 merchant or through a representative, agent, ~~or~~ subsidiary, **or**
 23 **affiliate;**

24 (2) maintains a representative, agent, salesman, canvasser, or
 25 solicitor who, while operating in Indiana under the authority of
 26 and on behalf of the retail merchant or a subsidiary **or an affiliate**
 27 of the retail merchant, sells, delivers, installs, repairs, assembles,
 28 sets up, accepts returns of, bills, invoices, or takes orders for sales
 29 of tangible personal property or services to be used, stored, or
 30 consumed in Indiana;

31 **(3) enters into an arrangement with any person, other than a**
 32 **common carrier, to facilitate the retail merchant's delivery of**
 33 **property to customers in Indiana by allowing the retail**
 34 **merchant's customers to pick up property sold by the retail**
 35 **merchant at an office, distribution facility, warehouse, storage**
 36 **place, or similar place of business maintained by the person**
 37 **in Indiana;**

38 ~~(4)~~ **(4)** is otherwise required to register as a retail merchant under
 39 IC 6-2.5-8-1; or

40 ~~(5)~~ **(5)** may be required by the state to collect tax under this article
 41 to the extent allowed under the Constitution of the United States
 42 and federal law.



1 **(d) Notwithstanding any other law, a person may be required to**
 2 **collect and remit gross retail tax or use tax as a retail merchant**
 3 **engaged in business in Indiana under subsection (c) if the activities**
 4 **conducted by the person in Indiana on behalf of a retail merchant**
 5 **are significantly associated with the retail merchant's ability to**
 6 **establish and maintain a market in Indiana.**

7 ~~(d)~~ **(e) Notwithstanding any other provision of this section, tangible**
 8 **or intangible property that is:**

9 (1) owned or leased by a person that has contracted with a
 10 commercial printer for printing; and

11 (2) located at the premises of the commercial printer;

12 shall not be considered to be, or to create, an office, a place of
 13 distribution, a sales location, a sample location, a warehouse, a storage
 14 place, or other place of business maintained, occupied, or used in any
 15 way by the person. A commercial printer with which a person has
 16 contracted for printing shall not be considered to be in any way a
 17 representative, an agent, a salesman, a canvasser, or a solicitor for the
 18 person.

19 **(f) A retail merchant is presumed to be engaged in business in**
 20 **Indiana if an affiliate of the retail merchant has substantial nexus**
 21 **in Indiana, and:**

22 (1) the retail merchant sells a line of products similar to a line
 23 of products sold by the affiliate, and the retail merchant does
 24 so under a business name that is the same as or is similar to
 25 the affiliate's business name;

26 (2) the affiliate uses its Indiana employees or its Indiana
 27 facilities to advertise, promote, or facilitate sales by the retail
 28 merchant to customers; or

29 (3) the affiliate uses trademarks, service marks, or trade
 30 names in Indiana that are the same as or substantially similar
 31 to those used by the retail merchant.

32 **(g) The presumption under subsection (f) may be rebutted by**
 33 **demonstrating that the affiliate's activities in Indiana are not**
 34 **significantly associated with the retail merchant's ability to**
 35 **establish or maintain a market in Indiana for the retail merchant's**
 36 **sales.**

37 **(h) A retail merchant is presumed to be engaged in business in**
 38 **Indiana if the retail merchant enters into an agreement with one**
 39 **(1) or more residents of Indiana under which the resident, for a**
 40 **commission or other consideration, directly or indirectly refers**
 41 **potential customers, whether by a link on an Internet web site, an**
 42 **in person oral presentation, or otherwise, to the retail merchant, if**



1 the cumulative gross receipts from the sales by the retail merchant
 2 to customers in Indiana who are referred to the retail merchant by
 3 all residents with this type of an agreement with the retail
 4 merchant are greater than ten thousand dollars (\$10,000) during
 5 the preceding twelve (12) months.

6 (i) The presumption under subsection (h) may be rebutted by
 7 submitting proof that the residents of Indiana with whom the retail
 8 merchant has an agreement did not engage in any activity within
 9 Indiana that was significantly associated with the retail merchant's
 10 ability to establish or maintain the retail merchant's market in
 11 Indiana during the preceding twelve (12) months. This proof may
 12 consist of sworn written statements that:

- 13 (1) are from all the Indiana residents with whom the retail
 14 merchant has an agreement described in subsection (h);
 15 (2) are provided and obtained in good faith; and
 16 (3) state that the Indiana residents did not engage in any
 17 solicitation in Indiana on behalf of the retail merchant during
 18 the preceding twelve (12) months.

19 (j) For purposes of this section, "affiliate" means any:

- 20 (1) person that is a member of the same controlled group of
 21 corporations (as defined in 26 U.S.C. 1563(a)) as the retail
 22 merchant; or
 23 (2) other entity that, notwithstanding its form of organization,
 24 bears the same ownership relationship to the retail merchant
 25 as a corporation that is a member of the same controlled
 26 group of corporations (as defined in 26 U.S.C. 1563(a)).

27 SECTION 37. IC 6-2.5-5-46, AS AMENDED BY P.L.288-2013,
 28 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2014]: Sec. 46. (a) Transactions involving tangible personal
 30 property (including materials, parts, equipment, and engines) are
 31 exempt from the state gross retail tax, if the property is:

- 32 (1) used;
 33 (2) consumed; or
 34 (3) installed;

35 in furtherance of, or in, the repair, maintenance, refurbishment,
 36 remodeling, or remanufacturing of an aircraft or an avionics system of
 37 an aircraft.

38 (b) The exemption provided by this section applies to a transaction
 39 only if:

- 40 (1) the retail merchant, at the time of the transaction, possesses a
 41 valid repair station certificate issued by the Federal Aviation
 42 Administration under 14 CFR 145 et seq. or other applicable law



1 or regulation; or

2 **(2) the:**

3 **(A) retail merchant has leased a facility at a public use**
 4 **airport for the maintenance of aircraft and meets the**
 5 **public use airport owner's minimum standards for an**
 6 **aircraft maintenance facility; and**

7 **(B) work is performed by a mechanic who is certified by**
 8 **the Federal Aviation Administration.**

9 **(c) The owner of a public use airport shall annually provide to**
 10 **the department the names of retail merchants that have a lease**
 11 **with the public use airport and that perform aircraft maintenance**
 12 **at the public use airport.**

13 SECTION 38. IC 6-3-1-3.5, AS AMENDED BY P.L.205-2013,
 14 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 3.5. When used in this
 16 article, the term "adjusted gross income" shall mean the following:

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

20 (1) Subtract income that is exempt from taxation under this article
 21 by the Constitution and statutes of the United States.

22 (2) Add an amount equal to any deduction or deductions allowed
 23 or allowable pursuant to Section 62 of the Internal Revenue Code
 24 for taxes based on or measured by income and levied at the state
 25 level by any state of the United States.

26 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 27 joint return filed by a husband and wife, subtract for each spouse
 28 one thousand dollars (\$1,000).

29 (4) Subtract one thousand dollars (\$1,000) for:

30 (A) each of the exemptions provided by Section 151(c) of the
 31 Internal Revenue Code;

32 (B) each additional amount allowable under Section 63(f) of
 33 the Internal Revenue Code; and

34 (C) the spouse of the taxpayer if a separate return is made by
 35 the taxpayer and if the spouse, for the calendar year in which
 36 the taxable year of the taxpayer begins, has no gross income
 37 and is not the dependent of another taxpayer.

38 (5) Subtract:

39 (A) one thousand five hundred dollars (\$1,500) for each of the
 40 exemptions allowed under Section 151(c)(1)(B) of the Internal
 41 Revenue Code (as effective January 1, 2004); and

42 (B) five hundred dollars (\$500) for each additional amount



- 1 allowable under Section 63(f)(1) of the Internal Revenue Code
2 if the adjusted gross income of the taxpayer, or the taxpayer
3 and the taxpayer's spouse in the case of a joint return, is less
4 than forty thousand dollars (\$40,000).
5 This amount is in addition to the amount subtracted under
6 subdivision (4).
7 (6) Subtract an amount equal to the lesser of:
8 (A) that part of the individual's adjusted gross income (as
9 defined in Section 62 of the Internal Revenue Code) for that
10 taxable year that is subject to a tax that is imposed by a
11 political subdivision of another state and that is imposed on or
12 measured by income; or
13 (B) two thousand dollars (\$2,000).
14 (7) Add an amount equal to the total capital gain portion of a
15 lump sum distribution (as defined in Section 402(e)(4)(D) of the
16 Internal Revenue Code) if the lump sum distribution is received
17 by the individual during the taxable year and if the capital gain
18 portion of the distribution is taxed in the manner provided in
19 Section 402 of the Internal Revenue Code.
20 (8) Subtract any amounts included in federal adjusted gross
21 income under Section 111 of the Internal Revenue Code as a
22 recovery of items previously deducted as an itemized deduction
23 from adjusted gross income.
24 (9) Subtract any amounts included in federal adjusted gross
25 income under the Internal Revenue Code which amounts were
26 received by the individual as supplemental railroad retirement
27 annuities under 45 U.S.C. 231 and which are not deductible under
28 subdivision (1).
29 (10) Subtract an amount equal to the amount of federal Social
30 Security and Railroad Retirement benefits included in a taxpayer's
31 federal gross income by Section 86 of the Internal Revenue Code.
32 (11) In the case of a nonresident taxpayer or a resident taxpayer
33 residing in Indiana for a period of less than the taxpayer's entire
34 taxable year, the total amount of the deductions allowed pursuant
35 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
36 which bears the same ratio to the total as the taxpayer's income
37 taxable in Indiana bears to the taxpayer's total income.
38 (12) In the case of an individual who is a recipient of assistance
39 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
40 subtract an amount equal to that portion of the individual's
41 adjusted gross income with respect to which the individual is not
42 allowed under federal law to retain an amount to pay state and



- 1 local income taxes.
- 2 (13) In the case of an eligible individual, subtract the amount of
- 3 a Holocaust victim's settlement payment included in the
- 4 individual's federal adjusted gross income.
- 5 (14) Subtract an amount equal to the portion of any premiums
- 6 paid during the taxable year by the taxpayer for a qualified long
- 7 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
- 8 or the taxpayer's spouse, or both.
- 9 (15) Subtract an amount equal to the lesser of:
- 10 (A) two thousand five hundred dollars (\$2,500); or
- 11 (B) the amount of property taxes that are paid during the
- 12 taxable year in Indiana by the individual on the individual's
- 13 principal place of residence.
- 14 (16) Subtract an amount equal to the amount of a September 11
- 15 terrorist attack settlement payment included in the individual's
- 16 federal adjusted gross income.
- 17 (17) Add or subtract the amount necessary to make the adjusted
- 18 gross income of any taxpayer that owns property for which bonus
- 19 depreciation was allowed in the current taxable year or in an
- 20 earlier taxable year equal to the amount of adjusted gross income
- 21 that would have been computed had an election not been made
- 22 under Section 168(k) of the Internal Revenue Code to apply bonus
- 23 depreciation to the property in the year that it was placed in
- 24 service.
- 25 (18) Add an amount equal to any deduction allowed under
- 26 Section 172 of the Internal Revenue Code.
- 27 (19) Add or subtract the amount necessary to make the adjusted
- 28 gross income of any taxpayer that placed Section 179 property (as
- 29 defined in Section 179 of the Internal Revenue Code) in service
- 30 in the current taxable year or in an earlier taxable year equal to
- 31 the amount of adjusted gross income that would have been
- 32 computed had an election for federal income tax purposes not
- 33 been made for the year in which the property was placed in
- 34 service to take deductions under Section 179 of the Internal
- 35 Revenue Code in a total amount exceeding twenty-five thousand
- 36 dollars (\$25,000).
- 37 (20) Add an amount equal to the amount that a taxpayer claimed
- 38 as a deduction for domestic production activities for the taxable
- 39 year under Section 199 of the Internal Revenue Code for federal
- 40 income tax purposes.
- 41 (21) Subtract an amount equal to the amount of the taxpayer's
- 42 qualified military income that was not excluded from the



- 1 taxpayer's gross income for federal income tax purposes under
2 Section 112 of the Internal Revenue Code.
- 3 (22) Subtract income that is:
- 4 (A) exempt from taxation under IC 6-3-2-21.7; and
- 5 (B) included in the individual's federal adjusted gross income
6 under the Internal Revenue Code.
- 7 (23) Subtract any amount of a credit (including an advance refund
8 of the credit) that is provided to an individual under 26 U.S.C.
9 6428 (federal Economic Stimulus Act of 2008) and included in
10 the individual's federal adjusted gross income.
- 11 (24) Add any amount of unemployment compensation excluded
12 from federal gross income, as defined in Section 61 of the Internal
13 Revenue Code, under Section 85(c) of the Internal Revenue Code.
- 14 (25) Add the amount excluded from gross income under Section
15 108(a)(1)(e) of the Internal Revenue Code for the discharge of
16 debt on a qualified principal residence.
- 17 (26) Add an amount equal to any income not included in gross
18 income as a result of the deferral of income arising from business
19 indebtedness discharged in connection with the reacquisition after
20 December 31, 2008, and before January 1, 2011, of an applicable
21 debt instrument, as provided in Section 108(i) of the Internal
22 Revenue Code. Subtract the amount necessary from the adjusted
23 gross income of any taxpayer that added an amount to adjusted
24 gross income in a previous year to offset the amount included in
25 federal gross income as a result of the deferral of income arising
26 from business indebtedness discharged in connection with the
27 reacquisition after December 31, 2008, and before January 1,
28 2011, of an applicable debt instrument, as provided in Section
29 108(i) of the Internal Revenue Code.
- 30 (27) Add or subtract the amount necessary to make the adjusted
31 gross income of any taxpayer that claimed the special allowance
32 for qualified disaster assistance property under Section 168(n) of
33 the Internal Revenue Code equal to the amount of adjusted gross
34 income that would have been computed had the special allowance
35 not been claimed for the property.
- 36 (28) Add or subtract the amount necessary to make the adjusted
37 gross income of any taxpayer that made an election under Section
38 179C of the Internal Revenue Code to expense costs for qualified
39 refinery property equal to the amount of adjusted gross income
40 that would have been computed had an election for federal
41 income tax purposes not been made for the year.
- 42 (29) Add or subtract the amount necessary to make the adjusted



1 gross income of any taxpayer that made an election under Section
 2 181 of the Internal Revenue Code to expense costs for a qualified
 3 film or television production equal to the amount of adjusted
 4 gross income that would have been computed had an election for
 5 federal income tax purposes not been made for the year.

6 (30) Add or subtract the amount necessary to make the adjusted
 7 gross income of any taxpayer that treated a loss from the sale or
 8 exchange of preferred stock in:

9 (A) the Federal National Mortgage Association, established
 10 under the Federal National Mortgage Association Charter Act
 11 (12 U.S.C. 1716 et seq.); or

12 (B) the Federal Home Loan Mortgage Corporation, established
 13 under the Federal Home Loan Mortgage Corporation Act (12
 14 U.S.C. 1451 et seq.);

15 as an ordinary loss under Section 301 of the Emergency
 16 Economic Stabilization Act of 2008 in the current taxable year or
 17 in an earlier taxable year equal to the amount of adjusted gross
 18 income that would have been computed had the loss not been
 19 treated as an ordinary loss.

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

25 (32) This subdivision does not apply to payments made for
 26 services provided to a business that was enrolled and participated
 27 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
 28 time the taxpayer conducted business in Indiana in the taxable
 29 year. For a taxable year beginning after June 30, 2011, add the
 30 amount of any trade or business deduction allowed under the
 31 Internal Revenue Code for wages, reimbursements, or other
 32 payments made for services provided in Indiana by an individual
 33 for services as an employee, if the individual was, during the
 34 period of service, prohibited from being hired as an employee
 35 under 8 U.S.C. 1324a.

36 **(33) For a taxable year beginning after December 31, 2013,**
 37 **subtract the amount of Indiana investment interest payments**
 38 **that a taxpayer claimed as a deduction for the taxable year**
 39 **under Section 163 of the Internal Revenue Code in**
 40 **determining the taxpayer's taxable income under Section 63**
 41 **of the Internal Revenue Code for federal income tax purposes.**

42 (b) In the case of corporations, the same as "taxable income" (as



1 defined in Section 63 of the Internal Revenue Code) adjusted as
2 follows:

3 (1) Subtract income that is exempt from taxation under this article
4 by the Constitution and statutes of the United States.

5 (2) Add an amount equal to any deduction or deductions allowed
6 or allowable pursuant to Section 170 of the Internal Revenue
7 Code.

8 (3) Add an amount equal to any deduction or deductions allowed
9 or allowable pursuant to Section 63 of the Internal Revenue Code
10 for taxes based on or measured by income and levied at the state
11 level by any state of the United States.

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

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

23 (6) Add an amount equal to any deduction allowed under Section
24 172 of the Internal Revenue Code.

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

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

39 (9) Add to the extent required by IC 6-3-2-20 the amount of
40 intangible expenses (as defined in IC 6-3-2-20) and any directly
41 related intangible interest expenses (as defined in IC 6-3-2-20) for
42 the taxable year that reduced the corporation's taxable income (as



- 1 defined in Section 63 of the Internal Revenue Code) for federal
2 income tax purposes.
- 3 (10) Add an amount equal to any deduction for dividends paid (as
4 defined in Section 561 of the Internal Revenue Code) to
5 shareholders of a captive real estate investment trust (as defined
6 in section 34.5 of this chapter).
- 7 (11) Subtract income that is:
- 8 (A) exempt from taxation under IC 6-3-2-21.7; and
9 (B) included in the corporation's taxable income under the
10 Internal Revenue Code.
- 11 (12) Add an amount equal to any income not included in gross
12 income as a result of the deferral of income arising from business
13 indebtedness discharged in connection with the reacquisition after
14 December 31, 2008, and before January 1, 2011, of an applicable
15 debt instrument, as provided in Section 108(i) of the Internal
16 Revenue Code. Subtract from the adjusted gross income of any
17 taxpayer that added an amount to adjusted gross income in a
18 previous year the amount necessary to offset the amount included
19 in federal gross income as a result of the deferral of income
20 arising from business indebtedness discharged in connection with
21 the reacquisition after December 31, 2008, and before January 1,
22 2011, of an applicable debt instrument, as provided in Section
23 108(i) of the Internal Revenue Code.
- 24 (13) Add or subtract the amount necessary to make the adjusted
25 gross income of any taxpayer that claimed the special allowance
26 for qualified disaster assistance property under Section 168(n) of
27 the Internal Revenue Code equal to the amount of adjusted gross
28 income that would have been computed had the special allowance
29 not been claimed for the property.
- 30 (14) Add or subtract the amount necessary to make the adjusted
31 gross income of any taxpayer that made an election under Section
32 179C of the Internal Revenue Code to expense costs for qualified
33 refinery property equal to the amount of adjusted gross income
34 that would have been computed had an election for federal
35 income tax purposes not been made for the year.
- 36 (15) Add or subtract the amount necessary to make the adjusted
37 gross income of any taxpayer that made an election under Section
38 181 of the Internal Revenue Code to expense costs for a qualified
39 film or television production equal to the amount of adjusted
40 gross income that would have been computed had an election for
41 federal income tax purposes not been made for the year.
- 42 (16) Add or subtract the amount necessary to make the adjusted



1 gross income of any taxpayer that treated a loss from the sale or
2 exchange of preferred stock in:

3 (A) the Federal National Mortgage Association, established
4 under the Federal National Mortgage Association Charter Act
5 (12 U.S.C. 1716 et seq.); or

6 (B) the Federal Home Loan Mortgage Corporation, established
7 under the Federal Home Loan Mortgage Corporation Act (12
8 U.S.C. 1451 et seq.);

9 as an ordinary loss under Section 301 of the Emergency
10 Economic Stabilization Act of 2008 in the current taxable year or
11 in an earlier taxable year equal to the amount of adjusted gross
12 income that would have been computed had the loss not been
13 treated as an ordinary loss.

14 (17) This subdivision does not apply to payments made for
15 services provided to a business that was enrolled and participated
16 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
17 time the taxpayer conducted business in Indiana in the taxable
18 year. For a taxable year beginning after June 30, 2011, add the
19 amount of any trade or business deduction allowed under the
20 Internal Revenue Code for wages, reimbursements, or other
21 payments made for services provided in Indiana by an individual
22 for services as an employee, if the individual was, during the
23 period of service, prohibited from being hired as an employee
24 under 8 U.S.C. 1324a.

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

30 (c) In the case of life insurance companies (as defined in Section
31 816(a) of the Internal Revenue Code) that are organized under Indiana
32 law, the same as "life insurance company taxable income" (as defined
33 in Section 801 of the Internal Revenue Code), adjusted as follows:

34 (1) Subtract income that is exempt from taxation under this article
35 by the Constitution and statutes of the United States.

36 (2) Add an amount equal to any deduction allowed or allowable
37 under Section 170 of the Internal Revenue Code.

38 (3) Add an amount equal to a deduction allowed or allowable
39 under Section 805 or Section 831(c) of the Internal Revenue Code
40 for taxes based on or measured by income and levied at the state
41 level by any state.

42 (4) Subtract an amount equal to the amount included in the



- 1 company's taxable income under Section 78 of the Internal
2 Revenue Code.
- 3 (5) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that owns property for which bonus
5 depreciation was allowed in the current taxable year or in an
6 earlier taxable year equal to the amount of adjusted gross income
7 that would have been computed had an election not been made
8 under Section 168(k) of the Internal Revenue Code to apply bonus
9 depreciation to the property in the year that it was placed in
10 service.
- 11 (6) Add an amount equal to any deduction allowed under Section
12 172 or Section 810 of the Internal Revenue Code.
- 13 (7) Add or subtract the amount necessary to make the adjusted
14 gross income of any taxpayer that placed Section 179 property (as
15 defined in Section 179 of the Internal Revenue Code) in service
16 in the current taxable year or in an earlier taxable year equal to
17 the amount of adjusted gross income that would have been
18 computed had an election for federal income tax purposes not
19 been made for the year in which the property was placed in
20 service to take deductions under Section 179 of the Internal
21 Revenue Code in a total amount exceeding twenty-five thousand
22 dollars (\$25,000).
- 23 (8) Add an amount equal to the amount that a taxpayer claimed as
24 a deduction for domestic production activities for the taxable year
25 under Section 199 of the Internal Revenue Code for federal
26 income tax purposes.
- 27 (9) Subtract income that is:
- 28 (A) exempt from taxation under IC 6-3-2-21.7; and
29 (B) included in the insurance company's taxable income under
30 the Internal Revenue Code.
- 31 (10) Add an amount equal to any income not included in gross
32 income as a result of the deferral of income arising from business
33 indebtedness discharged in connection with the reacquisition after
34 December 31, 2008, and before January 1, 2011, of an applicable
35 debt instrument, as provided in Section 108(i) of the Internal
36 Revenue Code. Subtract from the adjusted gross income of any
37 taxpayer that added an amount to adjusted gross income in a
38 previous year the amount necessary to offset the amount included
39 in federal gross income as a result of the deferral of income
40 arising from business indebtedness discharged in connection with
41 the reacquisition after December 31, 2008, and before January 1,
42 2011, of an applicable debt instrument, as provided in Section



- 1 108(i) of the Internal Revenue Code.
- 2 (11) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that claimed the special allowance
- 4 for qualified disaster assistance property under Section 168(n) of
- 5 the Internal Revenue Code equal to the amount of adjusted gross
- 6 income that would have been computed had the special allowance
- 7 not been claimed for the property.
- 8 (12) Add or subtract the amount necessary to make the adjusted
- 9 gross income of any taxpayer that made an election under Section
- 10 179C of the Internal Revenue Code to expense costs for qualified
- 11 refinery property equal to the amount of adjusted gross income
- 12 that would have been computed had an election for federal
- 13 income tax purposes not been made for the year.
- 14 (13) Add or subtract the amount necessary to make the adjusted
- 15 gross income of any taxpayer that made an election under Section
- 16 181 of the Internal Revenue Code to expense costs for a qualified
- 17 film or television production equal to the amount of adjusted
- 18 gross income that would have been computed had an election for
- 19 federal income tax purposes not been made for the year.
- 20 (14) Add or subtract the amount necessary to make the adjusted
- 21 gross income of any taxpayer that treated a loss from the sale or
- 22 exchange of preferred stock in:
- 23 (A) the Federal National Mortgage Association, established
- 24 under the Federal National Mortgage Association Charter Act
- 25 (12 U.S.C. 1716 et seq.); or
- 26 (B) the Federal Home Loan Mortgage Corporation, established
- 27 under the Federal Home Loan Mortgage Corporation Act (12
- 28 U.S.C. 1451 et seq.);
- 29 as an ordinary loss under Section 301 of the Emergency
- 30 Economic Stabilization Act of 2008 in the current taxable year or
- 31 in an earlier taxable year equal to the amount of adjusted gross
- 32 income that would have been computed had the loss not been
- 33 treated as an ordinary loss.
- 34 (15) Add an amount equal to any exempt insurance income under
- 35 Section 953(e) of the Internal Revenue Code that is active
- 36 financing income under Subpart F of Subtitle A, Chapter 1,
- 37 Subchapter N of the Internal Revenue Code.
- 38 (16) This subdivision does not apply to payments made for
- 39 services provided to a business that was enrolled and participated
- 40 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
- 41 time the taxpayer conducted business in Indiana in the taxable
- 42 year. For a taxable year beginning after June 30, 2011, add the



- 1 amount of any trade or business deduction allowed under the
 2 Internal Revenue Code for wages, reimbursements, or other
 3 payments made for services provided in Indiana by an individual
 4 for services as an employee, if the individual was, during the
 5 period of service, prohibited from being hired as an employee
 6 under 8 U.S.C. 1324a.
- 7 (17) Add the amount excluded from federal gross income under
 8 Section 103 of the Internal Revenue Code for interest received on
 9 an obligation of a state other than Indiana, or a political
 10 subdivision of such a state, that is acquired by the taxpayer after
 11 December 31, 2011.
- 12 (d) In the case of insurance companies subject to tax under Section
 13 831 of the Internal Revenue Code and organized under Indiana law, the
 14 same as "taxable income" (as defined in Section 832 of the Internal
 15 Revenue Code), adjusted as follows:
- 16 (1) Subtract income that is exempt from taxation under this article
 17 by the Constitution and statutes of the United States.
- 18 (2) Add an amount equal to any deduction allowed or allowable
 19 under Section 170 of the Internal Revenue Code.
- 20 (3) Add an amount equal to a deduction allowed or allowable
 21 under Section 805 or Section 831(c) of the Internal Revenue Code
 22 for taxes based on or measured by income and levied at the state
 23 level by any state.
- 24 (4) Subtract an amount equal to the amount included in the
 25 company's taxable income under Section 78 of the Internal
 26 Revenue Code.
- 27 (5) Add or subtract the amount necessary to make the adjusted
 28 gross income of any taxpayer that owns property for which bonus
 29 depreciation was allowed in the current taxable year or in an
 30 earlier taxable year equal to the amount of adjusted gross income
 31 that would have been computed had an election not been made
 32 under Section 168(k) of the Internal Revenue Code to apply bonus
 33 depreciation to the property in the year that it was placed in
 34 service.
- 35 (6) Add an amount equal to any deduction allowed under Section
 36 172 of the Internal Revenue Code.
- 37 (7) Add or subtract the amount necessary to make the adjusted
 38 gross income of any taxpayer that placed Section 179 property (as
 39 defined in Section 179 of the Internal Revenue Code) in service
 40 in the current taxable year or in an earlier taxable year equal to
 41 the amount of adjusted gross income that would have been
 42 computed had an election for federal income tax purposes not



- 1 been made for the year in which the property was placed in
2 service to take deductions under Section 179 of the Internal
3 Revenue Code in a total amount exceeding twenty-five thousand
4 dollars (\$25,000).
- 5 (8) Add an amount equal to the amount that a taxpayer claimed as
6 a deduction for domestic production activities for the taxable year
7 under Section 199 of the Internal Revenue Code for federal
8 income tax purposes.
- 9 (9) Subtract income that is:
- 10 (A) exempt from taxation under IC 6-3-2-21.7; and
11 (B) included in the insurance company's taxable income under
12 the Internal Revenue Code.
- 13 (10) Add an amount equal to any income not included in gross
14 income as a result of the deferral of income arising from business
15 indebtedness discharged in connection with the reacquisition after
16 December 31, 2008, and before January 1, 2011, of an applicable
17 debt instrument, as provided in Section 108(i) of the Internal
18 Revenue Code. Subtract from the adjusted gross income of any
19 taxpayer that added an amount to adjusted gross income in a
20 previous year the amount necessary to offset the amount included
21 in federal gross income as a result of the deferral of income
22 arising from business indebtedness discharged in connection with
23 the reacquisition after December 31, 2008, and before January 1,
24 2011, of an applicable debt instrument, as provided in Section
25 108(i) of the Internal Revenue Code.
- 26 (11) Add or subtract the amount necessary to make the adjusted
27 gross income of any taxpayer that claimed the special allowance
28 for qualified disaster assistance property under Section 168(n) of
29 the Internal Revenue Code equal to the amount of adjusted gross
30 income that would have been computed had the special allowance
31 not been claimed for the property.
- 32 (12) Add or subtract the amount necessary to make the adjusted
33 gross income of any taxpayer that made an election under Section
34 179C of the Internal Revenue Code to expense costs for qualified
35 refinery property equal to the amount of adjusted gross income
36 that would have been computed had an election for federal
37 income tax purposes not been made for the year.
- 38 (13) Add or subtract the amount necessary to make the adjusted
39 gross income of any taxpayer that made an election under Section
40 181 of the Internal Revenue Code to expense costs for a qualified
41 film or television production equal to the amount of adjusted
42 gross income that would have been computed had an election for



1 federal income tax purposes not been made for the year.

2 (14) Add or subtract the amount necessary to make the adjusted
3 gross income of any taxpayer that treated a loss from the sale or
4 exchange of preferred stock in:

5 (A) the Federal National Mortgage Association, established
6 under the Federal National Mortgage Association Charter Act
7 (12 U.S.C. 1716 et seq.); or

8 (B) the Federal Home Loan Mortgage Corporation, established
9 under the Federal Home Loan Mortgage Corporation Act (12
10 U.S.C. 1451 et seq.);

11 as an ordinary loss under Section 301 of the Emergency
12 Economic Stabilization Act of 2008 in the current taxable year or
13 in an earlier taxable year equal to the amount of adjusted gross
14 income that would have been computed had the loss not been
15 treated as an ordinary loss.

16 (15) Add an amount equal to any exempt insurance income under
17 Section 953(e) of the Internal Revenue Code that is active
18 financing income under Subpart F of Subtitle A, Chapter 1,
19 Subchapter N of the Internal Revenue Code.

20 (16) This subdivision does not apply to payments made for
21 services provided to a business that was enrolled and participated
22 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
23 time the taxpayer conducted business in Indiana in the taxable
24 year. For a taxable year beginning after June 30, 2011, add the
25 amount of any trade or business deduction allowed under the
26 Internal Revenue Code for wages, reimbursements, or other
27 payments made for services provided in Indiana by an individual
28 for services as an employee, if the individual was, during the
29 period of service, prohibited from being hired as an employee
30 under 8 U.S.C. 1324a.

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

36 (e) In the case of trusts and estates, "taxable income" (as defined for
37 trusts and estates in Section 641(b) of the Internal Revenue Code)
38 adjusted as follows:

39 (1) Subtract income that is exempt from taxation under this article
40 by the Constitution and statutes of the United States.

41 (2) Subtract an amount equal to the amount of a September 11
42 terrorist attack settlement payment included in the federal



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



- 1 2011, of an applicable debt instrument, as provided in Section
 2 108(i) of the Internal Revenue Code.
- 3 (9) Add or subtract the amount necessary to make the adjusted
 4 gross income of any taxpayer that claimed the special allowance
 5 for qualified disaster assistance property under Section 168(n) of
 6 the Internal Revenue Code equal to the amount of adjusted gross
 7 income that would have been computed had the special allowance
 8 not been claimed for the property.
- 9 (10) Add or subtract the amount necessary to make the adjusted
 10 gross income of any taxpayer that made an election under Section
 11 179C of the Internal Revenue Code to expense costs for qualified
 12 refinery property equal to the amount of adjusted gross income
 13 that would have been computed had an election for federal
 14 income tax purposes not been made for the year.
- 15 (11) Add or subtract the amount necessary to make the adjusted
 16 gross income of any taxpayer that made an election under Section
 17 181 of the Internal Revenue Code to expense costs for a qualified
 18 film or television production equal to the amount of adjusted
 19 gross income that would have been computed had an election for
 20 federal income tax purposes not been made for the year.
- 21 (12) Add or subtract the amount necessary to make the adjusted
 22 gross income of any taxpayer that treated a loss from the sale or
 23 exchange of preferred stock in:
- 24 (A) the Federal National Mortgage Association, established
 25 under the Federal National Mortgage Association Charter Act
 26 (12 U.S.C. 1716 et seq.); or
- 27 (B) the Federal Home Loan Mortgage Corporation, established
 28 under the Federal Home Loan Mortgage Corporation Act (12
 29 U.S.C. 1451 et seq.);
- 30 as an ordinary loss under Section 301 of the Emergency
 31 Economic Stabilization Act of 2008 in the current taxable year or
 32 in an earlier taxable year equal to the amount of adjusted gross
 33 income that would have been computed had the loss not been
 34 treated as an ordinary loss.
- 35 (13) Add the amount excluded from gross income under Section
 36 108(a)(1)(e) of the Internal Revenue Code for the discharge of
 37 debt on a qualified principal residence.
- 38 (14) This subdivision does not apply to payments made for
 39 services provided to a business that was enrolled and participated
 40 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
 41 time the taxpayer conducted business in Indiana in the taxable
 42 year. For a taxable year beginning after June 30, 2011, add the



1 amount of any trade or business deduction allowed under the
 2 Internal Revenue Code for wages, reimbursements, or other
 3 payments made for services provided in Indiana by an individual
 4 for services as an employee, if the individual was, during the
 5 period of service, prohibited from being hired as an employee
 6 under 8 U.S.C. 1324a.

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

12 SECTION 39. IC 6-3-1-36 IS ADDED TO THE INDIANA CODE
 13 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 14 **JANUARY 1, 2014 (RETROACTIVE)]**: **Sec. 36. "Indiana investment**
 15 **interest payment" means a payment of investment interest (as**
 16 **defined in Section 163(d) of the Internal Revenue Code) made with**
 17 **respect to tangible property held for investment in Indiana.**

18 SECTION 40. IC 6-3.1-11-24 IS ADDED TO THE INDIANA
 19 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 20 **[EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]**: **Sec. 24. (a) If**
 21 **a pass through entity does not have state income tax liability**
 22 **against which the tax credit provided by this chapter may be**
 23 **applied, a shareholder, partner, or member of the pass through**
 24 **entity is entitled to a tax credit equal to:**

25 (1) the tax credit determined for the pass through entity for
 26 the taxable year; multiplied by

27 (2) the percentage of the pass through entity's distributive
 28 income to which the shareholder, partner, or member is
 29 entitled.

30 (b) The credit provided under subsection (a) is in addition to a
 31 tax credit to which a shareholder, partner, or member of a pass
 32 through entity is otherwise entitled under this chapter.

33 SECTION 41. IC 6-3.1-16-1 IS REPEALED [EFFECTIVE
 34 JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~

35 (1) ~~IC 14-8-2 that apply to IC 14-21-1; and~~

36 (2) ~~IC 14-21-1;~~

37 ~~apply throughout this chapter.~~

38 SECTION 42. IC 6-3.1-16-2 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: **Sec. 2. As used in this**
 40 **chapter, "division" "office" means the division of historic preservation**
 41 **and archaeology of the department of natural resources: office of**
 42 **community and rural affairs established by IC 4-4-9.7-4.**



1 SECTION 43. IC 6-3.1-16-7 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) Subject to
 3 section 14 of this chapter, a taxpayer is entitled to a credit against the
 4 taxpayer's state tax liability in the taxable year in which the taxpayer
 5 completes the preservation or rehabilitation of historic property and
 6 obtains the certifications required under section 8 of this chapter.

7 (b) The amount of the credit is equal to twenty percent (20%) of the
 8 qualified expenditures that:

9 (1) the taxpayer makes for the preservation or rehabilitation of
 10 historic property; and

11 (2) are approved by the ~~division~~ **office**.

12 (c) In the case of a husband and wife who:

13 (1) own and rehabilitate a historic property jointly; and

14 (2) file separate tax returns;

15 the husband and wife may take the credit in equal shares or one (1)
 16 spouse may take the whole credit.

17 SECTION 44. IC 6-3.1-16-8 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. A taxpayer
 19 qualifies for a credit under section 7 of this chapter if all of the
 20 following conditions are met:

21 (1) The historic property is:

22 (A) located in Indiana;

23 (B) at least fifty (50) years old; and

24 (C) except as provided in section 7(c) of this chapter, owned
 25 by the taxpayer.

26 (2) The ~~division~~ **office** certifies that the historic property is listed
 27 in the register of Indiana historic sites and historic structures.

28 (3) The ~~division~~ **office** certifies that the taxpayer submitted a
 29 proposed preservation or rehabilitation plan to the ~~division~~ **office**
 30 that complies with the standards of the ~~division~~ **office**.

31 (4) The ~~division~~ **office** certifies that the preservation or
 32 rehabilitation work that is the subject of the credit substantially
 33 complies with the proposed plan referred to in subdivision (3).

34 (5) The preservation or rehabilitation work is completed in not
 35 more than:

36 (A) two (2) years; or

37 (B) five (5) years if the preservation or rehabilitation plan
 38 indicates that the preservation or rehabilitation is initially
 39 planned for completion in phases.

40 The time in which work must be completed begins when the
 41 physical work of construction or destruction in preparation for
 42 construction begins.



- 1 (6) The historic property is:
 2 (A) actively used in a trade or business;
 3 (B) held for the production of income; or
 4 (C) held for the rental or other use in the ordinary course of the
 5 taxpayer's trade or business.
 6 (7) The qualified expenditures for preservation or rehabilitation
 7 of the historic property exceed ten thousand dollars (\$10,000).
- 8 SECTION 45. IC 6-3.1-16-9 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. (a) The
 10 ~~division office~~ shall provide the certifications referred to in section 8(3)
 11 and 8(4) of this chapter if a taxpayer's proposed preservation or
 12 rehabilitation plan complies with the standards of the ~~division office~~
 13 and the taxpayer's preservation or rehabilitation work complies with the
 14 plan.
- 15 (b) The taxpayer may appeal a ~~decision~~ **final determination** by the
 16 ~~division office~~ under this chapter to the ~~review board~~: **tax court**.
- 17 SECTION 46. IC 6-3.1-16-10 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. To obtain a
 19 credit under this chapter, a taxpayer must claim the credit on the
 20 taxpayer's annual state tax return or returns in the manner prescribed
 21 by the department of state revenue. The taxpayer shall submit to the
 22 department of state revenue the certifications by the ~~division office~~
 23 required under section 8 of this chapter and all information that the
 24 department of state revenue determines is necessary for the calculation
 25 of the credit provided by this chapter.
- 26 SECTION 47. IC 6-3.1-16-12 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 12. (a) A credit
 28 claimed under this chapter shall be recaptured from the taxpayer if:
 29 (1) the property is transferred less than five (5) years after
 30 completion of the certified preservation or rehabilitation work; or
 31 (2) less than five (5) years after completion of the certified
 32 preservation or rehabilitation, additional modifications to the
 33 property are undertaken that do not meet the standards of the
 34 ~~division~~: **office**.
- 35 (b) If the recapture of a credit is required under this section, an
 36 amount equal to the credit recaptured shall be added to the tax liability
 37 of the taxpayer for the taxable year during which the credit is
 38 recaptured.
- 39 SECTION 48. IC 6-3.1-16-15 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 15. (a) The
 41 following may adopt rules under IC 4-22-2 to carry out this chapter:
 42 (1) The department of state revenue.



1 (2) The ~~division~~ office.

2 (b) The following apply to any rules adopted by the division of
3 historic preservation and archaeology of the department of natural
4 resources under this chapter before January 1, 2015:

5 (1) The rules are transferred to the office on January 1, 2015,
6 and are considered, after December 31, 2014, to be rules of
7 the office.

8 (2) After December 31, 2014, the rules are treated as if they
9 had been adopted by the office.

10 SECTION 49. IC 6-3.1-20-1 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this
12 chapter, "earned "Indiana income" means the sum of the:

13 (1) wages, salaries, tips, and other employee compensation; and
14 (2) net earnings from self-employment (as computed under
15 Section 32(c)(2) of the Internal Revenue Code);

16 **adjusted gross income** of an individual taxpayer, and the individual's
17 spouse, if the individual files a joint adjusted gross income tax return.

18 SECTION 50. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013,
19 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b),
21 an individual is entitled to a credit under this chapter if:

22 (1) the individual's **earned Indiana** income for the taxable year is
23 less than eighteen thousand six hundred dollars (\$18,600); and
24 (2) the individual pays property taxes in the taxable year on a
25 homestead that:

26 (A) the individual:

27 (i) owns; or

28 (ii) is buying under a contract that requires the individual to
29 pay property taxes on the homestead, if the contract or a
30 memorandum of the contract is recorded in the county
31 recorder's office; and

32 (B) is located in a county having a population of more than
33 four hundred thousand (400,000) but less than seven hundred
34 thousand (700,000).

35 (b) An individual is not entitled to a credit under this chapter for a
36 taxable year for property taxes paid on the individual's homestead if the
37 individual claims the deduction under IC 6-3-1-3.5(a)(15) for the
38 homestead for that same taxable year.

39 SECTION 51. IC 6-3.1-20-5 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year,
41 an individual described in section 4 of this chapter is entitled to a
42 refundable credit against the individual's state income tax liability in



- 1 the amount determined under this section.
- 2 (b) In the case of an individual with **earned Indiana** income of less
3 than eighteen thousand dollars (\$18,000) for the taxable year, the
4 amount of the credit is equal to the lesser of:
- 5 (1) three hundred dollars (\$300); or
 - 6 (2) the amount of property taxes described in section 4(a)(2) of
7 this chapter paid by the individual in the taxable year.
- 8 (c) In the case of an individual with **earned Indiana** income that is
9 at least eighteen thousand dollars (\$18,000) but less than eighteen
10 thousand six hundred dollars (\$18,600) for the taxable year, the amount
11 of the credit is equal to the lesser of the following:
- 12 (1) An amount determined under the following STEPS:
13 STEP ONE: Determine the result of:
14 (i) eighteen thousand six hundred dollars (\$18,600); minus
15 (ii) the individual's **earned Indiana** income for the taxable
16 year.
17 STEP TWO: Determine the result of:
18 (i) the STEP ONE amount; multiplied by
19 (ii) five-tenths (0.5).
20 (2) The amount of property taxes described in section 4(a)(2) of
21 this chapter paid by the individual in the taxable year.
 - 22 (d) If the amount of the credit under this chapter exceeds the
23 individual's state tax liability for the taxable year, the excess shall be
24 refunded to the taxpayer.
- 25 SECTION 52. IC 6-3.1-20-7 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) The
27 department shall before July 1 of each year determine **the greater of:**
28 **(1) eight million five hundred thousand dollars (\$8,500,000);**
29 **or**
30 **(2) the amount of credits allowed under this chapter for taxable**
31 **years ending before January 1 of the year.**
- 32 (b) **Except as provided in subsection (d),** one-half (1/2) of the
33 amount determined by the department under subsection (a) shall be:
34 (1) deducted during the year from the riverboat admissions tax
35 revenue otherwise payable to the county under
36 IC 4-33-12-6(d)(2); and
37 (2) paid instead to the state general fund.
- 38 (c) **Except as provided in subsection (d),** one-sixth (1/6) of the
39 amount determined by the department under subsection (a) shall be:
40 (1) deducted during the year from the riverboat admissions tax
41 revenue otherwise payable under IC 4-33-12-6(d)(1) to each of
42 the following:



- 1 (A) The largest city by population located in the county.
- 2 (B) The second largest city by population located in the
- 3 county.
- 4 (C) The third largest city by population located in the county;
- 5 and
- 6 (2) paid instead to the state general fund.
- 7 **(d) If the amount determined by the department under**
- 8 **subsection (a)(2) is less than eight million five hundred thousand**
- 9 **dollars (\$8,500,000), the difference of:**
- 10 **(1) eight million five hundred thousand dollars (\$8,500,000);**
- 11 **minus**
- 12 **(2) the amount determined by the department under**
- 13 **subsection (a)(2);**
- 14 **shall be paid to the northwest Indiana regional development**
- 15 **authority established by IC 36-7.5-2-1 instead of the state general**
- 16 **fund. Any amount paid under this subsection shall be used by the**
- 17 **northwest Indiana regional development authority only to establish**
- 18 **or improve public mass transportation systems in Lake County.**
- 19 SECTION 53. IC 6-3.1-22-1 IS REPEALED [EFFECTIVE
- 20 JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~
- 21 ~~(1) IC 14-8-2 that apply to IC 14-21-1; and~~
- 22 ~~(2) IC 14-21-1;~~
- 23 ~~apply throughout this chapter.~~
- 24 SECTION 54. IC 6-3.1-22-2 IS AMENDED TO READ AS
- 25 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this
- 26 chapter, ~~"division"~~ **"office"** means the ~~division of historic preservation~~
- 27 ~~and archeology of the department of natural resources.~~ **office of**
- 28 **community and rural affairs established by IC 4-4-9.7-4.**
- 29 SECTION 55. IC 6-3.1-22-8 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) Subject to
- 31 section 14 of this chapter, a taxpayer is entitled to a credit against the
- 32 taxpayer's state tax liability in the taxable year in which the taxpayer
- 33 completes the preservation or rehabilitation of historic property and
- 34 obtains the certifications required under section 9 of this chapter.
- 35 (b) The amount of the credit is equal to twenty percent (20%) of the
- 36 qualified expenditures that:
- 37 (1) the taxpayer makes for the preservation or rehabilitation of
- 38 historic property; and
- 39 (2) are approved by the ~~division.~~ **office.**
- 40 (c) In the case of a husband and wife who:
- 41 (1) own and rehabilitate a historic property jointly; and
- 42 (2) file separate tax returns;



1 the husband and wife may take the credit in equal shares or one (1)
2 spouse may take the whole credit.

3 SECTION 56. IC 6-3.1-22-9 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. A taxpayer
5 qualifies for a credit under section 8 of this chapter if all of the
6 following conditions are met:

7 (1) The historic property is:

8 (A) located in Indiana;

9 (B) at least fifty (50) years old; and

10 (C) except as provided in section 8(c) of this chapter, owned
11 by the taxpayer.

12 (2) The ~~division office~~ certifies that the historic property is listed
13 in the register of Indiana historic sites and historic structures.

14 (3) The ~~division office~~ certifies that the taxpayer submitted a
15 proposed preservation or rehabilitation plan to the ~~division office~~
16 that complies with the standards of the ~~division office~~.

17 (4) The ~~division office~~ certifies that the preservation or
18 rehabilitation work that is the subject of the credit substantially
19 complies with the proposed plan referred to in subdivision (3).

20 (5) The preservation or rehabilitation work is completed in not
21 more than:

22 (A) two (2) years; or

23 (B) five (5) years if the preservation or rehabilitation plan
24 indicates that the preservation or rehabilitation is initially
25 planned for completion in phases.

26 The time in which work must be completed begins when the
27 physical work of construction or destruction in preparation for
28 construction begins.

29 (6) The historic property is principally used and occupied by the
30 taxpayer as the taxpayer's residence.

31 (7) The qualified expenditures for preservation or rehabilitation
32 of the historic property exceed ten thousand dollars (\$10,000).

33 SECTION 57. IC 6-3.1-22-10 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. (a) The
35 ~~division office~~ shall provide the certifications referred to in section 9(3)
36 and 9(4) of this chapter if a taxpayer's proposed preservation or
37 rehabilitation plan complies with the standards of the ~~division office~~
38 and the taxpayer's preservation or rehabilitation work complies with the
39 plan.

40 (b) The taxpayer may appeal a ~~decision final determination~~ by the
41 ~~division office~~ under this chapter to the ~~review board~~: **tax court**.

42 SECTION 58. IC 6-3.1-22-11 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 11. To obtain a
 2 credit under this chapter, a taxpayer must claim the credit on the
 3 taxpayer's annual state tax return or returns in the manner prescribed
 4 by the department of state revenue. The taxpayer shall submit to the
 5 department of state revenue the certifications by the ~~division~~ **office**
 6 required under section 9 of this chapter and all information that the
 7 department of state revenue determines is necessary for the calculation
 8 of the credit provided by this chapter.

9 SECTION 59. IC 6-3.1-22-13 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 13. (a) A credit
 11 claimed under this chapter shall be recaptured from the taxpayer if:

- 12 (1) the property is transferred less than five (5) years after
 13 completion of the certified preservation or rehabilitation work; or
 14 (2) less than five (5) years after completion of the certified
 15 preservation or rehabilitation, additional modifications to the
 16 property are undertaken that do not meet the standards of the
 17 ~~division~~ **office**.

18 (b) If the recapture of a credit is required under this section, an
 19 amount equal to the credit recaptured shall be added to the tax liability
 20 of the taxpayer for the taxable year during which the credit is
 21 recaptured.

22 SECTION 60. IC 6-3.1-22-16 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 16. (a) The
 24 following may adopt rules under IC 4-22-2 to carry out this chapter:

- 25 (1) The department of state revenue.
 26 (2) The ~~division~~ **office**.

27 (b) **The following apply to any rules adopted by the division of
 28 historic preservation and archaeology of the department of natural
 29 resources under this chapter before January 1, 2015:**

- 30 (1) **The rules are transferred to the office on January 1, 2015,
 31 and are considered, after December 31, 2014, to be rules of
 32 the office.**
 33 (2) **After December 31, 2014, the rules are treated as if they
 34 had been adopted by the office.**

35 SECTION 61. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,
 36 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county, city, or
 38 town for a county in which the county economic development tax is
 39 imposed shall establish an economic development income tax fund.
 40 Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this
 41 chapter, the revenue received by a county, city, or town under this
 42 chapter shall be deposited in the unit's economic development income



1 tax fund.

2 (b) As used in this subsection, "homestead" means a homestead that
 3 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
 4 provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter,
 5 revenues from the county economic development income tax may be
 6 used as follows:

7 (1) By a county, city, or town for economic development projects,
 8 for paying, notwithstanding any other law, under a written
 9 agreement all or a part of the interest owed by a private developer
 10 or user on a loan extended by a financial institution or other
 11 lender to the developer or user if the proceeds of the loan are or
 12 are to be used to finance an economic development project, for
 13 the retirement of bonds under section 14 of this chapter for
 14 economic development projects, for leases under section 21 of
 15 this chapter, or for leases or bonds entered into or issued prior to
 16 the date the economic development income tax was imposed if
 17 the purpose of the lease or bonds would have qualified as a
 18 purpose under this chapter at the time the lease was entered into
 19 or the bonds were issued.

20 (2) By a county, city, or town for:
 21 (A) the construction or acquisition of, or remedial action with
 22 respect to, a capital project for which the unit is empowered to
 23 issue general obligation bonds or establish a fund under any
 24 statute listed in IC 6-1.1-18.5-9.8;
 25 (B) the retirement of bonds issued under any provision of
 26 Indiana law for a capital project;
 27 (C) the payment of lease rentals under any statute for a capital
 28 project;
 29 (D) contract payments to a nonprofit corporation whose
 30 primary corporate purpose is to assist government in planning
 31 and implementing economic development projects;
 32 (E) operating expenses of a governmental entity that plans or
 33 implements economic development projects;
 34 (F) to the extent not otherwise allowed under this chapter,
 35 funding substance removal or remedial action in a designated
 36 unit; or
 37 (G) funding of a revolving fund established under
 38 IC 5-1-14-14.

39 (3) By a county, city, or town for any lawful purpose for which
 40 money in any of its other funds may be used.

41 (4) By a city or county described in IC 36-7.5-2-3(b) for making
 42 transfers required by IC 36-7.5-4-2. If the county economic



1 development income tax rate is increased after April 30, 2005, in
 2 Porter County, the first three million five hundred thousand
 3 dollars (\$3,500,000) of the tax revenue that results each year from
 4 the tax rate increase shall be used by the county or by eligible
 5 municipalities (as defined in IC 36-7.5-1-11.3) in the county only
 6 to make the county's transfer required by IC 36-7.5-4-2. The first
 7 three million five hundred thousand dollars (\$3,500,000) of the
 8 tax revenue that results each year from the tax rate increase shall
 9 be paid by the county treasurer to the treasurer of the northwest
 10 Indiana regional development authority under IC 36-7.5-4-2
 11 before certified distributions are made to the county or any cities
 12 or towns in the county under this chapter from the tax revenue
 13 that results each year from the tax rate increase. If Porter County
 14 ceases to be a member of the northwest Indiana regional
 15 development authority under IC 36-7.5 but two (2) or more
 16 municipalities in the county have become members of the
 17 northwest Indiana regional development authority as authorized
 18 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer
 19 the three million five hundred thousand dollars (\$3,500,000) to
 20 the treasurer of the northwest Indiana regional development
 21 authority under IC 36-7.5-4-2 before certified distributions are
 22 made to the county or any cities or towns in the county. In Porter
 23 County, all of the tax revenue that results each year from the tax
 24 rate increase that is in excess of the first three million five
 25 hundred thousand dollars (\$3,500,000) that results each year from
 26 the tax rate increase must be used by the county and cities and
 27 towns in the county for homestead credits under subdivision (5).
 28 (5) This subdivision applies only in Porter County. All of the tax
 29 revenue that results each year from a tax rate increase described
 30 in subdivision (4) that is in excess of the first three million five
 31 hundred thousand dollars (\$3,500,000) that results each year from
 32 the tax rate increase must be used by the county and cities and
 33 towns in the county for homestead credits under this subdivision.
 34 The following apply to homestead credits provided under this
 35 subdivision:

- 36 (A) The homestead credits must be applied uniformly to
- 37 provide a homestead credit for homesteads in the county, city,
- 38 or town.
- 39 (B) The homestead credits shall be treated for all purposes as
- 40 property tax levies.
- 41 (C) The homestead credits shall be applied to the net property
- 42 taxes due on the homestead after the application of all other



- 1 assessed value deductions or property tax deductions and
2 credits that apply to the amount owed under IC 6-1.1.
- 3 (D) The department of local government finance shall
4 determine the homestead credit percentage for a particular
5 year based on the amount of county economic development
6 income tax revenue that will be used under this subdivision to
7 provide homestead credits in that year.
- 8 (6) This subdivision applies only in Lake County. The county or
9 a city or town in the county may use county economic
10 development income tax revenue to provide homestead credits in
11 the county, city, or town. The following apply to homestead
12 credits provided under this subdivision:
- 13 (A) The county, city, or town fiscal body must adopt a
14 ordinance authorizing the homestead credits. The ordinance
15 must specify the amount of county economic development
16 income tax revenue that will be used to provide homestead
17 credits in the following year.
- 18 (B) The county, city, or town fiscal body that adopts an
19 ordinance under this subdivision must forward a copy of the
20 ordinance to the county auditor and the department of local
21 government finance not more than thirty (30) days after the
22 ordinance is adopted.
- 23 (C) The homestead credits must be applied uniformly to
24 increase the homestead credit under IC 6-1.1-20.9 (repealed)
25 for homesteads in the county, city, or town (for property taxes
26 first due and payable before January 1, 2009) or to provide a
27 homestead credit for homesteads in the county, city, or town
28 (for property taxes first due and payable after December 31,
29 2008).
- 30 (D) The homestead credits shall be treated for all purposes as
31 property tax levies.
- 32 (E) The homestead credits shall be applied to the net property
33 taxes due on the homestead after the application of all other
34 assessed value deductions or property tax deductions and
35 credits that apply to the amount owed under IC 6-1.1.
- 36 (F) The department of local government finance shall
37 determine the homestead credit percentage for a particular
38 year based on the amount of county economic development
39 income tax revenue that will be used under this subdivision to
40 provide homestead credits in that year.
- 41 (7) For a regional venture capital fund established under section
42 13.5 of this chapter or a local venture capital fund established



- 1 under section 13.6 of this chapter.
2 (8) This subdivision applies only to LaPorte County, if:
3 (A) the county fiscal body has adopted an ordinance under
4 IC 36-7.5-2-3(e) providing that the county is joining the
5 northwest Indiana regional development authority; and
6 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has
7 adopted an ordinance under IC 36-7.5-2-3(e) providing that
8 the city is joining the development authority.
9 Revenue from the county economic development income tax may
10 be used by a county or a city described in this subdivision for
11 making transfers required by IC 36-7.5-4-2. In addition, if the
12 county economic development income tax rate is increased after
13 June 30, 2006, in the county, the first three million five hundred
14 thousand dollars (\$3,500,000) of the tax revenue that results each
15 year from the tax rate increase shall be used by the county only to
16 make the county's transfer required by IC 36-7.5-4-2. The first
17 three million five hundred thousand dollars (\$3,500,000) of the
18 tax revenue that results each year from the tax rate increase shall
19 be paid by the county treasurer to the treasurer of the northwest
20 Indiana regional development authority under IC 36-7.5-4-2
21 before certified distributions are made to the county or any cities
22 or towns in the county under this chapter from the tax revenue
23 that results each year from the tax rate increase. All of the tax
24 revenue that results each year from the tax rate increase that is in
25 excess of the first three million five hundred thousand dollars
26 (\$3,500,000) that results each year from the tax rate increase must
27 be used by the county and cities and towns in the county for
28 homestead credits under subdivision (9).
29 (9) This subdivision applies only to LaPorte County. All of the tax
30 revenue that results each year from a tax rate increase described
31 in subdivision (8) that is in excess of the first three million five
32 hundred thousand dollars (\$3,500,000) that results each year from
33 the tax rate increase must be used by the county and cities and
34 towns in the county for homestead credits under this subdivision.
35 The following apply to homestead credits provided under this
36 subdivision:
37 (A) The homestead credits must be applied uniformly to
38 provide a homestead credit for homesteads in the county, city,
39 or town.
40 (B) The homestead credits shall be treated for all purposes as
41 property tax levies.
42 (C) The homestead credits shall be applied to the net property



1 taxes due on the homestead after the application of all other
 2 assessed value deductions or property tax deductions and
 3 credits that apply to the amount owed under IC 6-1.1.

4 (D) The department of local government finance shall
 5 determine the homestead credit percentage for a particular
 6 year based on the amount of county economic development
 7 income tax revenue that will be used under this subdivision to
 8 provide homestead credits in that year.

9 **(10) By a county as matching funds for a grant received under**
 10 **IC 4-4-39.**

11 (c) As used in this section, an economic development project is any
 12 project that:

13 (1) the county, city, or town determines will:

14 (A) promote significant opportunities for the gainful
 15 employment of its citizens;

16 (B) attract a major new business enterprise to the unit; or

17 (C) retain or expand a significant business enterprise within
 18 the unit; and

19 (2) involves an expenditure for:

20 (A) the acquisition of land;

21 (B) interests in land;

22 (C) site improvements;

23 (D) infrastructure improvements;

24 (E) buildings;

25 (F) structures;

26 (G) rehabilitation, renovation, and enlargement of buildings
 27 and structures;

28 (H) machinery;

29 (I) equipment;

30 (J) furnishings;

31 (K) facilities;

32 (L) administrative expenses associated with such a project,
 33 including contract payments authorized under subsection
 34 (b)(2)(D);

35 (M) operating expenses authorized under subsection (b)(2)(E);
 36 or

37 (N) to the extent not otherwise allowed under this chapter,
 38 substance removal or remedial action in a designated unit;

39 or any combination of these.

40 (d) If there are bonds outstanding that have been issued under
 41 section 14 of this chapter or leases in effect under section 21 of this
 42 chapter, the county or a city or town may not expend money from its



1 economic development income tax fund for a purpose authorized under
 2 subsection (b)(3) in a manner that would adversely affect owners of the
 3 outstanding bonds or payment of any lease rentals due.

4 SECTION 62. IC 6-6-2.5-1, AS AMENDED BY P.L.277-2013,
 5 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 1. As used in this
 7 chapter, "alternative fuel" means a liquefied petroleum gas, ~~liquid or~~
 8 ~~compressed natural gas product, or a combination of liquefied~~
 9 ~~petroleum gas and a compressed natural gas product,~~ not including a
 10 biodiesel fuel or biodiesel blend, used in an internal combustion engine
 11 or motor to propel any form of vehicle, machine, or mechanical
 12 contrivance. The term includes all forms of fuel commonly or
 13 commercially known or sold as butane ~~or propane. or liquid or~~
 14 ~~compressed natural gas.~~

15 SECTION 63. IC 6-6-2.5-16.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 16.5. As**
 18 **used in this chapter, "natural gas product" means:**

19 (1) **a liquid or compressed natural gas product; or**

20 (2) **a combination of liquefied petroleum gas and a**
 21 **compressed natural gas product;**

22 **used in an internal combustion engine or motor to propel any form**
 23 **of vehicle, machine, or mechanical contrivance.**

24 SECTION 64. IC 6-6-2.5-22, AS AMENDED BY P.L.277-2013,
 25 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 22. As used in this
 27 chapter, "special fuel" means all combustible gases and liquids that are:

28 (1) suitable for the generation of power in an internal combustion
 29 engine or motor; or

30 (2) used exclusively for heating, industrial, or farm purposes other
 31 than for the operation of a motor vehicle.

32 Special fuel includes biodiesel and blended biodiesel (as defined in
 33 IC 6-6-2.5-1.5) and ~~alternative fuels.~~ **natural gas products.** However,
 34 the term does not include **an alternative fuel,** gasoline (as defined in
 35 IC 6-6-1.1-103), ethanol produced, stored, or sold for the manufacture
 36 of or compounding or blending with gasoline, kerosene, and jet fuel (if
 37 the purchaser of the jet fuel has provided to the seller proof of the
 38 purchaser's federal jet fuel registration at or before the time of sale).

39 SECTION 65. IC 6-6-14 IS ADDED TO THE INDIANA CODE AS
 40 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2014 (RETROACTIVE)]:

42 **Chapter 14. Alternative Fuel Decals**



1 adjusted as published by the Bureau of Labor Statistics, United
2 States Department of Labor, or its successor agency.

3 (b) Subject to subsection (c), the department shall before
4 February 1 of each year adjust each fee imposed under section 4 of
5 this chapter as follows:

6 **STEP ONE: Determine the quotient of:**

7 (A) the consumer price index for December of the
8 immediately preceding calendar year; divided by

9 (B) the consumer price index for December of the calendar
10 year immediately preceding the calendar year described in
11 clause (A).

12 **STEP TWO: Determine the product of:**

13 (A) the amount of the fee imposed under section 4 of this
14 chapter in the immediately preceding calendar year;
15 multiplied by

16 (B) the STEP ONE result.

17 **STEP THREE: Round the STEP TWO result to the nearest**
18 **ten dollar (\$10) increment.**

19 (c) A fee imposed under section 4 of this chapter may not be
20 increased under this section if the adjustment required by this
21 section results in a fee increase of less than five dollars (\$5).
22 However, in the following calendar year the amount of the
23 disregarded adjustment must be treated as if it had been added to
24 the fee imposed under section 4 of this chapter for purposes of
25 making the determination under subsection (b) STEP TWO.

26 **Sec. 6. (a) The owner of a motor vehicle that is propelled by**
27 **alternative fuel and is:**

28 (1) registered outside Indiana; and

29 (2) operated on a public highway in Indiana;

30 shall obtain a temporary trip permit. An alternative fuel
31 temporary trip permit may be purchased from a licensed propane
32 dealer who sells alternative fuels.

33 (b) A temporary trip permit is valid for seventy-two (72) hours
34 from the time of purchase. The fee for each permit is five dollars
35 and fifty cents (\$5.50). The fee for an alternative temporary trip
36 permit must be collected from the purchaser by the licensed
37 propane dealer and paid monthly to the administrator on forms
38 prescribed by the department.

39 **Sec. 7. (a) Before dispensing alternative fuel into a motor**
40 **vehicle, a person desiring to make alternative fuel sales in Indiana**
41 **must be licensed by the department as a propane dealer. A person**
42 **may apply for a propane dealer license on a form prescribed by the**



1 department. The department may make any reasonable
2 investigation of an applicant before issuing a license to the
3 applicant. The fee for a propane dealer license is fifty dollars (\$50).

4 (b) The department shall issue a license card to each applicant
5 approved for a propane dealer license. A licensed propane dealer
6 shall display the license card in a conspicuous place at each
7 location operated by the licensed propane dealer where alternative
8 fuel is dispensed into motor vehicles in Indiana.

9 (c) The department may rescind a propane dealer license if the
10 propane dealer fails to comply with any requirement of this
11 chapter.

12 (d) Fees collected under this section must be deposited,
13 allocated, and distributed in the same manner that special fuel
14 taxes are deposited, allocated, and distributed under IC 6-6-2.5-67.

15 **Sec. 8. (a)** The administrator shall issue an alternative fuel decal
16 to an owner of a motor vehicle propelled by alternative fuel who
17 applies for a decal, pays to the administrator the fee, and provides
18 the information that is required by the administrator.

19 (b) An alternative fuel decal is effective from April 1 of each
20 year through March 31 of the next year. The administrator may
21 extend the expiration date for not more than thirty (30) days.
22 During the month of March, the owner shall display the valid decal
23 through March 31 or the decal issued to the owner for the next
24 twelve (12) months. If the administrator grants an extension of the
25 expiration date, the owner shall continue to display the decal for
26 which the extension was granted.

27 **Sec. 9. (a)** The owner of a motor vehicle propelled by alternative
28 fuel shall affix the alternative fuel decal to the lower left side of the
29 front windshield of the motor vehicle for which it was issued. The
30 decal may be displayed only on the motor vehicle for which the
31 decal was issued.

32 (b) Upon application of the owner and surrender of a decal, the
33 administrator may issue a new decal or give credit toward the fee
34 for a decal for another vehicle or for a subsequent twelve (12)
35 months. Upon receipt of the new decal or a credit statement, the
36 owner shall return to the administrator:

37 (1) the old decal; or

38 (2) a sworn statement indicating that the old decal has been
39 destroyed.

40 (c) A credit under this section shall be computed by multiplying
41 the fee paid for the old decal by a fraction. The denominator of the
42 fraction is the number of whole and partial quarters for which the



1 old decal was issued. The numerator of the fraction is the number
2 of remaining whole quarters that the old decal would have been
3 valid.

4 (d) A credit under this section may not be given during the last
5 three (3) months before the decal expires.

6 (e) No refunds may be allowed under this section.

7 Sec. 10. A person may place or cause to be placed alternative
8 fuel into the fuel supply tank of a motor vehicle only under one (1)
9 of the following conditions:

10 (1) The motor vehicle has a valid alternative fuel decal affixed
11 to the front windshield.

12 (2) The operator has a copy of a completed application for a
13 decal for the motor vehicle, which application was filed with
14 the department not more than thirty (30) days before the sale
15 of the fuel.

16 SECTION 66. IC 6-7-1-37 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2014]: Sec. 37. (a) All reports required to be filed under this
19 chapter must be filed in an electronic format prescribed by the
20 department.

21 (b) All taxes required to be remitted under this chapter must be
22 remitted in an electronic format prescribed by the department.

23 SECTION 67. IC 6-7-2-1.5 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2014]: Sec. 1.5. As used in this chapter, "delivery sale" means a
26 sale of any tobacco product by a seller, whether located within or
27 outside Indiana, to a purchaser located in Indiana when:

28 (1) the purchaser submits the order for the sale for delivery in
29 Indiana by any means, including by telephone
30 communication, mail service, or the Internet; or

31 (2) the tobacco product is delivered in Indiana by any means,
32 including delivery through the mail or any other delivery
33 service.

34 The term does not include a sale to a distributor or retail dealer.

35 SECTION 68. IC 6-7-2-7, AS AMENDED BY P.L.205-2013,
36 SECTION 129, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) A tax is imposed on the
38 distribution of tobacco products in Indiana at the rate of:

39 (1) twenty-four percent (24%) of the wholesale price of tobacco
40 products other than moist snuff; or

41 (2) for moist snuff, forty cents (\$0.40) per ounce, and a
42 proportionate tax at the same rate on all fractional parts of an



1 ounce. If the tax calculated for a fractional part of an ounce
 2 carried to the third decimal place results in the numeral in the
 3 third decimal place being greater than four (4), the amount of the
 4 tax shall be rounded to the next additional cent.

5 (b) The distributor of the tobacco products, including a person that
 6 sells tobacco products through an Internet web site, is liable for the tax
 7 imposed under subsection (a). The tax is imposed at the time the
 8 distributor:

9 (1) brings or causes tobacco products to be brought into Indiana
 10 for distribution;

11 (2) manufactures tobacco products in Indiana for distribution; ~~or~~

12 (3) transports tobacco products to retail dealers in Indiana for
 13 resale by those retail dealers; **or**

14 **(4) accepts a purchase order for a delivery sale, including a**
 15 **delivery sale of cigars, pipe tobacco, or any other form of**
 16 **tobacco products. This subdivision does not apply to the**
 17 **extent the distributor has obtained proof (in the form of the**
 18 **presence of applicable tax stamps or otherwise) that the tax**
 19 **imposed under subsection (a) already has been paid in**
 20 **Indiana.**

21 **(c) A person who:**

22 **(1) possesses a tobacco product in Indiana upon which a**
 23 **distributor or any other person has not paid the tax imposed**
 24 **under subsection (a) to the department; and**

25 **(2) purchased the tobacco product for any purpose other than**
 26 **transportation of the product in interstate commerce or for**
 27 **temporary storage before distribution or retail sale,**

28 **is liable for remitting the tax imposed under subsection (a) to the**
 29 **department.**

30 ~~(c)~~ **(d)** The Indiana general assembly finds that the tax rate on
 31 smokeless tobacco should reflect the relative risk between such
 32 products and cigarettes.

33 SECTION 69. IC 6-7-2-12, AS AMENDED BY P.L.172-2011,
 34 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2014]: Sec. 12. Before the fifteenth day of each month, each
 36 distributor liable for the tax imposed by this chapter shall:

37 (1) file a return with the department that includes all information
 38 required by the department including, but not limited to:

39 (A) name of distributor;

40 (B) address of distributor;

41 (C) license number of distributor;

42 (D) invoice date;



- 1 (E) invoice number;
 2 (F) name and address of person from whom tobacco products
 3 were purchased or name and address of person to whom
 4 tobacco products were sold;
 5 (G) the wholesale price for tobacco products other than moist
 6 snuff; and
 7 (H) for moist snuff, the weight of the moist snuff; and
 8 (2) pay the tax for which it is liable under this chapter for the
 9 preceding month minus the amount specified in section 13 of this
 10 chapter.

11 **All returns required to be filed and taxes required to be paid under**
 12 **this chapter must be made in an electronic format prescribed by**
 13 **the department.**

14 SECTION 70. IC 6-9-2.5-7.5, AS AMENDED BY P.L.176-2009,
 15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2014]: Sec. 7.5. (a) The county treasurer shall establish a
 17 tourism capital improvement fund.

18 (b) The county treasurer shall deposit money in the tourism capital
 19 improvement fund as follows:

20 (1) Before January 1, ~~2015~~, **2020**, the county treasurer shall
 21 deposit in the tourism capital improvement fund the amount of
 22 money received under section 6 of this chapter that is generated
 23 by a three and one-half percent (3.5%) rate.

24 (2) After December 31, ~~2014~~, **2019**, the county treasurer shall
 25 deposit in the tourism capital improvement fund the amount of
 26 money received under section 6 of this chapter that is generated
 27 by a four and one-half percent (4.5%) rate.

28 (c) The commission may transfer money in the tourism capital
 29 improvement fund to:

30 (1) the county government, a city government, or a separate body
 31 corporate and politic in a county described in section 1 of this
 32 chapter; or

33 (2) any Indiana nonprofit corporation;

34 for the purpose of making capital improvements in the county that
 35 promote conventions, tourism, or recreation. The commission may
 36 transfer money under this section only after approving the transfer.
 37 Transfers shall be made quarterly or less frequently under this section.

38 SECTION 71. IC 6-9-2.5-7.7, AS AMENDED BY P.L.176-2009,
 39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2014]: Sec. 7.7. (a) The county treasurer shall establish a
 41 convention center operating fund.

42 (b) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit



1 in the convention center operating fund the amount of money received
 2 under section 6 of this chapter that is generated by a two percent (2%)
 3 rate. Money in the fund must be expended for the operating expenses
 4 of a convention center.

5 (c) After December 31, ~~2014~~, **2019**, the county treasurer shall
 6 deposit in the convention center operating fund the amount of money
 7 received under section 6 of this chapter that is generated by a one
 8 percent (1%) rate. Money in the fund must be expended for the
 9 operating expenses of a convention center with the unused balance
 10 transferred on January 1 of each year to the tourism capital
 11 improvement fund.

12 SECTION 72. IC 7.1-4-6-3.5 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. ~~Filing of Returns:~~
 14 A person who is liable for the payment of an excise tax levied by this
 15 title shall file a monthly return with the department on or before the
 16 twentieth day of the month following the month in which the liability
 17 for the tax accrues by reason of the manufacture, sale, gift, or the
 18 withdrawal for sale or gift, of alcoholic beverages within this state. **The**
 19 **return must be filed in an electronic format as prescribed by the**
 20 **department.** Payment of the excise tax due shall accompany the return,
 21 **and shall be remitted electronically. Any other returns or forms**
 22 **required to be filed under this title must also be filed in an**
 23 **electronic format and on a date prescribed by the department.**

24 SECTION 73. IC 8-22-1-4.5 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.5. (a) "Aviation
 26 related property or facilities" means those properties or facilities that
 27 are utilized by a lessee, or a lessee's assigns, who provides services or
 28 accommodations:

- 29 (1) for scheduled or unscheduled air carriers and air taxis, and
 30 their passengers, air cargo operations, and related ground
 31 transportation facilities;
- 32 (2) for fixed based operations;
- 33 (3) for general aviation or military users; and
- 34 (4) as aviation **manufacturing, assembly, research and**
 35 **development, or** maintenance and repair facilities.

36 (b) The term includes any property leased to the United States, or its
 37 agencies or instrumentalities, and any leased property identified as
 38 clear zones, ~~aviation~~ **aviation** easements, safety and transition areas,
 39 as defined by the Federal Aviation Administration.

40 SECTION 74. IC 8-22-3-11, AS AMENDED BY P.L.139-2013,
 41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 11. (a) The board may do all acts necessary



- 1 or reasonably incident to carrying out the purposes of this chapter,
 2 including the following:
- 3 (1) As a municipal corporation, to sue and be sued in its own
 4 name.
 - 5 (2) To have all the powers and duties conferred by statute upon
 6 boards of aviation commissioners. The board supersedes all
 7 boards of aviation commissioners within the district. The board
 8 has exclusive jurisdiction within the district.
 - 9 (3) To protect all property owned or managed by the board.
 - 10 (4) To adopt an annual budget and levy taxes in accordance with
 11 this chapter.
- 12 (A) The board may not levy taxes on property in excess of the
 13 following, ~~rate schedule, tax rate specified in subsection (b),~~
 14 except as provided in sections 17 and 25 of this chapter.
- | 15 Total Assessed | 15 Rate Per \$100 Of |
|------------------------------------|-----------------------|
| 16 Property Valuation | 16 Assessed Valuation |
| 17 \$300 million or less | 17 \$0.10 |
| 18 More than \$300 million | |
| 19 but not more than \$450 million | 19 \$0.0833 |
| 20 More than \$450 million | |
| 21 but not more than \$600 million | 21 \$0.0667 |
| 22 More than \$600 million | |
| 23 but not more than \$900 million | 23 \$0.05 |
| 24 More than \$900 million | 24 \$0.0333 |
- 25 (B) Clause (A) ~~does~~ **and subsection (b) do** not apply to an
 26 authority that was established under IC 19-6-2 or IC 19-6-3
 27 (before their repeal on April 1, 1980).
 - 28 (C) The board of an authority that was established under
 29 IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes
 30 on property not in excess of six and sixty-seven hundredths
 31 cents (\$0.0667) on each one hundred dollars (\$100) of
 32 assessed valuation.
 - 33 (5) To incur indebtedness in the name of the authority in
 34 accordance with this chapter.
 - 35 (6) To adopt administrative procedures, rules, and regulations.
 - 36 (7) To acquire property, real, personal, or mixed, by deed,
 37 purchase, lease, condemnation, or otherwise and dispose of it for
 38 use or in connection with or for administrative purposes of the
 39 airport; to receive gifts, donations, bequests, and public trusts and
 40 to agree to conditions and terms accompanying them and to bind
 41 the authority to carry them out; to receive and administer federal
 42 or state aid; and to erect buildings or structures that may be



- 1 needed to administer and carry out this chapter.
- 2 (8) To determine matters of policy regarding internal organization
3 and operating procedures not specifically provided for otherwise.
- 4 (9) To adopt a schedule of reasonable charges and to collect them
5 from all users of facilities and services within the district.
- 6 (10) To purchase supplies, materials, and equipment to carry out
7 the duties and functions of the board in accordance with
8 procedures adopted by the board.
- 9 (11) To employ personnel that are necessary to carry out the
10 duties, functions, and powers of the board.
- 11 (12) To establish an employee pension plan. The board may, upon
12 due investigation, authorize and begin a fair and reasonable
13 pension or retirement plan and program for personnel, the cost to
14 be borne by either the authority or by the employee or by both, as
15 the board determines. If the authority was established under
16 IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must
17 be borne by the authority, and ordinances creating the plan or
18 making changes in it must be approved by the mayor of the city.
19 The plan may be administered and funded by a trust fund or by
20 insurance purchased from an insurance company licensed to do
21 business in Indiana or by a combination of them. The board may
22 also include in the plan provisions for life insurance, disability
23 insurance, or both.
- 24 (13) To sell surplus real or personal property in accordance with
25 law. If the board negotiates an agreement to sell trees situated in
26 woods or forest areas owned by the board, the trees are considered
27 to be personal property of the board for severance or sale.
- 28 (14) To adopt and use a seal.
- 29 (15) To acquire, establish, construct, improve, equip, maintain,
30 control, lease, and regulate municipal airports, landing fields, and
31 other air navigation facilities, either inside or outside the district;
32 to acquire by lease (with or without the option to purchase)
33 airports, landing fields, or navigation facilities, and any structures,
34 equipment, or related improvements; and to erect, install,
35 construct, and maintain at the airport or airports facilities for the
36 servicing of aircraft and for the comfort and accommodation of air
37 travelers and the public. The Indiana department of transportation
38 must grant its approval before land may be purchased for the
39 establishment of an airport or landing field and before an airport
40 or landing field may be established.
- 41 (16) To fix and determine exclusively the uses to which the
42 airport lands may be put, including land use planning and zoning.



1 All uses must be necessary or desirable to the airport or the
2 aviation industry and must be compatible with the uses of the
3 surrounding lands as far as practicable. The jurisdiction granted
4 under this subdivision is superior to that of any other local
5 government unit or entity with respect to airport lands.
6 (17) To elect a secretary from its membership, or to employ a
7 secretary, an airport director, superintendents, managers, a
8 treasurer, engineers, surveyors, attorneys, clerks, guards,
9 mechanics, laborers, and all employees the board considers
10 expedient, and to prescribe and assign their respective duties and
11 authorities and to fix and regulate the compensation to be paid to
12 the persons employed by it in accordance with the authority's
13 appropriations. All employees shall be selected irrespective of
14 their political affiliations.
15 (18) To make all rules and regulations, consistent with laws
16 regarding air commerce, for the management and control of its
17 airports, landing fields, air navigation facilities, and other
18 property under its control.
19 (19) To acquire by lease the use of an airport or landing field for
20 aircraft pending the acquisition and improvement of an airport or
21 landing field.
22 (20) To manage and operate airports, landing fields, and other air
23 navigation facilities acquired or maintained by an authority; to
24 lease all or part of an airport, landing field, or any buildings or
25 other structures, and to fix, charge, and collect rentals, tolls, fees,
26 and charges to be paid for the use of the whole or a part of the
27 airports, landing fields, or other air navigation facilities by aircraft
28 landing there and for the servicing of the aircraft; to construct
29 public recreational facilities that will not interfere with air
30 operational facilities; to fix, charge, and collect fees for public
31 admissions and privileges; and to make contracts for the operation
32 and management of the airports, landing fields, and other air
33 navigation facilities; and to provide for the use, management, and
34 operation of the air navigation facilities through lessees, its own
35 employees, or otherwise. Contracts for the maintenance,
36 operation, or use of the airport or any part of it may be made for
37 a term not exceeding fifteen (15) years and may be extended for
38 similar terms of years. However, the airport, including all or part
39 of its land, facilities, or structures, may be leased for any use
40 connected with the operation and convenience of the airport for
41 an initial term not exceeding forty (40) years and may be extended
42 for a period not to exceed ten (10) years. If a person whose



1 character, experience, and financial responsibility have been
 2 determined satisfactory by the board offers to erect a permanent
 3 structure that facilitates and is consistent with the operation, use,
 4 and purpose of the airport on land belonging to the airport, a lease
 5 may be entered into for a period not to exceed ninety-nine (99)
 6 years. However, the board must pass an ordinance to enter into
 7 such a lease. The board may not grant an exclusive right for the
 8 use of a landing area under its jurisdiction. However, this does not
 9 prevent the making of leases in accordance with other provisions
 10 of this chapter. All contracts, and leases, are subject to restrictions
 11 and conditions that the board prescribes. The authority may lease
 12 its property and facilities for any commercial or industrial use it
 13 considers necessary and proper, including the use of providing
 14 airport motel facilities. For the airport authority established by the
 15 city of Gary, the board may approve a lease, management
 16 agreement, or other contract:

17 (A) with a person:

18 (i) who is selected by the board using the procedures under
 19 IC 36-1-9.5; and

20 (ii) whose character, experience, and financial responsibility
 21 have been determined satisfactory by the board; and

22 (B) to use, plan, design, acquire, construct, reconstruct,
 23 improve, extend, expand, lease, operate, repair, manage,
 24 maintain, or finance all or any part of the airport and its
 25 landing fields, air navigation facilities, and other buildings and
 26 structures for a period not to exceed ninety-nine (99) years.
 27 However, the board must pass an ordinance to enter into such
 28 a lease, management agreement, or other contract. All
 29 contracts, leases, and management agreements are subject to
 30 restrictions and conditions that the board prescribes. The
 31 authority may lease its property and facilities for any
 32 commercial or industrial use it considers necessary and proper,
 33 including the use of providing airport motel facilities. A lease,
 34 management agreement, or other contract entered into under
 35 this section or any other provision of this chapter may be
 36 entered into without complying with IC 5-23.

37 (21) To sell machinery, equipment, or material that is not required
 38 for aviation purposes. The proceeds shall be deposited with the
 39 treasurer of the authority.

40 (22) To negotiate and execute contracts for sale or purchase,
 41 lease, personal services, materials, supplies, equipment, or any
 42 other transaction or business relative to an airport under the



1 board's control and operation. However, whenever the board
2 determines to sell part or all of aviation lands, buildings, or
3 improvements owned by the authority, the sale must be in
4 accordance with law.

5 (23) To vacate all or parts of roads, highways, streets, or alleys,
6 whether inside or outside the district, in the manner provided by
7 statute.

8 (24) To annex lands to itself if the lands are owned by the
9 authority or are streets, roads, or other public ways.

10 (25) To approve any state, county, city, or other highway, road,
11 street or other public way, railroad, power line, or other
12 right-of-way to be laid out or opened across an airport or in such
13 proximity as to affect the safe operation of the airport.

14 (26) To construct drainage and sanitary sewers with connections
15 and outlets as are necessary for the proper drainage and
16 maintenance of an airport or landing field acquired or maintained
17 under this chapter, including the necessary buildings and
18 improvements and for the public use of them in the same manner
19 that the authority may construct sewers and drains. However, with
20 respect to the construction of drains and sanitary sewers beyond
21 the boundaries of the airport or landing field, the board shall
22 proceed in the same manner as private owners of property and
23 may institute proceedings and negotiate with the departments,
24 bodies, and officers of an eligible entity to secure the proper
25 orders and approvals; and to order a public utility or public
26 service corporation or other person to remove or to install in
27 underground conduits wires, cables, and power lines passing
28 through or over the airport or landing field or along the borders or
29 within a reasonable distance that may be determined to be
30 necessary for the safety of operations, upon payment to the utility
31 or other person of due compensation for the expense of the
32 removal or reinstallation. The board must consent before any
33 franchise may be granted by state or local authorities for the
34 construction of or maintenance of railway, telephone, telegraph,
35 electric power, pipe, or conduit line upon, over, or through land
36 under the control of the board or within a reasonable distance of
37 land that is necessary for the safety of operation. The board must
38 also consent before overhead electric power lines carrying a
39 voltage of more than four thousand four hundred (4,400) volts and
40 having poles, standards, or supports over thirty (30) feet in height
41 within one-half (1/2) mile of a landing area acquired or
42 maintained under this chapter may be installed.



- 1 (27) To contract with any other state agency or instrumentality or
 2 any political subdivision for the rendition of services, the rental
 3 or use of equipment or facilities, or the joint purchase and use of
 4 equipment or facilities that are necessary for the operation,
 5 maintenance, or construction of an airport operated under this
 6 chapter.
- 7 (28) To provide air transportation in furtherance of the duties and
 8 responsibilities of the board.
- 9 (29) To promote or encourage aviation-related trade or commerce
 10 at the airports that it operates.
- 11 (30) To provide aviation services to public use airports within or
 12 outside Indiana either directly or through an affiliate entity
 13 established by the board.
- 14 **(b) Except as provided in sections 17 and 25 of this chapter, a**
 15 **board may impose a tax rate that does not exceed the following:**
- 16 **(1) If the total assessed valuation is three hundred million**
 17 **dollars (\$300,000,000) or less, a tax rate of ten cents (\$0.10)**
 18 **per one hundred dollars (\$100) of assessed valuation.**
- 19 **(2) If the total assessed valuation is more than three hundred**
 20 **million dollars (\$300,000,000) but not more than four hundred**
 21 **fifty million dollars (\$450,000,000), the tax rate necessary to**
 22 **raise property tax revenue equal to the sum of:**
- 23 **(A) three hundred thousand dollars (\$300,000); plus**
 24 **(B) the amount that would be raised by applying a tax rate**
 25 **of eight and thirty-three hundredths cents (\$0.0833) (as**
 26 **adjusted under IC 6-1.1-18-12) per one hundred dollars**
 27 **(\$100) of assessed valuation that exceeds three hundred**
 28 **million dollars (\$300,000,000).**
- 29 **(3) If the total assessed valuation is more than four hundred**
 30 **fifty million dollars (\$450,000,000) but not more than six**
 31 **hundred million dollars (\$600,000,000), the tax rate necessary**
 32 **to raise property tax revenue equal to the sum of:**
- 33 **(A) three hundred seventy-four thousand eight hundred**
 34 **fifty dollars (\$374,850); plus**
 35 **(B) the amount that would be raised by applying a tax rate**
 36 **of six and sixty-seven hundredths cents (\$0.0667) (as**
 37 **adjusted under IC 6-1.1-18-12) per one hundred dollars**
 38 **(\$100) of assessed valuation that exceeds four hundred fifty**
 39 **million dollars (\$450,000,000).**
- 40 **(4) If the total assessed valuation is more than six hundred**
 41 **million dollars (\$600,000,000) but not more than nine hundred**
 42 **million dollars (\$900,000,000), the tax rate necessary to raise**



- 1 **property tax revenue equal to the sum of:**
- 2 (A) **four hundred thousand two hundred dollars**
- 3 **(\$400,200); plus**
- 4 **(B) the amount that would be raised by applying a tax rate**
- 5 **of five cents (\$0.05) (as adjusted under IC 6-1.1-18-12) per**
- 6 **one hundred dollars (\$100) of assessed valuation that**
- 7 **exceeds six hundred million dollars (\$600,000,000).**
- 8 **(5) If the total assessed valuation is more than nine hundred**
- 9 **million dollars (\$900,000,000), the tax rate necessary to raise**
- 10 **property tax revenue equal to the sum of:**
- 11 (A) **four hundred fifty thousand dollars (\$450,000); plus**
- 12 **(B) the amount that would be raised by applying a tax rate**
- 13 **of three and thirty-three hundredths cents (\$0.0333) (as**
- 14 **adjusted under IC 6-1.1-18-12) per one hundred dollars**
- 15 **(\$100) of assessed valuation that exceeds nine hundred**
- 16 **million dollars (\$900,000,000).**

17 SECTION 75. IC 8-22-3-25, AS AMENDED BY P.L.139-2013,
 18 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 25. (a) Subject to subsection (c), the board
 20 may provide a cumulative building fund in compliance with
 21 IC 6-1.1-41 to provide for the acquisition of real property, and the
 22 construction, enlarging, improving, remodeling, repairing, or equipping
 23 of buildings, structures, runways, or other facilities for use in
 24 connection with the airport needed to carry out this chapter and to
 25 facilitate and support commercial air transportation.

26 (b) The board may levy in compliance with IC 6-1.1-41 a tax not to
 27 exceed:

- 28 (1) thirty-three hundredths of one cent (\$0.0033) on each one
- 29 hundred dollars (\$100) of assessed value of taxable property
- 30 within the district, if an eligible entity other than a city established
- 31 the district or if the district was established jointly with an eligible
- 32 entity that is not a city;
- 33 (2) one and thirty-three hundredths cents (\$0.0133) on each one
- 34 hundred dollars (\$100) of assessed value of taxable property
- 35 within the district, if the authority was established under
- 36 IC 19-6-3 (before its repeal on April 1, 1980); and
- 37 (3) for any other district not described in subdivision (1) or (2),
- 38 the following: **tax rate specified in subsection (c).**

39 Total Assessed	Rate Per \$100 Of
40 Property Valuation	Assessed Valuation
41 \$300 million or less	\$0.0167
42 More than \$300 million	



1	but not more than \$450 million	\$0.0133
2	More than \$450 million	
3	but not more than \$600 million	\$0.01
4	More than \$600 million	
5	but not more than \$900 million	\$0.0067
6	More than \$900 million	\$0.0033

7 As the tax is collected it may be invested in negotiable United States
8 bonds or other securities that the federal government has the direct
9 obligation to pay. Any of the funds collected that are not invested in
10 government obligations shall be deposited in accordance with
11 IC 5-13-6 and shall be withdrawn in the same manner as money is
12 regularly withdrawn from the general fund but without further or
13 additional appropriation. The levy authorized by this section is in
14 addition to the levies authorized by section 11 and section 23 of this
15 chapter.

16 **(c) For any district not described in subsection (b)(1) or (b)(2),
17 the board may impose a tax rate that does not exceed the following:**

18 **(1) If the total assessed valuation is three hundred million
19 dollars (\$300,000,000) or less, a tax rate of one and sixty-seven
20 hundredths cents (\$0.0167) per one hundred dollars (\$100) of
21 assessed valuation.**

22 **(2) If the total assessed valuation is more than three hundred
23 million dollars (\$300,000,000) but not more than four hundred
24 fifty million dollars (\$450,000,000), the tax rate necessary to
25 raise property tax revenue equal to the sum of:**

26 **(A) fifty thousand one hundred dollars (\$50,100); plus
27 (B) the amount that would be raised by applying a tax rate
28 of one and thirty-three hundredths cents (\$0.0133) (as
29 adjusted under IC 6-1.1-18-12) per one hundred dollars
30 (\$100) of assessed valuation that exceeds three hundred
31 million dollars (\$300,000,000).**

32 **(3) If the total assessed valuation is more than four hundred
33 fifty million dollars (\$450,000,000) but not more than six
34 hundred million dollars (\$600,000,000), the tax rate necessary
35 to raise property tax revenue equal to the sum of:**

36 **(A) fifty-nine thousand eight hundred fifty dollars
37 (\$59,850); plus
38 (B) the amount that would be raised by applying a tax rate
39 of one cent (\$0.01) (as adjusted under IC 6-1.1-18-12) per
40 one hundred dollars (\$100) of assessed valuation that
41 exceeds four hundred fifty million dollars (\$450,000,000).**

42 **(4) If the total assessed valuation is more than six hundred**



1 **million dollars (\$600,000,000) but not more than nine hundred**
 2 **million dollars (\$900,000,000), the tax rate necessary to raise**
 3 **property tax revenue equal to the sum of:**

4 **(A) sixty thousand dollars (\$60,000); plus**

5 **(B) the amount that would be raised by applying a tax rate**
 6 **of sixty-seven hundredths of a cent (\$0.0067) (as adjusted**
 7 **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**
 8 **assessed valuation that exceeds six hundred million dollars**
 9 **(\$600,000,000).**

10 **(5) If the total assessed valuation is more than nine hundred**
 11 **million dollars (\$900,000,000), the tax rate necessary to raise**
 12 **property tax revenue equal to the sum of:**

13 **(A) sixty thousand three hundred dollars (\$60,300); plus**

14 **(B) the amount that would be raised by applying a tax rate**
 15 **of thirty-three hundredths of a cent (\$0.0033) (as adjusted**
 16 **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**
 17 **assessed valuation that exceeds nine hundred million**
 18 **dollars (\$900,000,000).**

19 ~~(e)~~ **(d)** Spending under subsection (a) to facilitate and support
 20 commercial intrastate air transportation is subject to a maximum of one
 21 million dollars (\$1,000,000) cumulatively for all years in which money
 22 is spent under that subsection.

23 SECTION 76. IC 8-22-3-31, AS AMENDED BY P.L. 182-2009(ss),
 24 SECTION 270, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) The authority, acting by
 26 and through its board under IC 8-21-8, may accept, receive, and receipt
 27 for federal, other public, or private monies for the acquisition,
 28 construction, enlargement, improvement, maintenance, equipment, or
 29 operation of airports, other air navigation facilities, and sites for them,
 30 and comply with federal laws made for the expenditure of federal
 31 monies upon airports and other air navigation facilities.

32 (b) Subject to IC 8-21-8, the board has exclusive power to submit to
 33 the proper state and federal agencies applications for grants of funds
 34 for airport development and to make or execute representations,
 35 assurances and contracts, to enter into covenants and agreements with
 36 state or federal agency or agencies relative to the development of an
 37 airport, and to comply with all federal and state laws pertaining to the
 38 acquisition, development, operation, and administration of airports and
 39 properties by the authority.

40 (c) This subsection applies only to the airport authority established
 41 by the city of Gary. The authority may assign the powers described in
 42 this section to a lessee or other operator with whom it enters into a



1 lease, management agreement, or other contract under ~~section 11(20)~~
 2 **section 11(a)(20)** of this chapter if the board has determined that the
 3 lessee or other operator has the expertise and experience to operate the
 4 facilities of the authority in accordance with prudent airport operating
 5 standards.

6 SECTION 77. IC 36-4-7-6 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. Before the
 8 publication (**before January 1, 2016**) and **submission** of notice of
 9 budget estimates required by IC 6-1.1-17-3, each city shall formulate
 10 a budget estimate for the ensuing budget year in the following manner:

11 (1) Each department head shall prepare for ~~his~~ **the** department an
 12 estimate of the amount of money required for the ensuing budget
 13 year, stating in detail each category and item of expenditure ~~he~~
 14 **the department head** anticipates.

15 (2) The city fiscal officer shall prepare an itemized estimate of
 16 revenues available for the ensuing budget year, and shall prepare
 17 an itemized estimate of expenditures for other purposes above the
 18 money proposed to be used by the departments.

19 (3) The city executive shall meet with the department heads and
 20 the fiscal officer to review and revise their various estimates.

21 (4) After the executive's review and revision, the fiscal officer
 22 shall prepare for the executive a report of the estimated
 23 department budgets, miscellaneous expenses, and revenues
 24 necessary or available to finance the estimates.

25 SECTION 78. IC 36-5-3-3 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. Before the
 27 publication (**before January 1, 2016**) and **submission** of notice of
 28 budget estimates required by IC 6-1.1-17-3, each town shall formulate
 29 a budget estimate for the ensuing budget year in the following manner,
 30 unless it provides by ordinance for a different manner:

31 (1) Each department head shall prepare for ~~his~~ **the** department an
 32 estimate of the amount of money required for the ensuing budget
 33 year, stating in detail each category and item of expenditure ~~he~~
 34 **the department head** anticipates.

35 (2) The town fiscal officer shall prepare an itemized estimate of
 36 revenues available for the ensuing budget year, and shall prepare
 37 an itemized estimate of expenditures for other purposes above the
 38 money proposed to be used by the departments.

39 (3) The town executive shall meet with the department heads and
 40 the fiscal officer to review and revise their various estimates.

41 (4) After the executive's review and revision, the fiscal officer
 42 shall prepare for the executive a report of the estimated



1 department budgets, miscellaneous expenses, and revenues
2 necessary or available to finance the estimates.

3 SECTION 79. IC 36-6-4-13 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) When the
5 executive prepares the annual report required by section 12 of this
6 chapter, the executive shall also prepare, on forms prescribed by the
7 state board of accounts, an abstract of receipts and expenditures:

8 (1) showing the sum of money in each fund of the township at the
9 beginning of the year;

10 (2) showing the sum of money received in each fund of the
11 township during the year;

12 (3) showing the sum of money paid from each fund of the
13 township during the year;

14 (4) showing the sum of money remaining in each fund of the
15 township at the end of the year;

16 (5) containing a statement of receipts, showing their source; and

17 (6) containing a statement of expenditures, showing the combined
18 gross payment, according to classification of expense, to each
19 person.

20 (b) Within four (4) weeks after the third Tuesday following the first
21 Monday in ~~January~~, **February**, the executive shall publish the abstract
22 prescribed by subsection (a) in accordance with IC 5-3-1. The abstract
23 must state that a complete and detailed annual report and the
24 accompanying vouchers showing the names of persons paid money by
25 the township have been filed with the county auditor, and that the
26 chairman of the township legislative body has a copy of the report that
27 is available for inspection by any taxpayer of the township.

28 (c) An executive who fails to comply with this section commits a
29 Class C infraction.

30 SECTION 80. IC 36-8-16.7-32.5 IS ADDED TO THE INDIANA
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2014]: **Sec. 32.5. (a) This section applies only**
33 **to Hendricks County for the period:**

34 (1) **beginning January 1, 2015; and**

35 (2) **ending December 31, 2017.**

36 (b) **The legislative body may impose an emergency**
37 **communications fee to fund a part of the county's emergency**
38 **communications services system within the geographic boundaries**
39 **of the county. To impose the fee, the legislative body must adopt an**
40 **ordinance that meets the following requirements:**

41 (1) **The ordinance is adopted after the legislative body holds**
42 **a public hearing to receive public comment on the proposed**



1 ordinance. The legislative body must give notice of the
2 hearing under IC 5-3-1 that includes the following:

3 (A) A list of all PSAPs in the proposed district.

4 (B) The date, time, and location of the hearing.

5 (C) The location where the public can inspect the proposed
6 ordinance.

7 (D) The name and contact information of a representative
8 of each PSAP who may be contacted for further
9 information.

10 (2) The ordinance must:

11 (A) take effect January 1, 2015; and

12 (B) expire December 31, 2017.

13 (c) The ordinance adopted under subsection (b) must include the
14 following:

15 (1) The identity of all PSAPs within the county.

16 (2) A description of a proposed tiered fee schedule based on:

17 (A) a flat fee applicable to all parcels;

18 (B) a variable fee based on zoning classifications, the size
19 of a parcel, and the number or type of improvements on a
20 parcel.

21 (3) The effective date and expiration date of the ordinance.

22 (d) Upon the adoption of an ordinance under this section, the
23 legislative body shall establish an emergency communications
24 services fund. The fund consists of the following:

25 (1) Fees deposited under this section.

26 (2) Grants and gifts intended for deposit in the fund.

27 (3) Interest, premiums, gains, or other earnings on the fund.

28 (4) Money from any other source that is deposited in or
29 transferred to the fund.

30 (e) Money in the fund may be used by the county for the
31 purposes set forth in this chapter and other costs incurred in
32 administering this section. The county treasurer shall administer
33 the fund. The funds that remain in a fund or account established
34 for the deposit of distributions received under section 37 of this
35 chapter shall be transferred to the fund. Any funds transferred
36 under this subsection shall be used as follows:

37 (1) To pay any obligations owed to any bondholders, third
38 parties, or creditors under IC 36-8-16 (before its repeal) or
39 IC 36-8-16.7 before July 1, 2014.

40 (2) To the extent any funds remain after meeting the
41 obligations described in subdivision (1), for the purposes set
42 forth in this section.



1 (f) The legislative body shall:

2 (1) determine an annual budget in the amount necessary to
3 meet the expenses of operating and maintaining the
4 emergency communications services system within the county,
5 minus the statewide 911 fees otherwise received by the county
6 under this chapter; and

7 (2) not later than September 1, submit the budget to the fiscal
8 body for review and approval.

9 The legislative body shall base its initial budget on the expenses
10 actually incurred by all PSAPs in the county in implementing
11 IC 36-8-16.7 during the calendar year ending December 31, 2013.

12 (g) Based on a budget approved under subsection (f), the
13 legislative body shall recommend to the fiscal body a schedule of
14 fees to be imposed on parcels located within the geographic
15 boundaries of the county. The fees:

16 (1) must comply with the authority granted under subsection
17 (c); and

18 (2) must be adequate, when considering the statewide 911 fees,
19 to provide for proper development, operation, and
20 maintenance of the county's emergency communications
21 services system.

22 (h) The fiscal body shall:

23 (1) review a schedule of recommended fees submitted under
24 subsection (g);

25 (2) determine the fees imposed under this chapter in
26 accordance with the authority granted under subsection (c);

27 (3) adopt an ordinance to impose the fees determined under
28 subdivision (2); and

29 (4) certify the fees to the county auditor as a special
30 assessment on each parcel of real property located within the
31 county.

32 (i) The county auditor shall:

33 (1) place the total amount certified under subsection (b) on the
34 tax duplicate for each affected property as a special
35 assessment; and

36 (2) deposit money received as payment of a special assessment
37 in the emergency communications services fund.

38 (j) Except as provided in IC 36-8-16.6 and this chapter, an
39 additional fee relating to the provision of 911 service may not be
40 levied upon CMRS, voice communications services, or
41 interconnected VOIP services provided to a customer in Hendricks
42 County by a state agency or local unit of government.



1 (k) The legislative body shall, after June 30 and before October
 2 1 of 2015 and 2016, report to the regulatory flexibility committee
 3 established by IC 8-1-2.6-4 on the ability of the county to
 4 independently fund and operate an emergency communications
 5 service system. The regulatory flexibility committee shall consider:

6 (1) whether a pilot program established under this chapter
 7 should be extended for additional years in Hendricks County;
 8 and

9 (2) whether a pilot program established under this chapter
 10 should be extended to additional counties.

11 The regulatory flexibility committee shall submit any findings and
 12 recommendations made under this section to the legislative council
 13 in an electronic format under IC 5-14-6 before November 1, 2016.

14 (l) This section expires January 1, 2018.

15 SECTION 81. [EFFECTIVE JANUARY 1, 2015] (a) IC 6-3.1-20-1,
 16 IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by this act, apply
 17 to taxable years beginning after December 31, 2014.

18 (b) This SECTION expires January 1, 2018.

19 SECTION 82. [EFFECTIVE UPON PASSAGE] (a)
 20 IC 6-1.1-12-10.1, IC 6-1.1-12-12, IC 6-1.1-12-15, IC 6-1.1-12-17,
 21 IC 6-1.1-12-17.5, IC 6-1.1-12-27.1, IC 6-1.1-12-30, IC 6-1.1-12-35.5,
 22 IC 6-1.1-12-38, IC 6-1.1-12-45, IC 6-1.1-12.6-3, and IC 6-1.1-12.8-4,
 23 all as amended by this act, apply to deductions claimed for
 24 assessment dates after February 28, 2014.

25 (b) This SECTION expires July 1, 2018.

26 SECTION 83. [EFFECTIVE JULY 1, 2014] (a) IC 6-2.5-3-1, as
 27 amended by this act, applies only to the collection of use tax on
 28 remote sales occurring after June 30, 2014. A remote sale is
 29 considered as having occurred after June 30, 2014, to the extent
 30 that:

31 (1) the agreement of the parties to the transaction was entered
 32 into after June 30, 2014;

33 (2) payment for the property furnished in the transaction is
 34 made after June 30, 2014; or

35 (3) delivery to the purchaser of the property furnished in the
 36 transaction occurs after June 30, 2014.

37 However, a transaction is considered as having occurred before
 38 July 1, 2014, to the extent that the agreement of the parties to the
 39 transaction was entered into before July 1, 2014, and payment for
 40 the property furnished in the transaction is made before July 1,
 41 2014, notwithstanding the delivery of the property after June 30,
 42 2014.



1 **(b) This SECTION expires January 1, 2016.**

2 SECTION 84. [EFFECTIVE UPON PASSAGE] **(a) IC 8-22-3-11**
3 **and IC 8-22-3-25, both as amended by this act, apply to property**
4 **taxes imposed for assessment dates that occur after February 28,**
5 **2014.**

6 **(b) This SECTION expires July 1, 2018.**

7 SECTION 85. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
8 **SECTION, "office of the secretary" refers to the office of the**
9 **secretary of family and social services established by IC 12-8-1.5-1.**

10 **(b) As used in this SECTION, "government assistance income"**
11 **means the sum of the value of all:**

12 **(1) cash;**

13 **(2) free services; or**

14 **(3) savings from reduced fees;**

15 **received by an Indiana resident whose income does not exceed two**
16 **hundred percent (200%) of the federal income poverty level.**

17 **(c) Before November 1, 2014, the office of the secretary shall**
18 **study the following:**

19 **(1) The tax relief available for Indiana residents whose**
20 **incomes do not exceed two hundred percent (200%) of the**
21 **federal income poverty level.**

22 **(2) The availability of programs that provide financial or**
23 **medical assistance to Indiana residents whose incomes do not**
24 **exceed two hundred percent (200%) of the federal income**
25 **poverty level, including:**

26 **(A) Medicaid;**

27 **(B) Temporary Assistance for Needy Families;**

28 **(C) supplemental nutrition assistance; or**

29 **(D) any other federal, state, or local financial or medical**
30 **assistance available to Indiana residents whose incomes do**
31 **not exceed two hundred percent (200%) of the federal**
32 **income poverty level.**

33 **(3) The maximum government assistance income an**
34 **individual could receive by pursuing and obtaining the**
35 **benefits described in subdivisions (1) and (2).**

36 **(d) The office of the secretary shall submit a report of its**
37 **findings not later than November 1, 2014, to the governor and the**
38 **legislative council. The report to the legislative council must be in**
39 **an electronic format under IC 5-14-6. The report must include a**
40 **detailed explanation of the calculation assumptions and**
41 **methodology.**

42 **(e) This SECTION expires January 1, 2015.**



1 SECTION 86. [EFFECTIVE UPON PASSAGE] (a) The legislative
2 council is urged to assign to an appropriate interim study
3 committee the task of studying all income tax credits using a
4 schedule that provides for each income tax credit to be studied
5 every four (4) years.

6 (b) An interim study committee assigned the study described in
7 subsection (a) shall:

8 (1) develop a method for evaluating the performance of each
9 income tax credit; and

10 (2) annually submit a report to the legislative council in an
11 electronic format under IC 5-14-6 before November 1 of each
12 year.

13 (c) This SECTION expires January 1, 2018.

14 SECTION 87. [EFFECTIVE JULY 1, 2014] (a) As used in this
15 SECTION, "office" refers to the office of management and budget
16 established by IC 4-3-22-3.

17 (b) The office shall prepare a land use study that must include
18 the following:

19 (1) A study of the feasibility of constructing a facility on land
20 north of the state house to house the judiciary, provide
21 additional legislative office space, and provide parking for
22 employees and visitors to the facility, including controlled
23 access parking.

24 (2) A study of ways to enhance public access to the activities
25 of the legislative and judicial branches of state government,
26 including providing additional space for legislative hearings.

27 (3) A study of ways to enhance security while enhancing
28 public access.

29 (c) The office may review and use an architectural study
30 prepared for the budget agency under P.L.273-1999, SECTION 31
31 or any other study that the office considers relevant to the study
32 required by subsection (b).

33 (d) The office shall submit the study required by subsection (b)
34 to the legislative council in an electronic format under IC 5-14-6
35 before December 1, 2015.

36 (e) This SECTION expires January 1, 2016.

37 SECTION 88. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 367, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 27, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 21. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:

- (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
- (B) any other credit permitted by law;
- (C) an exemption permitted by law; or
- (D) a deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following



officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) IC 6-1.1-26-1 applies to a tax refund based on a correction of error under this section."

Page 31, line 15, after "shall" insert ", **unless the department finds extenuating circumstances,**".

Page 31, line 30, delete "a" and insert "**an adopted**".

Page 31, line 31, after "shall" insert ", **unless the department finds extenuating circumstances,**".

Page 31, line 31, after "the" insert "**adopted**".

Page 31, after line 42, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-18.5-13.7, AS ADDED BY P.L.172-2011,



SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13.7. (a) Notwithstanding any other provision of this chapter, Fairfield Township in Tippecanoe County may request that the department of local government finance make an adjustment to the township's maximum permissible property tax levy. ~~The request by the township under this section must be filed before September 1, 2011.~~

(b) The amount of the requested adjustment may not exceed one hundred thirty thousand dollars (\$130,000) for each year.

(c) ~~If the~~ **For a** township ~~makes that made~~ a request for an adjustment in an amount not exceeding the limit prescribed by subsection (b), the department of local government finance shall make the adjustment ~~each year (beginning with property taxes first due and payable in 2012)~~ **a permanent adjustment** to the township's maximum permissible ad valorem property tax levy. ~~for the number of years requested by the township (but not to exceed a total of four (4) years):~~

~~(d) This section expires July 1, 2016. "~~

Page 32, delete lines 1 through 18, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-20-3.5, AS AMENDED BY P.L.218-2013, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(i) will be used for any combination of kindergarten through grade 12; and

(ii) will cost more than ten million dollars (\$10,000,000).

(B) Any other controlled project that:

(i) is not a controlled project described in clause (A); and

(ii) ~~will the cost of which paid by~~ the political subdivision **more than from bond proceeds will not exceed** the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner



described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.



- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
 - (D) The purpose of the bonds or lease.
 - (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.
 - (F) With respect to bonds issued or a lease entered into to open:
 - (i) a new school facility; or
 - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
 the estimated costs the school corporation expects to annually incur to operate the facility.
 - (G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
 - (H) The information specified in subdivision (1)(A) through (1)(B).
- (4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:
- (A) one hundred (100) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
 - (B) five percent (5%) of the registered voters residing within the political subdivision.
- (5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:
- (A) the carrier and signers must be owners of property or registered voters;
 - (B) the carrier must be a signatory on at least one (1) petition;



(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of



property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of



the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

- (1) a copy of the notice required by subsection (b)(2); and
- (2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter."

Page 32, delete lines 41 through 42.

Page 33, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 26. IC 6-2.5-2-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 3. (a) As used in this section, "motor vehicle" means a vehicle that would be subject to the annual license excise tax imposed under IC 6-6-5 if the vehicle were to be used in Indiana.**

(b) Notwithstanding section 2 of this chapter, the state gross retail tax rate on a motor vehicle that a purchaser intends to immediately register, license, and title in another state is the rate of that state as certified by the seller and purchaser in an affidavit containing the information prescribed by the department of state revenue.

SECTION 27. IC 6-2.5-5-46, AS AMENDED BY P.L.288-2013, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 46. (a) Transactions involving tangible personal property (including materials, parts, equipment, and engines) are exempt from the state gross retail tax, if the property is:**

- (1) used;
- (2) consumed; or
- (3) installed;

in furtherance of, or in, the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or an avionics system of



an aircraft.

(b) The exemption provided by this section applies to a transaction only if:

(1) the retail merchant, at the time of the transaction, possesses a valid repair station certificate issued by the Federal Aviation Administration under 14 CFR 145 et seq. or other applicable law or regulation; or

(2) the:

(A) retail merchant has leased a facility at a public use airport for the maintenance of aircraft and meets the public use airport owner's minimum standards for an aircraft maintenance facility; and

(B) work is performed by a mechanic who is certified by the Federal Aviation Administration.

(c) The owner of a public use airport shall annually provide to the department the names of retail merchants that have a lease with the public use airport and that perform aircraft maintenance at the public use airport.

SECTION 28. IC 6-3-3-5.1, AS AMENDED BY P.L.2-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5.1. (a) At the election of the taxpayer, a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, is permitted in an amount (subject to the applicable limitations provided by this section) equal to fifty percent (50%) of the aggregate amount of contributions made by the taxpayer during the taxable year to the twenty-first century scholars program support fund established under IC 21-12-7-1.

(b) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for any taxable year may not exceed:

(1) one hundred dollars (\$100) in the case of a single return; or

(2) two hundred dollars (\$200) in the case of a joint return.

(c) In the case of a taxpayer that is a corporation, the amount allowable as a credit under this section for any taxable year may not exceed the lesser of the following amounts:

(1) Ten percent (10%) of the corporation's total adjusted gross income tax under IC 6-3-1 through IC 6-3-7 for the taxable year (as determined without regard to any credits against that tax).

(2) One thousand dollars (\$1,000).

(d) The credit permitted under this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as



determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(e) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.

(f) This section expires January 1, 2019.

SECTION 29. IC 6-3-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) The credit provided by this section shall be known as the unified tax credit for the elderly.

(b) As used in this section, unless the context clearly indicates otherwise:

(1) "Household federal adjusted gross income" means the total adjusted gross income, as defined in Section 62 of the Internal Revenue Code, of an individual, or of an individual and his **or her** spouse if they reside together for the taxable year for which the credit provided by this section is claimed.

(2) "Household" means a claimant or, if applicable, a claimant and his or her spouse if the spouse resides with the claimant and "household income" means the income of the claimant or, if applicable, the combined income of the claimant and his or her spouse if the spouse resides with the claimant.

(3) "Claimant" means an individual, other than an individual described in subsection (c) of this section, who:

(A) has filed a claim under this section;

(B) was a resident of this state for at least six (6) months during the taxable year for which he or she has filed a claim under this section; and

(C) was sixty-five (65) years of age during some portion of the taxable year for which ~~he~~ **the individual** has filed a claim under this section or whose spouse was either sixty-five (65) years of age or over during the taxable year.

(c) The credit provided under this section shall not apply to an individual who, for a period of at least one hundred eighty (180) days during the taxable year for which ~~he~~ **the individual** has filed a claim under this section, was incarcerated in a local, state, or federal correctional institution.

(d) The right to file a claim under this section shall be personal to the claimant and shall not survive ~~his~~ **the claimant's** death, except that a surviving spouse of a claimant is entitled to claim the credit provided by this section. For purposes of determining the amount of the credit a surviving spouse is entitled to claim under this section, the deceased spouse shall be treated as having been alive on the last day of the



taxable year in which the deceased spouse died. When a claimant dies after having filed a timely claim, the amount thereof shall be disbursed to another member of the household as determined by the commissioner. If the claimant was the only member of **his the claimant's** household, the claim may be paid to **his the claimant's** executor or administrator, but if neither is appointed and qualified within two (2) years of the filing of the claim, the amount of the claim shall escheat to the state.

(e) For each taxable year, subject to the limitations provided in this section, one (1) claimant per household may claim, as a credit against Indiana adjusted gross income taxes otherwise due, the credit provided by this section. If the allowable amount of the claim exceeds the income taxes otherwise due on the claimant's household income or if there are no Indiana income taxes due on such income, the amount of the claim not used as an offset against income taxes after audit by the department, at the taxpayer's option, shall be refunded to the claimant or taken as a credit against such taxpayer's income tax liability subsequently due.

(f) No claim filed pursuant to this section shall be allowed unless filed within six (6) months following the close of claimant's taxable year or within the extension period if an extension of time for filing the return has been granted under IC 6-8.1-6-1, whichever is later.

(g) The amount of any claim otherwise payable under this section may be applied by the department against any liability outstanding on the books of the department against the claimant, or against any other individual who was a member of **his the claimant's** household in the taxable year to which the claim relates.

(h) The amount of a claim filed pursuant to this section by a claimant that either (i) does not reside with **his the claimant's** spouse during the taxable year, or (ii) resides with **his the claimant's** spouse during the taxable year and only one (1) of them is sixty-five (65) years of age or older at the end of the taxable year, shall be determined in accordance with the following schedule:

HOUSEHOLD FEDERAL ADJUSTED GROSS INCOME FOR TAXABLE YEAR	CREDIT
less than \$1,000	\$100
at least \$1,000, but less than \$3,000	\$ 50
at least \$3,000, but less than \$10,000	\$ 40

(i) The amount of a claim filed pursuant to this section by a claimant that resides with **his the claimant's** spouse during **his the claimant's** taxable year shall be determined in accordance with the following



schedule if both the claimant and spouse are sixty-five (65) years of age or older at the end of the taxable year:

HOUSEHOLD FEDERAL	
ADJUSTED GROSS INCOME	
FOR TAXABLE YEAR	CREDIT
less than \$1,000	\$140
at least \$1,000, but less than \$3,000	\$ 90
at least \$3,000, but less than \$10,000	\$ 80

(j) The department may promulgate reasonable rules under IC 4-22-2 for the administration of this section.

(k) Every claimant under this section shall supply to the department on forms provided under IC 6-8.1-3-4, in support of ~~his~~ **the claimant's** claim, reasonable proof of household income and age.

(l) Whenever on the audit of any claim filed under this section the department finds that the amount of the claim has been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final.

(m) In any case in which it is determined that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid or a credit has been allowed against income taxes otherwise payable, the credit shall be canceled and the amount paid shall be recovered by assessment as income taxes are assessed and such assessment shall bear interest from the date of payment or credit of the claim, until refunded or paid at the rate determined under IC 6-8.1-10-1. The claimant in such a case commits a Class A misdemeanor. In any case in which it is determined that a claim is or was excessive and was negligently prepared, ten percent (10%) of the corrected claim shall be disallowed and, if the claim has been paid or credited against income taxes otherwise payable, the credit shall be reduced or canceled, and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate determined under IC 6-8.1-10-1 from the date of payment until refunded or paid.

(n) A taxpayer is not entitled to a credit under this section for a taxable year beginning after December 31, 2017.

(o) This section expires January 1, 2019.

SECTION 30. IC 6-3-3-10, AS AMENDED BY P.L.182-2009(ss), SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:



(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

"Qualified employee" means an individual who is employed by a taxpayer and who:

- (1) has the individual's principal place of residence in the enterprise zone in which the individual is employed;
- (2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;
- (3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the taxable year in the enterprise zone; and
- (4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was first employed by the taxpayer after December 31, 1998.

"Qualified increased employment expenditures" means the



following:

(1) For a taxpayer's taxable year other than the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during the taxable year to qualified employees exceeds the taxpayer's base period wages.

(2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during all of the full calendar months in the taxpayer's taxable year that succeed the date on which the enterprise zone was established exceed the taxpayer's monthly base period wages multiplied by that same number of full calendar months.

"Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

(1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted gross income;

(2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and

(3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this section.

"Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

"Taxpayer" includes a pass through entity.

(b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of:

(1) the product of ten percent (10%) multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or

(2) one thousand five hundred dollars (\$1,500) multiplied by the number of qualified employees employed by the taxpayer during the taxable year.

(c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit provided by this section exceeds the amount of that tax liability for the taxable year it is first claimed, then the excess may be carried back to preceding taxable years or carried over to succeeding taxable years and used as a credit against the taxpayer's qualified state tax liability for those taxable years. Each time that the credit is carried back to a preceding



taxable year or carried over to a succeeding taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable year. Except as provided in subsection (e), the credit provided by this section may be carried forward and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The credit provided by this section may be carried back and applied in the three (3) taxable years that precede the taxable year in which the credit accrues.

(d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's qualified state tax liability for that taxable year before any credit carryover or carryback is applied against that liability under subsection (c).

(e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the enterprise zone terminates.

(f) A taxpayer is not entitled to a refund of any unused credit.

(g) A taxpayer that:

- (1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and
- (2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

(h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the



qualified expenditure.

(i) A taxpayer is not entitled to a credit under this chapter for:

- (1) employment expenditures made; or**
- (2) qualified employees who are employed;**

in a taxable year beginning after December 31, 2016.

(j) This chapter expires January 1, 2026.

SECTION 31. IC 6-3-3-12, AS AMENDED BY P.L.182-2009(ss), SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. (a) As used in this section, "account" has the meaning set forth in IC 21-9-2-2.

(b) As used in this section, "account beneficiary" has the meaning set forth in IC 21-9-2-3.

(c) As used in this section, "account owner" has the meaning set forth in IC 21-9-2-4.

(d) As used in this section, "college choice 529 education savings plan" refers to a college choice 529 investment plan established under IC 21-9.

(e) As used in this section, "contribution" means the amount of money directly provided to a college choice 529 education savings plan account by a taxpayer. A contribution does not include any of the following:

- (1) Money credited to an account as a result of bonus points or other forms of consideration earned by the taxpayer that result in a transfer of money to the account.
- (2) Money transferred from any other qualified tuition program under Section 529 of the Internal Revenue Code or from any other similar plan.

(f) As used in this section, "nonqualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is not a qualified withdrawal.

(g) As used in this section, "qualified higher education expenses" has the meaning set forth in IC 21-9-2-19.5.

(h) As used in this section, "qualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is made:

- (1) to pay for qualified higher education expenses, excluding any withdrawals or distributions used to pay for qualified higher education expenses if the withdrawals or distributions are made from an account of a college choice 529 education savings plan that is terminated within twelve (12) months after the account is opened;
- (2) as a result of the death or disability of an account beneficiary;



- (3) because an account beneficiary received a scholarship that paid for all or part of the qualified higher education expenses of the account beneficiary, to the extent that the withdrawal or distribution does not exceed the amount of the scholarship; or
- (4) by a college choice 529 education savings plan as the result of a transfer of funds by a college choice 529 education savings plan from one (1) third party custodian to another.

A qualified withdrawal does not include a rollover distribution or transfer of assets from a college choice 529 education savings plan to any other qualified tuition program under Section 529 of the Internal Revenue Code or to any other similar plan.

(i) As used in this section, "taxpayer" means:

- (1) an individual filing a single return; or
- (2) a married couple filing a joint return.

(j) A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable year equal to the least of the following:

- (1) Twenty percent (20%) of the amount of the total contributions made by the taxpayer to an account or accounts of a college choice 529 education savings plan during the taxable year.
- (2) One thousand dollars (\$1,000).
- (3) The amount of the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(k) A taxpayer is not entitled to a carryback, carryover, or refund of an unused credit.

(l) A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this section.

(m) To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

(n) An account owner of an account of a college choice 529 education savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made from the account. The amount the taxpayer must repay is equal to the lesser of:

- (1) twenty percent (20%) of the total amount of nonqualified withdrawals made during the taxable year from the account; or
- (2) the excess of:

(A) the cumulative amount of all credits provided by this



section that are claimed by any taxpayer with respect to the taxpayer's contributions to the account for all prior taxable years beginning on or after January 1, 2007; over

(B) the cumulative amount of repayments paid by the account owner under this subsection for all prior taxable years beginning on or after January 1, 2008.

(o) Any required repayment under subsection (o) shall be reported by the account owner on the account owner's annual state income tax return for any taxable year in which a nonqualified withdrawal is made.

(p) A nonresident account owner who is not required to file an annual income tax return for a taxable year in which a nonqualified withdrawal is made shall make any required repayment on the form required under IC 6-3-4-1(2). If the nonresident account owner does not make the required repayment, the department shall issue a demand notice in accordance with IC 6-8.1-5-1.

(q) The executive director of the Indiana education savings authority shall submit or cause to be submitted to the department a copy of all information returns or statements issued to account owners, account beneficiaries, and other taxpayers for each taxable year with respect to:

- (1) nonqualified withdrawals made from accounts of a college choice 529 education savings plan for the taxable year; or
- (2) account closings for the taxable year.

(r) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.

(s) This section expires January 1, 2019.

SECTION 32. IC 6-3.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. **(a)** Subject to the limitation established in sections 4 and 5 of this chapter, a taxpayer that employs an eligible teacher in a qualified position during a school summer recess is entitled to a tax credit against ~~his~~ **the taxpayer's** state income tax liability as provided for under section 3 of this chapter.

(b) A taxpayer is not entitled to a credit under this chapter for employing an eligible teacher in a qualified position in a taxable year beginning after December 31, 2017.

(c) This chapter expires January 1, 2019.

SECTION 33. IC 6-3.1-4-3, AS ADDED BY P.L.197-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. **(a)** The amount of the credit provided by this chapter that a taxpayer uses during a particular taxable year may not exceed the sum of the taxes imposed by IC 6-3 for the taxable year after the application of all credits that under IC 6-3.1-1-2 are to be applied



before the credit provided by this chapter. If the credit provided by this chapter exceeds that sum for the taxable year for which the credit is first claimed, then the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, it is to be reduced by the amount which was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for ten (10) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

(d) A taxpayer is not entitled to a credit under this chapter for research expenses incurred in a taxable year beginning after December 31, 2017.

(e) This chapter expires January 1, 2025.

SECTION 34. IC 6-3.1-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A taxpayer who enters into an agreement is entitled to receive an income tax credit for a taxable year equal to:

- (1) the taxpayer's state income tax liability for the taxable year;
- (2) an amount equal to the sum of:
 - (A) fifty percent (50%) of any investment in qualified property made by the taxpayer during the taxable year as part of the agreement; plus
 - (B) twenty-five percent (25%) of the wages paid to inmates during the taxable year as part of the agreement; or
- (3) one hundred thousand dollars (\$100,000);

whichever is least.

(b) A tax credit shall be allowed under this chapter only for the taxable year of the taxpayer during which:

- (1) the investment in qualified property is made in accordance with Section 38 of the Internal Revenue Code; or
- (2) the wages are paid to inmates;

as part of an agreement.

(c) A taxpayer is not entitled to a credit under this chapter for investments made or wages paid in a taxable year after December 31, 2017.



(d) This chapter expires January 1, 2019.

SECTION 35. IC 6-3.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) If the amount determined under section 2(b) of this chapter for a particular taxpayer and a particular taxable year exceeds the taxpayer's state tax liability for that taxable year, then the taxpayer may carry the excess over to the immediately succeeding taxable years. Except as provided in subsection (b), the credit carryover may not be used for any taxable year that begins more than ten (10) years after the date on which the qualified loan from which the credit results is made. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) Notwithstanding subsection (a), if a loan is a qualified loan as the result of the use of the loan proceeds in a particular enterprise zone, and if the phase-out period of that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use credit carryover that results from that loan under subsection (a), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the phase-out period of the enterprise zone terminates.

(c) A taxpayer is not entitled to a credit under this chapter for qualified loan interest received in a taxable year beginning after December 31, 2016.

(d) This chapter expires January 1, 2026.

SECTION 36. IC 6-3.1-9-1, AS AMENDED BY P.L.1-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.

(b) As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

(c) As used in this chapter, "community services" means any type of:

- (1) counseling and advice;
- (2) emergency assistance;
- (3) medical care;
- (4) recreational facilities;
- (5) housing facilities; or
- (6) economic development assistance;

provided to individuals, economically disadvantaged households,



groups, or neighborhood organizations in an economically disadvantaged area **or provided to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**

(d) As used in this chapter, "crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area or an economically disadvantaged household.

(e) As used in this chapter, "economically disadvantaged area" means an enterprise zone, or any other federally or locally designated economically disadvantaged area in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who:

(1) resides in an economically disadvantaged area; **or**

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;

that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who:

(1) resides in:

(1) (A) an economically disadvantaged area; or

(2) (B) an economically disadvantaged household; **or**

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:

(1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or

(2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.



(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

- (1) Performing community services:
 - (A) in an economically disadvantaged area; ~~or~~
 - (B) for an economically disadvantaged household; ~~or~~
 - (C) for individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole.**
- (2) Holding a ruling:
 - (A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and
 - (B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

(l) As used in this chapter, "person" means any individual subject to Indiana gross or adjusted gross income tax.

(m) As used in this chapter, "state fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(n) As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

(o) As used in this chapter, "tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 37. IC 6-3.1-9-2, AS AMENDED BY P.L.1-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization that engages in the activities of providing:

- (1) neighborhood assistance, job training, or education for individuals not employed by the business firm or person; ~~or for~~**
- (2) community services or crime prevention in an economically disadvantaged area; ~~or~~**
- (3) community services, education, or job training services to individuals who are ex-offenders who have completed the individuals' criminal sentences or are serving a term of probation or parole;**



shall receive a tax credit as provided in section 3 of this chapter if the authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The authority, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these proposals.

SECTION 38. IC 6-3.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. (a) A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid or permanently set aside in a special account for the approved program or purpose.

(b) A taxpayer is not entitled to a credit under this chapter for contributions made or permanently set aside in a taxable year beginning after December 31, 2017.

(c) This chapter expires January 1, 2019.

SECTION 39. IC 6-3.1-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.

(d) This chapter expires January 1, 2026.

SECTION 40. IC 6-3.1-11-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 7.2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.**

SECTION 41. IC 6-3.1-11-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) If the amount determined under section 16(b) of this chapter for a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the immediately following



taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

(c) A taxpayer is not entitled to a credit under this chapter for qualified investments made in a taxable year beginning after December 31, 2016.

(d) This chapter expires January 1, 2026.

SECTION 42. IC 6-3.1-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 24. (a) If a pass through entity does not have state income tax liability against which the tax credit provided by this chapter may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:**

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter.

SECTION 43. IC 6-3.1-13-13, AS AMENDED BY P.L.4-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 13. (a) The corporation may make credit awards under this chapter to foster job creation in Indiana or, as provided in section 15.5 of this chapter, job retention in Indiana.**

(b) The credit shall be claimed for the taxable years specified in the taxpayer's tax credit agreement.

(c) The corporation may not, after December 31, 2016, approve a credit agreement specifying that a taxpayer may claim a credit under this chapter.

(d) This chapter expires January 1, 2026.

SECTION 44. IC 6-3.1-16-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. See: 1. The definitions set forth in:

(1) IC 14-8-2 that apply to IC 14-21-1; and

(2) IC 14-21-1;

apply throughout this chapter.

SECTION 45. IC 6-3.1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: **Sec. 2. As used in this**



chapter, "~~division~~" "**office**" means the ~~division of historic preservation and archaeology of the department of natural resources~~: **office of community and rural affairs established by IC 4-4-9.7-4.**

SECTION 46. IC 6-3.1-16-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 8 of this chapter.

(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:

- (1) the taxpayer makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the ~~division~~: **office.**

(c) In the case of a husband and wife who:

- (1) own and rehabilitate a historic property jointly; and
- (2) file separate tax returns;

the husband and wife may take the credit in equal shares or one (1) spouse may take the whole credit.

SECTION 47. IC 6-3.1-16-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. A taxpayer qualifies for a credit under section 7 of this chapter if all of the following conditions are met:

- (1) The historic property is:
 - (A) located in Indiana;
 - (B) at least fifty (50) years old; and
 - (C) except as provided in section 7(c) of this chapter, owned by the taxpayer.
- (2) The ~~division~~ **office** certifies that the historic property is listed in the register of Indiana historic sites and historic structures.
- (3) The ~~division~~ **office** certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the ~~division~~ **office** that complies with the standards of the ~~division~~: **office.**
- (4) The ~~division~~ **office** certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).
- (5) The preservation or rehabilitation work is completed in not more than:
 - (A) two (2) years; or
 - (B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.



The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is:

- (A) actively used in a trade or business;
- (B) held for the production of income; or
- (C) held for the rental or other use in the ordinary course of the taxpayer's trade or business.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

SECTION 48. IC 6-3.1-16-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. (a) The ~~division office~~ shall provide the certifications referred to in section 8(3) and 8(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the ~~division office~~ and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a ~~decision final determination~~ by the ~~division office~~ under this chapter to the ~~review board~~. **tax court.**

SECTION 49. IC 6-3.1-16-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the ~~division office~~ required under section 8 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

SECTION 50. IC 6-3.1-16-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 12. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

- (1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or
- (2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the ~~division office~~.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

SECTION 51. IC 6-3.1-16-13 IS AMENDED TO READ AS



FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

(d) A taxpayer may not claim a credit under this chapter for qualified expenditures approved in a taxable year beginning after December 31, 2017.

SECTION 52. IC 6-3.1-16-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 15. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:

- (1) The department of state revenue.
- (2) ~~The division:~~ office.

(b) The following apply to any rules adopted by the division of historic preservation and archaeology of the department of natural resources under this chapter before January 1, 2015:

- (1) The rules are transferred to the office on January 1, 2015, and are considered, after December 31, 2014, to be rules of the office.**
- (2) After December 31, 2014, the rules are treated as if they had been adopted by the office.**

SECTION 53. IC 6-3.1-18-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) A tax credit shall be allowable under this chapter only for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid.

(b) A taxpayer is not entitled to a credit under this chapter for a contribution made in a taxable year beginning after December 31, 2017.

(c) This chapter expires January 1, 2019.

SECTION 54. IC 6-3.1-19-3, AS AMENDED BY P.L.172-2011,



SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) Except as provided in section 5 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state and local tax liability for a taxable year if the taxpayer makes a qualified investment in that year.

(b) The amount of the credit to which a taxpayer is entitled is the qualified investment made by the taxpayer during the taxable year multiplied by twenty-five percent (25%).

(c) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to a lessee of property redeveloped or rehabilitated under section 2 of this chapter. A credit that is assigned under this subsection remains subject to this chapter.

(d) An assignment under subsection (c) must be in writing and both the taxpayer and the lessee must report the assignment on their state tax return for the year in which the assignment is made, in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (c) that exceeds the value of the part of the credit assigned.

(e) If a pass through entity is entitled to a credit under this chapter but does not have state and local tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and an individual who is a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same investment.

(f) A taxpayer that is otherwise entitled to a credit under this chapter for a taxable year may claim the credit regardless of whether any income tax incremental amount or gross retail incremental amount has been:

- (1) deposited in the incremental tax financing fund established for the community revitalization enhancement district; or
- (2) allocated to the district.

(g) A taxpayer is not entitled to a credit under this chapter for a qualified investment made in a taxable year beginning after December 31, 2016.



(h) This chapter expires January 1, 2026.

SECTION 55. IC 6-3.1-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this chapter, "**earned Indiana income**" means the ~~sum of the:~~

- ~~(1) wages, salaries, tips, and other employee compensation; and~~
- ~~(2) net earnings from self-employment (as computed under Section 32(c)(2) of the Internal Revenue Code);~~

adjusted gross income of an individual taxpayer, and the individual's spouse, if the individual files a joint adjusted gross income tax return.

SECTION 56. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b), an individual is entitled to a credit under this chapter if:

- (1) the individual's **earned Indiana** income for the taxable year is less than eighteen thousand six hundred dollars (\$18,600); and
- (2) the individual pays property taxes in the taxable year on a homestead that:

(A) the individual:

- (i) owns; or
- (ii) is buying under a contract that requires the individual to pay property taxes on the homestead, if the contract or a memorandum of the contract is recorded in the county recorder's office; and

(B) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) An individual is not entitled to a credit under this chapter for a taxable year for property taxes paid on the individual's homestead if the individual claims the deduction under IC 6-3-1-3.5(a)(15) for the homestead for that same taxable year.

(c) An individual is not entitled to a credit under this section for property taxes paid in a taxable year beginning after December 31, 2017.

(d) This section expires January 1, 2019.

SECTION 57. IC 6-3.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year, an individual described in section 4 of this chapter is entitled to a refundable credit against the individual's state income tax liability in the amount determined under this section.

(b) In the case of an individual with **earned Indiana** income of less than eighteen thousand dollars (\$18,000) for the taxable year, the amount of the credit is equal to the lesser of:



- (1) three hundred dollars (\$300); or
- (2) the amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(c) In the case of an individual with **earned Indiana** income that is at least eighteen thousand dollars (\$18,000) but less than eighteen thousand six hundred dollars (\$18,600) for the taxable year, the amount of the credit is equal to the lesser of the following:

- (1) An amount determined under the following STEPS:

STEP ONE: Determine the result of:

- (i) eighteen thousand six hundred dollars (\$18,600); minus
- (ii) the individual's **earned Indiana** income for the taxable year.

STEP TWO: Determine the result of:

- (i) the STEP ONE amount; multiplied by
- (ii) five-tenths (0.5).

- (2) The amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(d) If the amount of the credit under this chapter exceeds the individual's state tax liability for the taxable year, the excess shall be refunded to the taxpayer.

SECTION 58. IC 6-3.1-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) The department shall before July 1 of each year determine **the greater of:**

(1) eight million five hundred thousand dollars (\$8,500,000);
or

(2) the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) **Except as provided in subsection (d)**, one-half (1/2) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under IC 4-33-12-6(d)(2); and

(2) paid instead to the state general fund.

(c) **Except as provided in subsection (d)**, one-sixth (1/6) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under IC 4-33-12-6(d)(1) to each of the following:

- (A) The largest city by population located in the county.
- (B) The second largest city by population located in the county.
- (C) The third largest city by population located in the county;



and

(2) paid instead to the state general fund.

(d) If the amount determined by the department under subsection (a)(2) is less than eight million five hundred thousand dollars (\$8,500,000), the difference of:

(1) eight million five hundred thousand dollars (\$8,500,000); minus

(2) the amount determined by the department under subsection (a)(2);

shall be paid to the northwest Indiana regional development authority established by IC 36-7.5-2-1 instead of the state general fund.

SECTION 59. IC 6-3.1-21-8, AS AMENDED BY P.L.172-2011, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. **(a)** To obtain a credit under this chapter, a taxpayer must claim the advance payment or credit in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

(b) A taxpayer may not claim a credit under this chapter after December 31, 2016.

(c) This chapter expires January 2, 2018.

SECTION 60. IC 6-3.1-22-1 IS REPEALED [EFFECTIVE JANUARY 1, 2015]. ~~Sec. 1. The definitions set forth in:~~

~~(1) IC 14-8-2 that apply to IC 14-21-1; and~~

~~(2) IC 14-21-1;~~

~~apply throughout this chapter.~~

SECTION 61. IC 6-3.1-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this chapter, ~~"division"~~ **"office"** means the ~~division of historic preservation and archeology of the department of natural resources.~~ **office of community and rural affairs established by IC 4-4-9.7-4.**

SECTION 62. IC 6-3.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 9 of this chapter.

(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:

(1) the taxpayer makes for the preservation or rehabilitation of



historic property; and

(2) are approved by the ~~division~~ **office**.

(c) In the case of a husband and wife who:

(1) own and rehabilitate a historic property jointly; and

(2) file separate tax returns;

the husband and wife may take the credit in equal shares or one (1) spouse may take the whole credit.

SECTION 63. IC 6-3.1-22-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. A taxpayer qualifies for a credit under section 8 of this chapter if all of the following conditions are met:

(1) The historic property is:

(A) located in Indiana;

(B) at least fifty (50) years old; and

(C) except as provided in section 8(c) of this chapter, owned by the taxpayer.

(2) The ~~division~~ **office** certifies that the historic property is listed in the register of Indiana historic sites and historic structures.

(3) The ~~division~~ **office** certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the ~~division~~ **office** that complies with the standards of the ~~division~~ **office**.

(4) The ~~division~~ **office** certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).

(5) The preservation or rehabilitation work is completed in not more than:

(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is principally used and occupied by the taxpayer as the taxpayer's residence.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).

SECTION 64. IC 6-3.1-22-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. (a) The ~~division~~ **office** shall provide the certifications referred to in section 9(3) and 9(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the ~~division~~ **office**



and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a ~~decision~~ **final determination** by the ~~division office~~ under this chapter to the ~~review board~~; **tax court**.

SECTION 65. IC 6-3.1-22-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 11. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the ~~division office~~ required under section 9 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

SECTION 66. IC 6-3.1-22-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 13. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

- (1) the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or
- (2) less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the ~~division~~; **office**.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.

SECTION 67. IC 6-3.1-22-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).



(c) A taxpayer is not entitled to any carryback or refund of any unused credit.

(d) A taxpayer may not claim a credit under this chapter for qualified expenditures approved in a taxable year beginning after December 31, 2017.

SECTION 68. IC 6-3.1-22-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 16. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:

- (1) The department of state revenue.
- (2) The ~~division~~ office.

(b) The following apply to any rules adopted by the division of historic preservation and archaeology of the department of natural resources under this chapter before January 1, 2015:

- (1) The rules are transferred to the office on January 1, 2015, and are considered, after December 31, 2014, to be rules of the office.**
- (2) After December 31, 2014, the rules are treated as if they had been adopted by the office.**

SECTION 69. IC 6-3.1-24-12, AS AMENDED BY P.L.193-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. (a) If the amount of the credit determined under section 10 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess credit over for a period not to exceed the taxpayer's following five (5) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

(b) A taxpayer is not entitled to a credit under this chapter for qualified investment capital provided to a qualified Indiana business in a taxable year beginning after December 31, 2016.

(c) This chapter expires January 1, 2022.

SECTION 70. IC 6-3.1-29-21, AS ADDED BY P.L.191-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. (a) To receive the credit awarded by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department a copy of the commission's determination required under section 19 of this chapter, a copy of the taxpayer's certificate of compliance issued under section 19 of this chapter, and all information that the department determines is



necessary for the calculation of the credit provided by this chapter.

(b) A taxpayer is not entitled to a credit under this section for a qualified investment made in a taxable year beginning after December 31, 2017.

(c) This section expires January 1, 2039.

SECTION 71. IC 6-3.1-30-11, AS ADDED BY P.L.193-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) If the credit provided by this chapter exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time that the credit is carried forward to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for nine (9) taxable years following the unused credit year.

(b) A taxpayer is not entitled to any carryback or refund of any unused credit.

(c) A taxpayer is not entitled to a credit under this chapter for relocation costs incurred in a taxable year beginning after December 31, 2016.

(d) This chapter expires January 1, 2026.

SECTION 72. IC 6-3.1-30.5-9.5, AS ADDED BY P.L.211-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9.5. (a) This section applies to a taxpayer that is entitled to a tax credit under this chapter for a taxable year beginning after December 31, 2012.

(b) If the credit provided by this chapter exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time the credit is carried forward to a succeeding taxable year, the credit is reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for nine (9) taxable years following the unused credit year.

(c) A taxpayer is not entitled to a carryback or refund of any unused credit.

(d) A taxpayer is not entitled to a credit under this section for a contribution made in a taxable year beginning after December 31, 2017.



(e) This section expires January 1, 2029."

Page 42, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 30. IC 27-6-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Member insurers, which during any preceding calendar year shall have paid one (1) or more assessments levied pursuant to section 7 of this chapter, shall be allowed a credit against premium taxes, adjusted gross income taxes, or any combination thereof upon revenue or income of member insurers which may be imposed by the state, up to twenty percent (20%) of the assessment described in section 7 of this chapter for each calendar year following the year the assessment was paid until the aggregate of all assessments paid to the guaranty association shall have been offset by either credits against such taxes or refunds from the association. The provisions herein are applicable to all assessments levied after the passage of this article.

(b) To the extent a member insurer elects not to utilize the tax credits authorized by subsection (a), the member insurer may utilize the provisions of subsection (c) as a secondary method of recoupment.

(c) The rates and premiums charged for insurance policies to which this chapter applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association and the rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

(d) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.

(e) This section expires January 1, 2023.

SECTION 31. IC 27-8-8-16, AS AMENDED BY P.L.193-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A member insurer may take as a credit against premium taxes, adjusted gross income taxes, or any combination of them imposed by the state upon the member insurer's revenue or income not more than twenty percent (20%) of the amount of each assessment described in section 6 of this chapter for each calendar year following the year in which the assessment was paid until the assessment has been offset by either credits against the taxes or refunds from the association. If the member insurer ceases doing business, all uncredited assessments may be credited against the member insurer's premium taxes, adjusted gross income taxes, or a combination of the premium taxes and adjusted gross income taxes of



the member insurer for the year the member insurer ceases doing business.

(b) A member insurer is not entitled to a credit under this section for an assessment paid in a taxable year beginning after December 31, 2017.

(c) This section expires January 1, 2023.

SECTION 29. IC 27-8-10-2.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.4. (a) Beginning January 1, 2005, a member that, before January 1, 2005, has:

- (1) paid an assessment; and
- (2) not taken a credit against taxes;

under section 2.1 of this chapter (as in effect December 31, 2004) is not entitled to claim or carry forward the unused tax credit except as provided in this section.

(b) A member described in subsection (a) may, for each taxable year beginning after December 31, 2006, take a credit of not more than ten percent (10%) of the amount of the assessments paid before January 1, 2005, against which a tax credit has not been taken before January 1, 2005. A credit under this subsection may be taken against premium taxes, adjusted gross income taxes, or any combination of these, or similar taxes upon revenues or income of the member that may be imposed by the state, up to the amount of the taxes due for each taxable year.

(c) If the maximum amount of a tax credit determined under subsection (b) for a taxable year exceeds a member's liability for the taxes described in subsection (b), the member may carry the unused portion of the tax credit forward to subsequent taxable years. Tax credits carried forward under this subsection are not subject to the ten percent (10%) limit set forth in subsection (b).

(d) The total amount of credits taken by a member under this section in all taxable years may not exceed the total amount of assessments paid by the member before January 1, 2005, minus the total amount of tax credits taken by the member under section 2.1 of this chapter (as in effect December 31, 2004) before January 1, 2005.

(e) This section expires January 1, 2017."

Page 43, delete lines 23 through 42.

Delete pages 44 through 74.

Page 75, delete lines 1 through 13, begin a new paragraph and insert:

"SECTION 41. [EFFECTIVE JANUARY 1, 2015] **(a) IC 6-3.1-20-1, IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by**



this act, apply to taxable years beginning after December 31, 2014.

(b) This SECTION expires January 1, 2018."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 367 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 1.

SENATE MOTION

Madam President: I move that Senate Bill 367 be amended to read as follows:

Page 2, reset in roman lines 39 through 42.

Page 2, line 42, after "chapter." insert "**This subsection expires January 1, 2016.**".

Page 3, reset in roman lines 1 through 6.

Page 3, line 6, after "hearing." insert "**This subsection expires January 1, 2016.**".

Page 3, line 9, reset in roman "(a)".

Page 3, reset in roman lines 17 through 30.

Page 3, line 30, after "subdivision." insert "**This subsection expires January 1, 2016.**".

Page 29, line 16, after "shall" insert "**(before January 1, 2016)**".

Page 29, line 16, reset in roman "by publication".

Page 29, line 25, after "shall" insert "**(before January 1, 2016)**".

Page 29, line 25, reset in roman "publish the notice twice in".

Page 29, reset in roman lines 26 through 29.

Page 29, line 30, reset in roman "the publishing of the notice."

Page 29, line 30, after "notice." insert "**The political subdivision shall**".

Page 29, line 40, after "shall" insert "**also**".

Page 30, line 25, after "not" insert "**(before January 1, 2016) published and is not**".

Page 30, line 29, after "timely" insert "**publishes (before January 1, 2016) and timely**".

Page 30, line 34, after "gateway" delete "." and insert "**and (before January 1, 2016) to publish the amended information.**".

Page 33, line 7, after "site" delete ";" and insert "**and (before**



January 1, 2016) is published by the political subdivision according to a notice provided by the department;".

Page 78, line 8, reset in roman "publication".

Page 78, line 8, after "publication" insert "**(before January 1, 2016) and"**.

Page 78, line 27, reset in roman "publication".

Page 78, line 27, after "publication" insert "**(before January 1, 2016) and"**.

(Reference is to SB 367 as printed January 31, 2014.)

HERSHMAN

SENATE MOTION

Madam President: I move that Senate Bill 367 be amended to read as follows:

Page 60, line 39, delete "section expires January 1," and insert "**chapter expires June 30,**".

(Reference is to SB 367 as printed January 31, 2014.)

HERSHMAN

SENATE MOTION

Madam President: I move that Senate Bill 367 be amended to read as follows:

Page 67, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 74. IC 6-7-1-37 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 37. (a) All reports required to be filed under this chapter must be filed in an electronic format prescribed by the department.**

(b) All taxes required to be remitted under this chapter must be remitted in an electronic format prescribed by the department.

SECTION 75. IC 6-7-2-12, AS AMENDED BY P.L.172-2011, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12. Before the fifteenth day of each month, each distributor liable for the tax imposed by this chapter shall:

(1) file a return with the department that includes all information

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required by the department including, but not limited to:

- (A) name of distributor;
 - (B) address of distributor;
 - (C) license number of distributor;
 - (D) invoice date;
 - (E) invoice number;
 - (F) name and address of person from whom tobacco products were purchased or name and address of person to whom tobacco products were sold;
 - (G) the wholesale price for tobacco products other than moist snuff; and
 - (H) for moist snuff, the weight of the moist snuff; and
- (2) pay the tax for which it is liable under this chapter for the preceding month minus the amount specified in section 13 of this chapter.

All returns required to be filed and taxes required to be paid under this chapter must be made in an electronic format prescribed by the department.

SECTION 76. IC 7.1-4-6-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. **Filing of Returns.** A person who is liable for the payment of an excise tax levied by this title shall file a monthly return with the department on or before the twentieth day of the month following the month in which the liability for the tax accrues by reason of the manufacture, sale, gift, or the withdrawal for sale or gift, of alcoholic beverages within this state. **The return must be filed in an electronic format as prescribed by the department.** Payment of the excise tax due shall accompany the return, **and shall be remitted electronically. Any other returns or forms required to be filed under this title must also be filed in an electronic format and on a date prescribed by the department."**

Renumber all SECTIONS consecutively.

(Reference is to SB 367 as printed January 31, 2014.)

KENLEY



SENATE MOTION

Madam President: I move that Senate Bill 367 be amended to read as follows:

Page 40, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 29. IC 6-2.5-5-50 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 50. Sales of tangible personal property are exempt from the state gross retail tax if:**

- (1) the property constitutes a label that will be affixed to or a sign that will be displayed with other tangible personal property being sold to a retail merchant that will be selling the other tangible personal property at retail; and**
- (2) the person acquiring the label or sign and selling the other tangible personal property to a retail merchant is required to affix the label to or provide the sign to display with the other tangible personal property for the purpose of complying with any state or federal statute, regulation, or standard."**

Renumber all SECTIONS consecutively.

(Reference is to SB 367 as printed January 31, 2014.)

KENLEY

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 367, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 14, begin a new paragraph and insert:

"SECTION 1. IC 4-4-39 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 39. Rural Entrepreneurship Grant Program

Sec. 1. This chapter applies to an executive of a rural county or a person who submits a grant application after June 30, 2015.

Sec. 2. The purpose of this chapter is to:

- (1) establish and fund programs to identify entrepreneurs with marketable ideas; and**
- (2) support the organization and development of new businesses in rural counties.**

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Sec. 3. The general assembly finds that establishing and supporting new businesses in rural counties serves a public purpose that benefits the general welfare of rural counties by encouraging investment, job creation and retention, economic growth, and more diverse economies.

Sec. 4. As used in this chapter, "incubator" means a facility in which space may be leased by a tenant and in which management provides access to business development services for use by tenants.

Sec. 5. As used in this chapter, "new business" refers to a business entity certified by the office as a new business under section 9 of this chapter.

Sec. 6. As used in this chapter, "office" refers to the office of community and rural affairs established by IC 4-4-9.7-4.

Sec. 7. As used in this chapter, "rural county" refers to a county having a population of less than fifty thousand (50,000).

Sec. 8. (a) The executive of a rural county may apply to the office for a grant that is renewable for up to three (3) years to promote entrepreneurship and new business development in the rural county. The application must:

- (1) be in a form specified by the office;
- (2) include a copy of an ordinance adopted by the county executive:
 - (A) committing up to two hundred fifty thousand dollars (\$250,000) of local funds each state fiscal year for a dollar for dollar match to the grant received under this chapter; and
 - (B) specifying the source or sources of the funds committed; and
- (3) include any information that the office determines necessary for evaluating the application.

(b) The local match required by subsection (a) may be funded from any of the following:

- (1) The county economic development income tax under IC 6-3.5-7.
- (2) Any public funds (other than property taxes) of the county or the county redevelopment commission.
- (3) Any contributions, grants, donations, or bequests from an individual or a private entity.

Sec. 9. The office shall determine whether a business in a rural county is a new business and may certify the business as a new business if the office determines that the new business meets all the



following criteria:

- (1) The business is established or organized to do business in Indiana less than one (1) year before the business locates business operations in the rural county.
- (2) The business conducts business operations in the rural county to provide goods or services for profit.
- (3) The business meets any other criteria specified by the office.

Sec. 10. The office shall do the following:

- (1) Adopt guidelines to determine standards for awarding grants under this chapter.
- (2) Prepare and supervise the issuance of public information concerning the grant program established under this chapter.
- (3) Prescribe the form for and regulate the submission of applications for grants under this chapter.
- (4) Determine an applicant's eligibility to receive or renew a grant under this chapter.
- (5) Work with the office of small business and entrepreneurship for assistance and information regarding small businesses.

Sec. 11. The office shall determine the amount of each grant awarded under this chapter.

Sec. 12. (a) Each county that receives a grant under this chapter shall establish a rural entrepreneurship grant fund for the deposit of the grant money.

(b) Upon appropriation by the county fiscal body, money deposited in the rural entrepreneurship grant fund may be used for any of the following purposes, after recommendation by a local economic development organization in the county:

- (1) Incubator development and operation.
- (2) Accelerator development and operation.
- (3) Obtaining small business support services provided by the office of small business and entrepreneurship or a similar entity.
- (4) Assisting in the deployment of high speed Internet service (as defined by IC 5-28-33-2) to a new business located within the county if the service does not exist.
- (5) Entrepreneurial internships established in the area that partner with high schools located within the county, or entrepreneurial classes established at local high schools that involve cooperation and collaboration with businesses in the area.



(c) Money in the fund may not be used to pay the administrative expenses of the fund.

Sec. 13. A county that receives a grant awarded under this chapter must comply with any guidelines developed by the office in connection with grants awarded under this chapter.

SECTION 2. IC 5-3-1-2, AS AMENDED BY P.L.141-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) This section applies only when notice of an event is required to be given by publication in accordance with this chapter.

(b) If the event is a public hearing or meeting concerning any matter not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h) notice shall be published one (1) time, at least ten (10) days before the date of the hearing or meeting.

(c) If the event is an election, notice shall be published one (1) time, at least ten (10) days before the date of the election.

(d) If the event is a sale of bonds, notes, or warrants, notice shall be published two (2) times, at least one (1) week apart, with:

(1) the first publication made at least fifteen (15) days before the date of the sale; and

(2) the second publication made at least three (3) days before the date of the sale.

(e) If the event is the receiving of bids, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least seven (7) days before the date the bids will be received.

(f) If the event is the establishment of a cumulative or sinking fund, notice of the proposal and of the public hearing that is required to be held by the political subdivision shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the date of the hearing.

(g) If the event is the submission of a proposal adopted by a political subdivision for a cumulative or sinking fund for the approval of the department of local government finance, the notice of the submission shall be published one (1) time. The political subdivision shall publish the notice when directed to do so by the department of local government finance.

(h) If the event is the required publication of an ordinance, notice of the passage of the ordinance shall be published one (1) time within thirty (30) days after the passage of the ordinance.

(i) If the event is one about which notice is required to be published after the event, notice shall be published one (1) time within thirty (30) days after the date of the event.

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(j) If the event is anything else, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the event.

(k) If any officer charged with the duty of publishing any notice required by law is unable to procure advertisement:

- (1) at the price fixed by law;
- (2) because the newspaper refuses to publish the advertisement;
- or
- (3) because the newspaper refuses to post the advertisement on the newspaper's Internet web site (if required under section 1.5 of this chapter);

it is sufficient for the officer to post printed notices in three (3) prominent places in the political subdivision, instead of publication of the notice in newspapers and on an Internet web site (if required under section 1.5 of this chapter).

(l) If a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and the published notice contains an error due to the fault of a newspaper, the notice as presented for publication is a valid notice under this chapter.

(m) Notwithstanding subsection (j); if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper, the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing.

SECTION 3. IC 5-3-1-2.3, AS AMENDED BY P.L.169-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.3. (a) A notice published in accordance with this chapter or any other Indiana statute is valid even though the notice contains errors or omissions, as long as:

- (1) a reasonable person would not be misled by the error or omission; and
- (2) the notice is in substantial compliance with the time and publication requirements applicable under this chapter or any other Indiana statute under which the notice is published.

(b) This subsection applies if:

- (1) a county auditor publishes a notice concerning a tax rate, tax levy, or budget of a political subdivision in the county;
- (2) the notice contains an error or omission that causes the notice to inaccurately reflect the tax rate, tax levy, or budget actually proposed or fixed by the political subdivision; and
- (3) the county auditor is responsible for the error or omission



described in subdivision (2).

Notwithstanding any other law, the department of local government finance may correct an error or omission described in subdivision (2) at any time. If an error or omission described in subdivision (2) occurs, the county auditor must publish, at the county's expense, a notice containing the correct tax rate, tax levy, or budget as proposed or fixed by the political subdivision.

SECTION 4. IC 5-13-6-3, AS AMENDED BY P.L.89-2010, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, **provide to the county auditor the amount available for distribution, as certified for each semiannual distribution under IC 6-1.1-27-2. The county auditor shall** advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

- (1) ninety-five percent (95%) of the total amount collected at the time of the advance; or
- (2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(d) At the semiannual distribution all the advances made to any political subdivision under subsection (b) shall be deducted from the total amount due any political subdivision as shown by the distribution.

(e) If a county auditor fails to make a distribution of tax collections by the deadline for distribution under subsection (b), a political subdivision that was to receive a distribution may recover interest on the undistributed tax collections under IC 6-1.1-27-1.

SECTION 5. IC 6-1.1-8-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) Each year a public utility company shall file a statement concerning the value and



description of the property which is either owned or used by the company on the assessment date of that year. The company shall file this statement with the department of local government finance ~~on the form in the manner~~ prescribed by the department. The department of local government finance may extend the due date for a statement. Unless the department of local government finance grants an extension, a public utility company shall file its statement for a year:

- (1) on or before March 1st of that year unless the company is a railroad car company; or
- (2) on or before ~~May~~ **July** 1st of that year if the company is a railroad car company.

(b) A public utility company may, not later than sixty (60) days after filing a valid and timely statement under subsection (a), file an amended statement:

- (1) for distribution purposes;**
- (2) to correct errors; or**
- (3) for any other reason, except:**
 - (A) obsolescence; or**
 - (B) the credit for railroad car maintenance and improvements provided under IC 6-1.1-8.2."**

Delete pages 2 through 4.

Page 5, delete lines 1 through 21.

Page 15, line 41, delete "P.L.288-2013," and insert "SEA 24-2014, SECTION 19, IS".

Page 15, delete line 42.

Page 16, line 1, delete "CORRECTED AND".

Page 23, between lines 41 and 42, begin a new paragraph and insert:
"(s) For assessment dates after 2013, the term "homestead" includes property that is owned by an individual who:

- (1) is serving on active duty in any branch of the armed forces of the United States;**
- (2) was ordered to transfer to a location outside Indiana;**
- (3) was otherwise eligible, without regard to this subsection, for the deduction under this section for the property for the assessment date immediately preceding the transfer date specified in the order described in subdivision (2).**

For property to qualify under this subsection for the deduction provided by this section, the individual described in subdivisions (1) through (3) must submit to the county auditor a copy of the individual's transfer orders or other information sufficient to show that the individual was ordered to transfer to a location outside Indiana. The property continues to qualify for the deduction



provided by this section until the individual ceases to be on active duty, the property is sold, or the individual's ownership interest is otherwise terminated, whichever occurs first. Notwithstanding subsection (a)(2), the property remains a homestead regardless of whether the property continues to be the individual's principal place of residence after the individual transfers to a location outside Indiana. However, the property ceases to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana. Property that qualifies as a homestead under this subsection shall also be construed as a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6."

Page 28, line 7, delete "The" and insert "**Subject to subsection (i),** the".

Page 29, delete lines 9 through 42, begin a new paragraph and insert:

"(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:

(1) with the auditor of the county in which the taxes were originally paid; and

(2) within three (3) years after the taxes were first due.

SECTION 21. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall give notice ~~by publication~~ to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

The political subdivision or appropriate fiscal body shall also state the time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on these items. **Each year** the political subdivision or appropriate fiscal body shall ~~publish the notice twice in accordance with IC 5-3-1~~ with the first publication at least ten (10) days before the date fixed for the public hearing. ~~The first publication must be before September 14, and the second publication must be before September 21 of the year. The political subdivision shall pay for~~



the publishing of the notice. submit this information to the department's computer gateway before September 14 and at least ten (10) days before the public hearing required by this subsection in the manner prescribed by the department. The department shall make this information available to taxpayers through its computer gateway at least ten (10) days before the public hearing required by this subsection and provide a telephone number through which taxpayers may request mailed copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address.

(b) For taxes due and payable in 2015 and 2016, each county shall publish a notice in accordance with IC 5-3-1 in two (2) newspapers published in the county stating the Internet address at which the information under subsection (a) is available and the telephone number through which taxpayers may request copies of a political subdivision's information under subsection (a). If only one (1) newspaper is published in the county, publication in that newspaper is sufficient. The department of local government finance shall prescribe the notice. Notice under this subsection shall be published before September 14. Counties may seek reimbursement from the political subdivisions within their legal boundaries for the cost of the notice required under this subsection. The actions under this subsection shall be completed in the manner prescribed by the department.

~~(b)~~ (c) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

~~(c)~~ (d) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(e) A political subdivision for which any of the information under subsection (a) is not submitted to the department's computer gateway in the manner prescribed by the department shall have its most recent annual appropriations and annual tax levy continued



for the ensuing budget year.

(f) If a political subdivision or appropriate fiscal body timely submits the information under subsection (a) but subsequently discovers the information contains a typographical error, the political subdivision or appropriate fiscal body may request permission from the department to submit amended information to the department's computer gateway. However, such a request must occur not later than seven (7) days before the public hearing held under subsection (a). Acknowledgment of the correction of an error shall be posted on the department's computer gateway and communicated by the political subdivision or appropriate fiscal body to the fiscal body of the county in which the political subdivision and appropriate fiscal body are located.

SECTION 22. IC 6-1.1-17-16, AS AMENDED BY P.L.218-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in section 16.1 of this chapter, the department of local government finance is not required to hold a public hearing before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section.

(d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give



the political subdivision notification electronically in the manner prescribed by the department of local government finance specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ten (10) calendar days from the date the political subdivision receives the notice to provide a response electronically in the manner prescribed by the department of local government finance. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
 - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or



(B) fails to act on the appeal before the department certifies its action under subsection (f);

a taxpayer who signed the statement filed to initiate the appeal.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15 of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance ~~may~~ **shall** increase a political subdivision's tax levy to an amount that exceeds the amount originally ~~fixed~~ **advertised or adopted** by the political subdivision if:

(1) the increase is ~~(+)~~ requested in writing by the officers of the political subdivision;

(2) ~~either:~~ **the requested increase is published on the department's advertising Internet web site; and**

~~(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or~~

~~(B) results from an inadvertent mathematical error made in determining the levy; and~~

(3) ~~published by the political subdivision according to a notice provided by the department. notice is given to the county fiscal body of the error and the department's correction.~~

If the department increases a levy beyond what was advertised or adopted under this subsection, it shall reduce the levy affected below the maximum allowable levy by the lesser of five percent (5%) of the difference between the advertised or adopted levy and the increased levy, or one hundred thousand dollars (\$100,000).

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget."

Delete pages 30 through 32.



Page 33, delete lines 1 through 37.

Page 34, delete lines 14 through 42.

Delete pages 35 through 38.

Page 39, delete lines 1 through 12, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-20.3-6.5, AS AMENDED BY P.L.257-2013, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. (a) After the board receives a petition concerning a political subdivision under section 6(a) or 6(b)(2) of this chapter, the board may designate the political subdivision as a distressed political subdivision if at least one (1) of the following conditions applies to the political subdivision:

- (1) The political subdivision has defaulted in payment of principal or interest on any of its bonds or notes.
- (2) The political subdivision has failed to make required payments to payroll employees for thirty (30) days or two (2) consecutive payrolls.
- (3) The political subdivision has failed to make required payments to judgment creditors for sixty (60) days beyond the date of the recording of the judgment.
- (4) The political subdivision, for at least thirty (30) days beyond the due date, has failed to do any of the following:
 - (A) Forward taxes withheld on the incomes of employees.
 - (B) Transfer employer or employee contributions due under the Federal Insurance Contributions Act (FICA).
 - (C) Deposit the political subdivision's minimum obligation payment to a pension fund.
- (5) The political subdivision has accumulated a deficit equal to eight percent (8%) or more of the political subdivision's revenues. For purposes of this subdivision, "deficit" means a negative fund balance calculated as a percentage of revenues at the end of a budget year for any governmental or proprietary fund. The calculation must be presented on an accrual basis according to generally accepted accounting principles.
- (6) The political subdivision has sought to negotiate a resolution or an adjustment of claims that in the aggregate:
 - (A) exceed thirty percent (30%) of the political subdivision's anticipated annual revenues; and
 - (B) are ninety (90) days or more past due.
- (7) The political subdivision has carried over interfund loans for the benefit of the same fund at the end of two (2) successive years.



(8) The political subdivision has been severely affected, as determined by the board, as a result of granting the property tax credits under IC 6-1.1-20.6.

(9) In addition to the conditions listed in subdivisions (1) through (8), and in the case of a school corporation, the board may also designate a school corporation as a distressed political subdivision if at least one (1) of the following conditions applies:

(A) The school corporation has:

(i) issued refunding bonds under IC 5-1-5-2.5; or

(ii) adopted a resolution under IC 5-1-5-2.5 making the determinations and including the information specified in IC 5-1-5-2.5(g).

(B) The ratio that the amount of the school corporation's debt (as determined in December 2010) bears to the school corporation's 2011 ADM ranks in the highest ten (10) among all school corporations.

(C) The ratio that the amount of the school corporation's debt (as determined in December 2010) bears to the school corporation's total assessed valuation for calendar year 2011 ranks in the highest ten (10) among all school corporations.

(D) The amount of homestead assessed valuation in the school corporation for calendar year 2011 was at least sixty percent (60%) of the total amount of assessed valuation in the school corporation for calendar year 2011.

(10) In addition to the conditions listed in subdivisions (1) through (9), and in the case of a school corporation, the board shall also designate a school corporation as a distressed political subdivision if the school corporation's petition for a loan from the counter-cyclical revenue and economic stabilization fund was denied in October 2013.

The board may consider whether a political subdivision has fully exercised all the local options available to the political subdivision, such as a local option income tax or a local option income tax rate increase or, in the case of a school corporation, an operating referendum.

(b) If the board designates a political subdivision as distressed under subsection (a), the board shall review the designation annually to determine if the distressed political subdivision meets at least one (1) of the conditions listed in subsection (a).

(c) If the board designates a political subdivision as a distressed political subdivision under subsection (a), the board shall immediately notify:



- (1) the treasurer of state; and
- (2) the county auditor and county treasurer of each county in which the distressed political subdivision is wholly or partially located;

that the board has designated the political subdivision as a distressed political subdivision.

SECTION 27. IC 6-1.1-20.3-7.5, AS AMENDED BY SEA 24-2014, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) This section does not apply to:

- (1) a school corporation designated before July 1, 2013, as a distressed political subdivision; or
- (2) a school corporation designated as a distressed political subdivision under section 6.5(a)(10) of this chapter, regardless of the date of the designation.**

(b) If the board designates a political subdivision as a distressed political subdivision under section 6.5 or 6.7 of this chapter, the board shall appoint an emergency manager for the distressed political subdivision. An emergency manager serves at the pleasure of the board.

(c) The chairperson of the board shall oversee the activities of an emergency manager.

(d) The distressed political subdivision shall pay the emergency manager's compensation and reimburse the emergency manager for actual and necessary expenses.

SECTION 28. IC 6-1.1-20.3-8.3, AS AMENDED BY P.L.257-2013, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.3. (a) After the board receives a petition concerning a school corporation under section 6(b)(1) of this chapter, the board shall review the school corporation's request for a loan from the counter-cyclical revenue and economic stabilization fund under IC 6-1.1-21.4-3(b). **Subject to subsection (b)**, the board shall make a recommendation to the state board of finance regarding the loan request. The board may consider whether a school corporation has attempted to secure temporary cash flow loans from the Indiana bond bank or a financial institution in making its recommendation.

(b) The board shall recommend that the state board of finance approve a loan request submitted by a school corporation designated as a distressed political subdivision under section 6.5(a)(10) of this chapter.

SECTION 29. IC 6-1.1-21.4-2, AS AMENDED BY P.L.145-2012, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible school



corporation" refers to ~~either~~ **any** of the following:

(1) A school corporation located in a county in which distributions of property tax revenue for 2007 or 2008 to the taxing units (as defined in IC 6-1.1-1-21) of the county:

(A) have not been made; or

(B) were delayed by more than sixty (60) days after either due date specified in IC 6-1.1-22-9.

(2) A school corporation that is:

(A) designated by the distressed unit appeal board as a distressed political subdivision under IC 6-1.1-20.3; or

(B) approved for a loan by the distressed unit appeal board under IC 6-1.1-20.3-8.3.

(3) A school corporation approved for a loan by the distressed unit appeal board under IC 6-1.1-20.3-8.3(b).

SECTION 30. IC 6-1.1-21.4-3, AS AMENDED BY P.L.145-2012, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An eligible school corporation may apply to the board for a loan from the counter-cyclical revenue and economic stabilization fund.

(b) Subject to subsections (c) and (d) and section 3.5 of this chapter, an eligible school corporation described in section 2(2) of this chapter may apply to the board for a loan. The maximum amount of a loan that the board may approve for the eligible school corporation is the lesser of the following:

(1) Five million dollars (\$5,000,000).

(2) The product of:

(A) one thousand dollars (\$1,000); multiplied by

(B) the school corporation's 2012 ADM.

(c) At the time the distressed unit appeal board designates a school corporation as a distressed political subdivision under IC 6-1.1-20.3 or recommends under IC 6-1.1-20.3-8.3 that a loan from the fund be approved for a school corporation, the distressed unit appeal board may also recommend to the state board of finance that a loan from the fund to the school corporation be contingent upon any of the following:

(1) The sale of specified unused property by the school board.

(2) The school corporation modifying one (1) or more specified contracts entered into by the school corporation.

(d) In making a loan from the fund to a school corporation, the state board of finance may make the loan contingent upon any condition recommended by the distressed unit appeal board under subsection (c).

(e) This subsection applies only to an eligible school corporation approved for a loan by the distressed unit appeal board under



IC 6-1.1-20.3-8.3(b). The board shall make the loan approved by the distressed unit appeal board as requested by the eligible school corporation. The following apply to a loan made under this subsection:

- (1) The maximum amount of a loan set forth in subsection (b).
- (2) Sections 3.5 through 7 of this chapter.

In addition, an eligible school corporation receiving a loan under this subsection shall sell any unimproved land owned by the eligible school corporation that on April 1, 2014, is not contiguous to the grounds of any school."

Page 39, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 27. IC 6-1.1-24-1, AS AMENDED BY P.L.203-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) On or after January 1 of each calendar year in which a tax sale will be held in a county and not later than fifty-one (51) days after the first tax payment due date in that calendar year, the county treasurer (or county executive, in the case of property described in subdivision (2)) shall certify to the county auditor a list of real property on which any of the following exist:

- (1) In the case of real property other than real property described in subdivision (2), any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior year's spring installment or before are delinquent as determined under IC 6-1.1-37-10 and the delinquent property ~~tax or taxes~~, special assessments, **penalties, fees, or interest** due exceed twenty-five dollars (\$25).

- (2) In the case of real property for which a county executive has certified to the county auditor that the real property is:

- (A) vacant; or
- (B) abandoned;

any property taxes or special assessments from the prior year's fall installment or before that are delinquent as determined under IC 6-1.1-37-10. The county executive must make a certification under this subdivision not later than sixty-one (61) days before the earliest date on which application for judgment and order for sale may be made. The executive of a city or town may provide to the county executive of the county in which the city or town is located a list of real property that the city or town has determined to be vacant or abandoned. The county executive shall include real property included on the list provided by a city or town executive on the list certified by the county executive to the county auditor under this subsection.



(3) Any unpaid costs are due under section 2(b) of this chapter from a prior tax sale.

(b) The county auditor shall maintain a list of all real property eligible for sale. Except as provided in section 1.2 or another provision of this chapter, the taxpayer's property shall remain on the list. The list must:

- (1) describe the real property by parcel number and common address, if any;
- (2) for a tract or item of real property with a single owner, indicate the name of the owner; and
- (3) for a tract or item with multiple owners, indicate the name of at least one (1) of the owners.

(c) Except as otherwise provided in this chapter, the real property so listed is eligible for sale in the manner prescribed in this chapter.

(d) Not later than fifteen (15) days after the date of the county treasurer's certification under subsection (a), the county auditor shall mail by certified mail a copy of the list described in subsection (b) to each mortgagee who requests from the county auditor by certified mail a copy of the list. Failure of the county auditor to mail the list under this subsection does not invalidate an otherwise valid sale.

SECTION 28. IC 6-1.1-24-1.2, AS AMENDED BY P.L.48-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.2. (a) Except as provided in subsection (c), a tract or an item of real property may not be removed from the list certified under section 1 of this chapter before the tax sale unless all:

- (1) delinquent taxes and special assessments due before the date the list on which the property appears was certified under section 1 of this chapter; and
- (2) penalties due on the delinquency, interest, and costs directly attributable to the tax sale;

have been paid in full.

(b) A county treasurer may accept partial payments of delinquent property taxes, assessments, penalties, interest, or costs under subsection (a) after the list of real property is certified under section 1 of this chapter. However, a partial payment does not remove a tract or an item from the list certified under section 1 of this chapter unless the taxpayer complies with subsection (a) or (c) before the date of the tax sale.

(c) A county auditor shall remove a tract or an item of real property from the list certified under section 1 of this chapter before the tax sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.



(d) The county auditor shall remove the tract or item from the list certified under section 1 of this chapter if:

- (1) the arrangement described in subsection (c):
 - (A) is in writing;
 - (B) is signed by the taxpayer; and
 - (C) requires the taxpayer to pay the delinquent taxes in full not later than the last business day before ~~July 1 of the year after~~ **the first anniversary of** the date the agreement is signed; and
- (2) the county treasurer has provided a copy of the written agreement to the county auditor.

(e) If the taxpayer fails to make a payment under the arrangement described in subsection (c):

- (1) the arrangement is void; and
- (2) the county auditor shall immediately place the tract or item of real property on the list of real property eligible for sale at a tax sale.

(f) If the county auditor acts under subsection (e) with respect to a tract or item subject to an arrangement described in subsection (c), the taxpayer may ~~not~~ enter into another arrangement under subsection (c) with respect to that tract or item after the due date of the payment referred to in subsection (d) ~~and~~ **only if the new payment arrangement requires that the taxpayer:**

- (1) pay at least one-third (1/3) of the taxes due and payable when the new payment arrangement is entered into; and**
- (2) pay the balance of the taxes due and payable that remains after application of the payment described in subdivision (1) before the first anniversary of the date on which the new payment arrangement is entered into.**

If the county auditor acts under subsection (e) with respect to a tract or item subject to an arrangement described in subsection (c) and the county auditor and the taxpayer do not make a new arrangement under subsection (c) with respect to that tract or item that conforms with subdivisions (1) and (2), the taxpayer may not enter into another arrangement with respect to that tract or item before the date that succeeds by five (5) years fifth anniversary of the date on which the original arrangement would have expired if the arrangement had not become void under subsection (e). If the county auditor and the taxpayer make a new arrangement under subsection (c) with respect to that tract or item that conforms with subdivisions (1) and (2) and the county auditor again acts under subsection (e) with respect to the tract or item subject to the new arrangement, the taxpayer may not enter into another



arrangement with respect to that tract or item before the fifth anniversary of the date on which the new arrangement would have expired if the new arrangement had not become void under subsection (e).

SECTION 29. IC 6-2.5-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) An excise tax, known as the state gross retail tax, is imposed on retail transactions made in Indiana.

(b) The person who acquires property in a retail transaction is liable for the tax on the transaction and, except as otherwise provided in this chapter, shall pay the tax to the retail merchant as a separate added amount to the consideration in the transaction. ~~The~~ **A retail merchant engaged in business in Indiana (as defined in IC 6-2.5-3-1(c)) or who has permission from the department to collect the tax shall collect the tax as agent for the state."**

Page 39, line 41, delete "to" and insert "to:

(1) transport to a destination outside Indiana within thirty (30) days after delivery; and
(2) title or register for use in another state or country;
is the rate of that state or country (excluding any locally imposed tax rates) as certified by the seller and purchaser in an affidavit satisfying the requirements of subsection (c).

(c) The department of state revenue shall prescribe the form of the affidavit required by subsection (b). In addition to the certification required by subsection (b), the affidavit must include the following:

- (1) The name of the state or country in which the motor vehicle will be titled or registered.**
- (2) An affirmation by the purchaser under the penalties for perjury that the information contained in the affidavit is true.**
- (3) Any other information required by the department of state revenue for the purpose of verifying the information contained in the affidavit.**

(d) The department may audit affidavits submitted under this section and make a proposed assessment of the amount of unpaid tax due with respect to any incorrect information submitted in an affidavit required by this section."

Page 39, delete line 42.

Page 40, delete lines 1 through 3, begin a new paragraph and insert:
 "SECTION 29. IC 6-2.5-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. For purposes of this chapter:



(a) "Use" means the exercise of any right or power of ownership over tangible personal property.

(b) "Storage" means the keeping or retention of tangible personal property in Indiana for any purpose except the subsequent use of that property solely outside Indiana.

(c) "A retail merchant engaged in business in Indiana" includes any retail merchant who makes retail transactions in which a person acquires personal property or services for use, storage, or consumption in Indiana and who:

(1) maintains an office, place of distribution, sales location, sample location, warehouse, storage place, or other place of business which is located in Indiana and which the retail merchant maintains, occupies, or uses, either permanently or temporarily, either directly or indirectly, and either by the retail merchant or through a representative, agent, ~~or~~ subsidiary, **or affiliate;**

(2) maintains a representative, agent, salesman, canvasser, or solicitor who, while operating in Indiana under the authority of and on behalf of the retail merchant or a subsidiary **or an affiliate** of the retail merchant, sells, delivers, installs, repairs, assembles, sets up, accepts returns of, bills, invoices, or takes orders for sales of tangible personal property or services to be used, stored, or consumed in Indiana;

(3) enters into an arrangement with any person, other than a common carrier, to facilitate the retail merchant's delivery of property to customers in Indiana by allowing the retail merchant's customers to pick up property sold by the retail merchant at an office, distribution facility, warehouse, storage place, or similar place of business maintained by the person in Indiana;

~~(3)~~ **(4)** is otherwise required to register as a retail merchant under IC 6-2.5-8-1; or

~~(4)~~ **(5)** may be required by the state to collect tax under this article to the extent allowed under the Constitution of the United States and federal law.

(d) Notwithstanding any other law, a person may be required to collect and remit gross retail tax or use tax as a retail merchant engaged in business in Indiana under subsection (c) if the activities conducted by the person in Indiana on behalf of a retail merchant are significantly associated with the retail merchant's ability to establish and maintain a market in Indiana.

~~(d)~~ **(e)** Notwithstanding any other provision of this section, tangible



or intangible property that is:

- (1) owned or leased by a person that has contracted with a commercial printer for printing; and
- (2) located at the premises of the commercial printer;

shall not be considered to be, or to create, an office, a place of distribution, a sales location, a sample location, a warehouse, a storage place, or other place of business maintained, occupied, or used in any way by the person. A commercial printer with which a person has contracted for printing shall not be considered to be in any way a representative, an agent, a salesman, a canvasser, or a solicitor for the person.

(f) A retail merchant is presumed to be engaged in business in Indiana if an affiliate of the retail merchant has substantial nexus in Indiana, and:

- (1) the retail merchant sells a line of products similar to a line of products sold by the affiliate, and the retail merchant does so under a business name that is the same as or is similar to the affiliate's business name;**
- (2) the affiliate uses its Indiana employees or its Indiana facilities to advertise, promote, or facilitate sales by the retail merchant to customers; or**
- (3) the affiliate uses trademarks, service marks, or trade names in Indiana that are the same as or substantially similar to those used by the retail merchant.**

(g) The presumption under subsection (f) may be rebutted by demonstrating that the affiliate's activities in Indiana are not significantly associated with the retail merchant's ability to establish or maintain a market in Indiana for the retail merchant's sales.

(h) A retail merchant is presumed to be engaged in business in Indiana if the retail merchant enters into an agreement with one (1) or more residents of Indiana under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an Internet web site, an in person oral presentation, or otherwise, to the retail merchant, if the cumulative gross receipts from the sales by the retail merchant to customers in Indiana who are referred to the retail merchant by all residents with this type of an agreement with the retail merchant are greater than ten thousand dollars (\$10,000) during the preceding twelve (12) months.

(i) The presumption under subsection (h) may be rebutted by submitting proof that the residents of Indiana with whom the retail



merchant has an agreement did not engage in any activity within Indiana that was significantly associated with the retail merchant's ability to establish or maintain the retail merchant's market in Indiana during the preceding twelve (12) months. This proof may consist of sworn written statements that:

- (1) are from all the Indiana residents with whom the retail merchant has an agreement described in subsection (h);**
- (2) are provided and obtained in good faith; and**
- (3) state that the Indiana residents did not engage in any solicitation in Indiana on behalf of the retail merchant during the preceding twelve (12) months.**

(j) For purposes of this section, "affiliate" means any:

- (1) person that is a member of the same controlled group of corporations (as defined in 26 U.S.C. 1563(a)) as the retail merchant; or**
- (2) other entity that, notwithstanding its form of organization, bears the same ownership relationship to the retail merchant as a corporation that is a member of the same controlled group of corporations (as defined in 26 U.S.C. 1563(a))."**

Page 40, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 30. IC 6-3-1-3.5, AS AMENDED BY P.L.205-2013, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
 - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and



(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(11) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire



taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(12) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(13) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(14) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(15) Subtract an amount equal to the lesser of:

(A) two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(16) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

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

(18) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in



service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

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

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

(22) Subtract income that is:

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

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

(23) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(24) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

(25) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

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

(27) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross



income that would have been computed had the special allowance not been claimed for the property.

(28) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(29) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(30) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

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

(32) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the



period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

(33) For a taxable year beginning after December 31, 2013, subtract the amount of Indiana investment interest payments that a taxpayer claimed as a deduction for the taxable year under Section 163 of the Internal Revenue Code in determining the taxpayer's taxable income under Section 63 of the Internal Revenue Code for federal income tax purposes.

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand



dollars (\$25,000).

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

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

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

(11) Subtract income that is:

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

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

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

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income



that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:



- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
- (9) Subtract income that is:
 - (A) exempt from taxation under IC 6-3-2-21.7; and
 - (B) included in the insurance company's taxable income under the Internal Revenue Code.
- (10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after



December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.



(15) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(16) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

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

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



service.

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

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

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

(9) Subtract income that is:

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

(B) included in the insurance company's taxable income under the Internal Revenue Code.

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

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section



179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(15) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(16) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

(17) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political



subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

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

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

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

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

(7) Subtract income that is:

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

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business



indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(9) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(10) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been



treated as an ordinary loss.

(13) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(14) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

SECTION 31. IC 6-3-1-36 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]:** **Sec. 36. "Indiana investment interest payment" means a payment of investment interest (as defined in Section 163(d) of the Internal Revenue Code) made with respect to tangible property held for investment in Indiana."**

Delete pages 41 through 54.

Page 55, delete lines 1 through 35.

Page 56, delete lines 9 through 19.

Page 58, delete lines 26 through 42.

Page 59, delete lines 1 through 4.

Page 59, delete lines 18 through 42.

Page 60, delete lines 1 through 27.

Page 61, delete lines 15 through 18.

Page 62, line 38, after "fund." insert "**Any amount paid under this subsection shall be used by the northwest Indiana regional development authority only to establish or improve public mass transportation systems in Lake County."**

Page 62, delete lines 39 through 42.

Page 63, delete lines 1 through 7.

Page 65, delete lines 11 through 31.

Page 66, delete lines 3 through 42.



Page 67, delete lines 1 through 27, begin a new paragraph and insert:

"SECTION 76. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) As used in this subsection, "homestead" means a homestead that is eligible for a standard deduction under IC 6-1.1-12-37. Except as provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or



implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in Porter County, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. If Porter County ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county. In Porter County, all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5).

(5) This subdivision applies only in Porter County. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and



towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

- (A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.
 - (B) The homestead credits shall be treated for all purposes as property tax levies.
 - (C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.
 - (D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.
- (6) This subdivision applies only in Lake County. The county or a city or town in the county may use county economic development income tax revenue to provide homestead credits in the county, city, or town. The following apply to homestead credits provided under this subdivision:
- (A) The county, city, or town fiscal body must adopt an ordinance authorizing the homestead credits. The ordinance must specify the amount of county economic development income tax revenue that will be used to provide homestead credits in the following year.
 - (B) The county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.
 - (C) The homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 (repealed) for homesteads in the county, city, or town (for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).
 - (D) The homestead credits shall be treated for all purposes as property tax levies.
 - (E) The homestead credits shall be applied to the net property



taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to LaPorte County, if:

(A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

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

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (9).

(9) This subdivision applies only to LaPorte County. All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from



the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

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

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

(D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(10) By a county as matching funds for a grant received under IC 4-4-39.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project,



including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E);
or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, the county or a city or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 77. IC 6-6-2.5-1, AS AMENDED BY P.L.277-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 1. As used in this chapter, "alternative fuel" means a liquefied petroleum gas, ~~liquid or compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product,~~ not including a biodiesel fuel or biodiesel blend, used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. The term includes all forms of fuel commonly or commercially known or sold as butane ~~or propane. or liquid or compressed natural gas.~~

SECTION 78. IC 6-6-2.5-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 16.5. As used in this chapter, "natural gas product" means:**

(1) a liquid or compressed natural gas product; or

(2) a combination of liquefied petroleum gas and a compressed natural gas product;

used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance.

SECTION 79. IC 6-6-2.5-22, AS AMENDED BY P.L.277-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 22. As used in this chapter, "special fuel" means all combustible gases and liquids that are:

(1) suitable for the generation of power in an internal combustion engine or motor; or

(2) used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

Special fuel includes biodiesel and blended biodiesel (as defined in



IC 6-6-2.5-1.5) and ~~alternative fuels~~: **natural gas products**. However, the term does not include **an alternative fuel**, gasoline (as defined in IC 6-6-1.1-103), ethanol produced, stored, or sold for the manufacture of or compounding or blending with gasoline, kerosene, and jet fuel (if the purchaser of the jet fuel has provided to the seller proof of the purchaser's federal jet fuel registration at or before the time of sale).

SECTION 80. IC 6-6-14 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]:

Chapter 14. Alternative Fuel Decals

Sec. 1. As used in this chapter, "alternative fuel" means a liquefied petroleum gas used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. The term includes all forms of fuel commonly or commercially known or sold as butane or propane.

Sec. 2. As used in this chapter, "department" means the department of state revenue.

Sec. 3. As used in this chapter, "special fuel" has the meaning set forth in IC 6-6-2.5-22.

Sec. 4. (a) The owner of one (1) of the following motor vehicles that is registered in Indiana and that is propelled by alternative fuel shall obtain an alternative fuel decal for the motor vehicle and pay an annual fee in accordance with the following schedule:

SCHEDULE

Motor Vehicle	Annual Fee
A passenger motor vehicle, truck, or bus, the declared gross weight of which is equal to or less than 9,000 pounds.	\$100
A recreational vehicle.	\$100
A truck or bus, the declared gross weight of which is greater than 9,000 pounds but equal to or less than 11,000 pounds.	\$175
An alternative fuel delivery truck powered by alternative fuel that is a truck the declared gross weight of which is greater than 11,000 pounds.	\$250
A truck or bus, the declared gross weight of which is greater than 11,000 pounds, except an alternative fuel delivery truck.	\$300
A tractor designed to be used with a semitrailer.	\$500



Only one (1) fee is required to be paid per motor vehicle per year.

(b) The annual fee may be prorated on a quarterly basis if:

(1) application is made after June 30 of a year; and

(2) the motor vehicle is newly:

(A) converted to alternative fuel;

(B) purchased; or

(C) registered in Indiana.

(c) The fees imposed under this section are subject to an annual adjustment under section 5 of this chapter.

Sec. 5. (a) As used in this section, "consumer price index" refers to the consumer price index for all urban users not seasonally adjusted as published by the Bureau of Labor Statistics, United States Department of Labor, or its successor agency.

(b) Subject to subsection (c), the department shall before February 1 of each year adjust each fee imposed under section 4 of this chapter as follows:

STEP ONE: Determine the quotient of:

(A) the consumer price index for December of the immediately preceding calendar year; divided by

(B) the consumer price index for December of the calendar year immediately preceding the calendar year described in clause (A).

STEP TWO: Determine the product of:

(A) the amount of the fee imposed under section 4 of this chapter in the immediately preceding calendar year; multiplied by

(B) the STEP ONE result.

STEP THREE: Round the STEP TWO result to the nearest ten dollar (\$10) increment.

(c) A fee imposed under section 4 of this chapter may not be increased under this section if the adjustment required by this section results in a fee increase of less than five dollars (\$5). However, in the following calendar year the amount of the disregarded adjustment must be treated as if it had been added to the fee imposed under section 4 of this chapter for purposes of making the determination under subsection (b) STEP TWO.

Sec. 6. (a) The owner of a motor vehicle that is propelled by alternative fuel and is:

(1) registered outside Indiana; and

(2) operated on a public highway in Indiana;

shall obtain a temporary trip permit. An alternative fuel temporary trip permit may be purchased from a licensed propane



dealer who sells alternative fuels.

(b) A temporary trip permit is valid for seventy-two (72) hours from the time of purchase. The fee for each permit is five dollars and fifty cents (\$5.50). The fee for an alternative temporary trip permit must be collected from the purchaser by the licensed propane dealer and paid monthly to the administrator on forms prescribed by the department.

Sec. 7. (a) Before dispensing alternative fuel into a motor vehicle, a person desiring to make alternative fuel sales in Indiana must be licensed by the department as a propane dealer. A person may apply for a propane dealer license on a form prescribed by the department. The department may make any reasonable investigation of an applicant before issuing a license to the applicant. The fee for a propane dealer license is fifty dollars (\$50).

(b) The department shall issue a license card to each applicant approved for a propane dealer license. A licensed propane dealer shall display the license card in a conspicuous place at each location operated by the licensed propane dealer where alternative fuel is dispensed into motor vehicles in Indiana.

(c) The department may rescind a propane dealer license if the propane dealer fails to comply with any requirement of this chapter.

(d) Fees collected under this section must be deposited, allocated, and distributed in the same manner that special fuel taxes are deposited, allocated, and distributed under IC 6-6-2.5-67.

Sec. 8. (a) The administrator shall issue an alternative fuel decal to an owner of a motor vehicle propelled by alternative fuel who applies for a decal, pays to the administrator the fee, and provides the information that is required by the administrator.

(b) An alternative fuel decal is effective from April 1 of each year through March 31 of the next year. The administrator may extend the expiration date for not more than thirty (30) days. During the month of March, the owner shall display the valid decal through March 31 or the decal issued to the owner for the next twelve (12) months. If the administrator grants an extension of the expiration date, the owner shall continue to display the decal for which the extension was granted.

Sec. 9. (a) The owner of a motor vehicle propelled by alternative fuel shall affix the alternative fuel decal to the lower left side of the front windshield of the motor vehicle for which it was issued. The decal may be displayed only on the motor vehicle for which the decal was issued.



(b) Upon application of the owner and surrender of a decal, the administrator may issue a new decal or give credit toward the fee for a decal for another vehicle or for a subsequent twelve (12) months. Upon receipt of the new decal or a credit statement, the owner shall return to the administrator:

- (1) the old decal; or
- (2) a sworn statement indicating that the old decal has been destroyed.

(c) A credit under this section shall be computed by multiplying the fee paid for the old decal by a fraction. The denominator of the fraction is the number of whole and partial quarters for which the old decal was issued. The numerator of the fraction is the number of remaining whole quarters that the old decal would have been valid.

(d) A credit under this section may not be given during the last three (3) months before the decal expires.

(e) No refunds may be allowed under this section.

Sec. 10. A person may place or cause to be placed alternative fuel into the fuel supply tank of a motor vehicle only under one (1) of the following conditions:

- (1) The motor vehicle has a valid alternative fuel decal affixed to the front windshield.
- (2) The operator has a copy of a completed application for a decal for the motor vehicle, which application was filed with the department not more than thirty (30) days before the sale of the fuel."

Page 67, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 76. IC 6-7-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 1.5.** As used in this chapter, "delivery sale" means a sale of any tobacco product by a seller, whether located within or outside Indiana, to a purchaser located in Indiana when:

- (1) the purchaser submits the order for the sale for delivery in Indiana by any means, including by telephone communication, mail service, or the Internet; or
- (2) the tobacco product is delivered in Indiana by any means, including delivery through the mail or any other delivery service.

The term does not include a sale to a distributor or retail dealer.

SECTION 77. IC 6-7-2-7, AS AMENDED BY P.L.205-2013, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 7.** (a) A tax is imposed on the



distribution of tobacco products in Indiana at the rate of:

- (1) twenty-four percent (24%) of the wholesale price of tobacco products other than moist snuff; or
- (2) for moist snuff, forty cents (\$0.40) per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce. If the tax calculated for a fractional part of an ounce carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(b) The distributor of the tobacco products, including a person that sells tobacco products through an Internet web site, is liable for the tax imposed under subsection (a). The tax is imposed at the time the distributor:

- (1) brings or causes tobacco products to be brought into Indiana for distribution;
- (2) manufactures tobacco products in Indiana for distribution; ~~or~~
- (3) transports tobacco products to retail dealers in Indiana for resale by those retail dealers; ~~or~~
- (4) accepts a purchase order for a delivery sale, including a delivery sale of cigars, pipe tobacco, or any other form of tobacco products. This subdivision does not apply to the extent the distributor has obtained proof (in the form of the presence of applicable tax stamps or otherwise) that the tax imposed under subsection (a) already has been paid in Indiana.**

(c) A person who:

- (1) possesses a tobacco product in Indiana upon which a distributor or any other person has not paid the tax imposed under subsection (a) to the department; and**
- (2) purchased the tobacco product for any purpose other than transportation of the product in interstate commerce or for temporary storage before distribution or retail sale,**

is liable for remitting the tax imposed under subsection (a) to the department.

(~~e~~) (d) The Indiana general assembly finds that the tax rate on smokeless tobacco should reflect the relative risk between such products and cigarettes."

Page 68, between lines 15 and 16, begin a new paragraph and insert:
 "SECTION 77. IC 6-9-2.5-7.5, AS AMENDED BY P.L.176-2009, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.



(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three and one-half percent (3.5%) rate.

(2) After December 31, ~~2014~~, **2019**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a four and one-half percent (4.5%) rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 78. IC 6-9-2.5-7.7, AS AMENDED BY P.L.176-2009, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) After December 31, ~~2014~~, **2019**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center with the unused balance transferred on January 1 of each year to the tourism capital improvement fund."

Page 68, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 80. IC 8-22-1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.5. (a) "Aviation related property or facilities" means those properties or facilities that are utilized by a lessee, or a lessee's assigns, who provides services or accommodations:



- (1) for scheduled or unscheduled air carriers and air taxis, and their passengers, air cargo operations, and related ground transportation facilities;
- (2) for fixed based operations;
- (3) for general aviation or military users; and
- (4) as aviation **manufacturing, assembly, research and development, or** maintenance and repair facilities.

(b) The term includes any property leased to the United States, or its agencies or instrumentalities, and any leased property identified as clear zones, ~~aviation~~ **aviation** easements, safety and transition areas, as defined by the Federal Aviation Administration."

Page 77, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 81. IC 22-9-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. **(a) Except as provided in subsection (b)**, every contract to which the state or any of its political or civil subdivisions is a party, including franchises granted to public utilities, shall contain a provision requiring the contractor and ~~his any~~ **subcontractors of the contractor** not to discriminate against any employee or applicant for employment to be employed in the performance of ~~such the~~ **the contract**, with respect to ~~his the individual's~~ **the individual's** hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of ~~his the individual's~~ **the individual's** race, religion, color, sex, disability, national origin, or ancestry. Breach of this covenant may be regarded as a material breach of the contract.

(b) A contract between the state or a political or civil subdivision of the state and an institution described in section 3(h)(2) of this chapter is not required to contain a covenant not to discriminate against an employee or applicant for employment to be employed in the performance of the contract, with respect to the individual's hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of the individual's religion."

Page 77, delete lines 36 through 42.

Delete page 78.

Page 79, delete lines 1 through 26.

Page 80, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 86. IC 36-6-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) When the executive prepares the annual report required by section 12 of this chapter, the executive shall also prepare, on forms prescribed by the state board of accounts, an abstract of receipts and expenditures:



- (1) showing the sum of money in each fund of the township at the beginning of the year;
- (2) showing the sum of money received in each fund of the township during the year;
- (3) showing the sum of money paid from each fund of the township during the year;
- (4) showing the sum of money remaining in each fund of the township at the end of the year;
- (5) containing a statement of receipts, showing their source; and
- (6) containing a statement of expenditures, showing the combined gross payment, according to classification of expense, to each person.

(b) Within four (4) weeks after the third Tuesday following the first Monday in ~~January~~; **February**, the executive shall publish the abstract prescribed by subsection (a) in accordance with IC 5-3-1. The abstract must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the township have been filed with the county auditor, and that the chairman of the township legislative body has a copy of the report that is available for inspection by any taxpayer of the township.

(c) An executive who fails to comply with this section commits a Class C infraction.

SECTION 87. IC 36-8-16.7-32.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 32.5. (a) This section applies only to Hendricks County for the period:**

- (1) beginning January 1, 2015; and
- (2) ending December 31, 2017.

(b) **The legislative body may impose an emergency communications fee to fund a part of the county's emergency communications services system within the geographic boundaries of the county. To impose the fee, the legislative body must adopt an ordinance that meets the following requirements:**

- (1) **The ordinance is adopted after the legislative body holds a public hearing to receive public comment on the proposed ordinance. The legislative body must give notice of the hearing under IC 5-3-1 that includes the following:**
 - (A) **A list of all PSAPs in the proposed district.**
 - (B) **The date, time, and location of the hearing.**
 - (C) **The location where the public can inspect the proposed ordinance.**
 - (D) **The name and contact information of a representative**



of each PSAP who may be contacted for further information.

(2) The ordinance must:

(A) take effect January 1, 2015; and

(B) expire December 31, 2017.

(c) The ordinance adopted under subsection (b) must include the following:

(1) The identity of all PSAPs within the county.

(2) A description of a proposed tiered fee schedule based on:

(A) a flat fee applicable to all parcels;

(B) a variable fee based on zoning classifications, the size of a parcel, and the number or type of improvements on a parcel.

(3) The effective date and expiration date of the ordinance.

(d) Upon the adoption of an ordinance under this section, the legislative body shall establish an emergency communications services fund. The fund consists of the following:

(1) Fees deposited under this section.

(2) Grants and gifts intended for deposit in the fund.

(3) Interest, premiums, gains, or other earnings on the fund.

(4) Money from any other source that is deposited in or transferred to the fund.

(e) Money in the fund may be used by the county for the purposes set forth in this chapter and other costs incurred in administering this section. The county treasurer shall administer the fund. The funds that remain in a fund or account established for the deposit of distributions received under section 37 of this chapter shall be transferred to the fund. Any funds transferred under this subsection shall be used as follows:

(1) To pay any obligations owed to any bondholders, third parties, or creditors under IC 36-8-16 (before its repeal) or IC 36-8-16.7 before July 1, 2014.

(2) To the extent any funds remain after meeting the obligations described in subdivision (1), for the purposes set forth in this section.

(f) The legislative body shall:

(1) determine an annual budget in the amount necessary to meet the expenses of operating and maintaining the emergency communications services system within the county, minus the statewide 911 fees otherwise received by the county under this chapter; and

(2) not later than September 1, submit the budget to the fiscal



body for review and approval.

The legislative body shall base its initial budget on the expenses actually incurred by all PSAPs in the county in implementing IC 36-8-16.7 during the calendar year ending December 31, 2013.

(g) Based on a budget approved under subsection (f), the legislative body shall recommend to the fiscal body a schedule of fees to be imposed on parcels located within the geographic boundaries of the county. The fees:

- (1) must comply with the authority granted under subsection (c); and
- (2) must be adequate, when considering the statewide 911 fees, to provide for proper development, operation, and maintenance of the county's emergency communications services system.

(h) The fiscal body shall:

- (1) review a schedule of recommended fees submitted under subsection (g);
- (2) determine the fees imposed under this chapter in accordance with the authority granted under subsection (c);
- (3) adopt an ordinance to impose the fees determined under subdivision (2); and
- (4) certify the fees to the county auditor as a special assessment on each parcel of real property located within the county.

(i) The county auditor shall:

- (1) place the total amount certified under subsection (b) on the tax duplicate for each affected property as a special assessment; and
- (2) deposit money received as payment of a special assessment in the emergency communications services fund.

(j) Except as provided in IC 36-8-16.6 and this chapter, an additional fee relating to the provision of 911 service may not be levied upon CMRS, voice communications services, or interconnected VOIP services provided to a customer in Hendricks County by a state agency or local unit of government.

(k) The legislative body shall, after June 30 and before October 1 of 2015 and 2016, report to the regulatory flexibility committee established by IC 8-1-2.6-4 on the ability of the county to independently fund and operate an emergency communications service system. The regulatory flexibility committee shall consider:

- (1) whether a pilot program established under this chapter should be extended for additional years in Hendricks County;



and

(2) whether a pilot program established under this chapter should be extended to additional counties.

The regulatory flexibility committee shall submit any findings and recommendations made under this section to the legislative council in an electronic format under IC 5-14-6 before November 1, 2016.

(l) This section expires January 1, 2018."

Page 80, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 90. [EFFECTIVE JULY 1, 2014] (a) IC 6-2.5-3-1, as amended by this act, applies only to the collection of use tax on remote sales occurring after June 30, 2014. A remote sale is considered as having occurred after June 30, 2014, to the extent that:

- (1) the agreement of the parties to the transaction was entered into after June 30, 2014;
- (2) payment for the property furnished in the transaction is made after June 30, 2014; or
- (3) delivery to the purchaser of the property furnished in the transaction occurs after June 30, 2014.

However, a transaction is considered as having occurred before July 1, 2014, to the extent that the agreement of the parties to the transaction was entered into before July 1, 2014, and payment for the property furnished in the transaction is made before July 1, 2014, notwithstanding the delivery of the property after June 30, 2014.

(b) This SECTION expires January 1, 2016."

Page 80, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 89. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office of the secretary" refers to the office of the secretary of family and social services established by IC 12-8-1.5-1.

(b) As used in this SECTION, "government assistance income" means the sum of the value of all:

- (1) cash;
- (2) free services; or
- (3) savings from reduced fees;

received by an Indiana resident whose income does not exceed two hundred percent (200%) of the federal income poverty level.

(c) Before November 1, 2014, the office of the secretary shall study the following:

- (1) The tax relief available for Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level.



(2) The availability of programs that provide financial or medical assistance to Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level, including:

- (A) Medicaid;
- (B) Temporary Assistance for Needy Families;
- (C) supplemental nutrition assistance; or
- (D) any other federal, state, or local financial or medical assistance available to Indiana residents whose incomes do not exceed two hundred percent (200%) of the federal income poverty level.

(3) The maximum government assistance income an individual could receive by pursuing and obtaining the benefits described in subdivisions (1) and (2).

(d) The office of the secretary shall submit a report of its findings not later than November 1, 2014, to the governor and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6. The report must include a detailed explanation of the calculation assumptions and methodology.

(e) This SECTION expires January 1, 2015.

SECTION 90. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign to an appropriate interim study committee the task of studying all income tax credits using a schedule that provides for each income tax credit to be studied every four (4) years.

(b) An interim study committee assigned the study described in subsection (a) shall:

- (1) develop a method for evaluating the performance of each income tax credit; and
- (2) annually submit a report to the legislative council in an electronic format under IC 5-14-6 before November 1 of each year.

(c) This SECTION expires January 1, 2018.

SECTION 91. [EFFECTIVE JULY 1, 2014] (a) As used in this SECTION, "office" refers to the office of management and budget established by IC 4-3-22-3.

(b) The office shall prepare a land use study that must include the following:

- (1) A study of the feasibility of constructing a facility on land north of the state house to house the judiciary, provide additional legislative office space, and provide parking for



employees and visitors to the facility, including controlled access parking.

(2) A study of ways to enhance public access to the activities of the legislative and judicial branches of state government, including providing additional space for legislative hearings.

(3) A study of ways to enhance security while enhancing public access.

(c) The office may review and use an architectural study prepared for the budget agency under P.L.273-1999, SECTION 31 or any other study that the office considers relevant to the study required by subsection (b).

(d) The office shall submit the study required by subsection (b) to the legislative council in an electronic format under IC 5-14-6 before December 1, 2015.

(e) This SECTION expires January 1, 2016."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 367 as reprinted February 4, 2014.)

BROWN T, Chair

Committee Vote: yeas 12, nays 7.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 367, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 93, delete lines 6 through 26.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to ESB 367 as printed February 24, 2014.)

BROWN T, Chair

Committee Vote: yeas 16, nays 0.

ES 367—LS 6939/DI 58

