

SENATE BILL No. 304

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-61.

Synopsis: Marion food and beverage tax. Authorizes the city of Marion to impose a food and beverage tax of not more than 1% of the gross retail income received from a taxable transaction.

Effective: July 1, 2025.

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January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 304



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 6-9-61 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2025]:
4 **Chapter 61. City of Marion Food and Beverage Tax**
5 **Sec. 1. This chapter applies to the city of Marion.**
6 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
7 **chapter.**
8 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance**
9 **before December 31, 2025, to impose an excise tax, known as the**
10 **city food and beverage tax, on transactions described in section 4**
11 **of this chapter. The fiscal body of the city may adopt an ordinance**
12 **under this subsection only after the city fiscal body has previously:**
13 **(1) adopted a resolution in support of the proposed city food**
14 **and beverage tax; and**
15 **(2) held at least one (1) separate public hearing in which a**
16 **discussion of the proposed ordinance to impose the city food**
17 **and beverage tax is the only substantive issue on the agenda**



1 for the public hearing.

2 (b) If the city fiscal body adopts an ordinance under subsection

3 (a), the city fiscal body shall immediately send a certified copy of

4 the ordinance to the department of state revenue.

5 (c) If the city fiscal body adopts an ordinance under subsection

6 (a), the city food and beverage tax applies to transactions that

7 occur after the last day of the month following the month in which

8 the ordinance is adopted.

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

10 under section 3 of this chapter applies to a transaction in which

11 food or beverage is furnished, prepared, or served:

12 (1) for consumption at a location or on equipment provided by

13 a retail merchant;

14 (2) in the city; and

15 (3) by a retail merchant for consideration.

16 (b) Transactions described in subsection (a)(1) include

17 transactions in which food or beverage is:

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

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

20 (3) made of two (2) or more food ingredients, mixed or

21 combined by a retail merchant for sale as a single item (other

22 than food that is only cut, repackaged, or pasteurized by the

23 seller, and eggs, fish, meat, poultry, and foods containing these

24 raw animal foods requiring cooking by the consumer as

25 recommended by the federal Food and Drug Administration

26 in chapter 3, subpart 3-401.11 of its Food Code so as to

27 prevent food borne illnesses); or

28 (4) food sold with eating utensils provided by a retail

29 merchant, including plates, knives, forks, spoons, glasses,

30 cups, napkins, or straws (for purposes of this subdivision, a

31 plate does not include a container or package used to

32 transport the food).

33 (c) The city food and beverage tax does not apply to the

34 furnishing, preparing, or serving of a food or beverage in a

35 transaction that is exempt, or to the extent the transaction is

36 exempt, from the state gross retail tax imposed by IC 6-2.5.

37 Sec. 5. The city food and beverage tax rate may not exceed one

38 percent (1%) of the gross retail income received by the merchant

39 from the food or beverage transaction described in section 4 of this

40 chapter. For purposes of this chapter, the gross retail income

41 received by the retail merchant from a transaction does not include

42 the amount of tax imposed on the transaction under IC 6-2.5.



1 **Sec. 6.** A tax imposed under this chapter shall be imposed, paid,
2 and 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 city
10 fiscal officer upon warrants issued by the state comptroller.

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

14 **(b)** The city 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 city only for the following purposes:

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

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

26 **(3)** For park and recreation purposes, including the purchase
27 of land for park and recreation purposes.

28 **(4)** For the construction, renovation, improvement, equipping,
29 or maintenance of city capital improvements.

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

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

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



1 **Sec. 11. (a) If the city imposes the tax authorized by this chapter,**
2 **the tax terminates on July 1, 2048.**
3 **(b) This chapter expires July 1, 2048.**

