



March 20, 2019

ENGROSSED HOUSE BILL No. 1402

DIGEST OF HB 1402 (Updated March 19, 2019 11:18 am - DI 125)

Citations Affected: IC 6-9; IC 35-52.

Synopsis: Innkeeper's taxes and other local taxes. Renames the convention center operating fund established under the Vanderburgh County innkeeper's statute to the convention center operating, capital improvement, and financial incentive fund (fund). Provides that expenditures from the fund for a convention center in Vanderburgh County may be used only for operating expenses, capital improvements, and financial incentives to attract new businesses. Changes the date on which Vanderburgh County innkeeper's tax revenue deposited in the fund decreases from the amount equal to the revenue generated by a 2% innkeeper's tax rate to the amount equal to the revenue generated by a 1% innkeeper's tax rate. Allows the Clark County and Floyd County councils to adopt substantially similar ordinances to increase the innkeeper's tax rate in both counties from 4% to 6% (these taxes were imposed by state law in 1976). Allows the Allen County council to adopt an ordinance to increase the innkeeper's tax rate in the county from 7% to 8%. (The tax was imposed by state law before 1980). Provides that if an ordinance to increase the
(Continued next page)

Effective: Upon passage; July 1, 2019.

**Karickhoff, GiaQuinta, Negele,
Lehe**

(SENATE SPONSORS — SANDLIN, HOLDMAN, LANANE)

January 14, 2019, read first time and referred to Committee on Ways and Means.
February 14, 2019, amended, reported — Do Pass.
February 18, 2019, read second time, ordered engrossed.
February 19, 2019, engrossed.
February 20, 2019, read third time, passed. Yeas 67, nays 31.

SENATE ACTION

March 7, 2019, read first time and referred to Committee on Tax and Fiscal Policy.
March 19, 2019, amended, reported favorably — Do Pass.

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Digest Continued

innkeeper's tax rate to 8% is in effect in Allen County, the minimum part of the innkeeper's tax proceeds used to provide development and promotion grants within the county increases from 2/7 to 3/8. Allows the fiscal body of White County to levy the county innkeeper's tax on resorts and any other buildings or structures in the county in which lodging is regularly furnished for consideration. Repeals the innkeeper's tax law specific to Howard County. (Howard County elected to impose an innkeeper's tax under the uniform innkeeper's tax law beginning in 2014.) Provides that the maximum innkeeper's tax rate for Howard County under the uniform innkeeper's tax law is 8% on the gross income derived from lodging income. Amends the uniform innkeeper's tax statute to authorize Knox County to impose the county's innkeeper's tax at a rate not to exceed 6% for not more than 25 years. (Current law authorizes a maximum tax rate of 5% under the uniform innkeeper's tax law.) Provides that, if Knox County adopts a rate that exceeds 5%, the amount of the additional tax revenue from the increased rate shall be paid to the Grouseland Foundation, Inc. to be used only for the restoration, maintenance, and operations of the Indiana territorial mansion and presidential site of William Henry Harrison located in Vincennes. Provides that: (1) a Grouseland Foundation, Inc. official's approval of a transfer of money from the increased Knox County innkeeper's tax rate to any person not qualified to receive the transfer or for a purpose not permitted; and (2) the receipt and use of a transfer of money for any disallowed purpose; is a Level 6 felony. Authorizes Brown County to impose a \$1 admissions tax upon admissions to the indoor performing arts center. Specifies how the revenue may be used. Permits the county to enter into an operating lease with the convention and visitors commission and a contract with a nonprofit organization to operate the indoor performing arts center. Authorizes the fiscal body of the city of Attica (in Fountain County) to impose a food and beverage tax. Authorizes the town of Danville to impose a food and beverage tax. Authorizes the city of Greenwood to impose a food and beverage tax. Authorizes the town of Whitestown to impose a food and beverage tax.

EH 1402—LS 7557/DI 92



March 20, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1402

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 6-9-2.5-1, AS AMENDED BY P.L.119-2012,
2 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 1. This chapter applies to a **Vanderburgh** County.
4 ~~having a population of more than one hundred seventy-five thousand~~
5 ~~(175,000) but less than one hundred eighty-five thousand (185,000).~~
6 SECTION 2. IC 6-9-2.5-1.1 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2019]: **Sec. 1.1. The following definitions apply throughout this**
9 **chapter:**
10 (1) "County" refers to the county specified in section 1 of this
11 chapter.
12 (2) "New business" means a business entity, organization, or
13 association that:
14 (A) reasonably establishes an intent to have at least two
15 hundred (200) patrons to rent rooms, lodgings, or
16 accommodations for periods of less than thirty (30) days in
17 any commercial hotel, motel, inn, tourist camp, or tourist

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- 1 cabin that is located in the county; and
 2 **(B) has not received a financial incentive from the county**
 3 **during the immediately preceding five (5) calendar years.**
 4 **(3) "Operating expenses" means expenses incurred in the**
 5 **ordinary course of business operations. The term does not**
 6 **include expenditures:**
 7 **(A) for constructing, repairing, or maintaining public**
 8 **streets or sidewalks; or**
 9 **(B) for a person (as defined in IC 6-2.5-1-3) or a**
 10 **governmental entity to provide security for a convention**
 11 **held at a convention center in the county.**

12 SECTION 3. IC 6-9-2.5-7.5, AS AMENDED BY P.L.190-2014,
 13 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2019]: Sec. 7.5. (a) The county treasurer shall establish a
 15 tourism capital improvement fund.

16 (b) The county treasurer shall deposit money in the tourism capital
 17 improvement fund as follows:

18 (1) Before January 1, ~~2020~~, **2026**, the county treasurer shall
 19 deposit in the tourism capital improvement fund the amount of
 20 money received under section 6 of this chapter that is generated
 21 by a three and one-half percent (3.5%) rate.

22 (2) After December 31, ~~2019~~, **2025**, the county treasurer shall
 23 deposit in the tourism capital improvement fund the amount of
 24 money received under section 6 of this chapter that is generated
 25 by a four and one-half percent (4.5%) rate.

26 (c) The commission may transfer money in the tourism capital
 27 improvement fund to:

28 (1) the county government, a city government, or a separate body
 29 corporate and politic in a county described in section 1 of this
 30 chapter; or

31 (2) any Indiana nonprofit corporation;

32 for the purpose of making capital improvements in the county that
 33 promote conventions, tourism, or recreation. The commission may
 34 transfer money under this section only after approving the transfer.
 35 Transfers shall be made quarterly or less frequently under this section.

36 SECTION 4. IC 6-9-2.5-7.7, AS AMENDED BY P.L.190-2014,
 37 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2019]: Sec. 7.7. **(a) As used in this section, "fund" refers to**
 39 **the convention center operating, capital improvement, and**
 40 **financial incentive fund established under subsection (b).**

41 ~~(a)~~ **(b)** The county treasurer shall establish a convention center
 42 operating, **capital improvement, and financial incentive** fund.



1 ~~(b)~~ **(c)** Before January 1, ~~2020~~, **2026**, the county treasurer shall
 2 deposit in the ~~convention center operating~~ fund the amount of money
 3 received under section 6 of this chapter that is generated by a two
 4 percent (2%) rate. ~~Money in the fund must be expended for the~~
 5 ~~operating expenses of a convention center.~~

6 ~~(c)~~ **(d)** After December 31, ~~2019~~, **2025**, the county treasurer shall
 7 deposit in the ~~convention center operating~~ fund the amount of money
 8 received under section 6 of this chapter that is generated by a one
 9 percent (1%) rate. ~~Money in the fund must be expended for the~~
 10 ~~operating expenses of a convention center with the unused balance~~
 11 ~~transferred on January 1 of each year to the tourism capital~~
 12 ~~improvement fund.~~

13 **(e) Money in the fund may be expended only for the following:**

14 **(1) Operating expenses of a convention center located in the**
 15 **county.**

16 **(2) Capital improvements to a convention center located in the**
 17 **county.**

18 **(3) Financial incentives to attract, promote, or encourage new**
 19 **business conventions, trade shows, or special events held at a**
 20 **convention center located in the county.**

21 **(f) A financial incentive described in subsection (e)(3) may not**
 22 **be distributed to a new business for at least thirty (30) days after**
 23 **the conclusion of a convention, trade show, or special event that is**
 24 **held by the new business at a convention center located in the**
 25 **county.**

26 SECTION 5. IC 6-9-3-4, AS AMENDED BY P.L.175-2018,
 27 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2019]: Sec. 4. (a) In counties to which this chapter applies,
 29 there shall be levied each year a tax on every person engaged in the
 30 business of renting or furnishing, for periods of less than thirty (30)
 31 days, any room or rooms or lodgings or accommodations in any
 32 commercial hotel, motel, inn, tourist camp, or tourist cabin. However,
 33 this tax does not apply to the renting or furnishing of rooms, lodgings,
 34 or accommodations to a person for a period of thirty (30) days or more.

35 ~~(b) Such~~ **The** tax shall be at the rate of four percent (4%) on the
 36 gross retail income derived from lodging income only and shall be in
 37 addition to the state gross retail tax imposed on such persons by
 38 IC 6-2.5. **The tax rate may be increased to not more than six**
 39 **percent (6%) by the adoption of substantially similar ordinances**
 40 **by the county fiscal body of each of the counties to which this**
 41 **chapter applies.**

42 (c) The county fiscal body may adopt an ordinance to require that



1 the tax shall be paid monthly to the county treasurer. If such an
 2 ordinance is adopted, the tax shall be paid to the county treasurer not
 3 more than twenty (20) days after the end of the month the tax is
 4 collected. If such an ordinance is not adopted, the tax shall be imposed,
 5 paid, and collected in exactly the same manner as the state gross retail
 6 tax is imposed, paid, and collected pursuant to IC 6-2.5.

7 (d) All of the provisions of IC 6-2.5 relating to rights, duties,
 8 liabilities, procedures, penalties, definitions, exemptions, and
 9 administration shall be applicable to the imposition and administration
 10 of the tax imposed by this section except to the extent such provisions
 11 are in conflict or inconsistent with the specific provisions of this
 12 chapter or the requirements of the county treasurer. Specifically, and
 13 not in limitation of the foregoing sentence, the terms "person" and
 14 "gross retail income" shall have the same meaning in this section as
 15 they have in IC 6-2.5.

16 (e) If the tax is paid to the department of state revenue, the returns
 17 to be filed for the payment of the tax under this section may be either
 18 a separate return or may be combined with the return filed for the
 19 payment of the state gross retail tax as the department of state revenue
 20 may by rule determine.

21 (f) If the tax is paid to the department of state revenue, the amounts
 22 received from such tax shall be paid monthly by the treasurer of state
 23 to the county treasurer upon warrants issued by the auditor of state.

24 SECTION 6. IC 6-9-9-3, AS AMENDED BY P.L.224-2007,
 25 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2019]: Sec. 3. (a) **Except as provided in subsection (b)**, the
 27 tax imposed by section 2 of this chapter ~~shall be~~ **is imposed** at the rate
 28 of seven percent (7%) on the gross income derived from lodging
 29 income only.

30 **(b) The county fiscal body may adopt an ordinance to increase**
 31 **the tax rate to eight percent (8%).**

32 ~~(b) (c) At least two-sevenths (2/7) of~~ **The capital improvement**
 33 **board of managers shall make grants to the convention and visitor**
 34 **bureau in the county from** the tax proceeds paid to the capital
 35 improvement board of managers under this chapter. ~~must be used to~~
 36 ~~provide~~ **A grant made to the convention and visitor bureau in the**
 37 **county under this subsection is to be used solely for the**
 38 **development and promotion of the tourism and convention**
 39 **industry within the county. The amount of the grants to the**
 40 **convention and visitor bureau in the county to be used solely for the**
 41 **purpose of the development and promotion of the tourism and**
 42 **convention industry within the county under this subsection must**



- 1 **equal or exceed:**
 2 **(1) two-sevenths (2/7) of the tax proceeds paid to the capital**
 3 **improvement board of managers under this chapter, while an**
 4 **ordinance described in subsection (b) is not in effect in the**
 5 **county; or**
 6 **(2) three-eighths (3/8) of the tax proceeds paid to the capital**
 7 **improvement board of managers under this chapter, while an**
 8 **ordinance described in subsection (b) is in effect in the county.**
 9 ~~(c)~~ **(d)** The capital improvement board of managers may establish
 10 budgetary requirements for the convention and visitors bureau. If the
 11 convention and visitors bureau fails to conform, the board may elect to
 12 suspend funding until the bureau complies.
 13 SECTION 7. IC 6-9-10.5-6, AS AMENDED BY P.L.175-2018,
 14 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2019]: Sec. 6. (a) The fiscal body of a county may levy a tax
 16 on every person engaged in the business of renting or furnishing, for
 17 periods of less than thirty (30) days, any room or rooms, lodgings, or
 18 accommodations in any:
 19 (1) hotel;
 20 (2) motel;
 21 (3) inn;
 22 (4) tourist cabin; ~~or~~
 23 (5) campground space; ~~or~~
 24 **(6) resort;**
 25 **located in the county in White County in which lodging is regularly**
 26 **furnished for consideration.**
 27 (b) The tax may not exceed the rate of five percent (5%) on the
 28 gross retail income derived from lodging income only and is in addition
 29 to the state gross retail tax imposed under IC 6-2.5.
 30 (c) The county fiscal body may adopt an ordinance to require that
 31 the tax shall be paid monthly to the county treasurer. If such an
 32 ordinance is adopted, the tax shall be paid to the county treasurer not
 33 more than twenty (20) days after the end of the month the tax is
 34 collected. If such an ordinance is not adopted, the tax shall be imposed,
 35 paid, and collected in exactly the same manner as the state gross retail
 36 tax is imposed, paid, and collected under IC 6-2.5.
 37 (d) All of the provisions of IC 6-2.5 relating to rights, duties,
 38 liabilities, procedures, penalties, definitions, exemptions, and
 39 administration are applicable to the imposition and administration of
 40 the tax imposed under this section except to the extent those provisions
 41 are in conflict or inconsistent with the specific provisions of this
 42 chapter or the requirements of the county treasurer. If the tax is paid to



1 the department of state revenue, the return to be filed for the payment
 2 of the tax under this section may be either a separate return or may be
 3 combined with the return filed for the payment of the state gross retail
 4 tax as the department of state revenue may, by rule, determine.

5 (e) If the tax is paid to the department of state revenue, the taxes the
 6 department of state revenue receives under this section during a month
 7 shall be paid, by the end of the next succeeding month, to the county
 8 treasurer upon warrants issued by the auditor of state.

9 SECTION 8. IC 6-9-16 IS REPEALED [EFFECTIVE JULY 1,
 10 2019]. (Howard County Innkeeper's Tax).

11 SECTION 9. IC 6-9-18-3, AS AMENDED BY P.L.175-2018,
 12 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2019]: Sec. 3. (a) The fiscal body of a county may levy a tax
 14 on every person engaged in the business of renting or furnishing, for
 15 periods of less than thirty (30) days, any room or rooms, lodgings, or
 16 accommodations in any:

- 17 (1) hotel;
- 18 (2) motel;
- 19 (3) boat motel;
- 20 (4) inn;
- 21 (5) college or university memorial union;
- 22 (6) college or university residence hall or dormitory; or
- 23 (7) tourist cabin;

24 located in the county.

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

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

33 (c) The tax may not exceed:

34 **(1) the rate of five percent (5%) in a county other than a county**
 35 **subject to subdivision (2); or**

36 **(2) after June 30, 2019:**

37 **(A) the rate of eight percent (8%) in Howard County; or**

38 **(B) except as provided in section 3.5(c) of this chapter, the**
 39 **rate of six percent (6%) in Knox County.**

40 **The tax is imposed** on the gross retail income derived from lodging
 41 income only and is in addition to the state gross retail tax imposed
 42 under IC 6-2.5.



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

8 (e) All of the provisions of IC 6-2.5 relating to rights, duties,
 9 liabilities, procedures, penalties, definitions, exemptions, and
 10 administration are applicable to the imposition and administration of
 11 the tax imposed under this section except to the extent those provisions
 12 are in conflict or inconsistent with the specific provisions of this
 13 chapter or the requirements of the county treasurer. If the tax is paid to
 14 the department of state revenue, the return to be filed for the payment
 15 of the tax under this section may be either a separate return or may be
 16 combined with the return filed for the payment of the state gross retail
 17 tax as the department of state revenue may, by rule, determine.

18 (f) If the tax is paid to the department of state revenue, the amounts
 19 received from the tax imposed under this section shall be paid monthly
 20 by the treasurer of state to the county treasurer upon warrants issued by
 21 the auditor of state.

22 SECTION 10. IC 6-9-18-3.5 IS ADDED TO THE INDIANA CODE
 23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 24 1, 2019]: **Sec. 3.5. (a) Subject to subsection (c), the fiscal body of
 25 Knox County may levy a tax under section 3 of this chapter at a
 26 rate not to exceed six percent (6%) on the gross retail income
 27 derived from lodging income only and is in addition to the state
 28 gross retail tax imposed under IC 6-2.5.**

29 **(b) Notwithstanding any other provision of this chapter, if the
 30 fiscal body of Knox County adopts a rate that exceeds five percent
 31 (5%) under this section, the following shall apply to the tax
 32 imposed and collected in that county:**

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

36 **(2) The amounts received from the tax shall be paid monthly
 37 by the treasurer of state upon warrants issued by the auditor
 38 of state as follows:**

39 **(A) The amount received from the tax as a result of a five
 40 percent (5%) rate shall be allocated and paid to the county
 41 treasurer of Knox County.**

42 **(B) The amount received from the tax that exceeds the**



- 1 amount under clause (A) shall be allocated and paid to the
 2 Grouseland Foundation, Inc.
 3 (3) The treasurer of the Grouseland Foundation, Inc. shall
 4 deposit all money received under subdivision (2)(B) in a
 5 separate account of the Grouseland Foundation, Inc.
 6 (4) The Grouseland Foundation, Inc. shall use the money
 7 received under subdivision (2)(B) only for the restoration,
 8 maintenance, and operations of the Indiana territorial
 9 mansion and presidential site of William Henry Harrison
 10 located at West Scott Street in the city of Vincennes.
 11 (5) The Grouseland Foundation, Inc. shall be subject to the
 12 same provisions concerning public funds that a commission is
 13 subject to under section 7 of this chapter.

14 For purposes of this section, "Grouseland Foundation, Inc." refers
 15 to the tax exempt organization located in Vincennes, Indiana,
 16 whose mission is to promote history in the local area by providing
 17 tours of the historical site of the home of the ninth President of the
 18 United States, William Henry Harrison.

19 (c) Notwithstanding subsection (a), the tax rate imposed by the
 20 fiscal body of Knox County under this chapter may not exceed five
 21 percent (5%) if either of the following apply:

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

25 (d) This section expires July 1, 2043.

26 SECTION 11. IC 6-9-18-9 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2019]: Sec. 9. (a) An officer, director, or trustee of the
 29 Grouseland Foundation, Inc. who knowingly:

- 30 (1) approves the transfer of money received under this
 31 chapter to any person or corporation not qualified under law
 32 for that transfer; or
 33 (2) approves a transfer for a purpose not permitted under
 34 law;

35 commits a Level 6 felony.

36 (b) A person who receives a transfer of money under this
 37 chapter and knowingly uses that money for any purpose not
 38 permitted under this chapter commits a Level 6 felony.

39 SECTION 12. IC 6-9-29-5, AS ADDED BY P.L.175-2018,
 40 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2019]: Sec. 5. (a) As used in this section, "commission" refers
 42 to the following:



- 1 (1) A board of managers established under:
 2 (A) IC 6-9-1-2 (St. Joseph County);
 3 (B) IC 6-9-3-1 (Floyd/Clark County);
 4 (C) IC 6-9-6-2 (LaPorte County);
 5 (D) IC 6-9-10-2 (Wayne County); or
 6 (E) IC 6-9-15-2 (Jefferson County).
- 7 (2) A capital improvement board of managers established under:
 8 (A) IC 36-10-9-3 (Marion County); or
 9 (B) IC 36-10-8 (Allen County).
- 10 (3) A commission established under:
 11 (A) IC 6-9-10.5-9 (White County);
 12 (B) IC 6-9-18-5 (Uniform County Innkeeper's Tax);
 13 (C) IC 6-9-19-5 (Elkhart County);
 14 (D) IC 6-9-32-5 (Jackson County); or
 15 (E) IC 6-9-37-5 (Hendricks County).
- 16 (4) A convention and visitor bureau:
 17 (A) established under IC 6-9-2-3 (Lake County); or
 18 (B) designated as a grant recipient under ~~IC 6-9-9-3(b)~~
 19 **IC 6-9-9-3(c)** (Allen County).
- 20 (5) A convention and visitor commission established under:
 21 (A) IC 6-9-2.5-2 (Vanderburgh County);
 22 (B) IC 6-9-4-2 (Monroe County);
 23 (C) IC 6-9-7-2 (Tippecanoe County);
 24 (D) IC 6-9-11-2 (Vigo County);
 25 (E) IC 6-9-14-2 (Brown County); **or**
 26 ~~(F) IC 6-9-16-2 (Howard County); or~~
 27 ~~(G)~~ **(F)** IC 6-9-17-5 (Madison County).
- 28 (6) Any other similar entity that is authorized to administer funds
 29 received from an innkeeper's tax imposed under this article.
- 30 (b) Each month, the department of state revenue shall also provide
 31 summary data of the amount of the county's innkeeper's tax collections
 32 to the commission established for that county.
- 33 (c) This subsection applies only to a county that has adopted an
 34 ordinance requiring the payment of the innkeeper's tax to the county
 35 treasurer instead of the department of state revenue. The county
 36 treasurer shall determine and report to the department of state revenue
 37 before March 1 of each year the amount of innkeeper's tax collected in
 38 the county in the preceding calendar year. Not later than April 1 of
 39 each year, the department of state revenue shall provide summary data
 40 of the total amount of the county's innkeeper's tax collected in the
 41 preceding calendar year to the commission established for that county.
- 42 SECTION 13. IC 6-9-46 IS ADDED TO THE INDIANA CODE AS



1 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
2 PASSAGE]:

3 **Chapter 46. Performing Arts Center Admissions Tax**

4 **Sec. 1. This chapter applies only in Brown County.**

5 **Sec. 2. As used in this chapter, "indoor performing arts center"**
6 **means an indoor facility providing space for entertainment events**
7 **that:**

8 (1) has a minimum capacity of at least two thousand (2,000)
9 patrons; and

10 (2) is located in a geographic area that has not been annexed
11 by a city before the adoption of the ordinance under section
12 3 of this chapter.

13 **Sec. 3. (a) After January 1 but before June 1 of a year, the**
14 **county fiscal body may adopt an ordinance to impose an excise tax,**
15 **known as the performing arts center admissions tax, for the**
16 **privilege of attending any event:**

17 (1) held in an indoor performing arts center; and

18 (2) to which tickets are offered for sale to the public by:

19 (A) the box office of the indoor performing arts center; or

20 (B) an authorized agent of the indoor performing arts
21 center.

22 (b) The excise tax imposed under subsection (a) does not apply
23 to the following:

24 (1) An event sponsored by an educational institution or an
25 association representing an educational institution.

26 (2) An event sponsored by a religious organization.

27 (3) An event sponsored by an organization that is considered
28 a charitable organization by the Internal Revenue Service for
29 federal tax purposes.

30 (4) An event sponsored by a political organization.

31 (c) If the fiscal body adopts an ordinance under subsection (a),
32 the excise tax applies to an event ticket purchased after:

33 (1) June 30 of the calendar year in which the ordinance is
34 adopted; or

35 (2) a later date that is set forth in the ordinance.

36 (d) If a county fiscal body adopts an ordinance under subsection
37 (a), it shall immediately send a certified copy of the ordinance to
38 the commissioner of the department of state revenue.

39 **Sec. 4. The performing arts center admissions tax equals one**
40 **dollar (\$1) for each admission described in section 3 of this**
41 **chapter.**

42 **Sec. 5. (a) Each person who pays a price for admission described**



1 in section 3 of this chapter is liable for the performing arts center
2 admissions tax imposed under this chapter.

3 (b) The person who collects the price for admission shall collect
4 the performing arts center admissions tax imposed under this
5 chapter at the same time the price for admission is paid. The
6 person shall collect the tax as an agent of the county that owns the
7 indoor performing arts center.

8 Sec. 6. (a) A person who collects a performing arts center
9 admissions tax under section 5 of this chapter shall remit the
10 revenue collected monthly to the department of state revenue. The
11 tax collected from persons paying for admission to a particular
12 event shall be remitted not more than fifteen (15) days after the
13 end of the month during which the event occurred.

14 (b) At the time the tax revenues are remitted, the person shall
15 report the amount of performing arts center admissions tax
16 collected on forms prescribed by the department of state revenue.

17 Sec. 7. The amounts received from the performing arts center
18 admissions tax shall be paid monthly by the treasurer of state to
19 the county treasurer upon warrants issued by the auditor of state.

20 Sec. 8. (a) If a performing arts center admissions tax is imposed
21 under this chapter, the county legislative body shall establish a
22 county performing arts center admissions tax fund.

23 (b) The county treasurer shall deposit money received under
24 section 7 of this chapter in the county performing arts center
25 admissions tax fund.

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

28 (d) Money in the fund may be used by the county only with
29 regard to the indoor performing arts center and only for the
30 following:

- 31 (1) Retiring debt related to the indoor performing arts center.
- 32 (2) Paying lease rentals related to the indoor performing arts
33 center.
- 34 (3) Paying for costs to improve or construct infrastructure
35 serving the indoor performing arts center.
- 36 (4) Paying for costs related to capital repairs and maintenance
37 of the indoor performing arts center.

38 Sec. 9. The county may enter into an operating lease with the
39 convention and visitors commission created by IC 6-9-14-2 and a
40 contract with a nonprofit organization to operate the indoor
41 performing arts center.

42 Sec. 10. With respect to:



1 (1) bonds, leases, or other obligations to which the county has
2 pledged revenues under this chapter; and

3 (2) bonds issued by a lessor that are payable from lease
4 rentals;

5 the general assembly covenants with the county and the purchasers
6 or owners of the bonds or other obligations described in this
7 section that this chapter will not be repealed or amended in any
8 manner that will adversely affect the collection of the tax imposed
9 under this chapter or the money deposited in the county
10 performing arts center admissions tax fund, as long as the
11 principal of or interest on any bonds, or the lease rentals due under
12 any lease, are unpaid.

13 SECTION 14. IC 6-9-49 IS ADDED TO THE INDIANA CODE AS
14 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2019]:

16 **Chapter 49. Attica Food and Beverage Tax**

17 **Sec. 1. This chapter applies to the city of Attica.**

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

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

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

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

34 **(1) The day specified in the ordinance.**

35 **(2) The last day of the month that succeeds the month in
36 which the ordinance is adopted.**

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

40 **(1) for consumption at a location or on equipment provided by
41 a retail merchant;**

42 **(2) in the city; and**



- 1 (3) by a retail merchant for consideration.
- 2 (b) Transactions described in subsection (a)(1) include
- 3 transactions in which food or beverage is:
- 4 (1) served by a retail merchant off the merchant's premises;
- 5 (2) food sold in a heated state or heated by a retail merchant;
- 6 (3) made of two (2) or more food ingredients, mixed or
- 7 combined by a retail merchant for sale as a single item (other
- 8 than food that is only cut, repackaged, or pasteurized by the
- 9 seller, and eggs, fish, meat, poultry, and foods containing these
- 10 raw animal foods requiring cooking by the consumer as
- 11 recommended by the federal Food and Drug Administration
- 12 in chapter 3, subpart 3-401.11 of its Food Code so as to
- 13 prevent food borne illnesses); or
- 14 (4) food sold with eating utensils provided by a retail
- 15 merchant, including plates, knives, forks, spoons, glasses,
- 16 cups, napkins, or straws (for purposes of this subdivision, a
- 17 plate does not include a container or package used to
- 18 transport the food).
- 19 (c) The city food and beverage tax does not apply to the
- 20 furnishing, preparing, or serving of a food or beverage in a
- 21 transaction that is exempt, or to the extent the transaction is
- 22 exempt, from the state gross retail tax imposed by IC 6-2.5.
- 23 Sec. 5. The city food and beverage tax rate:
- 24 (1) must be imposed in an increment of twenty-five
- 25 hundredths percent (0.25%); and
- 26 (2) may not exceed one percent (1%);
- 27 of the gross retail income received by the merchant from the food
- 28 or beverage transaction described in section 4 of this chapter. For
- 29 purposes of this chapter, the gross retail income received by the
- 30 retail merchant from a transaction does not include the amount of
- 31 tax imposed on the transaction under IC 6-2.5.
- 32 Sec. 6. A tax imposed under this chapter shall be imposed, paid,
- 33 and collected in the same manner that the state gross retail tax is
- 34 imposed, paid, and collected under IC 6-2.5. However, the return
- 35 to be filed with the payment of the tax imposed under this chapter
- 36 may be made on a separate return or may be combined with the
- 37 return filed for the payment of the state gross retail tax, as
- 38 prescribed by the department of state revenue.
- 39 Sec. 7. The amounts received from the tax imposed under this
- 40 chapter shall be paid monthly by the treasurer of state to the city
- 41 fiscal officer upon warrants issued by the auditor of state.
- 42 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by



1 a city, the city fiscal officer shall establish a food and beverage tax
 2 receipts fund.
 3 (b) The city fiscal officer shall deposit in the fund all amounts
 4 received under this chapter.
 5 (c) Money earned from the investment of money in the fund
 6 becomes a part of the fund.
 7 **Sec. 9. Money in the food and beverage tax receipts fund must**
 8 **be used by the city only for the following purposes:**
 9 (1) Revitalization projects in the city, including the
 10 repurposing of buildings and the city's main street program.
 11 (2) The pledge of money under IC 5-1-14-4 for bonds, leases,
 12 or other obligations incurred for a purpose described in
 13 subdivision (1).
 14 Revenue derived from the imposition of a tax under this chapter
 15 may be treated by the city as additional revenue for the purpose of
 16 fixing its budget for the budget year during which the revenues are
 17 to be distributed to the city.
 18 **Sec. 10. With respect to obligations for which a pledge has been**
 19 **made under section 9 of this chapter, the general assembly**
 20 **covenants with the holders of the obligations that this chapter will**
 21 **not be repealed or amended in a manner that will adversely affect**
 22 **the imposition or collection of the tax imposed under this chapter**
 23 **if the payment of any of the obligations is outstanding.**
 24 SECTION 15. IC 6-9-50 IS ADDED TO THE INDIANA CODE AS
 25 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2019]:
 27 **Chapter 50. Danville Food and Beverage Tax**
 28 **Sec. 1. This chapter applies to the town of Danville.**
 29 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
 30 **chapter.**
 31 **Sec. 3. (a) The fiscal body of the town may adopt an ordinance**
 32 **to impose an excise tax, known as the town food and beverage tax,**
 33 **on transactions described in section 4 of this chapter. The fiscal**
 34 **body of the town may adopt an ordinance under this subsection**
 35 **only after the fiscal body has previously held at least one (1)**
 36 **separate public hearing in which a discussion of the proposed**
 37 **ordinance to impose the town food and beverage tax is the only**
 38 **substantive issue on the agenda for the public hearing.**
 39 **(b) If the town fiscal body adopts an ordinance under subsection**
 40 **(a), the town fiscal body shall immediately send a certified copy of**
 41 **the ordinance to the department of state revenue.**
 42 **(c) If the town fiscal body adopts an ordinance under subsection**



1 (a), the town food and beverage tax applies to transactions that
2 occur after the later of the following:

3 (1) The day specified in the ordinance.

4 (2) The last day of the month that succeeds the month in
5 which the ordinance is adopted.

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

9 (1) for consumption at a location or on equipment provided by
10 a retail merchant;

11 (2) in the town; and

12 (3) by a retail merchant for consideration.

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

15 (1) served by a retail merchant off the merchant's premises;

16 (2) food sold in a heated state or heated by a retail merchant;

17 (3) made of two (2) or more food ingredients, mixed or
18 combined by a retail merchant for sale as a single item (other
19 than food that is only cut, repackaged, or pasteurized by the
20 seller, and eggs, fish, meat, poultry, and foods containing these
21 raw animal foods requiring cooking by the consumer as
22 recommended by the federal Food and Drug Administration
23 in chapter 3, subpart 3-401.11 of its Food Code so as to
24 prevent food borne illnesses); or

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

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

34 Sec. 5. The town food and beverage tax rate:

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

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

38 of the gross retail income received by the merchant from the food
39 or beverage transaction described in section 4 of this chapter. For
40 purposes of this chapter, the gross retail income received by the
41 retail merchant from a transaction does not include the amount of
42 tax imposed on the transaction under IC 6-2.5 or IC 6-9-35.



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

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

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

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

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

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

20 **(1)** Parks, trails, and sidewalk, street, and parking
 21 improvements to support tourism in the town.

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

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

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

35 SECTION 16. IC 6-9-51 IS ADDED TO THE INDIANA CODE AS
 36 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 37 PASSAGE]:

38 **Chapter 51. Greenwood Food and Beverage Tax**

39 **Sec. 1.** This chapter applies to the city of Greenwood.

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

42 **Sec. 3. (a)** The fiscal body of the city may adopt an ordinance to



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

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

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

14 (1) The day specified in the ordinance.

15 (2) The first day of the month following sixty (60) days after
 16 the date on which the ordinance is adopted.

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

20 (1) for consumption at a location or on equipment provided by
 21 a retail merchant;

22 (2) in the city; and

23 (3) by a retail merchant for consideration.

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

26 (1) served by a retail merchant off the merchant's premises;

27 (2) food sold in a heated state or heated by a retail merchant;

28 (3) made of two (2) or more food ingredients, mixed or
 29 combined by a retail merchant for sale as a single item (other
 30 than food that is only cut, repackaged, or pasteurized by the
 31 seller, and eggs, fish, meat, poultry, and foods containing these
 32 raw animal foods requiring cooking by the consumer as
 33 recommended by the federal Food and Drug Administration
 34 in chapter 3, subpart 3-401.11 of its Food Code so as to
 35 prevent food borne illnesses); or

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

41 (c) The city food and beverage tax does not apply to the
 42 furnishing, preparing, or serving of a food or beverage in a



1 transaction that is exempt, or to the extent the transaction is
2 exempt, from the state gross retail tax imposed by IC 6-2.5.

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

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

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

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

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

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

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

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

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

29 **Sec. 9. Money in the food and beverage tax receipts fund must**
30 **be used by the city for one (1) or more of the following purposes:**

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

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

38 (3) Construction, renovation, improvement, equipping, or
39 maintenance of city capital improvements.

40 (4) Parks and recreation.

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



1 subdivisions (3) through (4).
 2 Revenue derived from the imposition of a tax under this chapter
 3 may be treated by the city as additional revenue for the purpose of
 4 fixing its budget for the budget year during which the revenues are
 5 to be distributed to the city.

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

12 SECTION 17. IC 6-9-52 IS ADDED TO THE INDIANA CODE AS
 13 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 14 PASSAGE]:

15 **Chapter 52. Whitestown Food and Beverage Tax**

16 **Sec. 1. This chapter applies to the town of Whitestown.**

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

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

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

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

- 33 **(1) The day specified in the ordinance.**
- 34 **(2) The first day of the month following sixty (60) days after**
 35 **the date on which the ordinance is adopted.**

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

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



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

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

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

22 **Sec. 5. The town food and beverage tax rate:**

- 23 **(1) must be imposed in an increment of twenty-five**
 24 **hundredths percent (0.25%); and**
 25 **(2) may not exceed one percent (1%);**

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

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

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

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



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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 for one (1) or more of 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) Construction, renovation, improvement, equipping, or maintenance of town capital improvements.

(4) Parks and recreation.

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

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.

SECTION 18. IC 35-52-6-74 IS REPEALED [EFFECTIVE JULY 1, 2019]. ~~Sec. 74. IC 6-9-16-8 defines a crime concerning innkeeper's taxes.~~

SECTION 19. IC 35-52-6-76.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 76.2. IC 6-9-18-9 defines a crime concerning innkeeper's taxes.**

SECTION 20. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1402, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-9-2.5-1, AS AMENDED BY P.L.119-2012, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. This chapter applies to a **Vanderburgh** County. ~~having a population of more than one hundred seventy-five thousand (175,000) but less than one hundred eighty-five thousand (185,000).~~

SECTION 2. IC 6-9-2.5-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1.1. The following definitions apply throughout this chapter:**

(1) "County" refers to the county specified in section 1 of this chapter.

(2) "New business" means a business entity, organization, or association that:

(A) reasonably establishes an intent to have at least two hundred (200) patrons to rent rooms, lodgings, or accommodations for periods of less than thirty (30) days in any commercial hotel, motel, inn, tourist camp, or tourist cabin that is located in the county; and

(B) has not received a financial incentive from the county during the immediately preceding five (5) calendar years.

(3) "Operating expenses" means expenses incurred in the ordinary course of business operations. The term does not include expenditures:

(A) for constructing, repairing, or maintaining public streets or sidewalks; or

(B) for a person (as defined in IC 6-2.5-1-3) or a governmental entity to provide security for a convention held at a convention center in the county.

SECTION 3. IC 6-9-2.5-7.5, AS AMENDED BY P.L.190-2014, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, ~~2020~~, **2026**, the county treasurer shall

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deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three and one-half percent (3.5%) rate.

(2) After December 31, ~~2019~~, **2025**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a four and one-half percent (4.5%) rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 4. IC 6-9-2.5-7.7, AS AMENDED BY P.L.190-2014, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7.7. **(a) As used in this section, "fund" refers to the convention center operating, capital improvement, and financial incentive fund established under subsection (b).**

~~(a)~~ **(b)** The county treasurer shall establish a convention center operating, **capital improvement, and financial incentive** fund.

~~(b)~~ **(c)** Before January 1, ~~2020~~, **2026**, the county treasurer shall deposit in the ~~convention center operating~~ fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. ~~Money in the fund must be expended for the operating expenses of a convention center.~~

~~(c)~~ **(d)** After December 31, ~~2019~~, **2025**, the county treasurer shall deposit in the ~~convention center operating~~ fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. ~~Money in the fund must be expended for the operating expenses of a convention center with the unused balance transferred on January 1 of each year to the tourism capital improvement fund.~~

(e) Money in the fund may be expended only for the following:

(1) Operating expenses of a convention center located in the county.

(2) Capital improvements to a convention center located in the county.

(3) Financial incentives to attract, promote, or encourage new



business conventions, trade shows, or special events held at a convention center located in the county.

(f) A financial incentive described in subsection (e)(3) may not be distributed to a new business for at least thirty (30) days after the conclusion of a convention, trade show, or special event that is held by the new business at a convention center located in the county.

SECTION 5. IC 6-9-3-4, AS AMENDED BY P.L.175-2018, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. (a) In counties to which this chapter applies, there shall be levied each year 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 or lodgings or accommodations in any commercial hotel, motel, inn, tourist camp, or tourist cabin. However, this tax does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

(b) ~~Such~~ **The tax shall be at the rate of four percent (4%) on the gross retail income derived from lodging income only and shall be in addition to the state gross retail tax imposed on such persons by IC 6-2.5. The tax rate may be increased to not more than six percent (6%) by the adoption of substantially similar ordinances by the county fiscal body of each of the counties to which this chapter applies.**

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

(d) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically, and not in limitation of the foregoing sentence, the terms "person" and "gross retail income" shall have the same meaning in this section as they have in IC 6-2.5.

(e) If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the



payment of the state gross retail tax as the department of state revenue may by rule determine.

(f) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

SECTION 6. IC 6-9-9-3, AS AMENDED BY P.L.224-2007, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. (a) **Except as provided in subsection (b)**, the tax imposed by section 2 of this chapter ~~shall be~~ **is imposed** at the rate of seven percent (7%) on the gross income derived from lodging income only.

(b) The county fiscal body may adopt an ordinance to increase the tax rate to eight percent (8%).

~~(b) (c) At least two-sevenths (2/7) of~~ **The capital improvement board of managers shall make grants to the convention and visitor bureau in the county from** the tax proceeds paid to the capital improvement board of managers under this chapter. ~~must be used to provide~~ **A grant made to the convention and visitor bureau in the county under this subsection is to be used solely for the development and promotion of the tourism and convention industry within the county. The amount of the grants to the convention and visitor bureau in the county to be used solely for the purpose of the development and promotion of the tourism and convention industry within the county under this subsection must equal or exceed:**

(1) two-sevenths (2/7) of the tax proceeds paid to the capital improvement board of managers under this chapter, while an ordinance described in subsection (b) is not in effect in the county; or

(2) three-eighths (3/8) of the tax proceeds paid to the capital improvement board of managers under this chapter, while an ordinance described in subsection (b) is in effect in the county.

~~(c) (d)~~ **The capital improvement board of managers may establish** budgetary requirements for the convention and visitors bureau. If the convention and visitors bureau fails to conform, the board may elect to suspend funding until the bureau complies.

SECTION 7. IC 6-9-10.5-6, AS AMENDED BY P.L.175-2018, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) The fiscal body of a 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) inn;
- (4) tourist cabin; ~~or~~
- (5) campground space; ~~or~~
- (6) resort;**

~~located in the county in White County in which lodging is regularly furnished for consideration.~~

(b) The tax may not exceed the rate of five percent (5%) 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.

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

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

(e) If the tax is paid to the department of state revenue, the taxes the department of state revenue receives under this section during a month shall be paid, by the end of the next succeeding month, to the county treasurer upon warrants issued by the auditor of state."

Page 3, line 16, strike "IC 6-9-9-3(b)" and insert "**IC 6-9-9-3(c)**".

Page 3, between lines 39 and 40, begin a new paragraph and insert:
 "SECTION 11. IC 6-9-46 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 46. Performing Arts Center Admissions Tax

Sec. 1. This chapter applies only in Brown County.

Sec. 2. As used in this chapter, "indoor performing arts center" means an indoor facility providing space for entertainment events that:



- (1) has a minimum capacity of at least two thousand (2,000) patrons; and
- (2) is located in a geographic area that has not been annexed by a city before the adoption of the ordinance under section 3 of this chapter.

Sec. 3. (a) After January 1 but before June 1 of a year, the county fiscal body may adopt an ordinance to impose an excise tax, known as the performing arts center admissions tax, for the privilege of attending any event:

- (1) held in an indoor performing arts center; and
- (2) to which tickets are offered for sale to the public by:
 - (A) the box office of the indoor performing arts center; or
 - (B) an authorized agent of the indoor performing arts center.

(b) The excise tax imposed under subsection (a) does not apply to the following:

- (1) An event sponsored by an educational institution or an association representing an educational institution.
- (2) An event sponsored by a religious organization.
- (3) An event sponsored by an organization that is considered a charitable organization by the Internal Revenue Service for federal tax purposes.
- (4) An event sponsored by a political organization.

(c) If the fiscal body adopts an ordinance under subsection (a), the excise tax applies to an event ticket purchased after:

- (1) June 30 of the calendar year in which the ordinance is adopted; or
- (2) a later date that is set forth in the ordinance.

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

Sec. 4. The performing arts center admissions tax equals one dollar (\$1) for each admission described in section 3 of this chapter.

Sec. 5. (a) Each person who pays a price for admission described in section 3 of this chapter is liable for the performing arts center admissions tax imposed under this chapter.

(b) The person who collects the price for admission shall collect the performing arts center admissions tax imposed under this chapter at the same time the price for admission is paid. The person shall collect the tax as an agent of the county that owns the indoor performing arts center.



Sec. 6. (a) A person who collects a performing arts center admissions tax under section 5 of this chapter shall remit the revenue collected monthly to the department of state revenue. The tax collected from persons paying for admission to a particular event shall be remitted not more than fifteen (15) days after the end of the month during which the event occurred.

(b) At the time the tax revenues are remitted, the person shall report the amount of performing arts center admissions tax collected on forms prescribed by the department of state revenue.

Sec. 7. The amounts received from the performing arts center admissions tax shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 8. (a) If a performing arts center admissions tax is imposed under this chapter, the county legislative body shall establish a county performing arts center admissions tax fund.

(b) The county treasurer shall deposit money received under section 7 of this chapter in the county performing arts center admissions tax fund.

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

(d) Money in the fund may be used by the county only with regard to the indoor performing arts center and only for the following:

- (1)** Retiring debt related to the indoor performing arts center.
- (2)** Paying lease rentals related to the indoor performing arts center.
- (3)** Paying for costs to improve or construct infrastructure serving the indoor performing arts center.
- (4)** Paying for costs related to capital repairs and maintenance of the indoor performing arts center.

Sec. 9. The county may enter into an operating lease with the convention and visitors commission created by IC 6-9-14-2 and a contract with a nonprofit organization to operate the indoor performing arts center.

Sec. 10. With respect to:

- (1)** bonds, leases, or other obligations to which the county has pledged revenues under this chapter; and
- (2)** bonds issued by a lessor that are payable from lease rentals;

the general assembly covenants with the county and the purchasers or owners of the bonds or other obligations described in this section that this chapter will not be repealed or amended in any



manner that will adversely affect the collection of the tax imposed under this chapter or the money deposited in the county performing arts center admissions tax fund, as long as the principal of or interest on any bonds, or the lease rentals due under any lease, are unpaid.

SECTION 12. IC 6-9-49 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 49. Attica Food and Beverage Tax

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

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) food 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) food 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 the 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 shall be 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 auditor of state.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by a 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) Revitalization projects in the city, including the repurposing of buildings and the city's main street program.
- (2) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivision (1).

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.

SECTION 13. IC 6-9-50 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 50. Danville Food and Beverage Tax

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

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) food 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) food 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 the 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 or IC 6-9-35.

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 auditor of state.

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) Parks, trails, and sidewalk, street, and parking improvements to support tourism in 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.

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.

SECTION 14. IC 6-9-51 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 51. Greenwood Food and Beverage Tax

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

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 that 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 first day of the month following sixty (60) days after the date on 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 a 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) food 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) food 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 the 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 shall be 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 auditor of state.

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 for one (1) or more of the following purposes:

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

(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) Construction, renovation, improvement, equipping, or maintenance of city capital improvements.

(4) Parks and recreation.

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

SECTION 15. IC 6-9-52 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 52. Whitestown Food and Beverage Tax

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

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 that 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 first day of the month following sixty (60) days after the date on 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 a 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) food 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) food 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 the 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 shall be 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 auditor of state.

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 for one (1) or more of 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) Construction, renovation, improvement, equipping, or maintenance of town capital improvements.
- (4) Parks and recreation.
- (5) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivisions (3) through (4).

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."

Page 3, after line 42, begin a new paragraph and insert:
"SECTION 17. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1402 as introduced.)

HUSTON

Committee Vote: yeas 22, nays 0.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1402, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 6, line 36, after "2019" delete "," and insert ":

(A)".

Page 6, line 37, after "County" delete "." and insert "; or

(B) except as provided in section 3.5(c) of this chapter, the rate of six percent (6%) in Knox County."

Page 7, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 10. IC 6-9-18-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 3.5. (a) Subject to subsection (c), the fiscal body of Knox County may levy a tax under section 3 of this chapter at a rate not to exceed six percent (6%) 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.**

(b) Notwithstanding any other provision of this chapter, if the fiscal body of Knox County adopts a rate that exceeds five percent (5%) under this section, the following shall apply to the tax imposed and collected in that county:

(1) 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.

(2) The amounts received from the tax shall be paid monthly by the treasurer of state upon warrants issued by the auditor of state as follows:

(A) The amount received from the tax as a result of a five percent (5%) rate shall be allocated and paid to the county treasurer of Knox County.

(B) The amount received from the tax that exceeds the amount under clause (A) shall be allocated and paid to the Grouseland Foundation, Inc.

(3) The treasurer of the Grouseland Foundation, Inc. shall deposit all money received under subdivision (2)(B) in a separate account of the Grouseland Foundation, Inc.

(4) The Grouseland Foundation, Inc. shall use the money received under subdivision (2)(B) only for the restoration, maintenance, and operations of the Indiana territorial mansion and presidential site of William Henry Harrison located at West Scott Street in the city of Vincennes.



(5) The Grouseland Foundation, Inc. shall be subject to the same provisions concerning public funds that a commission is subject to under section 7 of this chapter.

For purposes of this section, "Grouseland Foundation, Inc." refers to the tax exempt organization located in Vincennes, Indiana, whose mission is to promote history in the local area by providing tours of the historical site of the home of the ninth President of the United States, William Henry Harrison.

(c) Notwithstanding subsection (a), the tax rate imposed by the fiscal body of Knox County under this chapter may not exceed five percent (5%) 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.**

(d) This section expires July 1, 2043.

SECTION 11. IC 6-9-18-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 9. (a) An officer, director, or trustee of the Grouseland Foundation, Inc. who knowingly:

- (1) approves the transfer of money received under this chapter to any person or corporation not qualified under law for that transfer; or**
- (2) approves a transfer for a purpose not permitted under law;**

commits a Level 6 felony.

(b) A person who receives a transfer of money under this chapter and knowingly uses that money for any purpose not permitted under this chapter commits a Level 6 felony."

Page 20, between lines 14 and 15, begin a new paragraph and insert:
"SECTION 19. IC 35-52-6-76.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 76.2. IC 6-9-18-9 defines a crime concerning innkeeper's taxes."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1402 as printed February 15, 2019.)

HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 1.

EH 1402—LS 7557/DI 92

