

SENATE BILL No. 494

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-30.2.

Synopsis: Taxing area for fire protection services. Authorizes the River Ridge Development Authority (authority) to create a taxing area within the boundaries of the authority to capture incremental sales tax and income tax to be transferred to the River Ridge fire protection fund (fund). Establishes the fund. Provides that, if a taxing area is established, the revenue from the taxing area shall be deposited in the fund to be used to provide for, or contract with other municipalities to provide for, fire protection for the authority. Provides that the authority shall administer the fund. Caps the total amount of state income taxes and sales taxes annually captured in the tax area at \$1,200,000. Expires the tax area after 10 years.

Effective: July 1, 2019.

Grooms

January 14, 2019, read first time and referred to Committee on Tax and Fiscal Policy.



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 494

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 36-7-30.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]:

4 **Chapter 30.2. River Ridge Development Authority Tax Area**

5 **Sec. 1. As used in this chapter, "authority" refers to the River**
6 **Ridge Development Authority established under IC 36-7-30.**

7 **Sec. 2. As used in this chapter, "department" refers to the**
8 **department of state revenue.**

9 **Sec. 3. As used in this chapter, "fund" refers to the River Ridge**
10 **fire protection fund established under section 12 of this chapter.**

11 **Sec. 4. As used in this chapter, "gross retail base period**
12 **amount" means the aggregate amount of state gross retail and use**
13 **taxes remitted under IC 6-2.5 by the businesses operating in the tax**
14 **area during the state fiscal year that precedes the date on which**
15 **the authority adopts a resolution under section 10 of this chapter.**

16 **Sec. 5. As used in this chapter, "gross retail incremental**
17 **amount" means the remainder of:**



1 (1) the aggregate amount of state gross retail and use taxes
2 that are remitted under IC 6-2.5 by businesses operating in
3 the tax area during a state fiscal year; minus

4 (2) the gross retail base period amount;
5 as determined by the department.

6 Sec. 6. As used in this chapter, "income tax base period
7 amount" means the aggregate amount of state and local income
8 taxes paid by employees employed in the tax area with respect to
9 wages and salary earned for work in the tax area for the state fiscal
10 year that precedes the date on which the authority adopts a
11 resolution under section 10 of this chapter.

12 Sec. 7. As used in this chapter, "income tax incremental
13 amount" means the remainder of:

14 (1) the aggregate amount of state and local income taxes paid
15 by employees employed in the tax area with respect to wages
16 earned for work in the tax area for a particular state fiscal
17 year; minus

18 (2) the sum of the:

19 (A) income tax base period amount; and

20 (B) tax credits awarded under IC 6-3.1-13 to businesses
21 operating in the tax area as the result of wages earned for
22 work in the tax area for the state fiscal year;

23 as determined by the department.

24 Sec. 8. As used in this chapter, "state and local income taxes"
25 means taxes imposed under any of the following:

26 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).

27 (2) IC 6-3.6 (local income tax).

28 Sec. 9. As used in this chapter, "tax area" means the geographic
29 boundaries of all or part of the land of the authority that is
30 established as a tax area under section 10 of this chapter.

31 Sec. 10. (a) The authority may adopt a resolution to establish a
32 tax area for the purpose of allocating the income tax incremental
33 amount and the gross retail incremental amount collected in the
34 tax area to the River Ridge fire protection fund established under
35 section 12 of this chapter.

36 (b) The resolution establishing a tax area must designate the
37 specific geographic boundaries of the tax area. The boundaries of
38 the tax area may not extend beyond the geographic boundaries of
39 the land area of the authority.

40 Sec. 11. (a) If the authority adopts a resolution under section 10
41 of this chapter to establish a tax area, the authority shall send to
42 the department:



- 1 (1) a certified copy of the resolution; and
- 2 (2) a boundary map of the tax area and a complete list of the
- 3 employers in the tax area and the street names and the range
- 4 of street numbers of each street in the tax area.

5 The authority shall update the list provided under subdivision (2)

6 before July 1 of each year.

7 (b) Not later than sixty (60) days after receiving a copy of the

8 resolution, the department shall determine the gross retail base

9 period amount and the income tax base period amount.

10 (c) The amounts allocated from the income tax incremental

11 amount and the gross retail incremental amount collected in the

12 tax area shall be paid monthly by the treasurer of state to the fiscal

13 officer of the authority for deposit in the River Ridge fire

14 protection fund established under section 12 of this chapter.

15 Sec. 12. (a) If the authority adopts a resolution under section 10

16 of this chapter to establish a tax area, the fiscal officer of the

17 authority shall establish the River Ridge fire protection fund for

18 the purpose of providing for, or contracting with other

19 municipalities to provide for, fire protection services for the

20 authority.

21 (b) The fiscal officer shall deposit in the fund all money the

22 fiscal officer receives under section 11(c) of this chapter.

23 (c) The authority shall administer the fund.

24 (d) Money in the fund at the end of a fiscal year does not revert

25 to any other fund.

26 Sec. 13. The authority may use money deposited in the fund

27 established under section 12 of this chapter for any of the following

28 purposes:

29 (1) To finance, construct, acquire, or equip a fire station

30 located in a new fire protection district created within the

31 boundaries of the authority.

32 (2) To purchase or lease firefighting apparatus and equipment

33 for the new fire protection district described in subdivision

34 (1).

35 (3) To employ or contract for the services of full-time, paid

36 firefighters who provide fire protection services to the new

37 fire protection district described in subdivision (1).

38 (4) To provide funds to meet obligations under an agreement

39 between the authority and one (1) or more municipalities for

40 the municipality or municipalities to provide fire protection

41 services in the new fire protection district described in

42 subdivision (1).



1 **(5) Any other purposes that are considered necessary by the**
2 **authority to provide fire protection services in the new fire**
3 **protection district described in subdivision (1).**
4 **(6) To repay bonds issued, or leases entered into, for purposes**
5 **described in subdivision (1) or (2).**
6 **Sec. 14. The amount of the aggregate:**
7 **(1) state income taxes (as defined in section 8(1) of this**
8 **chapter) allocated from the income tax incremental amount;**
9 **and**
10 **(2) state gross retail and use taxes allocated from the gross**
11 **retail incremental amount;**
12 **collected in the tax area in a state fiscal year shall not exceed one**
13 **million two hundred thousand dollars (\$1,200,000).**
14 **Sec. 15. This chapter expires July 1, 2029.**

