



February 12, 2025

SENATE BILL No. 304

DIGEST OF SB 304 (Updated February 11, 2025 9:52 am - DI 129)

Citations Affected: IC 6-9.

Synopsis: Food and beverage taxes. Authorizes the city of Marion and the city of Richmond respectively to impose a food and beverage tax of not more than 1% of the gross retail income received from a taxable transaction. Allows the fiscal body of the town of Shipshewana to increase its food and beverage tax. Specifies that the provisions authorizing the imposition of a food and beverage tax and the increase to a food and beverage tax expire January 1, 2047. Repeals the Indiana Code chapter authorizing the imposition of food and beverage taxes in Wayne County.

Effective: July 1, 2025.

Zay, Buchanan, Randolph Lonnie M

January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.
February 11, 2025, amended, reported favorably — Do Pass.

SB 304—LS 7007/DI 92



February 12, 2025

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 6-9-27-3, AS AMENDED BY P.L.214-2005,
2 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 3. (a) The fiscal body of the municipality may
4 adopt an ordinance to impose an excise tax, known as the municipal
5 food and beverage tax, on transactions described in section 4 of this
6 chapter. **The fiscal body of a municipality described in section 1(2)**
7 **of this chapter may adopt an ordinance under section 5(b) of this**
8 **chapter to increase the tax rate of the municipality's food and**
9 **beverage tax.**
- 10 (b) If a fiscal body adopts an ordinance under subsection (a), the
11 fiscal body shall immediately send a certified copy of the ordinance to
12 the department of state revenue.
- 13 (c) If a fiscal body adopts an ordinance under subsection (a), the
14 municipal food and beverage tax applies to transactions that occur after
15 the last day of the month that succeeds the month in which the
16 ordinance was adopted.
- 17 SECTION 2. IC 6-9-27-5, AS AMENDED BY P.L.214-2005,

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1 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2025]: Sec. 5. **(a) Except as provided in subsection (b), the**
3 **municipal food and beverage tax imposed on a food or beverage**
4 **transaction described in section 4 of this chapter equals one percent**
5 **(1%) of the gross retail income received by the merchant from the**
6 **transaction.**

7 **(b) This subsection applies to a municipality described in section**
8 **1(2) of this chapter. The fiscal body of the municipality may adopt**
9 **an ordinance to increase the rate of the municipality's food and**
10 **beverage tax to a rate that may not exceed two percent (2%) of the**
11 **gross retail income received by a retail merchant from a taxable**
12 **transaction. An ordinance adopted under this subsection to**
13 **increase the rate of the municipality's food and beverage tax rate**
14 **expires January 1, 2047.**

15 **(c) For purposes of this chapter, the gross retail income received by**
16 **the a retail merchant from a transaction does not include the amount of**
17 **tax imposed on the transaction under IC 6-2.5.**

18 SECTION 3. IC 6-9-27-5.5 IS ADDED TO THE INDIANA CODE
19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
20 1, 2025]: Sec. 5.5. **(a) This section applies to a municipality**
21 **described in section 1(2) of this chapter.**

22 **(b) If a fiscal body adopts an ordinance under section 5(b) of**
23 **this chapter, the fiscal body shall immediately send a certified copy**
24 **of the ordinance to the department of state revenue.**

25 **(c) A municipal food and beverage tax rate increase imposed by**
26 **an ordinance adopted under section 5(b) of this chapter applies to**
27 **transactions that occur after the last day of the month that**
28 **succeeds the month in which the ordinance was adopted.**

29 SECTION 4. IC 6-9-38 IS REPEALED [EFFECTIVE JULY 1,
30 2025]. (Food and Beverage Taxes in Wayne County).

31 SECTION 5. IC 6-9-61 IS ADDED TO THE INDIANA CODE AS
32 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
33 1, 2025]:

34 **Chapter 61. City of Marion Food and Beverage Tax**

35 **Sec. 1. This chapter applies to the city of Marion.**

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

38 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance**
39 **before December 31, 2025, to impose an excise tax, known as the**
40 **city food and beverage tax, on transactions described in section 4**
41 **of this chapter. The fiscal body of the city may adopt an ordinance**
42 **under this subsection only after the city fiscal body has previously:**



1 (1) adopted a resolution in support of the proposed city food
2 and beverage tax; and
3 (2) held at least one (1) separate public hearing in which a
4 discussion of the proposed ordinance to impose the city food
5 and beverage tax is the only substantive issue on the agenda
6 for the public hearing.
7 (b) If the city fiscal body adopts an ordinance under subsection
8 (a), the city fiscal body shall immediately send a certified copy of
9 the ordinance to the department of state revenue.
10 (c) If the city fiscal body adopts an ordinance under subsection
11 (a), the city food and beverage tax applies to transactions that
12 occur after the last day of the month following the month in which
13 the ordinance is adopted.
14 Sec. 4. (a) Except as provided in subsection (c), a tax imposed
15 under section 3 of this chapter applies to a transaction in which
16 food or beverage is furnished, prepared, or served:
17 (1) for consumption at a location or on equipment provided by
18 a retail merchant;
19 (2) in the city; and
20 (3) by a retail merchant for consideration.
21 (b) Transactions described in subsection (a)(1) include
22 transactions in which food or beverage is:
23 (1) served by a retail merchant off the merchant's premises;
24 (2) food sold in a heated state or heated by a retail merchant;
25 (3) made of two (2) or more food ingredients, mixed or
26 combined by a retail merchant for sale as a single item (other
27 than food that is only cut, repackaged, or pasteurized by the
28 seller, and eggs, fish, meat, poultry, and foods containing these
29 raw animal foods requiring cooking by the consumer as
30 recommended by the federal Food and Drug Administration
31 in chapter 3, subpart 3-401.11 of its Food Code so as to
32 prevent food borne illnesses); or
33 (4) food sold with eating utensils provided by a retail
34 merchant, including plates, knives, forks, spoons, glasses,
35 cups, napkins, or straws (for purposes of this subdivision, a
36 plate does not include a container or package used to
37 transport the food).
38 (c) The city food and beverage tax does not apply to the
39 furnishing, preparing, or serving of a food or beverage in a
40 transaction that is exempt, or to the extent the transaction is
41 exempt, from the state gross retail tax imposed by IC 6-2.5.
42 Sec. 5. The city food and beverage tax rate:



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

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

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

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

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

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

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

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

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

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

31 (2) For park and recreation purposes, including the purchase
32 of land for park and recreation purposes.

33 (3) The pledge of money under IC 5-1-14-4 for bonds, leases,
34 or other obligations incurred for a purpose described in
35 subdivision (2).

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

42 Sec. 11. (a) If the city imposes the tax authorized by this chapter,



1 the tax terminates on January 1, 2047.

2 (b) This chapter expires January 1, 2047.

3 SECTION 6. IC 6-9-62.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2025]:

6 Chapter 62.5. City of Richmond Food and Beverage Tax

7 Sec. 1. This chapter applies to the city of Richmond.

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

10 Sec. 3. (a) The fiscal body of the city may adopt an ordinance
11 before January 1, 2027, to impose an excise tax, known as the city
12 food and beverage tax, on transactions described in section 4 of this
13 chapter. The fiscal body of the city may adopt an ordinance under
14 this subsection only after the city fiscal body has previously:

15 (1) adopted a resolution in support of the proposed city food
16 and beverage tax; and

17 (2) held at least one (1) separate public hearing in which a
18 discussion of the proposed ordinance to impose the city food
19 and beverage tax is the only substantive issue on the agenda
20 for the public hearing.

21 If the city does not adopt an ordinance to impose the tax under this
22 subsection before January 1, 2027, this chapter expires January 1,
23 2027.

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

27 (c) If the city fiscal body adopts an ordinance under subsection
28 (a), the city food and beverage tax applies to transactions that
29 occur after the last day of the month following the month in which
30 the ordinance is adopted.

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

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

36 (2) in the city; and

37 (3) by a retail merchant for consideration.

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

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

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

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



1 combined by a retail merchant for sale as a single item (other
 2 than food that is only cut, repackaged, or pasteurized by the
 3 seller, and eggs, fish, meat, poultry, and foods containing these
 4 raw animal foods requiring cooking by the consumer as
 5 recommended by the federal Food and Drug Administration
 6 in chapter 3, subpart 3-401.11 of its Food Code so as to
 7 prevent food borne illnesses); or

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

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

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

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

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

20 of the gross retail income received by the merchant from the food
 21 or beverage transaction described in section 4 of this chapter. For
 22 purposes of this chapter, the gross retail income received by the
 23 retail merchant from a transaction does not include the amount of
 24 tax imposed on the transaction under IC 6-2.5.

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

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

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

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

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

42 **Sec. 9. Money in the food and beverage tax receipts fund must**



1 be used by the city only for the following purposes:
2 (1) Parks and recreation, including trails.
3 (2) Activation of the Whitewater Gorge.
4 (3) The pledge of money under IC 5-1-14-4 for bonds, leases,
5 or other obligations incurred for a purpose described in
6 subdivision (1) or (2).
7 Sec. 10. With respect to obligations for which a pledge has been
8 made under section 9 of this chapter, the general assembly
9 covenants with the holders of the obligations that this chapter will
10 not be repealed or amended in a manner that will adversely affect
11 the imposition or collection of the tax imposed under this chapter
12 if the payment of any of the obligations is outstanding.
13 Sec. 11. (a) If the city imposes the tax authorized by this chapter,
14 the tax terminates on January 1, 2047.
15 (b) Unless section 3(a) of this chapter applies, this chapter
16 expires January 1, 2047.



COMMITTEE REPORT

Mr. President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 304, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-9-27-3, AS AMENDED BY P.L.214-2005, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) The fiscal body of the municipality may adopt an ordinance to impose an excise tax, known as the municipal food and beverage tax, on transactions described in section 4 of this chapter. **The fiscal body of a municipality described in section 1(2) of this chapter may adopt an ordinance under section 5(b) of this chapter to increase the tax rate of the municipality's food and beverage tax.**

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

(c) If a fiscal body adopts an ordinance under subsection (a), the municipal food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

SECTION 2. IC 6-9-27-5, AS AMENDED BY P.L.214-2005, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. **(a) Except as provided in subsection (b),** the municipal food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction.

(b) This subsection applies to a municipality described in section 1(2) of this chapter. The fiscal body of the municipality may adopt an ordinance to increase the rate of the municipality's food and beverage tax to a rate that may not exceed two percent (2%) of the gross retail income received by a retail merchant from a taxable transaction. An ordinance adopted under this subsection to increase the rate of the municipality's food and beverage tax rate expires January 1, 2047.

(c) For purposes of this chapter, the gross retail income received by ~~the~~ a retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

SECTION 3. IC 6-9-27-5.5 IS ADDED TO THE INDIANA CODE

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5.5. (a) This section applies to a municipality described in section 1(2) of this chapter.**

(b) If a fiscal body adopts an ordinance under section 5(b) of this chapter, the fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

(c) A municipal food and beverage tax rate increase imposed by an ordinance adopted under section 5(b) of this chapter applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

SECTION 4. IC 6-9-38 IS REPEALED [EFFECTIVE JULY 1, 2025]. (Food and Beverage Taxes in Wayne County)."

Page 2, delete lines 37 through 42, begin a new paragraph and insert:

"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."

Page 3, delete lines 18 through 36, begin a new paragraph and insert:

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

(1) 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.

(2) For park and recreation purposes, including the purchase of land for park and recreation purposes.

(3) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivision (2)."

Page 4, line 2, delete "July 1, 2048." and insert "**January 1, 2047.**"

Page 4, line 3, delete "July 1, 2048." and insert "**January 1, 2047.**"

Page 4, after line 3, begin a new paragraph and insert:

"SECTION 6. IC 6-9-62.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 62.5. City of Richmond Food and Beverage Tax

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

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 before January 1, 2027, 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 city fiscal body has previously:

- (1) adopted a resolution in support of the proposed city food and beverage tax; and**
- (2) 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.**

If the city does not adopt an ordinance to impose the tax under this subsection before January 1, 2027, this chapter expires January 1, 2027.

(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 last day of the month following the month in which the ordinance is adopted.

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

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

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

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



prevent food borne illnesses); or

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

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

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

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

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

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

Sec. 6. A tax imposed under this chapter 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 state comptroller.

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

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

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

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

(1) Parks and recreation, including trails.

(2) Activation of the Whitewater Gorge.

(3) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivision (1) or (2).



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

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

(b) Unless section 3(a) of this chapter applies, this chapter expires January 1, 2047."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 304 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.

