

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7287

BILL NUMBER: HB 1312

NOTE PREPARED: Jan 14, 2004

BILL AMENDED:

SUBJECT: Eliminates the authority of the state to impose a property tax.

FIRST AUTHOR: Rep. Buck

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: _____
GENERAL
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Eliminates the authority of a political subdivision to impose a property tax (except for police and fire services). Authorizes political subdivisions to impose a police and fire service fee in lieu of a property tax. Authorizes a county to impose a local government income tax to provide revenues for the political subdivisions (except school corporations) in the county. Transfers financial responsibility for certain welfare programs from local government to the state. Allows a school corporation to impose a local income tax for education of not more than 1.2%. Provides a state tuition support formula equal to the difference between the school corporation's expenditure limit and the amount that the school corporation can raise from a local income tax for education of 1.2%. Decreases the sales tax and provides an additional distribution to political subdivisions in the amount of 20% of the local government income tax imposed for the political subdivision. Establishes the state emergency reserve fund and transfers money from the state general fund to the state emergency reserve fund. Makes conforming changes to convert the school budget year from a calendar year to a school year. Makes related changes. Makes an appropriation.

Effective Date: Upon passage; July 1, 2004; January 1, 2005.

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:

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