

March 29, 2019

SENATE RESOLUTION No. 35

DIGEST OF RESOLUTION

A SENATE RESOLUTION urging the legislative council to assign the topic of Employee Stock Ownership Plans to an appropriate study committee.

Crane, Stoops

March 4, 2019, read first time and referred to Committee on Commerce and Technology.
March 28, 2019, reported favorably — Do Pass.



SR 35—RR 3518/DI AZ

March 29, 2019

First Regular Session 121st General Assembly (2019)

SENATE RESOLUTION No. 35

MADAM PRESIDENT:

I offer the following resolution and move its adoption:

1 A SENATE RESOLUTION urging the legislative council
2 to assign the topic of Employee Stock Ownership Plans to an
3 appropriate study committee.

4 *Whereas, The 2016 Annual Survey of Entrepreneurs found*
5 *that more than 21,000 Indiana business owners have no*
6 *succession plan for when they decide to retire;*

7 *Whereas, Employee Stock Ownership Plans ("ESOPs") are*
8 *considered "tax-qualified" plans under the Internal Revenue*
9 *Code and "employee pension benefit plans" under the*
10 *Employee Retirement Income Security Act, and are similar to*
11 *a 401(k) plan;*

12 *Whereas, If a small business adopts an ESOP, the*
13 *employees of the business purchase the company from the*
14 *selling owners, utilizing company earnings, in a tax advantaged*
15 *transaction;*

16 *Whereas, ESOPs allow companies to share beneficial*
17 *ownership with employees without requiring employees to*
18 *invest their own money;*

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1 *Whereas, Encouraging broader use of ESOPs is a highly*
2 *cost-effective way to retain and create jobs, increase wealth for*
3 *a broad sector of workers, strengthen communities, and expand*
4 *economic growth; and*

5 *Whereas, The sale of a business to its employees offers fair*
6 *compensation to retiring business owners, while also rooting*
7 *companies in Indiana and providing their employee-owners*
8 *with the opportunity to earn a secure and prosperous*
9 *retirement: Therefore,*

10 *Be it resolved by the Senate of the*
11 *General Assembly of the State of Indiana:*

12 SECTION 1. That the legislative council is urged to assign
13 to the appropriate study committee the topic of employee stock
14 ownership plans, including:

15 (1) Whether the State of Indiana should provide a gross
16 income tax exclusion for capital gains from the sale of
17 employer securities of a non-publicly traded business with
18 fewer than 500 employees to an employee stock ownership
19 plan.

20 (2) The feasibility and desirability of promoting and
21 growing employee owned companies and employee stock
22 ownership plans in Indiana.

23 SECTION 2. That the study committee, if assigned the
24 topic, shall issue to the legislative council a final report
25 containing the study committee's findings and recommendations
26 in an electronic format under IC 5-14-6 not later than
27 November 1, 2019.



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Technology, to which was referred Senate Resolution No. 35, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution DO PASS.

(Reference is to SR 35 as introduced.)

PERFECT, Chairperson

Committee Vote: Yeas 9, Nays 0

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