

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7492

BILL NUMBER: HB 1410

DATE PREPARED: Feb 1, 2001

BILL AMENDED: Feb 1, 2001

SUBJECT: Economic Development Income Tax Expenditures.

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**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill redefines "economic development project" for purposes of permissible expenditures of revenues received from a County Economic Development Income Tax (CEDIT). It provides that for purposes of CEDIT, an "economic development project" also includes a project that will promote an event that will increase tourism to the unit, if the unit specifies in its appropriation how many jobs are affected by the event .

Effective Date: January 1, 2001 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current Indiana law, CEDIT revenues can be used only for economic development projects which involve an expenditure for any combination of the following capital related items: 1) acquisition of land; 2) interests in the land; 3) site improvements; 4) infrastructure improvements; 5) buildings; 6) structures; 7) rehabilitation, renovation, and enlargement of buildings and structures; 8) machinery; 9) equipment; 10) furnishings; 11) facilities; 12) certain administrative and operating expenses; and 13) substance removal or remedial action in a designated unit.

Counties, cities, and towns would be able to utilize CEDIT revenues without abiding by the conditions listed above in accordance with the provisions of this bill. The specific effects would vary significantly between CEDIT-adopting counties and would depend upon the projects for which CEDIT monies might be utilized.

CEDIT revenues would not change due to the provisions of this bill.

Background

For CY 2000, a total of \$121,817,016 in CEDIT revenues was distributed to CEDIT adopting counties. (A complete listing of what local units received in CEDIT distributions for CY 2000 is currently available at Legislative Services Agency, Office of Fiscal and Management Analysis.)

For CY 2001, a total of \$140,547,205 in certified distributions is projected for CEDIT-adopting counties.

State Agencies Affected:

Local Agencies Affected: Counties that have adopted CEDIT.

Information Sources: Local Government Data Base; State Budget Agency.