

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6497

BILL NUMBER: HB 1382

DATE PREPARED: Nov 23, 1999

BILL AMENDED:

SUBJECT: COIT distributions.

FISCAL ANALYST: David Hoppmann

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill would provide for the distribution of County Option Income Tax (COIT) revenues based on the ratio of each civil taxing unit's maximum permissible levy to the sum of the maximum permissible levies of all the civil taxing units in the county. (Current law provides for the distribution of COIT revenues based on the ratio of each civil taxing unit's actual levy to the sum of the actual levies of all the civil taxing units in the county.)

Effective Date: January 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Counties and their local units (other than Marion County) would be affected under the provisions of this bill. While total COIT distributive shares to counties would not change, the amount that each civil unit receives would be different.

Because the current distribution of COIT revenues is based on actual property tax levies which can be higher than maximum property tax levies due to debt, local units with little or no debt (low actual property tax levies) would realize an increase in COIT revenues under the new distribution formula. Similarly, local units with significant debt (high actual property tax levies) would realize a decrease in COIT revenues. Those units whose maximum and actual tax levies are comparable would experience a slight change in COIT distributions. The specific impact of this bill would vary from civil unit to civil unit.

A complete listing of what local units would have received in CY 1999 under the provisions of this bill is available at Legislative Services Agency, Office of Fiscal and Management Analysis. Currently, 25 of Indiana's 92 counties impose COIT.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Local taxing units.

Information Sources: Local Government Data Base.