

# SENATE BILL No. 315

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-18.5-2.

**Synopsis:** Maximum levy growth quotient cap. Extends the calculation used to determine the maximum levy growth quotient added by HEA 1499-2023 to 2026.

**Effective:** Upon passage.

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## Baldwin

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

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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. 315



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 6-1.1-18.5-2, AS AMENDED BY P.L.239-2023,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana  
4 nonfarm personal income" means the estimate of total nonfarm  
5 personal income for Indiana in a calendar year as computed by the  
6 federal Bureau of Economic Analysis using any actual data for the  
7 calendar year and any estimated data determined appropriate by the  
8 federal Bureau of Economic Analysis.

9 (b) Except as provided in subsections (c) and (e), for purposes of  
10 determining a civil taxing unit's maximum permissible ad valorem  
11 property tax levy for an ensuing calendar year, the civil taxing unit  
12 shall use the maximum levy growth quotient determined in the last  
13 STEP of the following STEPS:

14 STEP ONE: For each of the six (6) calendar years immediately  
15 preceding the year in which a budget is adopted under  
16 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana  
17 nonfarm personal income for the calendar year by the Indiana



- 1 nonfarm personal income for the calendar year immediately  
 2 preceding that calendar year, rounding to the nearest  
 3 one-thousandth (0.001).  
 4 STEP TWO: Determine the sum of the STEP ONE results.  
 5 STEP THREE: Divide the STEP TWO result by six (6), rounding  
 6 to the nearest one-thousandth (0.001).  
 7 STEP FOUR: Determine the lesser of the following:  
 8 (A) The STEP THREE quotient.  
 9 (B) One and six-hundredths (1.06).
- 10 (c) Except as provided in subsection (f), a school corporation shall  
 11 use for its operations fund maximum levy calculation under  
 12 IC 20-46-8-1 the maximum levy growth quotient determined in the last  
 13 STEP of the following STEPS:  
 14 STEP ONE: Determine for each school corporation, the average  
 15 annual growth in net assessed value using the three (3) calendar  
 16 years immediately preceding the year in which a budget is  
 17 adopted under IC 6-1.1-17-5 for the ensuing calendar year.  
 18 STEP TWO: Determine the greater of:  
 19 (A) zero (0); or  
 20 (B) the STEP ONE amount minus the sum of:  
 21 (i) the maximum levy growth quotient determined under  
 22 subsection (b) minus one (1); plus  
 23 (ii) two-hundredths (0.02).  
 24 STEP THREE: Determine the lesser of:  
 25 (A) the STEP TWO amount; or  
 26 (B) four-hundredths (0.04).  
 27 STEP FOUR: Determine the sum of:  
 28 (A) the STEP THREE amount; plus  
 29 (B) the maximum levy growth quotient determined under  
 30 subsection (b).  
 31 STEP FIVE: Determine the greater of:  
 32 (A) the STEP FOUR amount; or  
 33 (B) the maximum levy growth quotient determined under  
 34 subsection (b).
- 35 (d) The budget agency shall provide the maximum levy growth  
 36 quotient for the ensuing year to civil taxing units, school corporations,  
 37 and the department of local government finance before July 1 of each  
 38 year.
- 39 (e) This subsection applies only for purposes of determining the  
 40 maximum levy growth quotient to be used in determining a civil taxing  
 41 unit's maximum permissible ad valorem property tax levy in calendar  
 42 years 2024, ~~and~~ 2025, **and 2026**. For purposes of determining the



1 maximum levy growth quotient in calendar years 2024, ~~and~~ 2025, **and**  
 2 **2026**, instead of the result determined in the last STEP in subsection  
 3 (b), the maximum levy growth quotient is determined in the last STEP  
 4 of the following STEPS:

5 STEP ONE: Determine the result of STEP FOUR of subsection  
 6 (b), calculated as if this subsection was not in effect.

7 STEP TWO: Subtract one (1) from the STEP ONE result.

8 STEP THREE: Multiply the STEP TWO result by eight-tenths  
 9 (0.8).

10 STEP FOUR: Add one (1) to the STEP THREE result.

11 STEP FIVE: Determine the lesser of:

12 (A) the STEP FOUR result; or

13 (B) one and four-hundredths (1.04).

14 (f) This subsection applies only for purposes of determining the  
 15 maximum levy growth quotient to be used in determining a school  
 16 corporation's operations fund maximum levy in calendar years 2024,  
 17 ~~and~~ 2025, **and 2026**. For purposes of determining the maximum levy  
 18 growth quotient in calendar years 2024, ~~and~~ 2025, **and 2026**, instead  
 19 of the result determined in the last STEP in subsection (c), the  
 20 maximum levy growth quotient is determined in the last STEP of the  
 21 following STEPS:

22 STEP ONE: Determine the result of STEP FIVE of subsection (c),  
 23 calculated as if this subsection was not in effect.

24 STEP TWO: Subtract one (1) from the STEP ONE result.

25 STEP THREE: Multiply the STEP TWO result by eight-tenths  
 26 (0.8).

27 STEP FOUR: Add one (1) to the STEP THREE result.

28 STEP FIVE: Determine the lesser of:

29 (A) the STEP FOUR result; or

30 (B) one and four-hundredths (1.04).

31 **SECTION 2. An emergency is declared for this act.**

