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Reprinted  
February 28, 2014

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## ENGROSSED SENATE BILL No. 367

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DIGEST OF SB 367 (Updated February 27, 2014 4:18 pm - DI 92)

**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) 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.

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### Hershman, Kenley

(HOUSE SPONSORS — TURNER, BROWN T)

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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.  
February 27, 2014, read second time, amended, ordered engrossed.

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ES 367—LS 6939/DI 58





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

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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



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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.**



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 6-1.1-4-43 IS ADDED TO THE INDIANA CODE  
36 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
37 JANUARY 1, 2015]: **Sec. 43. The assessed value of residential real**  
38 **property or a mobile home that is not assessed as real property is**  
39 **not to be increased as a result of an improvement that:**

- 40 (1) consists of a solar, wind, geothermal, or hydroelectric  
41 heating or cooling system; and  
42 (2) replaces an existing heating or cooling system.





1 SECTION 6. IC 6-1.1-8-19 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) Each year a  
 3 public utility company shall file a statement concerning the value and  
 4 description of the property which is either owned or used by the  
 5 company on the assessment date of that year. The company shall file  
 6 this statement with the department of local government finance ~~on the~~  
 7 ~~form~~ **in the manner** prescribed by the department. The department of  
 8 local government finance may extend the due date for a statement.  
 9 Unless the department of local government finance grants an extension,  
 10 a public utility company shall file its statement for a year:

11 (1) on or before March 1st of that year unless the company is a  
 12 railroad car company; or

13 (2) on or before ~~May~~ **July** 1st of that year if the company is a  
 14 railroad car company.

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

18 **(1) for distribution purposes;**

19 **(2) to correct errors; or**

20 **(3) for any other reason, except:**

21 **(A) obsolescence; or**

22 **(B) the credit for railroad car maintenance and**  
 23 **improvements provided under IC 6-1.1-8.2.**

24 SECTION 7. IC 6-1.1-8-20 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) If a public utility  
 26 company does not file a statement with the department of local  
 27 government finance on or before the date prescribed under section 19  
 28 of this chapter, the company shall pay a penalty of one hundred dollars  
 29 (\$100) per day for each day that the statement is late. **However, a**  
 30 **penalty under this subsection may not exceed one thousand dollars**  
 31 **(\$1,000).**

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

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

38 SECTION 8. IC 6-1.1-8-22 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. (a) The department  
 40 of local government finance shall assess the property of a public utility  
 41 company based upon the information available to the department if the  
 42 company:



- 1 (1) does not file a statement which is required under section 19 of  
 2 this chapter;  
 3 (2) does not permit the department to examine the company's  
 4 property, books, or records; or  
 5 (3) does not comply with a summons issued by the department.  
 6 ~~An assessment which is made by the department of local government~~  
 7 ~~finance under this section is final unless the company establishes that~~  
 8 ~~the department committed actual fraud in making the assessment.~~  
 9 **(b) A public utility company may provide the department with**  
 10 **a statement under section 19 of this chapter not later than one (1)**  
 11 **year after the department makes the department's assessment**  
 12 **under this section. If a public utility company does so, the**  
 13 **department may amend the assessment it makes under this section**  
 14 **in reliance on the public utility company's statement filed under**  
 15 **this subsection.**  
 16 SECTION 9. IC 6-1.1-11-4, AS AMENDED BY P.L.173-2011,  
 17 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2014]: Sec. 4. (a) The exemption application referred to in  
 19 section 3 of this chapter is not required if the exempt property is owned  
 20 by the United States, the state, an agency of this state, or a political  
 21 subdivision (as defined in IC 36-1-2-13). However, this subsection  
 22 applies only when the property is used, and in the case of real property  
 23 occupied, by the owner.  
 24 (b) The exemption application referred to in section 3 of this chapter  
 25 is not required if the exempt property is a cemetery:  
 26 (1) described by IC 6-1.1-2-7; or  
 27 (2) maintained by a township executive under IC 23-14-68.  
 28 (c) The exemption application referred to in section 3 of this chapter  
 29 is not required if the exempt property is owned by the bureau of motor  
 30 vehicles commission established under IC 9-15-1.  
 31 (d) The exemption application referred to in section 3 or 3.5 of this  
 32 chapter is not required if:  
 33 (1) the exempt property is:  
 34 (A) tangible property used for religious purposes described in  
 35 IC 6-1.1-10-21;  
 36 (B) tangible property owned by a church or religious society  
 37 used for educational purposes described in IC 6-1.1-10-16;  
 38 (C) other tangible property owned, occupied, and used by a  
 39 person for educational, literary, scientific, religious, or  
 40 charitable purposes described in IC 6-1.1-10-16; or  
 41 (D) other tangible property owned by a fraternity or sorority  
 42 (as defined in IC 6-1.1-10-24).



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

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

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

34 (e) If, after an assessment date, an exempt property is  
 35 transferred or its use is changed resulting in its ineligibility for an  
 36 exemption under IC 6-1.1-10, the county assessor shall terminate  
 37 the exemption for that assessment date. However, if the property  
 38 remains eligible for an exemption under IC 6-1.1-10 following the  
 39 transfer or change in use, the exemption shall be left in place for  
 40 that assessment date. For the following assessment date, the person  
 41 that obtained the exemption or the current owner of the property,  
 42 as applicable, shall, under section 3 of this chapter and except as



1 provided under section 4 of this chapter, file a certified application  
 2 in duplicate with the county assessor of the county in which the  
 3 property that is the subject of the exemption is located. In all cases,  
 4 the person that obtained the exemption or the current owner of the  
 5 property shall notify the county assessor for the county where the  
 6 tangible property is located of the change in ownership or use in  
 7 the year that the change occurs. The notice must be in the form  
 8 prescribed by the department of local government finance.

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

23 SECTION 10. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,  
 24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2014]: Sec. 10.1. (a) Except as provided in section 17.8 of this  
 26 chapter and subject to section 45 of this chapter, an individual who  
 27 desires to claim the deduction provided by section 9 of this chapter  
 28 must file a sworn statement, on forms prescribed by the department of  
 29 local government finance, with the auditor of the county in which the  
 30 real property, mobile home, or manufactured home is located. With  
 31 respect to real property, the statement must be filed during the year for  
 32 which the individual wishes to obtain the deduction. **completed and**  
 33 **dated in the calendar year for which the individual wishes to obtain**  
 34 **the deduction and filed with the county auditor on or before**  
 35 **January 5 of the immediately succeeding calendar year.** With  
 36 respect to a mobile home that is not assessed as real property or a  
 37 manufactured home that is not assessed as real property, the statement  
 38 must be filed during the twelve (12) months before March 31 of each  
 39 year for which the individual wishes to obtain the deduction. The  
 40 statement may be filed in person or by mail. If mailed, the mailing must  
 41 be postmarked on or before the last day for filing.

42 (b) The statement referred to in subsection (a) shall be in affidavit



1 form or require verification under penalties of perjury. The statement  
 2 must be filed in duplicate if the applicant owns, or is buying under a  
 3 contract, real property, a mobile home, or a manufactured home subject  
 4 to assessment in more than one (1) county or in more than one (1)  
 5 taxing district in the same county. The statement shall contain:

6 (1) the source and exact amount of gross income received by the  
 7 individual and the individual's spouse during the preceding  
 8 calendar year;

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

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

12 (4) the record number and page where the contract or  
 13 memorandum of the contract is recorded if the individual is  
 14 buying the real property, mobile home, or manufactured home on  
 15 contract; and

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

18 (c) In order to substantiate the deduction statement, the applicant  
 19 shall submit for inspection by the county auditor a copy of the  
 20 applicant's and a copy of the applicant's spouse's income tax returns for  
 21 the preceding calendar year. If either was not required to file an income  
 22 tax return, the applicant shall subscribe to that fact in the deduction  
 23 statement.

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



1 before the last day for filing.

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

3 (1) the records of the division of family resources or the division  
4 of disability and rehabilitative services; or

5 (2) the written statement of a physician who is licensed by this  
6 state and skilled in the diseases of the eye or of a licensed  
7 optometrist.

8 (c) The application required by this section must contain the record  
9 number and page where the contract or memorandum of the contract  
10 is recorded if the individual is buying the real property, mobile home,  
11 or manufactured home on a contract that provides that the individual  
12 is to pay property taxes on the real property, mobile home, or  
13 manufactured home.

14 SECTION 12. IC 6-1.1-12-15, AS AMENDED BY  
15 P.L.293-2013(ts), SECTION 3, IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Except as  
17 provided in section 17.8 of this chapter and subject to section 45 of this  
18 chapter, an individual who desires to claim the deduction provided by  
19 section 13 or 14 of this chapter must file a statement with the auditor  
20 of the county in which the individual resides. With respect to real  
21 property, the statement must be ~~filed during the year for which the~~  
22 ~~individual wishes to obtain the deduction:~~ **completed and dated in the**  
23 **calendar year for which the individual wishes to obtain the**  
24 **deduction and filed with the county auditor on or before January**  
25 **5 of the immediately succeeding calendar year.** With respect to a  
26 mobile home that is not assessed as real property or a manufactured  
27 home that is not assessed as real property, the statement must be filed  
28 during the twelve (12) months before March 31 of each year for which  
29 the individual wishes to obtain the deduction. The statement may be  
30 filed in person or by mail. If mailed, the mailing must be postmarked  
31 on or before the last day for filing. The statement shall contain a sworn  
32 declaration that the individual is entitled to the deduction.

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

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

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

42 (3) the appropriate certificate of eligibility issued to the individual



1 by the Indiana department of veterans' affairs if the individual  
2 claims the deduction provided by section 13 or 14 of this chapter.

3 (c) If the individual claiming the deduction is under guardianship,  
4 the guardian shall file the statement required by this section. If a  
5 deceased veteran's surviving spouse is claiming the deduction, the  
6 surviving spouse shall provide the documentation necessary to  
7 establish that at the time of death the deceased veteran satisfied the  
8 requirements of section 13(a)(1) through 13(a)(4) of this chapter or  
9 section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

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

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

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

37 (2) the record number and page where the contract or  
38 memorandum of the contract is recorded, if the individual is  
39 buying the real property on a contract that provides that the  
40 individual is to pay property taxes on the real property.

41 In addition to the statement, the surviving spouse shall submit to the  
42 county auditor for the auditor's inspection a letter or certificate from the



1 United States Department of Veterans Affairs establishing the service  
 2 of the deceased spouse in the military or naval forces of the United  
 3 States before November 12, 1918.

4 SECTION 14. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,  
 5 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2014]: Sec. 17.5. (a) Except as provided in section 17.8 of this  
 7 chapter and subject to section 45 of this chapter, a veteran who desires  
 8 to claim the deduction provided in section 17.4 of this chapter must file  
 9 a sworn statement, on forms prescribed by the department of local  
 10 government finance, with the auditor of the county in which the real  
 11 property, mobile home, or manufactured home is assessed. With  
 12 respect to real property, the veteran must ~~file the statement during the~~  
 13 ~~year for which the veteran wishes to obtain the deduction: **complete**~~  
 14 ~~**and date the statement in the calendar year for which the veteran**~~  
 15 ~~**wishes to obtain the deduction and file the statement with the**~~  
 16 ~~**county auditor on or before January 5 of the immediately**~~  
 17 ~~**succeeding calendar year.**~~ With respect to a mobile home that is not  
 18 assessed as real property or a manufactured home that is not assessed  
 19 as real property, the statement must be filed during the twelve (12)  
 20 months before March 31 of each year for which the individual wishes  
 21 to obtain the deduction. The statement may be filed in person or by  
 22 mail. If mailed, the mailing must be postmarked on or before the last  
 23 day for filing.

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

- 29 (1) a description and the assessed value of the real property,  
 30 mobile home, or manufactured home;
- 31 (2) the veteran's full name and complete residence address;
- 32 (3) the record number and page where the contract or  
 33 memorandum of the contract is recorded, if the individual is  
 34 buying the real property, mobile home, or manufactured home on  
 35 a contract that provides that the individual is to pay property taxes  
 36 on the real property, mobile home, or manufactured home; and
- 37 (4) any additional information which the department of local  
 38 government finance may require.

39 SECTION 15. IC 6-1.1-12-27.1, AS AMENDED BY P.L.137-2012,  
 40 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2014]: Sec. 27.1. Except as provided in sections 36 and 44 of  
 42 this chapter and subject to section 45 of this chapter, a person who





1 desires to claim the deduction provided by section 26 or 26.1 of this  
 2 chapter must file a certified statement in duplicate, on forms prescribed  
 3 by the department of local government finance, with the auditor of the  
 4 county in which the real property, mobile home, manufactured home,  
 5 or solar power device is subject to assessment. With respect to real  
 6 property or a solar power device that is assessed as distributable  
 7 property under IC 6-1.1-8 or as personal property, the person must ~~file~~  
 8 ~~the statement during the year for which the person desires to obtain the~~  
 9 ~~deduction.~~ **complete and date the certified statement in the calendar**  
 10 **year for which the person wishes to obtain the deduction and file**  
 11 **the certified statement with the county auditor on or before**  
 12 **January 5 of the immediately succeeding calendar year.** Except as  
 13 provided in sections 36 and 44 of this chapter and subject to section 45  
 14 of this chapter, with respect to a mobile home which is not assessed as  
 15 real property, the person must file the statement during the twelve (12)  
 16 months before March 31 of each year for which the person desires to  
 17 obtain the deduction. The person must:

- 18 (1) own the real property, mobile home, or manufactured home or
- 19 own the solar power device;
- 20 (2) be buying the real property, mobile home, manufactured
- 21 home, or solar power device under contract; or
- 22 (3) be leasing the real property from the real property owner and
- 23 be subject to assessment and property taxation with respect to the
- 24 solar power device;

25 on the date the statement is filed under this section. The statement may  
 26 be filed in person or by mail. If mailed, the mailing must be postmarked  
 27 on or before the last day for filing. On verification of the statement by  
 28 the assessor of the township in which the real property, mobile home,  
 29 manufactured home, or solar power device is subject to assessment, or  
 30 the county assessor if there is no township assessor for the township,  
 31 the county auditor shall allow the deduction.

32 SECTION 16. IC 6-1.1-12-30, AS AMENDED BY P.L.1-2009,  
 33 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2014]: Sec. 30. Except as provided in sections 36 and 44 of  
 35 this chapter and subject to section 45 of this chapter, a person who  
 36 desires to claim the deduction provided by section 29 of this chapter  
 37 must file a certified statement in duplicate, on forms prescribed by the  
 38 department of local government finance, with the auditor of the county  
 39 in which the real property or mobile home is subject to assessment.  
 40 With respect to real property, the person must ~~file the statement during~~  
 41 ~~the year for which the person desires to obtain the deduction.~~ **complete**  
 42 **and date the statement in the calendar year for which the person**



1 **desires to obtain the deduction and file the statement with the**  
 2 **county auditor on or before January 5 of the immediately**  
 3 **succeeding calendar year.** With respect to a mobile home which is not  
 4 assessed as real property, the person must file the statement during the  
 5 twelve (12) months before March 31 of each year for which the person  
 6 desires to obtain the deduction. The person must:

7 (1) own the real property, mobile home, or manufactured home;

8 or

9 (2) be buying the real property, mobile home, or manufactured  
 10 home under contract;

11 on the date the statement is filed under this section. On verification of  
 12 the statement by the assessor of the township in which the real property  
 13 or mobile home is subject to assessment, or the county assessor if there  
 14 is no township assessor for the township, the county auditor shall allow  
 15 the deduction.

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

42 (b) This subsection does not apply to an application for a deduction



1 under section 34.5 of this chapter. The department of environmental  
2 management, upon application by a property owner, shall determine  
3 whether a system or device qualifies for a deduction provided by  
4 section 31, 33, or 34 of this chapter. If the department determines that  
5 a system or device qualifies for a deduction, it shall certify the system  
6 or device and provide proof of the certification to the property owner.  
7 The department shall prescribe the form and manner of the certification  
8 process required by this subsection.

9 (c) This subsection does not apply to an application for a deduction  
10 under section 34.5 of this chapter. If the department of environmental  
11 management receives an application for certification, the department  
12 shall determine whether the system or device qualifies for a deduction.  
13 If the department fails to make a determination under this subsection  
14 before December 31 of the year in which the application is received,  
15 the system or device is considered certified.

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

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

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

- 38 (1) the center shall determine whether the building qualifies for  
39 a deduction; and  
40 (2) if the center fails to make a determination before December 31  
41 of the year in which the application is received, the building is  
42 considered certified.



1 SECTION 18. IC 6-1.1-12-37, AS AMENDED BY SEA 24-2014,  
 2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2014]: Sec. 37. (a) The following definitions apply throughout  
 4 this section:

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

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

8 (B) A mobile home that is not assessed as real property that an  
 9 individual uses as the individual's residence.

10 (C) A manufactured home that is not assessed as real property  
 11 that an individual uses as the individual's residence.

12 (2) "Homestead" means an individual's principal place of  
 13 residence:

14 (A) that is located in Indiana;

15 (B) that:

16 (i) the individual owns;

17 (ii) the individual is buying under a contract; recorded in the  
 18 county recorder's office, that provides that the individual is  
 19 to pay the property taxes on the residence;

20 (iii) the individual is entitled to occupy as a  
 21 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
 22 cooperative housing corporation (as defined in 26 U.S.C.  
 23 216); or

24 (iv) is a residence described in section 17.9 of this chapter  
 25 that is owned by a trust if the individual is an individual  
 26 described in section 17.9 of this chapter; and

27 (C) that consists of a dwelling and the real estate, not  
 28 exceeding one (1) acre, that immediately surrounds that  
 29 dwelling.

30 Except as provided in subsection (k), the term does not include  
 31 property owned by a corporation, partnership, limited liability  
 32 company, or other entity not described in this subdivision.

33 (b) Each year a homestead is eligible for a standard deduction from  
 34 the assessed value of the homestead for an assessment date. *Except as*  
 35 *provided in subsection (p)*, the deduction provided by this section  
 36 applies to property taxes first due and payable for an assessment date  
 37 only if an individual has an interest in the homestead described in  
 38 subsection (a)(2)(B) on:

39 (1) the assessment date; or

40 (2) any date in the same year after an assessment date that a  
 41 statement is filed under subsection (e) or section 44 of this  
 42 chapter, if the property consists of real property.



1 Subject to subsection (c), the auditor of the county shall record and  
 2 make the deduction for the individual or entity qualifying for the  
 3 deduction.

4 (c) Except as provided in section 40.5 of this chapter, the total  
 5 amount of the deduction that a person may receive under this section  
 6 for a particular year is the lesser of:

7 (1) sixty percent (60%) of the assessed value of the real property,  
 8 mobile home not assessed as real property, or manufactured home  
 9 not assessed as real property; or

10 (2) forty-five thousand dollars (\$45,000).

11 (d) A person who has sold real property, a mobile home not assessed  
 12 as real property, or a manufactured home not assessed as real property  
 13 to another person under a contract that provides that the contract buyer  
 14 is to pay the property taxes on the real property, mobile home, or  
 15 manufactured home may not claim the deduction provided under this  
 16 section with respect to that real property, mobile home, or  
 17 manufactured home.

18 (e) Except as provided in sections 17.8 and 44 of this chapter and  
 19 subject to section 45 of this chapter, an individual who desires to claim  
 20 the deduction provided by this section must file a certified statement in  
 21 duplicate, on forms prescribed by the department of local government  
 22 finance, with the auditor of the county in which the homestead is  
 23 located. The statement must include:

24 (1) the parcel number or key number of the property and the name  
 25 of the city, town, or township in which the property is located;

26 (2) the name of any other location in which the applicant or the  
 27 applicant's spouse owns, is buying, or has a beneficial interest in  
 28 residential real property;

29 (3) the names of:

30 (A) the applicant and the applicant's spouse (if any):

31 (i) as the names appear in the records of the United States  
 32 Social Security Administration for the purposes of the  
 33 issuance of a Social Security card and Social Security  
 34 number; or

35 (ii) that they use as their legal names when they sign their  
 36 names on legal documents;

37 if the applicant is an individual; or

38 (B) each individual who qualifies property as a homestead  
 39 under subsection (a)(2)(B) and the individual's spouse (if any):

40 (i) as the names appear in the records of the United States  
 41 Social Security Administration for the purposes of the  
 42 issuance of a Social Security card and Social Security



- 1                   number; or  
 2                   (ii) that they use as their legal names when they sign their  
 3                   names on legal documents;  
 4                   if the applicant is not an individual; and  
 5                   (4) either:  
 6                   (A) the last five (5) digits of the applicant's Social Security  
 7                   number and the last five (5) digits of the Social Security  
 8                   number of the applicant's spouse (if any); or  
 9                   (B) if the applicant or the applicant's spouse (if any) ~~do~~ **does**  
 10                   not have a Social Security number, any of the following for  
 11                   that individual:  
 12                   (i) The last five (5) digits of the individual's driver's license  
 13                   number.  
 14                   (ii) The last five (5) digits of the individual's state  
 15                   identification card number.  
 16                   (iii) If the individual does not have a driver's license or a  
 17                   state identification card, the last five (5) digits of a control  
 18                   number that is on a document issued to the individual by the  
 19                   federal government and determined by the department of  
 20                   local government finance to be acceptable.
- 21                   If a form or statement provided to the county auditor under this section,  
 22                   IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
 23                   part or all of the Social Security number of a party or other number  
 24                   described in subdivision (4)(B) of a party, the telephone number and  
 25                   the Social Security number or other number described in subdivision  
 26                   (4)(B) included are confidential. The statement may be filed in person  
 27                   or by mail. If the statement is mailed, the mailing must be postmarked  
 28                   on or before the last day for filing. The statement applies for that first  
 29                   year and any succeeding year for which the deduction is allowed. With  
 30                   respect to real property, the statement must be completed and dated in  
 31                   the calendar year for which the person desires to obtain the deduction  
 32                   and filed with the county auditor on or before January 5 of the  
 33                   immediately succeeding calendar year. With respect to a mobile home  
 34                   that is not assessed as real property, the person must file the statement  
 35                   during the twelve (12) months before March 31 of the year for which  
 36                   the person desires to obtain the deduction.
- 37                   (f) If an individual who is receiving the deduction provided by this  
 38                   section or who otherwise qualifies property for a deduction under this  
 39                   section:  
 40                   (1) changes the use of the individual's property so that part or all  
 41                   of the property no longer qualifies for the deduction under this  
 42                   section; or



- 1 (2) is no longer eligible for a deduction under this section on  
 2 another parcel of property because:
- 3 (A) the individual would otherwise receive the benefit of more  
 4 than one (1) deduction under this chapter; or
- 5 (B) the individual maintains the individual's principal place of  
 6 residence with another individual who receives a deduction  
 7 under this section;
- 8 the individual must file a certified statement with the auditor of the  
 9 county, notifying the auditor of the change of use, not more than sixty  
 10 (60) days after the date of that change. An individual who fails to file  
 11 the statement required by this subsection is liable for any additional  
 12 taxes that would have been due on the property if the individual had  
 13 filed the statement as required by this subsection plus a civil penalty  
 14 equal to ten percent (10%) of the additional taxes due. The civil penalty  
 15 imposed under this subsection is in addition to any interest and  
 16 penalties for a delinquent payment that might otherwise be due. One  
 17 percent (1%) of the total civil penalty collected under this subsection  
 18 shall be transferred by the county to the department of local  
 19 government finance for use by the department in establishing and  
 20 maintaining the homestead property data base under subsection (i) and,  
 21 to the extent there is money remaining, for any other purposes of the  
 22 department. This amount becomes part of the property tax liability for  
 23 purposes of this article.
- 24 (g) The department of local government finance shall adopt rules or  
 25 guidelines concerning the application for a deduction under this  
 26 section.
- 27 (h) This subsection does not apply to property in the first year for  
 28 which a deduction is claimed under this section if the sole reason that  
 29 a deduction is claimed on other property is that the individual or  
 30 married couple maintained a principal residence at the other property  
 31 on March 1 in the same year in which an application for a deduction is  
 32 filed under this section or, if the application is for a homestead that is  
 33 assessed as personal property, on March 1 in the immediately  
 34 preceding year and the individual or married couple is moving the  
 35 individual's or married couple's principal residence to the property that  
 36 is the subject of the application. Except as provided in subsection (n),  
 37 the county auditor may not grant an individual or a married couple a  
 38 deduction under this section if:
- 39 (1) the individual or married couple, for the same year, claims the  
 40 deduction on two (2) or more different applications for the  
 41 deduction; and
- 42 (2) the applications claim the deduction for different property.



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

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

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

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

25 (2) The property is the principal place of residence of an  
 26 individual.

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

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

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

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

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

36 (2) first due and payable in 2010;

37 on the grounds that the property is not owned by an entity described in  
 38 subsection (a)(2)(B), the county auditor shall reinstate the deduction if  
 39 the taxpayer provides proof that the property is eligible for the  
 40 deduction in accordance with subsection (k) and that the individual  
 41 residing on the property is not claiming the deduction for any other  
 42 property.





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

- 3 (1) a deck or patio;  
4 (2) a gazebo; or  
5 (3) another residential yard structure, as defined in rules adopted  
6 by the department of local government finance (other than a  
7 swimming pool);

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

9 (n) A county auditor shall grant an individual a deduction under this  
10 section regardless of whether the individual and the individual's spouse  
11 claim a deduction on two (2) different applications and each  
12 application claims a deduction for different property if the property  
13 owned by the individual's spouse is located outside Indiana and the  
14 individual files an affidavit with the county auditor containing the  
15 following information:

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

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

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

23 (B) That neither the individual nor the individual's spouse has  
24 an ownership interest in the other's principal place of  
25 residence.

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

30 A county auditor may require an individual or an individual's spouse to  
31 provide evidence of the accuracy of the information contained in an  
32 affidavit submitted under this subsection. The evidence required of the  
33 individual or the individual's spouse may include state income tax  
34 returns, excise tax payment information, property tax payment  
35 information, driver license information, and voter registration  
36 information.

37 (o) If:

38 (1) a property owner files a statement under subsection (e) to  
39 claim the deduction provided by this section for a particular  
40 property; and

41 (2) the county auditor receiving the filed statement determines  
42 that the property owner's property is not eligible for the deduction;



1 the county auditor shall inform the property owner of the county  
 2 auditor's determination in writing. If a property owner's property is not  
 3 eligible for the deduction because the county auditor has determined  
 4 that the property is not the property owner's principal place of  
 5 residence, the property owner may appeal the county auditor's  
 6 determination to the county property tax assessment board of appeals  
 7 as provided in IC 6-1.1-15. The county auditor shall inform the  
 8 property owner of the owner's right to appeal to the county property tax  
 9 assessment board of appeals when the county auditor informs the  
 10 property owner of the county auditor's determination under this  
 11 subsection.

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

14 (1) *either:*

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

19 (B) *the individual contracts to purchase the homestead after*  
 20 *the assessment date, but within the calendar year in which the*  
 21 *assessment date occurs;*

22 (2) *on the assessment date:*

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

25 (B) *the construction of the dwelling that constitutes the*  
 26 *homestead was not completed;*

27 (3) *either:*

28 (A) *the individual ~~files~~ **completes** the certified statement*  
 29 *required by subsection (e) on or before December 31 of the*  
 30 *calendar year in which the assessment date occurs ~~to claim~~*  
 31 *the deduction under this section; and **files the certified***  
 32 ***statement with the county auditor on or before January 5***  
 33 ***of the immediately succeeding calendar year; or***

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

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



1           (A) lists any other property for which the individual would  
2           otherwise receive a deduction under this section for the  
3           assessment date; and

4           (B) cancels the deduction described in clause (A) for that  
5           property.

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

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

33          ~~(q)~~ (r) This subsection:

34               (1) applies to an application for the deduction provided by this  
35               section that is filed for an assessment date occurring after  
36               December 31, 2013; and

37               (2) does not apply to an individual described in subsection ~~(p)~~-  
38               (q).

39          The owner of a mobile home that is not assessed as real property or a  
40          manufactured home that is not assessed as real property must attach  
41          a copy of the owner's title to the mobile home or manufactured home  
42          to the application for the deduction provided by this section.



1 (s) For assessment dates after 2008, the term "homestead"  
2 includes property that is owned by an individual who:

3 (1) is serving on active duty in any branch of the armed forces  
4 of the United States;

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

6 (3) was otherwise eligible, without regard to this subsection,  
7 for the deduction under this section for the property for the  
8 assessment date immediately preceding the transfer date  
9 specified in the order described in subdivision (2).

10 For property to qualify under this subsection for the deduction  
11 provided by this section, the individual described in subdivisions  
12 (1) through (3) must submit to the county auditor a copy of the  
13 individual's transfer orders or other information sufficient to show  
14 that the individual was ordered to transfer to a location outside  
15 Indiana. The property continues to qualify for the deduction  
16 provided by this section until the individual ceases to be on active  
17 duty, the property is sold, or the individual's ownership interest is  
18 otherwise terminated, whichever occurs first. Notwithstanding  
19 subsection (a)(2), the property remains a homestead regardless of  
20 whether the property continues to be the individual's principal  
21 place of residence after the individual transfers to a location  
22 outside Indiana. However, the property ceases to qualify as a  
23 homestead under this subsection if the property is leased while the  
24 individual is away from Indiana unless the leased property is  
25 considered a homestead under section 37.7 of this chapter.  
26 Property that qualifies as a homestead under this subsection or  
27 section 37.7 of this chapter shall also be construed as a homestead  
28 for purposes of section 37.5 of this chapter and IC 6-1.1-20.6.

29 SECTION 19. IC 6-1.1-12-37.7 IS ADDED TO THE INDIANA  
30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2014]: **Sec. 37.7. (a) This section applies to an**  
32 **assessment date occurring after December 31, 2008, and before**  
33 **January 1, 2014.**

34 (b) Property that is:

35 (1) otherwise considered a homestead under section 37(s) of  
36 this chapter; and

37 (2) leased by the individual owning the property to an  
38 individual who uses the property for residential purposes  
39 while the owner is serving on active duty in the armed forces  
40 of the United States at a location outside Indiana;

41 is considered a homestead for an assessment date described in  
42 subsection (a).



1           (c) Subject to subsection (d), an individual whose property is  
2 considered a homestead under subsection (b) is entitled to a refund  
3 of the property taxes, interest, and penalties paid with respect to an  
4 assessment date described in subsection (a) that were due and  
5 payable because the property was not treated as a homestead on  
6 the assessment date.

7           (d) An owner who wishes to obtain a refund under this section  
8 must file a refund claim under IC 6-1.1-26 before the later of:

9           (1) three (3) years after the due date of the taxes for which the  
10 individual claims a refund; or

11           (2) September 1, 2014.

12           The county auditor may make a determination that any refund due  
13 under this section must be paid in two (2) or more equal annual  
14 installments.

15           (e) This section expires January 1, 2018.

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

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

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

31           (b) To obtain the deduction under this section, a person must file a  
32 certified statement in duplicate, on forms prescribed by the department  
33 of local government finance, with the auditor of the county in which the  
34 property is subject to assessment. In addition to the certified statement,  
35 the person must file a certification by the state chemist listing the  
36 improvements that were made to comply with the fertilizer storage  
37 rules adopted under IC 15-16-2-44 and the pesticide storage rules  
38 adopted by the state chemist under IC 15-16-4-52. Subject to section  
39 45 of this chapter, the statement and certification ~~must be filed during~~  
40 ~~the year preceding the year the deduction will first be applied.~~ **must be**  
41 **completed and dated in the calendar year for which the person**  
42 **wishes to obtain the deduction, and the statement and certification**



1 **must be filed with the county auditor on or before January 5 of the**  
 2 **immediately succeeding calendar year.** Upon the verification of the  
 3 statement and certification by the assessor of the township in which the  
 4 property is subject to assessment, or the county assessor if there is no  
 5 township assessor for the township, the county auditor shall allow the  
 6 deduction.

7 (c) The deduction provided by this section applies only if the  
 8 person:

9 (1) owns the property; or

10 (2) is buying the property under contract;

11 on the assessment date for which the deduction applies.

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

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

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

21 after that assessment date and on or before the next succeeding  
 22 assessment date.

23 (b) Subsection (a) applies:

24 (1) only if the title holder or the contract buyer on that next  
 25 succeeding assessment date is eligible for the deduction for that  
 26 next succeeding assessment date; and

27 (2) regardless of whether:

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

29 or

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

31 (a)(2);

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

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

36 (d) If:

37 (1) a statement is filed under this chapter ~~in~~ **on or before**  
 38 **January 5** of a calendar year to claim a deduction under this  
 39 chapter with respect to real property; and

40 (2) the eligibility criteria for the deduction are met;

41 the deduction applies for the assessment date in ~~that~~ **the preceding**  
 42 calendar year and for the property taxes due and payable based on the



1 assessment for that assessment date.

2 (e) If:

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

7 (2) the eligibility criteria for the deduction are met;

8 the deduction applies for the assessment date in that twelve (12) month  
9 period and for the property taxes due and payable based on the  
10 assessment for that assessment date.

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

26 (1) make the deductions; and

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

29 under this section.

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

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

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

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

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

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



1 SECTION 23. IC 6-1.1-12.8-4, AS ADDED BY P.L.175-2011,  
 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2014]: Sec. 4. (a) A property owner that qualifies for the  
 4 deduction under this chapter **and that desires to receive the**  
 5 **deduction** must file a statement containing the information required by  
 6 subsection (b) with the county auditor to claim the deduction for each  
 7 assessment date for which the property owner wishes to receive the  
 8 deduction **complete and date a statement containing the**  
 9 **information required by subsection (b) in the calendar year for**  
 10 **which the person desires to obtain the deduction and file the**  
 11 **statement with the county auditor on or before January 5 of the**  
 12 **immediately succeeding calendar year**, in the manner prescribed in  
 13 rules adopted under section 8 of this chapter. The township assessor,  
 14 or the county assessor if there is no township assessor for the township,  
 15 shall verify each statement filed under this section, and the county  
 16 auditor shall:

- 17 (1) make the deductions; and
- 18 (2) notify the county property tax assessment board of appeals of
- 19 all deductions approved;

20 under this section.

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

- 23 (1) The assessed value of the real property for which the person
- 24 is claiming the deduction.
- 25 (2) The full name and complete business address of the person
- 26 claiming the deduction.
- 27 (3) The complete address and a brief description of the real
- 28 property for which the person is claiming the deduction.
- 29 (4) The name of any other county in which the person has applied
- 30 for a deduction under this chapter for that assessment date.
- 31 (5) The complete address and a brief description of any other real
- 32 property for which the person has applied for a deduction under
- 33 this chapter for that assessment date.
- 34 (6) An affirmation by the owner that the owner is receiving not
- 35 more than three (3) deductions under this chapter, including the
- 36 deduction being applied for by the owner, either:
  - 37 (A) as the owner of the residence in inventory; or
  - 38 (B) as an owner that is part of an affiliated group.
- 39 (7) An affirmation that the real property has not been leased and
- 40 will not be leased for any purpose during the term of the
- 41 deduction.

42 SECTION 24. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,





1 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in  
3 subsections (c) and (d), a county auditor shall correct errors which are  
4 discovered in the tax duplicate for any one (1) or more of the following  
5 reasons:

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

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

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

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

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

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



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

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

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

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

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

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

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

30 SECTION 25. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012,  
 31 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision  
 33 shall formulate its estimated budget and its proposed tax rate and tax  
 34 levy on the form prescribed by the department of local government  
 35 finance and approved by the state board of accounts. The political  
 36 subdivision or appropriate fiscal body, if the political subdivision is  
 37 subject to section 20 of this chapter, shall give notice ~~by publication~~ to  
 38 taxpayers of:

39 (1) the estimated budget;

40 (2) the estimated maximum permissible levy;

41 (3) the current and proposed tax levies of each fund; and

42 (4) the amounts of excessive levy appeals to be requested.



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

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

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

- 37 (1) in any county of the solid waste management district; and
- 38 (2) in accordance with the annual notice of meetings published
- 39 under IC 13-21-5-2.

40 ~~(c)~~ (d) The trustee of each township in the county shall estimate the  
 41 amount necessary to meet the cost of township assistance in the  
 42 township for the ensuing calendar year. The township board shall adopt



1 with the township budget a tax rate sufficient to meet the estimated cost  
 2 of township assistance. The taxes collected as a result of the tax rate  
 3 adopted under this subsection are credited to the township assistance  
 4 fund.

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

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

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

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

35 (c) Except as provided in section 16.1 of this chapter, the  
 36 department of local government finance is not required to hold a public  
 37 hearing before the department of local government finance reviews,  
 38 revises, reduces, or increases a political subdivision's budget by fund,  
 39 tax rate, or tax levy under this section.

40 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,  
 41 the department of local government finance may not increase a political  
 42 subdivision's budget by fund, tax rate, or tax levy to an amount which



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

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

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

31 (f) The department of local government finance shall certify its  
32 action to:

- 33 (1) the county auditor;  
34 (2) the political subdivision if the department acts pursuant to an  
35 appeal initiated by the political subdivision;  
36 (3) the taxpayer that initiated an appeal under section 13 of this  
37 chapter, or, if the appeal was initiated by multiple taxpayers, the  
38 first ten (10) taxpayers whose names appear on the statement filed  
39 to initiate the appeal; and  
40 (4) a taxpayer that owns property that represents at least ten  
41 percent (10%) of the taxable assessed valuation in the political  
42 subdivision.



1 (g) The following may petition for judicial review of the final  
 2 determination of the department of local government finance under  
 3 subsection (f):

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

6 (2) If the department:

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

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

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

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

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

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

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

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

26 (1) the increase is ~~(1)~~ requested in writing by the officers of the  
 27 political subdivision;

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

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

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

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

38 **If the department increases a levy beyond what was advertised or**  
 39 **adopted under this subsection, it shall reduce the levy affected**  
 40 **below the maximum allowable levy by the lesser of five percent**  
 41 **(5%) of the difference between the advertised or adopted levy and**  
 42 **the increased levy, or one hundred thousand dollars (\$100,000).**



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

8 SECTION 27. IC 6-1.1-18.5-13.7, AS ADDED BY P.L.172-2011,  
 9 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2014]: Sec. 13.7. (a) Notwithstanding any other provision of  
 11 this chapter, Fairfield Township in Tippecanoe County may request  
 12 that the department of local government finance make an adjustment  
 13 to the township's maximum permissible property tax levy. ~~The request~~  
 14 ~~by the township under this section must be filed before September 1,~~  
 15 ~~2011.~~

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

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

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

26 SECTION 28. IC 6-1.1-20.3-6.5, AS AMENDED BY P.L.257-2013,  
 27 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 UPON PASSAGE]: Sec. 6.5. (a) After the board receives a petition  
 29 concerning a political subdivision under section 6(a) or 6(b)(2) of this  
 30 chapter, the board may designate the political subdivision as a  
 31 distressed political subdivision if at least one (1) of the following  
 32 conditions applies to the political subdivision:

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

35 (2) The political subdivision has failed to make required  
 36 payments to payroll employees for thirty (30) days or two (2)  
 37 consecutive payrolls.

38 (3) The political subdivision has failed to make required  
 39 payments to judgment creditors for sixty (60) days beyond the  
 40 date of the recording of the judgment.

41 (4) The political subdivision, for at least thirty (30) days beyond  
 42 the due date, has failed to do any of the following:



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





1 (60%) of the total amount of assessed valuation in the school  
2 corporation for calendar year 2011.

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

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

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

18 (c) If the board designates a political subdivision as a distressed  
19 political subdivision under subsection (a), the board shall immediately  
20 notify:

- 21 (1) the treasurer of state; and  
22 (2) the county auditor and county treasurer of each county in  
23 which the distressed political subdivision is wholly or partially  
24 located;

25 that the board has designated the political subdivision as a distressed  
26 political subdivision.

27 SECTION 29. IC 6-1.1-20.3-7.5, AS AMENDED BY SEA 24-2014,  
28 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 UPON PASSAGE]: Sec. 7.5. (a) This section does not apply to:

- 30 (1) a school corporation designated before July 1, 2013, as a  
31 distressed political subdivision; **or**  
32 **(2) a school corporation designated as a distressed political**  
33 **subdivision under section 6.5(a)(10) of this chapter, regardless**  
34 **of the date of the designation.**

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

40 (c) The chairperson of the board shall oversee the activities of an  
41 emergency manager.

42 (d) The distressed political subdivision shall pay the emergency



1 manager's compensation and reimburse the emergency manager for  
2 actual and necessary expenses.

3 SECTION 30. IC 6-1.1-20.3-8.3, AS AMENDED BY P.L.257-2013,  
4 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 UPON PASSAGE]: Sec. 8.3. (a) After the board receives a petition  
6 concerning a school corporation under section 6(b)(1) of this chapter,  
7 the board shall review the school corporation's request for a loan from  
8 the counter-cyclical revenue and economic stabilization fund under  
9 IC 6-1.1-21.4-3(b). **Subject to subsection (b)**, the board shall make a  
10 recommendation to the state board of finance regarding the loan  
11 request. The board may consider whether a school corporation has  
12 attempted to secure temporary cash flow loans from the Indiana bond  
13 bank or a financial institution in making its recommendation.

14 **(b) The board shall recommend that the state board of finance**  
15 **approve a loan request submitted by a school corporation**  
16 **designated as a distressed political subdivision under section**  
17 **6.5(a)(10) of this chapter.**

18 SECTION 31. IC 6-1.1-21.4-2, AS AMENDED BY P.L.145-2012,  
19 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible school  
21 corporation" refers to ~~either~~ **any** of the following:

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

25 (A) have not been made; or

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

28 (2) A school corporation that is:

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

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

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

35 SECTION 32. IC 6-1.1-21.4-3, AS AMENDED BY P.L.145-2012,  
36 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 UPON PASSAGE]: Sec. 3. (a) An eligible school corporation may  
38 apply to the board for a loan from the counter-cyclical revenue and  
39 economic stabilization fund.

40 (b) Subject to subsections (c) and (d) and section 3.5 of this chapter,  
41 an eligible school corporation described in section 2(2) of this chapter  
42 may apply to the board for a loan. The maximum amount of a loan that



1 the board may approve for the eligible school corporation is the lesser  
2 of the following:

3 (1) Five million dollars (\$5,000,000).

4 (2) The product of:

5 (A) one thousand dollars (\$1,000); multiplied by

6 (B) the school corporation's 2012 ADM.

7 (c) At the time the distressed unit appeal board designates a school  
8 corporation as a distressed political subdivision under IC 6-1.1-20.3 or  
9 recommends under IC 6-1.1-20.3-8.3 that a loan from the fund be  
10 approved for a school corporation, the distressed unit appeal board may  
11 also recommend to the state board of finance that a loan from the fund  
12 to the school corporation be contingent upon any of the following:

13 (1) The sale of specified unused property by the school board.

14 (2) The school corporation modifying one (1) or more specified  
15 contracts entered into by the school corporation.

16 (d) In making a loan from the fund to a school corporation, the state  
17 board of finance may make the loan contingent upon any condition  
18 recommended by the distressed unit appeal board under subsection (c).

19 **(e) This subsection applies only to an eligible school corporation**  
20 **approved for a loan by the distressed unit appeal board under**  
21 **IC 6-1.1-20.3-8.3(b). The board shall make the loan approved by**  
22 **the distressed unit appeal board as requested by the eligible school**  
23 **corporation. The following apply to a loan made under this**  
24 **subsection:**

25 (1) **The maximum amount of a loan set forth in subsection (b).**

26 (2) **Sections 3.5 through 7 of this chapter.**

27 **In addition, an eligible school corporation receiving a loan under**  
28 **this subsection shall sell any unimproved land owned by the eligible**  
29 **school corporation that on April 1, 2014, is not contiguous to the**  
30 **grounds of any school.**

31 SECTION 33. IC 6-1.1-20.6-4, AS AMENDED BY P.L.288-2013,  
32 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 4. As used in this  
34 chapter, "residential property" refers to real property that consists of  
35 any of the following:

36 (1) A single family dwelling that is not part of a homestead and  
37 the land, not exceeding one (1) acre, on which the dwelling is  
38 located.

39 (2) Real property that consists of:

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

41 (B) any common areas shared by the dwelling units (including  
42 any land that is a common area, as described in section



- 1                   1.2(b)(2) of this chapter); and  
 2                   (C) the land on which the building is located.  
 3                   (3) Land rented or leased for the placement of a manufactured  
 4                   home or mobile home, including any common areas shared by the  
 5                   manufactured homes or mobile homes.  
 6                   **The term includes a single family dwelling that is under**  
 7                   **construction and the land, not exceeding one (1) acre, on which the**  
 8                   **dwelling will be located. The term does not include real property**  
 9                   **that consists of a commercial hotel, motel, inn, tourist camp, or**  
 10                   **tourist cabin.**  
 11                   SECTION 34. IC 6-1.1-24-1, AS AMENDED BY P.L.203-2013,  
 12                   SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13                   JULY 1, 2014]: Sec. 1. (a) On or after January 1 of each calendar year  
 14                   in which a tax sale will be held in a county and not later than fifty-one  
 15                   (51) days after the first tax payment due date in that calendar year, the  
 16                   county treasurer (or county executive, in the case of property described  
 17                   in subdivision (2)) shall certify to the county auditor a list of real  
 18                   property on which any of the following exist:  
 19                   (1) In the case of real property other than real property described  
 20                   in subdivision (2), any property taxes or special assessments  
 21                   certified to the county auditor for collection by the county  
 22                   treasurer from the prior year's spring installment or before are  
 23                   delinquent as determined under IC 6-1.1-37-10 and the delinquent  
 24                   property ~~tax or taxes~~, special assessments, **penalties, fees, or**  
 25                   **interest** due exceed twenty-five dollars (\$25).  
 26                   (2) In the case of real property for which a county executive has  
 27                   certified to the county auditor that the real property is:  
 28                   (A) vacant; or  
 29                   (B) abandoned;  
 30                   any property taxes or special assessments from the prior year's fall  
 31                   installment or before that are delinquent as determined under  
 32                   IC 6-1.1-37-10. The county executive must make a certification  
 33                   under this subdivision not later than sixty-one (61) days before  
 34                   the earliest date on which application for judgment and order for  
 35                   sale may be made. The executive of a city or town may provide to  
 36                   the county executive of the county in which the city or town is  
 37                   located a list of real property that the city or town has determined  
 38                   to be vacant or abandoned. The county executive shall include  
 39                   real property included on the list provided by a city or town  
 40                   executive on the list certified by the county executive to the  
 41                   county auditor under this subsection.  
 42                   (3) Any unpaid costs are due under section 2(b) of this chapter



- 1 from a prior tax sale.
- 2 (b) The county auditor shall maintain a list of all real property  
3 eligible for sale. Except as provided in section 1.2 or another provision  
4 of this chapter, the taxpayer's property shall remain on the list. The list  
5 must:
- 6 (1) describe the real property by parcel number and common  
7 address, if any;
- 8 (2) for a tract or item of real property with a single owner,  
9 indicate the name of the owner; and
- 10 (3) for a tract or item with multiple owners, indicate the name of  
11 at least one (1) of the owners.
- 12 (c) Except as otherwise provided in this chapter, the real property  
13 so listed is eligible for sale in the manner prescribed in this chapter.
- 14 (d) Not later than fifteen (15) days after the date of the county  
15 treasurer's certification under subsection (a), the county auditor shall  
16 mail by certified mail a copy of the list described in subsection (b) to  
17 each mortgagee who requests from the county auditor by certified mail  
18 a copy of the list. Failure of the county auditor to mail the list under  
19 this subsection does not invalidate an otherwise valid sale.
- 20 SECTION 35. IC 6-1.1-24-1.2, AS AMENDED BY P.L.48-2013,  
21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2014]: Sec. 1.2. (a) Except as provided in subsection (c), a  
23 tract or an item of real property may not be removed from the list  
24 certified under section 1 of this chapter before the tax sale unless all:
- 25 (1) delinquent taxes and special assessments due before the date  
26 the list on which the property appears was certified under section  
27 1 of this chapter; and
- 28 (2) penalties due on the delinquency, interest, and costs directly  
29 attributable to the tax sale;
- 30 have been paid in full.
- 31 (b) A county treasurer may accept partial payments of delinquent  
32 property taxes, assessments, penalties, interest, or costs under  
33 subsection (a) after the list of real property is certified under section 1  
34 of this chapter. However, a partial payment does not remove a tract or  
35 an item from the list certified under section 1 of this chapter unless the  
36 taxpayer complies with subsection (a) or (c) before the date of the tax  
37 sale.
- 38 (c) A county auditor shall remove a tract or an item of real property  
39 from the list certified under section 1 of this chapter before the tax sale  
40 if the county treasurer and the taxpayer agree to a mutually satisfactory  
41 arrangement for the payment of the delinquent taxes.
- 42 (d) The county auditor shall remove the tract or item from the list



1 certified under section 1 of this chapter if:

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

3 (A) is in writing;

4 (B) is signed by the taxpayer; and

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

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

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

12 (1) the arrangement is void; and

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

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

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

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

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



1 **anniversary of the date on which the new arrangement would have**  
 2 **expired if the new arrangement had not become void under**  
 3 **subsection (e).**

4 SECTION 36. IC 6-2.5-2-1 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) An excise tax,  
 6 known as the state gross retail tax, is imposed on retail transactions  
 7 made in Indiana.

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

15 SECTION 37. IC 6-2.5-2-3 IS ADDED TO THE INDIANA CODE  
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 17 1, 2014]: Sec. 3. (a) **As used in this section, "motor vehicle" means**  
 18 **a vehicle that would be subject to the annual license excise tax**  
 19 **imposed under IC 6-6-5 if the vehicle were to be used in Indiana.**

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

22 (1) **transport to a destination outside Indiana within thirty**

23 **(30) days after delivery; and**

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

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

28 (c) **The department of state revenue shall prescribe the form of**  
 29 **the affidavit required by subsection (b). In addition to the**  
 30 **certification required by subsection (b), the affidavit must include**  
 31 **the following:**

32 (1) **The name of the state or country in which the motor**  
 33 **vehicle will be titled or registered.**

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

36 (3) **Any other information required by the department of state**  
 37 **revenue for the purpose of verifying the information**  
 38 **contained in the affidavit.**

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



1 SECTION 38. IC 6-2.5-3-1 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. For purposes of this  
 3 chapter:

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

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

9 (c) "A retail merchant engaged in business in Indiana" includes any  
 10 retail merchant who makes retail transactions in which a person  
 11 acquires personal property or services for use, storage, or consumption  
 12 in Indiana and who:

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

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

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

34 ~~(3)~~ **(4)** is otherwise required to register as a retail merchant under  
 35 IC 6-2.5-8-1; or

36 ~~(4)~~ **(5)** may be required by the state to collect tax under this article  
 37 to the extent allowed under the Constitution of the United States  
 38 and federal law.

39 **(d) Notwithstanding any other law, a person may be required to**  
 40 **collect and remit gross retail tax or use tax as a retail merchant**  
 41 **engaged in business in Indiana under subsection (c) if the activities**  
 42 **conducted by the person in Indiana on behalf of a retail merchant**





1 **are significantly associated with the retail merchant's ability to**  
 2 **establish and maintain a market in Indiana.**

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

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

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

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

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

18 **(1) the retail merchant sells a line of products similar to a line**  
 19 **of products sold by the affiliate, and the retail merchant does**  
 20 **so under a business name that is the same as or is similar to**  
 21 **the affiliate's business name;**

22 **(2) the affiliate uses its Indiana employees or its Indiana**  
 23 **facilities to advertise, promote, or facilitate sales by the retail**  
 24 **merchant to customers; or**

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

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

33 **(h) A retail merchant is presumed to be engaged in business in**  
 34 **Indiana if the retail merchant enters into an agreement with one**  
 35 **(1) or more residents of Indiana under which the resident, for a**  
 36 **commission or other consideration, directly or indirectly refers**  
 37 **potential customers, whether by a link on an Internet web site, an**  
 38 **in person oral presentation, or otherwise, to the retail merchant, if**  
 39 **the cumulative gross receipts from the sales by the retail merchant**  
 40 **to customers in Indiana who are referred to the retail merchant by**  
 41 **all residents with this type of an agreement with the retail**  
 42 **merchant are greater than ten thousand dollars (\$10,000) during**



1 the preceding twelve (12) months.

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

9 (1) are from all the Indiana residents with whom the retail  
10 merchant has an agreement described in subsection (h);

11 (2) are provided and obtained in good faith; and

12 (3) state that the Indiana residents did not engage in any  
13 solicitation in Indiana on behalf of the retail merchant during  
14 the preceding twelve (12) months.

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

16 (1) person that is a member of the same controlled group of  
17 corporations (as defined in 26 U.S.C. 1563(a)) as the retail  
18 merchant; or

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

23 SECTION 39. IC 6-2.5-5-46, AS AMENDED BY P.L.288-2013,  
24 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2014]: Sec. 46. (a) Transactions involving tangible personal  
26 property (including materials, parts, equipment, and engines) are  
27 exempt from the state gross retail tax, if the property is:

28 (1) used;

29 (2) consumed; or

30 (3) installed;

31 in furtherance of, or in, the repair, maintenance, refurbishment,  
32 remodeling, or remanufacturing of an aircraft or an avionics system of  
33 an aircraft.

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

36 (1) the retail merchant, at the time of the transaction, possesses a  
37 valid repair station certificate issued by the Federal Aviation  
38 Administration under 14 CFR 145 et seq. or other applicable law  
39 or regulation; or

40 (2) the:

41 (A) retail merchant has leased a facility at a public use  
42 airport for the maintenance of aircraft and meets the



1           **public use airport owner's minimum standards for an**  
 2           **aircraft maintenance facility; and**

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

5           **(c) The owner of a public use airport shall annually provide to**  
 6           **the department the names of retail merchants that have a lease**  
 7           **with the public use airport and that perform aircraft maintenance**  
 8           **at the public use airport.**

9           SECTION 40. IC 6-3-1-3.5, AS AMENDED BY P.L.205-2013,  
 10          SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11          JANUARY 1, 2014 (RETROACTIVE)]: Sec. 3.5. When used in this  
 12          article, the term "adjusted gross income" shall mean the following:

13          (a) In the case of all individuals, "adjusted gross income" (as  
 14          defined in Section 62 of the Internal Revenue Code), modified as  
 15          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 or deductions allowed  
 19               or allowable pursuant to Section 62 of the Internal Revenue Code  
 20               for taxes based on or measured by income and levied at the state  
 21               level by any state of the United States.

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

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

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

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

30                       (C) the spouse of the taxpayer if a separate return is made by  
 31                       the taxpayer and if the spouse, for the calendar year in which  
 32                       the taxable year of the taxpayer begins, has no gross income  
 33                       and is not the dependent of another taxpayer.

34               (5) Subtract:

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

38                       (B) five hundred dollars (\$500) for each additional amount  
 39                       allowable under Section 63(f)(1) of the Internal Revenue Code  
 40                       if the adjusted gross income of the taxpayer, or the taxpayer  
 41                       and the taxpayer's spouse in the case of a joint return, is less  
 42                       than forty thousand dollars (\$40,000).



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



- 1 (14) Subtract an amount equal to the portion of any premiums  
2 paid during the taxable year by the taxpayer for a qualified long  
3 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer  
4 or the taxpayer's spouse, or both.
- 5 (15) Subtract an amount equal to the lesser of:  
6 (A) two thousand five hundred dollars (\$2,500); or  
7 (B) the amount of property taxes that are paid during the  
8 taxable year in Indiana by the individual on the individual's  
9 principal place of residence.
- 10 (16) Subtract an amount equal to the amount of a September 11  
11 terrorist attack settlement payment included in the individual's  
12 federal adjusted gross income.
- 13 (17) Add or subtract the amount necessary to make the adjusted  
14 gross income of any taxpayer that owns property for which bonus  
15 depreciation was allowed in the current taxable year or in an  
16 earlier taxable year equal to the amount of adjusted gross income  
17 that would have been computed had an election not been made  
18 under Section 168(k) of the Internal Revenue Code to apply bonus  
19 depreciation to the property in the year that it was placed in  
20 service.
- 21 (18) Add an amount equal to any deduction allowed under  
22 Section 172 of the Internal Revenue Code.
- 23 (19) Add or subtract the amount necessary to make the adjusted  
24 gross income of any taxpayer that placed Section 179 property (as  
25 defined in Section 179 of the Internal Revenue Code) in service  
26 in the current taxable year or in an earlier taxable year equal to  
27 the amount of adjusted gross income that would have been  
28 computed had an election for federal income tax purposes not  
29 been made for the year in which the property was placed in  
30 service to take deductions under Section 179 of the Internal  
31 Revenue Code in a total amount exceeding twenty-five thousand  
32 dollars (\$25,000).
- 33 (20) Add an amount equal to the amount that a taxpayer claimed  
34 as a deduction for domestic production activities for the taxable  
35 year under Section 199 of the Internal Revenue Code for federal  
36 income tax purposes.
- 37 (21) Subtract an amount equal to the amount of the taxpayer's  
38 qualified military income that was not excluded from the  
39 taxpayer's gross income for federal income tax purposes under  
40 Section 112 of the Internal Revenue Code.
- 41 (22) Subtract income that is:  
42 (A) exempt from taxation under IC 6-3-2-21.7; and



- 1 (B) included in the individual's federal adjusted gross income  
2 under the Internal Revenue Code.
- 3 (23) Subtract any amount of a credit (including an advance refund  
4 of the credit) that is provided to an individual under 26 U.S.C.  
5 6428 (federal Economic Stimulus Act of 2008) and included in  
6 the individual's federal adjusted gross income.
- 7 (24) Add any amount of unemployment compensation excluded  
8 from federal gross income, as defined in Section 61 of the Internal  
9 Revenue Code, under Section 85(c) of the Internal Revenue Code.
- 10 (25) Add the amount excluded from gross income under Section  
11 108(a)(1)(e) of the Internal Revenue Code for the discharge of  
12 debt on a qualified principal residence.
- 13 (26) 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 the amount necessary from the adjusted  
19 gross income of any taxpayer that added an amount to adjusted  
20 gross income in a previous year to offset the amount included in  
21 federal gross income as a result of the deferral of income arising  
22 from business indebtedness discharged in connection with the  
23 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 (27) 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 (28) 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 (29) 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 (30) 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 (31) Add the amount excluded from federal gross income under  
17 Section 103 of the Internal Revenue Code for interest received on  
18 an obligation of a state other than Indiana, or a political  
19 subdivision of such a state, that is acquired by the taxpayer after  
20 December 31, 2011.

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

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

38 (b) In the case of corporations, the same as "taxable income" (as  
39 defined in Section 63 of the Internal Revenue Code) adjusted as  
40 follows:

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



- 1 (2) Add an amount equal to any deduction or deductions allowed  
2 or allowable pursuant to Section 170 of the Internal Revenue  
3 Code.  
4 (3) Add an amount equal to any deduction or deductions allowed  
5 or allowable pursuant to Section 63 of the Internal Revenue Code  
6 for taxes based on or measured by income and levied at the state  
7 level by any state of the United States.  
8 (4) Subtract an amount equal to the amount included in the  
9 corporation's taxable income under Section 78 of the Internal  
10 Revenue Code.  
11 (5) Add or subtract the amount necessary to make the adjusted  
12 gross income of any taxpayer that owns property for which bonus  
13 depreciation was allowed in the current taxable year or in an  
14 earlier taxable year equal to the amount of adjusted gross income  
15 that would have been computed had an election not been made  
16 under Section 168(k) of the Internal Revenue Code to apply bonus  
17 depreciation to the property in the year that it was placed in  
18 service.  
19 (6) Add an amount equal to any deduction allowed under Section  
20 172 of the Internal Revenue Code.  
21 (7) Add or subtract the amount necessary to make the adjusted  
22 gross income of any taxpayer that placed Section 179 property (as  
23 defined in Section 179 of the Internal Revenue Code) in service  
24 in the current taxable year or in an earlier taxable year equal to  
25 the amount of adjusted gross income that would have been  
26 computed had an election for federal income tax purposes not  
27 been made for the year in which the property was placed in  
28 service to take deductions under Section 179 of the Internal  
29 Revenue Code in a total amount exceeding twenty-five thousand  
30 dollars (\$25,000).  
31 (8) Add an amount equal to the amount that a taxpayer claimed as  
32 a deduction for domestic production activities for the taxable year  
33 under Section 199 of the Internal Revenue Code for federal  
34 income tax purposes.  
35 (9) Add to the extent required by IC 6-3-2-20 the amount of  
36 intangible expenses (as defined in IC 6-3-2-20) and any directly  
37 related intangible interest expenses (as defined in IC 6-3-2-20) for  
38 the taxable year that reduced the corporation's taxable income (as  
39 defined in Section 63 of the Internal Revenue Code) for federal  
40 income tax purposes.  
41 (10) Add an amount equal to any deduction for dividends paid (as  
42 defined in Section 561 of the Internal Revenue Code) to





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



- 1 (12 U.S.C. 1716 et seq.); or  
 2 (B) the Federal Home Loan Mortgage Corporation, established  
 3 under the Federal Home Loan Mortgage Corporation Act (12  
 4 U.S.C. 1451 et seq.);  
 5 as an ordinary loss under Section 301 of the Emergency  
 6 Economic Stabilization Act of 2008 in the current taxable year or  
 7 in an earlier taxable year equal to the amount of adjusted gross  
 8 income that would have been computed had the loss not been  
 9 treated as an ordinary loss.
- 10 (17) This subdivision does not apply to payments made for  
 11 services provided to a business that was enrolled and participated  
 12 in the E-Verify program (as defined in IC 22-5-1.7-3) during the  
 13 time the taxpayer conducted business in Indiana in the taxable  
 14 year. For a taxable year beginning after June 30, 2011, add the  
 15 amount of any trade or business deduction allowed under the  
 16 Internal Revenue Code for wages, reimbursements, or other  
 17 payments made for services provided in Indiana by an individual  
 18 for services as an employee, if the individual was, during the  
 19 period of service, prohibited from being hired as an employee  
 20 under 8 U.S.C. 1324a.
- 21 (18) Add the amount excluded from federal gross income under  
 22 Section 103 of the Internal Revenue Code for interest received on  
 23 an obligation of a state other than Indiana, or a political  
 24 subdivision of such a state, that is acquired by the taxpayer after  
 25 December 31, 2011.
- 26 (c) In the case of life insurance companies (as defined in Section  
 27 816(a) of the Internal Revenue Code) that are organized under Indiana  
 28 law, the same as "life insurance company taxable income" (as defined  
 29 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 30 (1) Subtract income that is exempt from taxation under this article  
 31 by the Constitution and statutes of the United States.
- 32 (2) Add an amount equal to any deduction allowed or allowable  
 33 under Section 170 of the Internal Revenue Code.
- 34 (3) Add an amount equal to a deduction allowed or allowable  
 35 under Section 805 or Section 831(c) of the Internal Revenue Code  
 36 for taxes based on or measured by income and levied at the state  
 37 level by any state.
- 38 (4) Subtract an amount equal to the amount included in the  
 39 company's taxable income under Section 78 of the Internal  
 40 Revenue Code.
- 41 (5) Add or subtract the amount necessary to make the adjusted  
 42 gross income of any taxpayer that owns property for which bonus



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



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



- 1 period of service, prohibited from being hired as an employee  
2 under 8 U.S.C. 1324a.
- 3 (17) Add the amount excluded from federal gross income under  
4 Section 103 of the Internal Revenue Code for interest received on  
5 an obligation of a state other than Indiana, or a political  
6 subdivision of such a state, that is acquired by the taxpayer after  
7 December 31, 2011.
- 8 (d) In the case of insurance companies subject to tax under Section  
9 831 of the Internal Revenue Code and organized under Indiana law, the  
10 same as "taxable income" (as defined in Section 832 of the Internal  
11 Revenue Code), adjusted as follows:
- 12 (1) Subtract income that is exempt from taxation under this article  
13 by the Constitution and statutes of the United States.
- 14 (2) Add an amount equal to any deduction allowed or allowable  
15 under Section 170 of the Internal Revenue Code.
- 16 (3) Add an amount equal to a deduction allowed or allowable  
17 under Section 805 or Section 831(c) of the Internal Revenue Code  
18 for taxes based on or measured by income and levied at the state  
19 level by any state.
- 20 (4) Subtract an amount equal to the amount included in the  
21 company's taxable income under Section 78 of the Internal  
22 Revenue Code.
- 23 (5) Add or subtract the amount necessary to make the adjusted  
24 gross income of any taxpayer that owns property for which bonus  
25 depreciation was allowed in the current taxable year or in an  
26 earlier taxable year equal to the amount of adjusted gross income  
27 that would have been computed had an election not been made  
28 under Section 168(k) of the Internal Revenue Code to apply bonus  
29 depreciation to the property in the year that it was placed in  
30 service.
- 31 (6) Add an amount equal to any deduction allowed under Section  
32 172 of the Internal Revenue Code.
- 33 (7) Add or subtract the amount necessary to make the adjusted  
34 gross income of any taxpayer that placed Section 179 property (as  
35 defined in Section 179 of the Internal Revenue Code) in service  
36 in the current taxable year or in an earlier taxable year equal to  
37 the amount of adjusted gross income that would have been  
38 computed had an election for federal income tax purposes not  
39 been made for the year in which the property was placed in  
40 service to take deductions under Section 179 of the Internal  
41 Revenue Code in a total amount exceeding twenty-five thousand  
42 dollars (\$25,000).



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



- 1 (A) the Federal National Mortgage Association, established  
 2 under the Federal National Mortgage Association Charter Act  
 3 (12 U.S.C. 1716 et seq.); or  
 4 (B) the Federal Home Loan Mortgage Corporation, established  
 5 under the Federal Home Loan Mortgage Corporation Act (12  
 6 U.S.C. 1451 et seq.);  
 7 as an ordinary loss under Section 301 of the Emergency  
 8 Economic Stabilization Act of 2008 in the current taxable year or  
 9 in an earlier taxable year equal to the amount of adjusted gross  
 10 income that would have been computed had the loss not been  
 11 treated as an ordinary loss.  
 12 (15) Add an amount equal to any exempt insurance income under  
 13 Section 953(e) of the Internal Revenue Code that is active  
 14 financing income under Subpart F of Subtitle A, Chapter 1,  
 15 Subchapter N of the Internal Revenue Code.  
 16 (16) This subdivision does not apply to payments made for  
 17 services provided to a business that was enrolled and participated  
 18 in the E-Verify program (as defined in IC 22-5-1.7-3) during the  
 19 time the taxpayer conducted business in Indiana in the taxable  
 20 year. For a taxable year beginning after June 30, 2011, add the  
 21 amount of any trade or business deduction allowed under the  
 22 Internal Revenue Code for wages, reimbursements, or other  
 23 payments made for services provided in Indiana by an individual  
 24 for services as an employee, if the individual was, during the  
 25 period of service, prohibited from being hired as an employee  
 26 under 8 U.S.C. 1324a.  
 27 (17) Add the amount excluded from federal gross income under  
 28 Section 103 of the Internal Revenue Code for interest received on  
 29 an obligation of a state other than Indiana, or a political  
 30 subdivision of such a state, that is acquired by the taxpayer after  
 31 December 31, 2011.  
 32 (e) In the case of trusts and estates, "taxable income" (as defined for  
 33 trusts and estates in Section 641(b) of the Internal Revenue Code)  
 34 adjusted as follows:  
 35 (1) Subtract income that is exempt from taxation under this article  
 36 by the Constitution and statutes of the United States.  
 37 (2) Subtract an amount equal to the amount of a September 11  
 38 terrorist attack settlement payment included in the federal  
 39 adjusted gross income of the estate of a victim of the September  
 40 11 terrorist attack or a trust to the extent the trust benefits a victim  
 41 of the September 11 terrorist attack.  
 42 (3) Add or subtract the amount necessary to make the adjusted



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





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



1 period of service, prohibited from being hired as an employee  
2 under 8 U.S.C. 1324a.

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

8 SECTION 41. IC 6-3-1-36 IS ADDED TO THE INDIANA CODE  
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 36. "Indiana investment  
11 interest payment" means a payment of investment interest (as  
12 defined in Section 163(d) of the Internal Revenue Code) made with  
13 respect to tangible property held for investment in Indiana.**

14 SECTION 42. IC 6-3-2-2, AS AMENDED BY P.L.233-2013,  
15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JANUARY 1, 2015]: Sec. 2. (a) With regard to corporations and  
17 nonresident persons, "adjusted gross income derived from sources  
18 within Indiana", for the purposes of this article, shall mean and include:

19 (1) income from real or tangible personal property located in this  
20 state;

21 (2) income from doing business in this state;

22 (3) income from a trade or profession conducted in this state;

23 (4) compensation for labor or services rendered within this state;  
24 and

25 (5) income from stocks, bonds, notes, bank deposits, patents,  
26 copyrights, secret processes and formulas, good will, trademarks,  
27 trade brands, franchises, and other intangible personal property to  
28 the extent that the income is apportioned to Indiana under this  
29 section or if the income is allocated to Indiana or considered to be  
30 derived from sources within Indiana under this section.

31 Income from a pass through entity shall be characterized in a manner  
32 consistent with the income's characterization for federal income tax  
33 purposes and shall be considered Indiana source income as if the  
34 person, corporation, or pass through entity that received the income had  
35 directly engaged in the income producing activity. Income that is  
36 derived from one (1) pass through entity and is considered to pass  
37 through to another pass through entity does not change these  
38 characteristics or attribution provisions. In the case of nonbusiness  
39 income described in subsection (g), only so much of such income as is  
40 allocated to this state under the provisions of subsections (h) through  
41 (k) shall be deemed to be derived from sources within Indiana. In the  
42 case of business income, only so much of such income as is



1 apporportioned to this state under the provision of subsection (b) shall be  
 2 deemed to be derived from sources within the state of Indiana. In the  
 3 case of compensation of a team member (as defined in section 2.7 of  
 4 this chapter), only the portion of income determined to be Indiana  
 5 income under section 2.7 of this chapter is considered derived from  
 6 sources within Indiana. In the case of a corporation that is a life  
 7 insurance company (as defined in Section 816(a) of the Internal  
 8 Revenue Code) or an insurance company that is subject to tax under  
 9 Section 831 of the Internal Revenue Code, only so much of the income  
 10 as is apportioned to Indiana under subsection (r) is considered derived  
 11 from sources within Indiana.

12 (b) Except as provided in subsection (l), if business income of a  
 13 corporation or a nonresident person is derived from sources within the  
 14 state of Indiana and from sources without the state of Indiana, the  
 15 business income derived from sources within this state shall be  
 16 determined by multiplying the business income derived from sources  
 17 both within and without the state of Indiana by the following:

18 (1) For all taxable years that begin after December 31, 2006, and  
 19 before January 1, 2008, a fraction. The:

20 (A) numerator of the fraction is the sum of the property factor  
 21 plus the payroll factor plus the product of the sales factor  
 22 multiplied by three (3); and

23 (B) denominator of the fraction is five (5).

24 (2) For all taxable years that begin after December 31, 2007, and  
 25 before January 1, 2009, a fraction. The:

26 (A) numerator of the fraction is the property factor plus the  
 27 payroll factor plus the product of the sales factor multiplied by  
 28 four and sixty-seven hundredths (4.67); and

29 (B) denominator of the fraction is six and sixty-seven  
 30 hundredths (6.67).

31 (3) For all taxable years beginning after December 31, 2008, and  
 32 before January 1, 2010, a fraction. The:

33 (A) numerator of the fraction is the property factor plus the  
 34 payroll factor plus the product of the sales factor multiplied by  
 35 eight (8); and

36 (B) denominator of the fraction is ten (10).

37 (4) For all taxable years beginning after December 31, 2009, and  
 38 before January 1, 2011, a fraction. The:

39 (A) numerator of the fraction is the property factor plus the  
 40 payroll factor plus the product of the sales factor multiplied by  
 41 eighteen (18); and

42 (B) denominator of the fraction is twenty (20).



- 1 (5) For all taxable years beginning after December 31, 2010, the  
2 sales factor.
- 3 (c) The property factor is a fraction, the numerator of which is the  
4 average value of the taxpayer's real and tangible personal property  
5 owned or rented and used in this state during the taxable year and the  
6 denominator of which is the average value of all the taxpayer's real and  
7 tangible personal property owned or rented and used during the taxable  
8 year. However, with respect to a foreign corporation, the denominator  
9 does not include the average value of real or tangible personal property  
10 owned or rented and used in a place that is outside the United States.  
11 Property owned by the taxpayer is valued at its original cost. Property  
12 rented by the taxpayer is valued at eight (8) times the net annual rental  
13 rate. Net annual rental rate is the annual rental rate paid by the taxpayer  
14 less any annual rental rate received by the taxpayer from subrentals.  
15 The average of property shall be determined by averaging the values at  
16 the beginning and ending of the taxable year, but the department may  
17 require the averaging of monthly values during the taxable year if  
18 reasonably required to reflect properly the average value of the  
19 taxpayer's property.
- 20 (d) The payroll factor is a fraction, the numerator of which is the  
21 total amount paid in this state during the taxable year by the taxpayer  
22 for compensation, and the denominator of which is the total  
23 compensation paid everywhere during the taxable year. However, with  
24 respect to a foreign corporation, the denominator does not include  
25 compensation paid in a place that is outside the United States.  
26 Compensation is paid in this state if:
- 27 (1) the individual's service is performed entirely within the state;  
28 (2) the individual's service is performed both within and without  
29 this state, but the service performed without this state is incidental  
30 to the individual's service within this state; or  
31 (3) some of the service is performed in this state and:  
32 (A) the base of operations or, if there is no base of operations,  
33 the place from which the service is directed or controlled is in  
34 this state; or  
35 (B) the base of operations or the place from which the service  
36 is directed or controlled is not in any state in which some part  
37 of the service is performed, but the individual is a resident of  
38 this state.
- 39 (e) The sales factor is a fraction, the numerator of which is the total  
40 sales of the taxpayer in this state during the taxable year, and the  
41 denominator of which is the total sales of the taxpayer everywhere  
42 during the taxable year. Sales include receipts from intangible property



1 and receipts from the sale or exchange of intangible property. However,  
 2 with respect to a foreign corporation, the denominator does not include  
 3 sales made in a place that is outside the United States. Receipts from  
 4 intangible personal property are derived from sources within Indiana  
 5 if the receipts from the intangible personal property are attributable to  
 6 Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point  
 7 or other conditions of the sale, sales of tangible personal property are  
 8 in this state if:

9 (1) the property is delivered or shipped to a purchaser that is  
 10 within Indiana, other than the United States government; or

11 (2) the property is shipped from an office, a store, a warehouse, a  
 12 factory, or other place of storage in this state and:

13 (A) the purchaser is the United States government; or

14 (B) the taxpayer is not taxable in the state of the purchaser.

15 Gross receipts derived from commercial printing as described in  
 16 IC 6-2.5-1-10 shall be treated as sales of tangible personal property for  
 17 purposes of this chapter.

18 (f) Sales, other than receipts from intangible property covered by  
 19 subsection (e), ~~and~~ sales of tangible personal property, **and sales**  
 20 **covered by subsection (t)**, are in this state if:

21 (1) the income-producing activity is performed in this state; or

22 (2) the income-producing activity is performed both within and  
 23 without this state and a greater proportion of the  
 24 income-producing activity is performed in this state than in any  
 25 other state, based on costs of performance.

26 (g) Rents and royalties from real or tangible personal property,  
 27 capital gains, interest, dividends, or patent or copyright royalties, to the  
 28 extent that they constitute nonbusiness income, shall be allocated as  
 29 provided in subsections (h) through (k).

30 (h)(1) Net rents and royalties from real property located in this state  
 31 are allocable to this state.

32 (2) Net rents and royalties from tangible personal property are  
 33 allocated to this state:

34 (i) if and to the extent that the property is utilized in this state; or

35 (ii) in their entirety if the taxpayer's commercial domicile is in this  
 36 state and the taxpayer is not organized under the laws of or  
 37 taxable in the state in which the property is utilized.

38 (3) The extent of utilization of tangible personal property in a state  
 39 is determined by multiplying the rents and royalties by a fraction, the  
 40 numerator of which is the number of days of physical location of the  
 41 property in the state during the rental or royalty period in the taxable  
 42 year, and the denominator of which is the number of days of physical



1 location of the property everywhere during all rental or royalty periods  
2 in the taxable year. If the physical location of the property during the  
3 rental or royalty period is unknown or unascertainable by the taxpayer,  
4 tangible personal property is utilized in the state in which the property  
5 was located at the time the rental or royalty payer obtained possession.

6 (i)(1) Capital gains and losses from sales of real property located in  
7 this state are allocable to this state.

8 (2) Capital gains and losses from sales of tangible personal property  
9 are allocable to this state if:

10 (i) the property had a situs in this state at the time of the sale; or

11 (ii) the taxpayer's commercial domicile is in this state and the  
12 taxpayer is not taxable in the state in which the property had a  
13 situs.

14 (3) Capital gains and losses from sales of intangible personal  
15 property are allocable to this state if the taxpayer's commercial  
16 domicile is in this state.

17 (j) Interest and dividends are allocable to this state if the taxpayer's  
18 commercial domicile is in this state.

19 (k)(1) Patent and copyright royalties are allocable to this state:

20 (i) if and to the extent that the patent or copyright is utilized by  
21 the taxpayer in this state; or

22 (ii) if and to the extent that the patent or copyright is utilized by  
23 the taxpayer in a state in which the taxpayer is not taxable and the  
24 taxpayer's commercial domicile is in this state.

25 (2) A patent is utilized in a state to the extent that it is employed  
26 in production, fabrication, manufacturing, or other processing in  
27 the state or to the extent that a patented product is produced in the  
28 state. If the basis of receipts from patent royalties does not permit  
29 allocation to states or if the accounting procedures do not reflect  
30 states of utilization, the patent is utilized in the state in which the  
31 taxpayer's commercial domicile is located.

32 (3) A copyright is utilized in a state to the extent that printing or  
33 other publication originates in the state. If the basis of receipts  
34 from copyright royalties does not permit allocation to states or if  
35 the accounting procedures do not reflect states of utilization, the  
36 copyright is utilized in the state in which the taxpayer's  
37 commercial domicile is located.

38 (l) If the allocation and apportionment provisions of this article do  
39 not fairly represent the taxpayer's income derived from sources within  
40 the state of Indiana, the taxpayer may petition for or the department  
41 may require, in respect to all or any part of the taxpayer's business  
42 activity, if reasonable:



- 1 (1) separate accounting;
- 2 (2) for a taxable year beginning before January 1, 2011, the
- 3 exclusion of any one (1) or more of the factors, except the sales
- 4 factor;
- 5 (3) the inclusion of one (1) or more additional factors which will
- 6 fairly represent the taxpayer's income derived from sources within
- 7 the state of Indiana; or
- 8 (4) the employment of any other method to effectuate an equitable
- 9 allocation and apportionment of the taxpayer's income.
- 10 (m) In the case of two (2) or more organizations, trades, or
- 11 businesses owned or controlled directly or indirectly by the same
- 12 interests, the department shall distribute, apportion, or allocate the
- 13 income derived from sources within the state of Indiana between and
- 14 among those organizations, trades, or businesses in order to fairly
- 15 reflect and report the income derived from sources within the state of
- 16 Indiana by various taxpayers.
- 17 (n) For purposes of allocation and apportionment of income under
- 18 this article, a taxpayer is taxable in another state if:
- 19 (1) in that state the taxpayer is subject to a net income tax, a
- 20 franchise tax measured by net income, a franchise tax for the
- 21 privilege of doing business, or a corporate stock tax; or
- 22 (2) that state has jurisdiction to subject the taxpayer to a net
- 23 income tax regardless of whether, in fact, the state does or does
- 24 not.
- 25 (o) Notwithstanding subsections (l) and (m), the department may
- 26 not, under any circumstances, require that income, deductions, and
- 27 credits attributable to a taxpayer and another entity be reported in a
- 28 combined income tax return for any taxable year, if the other entity is:
- 29 (1) a foreign corporation; or
- 30 (2) a corporation that is classified as a foreign operating
- 31 corporation for the taxable year by section 2.4 of this chapter.
- 32 (p) Notwithstanding subsections (l) and (m), the department may not
- 33 require that income, deductions, and credits attributable to a taxpayer
- 34 and another entity not described in subsection (o)(1) or (o)(2) be
- 35 reported in a combined income tax return for any taxable year, unless
- 36 the department is unable to fairly reflect the taxpayer's adjusted gross
- 37 income for the taxable year through use of other powers granted to the
- 38 department by subsections (l) and (m).
- 39 (q) Notwithstanding subsections (o) and (p), one (1) or more
- 40 taxpayers may petition the department under subsection (l) for
- 41 permission to file a combined income tax return for a taxable year. The
- 42 petition to file a combined income tax return must be completed and



1 filed with the department not more than thirty (30) days after the end  
 2 of the taxpayer's taxable year. A taxpayer filing a combined income tax  
 3 return must petition the department within thirty (30) days after the end  
 4 of the taxpayer's taxable year to discontinue filing a combined income  
 5 tax return.

6 (r) This subsection applies to a corporation that is a life insurance  
 7 company (as defined in Section 816(a) of the Internal Revenue Code)  
 8 or an insurance company that is subject to tax under Section 831 of the  
 9 Internal Revenue Code. The corporation's adjusted gross income that  
 10 is derived from sources within Indiana is determined by multiplying the  
 11 corporation's adjusted gross income by a fraction:

12 (1) the numerator of which is the direct premiums and annuity  
 13 considerations received during the taxable year for insurance  
 14 upon property or risks in the state; and

15 (2) the denominator of which is the direct premiums and annuity  
 16 considerations received during the taxable year for insurance  
 17 upon property or risks everywhere.

18 The term "direct premiums and annuity considerations" means the  
 19 gross premiums received from direct business as reported in the  
 20 corporation's annual statement filed with the department of insurance.

21 (s) This subsection applies to receipts derived from motorsports  
 22 racing.

23 (1) Any purse, prize money, or other amounts earned for  
 24 placement or participation in a race or portion thereof, including  
 25 qualification, shall be attributed to Indiana if the race is conducted  
 26 in Indiana.

27 (2) Any amounts received from an individual or entity as a result  
 28 of sponsorship or similar promotional consideration for one (1) or  
 29 more races shall be in this state in the amount received, multiplied  
 30 by the following fraction:

31 (A) The numerator of the fraction is the number of racing  
 32 events for which sponsorship or similar promotional  
 33 consideration has been paid in a taxable year and that occur in  
 34 Indiana.

35 (B) The denominator of the fraction is the total number of  
 36 racing events for which sponsorship or similar promotional  
 37 consideration has been paid in a taxable year.

38 (3) Any amounts earned as an incentive for placement or  
 39 participation in one (1) or more races and that are not covered  
 40 under subdivisions (1) or (2) or under IC 6-3-2-3.2 shall be  
 41 attributed to Indiana in the proportion of the races that occurred  
 42 in Indiana.





1 This subsection, as enacted in 2013, is intended to be a clarification of  
 2 the law and not a substantive change in the law.

3 **(t) Sales of a broadcaster that arise from or relate to the**  
 4 **broadcast or other distribution of film programming or radio**  
 5 **programming by any means are in this state if the commercial**  
 6 **domicile of the broadcaster's customer is in this state. Sales to**  
 7 **which this subsection applies include income from advertising and**  
 8 **licensing income from distributing film programming or radio**  
 9 **programming. For purposes of this subsection, the following**  
 10 **definitions apply:**

11 **(1) "Broadcaster" means a taxpayer that is a television or**  
 12 **radio station licensed by the Federal Communications**  
 13 **Commission, a television or radio broadcast network, a cable**  
 14 **program network, or a television distribution company. The**  
 15 **term "broadcaster" does not include a cable service provider**  
 16 **or a direct broadcast satellite system.**

17 **(2) "Commercial domicile" has the meaning set forth in**  
 18 **IC 6-3-1-22.**

19 **(3) "Customer" means a person, corporation, partnership,**  
 20 **limited liability company, or other entity, such as an**  
 21 **advertiser or licensee, that has a direct connection or**  
 22 **contractual relationship with the broadcaster under which**  
 23 **revenue is derived by the broadcaster. The term "customer"**  
 24 **does not include an advertising agency placing advertising on**  
 25 **behalf of its client. The client of such an advertising agency is**  
 26 **the customer.**

27 **(4) "Film programming" means one (1) or more**  
 28 **performances, events, or productions (or segments of**  
 29 **performances, events, or productions) intended to be**  
 30 **distributed for visual and auditory perception, including but**  
 31 **not limited to news, entertainment, sporting events, plays,**  
 32 **stories, or other literary, commercial, educational, or artistic**  
 33 **works.**

34 **(5) "Radio programming" means one (1) or more**  
 35 **performances, events, or productions (or segments of**  
 36 **performances, events, or productions) intended to be**  
 37 **distributed for auditory perception, including but not limited**  
 38 **to news, entertainment, sporting events, plays, stories, or**  
 39 **other literary, commercial, educational, or artistic works.**

40 SECTION 43. IC 6-3.1-11-24 IS ADDED TO THE INDIANA  
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 24. (a) If**



1 a pass through entity does not have state income tax liability  
 2 against which the tax credit provided by this chapter may be  
 3 applied, a shareholder, partner, or member of the pass through  
 4 entity is entitled to a tax credit equal to:

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

7 (2) the percentage of the pass through entity's distributive  
 8 income to which the shareholder, partner, or member is  
 9 entitled.

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

13 SECTION 44. IC 6-3.1-16-1 IS REPEALED [EFFECTIVE  
 14 JANUARY 1, 2015]. Sec. 1. The definitions set forth in:

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

16 (2) IC 14-21-1;

17 apply throughout this chapter.

18 SECTION 45. IC 6-3.1-16-2 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this  
 20 chapter, "~~division~~" "office" means the division of historic preservation  
 21 and archaeology of the department of natural resources: office of  
 22 community and rural affairs established by IC 4-4-9.7-4.

23 SECTION 46. IC 6-3.1-16-7 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) Subject to  
 25 section 14 of this chapter, a taxpayer is entitled to a credit against the  
 26 taxpayer's state tax liability in the taxable year in which the taxpayer  
 27 completes the preservation or rehabilitation of historic property and  
 28 obtains the certifications required under section 8 of this chapter.

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

31 (1) the taxpayer makes for the preservation or rehabilitation of  
 32 historic property; and

33 (2) are approved by the ~~division~~: office.

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

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

36 (2) file separate tax returns;

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

39 SECTION 47. IC 6-3.1-16-8 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. A taxpayer  
 41 qualifies for a credit under section 7 of this chapter if all of the  
 42 following conditions are met:



- 1 (1) The historic property is:  
 2 (A) located in Indiana;  
 3 (B) at least fifty (50) years old; and  
 4 (C) except as provided in section 7(c) of this chapter, owned  
 5 by the taxpayer.  
 6 (2) The ~~division~~ **office** certifies that the historic property is listed  
 7 in the register of Indiana historic sites and historic structures.  
 8 (3) The ~~division~~ **office** certifies that the taxpayer submitted a  
 9 proposed preservation or rehabilitation plan to the ~~division~~ **office**  
 10 that complies with the standards of the ~~division~~ **office**.  
 11 (4) The ~~division~~ **office** certifies that the preservation or  
 12 rehabilitation work that is the subject of the credit substantially  
 13 complies with the proposed plan referred to in subdivision (3).  
 14 (5) The preservation or rehabilitation work is completed in not  
 15 more than:  
 16 (A) two (2) years; or  
 17 (B) five (5) years if the preservation or rehabilitation plan  
 18 indicates that the preservation or rehabilitation is initially  
 19 planned for completion in phases.  
 20 The time in which work must be completed begins when the  
 21 physical work of construction or destruction in preparation for  
 22 construction begins.  
 23 (6) The historic property is:  
 24 (A) actively used in a trade or business;  
 25 (B) held for the production of income; or  
 26 (C) held for the rental or other use in the ordinary course of the  
 27 taxpayer's trade or business.  
 28 (7) The qualified expenditures for preservation or rehabilitation  
 29 of the historic property exceed ten thousand dollars (\$10,000).  
 30 SECTION 48. IC 6-3.1-16-9 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. (a) The  
 32 ~~division~~ **office** shall provide the certifications referred to in section 8(3)  
 33 and 8(4) of this chapter if a taxpayer's proposed preservation or  
 34 rehabilitation plan complies with the standards of the ~~division~~ **office**  
 35 and the taxpayer's preservation or rehabilitation work complies with the  
 36 plan.  
 37 (b) The taxpayer may appeal a ~~decision~~ **final determination** by the  
 38 ~~division~~ **office** under this chapter to the ~~review board~~ **tax court**.  
 39 SECTION 49. IC 6-3.1-16-10 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. To obtain a  
 41 credit under this chapter, a taxpayer must claim the credit on the  
 42 taxpayer's annual state tax return or returns in the manner prescribed



1 by the department of state revenue. The taxpayer shall submit to the  
 2 department of state revenue the certifications by the ~~division office~~  
 3 required under section 8 of this chapter and all information that the  
 4 department of state revenue determines is necessary for the calculation  
 5 of the credit provided by this chapter.

6 SECTION 50. IC 6-3.1-16-12 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 12. (a) A credit  
 8 claimed under this chapter shall be recaptured from the taxpayer if:

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

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

19 SECTION 51. IC 6-3.1-16-15 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 15. (a) The  
 21 following may adopt rules under IC 4-22-2 to carry out this chapter:

- 22 (1) The department of state revenue.  
 23 (2) The ~~division office~~.

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

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

32 SECTION 52. IC 6-3.1-20-1 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this  
 34 chapter, "earned "Indiana income" means the sum of the:

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

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

40 SECTION 53. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013,  
 41 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b),



1 an individual is entitled to a credit under this chapter if:

2 (1) the individual's **earned Indiana** income for the taxable year is  
3 less than eighteen thousand six hundred dollars (\$18,600); and

4 (2) the individual pays property taxes in the taxable year on a  
5 homestead that:

6 (A) the individual:

7 (i) owns; or

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

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

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

19 SECTION 54. IC 6-3.1-20-5 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year,  
21 an individual described in section 4 of this chapter is entitled to a  
22 refundable credit against the individual's state income tax liability in  
23 the amount determined under this section.

24 (b) In the case of an individual with **earned Indiana** income of less  
25 than eighteen thousand dollars (\$18,000) for the taxable year, the  
26 amount of the credit is equal to the lesser of:

27 (1) three hundred dollars (\$300); or

28 (2) the amount of property taxes described in section 4(a)(2) of  
29 this chapter paid by the individual in the taxable year.

30 (c) In the case of an individual with **earned Indiana** income that is  
31 at least eighteen thousand dollars (\$18,000) but less than eighteen  
32 thousand six hundred dollars (\$18,600) for the taxable year, the amount  
33 of the credit is equal to the lesser of the following:

34 (1) An amount determined under the following STEPS:

35 STEP ONE: Determine the result of:

36 (i) eighteen thousand six hundred dollars (\$18,600); minus

37 (ii) the individual's **earned Indiana** income for the taxable  
38 year.

39 STEP TWO: Determine the result of:

40 (i) the STEP ONE amount; multiplied by

41 (ii) five-tenths (0.5).

42 (2) The amount of property taxes described in section 4(a)(2) of



1 this chapter paid by the individual in the taxable year.

2 (d) If the amount of the credit under this chapter exceeds the  
3 individual's state tax liability for the taxable year, the excess shall be  
4 refunded to the taxpayer.

5 SECTION 55. IC 6-3.1-20-7 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 7. (a) The  
7 department shall before July 1 of each year determine **the greater of:**

8 **(1) eight million five hundred thousand dollars (\$8,500,000);**  
9 **or**

10 **(2) the amount of credits allowed under this chapter for taxable**  
11 **years ending before January 1 of the year.**

12 **(b) Except as provided in subsection (d), one-half (1/2) of the**  
13 **amount determined by the department under subsection (a) shall be:**

14 **(1) deducted during the year from the riverboat admissions tax**  
15 **revenue otherwise payable to the county under**  
16 **IC 4-33-12-6(d)(2); and**

17 **(2) paid instead to the state general fund.**

18 **(c) Except as provided in subsection (d), one-sixth (1/6) of the**  
19 **amount determined by the department under subsection (a) shall be:**

20 **(1) deducted during the year from the riverboat admissions tax**  
21 **revenue otherwise payable under IC 4-33-12-6(d)(1) to each of**  
22 **the following:**

23 **(A) The largest city by population located in the county.**

24 **(B) The second largest city by population located in the**  
25 **county.**

26 **(C) The third largest city by population located in the county;**  
27 **and**

28 **(2) paid instead to the state general fund.**

29 **(d) If the amount determined by the department under**  
30 **subsection (a)(2) is less than eight million five hundred thousand**  
31 **dollars (\$8,500,000), the difference of:**

32 **(1) eight million five hundred thousand dollars (\$8,500,000);**  
33 **minus**

34 **(2) the amount determined by the department under**  
35 **subsection (a)(2);**

36 **shall be paid to the northwest Indiana regional development**  
37 **authority established by IC 36-7.5-2-1 instead of the state general**  
38 **fund. Any amount paid under this subsection shall be used by the**  
39 **northwest Indiana regional development authority only to establish**  
40 **or improve public mass transportation systems in Lake County.**

41 SECTION 56. IC 6-3.1-22-1 IS REPEALED [EFFECTIVE  
42 JANUARY 1, 2015]. Sec. 1. The definitions set forth in:



1           (1) ~~IC 14-8-2~~ that apply to ~~IC 14-21-1~~; and  
 2           (2) ~~IC 14-21-1~~;  
 3 apply throughout this chapter.

4           SECTION 57. IC 6-3.1-22-2 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. As used in this  
 6 chapter, "~~division~~" "**office**" means the ~~division of historic preservation~~  
 7 ~~and archeology of the department of natural resources~~; **office of**  
 8 **community and rural affairs established by IC 4-4-9.7-4.**

9           SECTION 58. IC 6-3.1-22-8 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 8. (a) Subject to  
 11 section 14 of this chapter, a taxpayer is entitled to a credit against the  
 12 taxpayer's state tax liability in the taxable year in which the taxpayer  
 13 completes the preservation or rehabilitation of historic property and  
 14 obtains the certifications required under section 9 of this chapter.

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

- 17           (1) the taxpayer makes for the preservation or rehabilitation of  
 18 historic property; and  
 19           (2) are approved by the ~~division~~; **office.**

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

- 21           (1) own and rehabilitate a historic property jointly; and  
 22           (2) file separate tax returns;

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

25           SECTION 59. IC 6-3.1-22-9 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 9. A taxpayer  
 27 qualifies for a credit under section 8 of this chapter if all of the  
 28 following conditions are met:

29           (1) The historic property is:

- 30           (A) located in Indiana;  
 31           (B) at least fifty (50) years old; and  
 32           (C) except as provided in section 8(c) of this chapter, owned  
 33 by the taxpayer.

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

36           (3) The ~~division~~ **office** certifies that the taxpayer submitted a  
 37 proposed preservation or rehabilitation plan to the ~~division~~ **office**  
 38 that complies with the standards of the ~~division~~; **office.**

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

42           (5) The preservation or rehabilitation work is completed in not



1 more than:

2 (A) two (2) years; or

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

6 The time in which work must be completed begins when the  
7 physical work of construction or destruction in preparation for  
8 construction begins.

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

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

13 SECTION 60. IC 6-3.1-22-10 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 10. (a) The  
15 ~~division office~~ shall provide the certifications referred to in section 9(3)  
16 and 9(4) of this chapter if a taxpayer's proposed preservation or  
17 rehabilitation plan complies with the standards of the ~~division office~~  
18 and the taxpayer's preservation or rehabilitation work complies with the  
19 plan.

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

22 SECTION 61. IC 6-3.1-22-11 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 11. To obtain a  
24 credit under this chapter, a taxpayer must claim the credit on the  
25 taxpayer's annual state tax return or returns in the manner prescribed  
26 by the department of state revenue. The taxpayer shall submit to the  
27 department of state revenue the certifications by the ~~division office~~  
28 required under section 9 of this chapter and all information that the  
29 department of state revenue determines is necessary for the calculation  
30 of the credit provided by this chapter.

31 SECTION 62. IC 6-3.1-22-13 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 13. (a) A credit  
33 claimed under this chapter shall be recaptured from the taxpayer if:

34 (1) the property is transferred less than five (5) years after  
35 completion of the certified preservation or rehabilitation work; or

36 (2) less than five (5) years after completion of the certified  
37 preservation or rehabilitation, additional modifications to the  
38 property are undertaken that do not meet the standards of the  
39 ~~division: office~~.

40 (b) If the recapture of a credit is required under this section, an  
41 amount equal to the credit recaptured shall be added to the tax liability  
42 of the taxpayer for the taxable year during which the credit is





1 recaptured.

2 SECTION 63. IC 6-3.1-22-16 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 16. (a) The  
4 following may adopt rules under IC 4-22-2 to carry out this chapter:

5 (1) The department of state revenue.

6 (2) ~~The division:~~ office.

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

10 **(1) The rules are transferred to the office on January 1, 2015,**  
11 **and are considered, after December 31, 2014, to be rules of**  
12 **the office.**

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

15 SECTION 64. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,  
16 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county, city, or  
18 town for a county in which the county economic development tax is  
19 imposed shall establish an economic development income tax fund.  
20 Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this  
21 chapter, the revenue received by a county, city, or town under this  
22 chapter shall be deposited in the unit's economic development income  
23 tax fund.

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

29 (1) By a county, city, or town for economic development projects,  
30 for paying, notwithstanding any other law, under a written  
31 agreement all or a part of the interest owed by a private developer  
32 or user on a loan extended by a financial institution or other  
33 lender to the developer or user if the proceeds of the loan are or  
34 are to be used to finance an economic development project, for  
35 the retirement of bonds under section 14 of this chapter for  
36 economic development projects, for leases under section 21 of  
37 this chapter, or for leases or bonds entered into or issued prior to  
38 the date the economic development income tax was imposed if  
39 the purpose of the lease or bonds would have qualified as a  
40 purpose under this chapter at the time the lease was entered into  
41 or the bonds were issued.

42 (2) By a county, city, or town for:



- 1 (A) the construction or acquisition of, or remedial action with  
 2 respect to, a capital project for which the unit is empowered to  
 3 issue general obligation bonds or establish a fund under any  
 4 statute listed in IC 6-1.1-18.5-9.8;
- 5 (B) the retirement of bonds issued under any provision of  
 6 Indiana law for a capital project;
- 7 (C) the payment of lease rentals under any statute for a capital  
 8 project;
- 9 (D) contract payments to a nonprofit corporation whose  
 10 primary corporate purpose is to assist government in planning  
 11 and implementing economic development projects;
- 12 (E) operating expenses of a governmental entity that plans or  
 13 implements economic development projects;
- 14 (F) to the extent not otherwise allowed under this chapter,  
 15 funding substance removal or remedial action in a designated  
 16 unit; or
- 17 (G) funding of a revolving fund established under  
 18 IC 5-1-14-14.
- 19 (3) By a county, city, or town for any lawful purpose for which  
 20 money in any of its other funds may be used.
- 21 (4) By a city or county described in IC 36-7.5-2-3(b) for making  
 22 transfers required by IC 36-7.5-4-2. If the county economic  
 23 development income tax rate is increased after April 30, 2005, in  
 24 Porter County, the first three million five hundred thousand  
 25 dollars (\$3,500,000) of the tax revenue that results each year from  
 26 the tax rate increase shall be used by the county or by eligible  
 27 municipalities (as defined in IC 36-7.5-1-11.3) in the county only  
 28 to make the county's transfer required by IC 36-7.5-4-2. The first  
 29 three million five hundred thousand dollars (\$3,500,000) of the  
 30 tax revenue that results each year from the tax rate increase shall  
 31 be paid by the county treasurer to the treasurer of the northwest  
 32 Indiana regional development authority under IC 36-7.5-4-2  
 33 before certified distributions are made to the county or any cities  
 34 or towns in the county under this chapter from the tax revenue  
 35 that results each year from the tax rate increase. If Porter County  
 36 ceases to be a member of the northwest Indiana regional  
 37 development authority under IC 36-7.5 but two (2) or more  
 38 municipalities in the county have become members of the  
 39 northwest Indiana regional development authority as authorized  
 40 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer  
 41 the three million five hundred thousand dollars (\$3,500,000) to  
 42 the treasurer of the northwest Indiana regional development



1 authority under IC 36-7.5-4-2 before certified distributions are  
 2 made to the county or any cities or towns in the county. In Porter  
 3 County, all of the tax revenue that results each year from the tax  
 4 rate increase that is in excess of the first three million five  
 5 hundred thousand dollars (\$3,500,000) that results each year from  
 6 the tax rate increase must be used by the county and cities and  
 7 towns in the county for homestead credits under subdivision (5).  
 8 (5) This subdivision applies only in Porter County. All of the tax  
 9 revenue that results each year from a tax rate increase described  
 10 in subdivision (4) that is in excess of the first three million five  
 11 hundred thousand dollars (\$3,500,000) that results each year from  
 12 the tax rate increase must be used by the county and cities and  
 13 towns in the county for homestead credits under this subdivision.  
 14 The following apply to homestead credits provided under this  
 15 subdivision:

16 (A) The homestead credits must be applied uniformly to  
 17 provide a homestead credit for homesteads in the county, city,  
 18 or town.

19 (B) The homestead credits shall be treated for all purposes as  
 20 property tax levies.

21 (C) The homestead credits shall be applied to the net property  
 22 taxes due on the homestead after the application of all other  
 23 assessed value deductions or property tax deductions and  
 24 credits that apply to the amount owed under IC 6-1.1.

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

30 (6) This subdivision applies only in Lake County. The county or  
 31 a city or town in the county may use county economic  
 32 development income tax revenue to provide homestead credits in  
 33 the county, city, or town. The following apply to homestead  
 34 credits provided under this subdivision:

35 (A) The county, city, or town fiscal body must adopt an  
 36 ordinance authorizing the homestead credits. The ordinance  
 37 must specify the amount of county economic development  
 38 income tax revenue that will be used to provide homestead  
 39 credits in the following year.

40 (B) The county, city, or town fiscal body that adopts an  
 41 ordinance under this subdivision must forward a copy of the  
 42 ordinance to the county auditor and the department of local



- 1 government finance not more than thirty (30) days after the  
 2 ordinance is adopted.
- 3 (C) The homestead credits must be applied uniformly to  
 4 increase the homestead credit under IC 6-1.1-20.9 (repealed)  
 5 for homesteads in the county, city, or town (for property taxes  
 6 first due and payable before January 1, 2009) or to provide a  
 7 homestead credit for homesteads in the county, city, or town  
 8 (for property taxes first due and payable after December 31,  
 9 2008).
- 10 (D) The homestead credits shall be treated for all purposes as  
 11 property tax levies.
- 12 (E) The homestead credits shall be applied to the net property  
 13 taxes due on the homestead after the application of all other  
 14 assessed value deductions or property tax deductions and  
 15 credits that apply to the amount owed under IC 6-1.1.
- 16 (F) The department of local government finance shall  
 17 determine the homestead credit percentage for a particular  
 18 year based on the amount of county economic development  
 19 income tax revenue that will be used under this subdivision to  
 20 provide homestead credits in that year.
- 21 (7) For a regional venture capital fund established under section  
 22 13.5 of this chapter or a local venture capital fund established  
 23 under section 13.6 of this chapter.
- 24 (8) This subdivision applies only to LaPorte County, if:
- 25 (A) the county fiscal body has adopted an ordinance under  
 26 IC 36-7.5-2-3(e) providing that the county is joining the  
 27 northwest Indiana regional development authority; and
- 28 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has  
 29 adopted an ordinance under IC 36-7.5-2-3(e) providing that  
 30 the city is joining the development authority.
- 31 Revenue from the county economic development income tax may  
 32 be used by a county or a city described in this subdivision for  
 33 making transfers required by IC 36-7.5-4-2. In addition, if the  
 34 county economic development income tax rate is increased after  
 35 June 30, 2006, in the county, the first three million five hundred  
 36 thousand dollars (\$3,500,000) of the tax revenue that results each  
 37 year from the tax rate increase shall be used by the county only to  
 38 make the county's transfer required by IC 36-7.5-4-2. The first  
 39 three million five hundred thousand dollars (\$3,500,000) of the  
 40 tax revenue that results each year from the tax rate increase shall  
 41 be paid by the county treasurer to the treasurer of the northwest  
 42 Indiana regional development authority under IC 36-7.5-4-2



1 before certified distributions are made to the county or any cities  
 2 or towns in the county under this chapter from the tax revenue  
 3 that results each year from the tax rate increase. All of the tax  
 4 revenue that results each year from the tax rate increase that is in  
 5 excess of the first three million five hundred thousand dollars  
 6 (\$3,500,000) that results each year from the tax rate increase must  
 7 be used by the county and cities and towns in the county for  
 8 homestead credits under subdivision (9).

9 (9) This subdivision applies only to LaPorte County. All of the tax  
 10 revenue that results each year from a tax rate increase described  
 11 in subdivision (8) that is in excess of the first three million five  
 12 hundred thousand dollars (\$3,500,000) that results each year from  
 13 the tax rate increase must be used by the county and cities and  
 14 towns in the county for homestead credits under this subdivision.  
 15 The following apply to homestead credits provided under this  
 16 subdivision:

17 (A) The homestead credits must be applied uniformly to  
 18 provide a homestead credit for homesteads in the county, city,  
 19 or town.

20 (B) The homestead credits shall be treated for all purposes as  
 21 property tax levies.

22 (C) The homestead credits shall be applied to the net property  
 23 taxes due on the homestead after the application of all other  
 24 assessed value deductions or property tax deductions and  
 25 credits that apply to the amount owed under IC 6-1.1.

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

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

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

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

36 (A) promote significant opportunities for the gainful  
 37 employment of its citizens;

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

39 (C) retain or expand a significant business enterprise within  
 40 the unit; and

41 (2) involves an expenditure for:

42 (A) the acquisition of land;



1 (B) interests in land;  
 2 (C) site improvements;  
 3 (D) infrastructure improvements;  
 4 (E) buildings;  
 5 (F) structures;  
 6 (G) rehabilitation, renovation, and enlargement of buildings  
 7 and structures;  
 8 (H) machinery;  
 9 (I) equipment;  
 10 (J) furnishings;  
 11 (K) facilities;  
 12 (L) administrative expenses associated with such a project,  
 13 including contract payments authorized under subsection  
 14 (b)(2)(D);  
 15 (M) operating expenses authorized under subsection (b)(2)(E);  
 16 or  
 17 (N) to the extent not otherwise allowed under this chapter,  
 18 substance removal or remedial action in a designated unit;  
 19 or any combination of these.

20 (d) If there are bonds outstanding that have been issued under  
 21 section 14 of this chapter or leases in effect under section 21 of this  
 22 chapter, the county or a city or town may not expend money from its  
 23 economic development income tax fund for a purpose authorized under  
 24 subsection (b)(3) in a manner that would adversely affect owners of the  
 25 outstanding bonds or payment of any lease rentals due.

26 SECTION 65. IC 6-6-2.5-1, AS AMENDED BY P.L.277-2013,  
 27 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 1. As used in this  
 29 chapter, "alternative fuel" means a liquefied petroleum gas, ~~liquid or~~  
 30 ~~compressed natural gas product; or a combination of liquefied~~  
 31 ~~petroleum gas and a compressed natural gas product;~~ not including a  
 32 biodiesel fuel or biodiesel blend, used in an internal combustion engine  
 33 or motor to propel any form of vehicle, machine, or mechanical  
 34 contrivance. The term includes all forms of fuel commonly or  
 35 commercially known or sold as butane ~~or propane. or liquid or~~  
 36 ~~compressed natural gas.~~

37 SECTION 66. IC 6-6-2.5-16.5 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 16.5. As**  
 39 **used in this chapter, "natural gas product" means:**

- 40 (1) a liquid or compressed natural gas product; or  
 41 (2) a combination of liquefied petroleum gas and a  
 42



1 **compressed natural gas product;**  
 2 **used in an internal combustion engine or motor to propel any form**  
 3 **of vehicle, machine, or mechanical contrivance.**

4 SECTION 67. IC 6-6-2.5-22, AS AMENDED BY P.L.277-2013,  
 5 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 22. As used in this  
 7 chapter, "special fuel" means all combustible gases and liquids that are:

- 8 (1) suitable for the generation of power in an internal combustion  
 9 engine or motor; or
- 10 (2) used exclusively for heating, industrial, or farm purposes other  
 11 than for the operation of a motor vehicle.

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

19 SECTION 68. IC 6-6-14 IS ADDED TO THE INDIANA CODE AS  
 20 A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE  
 21 JANUARY 1, 2014 (RETROACTIVE)]:

22 **Chapter 14. Alternative Fuel Decals**

23 **Sec. 1. As used in this chapter, "alternative fuel" means a**  
 24 **liquefied petroleum gas used in an internal combustion engine or**  
 25 **motor to propel any form of vehicle, machine, or mechanical**  
 26 **contrivance. The term includes all forms of fuel commonly or**  
 27 **commercially known or sold as butane or propane.**

28 **Sec. 2. As used in this chapter, "department" means the**  
 29 **department of state revenue.**

30 **Sec. 3. As used in this chapter, "special fuel" has the meaning**  
 31 **set forth in IC 6-6-2.5-22.**

32 **Sec. 4. (a) The owner of one (1) of the following motor vehicles**  
 33 **that is registered in Indiana and that is propelled by alternative**  
 34 **fuel shall obtain an alternative fuel decal for the motor vehicle and**  
 35 **pay an annual fee in accordance with the following schedule:**

36 **SCHEDULE**

37 <b>Motor Vehicle</b>	38 <b>Annual Fee</b>
39 <b>A passenger motor vehicle, truck, or bus,</b> 40 <b>the declared gross weight of which is</b> 41 <b>equal to or less than 9,000 pounds.</b>	42 <b>\$100</b>
43 <b>A recreational vehicle.</b>	<b>\$100</b>
44 <b>A truck or bus, the declared gross</b>	



- 1 weight of which is greater than 9,000 pounds  
 2 but equal to or less than 11,000 pounds. \$175  
 3 An alternative fuel delivery truck powered  
 4 by alternative fuel that is a truck the  
 5 declared gross weight of which is greater  
 6 than 11,000 pounds. \$250  
 7 A truck or bus, the declared gross weight  
 8 of which is greater than 11,000 pounds,  
 9 except an alternative fuel delivery truck. \$300  
 10 A tractor designed to be used with a  
 11 semitrailer. \$500
- 12 Only one (1) fee is required to be paid per motor vehicle per year.  
 13 (b) The annual fee may be prorated on a quarterly basis if:  
 14 (1) application is made after June 30 of a year; and  
 15 (2) the motor vehicle is newly:  
 16 (A) converted to alternative fuel;  
 17 (B) purchased; or  
 18 (C) registered in Indiana.
- 19 (c) The fees imposed under this section are subject to an annual  
 20 adjustment under section 5 of this chapter.
- 21 Sec. 5. (a) As used in this section, "consumer price index" refers  
 22 to the consumer price index for all urban users not seasonally  
 23 adjusted as published by the Bureau of Labor Statistics, United  
 24 States Department of Labor, or its successor agency.
- 25 (b) Subject to subsection (c), the department shall before  
 26 February 1 of each year adjust each fee imposed under section 4 of  
 27 this chapter as follows:  
 28 STEP ONE: Determine the quotient of:  
 29 (A) the consumer price index for December of the  
 30 immediately preceding calendar year; divided by  
 31 (B) the consumer price index for December of the calendar  
 32 year immediately preceding the calendar year described in  
 33 clause (A).  
 34 STEP TWO: Determine the product of:  
 35 (A) the amount of the fee imposed under section 4 of this  
 36 chapter in the immediately preceding calendar year;  
 37 multiplied by  
 38 (B) the STEP ONE result.  
 39 STEP THREE: Round the STEP TWO result to the nearest  
 40 ten dollar (\$10) increment.
- 41 (c) A fee imposed under section 4 of this chapter may not be  
 42 increased under this section if the adjustment required by this





1 section results in a fee increase of less than five dollars (\$5).  
 2 However, in the following calendar year the amount of the  
 3 disregarded adjustment must be treated as if it had been added to  
 4 the fee imposed under section 4 of this chapter for purposes of  
 5 making the determination under subsection (b) STEP TWO.

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

- 8 (1) registered outside Indiana; and  
 9 (2) operated on a public highway in Indiana;

10 shall obtain a temporary trip permit. An alternative fuel  
 11 temporary trip permit may be purchased from a licensed propane  
 12 dealer who sells alternative fuels.

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

19 Sec. 7. (a) Before dispensing alternative fuel into a motor  
 20 vehicle, a person desiring to make alternative fuel sales in Indiana  
 21 must be licensed by the department as a propane dealer. A person  
 22 may apply for a propane dealer license on a form prescribed by the  
 23 department. The department may make any reasonable  
 24 investigation of an applicant before issuing a license to the  
 25 applicant. The fee for a propane dealer license is fifty dollars (\$50).

26 (b) The department shall issue a license card to each applicant  
 27 approved for a propane dealer license. A licensed propane dealer  
 28 shall display the license card in a conspicuous place at each  
 29 location operated by the licensed propane dealer where alternative  
 30 fuel is dispensed into motor vehicles in Indiana.

31 (c) The department may rescind a propane dealer license if the  
 32 propane dealer fails to comply with any requirement of this  
 33 chapter.

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

37 Sec. 8. (a) The administrator shall issue an alternative fuel decal  
 38 to an owner of a motor vehicle propelled by alternative fuel who  
 39 applies for a decal, pays to the administrator the fee, and provides  
 40 the information that is required by the administrator.

41 (b) An alternative fuel decal is effective from April 1 of each  
 42 year through March 31 of the next year. The administrator may



1 extend the expiration date for not more than thirty (30) days.  
 2 During the month of March, the owner shall display the valid decal  
 3 through March 31 or the decal issued to the owner for the next  
 4 twelve (12) months. If the administrator grants an extension of the  
 5 expiration date, the owner shall continue to display the decal for  
 6 which the extension was granted.

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

12 **(b)** Upon application of the owner and surrender of a decal, the  
 13 administrator may issue a new decal or give credit toward the fee  
 14 for a decal for another vehicle or for a subsequent twelve (12)  
 15 months. Upon receipt of the new decal or a credit statement, the  
 16 owner shall return to the administrator:

17 (1) the old decal; or

18 (2) a sworn statement indicating that the old decal has been  
 19 destroyed.

20 **(c)** A credit under this section shall be computed by multiplying  
 21 the fee paid for the old decal by a fraction. The denominator of the  
 22 fraction is the number of whole and partial quarters for which the  
 23 old decal was issued. The numerator of the fraction is the number  
 24 of remaining whole quarters that the old decal would have been  
 25 valid.

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

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

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

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

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

38 SECTION 69. IC 6-7-1-37 IS ADDED TO THE INDIANA CODE  
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 40 1, 2014]: **Sec. 37. (a)** All reports required to be filed under this  
 41 chapter must be filed in an electronic format prescribed by the  
 42 department.



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

3           SECTION 70. IC 6-7-2-12, AS AMENDED BY P.L.172-2011,  
 4 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JULY 1, 2014]: Sec. 12. Before the fifteenth day of each month, each  
 6 distributor liable for the tax imposed by this chapter shall:

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

9           (A) name of distributor;

10           (B) address of distributor;

11           (C) license number of distributor;

12           (D) invoice date;

13           (E) invoice number;

14           (F) name and address of person from whom tobacco products  
 15 were purchased or name and address of person to whom  
 16 tobacco products were sold;

17           (G) the wholesale price for tobacco products other than moist  
 18 snuff; and

19           (H) for moist snuff, the weight of the moist snuff; and

20           (2) pay the tax for which it is liable under this chapter for the  
 21 preceding month minus the amount specified in section 13 of this  
 22 chapter.

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

26           SECTION 71. IC 6-9-2.5-7.5, AS AMENDED BY P.L.176-2009,  
 27 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2014]: Sec. 7.5. (a) The county treasurer shall establish a  
 29 tourism capital improvement fund.

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

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

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

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

42           (1) the county government, a city government, or a separate body



- 1 corporate and politic in a county described in section 1 of this  
 2 chapter; or  
 3 (2) any Indiana nonprofit corporation;  
 4 for the purpose of making capital improvements in the county that  
 5 promote conventions, tourism, or recreation. The commission may  
 6 transfer money under this section only after approving the transfer.  
 7 Transfers shall be made quarterly or less frequently under this section.
- 8 SECTION 72. IC 6-9-2.5-7.7, AS AMENDED BY P.L.176-2009,  
 9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2014]: Sec. 7.7. (a) The county treasurer shall establish a  
 11 convention center operating fund.
- 12 (b) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit  
 13 in the convention center operating fund the amount of money received  
 14 under section 6 of this chapter that is generated by a two percent (2%)  
 15 rate. Money in the fund must be expended for the operating expenses  
 16 of a convention center.
- 17 (c) After December 31, ~~2014~~, **2019**, the county treasurer shall  
 18 deposit in the convention center operating fund the amount of money  
 19 received under section 6 of this chapter that is generated by a one  
 20 percent (1%) rate. Money in the fund must be expended for the  
 21 operating expenses of a convention center with the unused balance  
 22 transferred on January 1 of each year to the tourism capital  
 23 improvement fund.
- 24 SECTION 73. IC 6-9-17-5 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) When the tax is  
 26 levied under section 3 of this chapter, there is created a seven (7)  
 27 member visitor and convention commission (referred to as the  
 28 commission in this chapter) to promote the development and growth of  
 29 the convention and visitor industry in the county.
- 30 (b) The executive of the city with the largest population in the  
 31 county shall appoint five (5) members of the commission as follows:  
 32 (1) Two (2) members must be engaged in the lodging business in  
 33 the county.  
 34 (2) Two (2) members must be engaged in business in the county.  
 35 (3) One (1) member must be engaged in the ~~travel business in the~~  
 36 **county: tourism and hospitality industry.**
- 37 (c) The county fiscal body shall appoint two (2) members of the  
 38 commission. Each member must be engaged in business in the county.
- 39 (d) All terms of office of commission members begin on January 1.  
 40 Members of the commission serve terms of two (2) years. A member  
 41 whose term expires may be reappointed to serve another term. If an  
 42 initial appointment is not made by February 1 or a vacancy is not filled



1 within thirty (30) days, the commission shall appoint a member by  
2 majority vote to serve for the remainder of the term.

3 (e) A member of the commission may be removed for cause by his  
4 appointing authority.

5 (f) Members of the commission may not receive a salary. However,  
6 commission members are entitled to reimbursement for necessary  
7 expenses incurred in the performance of their respective duties.

8 (g) Each commission member, before taking office, shall take an  
9 oath of office in the usual form, to be endorsed upon the member's  
10 certificate of appointment and promptly filed with the clerk of the  
11 circuit court of the county.

12 (h) The commission shall meet after January 1 each year for the  
13 purpose of organization. It shall elect one (1) of its members president,  
14 another vice president, another secretary, and another treasurer. The  
15 members elected to those offices shall perform the duties pertaining to  
16 the offices. The officers chosen shall serve from the date of their  
17 election until their successors are elected and qualified. A majority of  
18 the commission constitutes a quorum, and the concurrence of a  
19 majority of the commission is necessary to authorize any action.

20 SECTION 74. IC 6-9-18-3 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The fiscal body  
22 of a county may levy a tax on every person engaged in the business of  
23 renting or furnishing, for periods of less than thirty (30) days, any room  
24 or rooms, lodgings, or accommodations in any:

25 (1) hotel;

26 (2) motel;

27 (3) boat motel;

28 (4) inn;

29 (5) college or university memorial union;

30 (6) college or university residence hall or dormitory; ~~or~~

31 (7) tourist cabin; **or**

32 **(8) other place in which rooms, lodgings, or accommodations**  
33 **are regularly furnished for consideration;**

34 located in the county.

35 (b) The tax does not apply to gross income received in a transaction  
36 in which:

37 (1) a student rents lodgings in a college or university residence  
38 hall while that student participates in a course of study for which  
39 the student receives college credit from a college or university  
40 located in the county; or

41 (2) a person rents a room, lodging, or accommodations for a  
42 period of thirty (30) days or more.



1 (c) The tax may not exceed the rate of five percent (5%) on the gross  
 2 retail income derived from lodging income only and is in addition to  
 3 the state gross retail tax imposed under IC 6-2.5.

4 (d) The county fiscal body may adopt an ordinance to require that  
 5 the tax be reported on forms approved by the county treasurer and that  
 6 the tax shall be paid monthly to the county treasurer. If such an  
 7 ordinance is adopted, the tax shall be paid to the county treasurer not  
 8 more than twenty (20) days after the end of the month the tax is  
 9 collected. If such an ordinance is not adopted, the tax shall be imposed,  
 10 paid, and collected in exactly the same manner as the state gross retail  
 11 tax is imposed, paid, and collected under IC 6-2.5.

12 (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
 13 liabilities, procedures, penalties, definitions, exemptions, and  
 14 administration are applicable to the imposition and administration of  
 15 the tax imposed under this section except to the extent those provisions  
 16 are in conflict or inconsistent with the specific provisions of this  
 17 chapter or the requirements of the county treasurer. If the tax is paid to  
 18 the department of state revenue, the return to be filed for the payment  
 19 of the tax under this section may be either a separate return or may be  
 20 combined with the return filed for the payment of the state gross retail  
 21 tax as the department of state revenue may, by rule, determine.

22 (f) If the tax is paid to the department of state revenue, the amounts  
 23 received from the tax imposed under this section shall be paid monthly  
 24 by the treasurer of state to the county treasurer upon warrants issued by  
 25 the auditor of state.

26 SECTION 75. IC 7.1-4-6-3.5 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3.5. ~~Filing of Returns.~~  
 28 A person who is liable for the payment of an excise tax levied by this  
 29 title shall file a monthly return with the department on or before the  
 30 twentieth day of the month following the month in which the liability  
 31 for the tax accrues by reason of the manufacture, sale, gift, or the  
 32 withdrawal for sale or gift, of alcoholic beverages within this state. **The**  
 33 **return must be filed in an electronic format as prescribed by the**  
 34 **department.** Payment of the excise tax due shall accompany the return,  
 35 **and shall be remitted electronically. Any other returns or forms**  
 36 **required to be filed under this title must also be filed in an**  
 37 **electronic format and on a date prescribed by the department.**

38 SECTION 76. IC 8-22-1-4.5 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.5. (a) "Aviation  
 40 related property or facilities" means those properties or facilities that  
 41 are utilized by a lessee, or a lessee's assigns, who provides services or  
 42 accommodations:



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

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

12 SECTION 77. IC 8-22-3-11, AS AMENDED BY P.L.139-2013,  
 13 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 UPON PASSAGE]: Sec. 11. (a) The board may do all acts necessary  
 15 or reasonably incident to carrying out the purposes of this chapter,  
 16 including the following:

- 17 (1) As a municipal corporation, to sue and be sued in its own
- 18 name.
- 19 (2) To have all the powers and duties conferred by statute upon
- 20 boards of aviation commissioners. The board supersedes all
- 21 boards of aviation commissioners within the district. The board
- 22 has exclusive jurisdiction within the district.
- 23 (3) To protect all property owned or managed by the board.
- 24 (4) To adopt an annual budget and levy taxes in accordance with
- 25 this chapter.

26 (A) The board may not levy taxes on property in excess of the  
 27 ~~following; rate schedule; tax rate specified in subsection (b),~~  
 28 except as provided in sections 17 and 25 of this chapter.

29 Total Assessed	Rate Per \$100 Of
30 Property Valuation	Assessed Valuation
31 \$300 million or less	\$0.10
32 More than \$300 million	
33 but not more than \$450 million	\$0.0833
34 More than \$450 million	
35 but not more than \$600 million	\$0.0667
36 More than \$600 million	
37 but not more than \$900 million	\$0.05
38 More than \$900 million	\$0.0333

39 (B) Clause (A) ~~does~~ **and subsection (b) do** not apply to an  
 40 authority that was established under IC 19-6-2 or IC 19-6-3  
 41 (before their repeal on April 1, 1980).

42 (C) The board of an authority that was established under



- 1 IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes  
2 on property not in excess of six and sixty-seven hundredths  
3 cents (\$0.0667) on each one hundred dollars (\$100) of  
4 assessed valuation.
- 5 (5) To incur indebtedness in the name of the authority in  
6 accordance with this chapter.
- 7 (6) To adopt administrative procedures, rules, and regulations.
- 8 (7) To acquire property, real, personal, or mixed, by deed,  
9 purchase, lease, condemnation, or otherwise and dispose of it for  
10 use or in connection with or for administrative purposes of the  
11 airport; to receive gifts, donations, bequests, and public trusts and  
12 to agree to conditions and terms accompanying them and to bind  
13 the authority to carry them out; to receive and administer federal  
14 or state aid; and to erect buildings or structures that may be  
15 needed to administer and carry out this chapter.
- 16 (8) To determine matters of policy regarding internal organization  
17 and operating procedures not specifically provided for otherwise.
- 18 (9) To adopt a schedule of reasonable charges and to collect them  
19 from all users of facilities and services within the district.
- 20 (10) To purchase supplies, materials, and equipment to carry out  
21 the duties and functions of the board in accordance with  
22 procedures adopted by the board.
- 23 (11) To employ personnel that are necessary to carry out the  
24 duties, functions, and powers of the board.
- 25 (12) To establish an employee pension plan. The board may, upon  
26 due investigation, authorize and begin a fair and reasonable  
27 pension or retirement plan and program for personnel, the cost to  
28 be borne by either the authority or by the employee or by both, as  
29 the board determines. If the authority was established under  
30 IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must  
31 be borne by the authority, and ordinances creating the plan or  
32 making changes in it must be approved by the mayor of the city.  
33 The plan may be administered and funded by a trust fund or by  
34 insurance purchased from an insurance company licensed to do  
35 business in Indiana or by a combination of them. The board may  
36 also include in the plan provisions for life insurance, disability  
37 insurance, or both.
- 38 (13) To sell surplus real or personal property in accordance with  
39 law. If the board negotiates an agreement to sell trees situated in  
40 woods or forest areas owned by the board, the trees are considered  
41 to be personal property of the board for severance or sale.
- 42 (14) To adopt and use a seal.





- 1 (15) To acquire, establish, construct, improve, equip, maintain,  
2 control, lease, and regulate municipal airports, landing fields, and  
3 other air navigation facilities, either inside or outside the district;  
4 to acquire by lease (with or without the option to purchase)  
5 airports, landing fields, or navigation facilities, and any structures,  
6 equipment, or related improvements; and to erect, install,  
7 construct, and maintain at the airport or airports facilities for the  
8 servicing of aircraft and for the comfort and accommodation of air  
9 travelers and the public. The Indiana department of transportation  
10 must grant its approval before land may be purchased for the  
11 establishment of an airport or landing field and before an airport  
12 or landing field may be established.
- 13 (16) To fix and determine exclusively the uses to which the  
14 airport lands may be put, including land use planning and zoning.  
15 All uses must be necessary or desirable to the airport or the  
16 aviation industry and must be compatible with the uses of the  
17 surrounding lands as far as practicable. The jurisdiction granted  
18 under this subdivision is superior to that of any other local  
19 government unit or entity with respect to airport lands.
- 20 (17) To elect a secretary from its membership, or to employ a  
21 secretary, an airport director, superintendents, managers, a  
22 treasurer, engineers, surveyors, attorneys, clerks, guards,  
23 mechanics, laborers, and all employees the board considers  
24 expedient, and to prescribe and assign their respective duties and  
25 authorities and to fix and regulate the compensation to be paid to  
26 the persons employed by it in accordance with the authority's  
27 appropriations. All employees shall be selected irrespective of  
28 their political affiliations.
- 29 (18) To make all rules and regulations, consistent with laws  
30 regarding air commerce, for the management and control of its  
31 airports, landing fields, air navigation facilities, and other  
32 property under its control.
- 33 (19) To acquire by lease the use of an airport or landing field for  
34 aircraft pending the acquisition and improvement of an airport or  
35 landing field.
- 36 (20) To manage and operate airports, landing fields, and other air  
37 navigation facilities acquired or maintained by an authority; to  
38 lease all or part of an airport, landing field, or any buildings or  
39 other structures, and to fix, charge, and collect rentals, tolls, fees,  
40 and charges to be paid for the use of the whole or a part of the  
41 airports, landing fields, or other air navigation facilities by aircraft  
42 landing there and for the servicing of the aircraft; to construct



1 public recreational facilities that will not interfere with air  
2 operational facilities; to fix, charge, and collect fees for public  
3 admissions and privileges; and to make contracts for the operation  
4 and management of the airports, landing fields, and other air  
5 navigation facilities; and to provide for the use, management, and  
6 operation of the air navigation facilities through lessees, its own  
7 employees, or otherwise. Contracts for the maintenance,  
8 operation, or use of the airport or any part of it may be made for  
9 a term not exceeding fifteen (15) years and may be extended for  
10 similar terms of years. However, the airport, including all or part  
11 of its land, facilities, or structures, may be leased for any use  
12 connected with the operation and convenience of the airport for  
13 an initial term not exceeding forty (40) years and may be extended  
14 for a period not to exceed ten (10) years. If a person whose  
15 character, experience, and financial responsibility have been  
16 determined satisfactory by the board offers to erect a permanent  
17 structure that facilitates and is consistent with the operation, use,  
18 and purpose of the airport on land belonging to the airport, a lease  
19 may be entered into for a period not to exceed ninety-nine (99)  
20 years. However, the board must pass an ordinance to enter into  
21 such a lease. The board may not grant an exclusive right for the  
22 use of a landing area under its jurisdiction. However, this does not  
23 prevent the making of leases in accordance with other provisions  
24 of this chapter. All contracts, and leases, are subject to restrictions  
25 and conditions that the board prescribes. The authority may lease  
26 its property and facilities for any commercial or industrial use it  
27 considers necessary and proper, including the use of providing  
28 airport motel facilities. For the airport authority established by the  
29 city of Gary, the board may approve a lease, management  
30 agreement, or other contract:

31 (A) with a person:

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

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

36 (B) to use, plan, design, acquire, construct, reconstruct,  
37 improve, extend, expand, lease, operate, repair, manage,  
38 maintain, or finance all or any part of the airport and its  
39 landing fields, air navigation facilities, and other buildings and  
40 structures for a period not to exceed ninety-nine (99) years.

41 However, the board must pass an ordinance to enter into such  
42 a lease, management agreement, or other contract. All



- 1 contracts, leases, and management agreements are subject to  
2 restrictions and conditions that the board prescribes. The  
3 authority may lease its property and facilities for any  
4 commercial or industrial use it considers necessary and proper,  
5 including the use of providing airport motel facilities. A lease,  
6 management agreement, or other contract entered into under  
7 this section or any other provision of this chapter may be  
8 entered into without complying with IC 5-23.
- 9 (21) To sell machinery, equipment, or material that is not required  
10 for aviation purposes. The proceeds shall be deposited with the  
11 treasurer of the authority.
- 12 (22) To negotiate and execute contracts for sale or purchase,  
13 lease, personal services, materials, supplies, equipment, or any  
14 other transaction or business relative to an airport under the  
15 board's control and operation. However, whenever the board  
16 determines to sell part or all of aviation lands, buildings, or  
17 improvements owned by the authority, the sale must be in  
18 accordance with law.
- 19 (23) To vacate all or parts of roads, highways, streets, or alleys,  
20 whether inside or outside the district, in the manner provided by  
21 statute.
- 22 (24) To annex lands to itself if the lands are owned by the  
23 authority or are streets, roads, or other public ways.
- 24 (25) To approve any state, county, city, or other highway, road,  
25 street or other public way, railroad, power line, or other  
26 right-of-way to be laid out or opened across an airport or in such  
27 proximity as to affect the safe operation of the airport.
- 28 (26) To construct drainage and sanitary sewers with connections  
29 and outlets as are necessary for the proper drainage and  
30 maintenance of an airport or landing field acquired or maintained  
31 under this chapter, including the necessary buildings and  
32 improvements and for the public use of them in the same manner  
33 that the authority may construct sewers and drains. However, with  
34 respect to the construction of drains and sanitary sewers beyond  
35 the boundaries of the airport or landing field, the board shall  
36 proceed in the same manner as private owners of property and  
37 may institute proceedings and negotiate with the departments,  
38 bodies, and officers of an eligible entity to secure the proper  
39 orders and approvals; and to order a public utility or public  
40 service corporation or other person to remove or to install in  
41 underground conduits wires, cables, and power lines passing  
42 through or over the airport or landing field or along the borders or



1 within a reasonable distance that may be determined to be  
 2 necessary for the safety of operations, upon payment to the utility  
 3 or other person of due compensation for the expense of the  
 4 removal or reinstallation. The board must consent before any  
 5 franchise may be granted by state or local authorities for the  
 6 construction of or maintenance of railway, telephone, telegraph,  
 7 electric power, pipe, or conduit line upon, over, or through land  
 8 under the control of the board or within a reasonable distance of  
 9 land that is necessary for the safety of operation. The board must  
 10 also consent before overhead electric power lines carrying a  
 11 voltage of more than four thousand four hundred (4,400) volts and  
 12 having poles, standards, or supports over thirty (30) feet in height  
 13 within one-half (1/2) mile of a landing area acquired or  
 14 maintained under this chapter may be installed.

15 (27) To contract with any other state agency or instrumentality or  
 16 any political subdivision for the rendition of services, the rental  
 17 or use of equipment or facilities, or the joint purchase and use of  
 18 equipment or facilities that are necessary for the operation,  
 19 maintenance, or construction of an airport operated under this  
 20 chapter.

21 (28) To provide air transportation in furtherance of the duties and  
 22 responsibilities of the board.

23 (29) To promote or encourage aviation-related trade or commerce  
 24 at the airports that it operates.

25 (30) To provide aviation services to public use airports within or  
 26 outside Indiana either directly or through an affiliate entity  
 27 established by the board.

28 **(b) Except as provided in sections 17 and 25 of this chapter, a**  
 29 **board may impose a tax rate that does not exceed the following:**

30 **(1) If the total assessed valuation is three hundred million**  
 31 **dollars (\$300,000,000) or less, a tax rate of ten cents (\$0.10)**  
 32 **per one hundred dollars (\$100) of assessed valuation.**

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

37 **(A) three hundred thousand dollars (\$300,000); plus**

38 **(B) the amount that would be raised by applying a tax rate**  
 39 **of eight and thirty-three hundredths cents (\$0.0833) (as**  
 40 **adjusted under IC 6-1.1-18-12) per one hundred dollars**  
 41 **(\$100) of assessed valuation that exceeds three hundred**  
 42 **million dollars (\$300,000,000).**



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

5               **(A) three hundred seventy-four thousand eight hundred**  
 6               **fifty dollars (\$374,850); plus**

7               **(B) the amount that would be raised by applying a tax rate**  
 8               **of six and sixty-seven hundredths cents (\$0.0667) (as**  
 9               **adjusted under IC 6-1.1-18-12) per one hundred dollars**  
 10              **(\$100) of assessed valuation that exceeds four hundred fifty**  
 11              **million dollars (\$450,000,000).**

12           **(4) If the total assessed valuation is more than six hundred**  
 13           **million dollars (\$600,000,000) but not more than nine hundred**  
 14           **million dollars (\$900,000,000), the tax rate necessary to raise**  
 15           **property tax revenue equal to the sum of:**

16               **(A) four hundred thousand two hundred dollars**  
 17               **(\$400,200); plus**

18               **(B) the amount that would be raised by applying a tax rate**  
 19               **of five cents (\$0.05) (as adjusted under IC 6-1.1-18-12) per**  
 20               **one hundred dollars (\$100) of assessed valuation that**  
 21               **exceeds six hundred million dollars (\$600,000,000).**

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

25               **(A) four hundred fifty thousand dollars (\$450,000); plus**

26               **(B) the amount that would be raised by applying a tax rate**  
 27               **of three and thirty-three hundredths cents (\$0.0333) (as**  
 28               **adjusted under IC 6-1.1-18-12) per one hundred dollars**  
 29               **(\$100) of assessed valuation that exceeds nine hundred**  
 30               **million dollars (\$900,000,000).**

31           SECTION 78. IC 8-22-3-25, AS AMENDED BY P.L.139-2013,  
 32           SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33           UPON PASSAGE]: Sec. 25. (a) Subject to subsection (c), the board  
 34           may provide a cumulative building fund in compliance with  
 35           IC 6-1.1-41 to provide for the acquisition of real property, and the  
 36           construction, enlarging, improving, remodeling, repairing, or equipping  
 37           of buildings, structures, runways, or other facilities for use in  
 38           connection with the airport needed to carry out this chapter and to  
 39           facilitate and support commercial air transportation.

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

42               (1) thirty-three hundredths of one cent (\$0.0033) on each one



1 hundred dollars (\$100) of assessed value of taxable property  
 2 within the district, if an eligible entity other than a city established  
 3 the district or if the district was established jointly with an eligible  
 4 entity that is not a city;  
 5 (2) one and thirty-three hundredths cents (\$0.0133) on each one  
 6 hundred dollars (\$100) of assessed value of taxable property  
 7 within the district, if the authority was established under  
 8 IC 19-6-3 (before its repeal on April 1, 1980); and  
 9 (3) for any other district not described in subdivision (1) or (2),  
 10 the following: **tax rate specified in subsection (c).**

11 Total Assessed	Rate Per \$100 Of
12 Property Valuation	Assessed Valuation
13 \$300 million or less	\$0.0167
14 More than \$300 million	
15 but not more than \$450 million	\$0.0133
16 More than \$450 million	
17 but not more than \$600 million	\$0.01
18 More than \$600 million	
19 but not more than \$900 million	\$0.0067
20 More than \$900 million	\$0.0033

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

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

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

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

- 40 **(A) fifty thousand one hundred dollars (\$50,100); plus**
- 41 **(B) the amount that would be raised by applying a tax rate**
- 42 **of one and thirty-three hundredths cents (\$0.0133) (as**



- 1           **adjusted under IC 6-1.1-18-12) per one hundred dollars**  
 2           **(\$100) of assessed valuation that exceeds three hundred**  
 3           **million dollars (\$300,000,000).**
- 4           **(3) If the total assessed valuation is more than four hundred**  
 5           **fifty million dollars (\$450,000,000) but not more than six**  
 6           **hundred million dollars (\$600,000,000), the tax rate necessary**  
 7           **to raise property tax revenue equal to the sum of:**
- 8               **(A) fifty-nine thousand eight hundred fifty dollars**  
 9               **(\$59,850); plus**
- 10              **(B) the amount that would be raised by applying a tax rate**  
 11              **of one cent (\$0.01) (as adjusted under IC 6-1.1-18-12) per**  
 12              **one hundred dollars (\$100) of assessed valuation that**  
 13              **exceeds four hundred fifty million dollars (\$450,000,000).**
- 14           **(4) If the total assessed valuation is more than six hundred**  
 15           **million dollars (\$600,000,000) but not more than nine hundred**  
 16           **million dollars (\$900,000,000), the tax rate necessary to raise**  
 17           **property tax revenue equal to the sum of:**
- 18               **(A) sixty thousand dollars (\$60,000); plus**
- 19               **(B) the amount that would be raised by applying a tax rate**  
 20               **of sixty-seven hundredths of a cent (\$0.0067) (as adjusted**  
 21               **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**  
 22               **assessed valuation that exceeds six hundred million dollars**  
 23               **(\$600,000,000).**
- 24           **(5) If the total assessed valuation is more than nine hundred**  
 25           **million dollars (\$900,000,000), the tax rate necessary to raise**  
 26           **property tax revenue equal to the sum of:**
- 27               **(A) sixty thousand three hundred dollars (\$60,300); plus**
- 28               **(B) the amount that would be raised by applying a tax rate**  
 29               **of thirty-three hundredths of a cent (\$0.0033) (as adjusted**  
 30               **under IC 6-1.1-18-12) per one hundred dollars (\$100) of**  
 31               **assessed valuation that exceeds nine hundred million**  
 32               **dollars (\$900,000,000).**
- 33           **(e) (d) Spending under subsection (a) to facilitate and support**  
 34           **commercial intrastate air transportation is subject to a maximum of one**  
 35           **million dollars (\$1,000,000) cumulatively for all years in which money**  
 36           **is spent under that subsection.**
- 37           **SECTION 79. IC 8-22-3-31, AS AMENDED BY P.L.182-2009(ss),**  
 38           **SECTION 270, IS AMENDED TO READ AS FOLLOWS**  
 39           **[EFFECTIVE UPON PASSAGE]: Sec. 31. (a) The authority, acting by**  
 40           **and through its board under IC 8-21-8, may accept, receive, and receipt**  
 41           **for federal, other public, or private monies for the acquisition,**  
 42           **construction, enlargement, improvement, maintenance, equipment, or**



1 operation of airports, other air navigation facilities, and sites for them,  
 2 and comply with federal laws made for the expenditure of federal  
 3 monies upon airports and other air navigation facilities.

4 (b) Subject to IC 8-21-8, the board has exclusive power to submit to  
 5 the proper state and federal agencies applications for grants of funds  
 6 for airport development and to make or execute representations,  
 7 assurances and contracts, to enter into covenants and agreements with  
 8 state or federal agency or agencies relative to the development of an  
 9 airport, and to comply with all federal and state laws pertaining to the  
 10 acquisition, development, operation, and administration of airports and  
 11 properties by the authority.

12 (c) This subsection applies only to the airport authority established  
 13 by the city of Gary. The authority may assign the powers described in  
 14 this section to a lessee or other operator with whom it enters into a  
 15 lease, management agreement, or other contract under ~~section 11(20)~~  
 16 **section 11(a)(20)** of this chapter if the board has determined that the  
 17 lessee or other operator has the expertise and experience to operate the  
 18 facilities of the authority in accordance with prudent airport operating  
 19 standards.

20 SECTION 80. IC 36-4-7-6 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. Before the  
 22 publication (**before January 1, 2016**) and **submission** of notice of  
 23 budget estimates required by IC 6-1.1-17-3, each city shall formulate  
 24 a budget estimate for the ensuing budget year in the following manner:

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

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

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

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

39 SECTION 81. IC 36-5-3-3 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. Before the  
 41 publication (**before January 1, 2016**) and **submission** of notice of  
 42 budget estimates required by IC 6-1.1-17-3, each town shall formulate





1 a budget estimate for the ensuing budget year in the following manner,  
2 unless it provides by ordinance for a different manner:

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

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

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

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

17 SECTION 82. IC 36-6-4-13 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) When the  
19 executive prepares the annual report required by section 12 of this  
20 chapter, the executive shall also prepare, on forms prescribed by the  
21 state board of accounts, an abstract of receipts and expenditures:

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

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

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

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

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

31 (6) containing a statement of expenditures, showing the combined  
32 gross payment, according to classification of expense, to each  
33 person.

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

42 (c) An executive who fails to comply with this section commits a



- 1 Class C infraction.
- 2 SECTION 83. IC 36-8-16.7-32.5 IS ADDED TO THE INDIANA
- 3 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2014]: **Sec. 32.5. (a) This section applies only**
- 5 **to Hendricks County for the period:**
- 6 (1) beginning January 1, 2015; and
- 7 (2) ending December 31, 2017.
- 8 (b) The legislative body may impose an emergency
- 9 communications fee to fund a part of the county's emergency
- 10 communications services system within the geographic boundaries
- 11 of the county. To impose the fee, the legislative body must adopt an
- 12 ordinance that meets the following requirements:
- 13 (1) The ordinance is adopted after the legislative body holds
- 14 a public hearing to receive public comment on the proposed
- 15 ordinance. The legislative body must give notice of the
- 16 hearing under IC 5-3-1 that includes the following:
- 17 (A) A list of all PSAPs in the proposed district.
- 18 (B) The date, time, and location of the hearing.
- 19 (C) The location where the public can inspect the proposed
- 20 ordinance.
- 21 (D) The name and contact information of a representative
- 22 of each PSAP who may be contacted for further
- 23 information.
- 24 (2) The ordinance must:
- 25 (A) take effect January 1, 2015; and
- 26 (B) expire December 31, 2017.
- 27 (c) The ordinance adopted under subsection (b) must include the
- 28 following:
- 29 (1) The identity of all PSAPs within the county.
- 30 (2) A description of a proposed tiered fee schedule based on:
- 31 (A) a flat fee applicable to all parcels;
- 32 (B) a variable fee based on zoning classifications, the size
- 33 of a parcel, and the number or type of improvements on a
- 34 parcel.
- 35 (3) The effective date and expiration date of the ordinance.
- 36 (d) Upon the adoption of an ordinance under this section, the
- 37 legislative body shall establish an emergency communications
- 38 services fund. The fund consists of the following:
- 39 (1) Fees deposited under this section.
- 40 (2) Grants and gifts intended for deposit in the fund.
- 41 (3) Interest, premiums, gains, or other earnings on the fund.
- 42 (4) Money from any other source that is deposited in or



1 transferred to the fund.

2 (e) Money in the fund may be used by the county for the  
3 purposes set forth in this chapter and other costs incurred in  
4 administering this section. The county treasurer shall administer  
5 the fund. The funds that remain in a fund or account established  
6 for the deposit of distributions received under section 37 of this  
7 chapter shall be transferred to the fund. Any funds transferred  
8 under this subsection shall be used as follows:

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

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

15 (f) The legislative body shall:

16 (1) determine an annual budget in the amount necessary to  
17 meet the expenses of operating and maintaining the  
18 emergency communications services system within the county,  
19 minus the statewide 911 fees otherwise received by the county  
20 under this chapter; and

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

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

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

30 (1) must comply with the authority granted under subsection  
31 (c); and

32 (2) must be adequate, when considering the statewide 911 fees,  
33 to provide for proper development, operation, and  
34 maintenance of the county's emergency communications  
35 services system.

36 (h) The fiscal body shall:

37 (1) review a schedule of recommended fees submitted under  
38 subsection (g);

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

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



1 (4) certify the fees to the county auditor as a special  
 2 assessment on each parcel of real property located within the  
 3 county.

4 (i) The county auditor shall:

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

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

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

15 (k) The legislative body shall, after June 30 and before October  
 16 1 of 2015 and 2016, report to the regulatory flexibility committee  
 17 established by IC 8-1-2.6-4 on the ability of the county to  
 18 independently fund and operate an emergency communications  
 19 service system. The regulatory flexibility committee shall consider:

20 (1) whether a pilot program established under this chapter  
 21 should be extended for additional years in Hendricks County;  
 22 and

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

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

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

29 SECTION 84. [EFFECTIVE JANUARY 1, 2015] (a) IC 6-3-2-2,  
 30 as amended by this act, applies to taxable years beginning after  
 31 December 31, 2014.

32 (b) This SECTION expires July 1, 2017.

33 SECTION 85. [EFFECTIVE JANUARY 1, 2015] (a) IC 6-3.1-20-1,  
 34 IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by this act, apply  
 35 to taxable years beginning after December 31, 2014.

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

37 SECTION 86. [EFFECTIVE UPON PASSAGE] (a)  
 38 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,  
 39 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,  
 40 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,  
 41 all as amended by this act, apply to deductions claimed for  
 42 assessment dates after February 28, 2014.



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

2           SECTION 87. [EFFECTIVE JULY 1, 2014] (a) IC 6-2.5-3-1, as  
3 amended by this act, applies only to the collection of use tax on  
4 remote sales occurring after June 30, 2014. A remote sale is  
5 considered as having occurred after June 30, 2014, to the extent  
6 that:

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

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

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

13 However, a transaction is considered as having occurred before  
14 July 1, 2014, to the extent that the agreement of the parties to the  
15 transaction was entered into before July 1, 2014, and payment for  
16 the property furnished in the transaction is made before July 1,  
17 2014, notwithstanding the delivery of the property after June 30,  
18 2014.

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

20           SECTION 88. [EFFECTIVE UPON PASSAGE] (a) IC 8-22-3-11  
21 and IC 8-22-3-25, both as amended by this act, apply to property  
22 taxes imposed for assessment dates that occur after February 28,  
23 2014.

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

25           SECTION 89. [EFFECTIVE UPON PASSAGE] (a) As used in this  
26 SECTION, "office of the secretary" refers to the office of the  
27 secretary of family and social services established by IC 12-8-1.5-1.

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

30           (1) cash;

31           (2) free services; or

32           (3) savings from reduced fees;

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

35           (c) Before November 1, 2014, the office of the secretary shall  
36 study the following:

37           (1) The tax relief available for Indiana residents whose  
38 incomes do not exceed two hundred percent (200%) of the  
39 federal income poverty level.

40           (2) The availability of programs that provide financial or  
41 medical assistance to Indiana residents whose incomes do not  
42 exceed two hundred percent (200%) of the federal income



1           poverty level, including:

2           (A) Medicaid;

3           (B) Temporary Assistance for Needy Families;

4           (C) supplemental nutrition assistance; or

5           (D) any other federal, state, or local financial or medical  
6           assistance available to Indiana residents whose incomes do  
7           not exceed two hundred percent (200%) of the federal  
8           income poverty level.

9           (3) The maximum government assistance income an  
10          individual could receive by pursuing and obtaining the  
11          benefits described in subdivisions (1) and (2).

12          (d) The office of the secretary shall submit a report of its  
13          findings not later than November 1, 2014, to the governor and the  
14          legislative council. The report to the legislative council must be in  
15          an electronic format under IC 5-14-6. The report must include a  
16          detailed explanation of the calculation assumptions and  
17          methodology.

18          (e) This SECTION expires January 1, 2015.

19          SECTION 90. [EFFECTIVE UPON PASSAGE] (a) The legislative  
20          council is urged to assign to an appropriate interim study  
21          committee the task of studying all income tax credits using a  
22          schedule that provides for each income tax credit to be studied  
23          every four (4) years.

24          (b) An interim study committee assigned the study described in  
25          subsection (a) shall:

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

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

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

32          SECTION 91. [EFFECTIVE JULY 1, 2014] (a) As used in this  
33          SECTION, "office" refers to the office of management and budget  
34          established by IC 4-3-22-3.

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

37               (1) A study of the feasibility of constructing a facility on land  
38               north of the state house to house the judiciary, provide  
39               additional legislative office space, and provide parking for  
40               employees and visitors to the facility, including controlled  
41               access parking.

42               (2) A study of ways to enhance public access to the activities



1           of the legislative and judicial branches of state government,  
2           including providing additional space for legislative hearings.  
3           **(3) A study of ways to enhance security while enhancing**  
4           **public access.**  
5           **(c) The office may review and use an architectural study**  
6           **prepared for the budget agency under P.L.273-1999, SECTION 31**  
7           **or any other study that the office considers relevant to the study**  
8           **required by subsection (b).**  
9           **(d) The office shall submit the study required by subsection (b)**  
10          **to the legislative council in an electronic format under IC 5-14-6**  
11          **before December 1, 2015.**  
12          **(e) This SECTION expires January 1, 2016.**  
13          **SECTION 92. 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

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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:

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(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.

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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

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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

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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

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 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**

<b>Motor Vehicle</b>	<b>Annual Fee</b>
A passenger motor vehicle, truck, or bus, the declared gross weight of which is equal to or less than 9,000 pounds.	<b>\$100</b>
A recreational vehicle.	<b>\$100</b>
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.	<b>\$175</b>
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.	<b>\$250</b>
A truck or bus, the declared gross weight of which is greater than 11,000 pounds, except an alternative fuel delivery truck.	<b>\$300</b>
A tractor designed to be used with a semitrailer.	<b>\$500</b>



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.

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#### 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.





## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 367 be amended to read as follows:

Page 80, delete lines 23 through 42.

Page 81, delete lines 1 through 32.

Renumber all SECTIONS consecutively.

(Reference is to ESB 367 as printed February 25, 2014.)

VANNATTER

## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 367 be amended to read as follows:

Page 63, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 40. IC 6-3-2-2, AS AMENDED BY P.L.233-2013, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 2. (a) With regard to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana", for the purposes of this article, shall mean and include:

(1) income from real or tangible personal property located in this state;

(2) income from doing business in this state;

(3) income from a trade or profession conducted in this state;

(4) compensation for labor or services rendered within this state;

and

(5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property to the extent that the income is apportioned to Indiana under this section or if the income is allocated to Indiana or considered to be derived from sources within Indiana under this section.

Income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and shall be considered Indiana source income as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity. Income that is derived from one (1) pass through entity and is considered to pass through to another pass through entity does not change these characteristics or attribution provisions. In the case of nonbusiness income described in subsection (g), only so much of such income as is

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allocated to this state under the provisions of subsections (h) through (k) shall be deemed to be derived from sources within Indiana. In the case of business income, only so much of such income as is apportioned to this state under the provision of subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of compensation of a team member (as defined in section 2.7 of this chapter), only the portion of income determined to be Indiana income under section 2.7 of this chapter is considered derived from sources within Indiana. In the case of a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under subsection (r) is considered derived from sources within Indiana.

(b) Except as provided in subsection (l), if business income of a corporation or a nonresident person is derived from sources within the state of Indiana and from sources without the state of Indiana, the business income derived from sources within this state shall be determined by multiplying the business income derived from sources both within and without the state of Indiana by the following:

(1) For all taxable years that begin after December 31, 2006, and before January 1, 2008, a fraction. The:

(A) numerator of the fraction is the sum of the property factor plus the payroll factor plus the product of the sales factor multiplied by three (3); and

(B) denominator of the fraction is five (5).

(2) For all taxable years that begin after December 31, 2007, and before January 1, 2009, a fraction. The:

(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by four and sixty-seven hundredths (4.67); and

(B) denominator of the fraction is six and sixty-seven hundredths (6.67).

(3) For all taxable years beginning after December 31, 2008, and before January 1, 2010, a fraction. The:

(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by eight (8); and

(B) denominator of the fraction is ten (10).

(4) For all taxable years beginning after December 31, 2009, and before January 1, 2011, a fraction. The:

(A) numerator of the fraction is the property factor plus the



payroll factor plus the product of the sales factor multiplied by eighteen (18); and

(B) denominator of the fraction is twenty (20).

(5) For all taxable years beginning after December 31, 2010, the sales factor.

(c) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. However, with respect to a foreign corporation, the denominator does not include the average value of real or tangible personal property owned or rented and used in a place that is outside the United States. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and ending of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(d) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year. However, with respect to a foreign corporation, the denominator does not include compensation paid in a place that is outside the United States. Compensation is paid in this state if:

- (1) the individual's service is performed entirely within the state;
- (2) the individual's service is performed both within and without this state, but the service performed without this state is incidental to the individual's service within this state; or
- (3) some of the service is performed in this state and:
  - (A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in this state; or
  - (B) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual is a resident of this state.

(e) The sales factor is a fraction, the numerator of which is the total



sales of the taxpayer in this state during the taxable year, and the denominator of which is the total sales of the taxpayer everywhere during the taxable year. Sales include receipts from intangible property and receipts from the sale or exchange of intangible property. However, with respect to a foreign corporation, the denominator does not include sales made in a place that is outside the United States. Receipts from intangible personal property are derived from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point or other conditions of the sale, sales of tangible personal property are in this state if:

- (1) the property is delivered or shipped to a purchaser that is within Indiana, other than the United States government; or
- (2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in this state and:
  - (A) the purchaser is the United States government; or
  - (B) the taxpayer is not taxable in the state of the purchaser.

Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales of tangible personal property for purposes of this chapter.

(f) Sales, other than receipts from intangible property covered by subsection (e), ~~and~~ sales of tangible personal property, **and sales covered by subsection (t)**, are in this state if:

- (1) the income-producing activity is performed in this state; or
- (2) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(g) Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections (h) through (k).

(h)(1) Net rents and royalties from real property located in this state are allocable to this state.

(2) Net rents and royalties from tangible personal property are allocated to this state:

- (i) if and to the extent that the property is utilized in this state; or
- (ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.

(3) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the



numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(i)(1) Capital gains and losses from sales of real property located in this state are allocable to this state.

(2) Capital gains and losses from sales of tangible personal property are allocable to this state if:

- (i) the property had a situs in this state at the time of the sale; or
- (ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(3) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

(j) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

(k)(1) Patent and copyright royalties are allocable to this state:

- (i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or
- (ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.

(2) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.

(3) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.

(l) If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's income derived from sources within



the state of Indiana, the taxpayer may petition for or the department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

- (1) separate accounting;
- (2) for a taxable year beginning before January 1, 2011, the exclusion of any one (1) or more of the factors, except the sales factor;
- (3) the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's income derived from sources within the state of Indiana; or
- (4) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

(m) In the case of two (2) or more organizations, trades, or businesses owned or controlled directly or indirectly by the same interests, the department shall distribute, apportion, or allocate the income derived from sources within the state of Indiana between and among those organizations, trades, or businesses in order to fairly reflect and report the income derived from sources within the state of Indiana by various taxpayers.

(n) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if:

- (1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or
- (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(o) Notwithstanding subsections (l) and (m), the department may not, under any circumstances, require that income, deductions, and credits attributable to a taxpayer and another entity be reported in a combined income tax return for any taxable year, if the other entity is:

- (1) a foreign corporation; or
- (2) a corporation that is classified as a foreign operating corporation for the taxable year by section 2.4 of this chapter.

(p) Notwithstanding subsections (l) and (m), the department may not require that income, deductions, and credits attributable to a taxpayer and another entity not described in subsection (o)(1) or (o)(2) be reported in a combined income tax return for any taxable year, unless the department is unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other powers granted to the department by subsections (l) and (m).

(q) Notwithstanding subsections (o) and (p), one (1) or more



taxpayers may petition the department under subsection (l) for permission to file a combined income tax return for a taxable year. The petition to file a combined income tax return must be completed and filed with the department not more than thirty (30) days after the end of the taxpayer's taxable year. A taxpayer filing a combined income tax return must petition the department within thirty (30) days after the end of the taxpayer's taxable year to discontinue filing a combined income tax return.

(r) This subsection applies to a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

- (1) the numerator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks in the state; and
- (2) the denominator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks everywhere.

The term "direct premiums and annuity considerations" means the gross premiums received from direct business as reported in the corporation's annual statement filed with the department of insurance.

(s) This subsection applies to receipts derived from motorsports racing.

- (1) Any purse, prize money, or other amounts earned for placement or participation in a race or portion thereof, including qualification, shall be attributed to Indiana if the race is conducted in Indiana.
- (2) Any amounts received from an individual or entity as a result of sponsorship or similar promotional consideration for one (1) or more races shall be in this state in the amount received, multiplied by the following fraction:
  - (A) The numerator of the fraction is the number of racing events for which sponsorship or similar promotional consideration has been paid in a taxable year and that occur in Indiana.
  - (B) The denominator of the fraction is the total number of racing events for which sponsorship or similar promotional consideration has been paid in a taxable year.
- (3) Any amounts earned as an incentive for placement or participation in one (1) or more races and that are not covered



under subdivisions (1) or (2) or under IC 6-3-2-3.2 shall be attributed to Indiana in the proportion of the races that occurred in Indiana.

This subsection, as enacted in 2013, is intended to be a clarification of the law and not a substantive change in the law.

**(t) Sales of a broadcaster that arise from or relate to the broadcast or other distribution of film programming or radio programming by any means are in this state if the commercial domicile of the broadcaster's customer is in this state. Sales to which this subsection applies include income from advertising and licensing income from distributing film programming or radio programming. For purposes of this subsection, the following definitions apply:**

**(1) "Broadcaster" means a taxpayer that is a television or radio station licensed by the Federal Communications Commission, a television or radio broadcast network, a cable program network, or a television distribution company. The term "broadcaster" does not include a cable service provider or a direct broadcast satellite system.**

**(2) "Commercial domicile" has the meaning set forth in IC 6-3-1-22.**

**(3) "Customer" means a person, corporation, partnership, limited liability company, or other entity, such as an advertiser or licensee, that has a direct connection or contractual relationship with the broadcaster under which revenue is derived by the broadcaster. The term "customer" does not include an advertising agency placing advertising on behalf of its client. The client of such an advertising agency is the customer.**

**(4) "Film programming" means one (1) or more performances, events, or productions (or segments of performances, events, or productions) intended to be distributed for visual and auditory perception, including but not limited to news, entertainment, sporting events, plays, stories, or other literary, commercial, educational, or artistic works.**

**(5) "Radio programming" means one (1) or more performances, events, or productions (or segments of performances, events, or productions) intended to be distributed for auditory perception, including but not limited to news, entertainment, sporting events, plays, stories, or other literary, commercial, educational, or artistic works."**





Page 97, between lines 14 and 15, begin a new a paragraph and insert:

"SECTION 81. [EFFECTIVE JANUARY 1, 2015] **(a) IC 6-3-2-2, as amended by this act, applies to taxable years beginning after December 31, 2014.**

**(b) This SECTION expires July 1, 2017."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 367 as printed February 25, 2014.)

KARICKHOFF

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 367 be amended to read as follows:

Page 25, line 35, delete "2013," and insert "**2008**,".

Page 26, line 16, after "Indiana" delete "." and insert "**unless the leased property is considered a homestead under section 37.7 of this chapter.**".

Page 26, line 17, after "subsection" insert "**or section 37.7 of this chapter**".

Page 26, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-12-37.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 37.7. (a) This section applies to an assessment date occurring after December 31, 2008, and before January 1, 2014.**

**(b) Property that is:**

**(1) otherwise considered a homestead under section 37(s) of this chapter; and**

**(2) leased by the individual owning the property to an individual who uses the property for residential purposes while the owner is serving on active duty in the armed forces of the United States at a location outside Indiana;**

**is considered a homestead for an assessment date described in subsection (a).**

**(c) Subject to subsection (d), an individual whose property is considered a homestead under subsection (b) is entitled to a refund of the property taxes, interest, and penalties paid with respect to an assessment date described in subsection (a) that were due and payable because the property was not treated as a homestead on**

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the assessment date.

**(d) An owner who wishes to obtain a refund under this section must file a refund claim under IC 6-1.1-26 before the later of:**

- (1) three (3) years after the due date of the taxes for which the individual claims a refund; or**
- (2) September 1, 2014.**

**The county auditor may make a determination that any refund due under this section must be paid in two (2) or more equal annual installments.**

**(e) This section expires January 1, 2018."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 367 as printed February 25, 2014.)

TRUITT

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 367 be amended to read as follows:

Page 83, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 72. IC 6-9-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) When the tax is levied under section 3 of this chapter, there is created a seven (7) member visitor and convention commission (referred to as the commission in this chapter) to promote the development and growth of the convention and visitor industry in the county.

(b) The executive of the city with the largest population in the county shall appoint five (5) members of the commission as follows:

- (1) Two (2) members must be engaged in the lodging business in the county.
- (2) Two (2) members must be engaged in business in the county.
- (3) One (1) member must be engaged in the ~~travel business in the county~~: **tourism and hospitality industry.**

(c) The county fiscal body shall appoint two (2) members of the commission. Each member must be engaged in business in the county.

(d) All terms of office of commission members begin on January 1. Members of the commission serve terms of two (2) years. A member whose term expires may be reappointed to serve another term. If an initial appointment is not made by February 1 or a vacancy is not filled within thirty (30) days, the commission shall appoint a member by majority vote to serve for the remainder of the term.

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(e) A member of the commission may be removed for cause by his appointing authority.

(f) Members of the commission may not receive a salary. However, commission members are entitled to reimbursement for necessary expenses incurred in the performance of their respective duties.

(g) Each commission member, before taking office, shall take an oath of office in the usual form, to be endorsed upon the member's certificate of appointment and promptly filed with the clerk of the circuit court of the county.

(h) The commission shall meet after January 1 each year for the purpose of organization. It shall elect one (1) of its members president, another vice president, another secretary, and another treasurer. The members elected to those offices shall perform the duties pertaining to the offices. The officers chosen shall serve from the date of their election until their successors are elected and qualified. A majority of the commission constitutes a quorum, and the concurrence of a majority of the commission is necessary to authorize any action.

SECTION 73. IC 6-9-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The fiscal body of a county may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; ~~or~~
- (7) tourist cabin; **or**
- (8) other place in which rooms, lodgings, or accommodations are regularly furnished for consideration;**

located in the county.

(b) The tax does not apply to gross income received in a transaction in which:

- (1) a student rents lodgings in a college or university residence hall while that student participates in a course of study for which the student receives college credit from a college or university located in the county; or
- (2) a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) The tax may not exceed the rate of five percent (5%) on the gross retail income derived from lodging income only and is in addition to



the state gross retail tax imposed under IC 6-2.5.

(d) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(e) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this section except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. If the tax is paid to the department of state revenue, the return to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(f) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state."

Renumber all SECTIONS consecutively.

(Reference is to ESB 367 as printed February 25, 2014.)

MCMILLIN

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 367 be amended to read as follows:

Page 6, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2015]: **Sec. 43. The assessed value of residential real property or a mobile home that is not assessed as real property is not to be increased as a result of an improvement that:**

**(1) consists of a solar, wind, geothermal, or hydroelectric**

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**heating or cooling system; and**

**(2) replaces an existing heating or cooling system."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 367 as printed February 25, 2014.)

THOMPSON

