

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1121

AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3.6-2-7.4, AS AMENDED BY P.L.159-2021, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.4. "County with a single voting bloc" means a county that has a local income tax council in which one (1) city that is a member of the local income tax council or one (1) town that is a member of the local income tax council is allocated more than fifty percent (50%) of the total one hundred (100) votes allocated under IC 6-3.6-3-6(d). This section expires May 31, ~~2024~~ **2025**.

SECTION 2. IC 6-3.6-3-1, AS AMENDED BY P.L.184-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 1. (a) The following is the adopting body for a county:

- (1) The local income tax council in a county in which the county income tax council adopted either:
 - (A) a county option income tax under IC 6-3.5-6 (repealed) that was in effect on January 1, 2015; or
 - (B) a county economic development income tax for the county under IC 6-3.5-7 (repealed) that was in effect on January 1, 2015.
- (2) The county fiscal body in any other county.
- (3) The county fiscal body for purposes of adopting a rate dedicated to paying for a PSAP in the county as permitted by

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IC 6-3.6-6-2.5.

(4) The county fiscal body for purposes of adopting a rate dedicated to paying for acute care hospitals in the county as permitted by IC 6-3.6-6-2.6.

~~(4)~~ **(5)** The county fiscal body for purposes of adopting a rate dedicated to paying for correctional facilities and rehabilitation facilities in the county as permitted by IC 6-3.6-6-2.7.

(b) A local income tax council is established for each county. The membership of each county's local income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

SECTION 3. IC 6-3.6-3-5, AS AMENDED BY P.L.159-2021, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The auditor of a county shall record all votes taken on ordinances presented for a vote under this article and not more than ten (10) days after the vote, send a certified copy of the results to:

- (1) the commissioner of the department of state revenue; and
- (2) the commissioner of the department of local government finance;

in an electronic format approved by the commissioner of the department of local government finance.

(b) Except as provided in subsection (c), this subsection applies only to a county that has a local income tax council. The county auditor may cease sending certified copies after the county auditor sends a certified copy of results showing that members of the local income tax council have cast a majority of the votes on the local income tax council for or against the proposed ordinance.

(c) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The county auditor may cease sending certified copies of the votes on the local income tax council voting as a whole under section 9.5 of this chapter after the county auditor sends a certified copy of results showing that the individuals who sit on the fiscal bodies of the county, cities, and towns that are members of the local income tax council have cast a majority of the votes on the local income tax council voting as a whole under section 9.5 of this chapter for or against the proposed ordinance. This subsection expires May 31, ~~2024~~. **2025**.

SECTION 4. IC 6-3.6-3-6, AS AMENDED BY P.L.32-2021, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section applies to a county in which the county adopting body is a local income tax council.

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(b) In the case of a city or town that lies within more than one (1) county, the county auditor of each county shall base the allocations required by subsections (d) and (e) on the population of that part of the city or town that lies within the county for which the allocations are being made.

(c) Each local income tax council has a total of one hundred (100) votes.

(d) Each county, city, or town that is a member of a local income tax council is allocated a percentage of the total one hundred (100) votes that may be cast. The percentage that a city or town is allocated for a year equals the same percentage that the population of the city or town bears to the population of the county. The percentage that the county is allocated for a year equals the same percentage that the population of all areas in the county not located in a city or town bears to the population of the county.

(e) This subsection applies only to a county with a single voting bloc. Each individual who sits on the fiscal body of a county, city, or town that is a member of the local income tax council is allocated for a year the number of votes equal to the total number of votes allocated to the particular county, city, or town under subsection (d) divided by the number of members on the fiscal body of the county, city, or town. This subsection expires May 31, ~~2024~~. **2025**.

(f) On or before January 1 of each year, the county auditor shall certify to each member of the local income tax council the number of votes, rounded to the nearest one hundredth (0.01), each member has for that year.

(g) This subsection applies only to a county with a single voting bloc. On or before January 1 of each year, in addition to the certification to each member of the local income tax council under subsection (f), the county auditor shall certify to each individual who sits on the fiscal body of each county, city, or town that is a member of the local income tax council the number of votes, rounded to the nearest one hundredth (0.01), each individual has under subsection (e) for that year. This subsection expires May 31, ~~2024~~. **2025**.

SECTION 5. IC 6-3.6-3-8, AS AMENDED BY P.L.159-2021, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section applies to a county in which the county adopting body is a local income tax council.

(b) Except as provided in subsection (e), any member of a local income tax council may present an ordinance for passage. To do so, the member must adopt a resolution to propose the ordinance to the local income tax council and distribute a copy of the proposed ordinance to



the county auditor. The county auditor shall treat any proposed ordinance distributed to the auditor under this section as a casting of all that member's votes in favor of the proposed ordinance.

(c) Except as provided in subsection (f), the county auditor shall deliver copies of a proposed ordinance the auditor receives to all members of the local income tax council within ten (10) days after receipt. Subject to subsection (d), once a member receives a proposed ordinance from the county auditor, the member shall vote on it within thirty (30) days after receipt.

(d) Except as provided in subsection (h), if, before the elapse of thirty (30) days after receipt of a proposed ordinance, the county auditor notifies the member that the members of the local income tax council have cast a majority of the votes on the local income tax council for or against the proposed ordinance the member need not vote on the proposed ordinance.

(e) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The fiscal body of any county, city, or town that is a member of a local income tax council may adopt a resolution to propose an ordinance to increase a tax rate in the county to be voted on by the local income tax council as a whole as required under section 9.5 of this chapter and distribute a copy of the proposed ordinance to the county auditor. The county auditor shall treat the vote tally on the resolution adopted under this subsection for each individual who is a member of the fiscal body of the county, city, or town as the voting record for that individual either for or against the ordinance being proposed for consideration by the local income tax council as a whole under section 9.5 of this chapter. This subsection expires May 31, ~~2024~~. **2025.**

(f) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The county auditor shall deliver copies of a proposed ordinance the auditor receives under subsection (e) to the fiscal officers of all members of the local income tax council (other than the member proposing the ordinance under subsection (e)) within ten (10) days after receipt. Subject to subsection (h), once a member receives a proposed ordinance from the county auditor, the member shall vote on it within thirty (30) days after receipt. This subsection expires May 31, ~~2024~~. **2025.**

(g) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The fiscal body of each county, city, or town voting on a resolution to propose an ordinance under subsection (e), or voting on



a proposed ordinance being considered by the local income tax council as a whole under section 9.5 of this chapter, must take a roll call vote on the resolution or the proposed ordinance. If an individual who sits on the fiscal body is absent from the meeting in which a vote is taken or abstains from voting on the resolution or proposed ordinance, the fiscal officer of the county, city, or town shall nevertheless consider that individual's vote as a "no" vote against the resolution or the proposed ordinance being considered, whichever is applicable, for purposes of the vote tally under this section and shall note on the vote tally that the individual's "no" vote is due to absence or abstention. The fiscal body of each county, city, or town shall certify the roll call vote on a resolution or a proposed ordinance, either for or against, to the county auditor as set forth under this chapter. This subsection expires May 31, ~~2024~~ **2025**.

(h) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. If, before the elapse of thirty (30) days after receipt of a proposed ordinance under subsection (e), the county auditor notifies the member that the individuals who sit on the fiscal bodies of the county, cities, and towns that are members of the local income tax council have cast a majority of the votes on the local income tax council for or against a proposed ordinance voting as a whole under section 9.5 of this chapter, the member need not vote on the proposed ordinance under subsection (e). This subsection expires May 31, ~~2024~~ **2025**.

SECTION 6. IC 6-3.6-3-9.5, AS AMENDED BY P.L.159-2021, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This section applies to a county:

- (1) in which the county adopting body is a local income tax council;
- (2) that is a county with a single voting bloc; and
- (3) that proposes to increase a tax rate in the county.

However, the provisions under section 9 of this chapter shall apply to a county described in subdivisions (1) and (2) that proposes to decrease a tax rate in the county.

(b) A local income tax council described in subsection (a) must vote as a whole to exercise its authority to increase a tax rate under this article.

(c) A resolution passed by the fiscal body of a county, city, or town that is a member of the local income tax council exercises the vote of each individual who sits on the fiscal body of the county, city, or town on the proposed ordinance, and the individual's vote may not be

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changed during the year.

(d) This section expires May 31, ~~2024~~ **2025**.

SECTION 7. IC 6-3.6-6-2.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2024]: **Sec. 2.6. (a) As used in this section, "acute care hospital" means an acute care hospital that is:**

- (1) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23; and**
- (2) licensed under IC 16-21.**

(b) A county fiscal body may adopt an ordinance to impose a tax rate for acute care hospitals located in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed one-tenth of one percent (0.1%).

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used only for the operating expenses of the acute care hospital located in the county.

SECTION 8. IC 6-3.6-6-2.7, AS AMENDED BY P.L.236-2023, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023 (RETROACTIVE)]: **Sec. 2.7. (a) A county fiscal body may adopt an ordinance to impose a tax rate for correctional facilities and rehabilitation facilities in the county. The tax rate must be in increments of:**

- (1) in the case of a county with bonds or lease agreements outstanding on July 1, 2023, for which a pledge of tax revenue from revenue received under a tax rate imposed under this section is made, one-hundredth of one percent (0.01%) and may not exceed three-tenths of one percent (0.3%); and
- (2) in the case of a county with no bonds or lease agreements outstanding on July 1, 2023, for which a pledge of tax revenue from revenue received under a tax rate imposed under this section is made, one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%).

Not more than an amount equal to the amount of revenue that is attributable to two-tenths of one percent (0.2%) of a tax rate imposed under this section may be used for operating expenses for correctional facilities and rehabilitation facilities in the county:

(b) The tax rate imposed under this section may not be in effect for more than:

- (1) twenty-two (22) years, in the case of a tax rate imposed in an



ordinance adopted before January 1, 2019; or
 (2) twenty-five (25) years, in the case of a tax rate imposed in an ordinance adopted on or after January 1, 2019.

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used by the county only for paying for correctional facilities and rehabilitation facilities in the county.

(d) If a county fiscal body imposes a tax rate:

(1) under subsection (a)(1) or (a)(2) in an increment that does not exceed two-tenths of one percent (0.2%), one hundred percent (100%) of the revenue collected from the total tax rate; or

(2) under subsection (a)(1) in an increment that exceeds two-tenths of one percent (0.2%):

(A) one hundred percent (100%) of the revenue collected from that portion of the total tax rate that does not exceed an increment of two-tenths of one percent (0.2%); and

(B) no revenue collected from that portion of the total tax rate that exceeds an increment of two-tenths of one percent (0.2%);

may be used for operating expenses for correctional facilities and rehabilitation facilities in the county.

SECTION 9. IC 6-3.6-6-3, AS AMENDED BY P.L.95-2022, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) Revenue raised from a tax imposed under this chapter shall be treated as follows:

(1) To make the following distributions:

(A) If an ordinance described in section 2.5 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.5 of this chapter.

(B) If an ordinance described in section 2.6 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.6 of this chapter.

~~(C)~~ (C) If an ordinance described in section 2.7 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.7 of this chapter.

~~(D)~~ (D) If an ordinance described in section 2.8 of this chapter



is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.8 of this chapter.

(2) After making the distributions described in subdivision (1), if any, to make distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1 (repealed). The revenue categorized from the next twenty-five hundredths percent (0.25%) of the rate for a former tax adopted under IC 6-3.5-1.1 (repealed) shall be allocated to school corporations and civil taxing units. The amount of the allocation to a school corporation or civil taxing unit shall be determined using the allocation amounts for civil taxing units and school corporations in the county.

(3) After making the distributions described in subdivisions (1) and (2), the remaining revenue shall be treated as additional revenue (referred to as "additional revenue" in this chapter). Additional revenue may not be considered by the department of local government finance in determining:

(A) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or

(B) the approved property tax rate for any fund.

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

SECTION 10. IC 6-3.6-6-21.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 21.3. (a) This section:**

(1) does not apply to:

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(A) distributions made under this chapter to a civil taxing unit for fire protection services within a fire protection territory established under IC 36-8-19; or

(B) distributions of revenue under section 9 of this chapter; and

(2) applies only to the following:

(A) Any allocation or distribution of revenue under section 3(a)(2) of this chapter that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-1.1 (before its repeal on January 1, 2017).

(B) Any allocation or distribution of revenue under section 3(a)(3) of this chapter that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-6 (before its repeal on January 1, 2017).

(b) Subject to subsection (a), if two (2) or more:

(1) school corporations; or

(2) civil taxing units;

of an adopting county merge or consolidate to form a single school corporation or civil taxing unit, the school corporation or civil taxing unit that is in existence on January 1 of the current year is entitled to the combined pro rata distribution of the revenue under section 3(a)(2) or 3(a)(3) of this chapter (as appropriate) allocated to each applicable school corporation or civil taxing unit in existence on January 1 of the immediately preceding calendar year prior to the merger or consolidation.

(c) The department of local government finance shall make adjustments to civil taxing units in accordance with IC 6-1.1-18.5-7.

SECTION 11. IC 6-3.6-7-17, AS AMENDED BY P.L.38-2021, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 17. (a) This section applies only to Perry County.

(b) Perry County possesses unique governmental and economic development challenges due to:

(1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business; and

(2) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of a tax under this section is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of a tax



under this section for the purposes described in this section promotes these purposes.

(c) The county fiscal body may impose a tax on the adjusted gross income of local taxpayers at a tax rate that does not exceed the lesser of the following:

- (1) Five-tenths percent (0.5%).
- (2) The rate necessary to carry out the purposes described in this section.

(d) Revenue from a tax imposed under this section may be used only for the following purposes:

- (1) To finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.
- (2) To repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(e) The tax imposed under this section may be imposed only until the last of the following dates:

- (1) The date on which the purposes described in subsection (d)(1) are completed.
- (2) The date on which the last of any bonds issued (including any refunding bonds) or leases described in subsection (d)(2) are fully paid.

The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (d)(2) may not exceed twenty-five (25) years.

(f) Funds accumulated from a tax under this section after:

- (1) the redemption of the bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to ~~the county jail operations fund to be used for financing the maintenance and operations of the Perry County detention center.~~ **a county capital project fund to be used to finance capital projects within Perry County.**

SECTION 12. IC 6-3.6-7-28 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:** **Sec. 28. (a) This section applies to Grant County and only if the county council repeals provisions of its local income tax ordinance providing that under IC 6-3.6-10-2(7) one-hundredth**



of one percent (0.01%) of the county's special purpose rate revenue is used to fund the Grant County Economic Growth Council, Inc.

(b) The county council may, by ordinance, determine that additional local income tax revenue is needed in the county to do the following:

(1) Finance, construct, acquire, improve, renovate, and equip the county jail, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(2) Repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) If the county council makes the determination set forth in subsection (b), the county council may impose a tax on the adjusted gross income of local taxpayers at a tax rate that does not exceed the lesser of the following:

(1) Five-tenths percent (0.5%).

(2) The rate necessary to carry out the purposes described in this section.

The tax rate may not be greater than the rate necessary to pay for the purposes described in subsection (b).

(d) The tax rate used to pay for the purposes described in subsection (b)(1) and (b)(2) may be imposed only until the latest of the following dates:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping of the facilities as described in subsection (b) are completed.

(2) The date on which the last of any bonds issued (including refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping of the facilities described in subsection (b) are fully paid.

(3) The date on which an ordinance adopted under subsection (c) is rescinded.

(e) The tax rate under this section may be imposed beginning in the year following the year the ordinance is adopted and until the date on which the ordinance adopted under this section is rescinded.

(f) The term of a bond issued (including any refunding bond) or a lease entered into under subsection (b) may not exceed twenty-five (25) years.

(g) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section.



Local income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund.

(h) Local income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for the purposes described in subsection (b).

(i) Grant County possesses unique governmental challenges and opportunities due to deficiencies in the current county jail. The use of local income tax revenues as provided in this section is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of local income tax revenues as provided in this section to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping of the facilities described in subsection (b), rather than the use of property taxes, promotes those purposes.

(j) Money accumulated from the local income tax rate imposed under this section after the termination of the tax under this section shall be transferred to the county rainy day fund under IC 36-1-8-5.1.

SECTION 13. IC 6-3.6-9-10, AS AMENDED BY P.L.184-2018, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 10. The budget agency shall also certify information concerning the part of the certified distribution that is attributable to each of the following:

- (1) The tax rate imposed under IC 6-3.6-5.
- (2) The tax rate imposed under IC 6-3.6-6, separately stating:
 - (A) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.5; ~~and~~
 - (B) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.6; and**
 - ~~(B)~~ **(C)** the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.7.
- (3) Each tax rate imposed under IC 6-3.6-7.
- (4) In the case of Marion County, the local income taxes paid by local taxpayers described in IC 6-3.6-2-13(3).



The amount certified shall be adjusted to reflect any adjustment in the certified distribution under this chapter.

SECTION 14. IC 6-5.5-8-2, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025]: Sec. 2. (a) On or before December 1 and June 1 of each year the ~~auditor~~ of state **comptroller** shall transfer from the financial institutions tax fund to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to fifty percent (50%) of the sum of the distributions under this section for all the taxing units of the county for the state fiscal year. The amount of a taxing unit's distribution for the state fiscal year is equal to the result of:

(1) an amount equal to forty percent (40%) of the total financial institutions tax revenue collected during the preceding state fiscal year; multiplied by

(2) a fraction equal to:

(A) the amount of the guaranteed distributions received by the taxing unit under this chapter during calendar year 2012 (based on the best information available to the department); divided by

(B) the total amount of all guaranteed distributions received by all taxing units under this chapter during calendar year 2012 (based on the best information available to the department).

(b) The county auditor shall distribute the distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(c) The distributions received under subsection (a) may be used for any legal purpose.

(d) This subsection applies to a taxing unit that did not receive a guaranteed distribution under this chapter during calendar year 2012 because the taxing unit was subsequently established as a result of a merger or consolidation of two (2) or more taxing units that received a guaranteed distribution under this chapter during calendar year 2012. The amount of the guaranteed distribution used in the numerator of the fraction described in subsection (a)(2) equals the combined guaranteed distributions received during calendar year 2012 by each taxing unit that was subsequently merged or consolidated into the current taxing unit.

SECTION 15. IC 6-6-5-10, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS



AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:
 Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. The county auditor shall determine the total amount of excise taxes collected for each taxing district in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of the taxing units in the same manner and at the same time as property taxes are apportioned and distributed (subject to adjustment as provided in IC 36-8-19-7.5). **In the event a taxing unit merges or consolidates with one (1) or more taxing units in the county, the county auditor shall include adjustments to the current taxing unit's apportionment and distributions, if necessary, so that the apportionment and distributions accurately reflect the merger or consolidation of the taxing units.** However, for purposes of determining distributions under this section for 2009 and each year thereafter, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit, as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 1997, 1998, and 1999 for each taxing district in the county, determine the result of:

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- (i) the amount appropriated in the year by the county from the county's county welfare fund and county welfare administration fund; divided by
- (ii) the total amounts appropriated by all taxing units in the county for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

- (i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by
- (ii) the clause (C) amount.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

- (i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars (\$35,000,000) from all taxing districts in the county; divided by
- (ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

- (i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D) amount for the same taxing district; multiplied by
- (ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

- (i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund



- in the district; divided by
- (ii) the aggregate tax rate imposed in the taxing district for the same year.
- (B) Determine the sum of the clause (A) amounts.
- (C) Divide the clause (B) amount by three (3).
- (D) Determine the result of:
- (i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D) amount for the same taxing district; multiplied by
 - (ii) the clause (C) amount.
- (E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP FOUR: Determine the sum of the STEP ONE, STEP TWO, and STEP THREE amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE, STEP TWO, or STEP THREE, the ~~auditor of state~~ **comptroller** shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts. If a new taxing district is established after the years for which a ratio is calculated under STEP ONE, STEP TWO, or STEP THREE, the ~~auditor of state~~ **comptroller** shall establish a ratio for the new taxing district and adjust the ratio for other taxing districts in the county.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 16. IC 6-6-5.5-19, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 19. (a) As used in this section, "assessed value" means an amount equal to the true tax value of commercial vehicles that:

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(1) are subject to the commercial vehicle excise tax under this chapter; and

(2) would have been subject to assessment as personal property on March 1, 2000, under the law in effect before January 1, 2000.

(b) For calendar year 2001, a taxing unit's base revenue shall be determined as provided in subsection (f). For calendar years that begin after December 31, 2001, and before January 1, 2009, a taxing unit's base revenue shall be determined by multiplying the previous year's base revenue by one hundred five percent (105%). For calendar years that begin after December 31, 2008, a taxing unit's base revenue is equal to:

(1) the amount of commercial vehicle excise tax collected during the previous state fiscal year; multiplied by

(2) the taxing unit's percentage as determined in subsection (f) for calendar year 2001.

(c) The amount of commercial vehicle excise tax distributed to the taxing units of Indiana from the commercial vehicle excise tax fund shall be determined in the manner provided in this section.

(d) On or before July 1, 2000, each county assessor shall certify to the county auditor the assessed value of commercial vehicles in every taxing district.

(e) On or before August 1, 2000, the county auditor shall certify the following to the department of local government finance:

(1) The total assessed value of commercial vehicles in the county.

(2) The total assessed value of commercial vehicles in each taxing district of the county.

(f) The department of local government finance shall determine each taxing unit's base revenue by applying the current tax rate for each taxing district to the certified assessed value from each taxing district. The department of local government finance shall also determine the following:

(1) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in Indiana.

(2) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in each county.

(3) Each county's total distribution percentage. A county's total distribution percentage shall be determined by dividing the total amount of base revenue to be distributed in 2001 to all taxing units in the county by the total base revenue to be distributed statewide.



(4) Each taxing unit's distribution percentage. A taxing unit's distribution percentage shall be determined by dividing each taxing unit's base revenue by the total amount of base revenue to be distributed in 2001 to all taxing units in the county. **However, in the event a taxing unit subsequently merges or consolidates with another taxing unit in the county, the amount of the base revenue used to calculate the distribution percentage of the taxing unit resulting from the consolidation or merger under this subdivision is the combined base revenue distributed in 2001 to each taxing unit that was subsequently merged or consolidated to establish the currently existing taxing unit.**

(g) The department of local government finance shall certify each taxing unit's base revenue and distribution percentage for calendar year 2001 to the auditor of state on or before September 1, 2000.

(h) The ~~auditor~~ of state **comptroller** shall keep permanent records of each taxing unit's base revenue and distribution percentage for calendar year 2001 for purposes of determining the amount of money each taxing unit in Indiana is entitled to receive in calendar years that begin after December 31, 2001.

SECTION 17. IC 6-9-53-3, AS ADDED BY P.L.290-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The fiscal body of the county may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; or
- (7) tourist cabin;

located in the county.

(b) The tax does not apply to gross income received in a transaction in which:

- (1) a student rents lodgings in a college or university residence hall while that student participates in a course of study for which the student receives college credit from a college or university located in the county; or
- (2) a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) Subject to subsection (d), the tax may not exceed the rate of ~~six~~



eight percent (~~6%~~) (8%) on the gross retail income derived from lodging income only and is in addition to the state gross retail tax imposed under IC 6-2.5. **However, if the county fiscal body increases the tax rate to more than six percent (6%), the portion of the tax rate that exceeds six percent (6%) shall expire on December 31, 2045.**

(d) Notwithstanding subsection (c), the tax rate imposed by the fiscal body of Knox County under this chapter may not exceed five percent (5%), **or, if the county fiscal body increases the tax rate to more than six percent (6%) under subsection (c), may not exceed seven percent (7%),** if either of the following apply:

- (1) The Grouseland Foundation, Inc., is dissolved.
- (2) Tours of the territorial mansion and presidential site of William Henry Harrison are no longer provided.

(e) The tax shall be imposed, paid, and collected in the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

SECTION 18. IC 6-9-53-5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state upon warrants issued by the ~~auditor~~ of state **comptroller** as follows:

- (1) If the tax rate imposed under section 3 of this chapter is:
 - (A) five percent (5%) or less; **or**
 - (B) **during the period that an increase under section 3(c) of this chapter is in effect, seven percent (7%) or less;**
 all amounts received from the tax shall be paid to the county treasurer.

- (2) If the tax rate imposed under section 3 of this chapter is more than five percent (5%), **or, during the period that an increase under section 3(c) of this chapter is in effect, more than seven percent (7%),** amounts received from the tax shall be allocated and paid as follows:

- (A) The amount received from the tax as a result of a five percent (5%) rate, **or, during the period that an increase under section 3(c) of this chapter is in effect, as a result of a seven percent (7%) rate,** shall be allocated and paid to the county treasurer.
- (B) The amount received from the tax that exceeds the amount under clause (A) shall be allocated and paid to the Grouseland Foundation, Inc.



SECTION 19. IC 6-9-58 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:

Chapter 58. Hammond Food and Beverage Tax

Sec. 1. This chapter applies to the city of Hammond.

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

Sec. 3. (a) The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the city food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the city may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the city food and beverage tax is the only substantive issue on the agenda for the public hearing.

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

(c) If the city fiscal body adopts an ordinance under subsection (a), the city food and beverage tax applies to transactions that occur after the later of the following:

- (1) The day specified in the ordinance.**
- (2) The last day of the month that succeeds the month in which the ordinance is adopted.**

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

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

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

- (1) served by a retail merchant off the merchant's premises;**
- (2) sold in a heated state or heated by a retail merchant;**
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to**



prevent food borne illnesses); or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

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

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.

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

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

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

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

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

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

(1) Development related to the northern Indiana commuter transportation district's construction of the West Lake Corridor Commuter Rail Project.

(2) Development in the city's downtown area, including the purchase of land for development in the city's downtown area.



(3) The expansion and improvement of the Hammond Sportsplex and Community Center, including the purchase of land for the expansion and improvement of the Hammond Sportsplex and Community Center.

(4) The expansion and improvement of the Pavilion at Wolf Lake Memorial Park, including the purchase of land for the expansion and improvement of the Pavilion at Wolf Lake Memorial Park.

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

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

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

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

(b) This chapter expires July 1, 2047.

SECTION 20. IC 6-9-59 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:

Chapter 59. Cicero Food and Beverage Tax

Sec. 1. This chapter applies to the town of Cicero.

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

Sec. 3. (a) The fiscal body of the town may adopt an ordinance to impose an excise tax, known as the town food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the town may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the town food and beverage tax is the only substantive issue on the agenda for the public hearing.

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



(c) If the town fiscal body adopts an ordinance under subsection (a), the town food and beverage tax applies to transactions that occur after the later of the following:

- (1) The day specified in the ordinance.
- (2) The last day of the month that succeeds the month in which the ordinance is adopted.

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

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

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

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

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

Sec. 5. The town 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.



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

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

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

(b) The town fiscal officer shall deposit in the fund all amounts received under this chapter.

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

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

(1) To reduce the town's property tax levy for a particular year at the discretion of the town, but this use does not reduce the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for the town.

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

(3) To create new parks and amenities, and to expand and enhance existing parks and amenities.

(4) To upgrade, expand, and otherwise improve the town's water, sanitary sewer, and storm water utilities.

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

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

Sec. 11. (a) If the town imposes the tax authorized by this chapter, the tax terminates on July 1, 2046.



(b) This chapter expires July 1, 2046.

SECTION 21. [EFFECTIVE JULY 1, 2024] (a) The definitions used in IC 6-3.6-2 apply throughout this SECTION.

(b) As used in this SECTION, "district" refers to the Highlander Fire Protection District located in Floyd County established by an ordinance adopted by the Floyd County commissioners on December 30, 2022.

(c) As used in this SECTION, "Greenville FPD" refers to the Greenville Township Fire Protection District located in Floyd County as it existed prior to its merger with the Lafayette FPD.

(d) As used in this SECTION, "Lafayette FPD" refers to the Lafayette Township Fire Protection District located in Floyd County as it existed prior to its merger with the Greenville FPD.

(e) Notwithstanding IC 6-3.6-6, as amended by this act, and IC 6-3.6-9-15, the department of local government finance shall include with its distribution under IC 6-3.6-9-5 for Floyd County in 2025 and for the calculations of any potential supplemental distribution under IC 6-3.6-9-15 for 2026 the following adjustments:

(1) An amount equal to the combined distribution that would have been distributed to the Greenville FPD and the Lafayette FPD in 2024, but for their elimination resulting from the merger to establish the district, shall be added to the distribution to the district.

(2) The distribution for each applicable civil taxing unit and school corporation in Floyd County, excluding the district, shall be reduced by an amount in accordance with IC 6-3.6-9-6 that equals the proportionate share of the amount of local income tax received in 2024 under IC 6-3.6-6, before its amendment by this act, of the combined distribution that would have been distributed to the Greenville FPD and the Lafayette FPD in 2024, but for their elimination resulting from the merger to establish the district.

(f) Notwithstanding IC 6-1.1-18.5, the department of local government finance shall make a one (1) time temporary adjustment to the maximum levies in accordance with the adjustments described in subsection (e) that may not be included in the calculation of a maximum levy in a subsequent year of the applicable taxing units.

(g) This SECTION expires January 1, 2027.

SECTION 22. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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