

PROPOSED AMENDMENT

SB 238 # 1

DIGEST

Howard County innkeeper's tax. Provides that the county fiscal body of Howard County may adopt an ordinance that would impose the innkeeper's tax on a person engaged in the business of renting or furnishing rooms, lodgings, or accommodations located within an inn, a hotel, or a motel for a period of more than 30 days. (Current law limits the imposition of the innkeeper's tax to renting or furnishing rooms, lodgings, or accommodations for periods of less than 30 days.) Provides that an ordinance would apply to existing or newly built inns, hotels, or motels while the ordinance is in effect. Provides that an ordinance would not apply to existing rooms, lodgings, or accommodations that were not subject to the 30 day threshold prior to January 1, 2024. Provides that an ordinance may not become effective until after April 30, 2024, and must expire before July 1, 2025. Requires the county fiscal body, if an ordinance is adopted, to reduce the tax for any person subject to the innkeeper's tax from 8% (current law) to 6% until the ordinance expires. Allows the county fiscal body to return the tax rate to 8% after the ordinance expires. Establishes administrative requirements. Makes a conforming change.

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- 1 Page 2, between lines 34 and 35, begin a new paragraph and insert:
2 "SECTION 2. IC 6-9-18-3, AS AMENDED BY THE TECHNICAL
3 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
4 AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
5 PASSAGE]: Sec. 3. (a) The fiscal body of a county may levy a tax on
6 every person engaged in the business of renting or furnishing, for
7 periods of less than thirty (30) days, any room or rooms, lodgings, or
8 accommodations in any:
9 (1) hotel;
10 (2) motel;
11 (3) boat motel;
12 (4) inn;
13 (5) college or university memorial union;
14 (6) college or university residence hall or dormitory; or
15 (7) tourist cabin;
16 located in the county.
17 (b) The tax does not apply to gross income received in a transaction
18 in which:
19 (1) a student rents lodgings in a college or university residence

- 1 hall while that student participates in a course of study for which
 2 the student receives college credit from a college or university
 3 located in the county; or
 4 (2) a person rents a room, lodging, or accommodations for a
 5 period of thirty (30) days or more.
 6 (c) The tax may not exceed:
 7 (1) the rate of five percent (5%) in a county other than a county
 8 subject to subdivision (2), (3), or (4);
 9 (2) after June 30, 2019, **and except as provided in section 6.7 of**
 10 **this chapter**, the rate of eight percent (8%) in Howard County;
 11 (3) after June 30, 2021, the rate of nine percent (9%) in Daviess
 12 County; or
 13 (4) after June 30, 2023, the rate of eight percent (8%) in Parke
 14 County.

15 The tax is imposed on the gross retail income derived from lodging
 16 income only and is in addition to the state gross retail tax imposed
 17 under IC 6-2.5.

18 (d) The county fiscal body may adopt an ordinance to require that
 19 the tax shall be paid monthly to the county treasurer. If such an
 20 ordinance is adopted, the tax shall be paid to the county treasurer not
 21 more than twenty (20) days after the end of the month the tax is
 22 collected. If such an ordinance is not adopted, the tax shall be imposed,
 23 paid, and collected in exactly the same manner as the state gross retail
 24 tax is imposed, paid, and collected under IC 6-2.5.

25 (e) All of the provisions of IC 6-2.5 relating to rights, duties,
 26 liabilities, procedures, penalties, definitions, exemptions, and
 27 administration are applicable to the imposition and administration of
 28 the tax imposed under this section except to the extent those provisions
 29 are in conflict or inconsistent with the specific provisions of this
 30 chapter or the requirements of the county treasurer. If the tax is paid to
 31 the department of state revenue, the return to be filed for the payment
 32 of the tax under this section may be either a separate return or may be
 33 combined with the return filed for the payment of the state gross retail
 34 tax as the department of state revenue may, by rule, determine.

35 (f) If the tax is paid to the department of state revenue, the amounts
 36 received from the tax imposed under this section shall be paid monthly
 37 by the treasurer of state to the county treasurer upon warrants issued by
 38 the ~~auditor of state~~ **comptroller**.

39 SECTION 3. IC 6-9-18-6.7 IS ADDED TO THE INDIANA CODE
 40 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE

1 UPON PASSAGE]: Sec. 6.7. (a) This section applies only to Howard
2 County.

3 (b) This section applies only to rooms, lodgings, or
4 accommodations located within:

- 5 (1) an inn;
6 (2) a hotel; or
7 (3) a motel.

8 (c) As used in this section, "innkeeper's tax" means the tax that
9 except as provided in this section is imposed on a person engaged
10 in the business of renting or furnishing any rooms, lodgings, or
11 accommodations for a duration of less than thirty (30) days.

12 (d) As used in this section, "person" means an individual, a
13 corporation, a limited liability company, a partnership, a
14 marketplace facilitator under IC 6-9-29-6, or any other legal entity.

15 (e) The county fiscal body may adopt an ordinance to extend the
16 thirty (30) day duration described in subsection (c) for existing or
17 newly built inns, hotels, or motels while the ordinance is in effect.

18 (f) An ordinance adopted under this section does not apply to a
19 person that, prior to January 1, 2024, rented or furnished rooms,
20 lodgings, or accommodations that were not subject to the
21 innkeeper's tax because the rental or furnishing period exceeded
22 the thirty (30) day duration described in subsection (c).

23 (g) An ordinance adopted under this section:

- 24 (1) may not become effective until after April 30, 2024; and
25 (2) must expire before July 1, 2025.

26 (h) An ordinance adopted under this section must become
27 effective on the first day of a month and must expire on the last day
28 of a month.

29 (i) If the county fiscal body adopts an ordinance under this
30 section, the county fiscal body shall reduce the innkeeper's tax rate
31 for any person subject to the innkeeper's tax rate from the current
32 rate of eight percent (8%) to the rate of six percent (6%),
33 beginning with the month that the ordinance becomes effective and
34 effective until the ordinance expires.

35 (j) Beginning with the first month after an ordinance under this
36 section expires, the county fiscal body may return the innkeeper's
37 tax rate for any person subject to the innkeeper's tax to a
38 maximum rate of eight percent (8%) as described in section 3(c)(2)
39 of this chapter.

40 (k) If the county fiscal body adopts an ordinance under this

- 1 **section, the county fiscal body shall:**
2 **(1) specify the effective date of the ordinance to provide that**
3 **the ordinance does not take effect before May 1, 2024;**
4 **(2) specify that the ordinance will expire before July 1, 2025;**
5 **and**
6 **(3) immediately send a certified copy of the ordinance to the**
7 **commissioner of the department of state revenue.**

8 **The extension of the duration of renting and furnishing any room,**
9 **lodgings, or accommodations for which an innkeeper's tax may be**
10 **imposed in an ordinance adopted under this section continues in**
11 **effect unless the extension is rescinded.**

12 **(l) If the county fiscal body does not immediately send a**
13 **certified copy of the ordinance to the commissioner of the**
14 **department of state revenue as required under subsection (k), the**
15 **department of state revenue shall treat an extension of the duration**
16 **under this section for which an innkeeper's tax is imposed as**
17 **having been adopted on the later of:**

- 18 **(1) the first day of the month that is not less than thirty (30)**
19 **days after the ordinance is sent to the commissioner of the**
20 **department of state revenue; or**
21 **(2) on the effective date specified in the ordinance.**

22 **The department of state revenue shall collect the tax imposed on**
23 **the days subject to an ordinance adopted under this section unless**
24 **the extension exceeds the maximum period allowable under this**
25 **section.**

26 **(m) If an ordinance does not specify an effective date, the**
27 **ordinance shall be considered effective on the earliest date**
28 **allowable under this section."**

29 **Renumber all SECTIONS consecutively.**
(Reference is to SB 238 as reprinted January 26, 2024.)