

SENATE BILL No. 456

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-27.

Synopsis: Shippshewana food and beverage tax. Allows the fiscal body of the town of Shippshewana to increase its food and beverage tax from 1% to not more than 2% of the gross retail income received by a retail merchant 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. 456



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,



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.**

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

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

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

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

