

PROPOSED AMENDMENT

HB 1080 # 2

DIGEST

Shelbyville food and beverage tax. Allows the city of Shelbyville to impose a food and beverage tax.

- 1 Page 2, after line 28, begin a new paragraph and insert:
2 "SECTION 5. IC 6-9-62 IS ADDED TO THE INDIANA CODE AS
3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2025]:
5 **Chapter 62. Shelbyville Food and Beverage Tax**
6 **Sec. 1. This chapter applies to the city of Shelbyville.**
7 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
8 **chapter.**
9 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance to**
10 **impose an excise tax, known as the city food and beverage tax, on**
11 **transactions described in section 4 of this chapter. The fiscal body**
12 **of the city may adopt an ordinance under this subsection only after**
13 **the fiscal body has previously held at least one (1) separate public**
14 **hearing in which a discussion of the proposed ordinance to impose**
15 **the city food and beverage tax is the only substantive issue on the**
16 **agenda for the public hearing.**
17 **(b) If the city fiscal body adopts an ordinance under subsection**
18 **(a), the city fiscal body shall immediately send a certified copy of**
19 **the ordinance to the department of state revenue.**
20 **(c) If the city fiscal body adopts an ordinance under subsection**
21 **(a), the city food and beverage tax applies to transactions that**
22 **occur after the later of the following:**
23 **(1) The day specified in the ordinance.**
24 **(2) The last day of the month that succeeds the month in**
25 **which the ordinance is adopted.**
26 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**
27 **under section 3 of this chapter applies to a transaction in which**
28 **food or beverage is furnished, prepared, or served:**

- 1 (1) for consumption at a location or on equipment provided by
 2 a retail merchant;
 3 (2) in the city; and
 4 (3) by a retail merchant for consideration.

5 (b) Transactions described in subsection (a)(1) include
 6 transactions in which food or beverage is:

- 7 (1) served by a retail merchant off the merchant's premises;
 8 (2) sold in a heated state or heated by a retail merchant;
 9 (3) made of two (2) or more food ingredients, mixed or
 10 combined by a retail merchant for sale as a single item (other
 11 than food that is only cut, repackaged, or pasteurized by the
 12 seller, and eggs, fish, meat, poultry, and foods containing these
 13 raw animal foods requiring cooking by the consumer as
 14 recommended by the federal Food and Drug Administration
 15 in chapter 3, subpart 3-401.11 of its Food Code so as to
 16 prevent food borne illnesses); or
 17 (4) sold with eating utensils provided by a retail merchant,
 18 including plates, knives, forks, spoons, glasses, cups, napkins,
 19 or straws (for purposes of this subdivision, a plate does not
 20 include a container or package used to transport food).

21 (c) The city food and beverage tax does not apply to the
 22 furnishing, preparing, or serving of a food or beverage in a
 23 transaction that is exempt, or to the extent the transaction is
 24 exempt, from the state gross retail tax imposed by IC 6-2.5.

25 Sec. 5. The city food and beverage tax rate:

- 26 (1) must be imposed in an increment of twenty-five
 27 hundredths percent (0.25%); and
 28 (2) may not exceed one percent (1%);

29 of the gross retail income received by the merchant from the food
 30 or beverage transaction described in section 4 of this chapter. For
 31 purposes of this chapter, the gross retail income received by the
 32 retail merchant from a transaction does not include the amount of
 33 tax imposed on the transaction under IC 6-2.5.

34 Sec. 6. A tax imposed under this chapter is imposed, paid, and
 35 collected in the same manner that the state gross retail tax is
 36 imposed, paid, and collected under IC 6-2.5. However, the return
 37 to be filed with the payment of the tax imposed under this chapter
 38 may be made on a separate return or may be combined with the
 39 return filed for the payment of the state gross retail tax, as
 40 prescribed by the department of state revenue.

1 **Sec. 7. The amounts received from the tax imposed under this**
 2 **chapter shall be paid monthly by the treasurer of state to the city**
 3 **fiscal officer upon warrants issued by the state comptroller.**

4 **Sec. 8. (a) If a tax is imposed under section 3 of this chapter by**
 5 **the city, the city fiscal officer shall establish a food and beverage**
 6 **tax receipts fund.**

7 **(b) The city fiscal officer shall deposit in the fund all amounts**
 8 **received under this chapter.**

9 **(c) Money earned from the investment of money in the fund**
 10 **becomes a part of the fund.**

11 **Sec. 9. Money in the food and beverage tax receipts fund must**
 12 **be used by the city only for the following purposes:**

13 **(1) Rehabilitation, renovation, repurposing, improvement, or**
 14 **maintenance of historic property.**

15 **(2) Park and recreation purposes, including the purchase of**
 16 **land for park and recreation purposes.**

17 **(3) Economic development purposes.**

18 **(4) The pledge of money under IC 5-1-14-4 for bonds, leases,**
 19 **or other obligations incurred for a purpose described in**
 20 **subdivisions (1) through (3).**

21 **Revenue derived from the imposition of a tax under this chapter**
 22 **may be treated by the city as additional revenue for the purpose of**
 23 **fixing its budget for the budget year during which the revenues are**
 24 **to be distributed to the city.**

25 **Sec. 10. With respect to obligations for which a pledge has been**
 26 **made under section 9 of this chapter, the general assembly**
 27 **covenants with the holders of the obligations that this chapter will**
 28 **not be repealed or amended in a manner that will adversely affect**
 29 **the imposition or collection of the tax imposed under this chapter**
 30 **if the payment of any of the obligations is outstanding.**

31 **Sec. 11. (a) If the city imposes the tax authorized by this chapter,**
 32 **the tax terminates on July 1, 2047.**

33 **(b) This chapter expires July 1, 2047."**

34 Renumber all SECTIONS consecutively.

(Reference is to HB 1080 as introduced.)