

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1902, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-33-12-6 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The
5 department shall place in the state general fund the tax revenue
6 collected under this chapter.
7 (b) Except as provided by subsection (c), the treasurer of state shall
8 quarterly pay the following amounts:
9 (1) One dollar (\$1) of the admissions tax collected by the licensed
10 owner for each person embarking on a riverboat during the
11 quarter shall be paid to:
12 (A) the city in which the riverboat is docked, if the city:
13 (i) is described in IC 4-33-6-1(a)(1) through
14 IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or
15 (ii) is contiguous to the Ohio River and is the largest city in
16 the county; and
17 (B) the county in which the riverboat is docked, if the
18 riverboat is not docked in a city described in clause (A).
19 (2) One dollar (\$1) of the admissions tax collected by the licensed
20 owner for each person embarking on a riverboat during the

1 quarter shall be paid to the county in which the riverboat is
2 docked. In the case of a county described in subdivision (1)(B),
3 this one dollar (\$1) is in addition to the one dollar (\$1) received
4 under subdivision (1)(B).

5 (3) Ten cents (\$0.10) of the admissions tax collected by the
6 licensed owner for each person embarking on a riverboat during
7 the quarter shall be paid to the county convention and visitors
8 bureau or promotion fund for the county in which the riverboat is
9 docked.

10 (4) Fifteen cents (\$0.15) of the admissions tax collected by the
11 licensed owner for each person embarking on a riverboat during
12 a quarter shall be paid to the state fair commission, for use in any
13 activity that the commission is authorized to carry out under
14 IC 15-1.5-3.

15 (5) Ten cents (\$0.10) of the admissions tax collected by the
16 licensed owner for each person embarking on a riverboat during
17 the quarter shall be paid to the division of mental health. The
18 division shall allocate at least twenty-five percent (25%) of the
19 funds derived from the admissions tax to the prevention and
20 treatment of compulsive gambling.

21 (6) Sixty-five cents (\$0.65) of the admissions tax collected by the
22 licensed owner for each person embarking on a riverboat during
23 the quarter shall be paid to the Indiana horse racing commission
24 to be distributed as follows, in amounts determined by the Indiana
25 horse racing commission, for the promotion and operation of
26 horse racing in Indiana:

27 (A) To one (1) or more breed development funds established
28 by the Indiana horse racing commission under IC 4-31-11-10.

29 (B) To a racetrack that was approved by the Indiana horse
30 racing commission under IC 4-31. The commission may make
31 a grant under this clause only for purses, promotions, and
32 routine operations of the racetrack. No grants shall be made
33 for long term capital investment or construction and no grants
34 shall be made before the racetrack becomes operational and is
35 offering a racing schedule.

36 (c) With respect to tax revenue collected from a riverboat that
37 operates on Patoka Lake, the treasurer of state shall quarterly pay the
38 following amounts:

39 (1) The counties described in IC 4-33-1-1(3) shall receive one
40 dollar (\$1) of the admissions tax collected for each person
41 embarking on the riverboat during the quarter. This amount shall
42 be divided equally among the counties described in

1 IC 4-33-1-1(3).

2 (2) The Patoka Lake development account established under
3 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax
4 collected for each person embarking on the riverboat during the
5 quarter.

6 (3) The resource conservation and development program that:

7 (A) is established under 16 U.S.C. 3451 et seq.; and

8 (B) serves the Patoka Lake area;

9 shall receive forty cents (\$0.40) of the admissions tax collected
10 for each person embarking on the riverboat during the quarter.

11 (4) The state general fund shall receive fifty cents (\$0.50) of the
12 admissions tax collected for each person embarking on the
13 riverboat during the quarter.

14 (5) The division of mental health shall receive ten cents (\$0.10)
15 of the admissions tax collected for each person embarking on the
16 riverboat during the quarter. The division shall allocate at least
17 twenty-five percent (25%) of the funds derived from the
18 admissions tax to the prevention and treatment of compulsive
19 gambling.

20 (d) Money paid to a unit of local government under subsection
21 (b)(1) through (b)(2) or subsection (c)(1):

22 (1) must be paid to the fiscal officer of the unit and may be
23 deposited in the unit's general fund or riverboat fund established
24 under IC 36-1-8-9, or both;

25 (2) may not be used to reduce the unit's maximum ~~or actual~~ levy
26 under IC 6-1.1-18.5, **but may be used at the discretion of the**
27 **unit to reduce the property tax levy of the unit for a**
28 **particular year; and**

29 (3) may be used for any legal or corporate purpose of the unit,
30 including the pledge of money to bonds, leases, or other
31 obligations under IC 5-1-14-4; **and**

32 **(4) is considered miscellaneous revenue.**

33 (e) Money paid by the treasurer of state under subsection (b)(3)
34 shall be:

35 (1) deposited in:

36 (A) the county convention and visitor promotion fund; or

37 (B) the county's general fund if the county does not have a
38 convention and visitor promotion fund; and

39 (2) used only for the tourism promotion, advertising, and
40 economic development activities of the county and community.

41 (f) Money received by the division of mental health under
42 subsections (b)(5) and (c)(5):

- 1 (1) is annually appropriated to the division of mental health;
 2 (2) shall be distributed to the division of mental health at times
 3 during each state fiscal year determined by the budget agency;
 4 and
 5 (3) shall be used by the division of mental health for programs
 6 and facilities for the prevention and treatment of addictions to
 7 drugs, alcohol, and compulsive gambling, including the creation
 8 and maintenance of a toll free telephone line to provide the public
 9 with information about these addictions. The division shall
 10 allocate at least twenty-five percent (25%) of the money received
 11 to the prevention and treatment of compulsive gambling."

12 Replace the effective date in SECTION 1 with "[EFFECTIVE
 13 UPON PASSAGE]".

14 Page 1, line 14, delete "appraisal" and insert "**certified public
 15 accounting**".

16 Page 1, line 14, after "firm" insert "**with expertise in the appraisal
 17 of real property**".

18 Page 1, after line 17, begin a new line block indented and insert:

19 **"(1) a provision requiring the appraisal firm to:**

20 **(A) prepare a detailed report of:**

21 **(i) expenditures made after July 1, 1999, and before the
 22 date of the report from the qualifying county's
 23 reassessment fund under IC 6-1.1-4-28; and**

24 **(ii) the balance in the reassessment fund as of the date of
 25 the report; and**

26 **(B) file the report with:**

27 **(i) the legislative body of the qualifying county;**

28 **(ii) the prosecuting attorney of the qualifying county;**

29 **(iii) the state board of tax commissioners; and**

30 **(iv) the attorney general;".**

31 Page 2, line 1, delete "(1)" and insert "(2)".

32 Page 2, line 3, delete "(2)" and insert "(3)".

33 Page 2, line 6, delete "(3)" and insert "(4)".

34 Page 2, line 9, delete "(4)" and insert "(5)".

35 Page 2, line 11, delete "(5)" and insert "(6)".

36 Page 2, line 13, delete "(4)" and insert "(5)".

37 Page 2, line 14, delete "(6)" and insert "(7)".

38 Page 2, line 16, delete "(7)" and insert "(8)".

39 Page 2, line 19, delete "(8)" and insert "(9)".

40 Page 3, delete lines 3 through 5, begin a new paragraph and insert:

41 **"(h) Notwithstanding IC 4-13-2, a period of seven (7) days is
 42 permitted for each of the following to review and act under**

1 **IC 4-13-2 on a contract of the state board of tax commissioners**
 2 **under this section:**

- 3 (1) **The commissioner of the department of administration.**
 4 (2) **The director of the budget agency.**
 5 (3) **The attorney general.**
 6 (4) **The governor.**

7 (i) **With respect to a general reassessment of real property to be**
 8 **completed under IC 6-1.1-4-4 for an assessment date after the**
 9 **March 1, 2002, assessment date, the state board of tax**
 10 **commissioners shall contract with the firm referred to in**
 11 **subsection (c) to initiate a review with respect to the real property**
 12 **in a qualifying county or a township in a qualifying county, or a**
 13 **portion of the real property in a qualifying county or a township in**
 14 **a qualifying county. The contractor shall determine for the real**
 15 **property under consideration and for the qualifying county or**
 16 **township the variance between:**

- 17 (1) **the total assessed valuation of the real property within the**
 18 **qualifying county or township; and**
 19 (2) **the total assessed valuation that would result if the real**
 20 **property within the qualifying county or township were**
 21 **valued in the manner provided by law.**

22 (j) **If:**

- 23 (1) **the variance determined under subsection (i) exceeds ten**
 24 **percent (10%); and**
 25 (2) **the state board of tax commissioners determines after**
 26 **holding hearings on the matter that a special reassessment**
 27 **should be conducted;**

28 **the state board shall contract for a special reassessment to be**
 29 **conducted by the firm referred to in subsection (c) to correct the**
 30 **valuation of the property.**

31 (k) **If the variance determined under subsection (i) is ten percent**
 32 **(10%) or less, the state board of tax commissioners shall determine**
 33 **whether to correct the valuation of the property under:**

- 34 (1) **sections 9 and 10 of this chapter; or**
 35 (2) **IC 6-1.1-14-10 and IC 6-1.1-14-11.**

36 (l) **The state board of tax commissioners shall give notice by**
 37 **mail to a taxpayer of a hearing concerning the state board's intent**
 38 **to cause the taxpayer's property to be reassessed under this**
 39 **section. The time fixed for the hearing must be at least ten (10)**
 40 **days after the day the notice is mailed. The state board may**
 41 **conduct a single hearing under this section with respect to multiple**
 42 **properties. The notice must state:**

- 1 **(1) the time of the hearing;**
 2 **(2) the location of the hearing; and**
 3 **(3) that the purpose of the hearing is to hear taxpayers'**
 4 **comments and objections with respect to the state board's**
 5 **intent to reassess property under this chapter.**

6 **(m) If the state board of tax commissioners determines after the**
 7 **hearing that property should be reassessed under this section, the**
 8 **state board shall:**

- 9 **(1) cause the property to be reassessed under this section;**
 10 **(2) mail a certified notice of its final determination to the**
 11 **county auditor of the qualifying county in which the property**
 12 **is located; and**
 13 **(3) notify the taxpayer by mail of its final determination.**

14 **(n) A reassessment may be made under this section only if the**
 15 **notice of the final determination under subsection (l) is given to the**
 16 **taxpayer within the same period prescribed in IC 6-1.1-9-3 or**
 17 **IC 6-1.1-9-4.**

18 **(o) If the state board of tax commissioners contracts for a**
 19 **special reassessment of property under this section, the state board**
 20 **shall forward the bill for services of the contractor to the county**
 21 **auditor, and the county shall pay the bill from the county**
 22 **reassessment fund.**

23 **(p) The provisions of this section are severable in the manner**
 24 **provided in IC 1-1-1-8(b)."**

25 Page 3, delete lines 9 through 42, begin a new paragraph and insert:

26 **"Chapter 6.8. Assessments in Qualifying Counties**

27 **Sec. 1. As used in this chapter, "agreed to procedures report"**
 28 **means a report based on procedures agreed to by an independent**
 29 **nationally recognized certified public accounting firm and the state**
 30 **board of tax commissioners on:**

31 **(1) the accuracy of the implementation of minimum assessed**
 32 **values under sections 6 and 7 of this chapter in a qualifying**
 33 **county by:**

34 **(A) the township assessors of the townships in the**
 35 **qualifying county; and**

36 **(B) the county property tax assessment board of appeals of**
 37 **the qualifying county;**

38 **(2) the accurate application of the rule governing the**
 39 **assessment of real property in the qualifying county;**

40 **(3) the accurate conduct of equalization under IC 6-1.1-13-6**
 41 **in the qualifying county; and**

42 **(4) the completeness of the records of the county auditor in**

1 **assigning an identifying number under IC 6-1.1-5-2 to each**
2 **parcel of real property in the qualifying county.**

3 **Sec. 2. As used in this chapter, "legislative body" has the**
4 **meaning set forth in IC 36-1-2-9.**

5 **Sec. 3. As used in this chapter, "qualifying county" means a**
6 **county having a population of more than four hundred thousand**
7 **(400,000) but less than seven hundred thousand (700,000).**

8 **Sec. 4. As used in this chapter, "single family residence" means**
9 **a building designed to house one (1) family.**

10 **Sec. 5. As used in this chapter, "single family residence land"**
11 **means the parcel of land on which a single family residence:**

12 **(1) is located; or**

13 **(2) has been located within the ten (10) years immediately**
14 **preceding the assessment date for which a minimum assessed**
15 **value is determined under this chapter.**

16 **Sec. 6. The minimum assessed value of a single family residence**
17 **located in a qualifying county is seventeen thousand dollars**
18 **(\$17,000).**

19 **Sec. 7. The minimum assessed value of single family residence**
20 **land located in a qualifying county is three thousand dollars**
21 **(\$3,000).**

22 **Sec. 8. A minimum assessed value under this chapter is**
23 **presumed to be accurate unless the inaccuracy of the minimum**
24 **assessment is established by clear and convincing evidence.**

25 **Sec. 9. With respect to each year in which a general**
26 **reassessment of real property is completed as required under**
27 **IC 6-1.1-4-4, the state board of tax commissioners shall contract**
28 **for an independent nationally recognized certified public**
29 **accounting firm to:**

30 **(1) conduct a review of the accuracy of the implementation**
31 **referred to in section 1(1) of this chapter;**

32 **(2) conduct a review of the accuracy of the application of the**
33 **rule governing the assessment of real property in the**
34 **qualifying county;**

35 **(3) conduct a review of the accuracy of the conduct of**
36 **equalization under IC 6-1.1-13-6 in the qualifying county;**

37 **(4) conduct a review of the completeness of the records of the**
38 **county auditor in assigning an identifying number under**
39 **IC 6-1.1-5-2 to each parcel of real property in the qualifying**
40 **county; and**

41 **(5) prepare an agreed to procedures report.**

42 **Sec. 10. The state board of tax commissioners shall contract**

1 under section 9 of this chapter with the same firm that contracts
2 with the board under IC 6-1.1-4-32(c) and IC 6-1.1-6.9.

3 **Sec. 11. The firm that prepares the agreed to procedures report**
4 **shall submit the report to:**

- 5 (1) the legislative body of the qualifying county;
- 6 (2) the prosecuting attorney of the qualifying county;
- 7 (3) the state board of tax commissioners; and
- 8 (4) the attorney general.

9 **Sec. 12. If the state board of tax commissioners determines from**
10 **the agreed to procedures report that:**

- 11 (1) the minimum assessed values established in this chapter
- 12 were not accurately applied in the qualifying county, or in any
- 13 part of the qualifying county;
- 14 (2) the rule governing the assessment of real property was not
- 15 accurately applied in the qualifying county, or in any part of
- 16 the qualifying county; or
- 17 (3) equalization was not properly conducted under
- 18 IC 6-1.1-13-6 in the qualifying county, or in any part of the
- 19 qualifying county;

20 **the state board shall implement the proper values that would result**
21 **from the correct application of the minimum assessed values**
22 **established in this chapter and the rule governing the assessment**
23 **of real property in the qualifying county.**

24 **Sec. 13. If the state board of tax commissioners determines from**
25 **the agreed to procedures report that any parcel of real property**
26 **has not been assigned an identifying number under IC 6-1.1-5-2**
27 **and does not appear on the records of the county auditor, the state**
28 **board shall ensure that the parcel is properly identified and is**
29 **properly assessed under the rule governing the assessment of real**
30 **property in the qualifying county.**

31 **Sec. 14. The provisions of this chapter are severable in the**
32 **manner provided in IC 1-1-1-8(b).**

33 SECTION 4. IC 6-1.1-6.9 IS ADDED TO THE INDIANA CODE
34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2001 (RETROACTIVE)]:

36 **Chapter 6.9. Residential Deductions and Exemptions in**
37 **Qualifying Counties**

38 **Sec. 1. As used in this chapter, "agreed to procedures report"**
39 **means a report based on procedures agreed to by an independent**
40 **nationally recognized certified public accounting firm and the state**
41 **board of tax commissioners on the accuracy of:**

- 42 (1) the implementation by the county auditor of the qualifying

- 1 county of maximum combined deductions under section 7 of
 2 this chapter;
- 3 (2) the implementation of the limitation on net assessed value
 4 under section 8 of this chapter by:
- 5 (A) the township assessors of the townships in the
 6 qualifying county;
- 7 (B) the county auditor of the qualifying county; and
 8 (C) the county property tax assessment board of appeals of
 9 the qualifying county;
- 10 (3) the implementation by the county auditor of the qualifying
 11 county of the limitations under IC 6-1.1-12 on the application
 12 against the assessed values of multiple parcels of deductions
 13 under a section in an amount that exceeds the maximum
 14 deduction amount stated in the section;
- 15 (4) the implementation by the county property tax assessment
 16 board of appeals of the qualifying county of the exemption
 17 limitation under IC 6-1.1-10-16(d)(3); and
- 18 (5) the correct determination and application of all
 19 exemptions on real property under IC 6-1.1-10.
- 20 Sec. 2. As used in this chapter, "legislative body" has the
 21 meaning set forth in IC 36-1-2-9.
- 22 Sec. 3. As used in this chapter, "net assessed value" means the
 23 remainder of:
- 24 (1) the combined assessed value of a single family residence
 25 and the single family residence land upon which the residence
 26 is located; minus
- 27 (2) the combined deductions under IC 6-1.1-12 applicable to
 28 the combined assessed value of the single family residence and
 29 the single family residence land upon which the residence is
 30 located.
- 31 Sec. 4. As used in this chapter, "qualifying county" means a
 32 county having a population of more than four hundred thousand
 33 (400,000) but less than seven hundred thousand (700,000).
- 34 Sec. 5. As used in this chapter, "single family residence" means
 35 a building designed to house one (1) family.
- 36 Sec. 6. As used in this chapter, "single family residence land"
 37 means the parcel of land on which a single family residence:
- 38 (1) is located; or
 39 (2) has been located within the ten (10) years immediately
 40 preceding the assessment date for which a minimum assessed
 41 value is determined under this chapter.
- 42 Sec. 7. The maximum combined deductions under IC 6-1.1-12

1 applicable to the combined assessed value of a single family
2 residence and the single family residence land upon which the
3 residence is located in a qualifying county is twelve thousand
4 dollars (\$12,000).

5 Sec. 8. The application of deductions under IC 6-1.1-12 may not
6 reduce the net assessed value of a single family residence and the
7 single family residence land upon which the residence is located in
8 a qualifying county to an amount less than eight thousand dollars
9 (\$8,000).

10 Sec. 9. With respect to each year in which a general
11 reassessment of real property is completed as required under
12 IC 6-1.1-4-4, the state board of tax commissioners shall contract
13 for an independent nationally recognized certified public
14 accounting firm to:

15 (1) conduct a review of the accuracy of:

16 (A) the implementations referred to in section 1(1) through
17 1(4) of this chapter; and

18 (B) the correct determination and application of
19 exemptions referred to in section 1(5) of this chapter; and

20 (2) prepare an agreed to procedures report.

21 Sec. 10. The state board of tax commissioners shall contract
22 under section 9 of this chapter with the same firm that contracts
23 with the board under IC 6-1.1-4-32(c) and IC 6-1.1-6.8.

24 Sec. 11. The firm that prepares the agreed to procedures report
25 shall submit the report to:

26 (1) the legislative body of the qualifying county;

27 (2) the prosecuting attorney of the qualifying county;

28 (3) the state board of tax commissioners; and

29 (4) the attorney general.

30 Sec. 12. If the state board of tax commissioners determines from
31 the agreed to procedures report that the implementations referred
32 to in section 1(1) through 1(4) of this chapter were not accurate in
33 the qualifying county, or in any part of the qualifying county, the
34 state board shall correct the implementations. If the state board of
35 tax commissioners determines from the agreed to procedures
36 report that the determination and application of exemptions
37 referred to in section 1(5) of this chapter were not correct in the
38 qualifying county, or in any part of the qualifying county, the state
39 board shall correct the exemptions. The state board of tax
40 commissioners may correct the implementations and exemptions
41 subject to the same authority and limitations that apply to the
42 reassessment of property by the state board under IC 6-1.1-14-10.

1 **Sec. 13. The provisions of this chapter are severable in the**
 2 **manner provided in IC 1-1-1-8(b).".**

3 Delete page 4.

4 Page 5, delete lines 1 through 26.

5 Replace the effective date in SECTIONS 3 through 16 with
 6 "[EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]:".

7 Page 6, line 6, delete "limitation" and insert "**limitations**".

8 Page 6, line 7, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 9 **and IC 6-1.1-6.9-8**".

10 Page 6, line 8, after "IC 6-1.1-12-9" insert ", AS AMENDED BY
 11 P.L.155-1999, SECTION 1, P.L.6-1997, SECTION 46, AND
 12 P.L.155-1999, SECTION 2,".

13 Page 6, line 8, after "AMENDED" insert "AND IS CORRECTED".

14 Page 6, delete lines 24 through 42, begin a new line block indented
 15 and insert:

16 "for the calendar year preceding the year in which the deduction
 17 is claimed did not exceed *twenty thousand dollars (\$20,000)*
 18 *twenty-five thousand dollars (\$25,000)*;

19 (3) the individual has owned the real property or mobile home for
 20 at least one (1) year before claiming the deduction; or the
 21 individual has been buying the real property under a contract that
 22 provides that the individual is to pay the property taxes on the real
 23 property or mobile home for at least one (1) year before claiming
 24 the deduction, and the contract or a memorandum of the contract
 25 is recorded in the county recorder's office;

26 (4) the individual and any individuals covered by subdivision
 27 (2)(B) reside on the real property or in the mobile home;

28 (5) the assessed value of the real property or mobile home does
 29 not exceed *twenty-three thousand dollars (\$23,000)* *sixty-three*
 30 *thousand dollars (\$63,000)* *sixty-nine thousand dollars*
 31 *(\$69,000)*; and

32 (6) the individual receives no other property tax deduction for the
 33 year in which the deduction is claimed, except the deductions
 34 provided by sections 1, 37, and 38 of this chapter.

35 (b) Except as provided in subsection (h), in the case of real property,
 36 an individual's deduction under this section equals *three thousand*
 37 *dollars (\$3,000)* *the lesser of:*

38 (1) *one-half (1/2) of the assessed value of the real property; or*

39 (2) *two thousand dollars (\$2,000)* *six thousand dollars (\$6,000).*

40 (c) Except as provided in subsection (h), in the case of a mobile
 41 home which is not assessed as real property, an individual's deduction
 42 under this section equals the lesser of:

- 1 (1) one-half (1/2) of the assessed value of the mobile home; or
 2 (2) *two thousand dollars (\$2,000) three thousand dollars (\$3,000)*
 3 *six thousand dollars (\$6,000)*."
 4 Page 7, delete lines 1 through 6.
 5 Page 7, line 39, delete "limitation" and insert "**limitations**".
 6 Page 7, line 40, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 7 **and IC 6-1.1-6.9-8**".
 8 Page 8, line 38, delete "limitation" and insert "**limitations**".
 9 Page 8, line 39, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 10 **and IC 6-1.1-6.9-8**".
 11 Page 9, line 33, delete "limitation" and insert "**limitations**".
 12 Page 9, line 34, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 13 **and IC 6-1.1-6.9-8**".
 14 Page 10, line 28, delete "limitation" and insert "**limitations**".
 15 Page 10, line 29, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 16 **and IC 6-1.1-6.9-8**".
 17 Page 11, line 8, delete "limitation" and insert "**limitations**".
 18 Page 11, line 9, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 19 **and IC 6-1.1-6.9-8**".
 20 Page 11, line 37, delete "limitation" and insert "**limitations**".
 21 Page 11, line 38, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 22 **and IC 6-1.1-6.9-8**".
 23 Page 12, line 33, delete "limitation" and insert "**limitations**".
 24 Page 12, line 34, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 25 **and IC 6-1.1-6.9-8**".
 26 Page 13, line 20, delete "limitation" and insert "**limitations**".
 27 Page 13, line 21, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 28 **and IC 6-1.1-6.9-8**".
 29 Page 13, line 40, delete "limitation" and insert "**limitations**".
 30 Page 13, line 41, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 31 **and IC 6-1.1-6.9-8**".
 32 Page 14, line 14, delete "limitation" and insert "**limitations**".
 33 Page 14, line 15, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 34 **and IC 6-1.1-6.9-8**".
 35 Page 14, line 30, delete "limitation" and insert "**limitations**".
 36 Page 14, line 31, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 37 **and IC 6-1.1-6.9-8**".
 38 Page 15, line 4, delete "limitation" and insert "**limitations**".
 39 Page 15, line 5, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
 40 **and IC 6-1.1-6.9-8**".
 41 Page 15, line 23, delete "limitation" and insert "**limitations**".

1 Page 15, line 24, delete "IC 6-1.1-6.8-10" and insert "**IC 6-1.1-6.9-7**
2 **and IC 6-1.1-6.9-8**".

3 Page 16, line 42, delete "IC 6-1.1-6.8-2" and insert "**IC 6-1.1-6.8-3**".

4 Page 17, after line 24, begin a new paragraph and insert:

5 "SECTION 20. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
6 AS A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE
7 JANUARY 1, 2002]:

8 **Chapter 20. Income Tax Credit For Property Taxes Paid on**
9 **Homesteads**

10 **Sec. 1. As used in this chapter, "earned income" means the sum**
11 **of the:**

12 **(1) wages, salaries, tips, and other employee compensation;**
13 **and**

14 **(2) net earnings from self-employment (as computed under**
15 **Section 32(c)(2) of the Internal Revenue Code);**

16 **of an individual taxpayer, and the individual's spouse, if the**
17 **individual files a joint adjusted gross income tax return.**

18 **Sec. 2. As used in this chapter, "homestead" has the meaning set**
19 **forth in IC 6-1.1-20.9-1.**

20 **Sec. 3. As used in this chapter, "state income tax liability"**
21 **means an individual's adjusted gross income tax liability under**
22 **IC 6-3.**

23 **Sec. 4. An individual is entitled to a credit under this chapter if**
24 **the:**

25 **(1) individual's earned income for the taxable year is less than**
26 **eighteen thousand six hundred (\$18,600); and**

27 **(2) the individual pays property taxes in the taxable year on**
28 **a homestead that:**

29 **(A) the individual:**

30 **(i) owns; or**

31 **(ii) is buying under a contract that requires the**
32 **individual to pay property taxes on the homestead, if the**
33 **contract or a memorandum of the contract is recorded**
34 **in the county recorder's office; and**

35 **(B) is located in a county having a population of more than**
36 **four hundred thousand (400,000) but less than seven**
37 **hundred thousand (700,000).**

38 **Sec. 5. (a) Each year, an individual described in section 4 of this**
39 **chapter is entitled to a refundable credit against the individual's**
40 **state income tax liability in the amount determined under this**
41 **section.**

42 **(b) In the case of an individual with earned income of less than**

1 **eighteen thousand dollars (\$18,000) for the taxable year, the**
 2 **amount of the credit is equal to the lesser of:**

3 **(1) three hundred dollars (\$300); or**

4 **(2) the amount of property taxes described in section 4(2) of**
 5 **this chapter paid by the individual in the taxable year.**

6 **(c) In the case of an individual with earned income that is at**
 7 **least eighteen thousand dollars (\$18,000) but less than eighteen**
 8 **thousand six hundred dollars (\$18,600) for the taxable year, the**
 9 **amount of the credit is equal to the lesser of the following:**

10 **(1) An amount determined under the following STEPS:**

11 **STEP ONE: Determine the result of:**

12 **(i) eighteen thousand six hundred dollars (\$18,600);**
 13 **minus**

14 **(ii) the individual's earned income for the taxable year.**

15 **STEP TWO: Determine the result of:**

16 **(i) the STEP ONE amount; multiplied by**

17 **(ii) five-tenths (0.5).**

18 **(2) The amount of property taxes described in section 4(2) of**
 19 **this chapter paid by the individual in the taxable year.**

20 **(d) If the amount of the credit under this chapter exceeds the**
 21 **individual's state tax liability for the taxable year, the excess shall**
 22 **be refunded to the taxpayer.**

23 **Sec. 6. To obtain the credit provided by this chapter, an**
 24 **individual must file with the department information concerning**
 25 **the property taxes paid on the individual's homestead and any**
 26 **other information required by the department.**

27 **Sec. 7. (a) The department shall before July 1 of each year**
 28 **determine the amount of credits allowed under this chapter for**
 29 **taxable years ending before January 1 of the year.**

30 **(b) If the county described in section 4(2)(B) of this chapter has**
 31 **adopted a county adjusted gross income tax under IC 6-3.5-1.1 or**
 32 **a county option income tax under IC 6-3.5-6, the amount**
 33 **determined by the department under subsection (a) shall be**
 34 **deducted during the year from:**

35 **(1) the special account within the state general fund**
 36 **established for the county under IC 6-3.5-1.1-8, if the county**
 37 **has adopted the county adjusted gross income tax; or**

38 **(2) the special account within the state general fund**
 39 **established for the county under 6-3.5-6-16, if the county has**
 40 **adopted the county option income tax.**

41 **(c) The amounts deducted from the county's special account**
 42 **under this section shall be transferred to the state general fund.**

1 **The amount of the certified distributions that would otherwise be**
 2 **payable to the county during the year from county adjusted gross**
 3 **income tax or county option income tax shall be reduced by the**
 4 **amount deducted from the county's special account.**

5 **(d) If the county described in section 4(2)(B) of this chapter has**
 6 **not adopted a county adjusted gross income tax under IC 6-3.5-1.1**
 7 **or a county option income tax under IC 6-3.5-6, or if the amount**
 8 **determined under subsection (a) exceeds the balance in the**
 9 **county's special account under IC 6-3.5-1.1-8 or IC 6-3.5-6-16, an**
 10 **amount equal to:**

11 **(1) the amount determined under subsection (a) for the year;**
 12 **minus**

13 **(2) the amounts deducted during the year from the county's**
 14 **special account under IC 6-3.5-1.1-8 or IC 6-3.5-6-16, if the**
 15 **county has adopted a county adjusted gross income tax or a**
 16 **county option income tax;**

17 **shall be deducted from the riverboat admissions tax revenue**
 18 **otherwise payable to the county under IC 4-33-12-6(b)(2) and shall**
 19 **instead be paid to the state general fund.**

20 SECTION 21. IC 6-3.5-8 IS ADDED TO THE INDIANA CODE
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]:

23 **Chapter 8. Municipal Option Income Tax**

24 **Sec. 1. As used in this chapter, "adjusted gross income" has the**
 25 **meaning set forth in IC 6-3-1-3.5. However, in the case of a**
 26 **municipal taxpayer who is not treated as a resident municipal**
 27 **taxpayer of a municipality, the term includes only adjusted gross**
 28 **income derived from the taxpayer's principal place of business or**
 29 **employment.**

30 **Sec. 2. As used in this chapter, "department" refers to the**
 31 **department of state revenue.**

32 **Sec. 3. As used in this chapter, "fiscal body" has the meaning set**
 33 **forth in IC 36-1-2-6.**

34 **Sec. 4. As used in this chapter, "municipal option income tax"**
 35 **refers to the tax authorized by this chapter.**

36 **Sec. 5. As used in this chapter, "municipal taxpayer", as it**
 37 **relates to a particular municipality, means any individual:**

38 **(1) who resides in that municipality on the date specified in**
 39 **section 21 of this chapter; or**

40 **(2) who maintains the individual's principal place of business**
 41 **or employment in that municipality on the date specified in**
 42 **section 21 of this chapter and who does not reside on that**

1 same date in:

2 (A) a county in which the county option income tax, the
3 county adjusted gross income tax, or the county economic
4 development income tax is in effect; or

5 (B) a municipality in which the municipal option income
6 tax is in effect.

7 Sec. 6. As used in this chapter, "municipality" has the meaning
8 set forth in IC 36-1-2-11.

9 Sec. 7. As used in this chapter, "qualifying county" means a
10 county having a population of more than four hundred thousand
11 (400,000) but less than seven hundred thousand (700,000).

12 Sec. 8. As used in this chapter, "resident municipal taxpayer",
13 as it relates to a particular municipality, means any municipal
14 taxpayer who resides in that municipality on the date specified in
15 section 21 of this chapter.

16 Sec. 9. (a) Except as provided in subsections (c) and (f) and in
17 section 12(c) of this chapter, the fiscal body of a municipality
18 located in a qualifying county may impose a municipal option
19 income tax, which consists of a tax on the adjusted gross income of
20 municipal taxpayers of the municipality. If the tax is imposed, the
21 tax takes effect:

22 (1) September 1, 2001, if the fiscal body adopts an ordinance
23 to impose the tax before July 1, 2001; or

24 (2) July 1 of the year that the ordinance imposing the tax is
25 adopted, if the ordinance is adopted in 2002 or a later
26 calendar year.

27 (b) A municipal fiscal body shall hold a public hearing on the
28 proposed ordinance before adopting an ordinance under
29 subsection (a). The municipal fiscal body shall give public notice of
30 the public hearing under IC 5-3-1.

31 (c) A fiscal body may not impose a municipal option income tax
32 under subsection (a) for a period in which the county adjusted
33 gross income tax, the county option income tax, the economic
34 development income tax, or the property tax reduction income tax
35 is in effect in the qualifying county in which the municipality is
36 located.

37 (d) If during a particular calendar year the fiscal body of a
38 municipality in a qualifying county adopts an ordinance to impose
39 the municipal option income tax in the municipality effective for
40 July 1 of that calendar year and the fiscal body of the qualifying
41 county in which the municipality is located adopts an ordinance to
42 impose the county property tax reduction income tax in the

1 **qualifying county effective for July 1 of that calendar year, the**
 2 **county property tax reduction income tax takes effect in the**
 3 **qualifying county and the municipal option income tax does not**
 4 **take effect in the municipality.**

5 **(e) If during a particular calendar year:**

6 **(1) the fiscal body of a qualifying county adopts an ordinance**
 7 **to impose the county property tax reduction income tax**
 8 **effective July 1 of the calendar year; and**

9 **(2) a municipality located in the qualifying county has a**
 10 **municipal option income tax in effect under an ordinance**
 11 **adopted in a previous calendar year;**

12 **the municipal option income tax in the municipality is rescinded**
 13 **effective July 1 of the calendar year in which the ordinance is**
 14 **adopted under subdivision (1).**

15 **(f) A fiscal body may not impose a municipal option income tax**
 16 **for a calendar year that begins after December 31, 2005.**

17 **Sec. 10. (a) The maximum rate of the municipal option income**
 18 **tax imposed on a resident municipal taxpayer under this chapter**
 19 **is one percent (1%). The maximum rate of the municipal option**
 20 **income tax imposed on all other municipal taxpayers under this**
 21 **chapter is one-half percent (0.5%).**

22 **(b) A municipal option income tax imposed under this chapter**
 23 **applies to resident municipal taxpayers and all other municipal**
 24 **taxpayers. The municipal option income tax rate in effect for the**
 25 **municipal taxpayers of a municipality who are not resident**
 26 **municipal taxpayers of that municipality is at all times one-half**
 27 **(1/2) of the tax rate imposed upon resident municipal taxpayers.**

28 **Sec. 11. (a) To impose a municipal option income tax to take**
 29 **effect September 1, 2001, the fiscal body of a municipality in a**
 30 **qualifying county must adopt an ordinance before July 1, 2001.**

31 **The ordinance must substantially state the following:**

32 **"The _____ Fiscal Body imposes the municipal option**
 33 **income tax on the municipal taxpayers of _____ (insert**
 34 **name of municipality). The income tax is imposed at a rate of**
 35 **_____ percent (____ %) on the resident municipal taxpayers**
 36 **of the municipality and at a rate of ____ percent (____ %) on**
 37 **all other municipal taxpayers. The income tax takes effect**
 38 **September 1, 2001."**

39 **(b) An ordinance adopted under subsection (a) takes effect**
 40 **September 1, 2001.**

41 **(c) To impose a municipal option income tax in 2002 or in a later**
 42 **year, the fiscal body of a municipality that does not adopt an**

1 ordinance under subsection (a) must, after February 15 but before
2 May 1 of a year, adopt an ordinance. The ordinance must
3 substantially state the following:

4 "The _____ Fiscal Body imposes the municipal option
5 income tax on the municipal taxpayers of _____ (insert
6 name of municipality). The income tax is imposed at a rate of
7 _____ percent (____%) on the resident municipal taxpayers
8 of the municipality and at a rate of ____ percent (____%) on
9 all other municipal taxpayers. The income tax takes effect
10 July 1 of this year."

11 (d) An ordinance adopted under subsection (c) takes effect July
12 1 of the year the ordinance is adopted.

13 Sec. 12. (a) If the fiscal body of a municipality in a qualifying
14 county adopts an ordinance under section 11(a) of this chapter, the
15 state board of tax commissioners may not certify a budget for the
16 municipality under IC 6-1.1-17-16(f) for the 2002 calendar year
17 that is greater than ninety-seven percent (97%) of the budget of the
18 municipality certified by the state board for the 2001 calendar
19 year. The state board of tax commissioners may not certify a
20 budget for the municipality under IC 6-1.1-17-16(f) for any later
21 calendar year that is greater than ninety-seven percent (97%) of
22 the budget of the municipality certified by the state board for the
23 calendar year that immediately precedes the later calendar year.

24 (b) If the fiscal body of a municipality in a qualifying county
25 adopts an ordinance in a calendar year under section 11(c) of this
26 chapter, the state board of tax commissioners may not certify a
27 budget for the municipality under IC 6-1.1-17-16(f) for the
28 calendar year that immediately succeeds the calendar year in
29 which the ordinance is adopted that is greater than ninety-seven
30 percent (97%) of the budget of the municipality certified by the
31 state board for the calendar year in which the ordinance was
32 adopted. The state board of tax commissioners may not certify a
33 budget for the municipality under IC 6-1.1-17-16(f) for any later
34 calendar year that is greater than ninety-seven percent (97%) of
35 the budget of the municipality certified by the state board for the
36 calendar year that immediately precedes the later calendar year.

37 (c) Before July 1 of 2002 and of each year thereafter, the state
38 board of tax commissioners shall review the budget approved for
39 each municipality in a qualifying county in which a municipal
40 option income tax is in effect to determine whether the restriction
41 under subsection (a) or (b) has been applied. If the restriction has
42 not been applied:

- 1 **(1) the municipal option income tax is rescinded as of July 1**
2 **of the year in which the review was made;**
3 **(2) the municipality may not impose the municipal option**
4 **income tax for any later year; and**
5 **(3) the municipality is:**
6 **(A) subject to subsection (d), if the municipality adopted**
7 **the municipal option income tax in 2002; or**
8 **(B) subject to subsection (e), if the municipality adopted**
9 **the municipal option income tax in a year that succeeds**
10 **2002.**

11 **(d) In May 2003, the department of state revenue shall**
12 **determine for each municipality subject to this subsection the**
13 **amount of tax revenue collected for the municipality after August**
14 **31, 2001, and before July 1, 2002. The department of state revenue**
15 **shall immediately notify the municipality of the amount**
16 **determined under this subsection. Not later than thirty (30) days**
17 **after receiving notification from the department of state revenue,**
18 **the municipality shall transfer the amount determined by the**
19 **department under this subsection from the municipality's general**
20 **fund to the county family and children's fund of the qualifying**
21 **county in which the municipality is located.**

22 **(e) In May 2004, and in May of each year thereafter, the**
23 **department of state revenue shall determine for each municipality**
24 **subject to this subsection the amount of tax revenue collected for**
25 **the municipality after June 30 of the calendar year that precedes**
26 **by two (2) years the calendar year in which the determination is**
27 **made and before July 1 of the year that immediately precedes the**
28 **calendar year in which the determination is made. The department**
29 **of state revenue shall immediately notify the municipality of the**
30 **amount determined under this subsection. Not later than thirty**
31 **(30) days after receiving notification from the department of state**
32 **revenue, the municipality shall transfer the amount determined by**
33 **the department under this subsection from the municipality's**
34 **general fund to the county family and children's fund of the**
35 **qualifying county in which the municipality is located.**

36 **(f) If a municipality makes a transfer from its general fund to**
37 **the county's family and children's fund as described in subsection**
38 **(d) or (e), the state board of tax commissioners shall reduce by the**
39 **amount transferred the county's maximum family and children's**
40 **fund levy under IC 6-1.1-18.6 for the calendar year that**
41 **immediately succeeds the year in which the transfer is made.**

42 **Sec. 13. (a) The fiscal body of a municipality may increase or**

1 decrease the rate of a municipal option income tax. To increase or
 2 decrease the rate, the fiscal body must, after January 1 but before
 3 May 1 of a year, adopt an ordinance. The ordinance must
 4 substantially state the following:

5 "The _____ Fiscal Body increases (or decreases) the rate
 6 of the municipal option income tax. The tax rate with respect
 7 to resident municipal taxpayers is increased (or decreased)
 8 from (insert current rate) to (insert proposed rate). The tax
 9 rate with respect to all other municipal taxpayers is increased
 10 (or decreased) from (insert current rate) to (insert proposed
 11 rate). This tax rate increase (or decrease) takes effect July 1
 12 of this year.

13 (b) A fiscal body shall hold a public hearing on the proposed
 14 ordinance before adopting an ordinance under subsection (a). The
 15 municipal fiscal body shall give public notice of the public hearing
 16 under IC 5-3-1.

17 (c) An ordinance adopted under this section takes effect July 1
 18 of the year the ordinance is adopted.

19 Sec. 14. (a) A municipal option income tax imposed by a fiscal
 20 body under this chapter remains in effect until the earlier of:

- 21 (1) the date the tax is rescinded; or
- 22 (2) December 31, 2005.

23 (b) A fiscal body may rescind the municipal option income tax
 24 by adopting an ordinance to rescind the tax after January 1 but
 25 before June 1 of a year.

26 (c) A fiscal body shall hold a public hearing on the proposed
 27 ordinance before adopting an ordinance under subsection (b). The
 28 municipal fiscal body shall give public notice of the public hearing
 29 under IC 5-3-1.

30 (d) An ordinance adopted under this section takes effect July 1
 31 of the year the ordinance is adopted.

32 Sec. 15. Immediately upon adoption under this chapter of an
 33 ordinance to impose or rescind a municipal option income tax, or
 34 an ordinance to increase or decrease the rate of the tax, the
 35 legislative body of the municipality shall send a certified copy of
 36 the ordinance to the department by certified mail.

37 Sec. 16. If a municipal option income tax is not in effect during
 38 an individual taxpayer's entire taxable year, the amount of
 39 municipal option income tax that the taxpayer owes for that
 40 taxable year equals the product of:

- 41 (1) the amount of the municipal option income tax the
 42 taxpayer would owe if the tax had been imposed during the

1 taxpayer's entire taxable year; multiplied by
 2 (2) a fraction. The numerator equals the number of days
 3 during the taxpayer's taxable year that the municipal option
 4 income tax was in effect. The denominator equals the total
 5 number of days in the taxpayer's taxable year.

6 Sec. 17. (a) If, for a particular taxable year, an individual
 7 taxpayer is allowed, or a municipal taxpayer and the municipal
 8 taxpayer's spouse who file a joint return are allowed, a credit for
 9 the elderly or the totally disabled under Section 22 of the Internal
 10 Revenue Code (as defined in IC 6-3-1-11), the municipal taxpayer
 11 is entitled or the municipal taxpayer and the municipal taxpayer's
 12 spouse are entitled to a credit against their municipal option
 13 income tax liability for that same taxable year. The amount of the
 14 credit equals the lesser of the following:

15 (1) The product of:

16 (A) the credit for the elderly or the totally disabled for the
 17 same taxable year; multiplied by

18 (B) a fraction. The numerator is the municipal option
 19 income tax rate imposed against the municipal taxpayer or
 20 the municipal taxpayer and the municipal taxpayer's
 21 spouse. The denominator is fifteen-hundredths (0.15).

22 (2) The amount of municipal option income tax imposed on
 23 the municipal taxpayer or the municipal taxpayer and the
 24 municipal taxpayer's spouse.

25 (b) If a municipal taxpayer and the municipal taxpayer's spouse
 26 file a joint return and are subject to different municipal option
 27 income tax rates for the same taxable year, they shall compute the
 28 credit under this section by using the formula provided in
 29 subsection (a), except that they shall use the average of the two (2)
 30 tax rates imposed against them as the numerator referred to in
 31 subsection (a)(1)(B).

32 Sec. 18. (a) Revenue derived from the imposition of a municipal
 33 option income tax shall, in the manner prescribed by this section,
 34 be distributed to the municipality that imposed the tax. The
 35 amount that is to be distributed to a municipality during an
 36 ensuing calendar year equals the amount of municipal option
 37 income tax revenue that the department, after reviewing the
 38 recommendation of the budget agency, estimates will be received
 39 from that municipality during the twelve (12) month period
 40 beginning July 1 of the immediately preceding calendar year and
 41 ending June 30 of the ensuing calendar year.

42 (b) Before June 16 of each calendar year, the department, after

1 reviewing the recommendation of the budget agency, shall estimate
2 and certify to each adopting municipality and to the county auditor
3 of the qualifying county the amount of municipal option income tax
4 revenue that will be collected from that municipality during the
5 twelve (12) month period beginning July 1 of that calendar year
6 and ending June 30 of the immediately succeeding calendar year.
7 The amount certified is the municipality's "certified distribution"
8 for the immediately succeeding calendar year. The amount
9 certified may be adjusted under subsection (c) or (d).

10 (c) The department may certify to an adopting municipality an
11 amount that is greater than the estimated twelve (12) month
12 revenue collection if the department, after reviewing the
13 recommendation of the budget agency, determines that there will
14 be a greater amount of revenue available for distribution from the
15 municipality's account established under section 19 of this chapter.

16 (d) The department may certify an amount less than the
17 estimated twelve (12) month revenue collection if the department,
18 after reviewing the recommendation of the budget agency,
19 determines that a part of those collections needs to be distributed
20 during the current calendar year so that the municipality will
21 receive its full certified distribution for the current calendar year.

22 (e) One-twelfth (1/12) of each adopting municipality's certified
23 distribution for a calendar year shall be distributed from its
24 account established under section 19 of this chapter to the
25 appropriate municipality on the first day of each month of that
26 calendar year.

27 (f) All distributions from an account established under section
28 19 of this chapter shall be made by warrants issued by the auditor
29 of state to the treasurer of state ordering the appropriate
30 payments.

31 **Sec. 19. (a)** A special account within the state general fund shall
32 be established for each municipality adopting a municipal option
33 income tax. Revenue derived from the imposition of the municipal
34 option income tax shall be deposited in that municipality's account
35 in the state general fund.

36 (b) Income earned on money held in an account under
37 subsection (a) becomes a part of that account.

38 (c) Revenue remaining in an account established under
39 subsection (a) at the end of a state fiscal year does not revert to the
40 state general fund.

41 **Sec. 20. (a)** The state board of tax commissioners shall each year
42 reduce the general fund property tax levy of a municipality

1 receiving a distribution under this chapter in that year. The
2 municipality's general fund property tax levy shall be reduced by
3 the amount of the distribution received or to be received by the
4 municipality during the year. The state board of tax commissioners
5 shall certify to the auditor of the qualifying county the property tax
6 rate applicable to the municipality's general fund after the
7 property tax reduction under this section.

8 (b) A municipality shall treat a distribution that the
9 municipality receives or is to receive during a particular calendar
10 year as a part of the municipality's property tax levy for the
11 general fund for that same calendar year for purposes of fixing the
12 municipality's budget and for purposes of the property tax levy
13 limits imposed by IC 6-1.1-18.5. However, the distributions shall
14 not reduce the total county tax levy that is used to compute the
15 state property tax replacement credit under IC 6-1.1-21. In
16 addition, for purposes of computing and distributing any excise
17 taxes or income taxes in which the distribution is based on
18 property taxes, the distributions shall be treated as though they
19 were property taxes that were due and payable during that same
20 calendar year.

21 (c) A municipality may use distributions received under this
22 chapter for any purpose for which the municipality may use
23 property tax revenues.

24 Sec. 21. (a) For purposes of this chapter, an individual shall be
25 treated as a resident municipal taxpayer of the municipality in
26 which the individual:

- 27 (1) maintains a residence, if the individual maintains only one
28 (1) residence in Indiana;
29 (2) if subdivision (1) does not apply, registers to vote;
30 (3) if subdivision (1) or (2) does not apply, registers the
31 individual's personal automobile; or
32 (4) if subdivision (1), (2), or (3) does not apply, spends the
33 majority of the individual's time in Indiana during the taxable
34 year in question.

35 (b) Whether an individual is a resident municipal taxpayer is
36 determined on January 1 of the calendar year in which the
37 individual's taxable year commences. If an individual changes the
38 location of the individual's residence to another location in Indiana
39 during a calendar year, the individual's liability for municipal
40 option income tax is not affected.

41 Sec. 22. (a) Except as otherwise provided in this chapter, all
42 provisions of the adjusted gross income tax law (IC 6-3)

- 1 **concerning:**
 2 (1) definitions;
 3 (2) declarations of estimated tax;
 4 (3) filing of returns;
 5 (4) remittances;
 6 (5) incorporation of the provisions of the Internal Revenue
 7 Code;
 8 (6) penalties and interest;
 9 (7) exclusion of military pay credits for withholding; and
 10 (8) exemptions and deductions;

11 **apply to the imposition, collection, and administration of the**
 12 **municipal option income tax. The municipal option income tax is**
 13 **a listed tax and an income tax for purposes of IC 6-8.1.**

14 (b) The provisions of IC 6-3-1-3.5(a)(5), IC 6-3-3-3, IC 6-3-3-5,
 15 and IC 6-3-5-1 do not apply to the municipal option income tax.

16 (c) Each employer shall report to the department the amount of
 17 withholdings attributable to each municipality. This report shall
 18 annually be submitted with the employer's withholding report.

19 **Sec. 23. Before February 1 of each year, the department shall**
 20 **submit a report to each municipality indicating the balance at the**
 21 **end of the preceding year in the municipality's account established**
 22 **under section 19 of this chapter.**

23 **Sec. 24. (a) Except as provided in subsection (b), if for a**
 24 **particular taxable year a municipal taxpayer is liable for an**
 25 **income tax imposed by a county, city, town, or other local**
 26 **governmental entity located outside of Indiana, that municipal**
 27 **taxpayer is entitled to a credit against the municipal option income**
 28 **tax liability for that same taxable year. The amount of the credit**
 29 **equals the amount of tax imposed by the other governmental entity**
 30 **on income derived from sources outside Indiana and subject to the**
 31 **municipal option income tax. However, the credit provided by this**
 32 **section may not reduce a municipal taxpayer's municipal option**
 33 **income tax liability to an amount that is less than what would have**
 34 **been owed if the income subject to taxation by the other**
 35 **governmental entity had been ignored.**

36 (b) The credit provided by this section does not apply to a
 37 municipal taxpayer to the extent that the other governmental entity
 38 provides for a credit to the taxpayer for the amount of municipal
 39 option income taxes owed under this chapter.

40 (c) To claim the credit provided by this section, a municipal
 41 taxpayer must provide the department with satisfactory evidence
 42 that the taxpayer is entitled to the credit.

1 **Sec. 25. If for any taxable year a municipal taxpayer is subject**
 2 **to different tax rates for the municipal option income tax imposed**
 3 **by a municipality, the taxpayer's municipal option income tax rate**
 4 **for that municipality and that taxable year is the rate determined**
 5 **in the last STEP of the following STEPS:**

6 **STEP ONE: Multiply the number of months in the taxpayer's**
 7 **taxable year that precede July 1 by the rate in effect before**
 8 **the rate change.**

9 **STEP TWO: Multiply the number of months in the taxpayer's**
 10 **taxable year that follow June 30 by the rate in effect after the**
 11 **rate change.**

12 **STEP THREE: Divide the sum of the amounts determined**
 13 **under STEPS ONE and TWO by twelve (12).**

14 SECTION 22. IC 6-3.5-9 IS ADDED TO THE INDIANA CODE
 15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2002]:

17 **Chapter 9. County Property Tax Reduction Income Tax**

18 **Sec. 1. As used in this chapter, "adjusted gross income" has the**
 19 **same definition that the term is given in IC 6-3-1-3.5. However, in**
 20 **the case of a county taxpayer who is not treated as a resident**
 21 **county taxpayer of a county, the term includes only adjusted gross**
 22 **income derived from the taxpayer's principal place of business or**
 23 **employment.**

24 **Sec. 2. As used in this chapter, "county taxpayer", as it relates**
 25 **to a qualifying county, means any individual:**

26 **(1) who resides in the qualifying county on the date specified**
 27 **in section 18 of this chapter; or**

28 **(2) who maintains the individual's principal place of business**
 29 **or employment in the qualifying county on the date specified**
 30 **in section 18 of this chapter and who does not reside on that**
 31 **same date in:**

32 **(A) another county in which the county option income tax,**
 33 **the county adjusted gross income tax, the county economic**
 34 **development income tax, or the county property tax**
 35 **reduction income tax is in effect; or**

36 **(B) a municipality in which the municipal option income**
 37 **tax is in effect.**

38 **Sec. 3. As used in this chapter, "department" refers to the**
 39 **department of state revenue.**

40 **Sec. 4. As used in this chapter, "fiscal body" has the meaning set**
 41 **forth in IC 36-1-2-6.**

42 **Sec. 5. As used in this chapter, "qualifying county" means a**

1 county having a population of more than four hundred thousand
2 (400,000) but less than seven hundred thousand (700,000).

3 Sec. 6. As used in this chapter, "resident county taxpayer", as
4 it relates to a qualifying county, means any county taxpayer who
5 resides in the qualifying county on the date specified in section 18
6 of this chapter.

7 Sec. 7. (a) A county fiscal body may adopt ordinances to:

8 (1) impose the county property tax reduction income tax in its
9 county;

10 (2) subject to section 10 of this chapter, rescind the county
11 property tax reduction income tax in its county;

12 (3) increase the county property tax reduction income tax rate
13 for the county; or

14 (4) subject to section 12 of this chapter, decrease the county
15 property tax reduction income tax rate for the county.

16 The affirmative votes of five (5) members of the fiscal body are
17 required to adopt an ordinance under this subsection.

18 (b) An ordinance adopted in a particular year under this
19 chapter to impose or rescind the county property tax reduction
20 income tax or to increase its tax rate is effective July 1 of that year.

21 (c) If the fiscal body of a qualifying county adopts an ordinance
22 in a calendar year to impose a county property tax reduction
23 income tax under this chapter, the state board of tax
24 commissioners may not certify a budget for the qualifying county
25 under IC 6-1.1-17-16(f) for the calendar year that immediately
26 succeeds the calendar year in which the ordinance is adopted that
27 is greater than ninety-seven percent (97%) of the budget of the
28 qualifying county certified by the state board for the calendar year
29 in which the ordinance was adopted. The state board of tax
30 commissioners may not certify a budget for the qualifying county
31 under IC 6-1.1-17-16(f) for any later calendar year that is greater
32 than ninety-seven percent (97%) of the budget of the qualifying
33 county certified by the state board for the calendar year that
34 immediately precedes the later calendar year.

35 Sec. 8. (a) Before a county fiscal body may propose an ordinance
36 or vote on a proposed ordinance, the fiscal body must hold a public
37 hearing on the proposed ordinance and provide the public with
38 notice of the time and place where the public hearing will be held.

39 (b) The notice required by subsection (a) must be given in
40 accordance with IC 5-3-1.

41 (c) The form of the notice required by this section must be in
42 substantially the following form:

1 **"NOTICE OF COUNTY PROPERTY TAX**
2 **REDUCTION INCOME TAX ORDINANCE VOTE.**

3 The fiscal body of _____ (insert name of county)
4 County hereby declares that on _____ (insert date) at
5 _____ (insert the time of day) a public hearing will be
6 held at _____ (insert location) concerning the following
7 proposed ordinance that is before the county fiscal body. Members
8 of the public are cordially invited to attend the hearing for the
9 purpose of expressing their views.

10 (Insert a copy of the proposed ordinance.)".

11 **Sec. 9. (a) The county fiscal body of a qualifying county may**
12 **impose the county property tax reduction income tax on the**
13 **adjusted gross income of county taxpayers of its county. If the tax**
14 **is imposed, the tax takes effect July 1 of the year that the ordinance**
15 **imposing the tax is adopted.**

16 **(b) The maximum rate of the tax imposed on a resident county**
17 **taxpayer under this chapter is one percent (1%). The maximum**
18 **rate of the tax imposed on all other county taxpayers under this**
19 **chapter is one-half percent (0.5%).**

20 **(c) A county property tax reduction income tax imposed under**
21 **this chapter applies to resident county taxpayers and all other**
22 **county taxpayers. The county property tax reduction income tax**
23 **rate in effect for the county taxpayers of a qualifying county who**
24 **are not resident county taxpayers of that qualifying county is at all**
25 **times one-half (1/2) of the tax rate imposed upon resident county**
26 **taxpayers.**

27 **(d) To impose the county property tax reduction income tax, a**
28 **county fiscal body must, after February 15 but before May 1 of the**
29 **year, pass an ordinance. The ordinance must substantially state the**
30 **following:**

31 **"The _____ County Fiscal Body imposes the county**
32 **property tax reduction income tax on the county taxpayers of**
33 **_____ County. The county property tax reduction**
34 **income tax is imposed at a rate of _____ percent (____%) on**
35 **the resident county taxpayers of the county and at a rate of**
36 **_____ percent (____%) on all other county taxpayers. This tax**
37 **takes effect July 1 of this year."**

38 **(e) An ordinance adopted under subsection (d) takes effect July**
39 **1 of the year the ordinance is adopted.**

40 **(f) The auditor of a county shall record all votes taken on**
41 **ordinances presented for a vote under this section and immediately**
42 **send a certified copy of the results to the department by certified**

1 mail.

2 Sec. 10. (a) Except as provided in section 11 of this chapter, the
3 county property tax reduction income tax imposed by a county
4 fiscal body under this chapter remains in effect until:

5 (1) the date the tax is rescinded; or

6 (2) December 31, 2005.

7 (b) The county fiscal body of a qualifying county may rescind
8 the county property tax reduction income tax by passing an
9 ordinance to rescind the tax after January 1 but before April 1 of
10 a year.

11 (c) The auditor of a county shall record all votes taken on a
12 proposed ordinance presented for a vote under the authority of this
13 section and immediately send a certified copy of the results to the
14 department by certified mail.

15 Sec. 11. On January 1 of 2003 and of each year thereafter, the
16 state board of tax commissioners shall determine for each
17 qualifying county in which a property tax reduction income tax is
18 in effect the number of full-time employees on the payroll of the
19 qualifying county. If the number of full-time employees on the
20 payroll of the qualifying county on April 1, 2001, is not greater
21 than the number of employees determined by the state board of tax
22 commissioners under this section by at least two hundred fifty
23 (250):

24 (1) the county property tax reduction income tax is rescinded
25 as of July 1 of the year in which the determination was made;
26 and

27 (2) the qualifying county may not impose the county property
28 tax reduction income tax for any later year.

29 Sec. 12. (a) The county fiscal body of a qualifying county may
30 adopt an ordinance to decrease the county property tax reduction
31 income tax rate in effect.

32 (b) To decrease the county property tax reduction income tax
33 rate, the county fiscal body must adopt an ordinance after January
34 1 but before April 1 of a year. The ordinance must substantially
35 state the following:

36 "The _____ County Fiscal Body decreases the
37 county property tax reduction income tax rate from
38 _____ percent (___ %) to _____ percent (___ %).
39 This ordinance takes effect July 1 of this year."

40 (c) An ordinance adopted under this subsection takes effect July
41 1 of the year in which the ordinance is adopted.

42 (d) The county auditor shall record the votes taken on an

1 ordinance under this subsection and shall send a certified copy of
 2 the ordinance to the department by certified mail not more than
 3 thirty (30) days after the ordinance is adopted.

4 **Sec. 13. If for any taxable year a county taxpayer is subject to**
 5 **different tax rates for the county property tax reduction income**
 6 **tax imposed by a qualifying county, the taxpayer's county property**
 7 **tax reduction income tax rate for that county and that taxable year**
 8 **is the rate determined in the last STEP of the following STEPS:**

9 **STEP ONE: Multiply the number of months in the taxpayer's**
 10 **taxable year that precede July 1 by the rate in effect before**
 11 **the rate change.**

12 **STEP TWO: Multiply the number of months in the taxpayer's**
 13 **taxable year that follow June 30 by the rate in effect after the**
 14 **rate change.**

15 **STEP THREE: Divide the sum of the amounts determined**
 16 **under STEPS ONE and TWO by twelve (12).**

17 **Sec. 14. If the county property tax reduction income tax is not**
 18 **in effect during a county taxpayer's entire taxable year, the amount**
 19 **of county property tax reduction income tax that the county**
 20 **taxpayer owes for that taxable year equals the product of:**

21 **(1) the amount of county property tax reduction income tax**
 22 **the county taxpayer would owe if the tax had been imposed**
 23 **during the county taxpayer's entire taxable year; multiplied**
 24 **by**

25 **(2) a fraction. The numerator of the fraction equals the**
 26 **number of days in the county taxpayer's taxable year during**
 27 **which the county property tax reduction income tax was in**
 28 **effect. The denominator of the fraction equals the total**
 29 **number of days in the county taxpayer's taxable year.**

30 **However, if the taxpayer files state income tax returns on a**
 31 **calendar year basis, the fraction to be applied under this section is**
 32 **one-half (1/2).**

33 **Sec. 15. (a) A special account within the state general fund shall**
 34 **be established for each county that adopts the county property tax**
 35 **reduction income tax. Any revenue derived from the imposition of**
 36 **the county property tax reduction income tax by a county shall be**
 37 **deposited in that county's account in the state general fund.**

38 **(b) Any income earned on money held in an account under**
 39 **subsection (a) becomes a part of that account.**

40 **(c) Any revenue remaining in an account established under**
 41 **subsection (a) at the end of a fiscal year does not revert to the state**
 42 **general fund.**

1 **Sec. 16. (a) Revenue derived from the imposition of the county**
2 **property tax reduction income tax shall, in the manner prescribed**
3 **by this section, be distributed to the county that imposed it. The**
4 **amount that is to be distributed to a county during an ensuing**
5 **calendar year equals the amount of county property tax reduction**
6 **income tax revenue that the department, after reviewing the**
7 **recommendation of the budget agency, estimates will be received**
8 **from that county during the twelve (12) month period beginning**
9 **July 1 of the immediately preceding calendar year and ending June**
10 **30 of the ensuing calendar year.**

11 **(b) Before June 16 of each calendar year, the department, after**
12 **reviewing the recommendation of the budget agency, shall estimate**
13 **and certify to the county auditor of each adopting county the**
14 **amount of county property tax reduction income tax revenue that**
15 **will be collected from that county during the twelve (12) month**
16 **period beginning July 1 of that calendar year and ending June 30**
17 **of the immediately succeeding calendar year. The amount certified**
18 **is the county's "certified distribution" for the immediately**
19 **succeeding calendar year. The amount certified may be adjusted**
20 **under subsection (c) or (d).**

21 **(c) The department may certify to an adopting county an**
22 **amount that is greater than the estimated twelve (12) month**
23 **revenue collection if the department, after reviewing the**
24 **recommendation of the budget agency, determines that there will**
25 **be a greater amount of revenue available for distribution from the**
26 **county's account established under section 14 of this chapter.**

27 **(d) The department may certify an amount less than the**
28 **estimated twelve (12) month revenue collection if the department,**
29 **after reviewing the recommendation of the budget agency,**
30 **determines that a part of those collections needs to be distributed**
31 **during the current calendar year so that the county will receive its**
32 **full certified distribution for the current calendar year.**

33 **(e) One-twelfth (1/12) of each adopting county's certified**
34 **distribution for a calendar year shall be distributed from its**
35 **account established under section 15 of this chapter to the**
36 **appropriate county treasurer on the first day of each month of that**
37 **calendar year.**

38 **(f) Upon receipt, each monthly payment of a county's certified**
39 **distribution shall be deposited in the general fund of the county.**

40 **(g) All distributions from an account established under section**
41 **15 of this chapter shall be made by warrants issued by the auditor**
42 **of state to the treasurer of state ordering the appropriate**

1 payments.

2 **Sec. 17. (a)** The state board of tax commissioners shall each year
 3 reduce the general fund property tax levy of a qualifying county
 4 receiving a distribution under this chapter in that year. The
 5 distribution may be used only to reduce the qualifying county's
 6 general fund property tax levy under this subsection. The
 7 qualifying county's general fund property tax levy shall be reduced
 8 by the amount of the distribution received or to be received by the
 9 county during the year. The state board of tax commissioners shall
 10 certify to the auditor of the qualifying county the property tax rate
 11 applicable to the municipality's general fund after the property tax
 12 reduction under this section.

13 **(b)** A qualifying county shall treat a distribution that the county
 14 receives or is to receive during a particular calendar year as a part
 15 of the county's property tax levy for the general fund for that same
 16 calendar year for purposes of fixing the county's budget and for
 17 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.
 18 However, the distributions shall not reduce the total county tax
 19 levy that is used to compute the state property tax replacement
 20 credit under IC 6-1.1-21. In addition, for the purposes of
 21 computing and distributing any excise taxes or income taxes in
 22 which the distribution is based on property taxes, the distributions
 23 shall be treated as though they were property taxes that were due
 24 and payable during that same calendar year.

25 **(c)** A qualifying county may use distributions received under
 26 this chapter for any purpose for which the county may use
 27 property tax revenues.

28 **Sec. 18. (a)** For purposes of this chapter, an individual shall be
 29 treated as a resident of the county in which the individual:

- 30 **(1)** maintains a home, if the individual maintains only one (1)
 31 in Indiana;
 32 **(2)** if subdivision (1) does not apply, is registered to vote;
 33 **(3)** if subdivision (1) or (2) does not apply, registers the
 34 individual's personal automobile; or
 35 **(4)** if subdivision (1), (2), or (3) does not apply, spends the
 36 majority of the individual's time spent in Indiana during the
 37 taxable year in question.

38 **(b)** The residence or principal place of business or employment
 39 of an individual is to be determined on January 1 of the calendar
 40 year in which the individual's taxable year commences. If an
 41 individual changes the location of the individual's residence or
 42 principal place of employment or business to another county in

1 **Indiana during a calendar year, the individual's liability for county**
 2 **property tax reduction income tax is not affected.**

3 **Sec. 19. (a) Using procedures provided under this chapter, the**
 4 **county fiscal body of any adopting county may pass an ordinance**
 5 **to enter into reciprocity agreements with the taxing authority of**
 6 **any city, town, municipality, county, or other similar local**
 7 **governmental entity of any other state. The reciprocity agreements**
 8 **must provide that the income of resident county taxpayers is**
 9 **exempt from income taxation by the other local governmental**
 10 **entity to the extent income of the residents of the other local**
 11 **governmental entity is exempt from the county property tax**
 12 **reduction income tax in the adopting county.**

13 **(b) A reciprocity agreement adopted under this section may not**
 14 **become effective until it is also made effective in the other local**
 15 **governmental entity that is a party to the agreement.**

16 **(c) The form and effective date of any reciprocity agreement**
 17 **described in this section must be approved by the department.**

18 **Sec. 20. (a) Except as otherwise provided in subsection (b) and**
 19 **the other provisions of this chapter, all provisions of the adjusted**
 20 **gross income tax law (IC 6-3) concerning:**

21 **(1) definitions;**

22 **(2) declarations of estimated tax;**

23 **(3) filing of returns;**

24 **(4) deductions or exemptions from adjusted gross income;**

25 **(5) remittances;**

26 **(6) incorporation of the provisions of the Internal Revenue**
 27 **Code;**

28 **(7) penalties and interest; and**

29 **(8) exclusion of military pay credits for withholding;**

30 **apply to the imposition, collection, and administration of the tax**
 31 **imposed by this chapter.**

32 **(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5,**
 33 **and IC 6-3-5-1 do not apply to the tax imposed by this chapter.**

34 **(c) Notwithstanding subsections (a) and (b), each employer shall**
 35 **report to the department the amount of withholdings attributable**
 36 **to each county. This report shall be submitted along with the**
 37 **employer's other withholding report.**

38 **Sec. 21. (a) Except as provided in subsection (b), if for a**
 39 **particular taxable year a county taxpayer is liable for an income**
 40 **tax imposed by a county, city, town, or other local governmental**
 41 **entity located outside of Indiana, that county taxpayer is entitled**
 42 **to a credit against the county property tax reduction income tax**

1 liability for that same taxable year. The amount of the credit
 2 equals the amount of tax imposed by the other governmental entity
 3 on income derived from sources outside Indiana and subject to the
 4 county property tax reduction income tax. However, the credit
 5 provided by this section may not reduce a county taxpayer's county
 6 property tax reduction income tax liability to an amount less than
 7 would have been owed if the income subject to taxation by the
 8 other governmental entity had been ignored.

9 (b) The credit provided by this section does not apply to a
 10 county taxpayer to the extent that the other governmental entity
 11 provides for a credit to the taxpayer for the amount of county
 12 property tax reduction income taxes owed under this chapter.

13 (c) To claim the credit provided by this section, a county
 14 taxpayer must provide the department with satisfactory evidence
 15 that the taxpayer is entitled to the credit.

16 **Sec. 22. (a)** If for a particular taxable year a county taxpayer is,
 17 or a county taxpayer and the taxpayer's spouse who file a joint
 18 return are, allowed a credit for the elderly or the totally disabled
 19 under Section 22 of the Internal Revenue Code, the county
 20 taxpayer is, or the county taxpayer and the taxpayer's spouse are,
 21 entitled to a credit against the county property tax reduction
 22 income tax liability for that same taxable year. The amount of the
 23 credit equals the lesser of:

24 (1) the product of:

25 (A) the credit for the elderly or the totally disabled for that
 26 same taxable year; multiplied by

27 (B) a fraction, the numerator of which is the county
 28 property tax reduction income tax rate imposed against the
 29 county taxpayer, or the county taxpayer and the taxpayer's
 30 spouse, and the denominator of which is fifteen-hundredths
 31 (0.15); or

32 (2) the amount of county property tax reduction income tax
 33 imposed on the county taxpayer, or the county taxpayer and
 34 the taxpayer's spouse.

35 (b) If a county taxpayer and the taxpayer's spouse file a joint
 36 return and are subject to different county property tax reduction
 37 income tax rates for the same taxable year, they shall compute the
 38 credit under this section by using the formula provided by
 39 subsection (a), except that they shall use the average of the two (2)
 40 county property tax reduction income tax rates imposed against
 41 them as the numerator referred to in subsection (a)(1)(B).

42 SECTION 23. IC 6-8.1-1-1, AS AMENDED BY P.L.181-1999,

1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 UPON PASSAGE]: Sec. 1. "Listed taxes" or "taxes" includes only the
 3 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat
 4 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);
 5 the gross income tax (IC 6-2.1); the state gross retail and use taxes (IC
 6 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net
 7 income tax (IC 6-3-8); the county adjusted gross income tax (IC
 8 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county
 9 economic development income tax (IC 6-3.5-7); **the municipal option**
 10 **income tax (IC 6-3.5-8); the county property tax reduction income**
 11 **tax (IC 6-3.5-9);** the auto rental excise tax (IC 6-6-9); the bank tax (IC
 12 6-5-10); the savings and loan association tax (IC 6-5-11); the
 13 production credit association tax (IC 6-5-12); the financial institutions
 14 tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit
 15 fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel
 16 tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal
 17 agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5);
 18 the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste
 19 disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise
 20 tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 21 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 22 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 23 innkeeper's taxes (IC 6-9); the various county food and beverage taxes
 24 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 25 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 26 inventory form fee (IC 6-6-10); the penalties assessed for oversize
 27 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 28 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 29 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 30 and any other tax or fee that the department is required to collect or
 31 administer.

32 SECTION 24. [EFFECTIVE UPON PASSAGE] **(a) The following,**
 33 **all as added or amended by this act, apply to property taxes first**
 34 **due and payable after December 31, 2001:**

35 **IC 6-1.1-6.9**
 36 **IC 6-1.1-12-1**
 37 **IC 6-1.1-12-9**
 38 **IC 6-1.1-12-11**
 39 **IC 6-1.1-12-13**
 40 **IC 6-1.1-12-14**
 41 **IC 6-1.1-12-16**
 42 **IC 6-1.1-12-17.4**

1 **IC 6-1.1-12-18**
 2 **IC 6-1.1-12-22**
 3 **IC 6-1.1-12-26**
 4 **IC 6-1.1-12-29**
 5 **IC 6-1.1-12-33**
 6 **IC 6-1.1-12-34**
 7 **IC 6-1.1-12-37**

8 **(b) This SECTION expires January 1, 2003.**

9 SECTION 25. [EFFECTIVE JULY 1, 2001] **(a) Except as**
 10 **provided in subsection (b), IC 6-1.1-6.8, as added by this act,**
 11 **applies to property taxes first due and payable after December 31,**
 12 **2002.**

13 **(b) Notwithstanding subsection (a), if for any reason the general**
 14 **reassessment of real property scheduled to be completed for 2002**
 15 **property taxes payable in 2003 is delayed so that it is not completed**
 16 **to be effective for 2002 property taxes payable in 2003,**
 17 **IC 6-1.1-6.8, as added by this act, applies to property taxes first**
 18 **due and payable in the same year that property taxes on the**
 19 **delayed general reassessment of real property are first due and**
 20 **payable.**

21 SECTION 26. [EFFECTIVE JANUARY 1, 2002] **IC 6-3.1-20, as**
 22 **added by this act, applies only to taxable years beginning after**
 23 **December 31, 2001.**

24 SECTION 27. **An emergency is declared for this act."**

25 Renumber all SECTIONS consecutively.

(Reference is to HB 1902 as reprinted March 7, 2001.)

and when so amended that said bill do pass .

Committee Vote: Yeas 10, Nays 0.

Senator Borst, Chairperson