



COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 304, 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:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-9-27-3, AS AMENDED BY P.L.214-2005,
4 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2025]: Sec. 3. (a) The fiscal body of the municipality may
6 adopt an ordinance to impose an excise tax, known as the municipal
7 food and beverage tax, on transactions described in section 4 of this
8 chapter. **The fiscal body of a municipality described in section 1(2)**
9 **of this chapter may adopt an ordinance under section 5(b) of this**
10 **chapter to increase the tax rate of the municipality's food and**
11 **beverage tax.**
12 (b) If a fiscal body adopts an ordinance under subsection (a), the
13 fiscal body shall immediately send a certified copy of the ordinance to
14 the department of state revenue.
15 (c) If a fiscal body adopts an ordinance under subsection (a), the
16 municipal food and beverage tax applies to transactions that occur after
17 the last day of the month that succeeds the month in which the
18 ordinance was adopted.
19 SECTION 2. IC 6-9-27-5, AS AMENDED BY P.L.214-2005,
20 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2025]: Sec. 5. **(a) Except as provided in subsection (b),** the municipal food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction.

(b) This subsection applies to a municipality described in section 1(2) of this chapter. The fiscal body of the municipality may adopt an ordinance to increase the rate of the municipality's food and beverage tax to a rate that may not exceed two percent (2%) of the gross retail income received by a retail merchant from a taxable transaction. An ordinance adopted under this subsection to increase the rate of the municipality's food and beverage tax rate expires January 1, 2047.

(c) For purposes of this chapter, the gross retail income received by ~~the~~ a retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

SECTION 3. IC 6-9-27-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5.5. (a) This section applies to a municipality described in section 1(2) of this chapter.**

(b) If a fiscal body adopts an ordinance under section 5(b) of this chapter, the fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) A municipal food and beverage tax rate increase imposed by an ordinance adopted under section 5(b) of this chapter applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

SECTION 4. IC 6-9-38 IS REPEALED [EFFECTIVE JULY 1, 2025]. (Food and Beverage Taxes in Wayne County).".

Page 2, delete lines 37 through 42, begin a new paragraph and insert:

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

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

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

Page 3, delete lines 18 through 36, begin a new paragraph and insert:

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

3 **(1) For economic development purposes, including the pledge**
 4 **of money under IC 5-1-14-4 for bonds, leases, or other**
 5 **obligations for economic development purposes.**

6 **(2) For park and recreation purposes, including the purchase**
 7 **of land for park and recreation purposes.**

8 **(3) The pledge of money under IC 5-1-14-4 for bonds, leases,**
 9 **or other obligations incurred for a purpose described in**
 10 **subdivision (2)."**

11 Page 4, line 2, delete "July 1, 2048." and insert "**January 1, 2047.**".

12 Page 4, line 3, delete "July 1, 2048." and insert "**January 1, 2047.**".

13 Page 4, after line 3, begin a new paragraph and insert:

14 **"SECTION 6. IC 6-9-62.5 IS ADDED TO THE INDIANA CODE**
 15 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
 16 **JULY 1, 2025]:**

17 **Chapter 62.5. City of Richmond Food and Beverage Tax**

18 **Sec. 1. This chapter applies to the city of Richmond.**

19 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
 20 **chapter.**

21 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance**
 22 **before January 1, 2027, to impose an excise tax, known as the city**
 23 **food and beverage tax, on transactions described in section 4 of this**
 24 **chapter. The fiscal body of the city may adopt an ordinance under**
 25 **this subsection only after the city fiscal body has previously:**

26 **(1) adopted a resolution in support of the proposed city food**
 27 **and beverage tax; and**

28 **(2) held at least one (1) separate public hearing in which a**
 29 **discussion of the proposed ordinance to impose the city food**
 30 **and beverage tax is the only substantive issue on the agenda**
 31 **for the public hearing.**

32 **If the city does not adopt an ordinance to impose the tax under this**
 33 **subsection before January 1, 2027, this chapter expires January 1,**
 34 **2027.**

35 **(b) If the city fiscal body adopts an ordinance under subsection**
 36 **(a), the city fiscal body shall immediately send a certified copy of**
 37 **the ordinance to the department of state revenue.**

38 **(c) If the city fiscal body adopts an ordinance under subsection**
 39 **(a), the city food and beverage tax applies to transactions that**
 40 **occur after the last day of the month following the month in which**
 41 **the ordinance is adopted.**

42 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**

1 under section 3 of this chapter applies to a transaction in which
2 food or beverage is furnished, prepared, or served:

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

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

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

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

27 **Sec. 5. The city food and beverage tax rate:**

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

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

36 **Sec. 6. A tax imposed under this chapter shall be imposed, paid,**
37 **and collected in the same manner that the state gross retail tax is**
38 **imposed, paid, and collected under IC 6-2.5. However, the return**
39 **to be filed with the payment of the tax imposed under this chapter**
40 **may be made on a separate return or may be combined with the**
41 **return filed for the payment of the state gross retail tax, as**
42 **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) Parks and recreation, including trails.**

14 **(2) Activation of the Whitewater Gorge.**

15 **(3) The pledge of money under IC 5-1-14-4 for bonds, leases,**
 16 **or other obligations incurred for a purpose described in**
 17 **subdivision (1) or (2).**

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

24 **Sec. 11. (a) If the city imposes the tax authorized by this chapter,**
 25 **the tax terminates on January 1, 2047.**

26 **(b) Unless section 3(a) of this chapter applies, this chapter**
 27 **expires January 1, 2047."**

28 Renumber all SECTIONS consecutively.

(Reference is to SB 304 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 13, Nays 0.

Senator Holdman, Chairperson