

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7158

BILL NUMBER: HB 1364

DATE PREPARED: Jan 10, 2000

BILL AMENDED:

SUBJECT: State and local finance.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Limits increases in state expenditures to the lesser of the percentage increase in inflation and population or 6%. Allows voters or two-thirds of the members of the general assembly to authorize additional spending. Provides that if revenue exceeds the spending limit for that state fiscal year, the excess shall be refunded in the next state fiscal year except as to an amount that a majority of the voters agree to apply toward an increase in allowable spending. Beginning in 2002, provides a credit against a taxpayer's state tax liability for property taxes paid on inventory. Phases the credit in over five years. Beginning in 2002, eliminates the remaining property tax levies for public welfare (the family and children's fund levy, the county medical assistance to wards levy, the county hospital care for the indigent levy, and the children with special health care needs levy). Eliminates the authority of a school corporation to impose a general fund property tax levy for the general operation and maintenance of the school corporation beginning in 2006. Provides a property tax replacement credit for school general fund property taxes in 2002 through 2005. Provides a method for calculating the amount of miscellaneous taxes distributed to school corporations.

Effective Date: July 1, 2001.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: