

HOUSE BILL No. 1412

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6-11-8.

Synopsis: Local income tax distributions. Provides for an alternative distribution of the certified share part of local income tax revenue in certain counties based on revenue and population of municipalities and townships in the county.

Effective: July 1, 2020.

Huston

January 15, 2020, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1412

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 6-3.6-11-8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2020]: **Sec. 8. (a) This section applies to any county in which
4 there is located three (3) or more municipalities having a
5 population of at least thirty thousand (30,000) for local income tax
6 distributions beginning in 2021.**

7 **(b) This section applies to the allocation of the tax revenue
8 under IC 6-3.6-6 that is dedicated to certified shares and allocated
9 among the civil taxing units in the county. The certified shares that
10 each civil taxing unit in the county is entitled to receive equals the
11 total amount of revenues that are to be distributed as certified
12 shares as determined according to the following:**

13 **(1) If a municipality's percentage of certified shares compared
14 to other municipalities located within the county for a year
15 minus the municipality's percentage of total population
16 compared to other municipalities located within the county
17 exceeds five (5) percentage points, the municipality's certified**



1 share amount is the lesser of the municipality's:
 2 (A) certified share amount as determined under
 3 IC 6-3.6-6-12; or
 4 (B) the product of:
 5 (i) the previous year's certified share amount; multiplied
 6 by
 7 (ii) one hundred one percent (101%).
 8 (2) If a township's percentage of certified shares compared to
 9 other townships located within the county for a year minus
 10 the township's percentage of total population compared to
 11 other townships located within the county exceeds five (5)
 12 percentage points, the township's certified share amount is the
 13 lesser of the township's:
 14 (A) certified share amount as determined under
 15 IC 6-3.6-6-12; or
 16 (B) the product of:
 17 (i) the previous year's certified share amount; multiplied
 18 by
 19 (ii) one hundred one percent (101%).
 20 (3) If for a year the amount determined under subdivision
 21 (1)(B) or (2)(B) for a municipality or township is less than the
 22 certified share amount determined under IC 6-3.6-6-12 for the
 23 year for the municipality or township, the excess certified
 24 shares shall be allocated and distributed among all other civil
 25 taxing units within the county not described in subdivision (1)
 26 or (2).

