

HOUSE BILL No. 1080

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6-6.

Synopsis: Local income taxes. Phases in a new distribution formula for certain local income tax (LIT) revenue using a weighted combination of property tax levies and residential assessed value for taxing units receiving this LIT revenue. Phases in the weights over five years beginning in 2023. Amends provisions that provide for a distribution of LIT revenue to schools in counties that imposed a rate under the prior county adjusted gross income tax (CAGIT) before its repeal to apply to all schools in counties that impose a LIT under current law regardless of whether the county imposed a rate under the prior CAGIT.

Effective: July 1, 2021.

Thompson

January 4, 2021, read first time and referred to Committee on Ways and Means.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1080

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 6-3.6-2-3.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2021]: **Sec. 3.5. "Allocation factor" refers to the fraction**
4 **determined for a civil taxing unit or school corporation under**
5 **IC 6-3.6-6-0.5.**

6 SECTION 2. IC 6-3.6-6-0.5 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2021]: **Sec. 0.5. (a) This section applies to the following:**

9 (1) **Making allocations of expenditure rate revenue that is**
10 **considered additional revenue under this chapter.**

11 (2) **Making allocations of expenditure rate revenue under**
12 **section 3(a)(2) of this chapter.**

13 (b) **The department of local government finance shall determine**
14 **an allocation factor for each civil taxing unit that is eligible to**
15 **receive a distribution of additional revenue for a distribution year**
16 **under this chapter and for each civil taxing unit and school**
17 **corporation that is eligible to receive a distribution under section**



1 3(a)(2) of this chapter for a distribution year. A civil taxing unit's
 2 or school corporation's allocation factor for a particular allocation
 3 for a distribution year is determined partly based on property
 4 taxes as specified in subsection (c) and partly based on assessed
 5 value as specified in subsection (d).

6 (c) The part of the allocation factor based on property taxes is
 7 a fraction determined for each civil taxing unit or school
 8 corporation that is eligible to receive a particular distribution
 9 based on the amounts for the calendar year preceding the
 10 distribution year as follows:

11 (1) For purposes of determining distribution amounts under
 12 this chapter, the allocation amount is determined as follows:

13 (A) Determine the sum of the total property taxes being
 14 imposed by the civil taxing unit.

15 (B) Determine the sum of the following:

16 (i) Amounts appropriated from property taxes to pay the
 17 principal of or interest on any debenture or other debt
 18 obligation issued after June 30, 2005, other than an
 19 obligation described in section 12(b) of this chapter.

20 (ii) Amounts appropriated from property taxes to make
 21 payments on any lease entered into after June 30, 2005,
 22 other than a lease described in section 12(c) of this
 23 chapter.

24 (C) Subtract the amount determined in clause (B) from the
 25 amount determined in clause (A).

26 (D) Determine the sum of:

27 (i) the amount determined in clause (C);

28 (ii) the civil taxing unit's certified shares for the previous
 29 calendar year; plus

30 (iii) the amount distributed under section 3(a)(2) of this
 31 chapter for the previous calendar year.

32 (E) Determine the quotient of:

33 (i) the amount determined under clause (D); divided by

34 (ii) the sum of the amounts determined under item (i) for
 35 all eligible civil taxing units in the county.

36 The allocation amount is subject to adjustment as provided in
 37 IC 36-8-19-7.5 for amounts distributed to a qualified civil
 38 taxing unit that participates in a fire protection territory. For
 39 purposes of section 3(a)(2) of this chapter, the amount
 40 determined in this subdivision is also the property tax part of
 41 the allocation factor. For purposes of calculating the part of
 42 the allocation factor determined under this subdivision, a



1 school corporation that is eligible for a distribution under
 2 section 3(a)(2) of this chapter shall be treated as a civil taxing
 3 unit.

4 (2) For purposes of determining distribution amounts for
 5 certified shares under section 14 of this chapter in a county
 6 other than Marion County, this part of the allocation factor
 7 is equal to:

8 (A) the attributed allocation amount for the civil taxing
 9 unit in the county during the calendar year; divided by

10 (B) the sum of the attributed allocation amounts for all
 11 civil taxing units in the county during the calendar year.

12 (3) For purposes of allocating additional revenue from a tax
 13 under this chapter for public safety purposes under section 8
 14 of this chapter, this part of the allocation factor is determined
 15 as follows:

16 (A) In the case of a county that initially imposed a rate for
 17 public safety under IC 6-3.5-6 (repealed), determine the
 18 quotient of:

19 (i) the total property taxes imposed in the county by the
 20 civil taxing unit for the calendar year preceding the
 21 distribution year; divided by

22 (ii) the sum of the amounts described in item (i) for all
 23 eligible civil taxing units in the county.

24 (B) In the case of a county that initially imposed a rate for
 25 public safety under IC 6-3.5-1.1 (repealed) or a county that
 26 did not impose a rate for public safety under either
 27 IC 6-3.5-1.1 (repealed) or IC 6-3.5-6 (repealed), the result
 28 of:

29 (i) the attributed allocation amount of the county or
 30 municipality for the calendar year preceding the
 31 distribution year; divided by

32 (ii) the sum of the attributed allocation amounts of the
 33 county and each municipality in the county that is
 34 entitled to a distribution under this section for that
 35 calendar year.

36 (C) In the case of a consolidated city, the total property
 37 taxes imposed by the consolidated city include the property
 38 taxes imposed by the consolidated city and all special
 39 taxing districts (except for a public library district, a
 40 public transportation corporation, and a health and
 41 hospital corporation), and all special service districts shall
 42 be used.



1 **(4) For purposes of allocating additional revenue from a tax**
 2 **under this chapter for economic development purposes under**
 3 **section 9 of this chapter, this part of the allocation factor is**
 4 **determined as follows:**

5 **(A) Determine the sum of:**

- 6 **(i) the total property taxes being imposed by the county,**
 7 **city, or town during the calendar year preceding the**
 8 **distribution year; plus**
 9 **(ii) for a county, the welfare allocation amount.**

10 **(B) Determine the quotient of:**

- 11 **(i) the amount determined under clause (A); divided by**
 12 **(ii) the sum of the amounts determined under item (i) for**
 13 **all eligible civil taxing units in the county.**

14 **(d) The part of the allocation factor based on assessed value is**
 15 **the following fraction determined for each civil taxing unit or**
 16 **school corporation that is eligible to receive a particular**
 17 **distribution as follows:**

18 **(1) For counties, determine:**

- 19 **(A) the county's total gross assessed value for property**
 20 **classified as residential under IC 6-1.1-4 for the calendar**
 21 **year preceding the distribution year; divided by**
 22 **(B) the sum of the amounts of all civil taxing units' and**
 23 **school corporations' gross assessed value for property**
 24 **classified as residential under IC 6-1.1-4 as determined**
 25 **under this subsection.**

26 **(2) For cities or towns, determine:**

- 27 **(A) one hundred fifty percent (150%) of the city's or**
 28 **town's total gross assessed value for property classified as**
 29 **residential under IC 6-1.1-4 that is located in the city or**
 30 **town for the calendar year preceding the distribution year;**
 31 **divided by**
 32 **(B) the sum of the amounts of all civil taxing units' and**
 33 **school corporations' gross assessed value for property**
 34 **classified as residential under IC 6-1.1-4 as determined**
 35 **under this subsection.**

36 **(3) For libraries or townships, determine:**

- 37 **(A) twenty-five percent (25%) of the library's or**
 38 **township's total gross assessed value for property classified**
 39 **as residential under IC 6-1.1-4 that is located in the library**
 40 **district or township for the calendar year preceding the**
 41 **distribution year; divided by**
 42 **(B) the sum of the amounts of all civil taxing units' and**



- 1 school corporations' gross assessed value for property
 2 classified as residential under IC 6-1.1-4 as determined
 3 under this subsection.
- 4 (4) For schools that are eligible for a distribution under
 5 section 3(a)(2) of this chapter, determine:
- 6 (A) the school corporation's total gross assessed value for
 7 property classified as residential under IC 6-1.1-4 that is
 8 located in the school corporation for the calendar year
 9 preceding the distribution year; divided by
- 10 (B) the sum of the amounts of all civil taxing units' and
 11 school corporations' total gross assessed value for property
 12 classified as residential under IC 6-1.1-4 as determined
 13 under this subsection.
- 14 (5) For all other civil taxing units not otherwise included in
 15 subdivisions (1) through (4), determine:
- 16 (A) twenty-five percent (25%) of the civil taxing unit's
 17 total gross assessed value for property classified as
 18 residential under IC 6-1.1-4 that is located in the civil
 19 taxing unit for the calendar year preceding the distribution
 20 year; divided by
- 21 (B) the sum of the amounts of all civil taxing units' and
 22 school corporations' total gross assessed value for property
 23 classified as residential under IC 6-1.1-4 as determined
 24 under this subsection.
- 25 (e) The allocation factor is a fraction determined for each civil
 26 taxing unit or school corporation that is eligible to receive a
 27 particular distribution as follows:
- 28 (1) Multiply the amount determined under subsection (c) for
 29 a particular distribution by the following:
- 30 (A) For 2022, one (1).
 31 (B) For 2023, eight-tenths (0.8).
 32 (C) For 2024, six-tenths (0.6).
 33 (D) For 2025, four-tenths (0.4).
 34 (E) For 2026, two-tenths (0.2).
 35 (F) For 2027 and thereafter, zero (0).
- 36 (2) Multiply the amount determined under subsection (d) by
 37 the following:
- 38 (A) For 2022, zero (0).
 39 (B) For 2023, two-tenths (0.2).
 40 (C) For 2024, four-tenths (0.4).
 41 (D) For 2025, six-tenths (0.6).
 42 (E) For 2026, eight-tenths (0.8).



- 1 **(F) For 2027 and thereafter, one (1).**
 2 **(3) Determine the sum of:**
 3 **(A) the amount determined under subdivision (1); plus**
 4 **(B) the amount determined under subdivision (2).**
 5 SECTION 3. IC 6-3.6-6-3, AS AMENDED BY P.L.184-2018,
 6 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2021]: Sec. 3. (a) Revenue raised from a tax imposed under
 8 this chapter shall be treated as follows:
 9 (1) To make the following distributions:
 10 (A) If an ordinance described in section 2.5 of this chapter is
 11 in effect in a county, to make a distribution to the county equal
 12 to the amount of revenue generated by the rate imposed under
 13 section 2.5 of this chapter.
 14 (B) If an ordinance described in section 2.7 of this chapter is
 15 in effect in a county, to make a distribution to the county equal
 16 to the amount of revenue generated by the rate imposed under
 17 section 2.7 of this chapter.
 18 (2) After making the distributions described in subdivision (1), if
 19 any, to make distributions to **each school corporations**
 20 **corporation in counties in which a tax is imposed under this**
 21 **chapter** and civil taxing units in **those** counties that formerly
 22 imposed a tax under IC 6-3.5-1.1 (repealed). The revenue
 23 categorized from the next:
 24 **(A) twenty-five hundredths percent (0.25%) of the rate, in**
 25 **the case of school corporations; and**
 26 **(B) twenty-five hundredths percent (0.25%) of the rate for a**
 27 **former tax adopted under IC 6-3.5-1.1 (repealed), in the case**
 28 **of civil taxing units;**
 29 shall be allocated to school corporations and civil taxing units
 30 **respectively.** The amount of the allocation to a school corporation
 31 or civil taxing unit shall be determined using the **amount to be**
 32 **distributed multiplied by the allocation amounts factor** for civil
 33 taxing units and school corporations in the county.
 34 (3) After making the distributions described in subdivisions (1)
 35 and (2), the remaining revenue shall be treated as additional
 36 revenue (referred to as "additional revenue" in this chapter).
 37 Additional revenue may not be considered by the department of
 38 local government finance in determining:
 39 (A) any taxing unit's maximum permissible property tax levy
 40 limit under IC 6-1.1-18.5; or
 41 (B) the approved property tax rate for any fund.
 42 (b) In the case of a civil taxing unit that has pledged the tax from



1 additional revenue for the payment of bonds, leases, or other
2 obligations as reported by the civil taxing unit under IC 5-1-18, the
3 adopting body may not, under section 4 of this chapter, reduce the
4 proportional allocation of the additional revenue that was allocated in
5 the preceding year if the reduction for that year would result in an
6 amount less than the amount necessary for the payment of bonds,
7 leases, or other obligations payable or required to be deposited in a
8 sinking fund or other reserve in that year for the bonds, leases, or other
9 obligations for which the tax from additional revenue has been pledged.
10 To inform an adopting body with regard to allocations that affect the
11 payment of bonds, leases, or other obligations, a taxing unit may
12 provide the adopting body with information regarding any outstanding
13 bonds, leases, or other obligations that are secured by additional
14 revenue. The information must be provided before the date of the
15 public hearing at which the adopting body may change the allocation
16 of additional revenue under section 4 of this chapter.

17 SECTION 4. IC 6-3.6-6-8, AS AMENDED BY P.L.247-2017,
18 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2021]: Sec. 8. (a) This section applies to the allocation of
20 additional revenue from a tax under this chapter to public safety
21 purposes. Funding dedicated for a PSAP under a former tax continues
22 to apply under this chapter until it is rescinded or modified. If funding
23 was not dedicated for a PSAP under a former tax, the adopting body
24 may adopt a resolution providing that all or part of the additional
25 revenue allocated to public safety is to be dedicated for a PSAP. The
26 resolution first applies in the following year and then thereafter until it
27 is rescinded or modified. Funding dedicated for a PSAP shall be
28 allocated and distributed as provided in IC 6-3.6-11-4.

29 (b) Except as provided in subsection (c), the amount of the certified
30 distribution that is allocated to public safety purposes, and after making
31 allocations under IC 6-3.6-11, shall be allocated to the county and to
32 each municipality in the county that is carrying out or providing at least
33 one (1) public safety purpose. ~~For purposes of this subsection, in the~~
34 ~~ease of a consolidated city, the total property taxes imposed by the~~
35 ~~consolidated city include the property taxes imposed by the~~
36 ~~consolidated city and all special taxing districts (except for a public~~
37 ~~library district, a public transportation corporation, and a health and~~
38 ~~hospital corporation), and all special service districts.~~ The amount
39 allocated under this subsection to a county or municipality is equal to
40 the result of:

41 (1) the amount of the remaining certified distribution that is
42 allocated to public safety purposes; multiplied by



1 (2) a fraction equal to:

2 (A) in the case of a county that initially imposed a rate for
3 public safety under IC 6-3.5-6 (repealed), the result of the total
4 property taxes imposed in the county by the county or
5 municipality for the calendar year preceding the distribution
6 year; divided by the sum of the total property taxes imposed in
7 the county by the county and each municipality in the county
8 that is entitled to a distribution under this section for that
9 calendar year; or

10 (B) in the case of a county that initially imposed a rate for
11 public safety under IC 6-3.5-1.1 (repealed) or a county that did
12 not impose a rate for public safety under either IC 6-3.5-1.1
13 (repealed) or IC 6-3.5-6 (repealed); the result of the attributed
14 allocation amount of the county or municipality for the
15 calendar year preceding the distribution year; divided by the
16 sum of the attributed allocation amounts of the county and
17 each municipality in the county that is entitled to a distribution
18 under this section for that calendar year.

19 **(2) the county's or municipality's allocation factor for the**
20 **distribution year.**

21 (c) A fire department, volunteer fire department, or emergency
22 medical services provider that:

23 (1) provides fire protection or emergency medical services within
24 the county; and

25 (2) is operated by or serves a political subdivision that is not
26 otherwise entitled to receive a distribution of tax revenue under
27 this section;

28 may, before July 1 of a year, apply to the adopting body for a
29 distribution of tax revenue under this section during the following
30 calendar year. The adopting body shall review an application submitted
31 under this subsection and may, before September 1 of a year, adopt a
32 resolution requiring that one (1) or more of the applicants shall receive
33 a specified amount of the tax revenue to be distributed under this
34 section during the following calendar year. The adopting body shall
35 provide a copy of the resolution to the county auditor and the
36 department of local government finance not more than fifteen (15) days
37 after the resolution is adopted. A resolution adopted under this
38 subsection and provided in a timely manner to the county auditor and
39 the department applies only to distributions in the following calendar
40 year. Any amount of tax revenue distributed under this subsection to a
41 fire department, volunteer fire department, or emergency medical
42 services provider shall be distributed before the remainder of the tax



1 revenue is allocated under subsection (b).

2 SECTION 5. IC 6-3.6-6-9, AS AMENDED BY P.L.247-2017,
3 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]: Sec. 9. (a) This section applies to the allocation of
5 additional revenue from a tax under this chapter for economic
6 development purposes.

7 (b) Money designated for economic development purposes shall be
8 allocated to the county, cities, and towns for use by the taxing unit's
9 fiscal body for any of the purposes described in IC 6-3.6-10. Except as
10 provided in subsections (c) and (d) and IC 6-3.6-11, and subject to
11 adjustment as provided in IC 36-8-19-7.5, the amount of the certified
12 distribution allocated to economic development purposes that the
13 county and each city or town in a county is entitled to receive each
14 month of each year equals: ~~the amount determined using the following~~
15 ~~formula:~~

16 ~~STEP ONE: Determine the sum of:~~

17 ~~(A) the total property taxes being imposed by the county, city,~~
18 ~~or town during the calendar year preceding the distribution~~
19 ~~year; plus~~

20 ~~(B) for a county, the welfare allocation amount.~~

21 ~~STEP TWO: Determine the quotient of:~~

22 ~~(A) The STEP ONE amount; divided by~~

23 ~~(B) the sum of the total property taxes that are first due and~~
24 ~~payable to the county and all cities and towns of the county~~
25 ~~during the calendar year preceding the distribution year plus~~
26 ~~the welfare allocation amount.~~

27 ~~STEP THREE: Determine the product of:~~

28 ~~(A) (1) the amount of the certified distribution allocated to~~
29 ~~economic development purposes for that month; multiplied by~~

30 ~~(B) the STEP TWO amount.~~

31 ~~(2) the county's, city's, or town's allocation factor for the~~
32 ~~distribution year.~~

33 (c) The body imposing the tax may adopt an ordinance before
34 August 2 of a year to provide for a distribution of the amount allocated
35 to economic development purposes based on population instead of a
36 distribution under subsection (b). The following apply if an ordinance
37 is adopted under this subsection:

38 (1) The ordinance is effective January 1 of the following year.

39 (2) The amount of the certified distribution allocated to economic
40 development purposes that the county and each city and town in
41 the county are entitled to receive during each month of each year
42 equals the product of:



- 1 (A) the amount of the certified distribution that is allocated to
- 2 economic development purposes for the month; multiplied by
- 3 (B) the quotient of:
- 4 (i) for a city or town, the population of the city or the town
- 5 that is located in the county and for a county, the population
- 6 of the part of the county that is not located in a city or town;
- 7 divided by
- 8 (ii) the population of the entire county.
- 9 (3) The ordinance may be made irrevocable for the duration of
- 10 specified lease rental or debt service payments.

11 (d) In a county having a consolidated city, only the consolidated city
 12 is entitled to the amount of the certified distribution that is allocated to
 13 economic development purposes.

14 SECTION 6. IC 6-3.6-6-11, AS AMENDED BY P.L.247-2017,
 15 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2021]: Sec. 11. (a) Except as provided in this chapter and
 17 IC 6-3.6-11, this section applies to an allocation of certified shares in
 18 all counties.

19 (b) Any civil taxing unit that imposed an ad valorem property tax
 20 levy in the county for the calendar year preceding the distribution year
 21 is eligible for an allocation for the distribution year under this chapter.

22 (c) A school corporation is not a civil taxing unit for the purpose of
 23 receiving an allocation of certified shares under this chapter. The
 24 distributions to school corporations and civil taxing units in counties
 25 that formerly imposed a tax under IC 6-3.5-1.1 (repealed) as provided
 26 in section 3(a)(2) of this chapter ~~is are~~ not considered an allocation of
 27 certified shares. ~~A school corporation's allocation amount for purposes~~
 28 ~~of section 3(a)(2) of this chapter shall be determined under section 12~~
 29 ~~of this chapter.~~

30 (d) A county solid waste management district (as defined in
 31 IC 13-11-2-47) or a joint solid waste management district (as defined
 32 in IC 13-11-2-113) is not a civil taxing unit for the purpose of receiving
 33 an allocation of certified shares under this chapter unless a majority of
 34 the members of each of the county fiscal bodies of the counties within
 35 the district passes a resolution approving the distribution.

36 (e) A resolution passed by a county fiscal body under subsection (d)
 37 may:

- 38 (1) expire on a date specified in the resolution; or
- 39 (2) remain in effect until the county fiscal body revokes or
- 40 rescinds the resolution.

41 SECTION 7. IC 6-3.6-6-12, AS AMENDED BY P.L.247-2017,
 42 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2021]; Sec. 12. (a) Except as provided in this chapter and
2 IC 6-3.6-11, this section applies to an allocation of certified shares in
3 all counties.

4 (b) The allocation amount of a civil taxing unit during a calendar
5 year must be based on the amounts for the calendar year preceding the
6 distribution year and is equal to the amount determined using the
7 following formula:

8 STEP ONE: Determine the sum of the total property taxes being
9 imposed by the civil taxing unit.

10 STEP TWO: Determine the sum of the following:

11 (A) Amounts appropriated from property taxes to pay the
12 principal of or interest on any debenture or other debt
13 obligation issued after June 30, 2005, other than an obligation
14 described in subsection (c):

15 (B) Amounts appropriated from property taxes to make
16 payments on any lease entered into after June 30, 2005, other
17 than a lease described in subsection (d):

18 STEP THREE: Subtract the STEP TWO amount from the STEP
19 ONE amount.

20 STEP FOUR: Determine the sum of:

21 (A) the STEP THREE amount; plus

22 (B) the civil taxing unit's certified shares plus the amount
23 distributed under section 3(a)(2) of this chapter for the
24 previous calendar year.

25 The allocation amount is subject to adjustment as provided in
26 IC 36-8-19-7.5.

27 (c) (b) Except as provided in this subsection, an appropriation for
28 the calendar year preceding the distribution year from property taxes
29 to repay interest and principal of a debt obligation is not deducted from
30 the allocation **property tax amount under section 0.5 of this chapter**
31 for a civil taxing unit if:

32 (1) the debt obligation was issued; and

33 (2) the proceeds were appropriated from property taxes;
34 to refund or otherwise refinance a debt obligation or a lease issued
35 before July 1, 2005. However, an appropriation from property taxes
36 related to a debt obligation issued after June 30, 2005, is deducted if
37 the debt extends payments on a debt or lease beyond the time in which
38 the debt or lease would have been payable if the debt or lease had not
39 been refinanced or increases the total amount that must be paid on a
40 debt or lease in excess of the amount that would have been paid if the
41 debt or lease had not been refinanced. The amount of the deduction is
42 the annual amount for each year of the extension period or the annual



1 amount of the increase over the amount that would have been paid.

2 ~~(d)~~ (c) Except as provided in this subsection, an appropriation for
3 the calendar year preceding the distribution year from property taxes
4 to make payments on a lease is not deducted from the ~~allocation~~
5 **property tax amount under section 0.5 of this chapter** for a civil
6 taxing unit if:

7 (1) the lease was issued; and

8 (2) the proceeds were appropriated from property taxes;
9 to refinance a debt obligation or lease issued before July 1, 2005.
10 However, an appropriation from property taxes related to a lease
11 entered into after June 30, 2005, is deducted if the lease extends
12 payments on a debt or lease beyond the time in which the debt or lease
13 would have been payable if the debt or lease had not been refinanced
14 or increases the total amount that must be paid on a debt or lease in
15 excess of the amount that would have been paid if the debt or lease had
16 not been refinanced. The amount of the deduction is the annual amount
17 for each year of the extension period or the annual amount of the
18 increase over the amount that would have been paid.

19 SECTION 8. IC 6-3.6-6-14, AS ADDED BY P.L.243-2015,
20 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2021]: Sec. 14. (a) This section applies to an allocation of
22 certified shares in a county other than Marion County.

23 ~~(b) Subject to this chapter, certified shares must be allocated among~~
24 ~~civil taxing units based on the attributed allocation amount.~~

25 ~~(c)~~ (b) The amount of certified shares to be allocated to each civil
26 taxing unit is equal to:

27 (1) the total amount of the certified distribution that is allocated
28 to certified shares for the county for the month; multiplied by

29 ~~(2) the quotient of:~~

30 ~~(A) the attributed allocation amount for the civil taxing unit in~~
31 ~~the county during the calendar year; divided by~~

32 ~~(B) the sum of the attributed allocation amounts for all civil~~
33 ~~taxing units in the county during the calendar year.~~

34 **(2) the civil taxing unit's allocation factor for the distribution**
35 **year.**

36 SECTION 9. IC 6-3.6-6-20, AS AMENDED BY P.L.247-2017,
37 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2021]: Sec. 20. (a) This section does not apply to distributions
39 of revenue under section 9 of this chapter.

40 (b) This section applies only to the following:

41 (1) Any allocation or distribution of revenue under section 3(a)(2)
42 of this chapter ~~that is made on the basis of property tax levies to:~~



- 1 **(A) school corporations; and**
 2 **(B) civil taxing units** in counties that formerly imposed a tax
 3 under IC 6-3.5-1.1 (before its repeal January 1, 2017).
 4 (2) Any allocation or distribution of revenue under section 3(a)(3)
 5 of this chapter ~~that is made on the basis of property tax levies to:~~
 6 **(A) school corporations; and**
 7 **(B) civil taxing units** in counties that formerly imposed a tax
 8 under IC 6-3.5-6 (before its repeal January 1, 2017).
 9 (c) Subject to subsection (b), if a school corporation or civil taxing
 10 unit of an adopting county does not impose a property tax levy that is
 11 first due and payable in the calendar year preceding the year in which
 12 revenue under section 3(a)(2) or 3(a)(3) of this chapter is being
 13 allocated or distributed, that school corporation or civil taxing unit is
 14 entitled to receive a part of the revenue under section 3(a)(2) or 3(a)(3)
 15 of this chapter (as appropriate) to be distributed within the county. The
 16 fractional amount that such a school corporation or civil taxing unit is
 17 entitled to receive each month during that calendar year equals the
 18 product of: ~~the following:~~
 19 (1) the amount of revenue under section 3(a)(2) or 3(a)(3) of this
 20 chapter to be distributed ~~on the basis of property tax levies~~ during
 21 that month; multiplied by
 22 (2) ~~A fraction. The numerator of the fraction equals the budget of~~
 23 ~~that school corporation or civil taxing unit for the distribution~~
 24 ~~year. The denominator of the fraction equals the aggregate~~
 25 ~~budgets of all school corporations or civil taxing units of that~~
 26 ~~county for the distribution year.~~
 27 **(2) the allocation factor for the school corporation or civil**
 28 **taxing unit.**
 29 **The amount of property taxes used to determine the allocation**
 30 **factor for a school corporation or civil taxing unit under section 0.5**
 31 **of this chapter shall be determined by using the budget of that**
 32 **school corporation or civil taxing unit for the distribution year and**
 33 **the aggregate budgets of all school corporations or civil taxing**
 34 **units of that county for the distribution year.**
 35 (d) Subject to subsection (b), if for a calendar year a school
 36 corporation or civil taxing unit is allocated a part of a county's revenue
 37 under section 3(a)(2) or 3(a)(3) of this chapter by subsection (c), the
 38 calculations used to determine the shares of revenue of all other school
 39 corporations and civil taxing units under section (3)(a)(2) or 3(a)(3) of
 40 this chapter (as appropriate) shall be changed each month for that same
 41 year by reducing the amount of revenue to be distributed by the amount
 42 of revenue under section 3(a)(2) or 3(a)(3) of this chapter allocated



1 under subsection (c) for that same month. The department of local
2 government finance shall make any adjustments required by this
3 subsection and provide them to the appropriate county auditors.

4 SECTION 10. [EFFECTIVE JULY 1, 2021] (a) **Notwithstanding**
5 **the July 1, 2021, effective date for IC 6-3.6-2-3.5 and IC 6-3.6-6-0.5,**
6 **both as added by this act, and IC 6-3.6-6-3, IC 6-3.6-6-8,**
7 **IC 6-3.6-6-9, IC 6-3.6-6-11, IC 6-3.6-6-12, IC 6-3.6-6-14, and**
8 **IC 6-3.6-6-20, all as amended by this act, the following apply:**

9 (1) **The method used to determine the amount of a particular**
10 **distribution of revenue before July 1, 2021, shall continue to**
11 **be used for these determinations for all of 2021.**

12 (2) **The new method using an allocation factor shall be applied**
13 **to determinations for the distribution of revenue beginning in**
14 **2022, recognizing that for 2022, the allocation factor weights**
15 **of one (1) and zero (0) that are specified in IC 6-3.6-6-0.5, as**
16 **added by this act, are intended to carry forward the allocation**
17 **determinations used for 2022.**

18 (b) **This SECTION expires June 30, 2024.**

