

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1365, 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, AS AMENDED BY P.L.92-2003,
4 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 6. (a) The department shall place in the state
6 general fund the tax revenue collected under this chapter.

7 (b) Except as provided by subsections (c) and (d) and
8 IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following
9 amounts:

10 (1) Except as provided in subsection (k), one dollar (\$1) of the
11 admissions tax collected by the licensed owner for each person
12 embarking on a gambling excursion during the quarter or admitted
13 to a riverboat that has implemented flexible scheduling under
14 IC 4-33-6-21 during the quarter shall be paid to:

15 (A) the city in which the riverboat is docked, if the city:

16 (i) is located in a county having a population of more than
17 one hundred ten thousand (110,000) but less than one
18 hundred fifteen thousand (115,000); or

19 (ii) is contiguous to the Ohio River and is the largest city in
20 the county; and

- 1 (B) the county in which the riverboat is docked, if the riverboat
 2 is not docked in a city described in clause (A).
- 3 (2) Except as provided in subsection (k), one dollar (\$1) of the
 4 admissions tax collected by the licensed owner for each person:
 5 (A) embarking on a gambling excursion during the quarter; or
 6 (B) admitted to a riverboat during the quarter that has
 7 implemented flexible scheduling under IC 4-33-6-21;
 8 shall be paid to the county in which the riverboat is docked. In the
 9 case of a county described in subdivision (1)(B), this one dollar
 10 (\$1) is in addition to the one dollar (\$1) received under subdivision
 11 (1)(B).
- 12 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 13 admissions tax collected by the licensed owner for each person:
 14 (A) embarking on a gambling excursion during the quarter; or
 15 (B) admitted to a riverboat during the quarter that has
 16 implemented flexible scheduling under IC 4-33-6-21;
 17 shall be paid to the county convention and visitors bureau or
 18 promotion fund for the county in which the riverboat is docked.
- 19 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 20 the admissions tax collected by the licensed owner for each
 21 person:
 22 (A) embarking on a gambling excursion during the quarter; or
 23 (B) admitted to a riverboat during a quarter that has
 24 implemented flexible scheduling under IC 4-33-6-21;
 25 shall be paid to the state fair commission, for use in any activity
 26 that the commission is authorized to carry out under IC 15-1.5-3.
- 27 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 28 admissions tax collected by the licensed owner for each person:
 29 (A) embarking on a gambling excursion during the quarter; or
 30 (B) admitted to a riverboat during the quarter that has
 31 implemented flexible scheduling under IC 4-33-6-21;
 32 shall be paid to the division of mental health and addiction. The
 33 division shall allocate at least twenty-five percent (25%) of the
 34 funds derived from the admissions tax to the prevention and
 35 treatment of compulsive gambling.
- 36 (6) Except as provided in ~~subsection (k)~~, **section 7 of this**
 37 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
 38 by the licensed owner for each person embarking on a gambling
 39 excursion during the quarter or admitted to a riverboat during the
 40 quarter that has implemented flexible scheduling under
 41 IC 4-33-6-21 shall be paid to the Indiana horse racing commission

1 to be distributed as follows, in amounts determined by the Indiana
 2 horse racing commission, for the promotion and operation of
 3 horse racing in Indiana:

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

6 ~~(B) To a racetrack that was approved by the Indiana horse~~
 7 ~~racing commission under IC 4-31. The commission may make~~
 8 ~~a grant under this clause only for purses, promotions, and~~
 9 ~~routine operations of the racetrack. No grants shall be made for~~
 10 ~~long term capital investment or construction and no grants~~
 11 ~~shall be made before the racetrack becomes operational and is~~
 12 ~~offering a racing schedule. under section 7 of this chapter.~~

13 (c) With respect to tax revenue collected from a riverboat located in
 14 a historic hotel district, the treasurer of state shall quarterly pay the
 15 following amounts:

16 (1) Twenty-five percent (25%) of the admissions tax collected
 17 during the quarter shall be paid to the county treasurer of the
 18 county in which the riverboat is docked. The county treasurer
 19 shall distribute the money received under this subdivision as
 20 follows:

21 (A) Twenty percent (20%) shall be quarterly distributed to the
 22 county treasurer of a county having a population of more than
 23 thirty-nine thousand six hundred (39,600) but less than forty
 24 thousand (40,000) for appropriation by the county fiscal body
 25 after receiving a recommendation from the county executive.
 26 The county fiscal body for the receiving county shall provide
 27 for the distribution of the money received under this clause to
 28 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 29 the county under a formula established by the county fiscal
 30 body after receiving a recommendation from the county
 31 executive.

32 (B) Twenty percent (20%) shall be quarterly distributed to the
 33 county treasurer of a county having a population of more than
 34 ten thousand seven hundred (10,700) but less than twelve
 35 thousand (12,000) for appropriation by the county fiscal body.
 36 The county fiscal body for the receiving county shall provide
 37 for the distribution of the money received under this clause to
 38 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 39 the county under a formula established by the county fiscal
 40 body after receiving a recommendation from the county
 41 executive.

1 (C) Sixty percent (60%) shall be retained by the county where
 2 the riverboat is docked for appropriation by the county fiscal
 3 body after receiving a recommendation from the county
 4 executive. The county fiscal body shall provide for the
 5 distribution of part or all of the money received under this
 6 clause to the following under a formula established by the
 7 county fiscal body:

8 (i) A town having a population of more than two thousand
 9 two hundred (2,200) but less than three thousand five
 10 hundred (3,500) located in a county having a population of
 11 more than nineteen thousand three hundred (19,300) but less
 12 than twenty thousand (20,000).

13 (ii) A town having a population of more than three thousand
 14 five hundred (3,500) located in a county having a population
 15 of more than nineteen thousand three hundred (19,300) but
 16 less than twenty thousand (20,000).

17 (2) Sixteen percent (16%) of the admissions tax collected during
 18 the quarter shall be paid in equal amounts to each town that:

19 (A) is located in the county in which the riverboat docks; and

20 (B) contains a historic hotel.

21 The town council shall appropriate a part of the money received
 22 by the town under this subdivision to the budget of the town's
 23 tourism commission.

24 (3) Nine percent (9%) of the admissions tax collected during the
 25 quarter shall be paid to the historic hotel preservation commission
 26 established under IC 36-7-11.5.

27 (4) Twenty-five percent (25%) of the admissions tax collected
 28 during the quarter shall be paid to the West Baden Springs historic
 29 hotel preservation and maintenance fund established by
 30 IC 36-7-11.5-11(b).

31 (5) Twenty-five percent (25%) of the admissions tax collected
 32 during the quarter shall be paid to the department of commerce to
 33 be used by the department for the development and
 34 implementation of a regional economic development strategy to
 35 assist the residents of the county in which the riverboat is located
 36 and residents of contiguous counties in improving their quality of
 37 life and to help promote successful and sustainable communities.
 38 The regional economic development strategy must include goals
 39 concerning the following issues:

40 (A) Job creation and retention.

41 (B) Infrastructure, including water, wastewater, and storm

- 1 water infrastructure needs.
- 2 (C) Housing.
- 3 (D) Workforce training.
- 4 (E) Health care.
- 5 (F) Local planning.
- 6 (G) Land use.
- 7 (H) Assistance to regional economic development groups.
- 8 (I) Other regional development issues as determined by the
- 9 department.
- 10 (d) With respect to tax revenue collected from a riverboat that
- 11 operates from a county having a population of more than four hundred
- 12 thousand (400,000) but less than seven hundred thousand (700,000),
- 13 the treasurer of state shall quarterly pay the following amounts:
- 14 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 15 admissions tax collected by the licensed owner for each person:
- 16 (A) embarking on a gambling excursion during the quarter; or
- 17 (B) admitted to a riverboat during the quarter that has
- 18 implemented flexible scheduling under IC 4-33-6-21;
- 19 shall be paid to the city in which the riverboat is docked.
- 20 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 21 admissions tax collected by the licensed owner for each person:
- 22 (A) embarking on a gambling excursion during the quarter; or
- 23 (B) admitted to a riverboat during the quarter that has
- 24 implemented flexible scheduling under IC 4-33-6-21;
- 25 shall be paid to the county in which the riverboat is docked.
- 26 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 27 admissions tax collected by the licensed owner for each person:
- 28 (A) embarking on a gambling excursion during the quarter; or
- 29 (B) admitted to a riverboat during the quarter that has
- 30 implemented flexible scheduling under IC 4-33-6-21;
- 31 shall be paid to the county convention and visitors bureau or
- 32 promotion fund for the county in which the riverboat is docked.
- 33 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 34 admissions tax collected by the licensed owner for each person:
- 35 (A) embarking on a gambling excursion during the quarter; or
- 36 (B) admitted to a riverboat during the quarter that has
- 37 implemented flexible scheduling under IC 4-33-6-21;
- 38 shall be paid to the northwest Indiana law enforcement training
- 39 center.
- 40 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 41 the admissions tax collected by the licensed owner for each

1 person:

- 2 (A) embarking on a gambling excursion during the quarter; or
 3 (B) admitted to a riverboat during a quarter that has
 4 implemented flexible scheduling under IC 4-33-6-21;

5 shall be paid to the state fair commission for use in any activity
 6 that the commission is authorized to carry out under IC 15-1.5-3.

7 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 8 admissions tax collected by the licensed owner for each person:

- 9 (A) embarking on a gambling excursion during the quarter; or
 10 (B) admitted to a riverboat during the quarter that has
 11 implemented flexible scheduling under IC 4-33-6-21;

12 shall be paid to the division of mental health and addiction. The
 13 division shall allocate at least twenty-five percent (25%) of the
 14 funds derived from the admissions tax to the prevention and
 15 treatment of compulsive gambling.

16 (7) Except as provided in ~~subsection (k)~~; **section 7 of this**
 17 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
 18 by the licensed owner for each person embarking on a gambling
 19 excursion during the quarter or admitted to a riverboat during the
 20 quarter that has implemented flexible scheduling under
 21 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 22 to be distributed ~~as follows; in amounts determined by the Indiana~~
 23 ~~horse racing commission; for the promotion and operation of~~
 24 ~~horse racing in Indiana:~~

- 25 ~~(A) To one (1) or more breed development funds established~~
 26 ~~by the Indiana horse racing commission under IC 4-31-11-10.~~
 27 ~~(B) To a racetrack that was approved by the Indiana horse~~
 28 ~~racing commission under IC 4-31. The commission may make~~
 29 ~~a grant under this clause only for purses, promotions, and~~
 30 ~~routine operations of the racetrack. No grants shall be made for~~
 31 ~~long term capital investment or construction; and no grants~~
 32 ~~shall be made before the racetrack becomes operational and is~~
 33 ~~offering a racing schedule. under section 7 of this chapter.~~

34 (e) Money paid to a unit of local government under subsection (b)(1)
 35 through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

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

39 (2) may not be used to reduce the unit's maximum levy under
 40 IC 6-1.1-18.5 but may be used at the discretion of the unit to
 41 reduce the property tax levy of the unit for a particular year;

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

4 (4) is considered miscellaneous revenue.

5 (f) Money paid by the treasurer of state under subsection (b)(3) or
 6 (d)(3) shall be:

7 (1) deposited in:

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

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

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

13 (g) Money received by the division of mental health and addiction
 14 under subsections (b)(5) and (d)(6):

15 (1) is annually appropriated to the division of mental health and
 16 addiction;

17 (2) shall be distributed to the division of mental health and
 18 addiction at times during each state fiscal year determined by the
 19 budget agency; and

20 (3) shall be used by the division of mental health and addiction for
 21 programs and facilities for the prevention and treatment of
 22 addictions to drugs, alcohol, and compulsive gambling, including
 23 the creation and maintenance of a toll free telephone line to provide
 24 the public with information about these addictions. The division
 25 shall allocate at least twenty-five percent (25%) of the money
 26 received to the prevention and treatment of compulsive gambling.

27 (h) This subsection applies to the following:

28 (1) Each entity receiving money under ~~subsection (b)~~: **subsection**
 29 **(b)(1) through (b)(5)**.

30 (2) Each entity receiving money under subsection (d)(1) through
 31 (d)(2).

32 (3) Each entity receiving money under subsection (d)(5) through
 33 ~~(d)(7)~~: **(d)(6)**.

34 The treasurer of state shall determine the total amount of money paid by
 35 the treasurer of state to an entity subject to this subsection during the
 36 state fiscal year 2002. The amount determined under this subsection is
 37 the base year revenue for each entity subject to this subsection. The
 38 treasurer of state shall certify the base year revenue determined under
 39 this subsection to each entity subject to this subsection.

40 (i) This subsection applies to an entity receiving money under
 41 subsection (d)(3) or (d)(4). The treasurer of state shall determine the

1 total amount of money paid by the treasurer of state to the entity
 2 described in subsection (d)(3) during state fiscal year 2002. The
 3 amount determined under this subsection multiplied by nine-tenths (0.9)
 4 is the base year revenue for the entity described in subsection (d)(3).
 5 The amount determined under this subsection multiplied by one-tenth
 6 (0.1) is the base year revenue for the entity described in subsection
 7 (d)(4). The treasurer of state shall certify the base year revenue
 8 determined under this subsection to each entity subject to this
 9 subsection.

10 (j) This subsection does not apply to **the Indiana horse racing**
 11 **commission or** an entity receiving money under subsection (c). For
 12 state fiscal years beginning after June 30, 2002, the total amount of
 13 money distributed to an entity under this section during a state fiscal
 14 year may not exceed the entity's base year revenue as determined under
 15 subsection (h) or (i). If the treasurer of state determines that the total
 16 amount of money distributed to an entity under this section during a
 17 state fiscal year is less than the entity's base year revenue, the treasurer
 18 of state shall make a supplemental distribution to the entity under
 19 IC 4-33-13-5(g).

20 (k) This subsection does not apply to **the Indiana horse racing**
 21 **commission or** an entity receiving money under subsection (c). For
 22 state fiscal years beginning after June 30, 2002, the treasurer of state
 23 shall pay that part of the riverboat admissions taxes that:

- 24 (1) exceed a particular entity's base year revenue; and
 25 (2) would otherwise be due to the entity under this section;
 26 to the property tax replacement fund instead of to the entity.

27 SECTION 2. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
 29 PASSAGE]: **Sec. 7. (a) This section applies only to the Indiana**
 30 **horse racing commission.**

31 (b) **For state fiscal years beginning after June 30, 2003, the**
 32 **Indiana horse racing commission's base year revenue is forty-four**
 33 **million dollars (\$44,000,000).**

34 (c) **The total amount of money distributed to the Indiana horse**
 35 **racing commission under section 6 of this chapter during a state**
 36 **fiscal year may not exceed the racing commission's base year**
 37 **revenue. For state fiscal years beginning after June 30, 2003, the**
 38 **treasurer of state shall pay that part of the riverboat admissions**
 39 **taxes that:**

- 40 (1) **exceed the racing commission's base year revenue; and**

1 **(2) would otherwise be due to the racing commission under**
 2 **section 6 of this chapter;**
 3 **to the property tax replacement fund instead of to the racing**
 4 **commission.**

5 **(d) If the treasurer of state determines that the total amount**
 6 **of money distributed to the Indiana horse racing commission**
 7 **under section 6 of this chapter during a state fiscal year is less**
 8 **than the racing commission's base year revenue, the treasurer of**
 9 **state shall make a supplemental distribution to the racing**
 10 **commission under IC 4-33-13-5(g).**

11 **(e) Riverboat admissions taxes distributed to the Indiana horse**
 12 **racing commission under section 6 of this chapter and the**
 13 **supplemental distribution paid to the racing commission under**
 14 **IC 4-33-13-5(g) shall be paid as follows:**

15 **(1) Forty percent (40%) for the following purposes:**

16 **(A) Forty-eight percent (48%) for standardbred purposes**
 17 **as follows:**

18 **(i) Ninety-eight and five-tenths percent (98.5%) for**
 19 **standardbred purses.**

20 **(ii) One and five-tenths percent (1.5%) to the**
 21 **horsemen's association representing standardbred**
 22 **owners and trainers.**

23 **(B) Forty-eight percent (48%) for thoroughbred purposes**
 24 **as follows:**

25 **(i) Ninety-eight and five-tenths percent (98.5%) for**
 26 **thoroughbred purses.**

27 **(ii) One and two-tenths percent (1.2%) for the**
 28 **horsemen's association representing thoroughbred**
 29 **owners and trainers.**

30 **(iii) Three-tenths of one percent (0.3%) for the**
 31 **horsemen's association representing thoroughbred**
 32 **owners and breeders.**

33 **(C) Four percent (4%) for quarter horse purposes as**
 34 **follows:**

35 **(i) Ninety-five percent (95%) for quarter horse purses.**

36 **(ii) Five percent (5%) for the horsemen's association**
 37 **representing quarter horse owners and trainers.**

38 **(2) Forty percent (40%) to be divided equally between each**
 39 **racetrack that was approved by the racing commission under**

1 **IC 4-31. The commission may make a grant under this**
 2 **subdivision only for purses, promotions, and routine**
 3 **operations of the racetrack.**

4 **(3) Twenty percent (20%) to the breed development funds**
 5 **established by the racing commission under IC 4-31-11-10 to**
 6 **be allocated as follows:**

7 **(A) Forty-eight percent (48%) to the standardbred**
 8 **development fund.**

9 **(B) Forty-eight percent (48%) to the thoroughbred**
 10 **development fund.**

11 **(C) Four percent (4%) to the quarter horse development**
 12 **fund.**

13 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.224-2003,
 14 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to tax
 16 revenue remitted by an operating agent operating a riverboat in a historic
 17 hotel district. After funds are appropriated under section 4 of this
 18 chapter, each month the treasurer of state shall distribute the tax
 19 revenue deposited in the state gaming fund under this chapter to the
 20 following:

21 (1) The first thirty-three million dollars (\$33,000,000) of tax
 22 revenues collected under this chapter shall be set aside for revenue
 23 sharing under subsection (e).

24 (2) Subject to subsection (c), twenty-five percent (25%) of the
 25 remaining tax revenue remitted by each licensed owner shall be
 26 paid:

27 (A) to the city that is designated as the home dock of the
 28 riverboat from which the tax revenue was collected, in the case
 29 of:

30 (i) a city described in IC 4-33-12-6(b)(1)(A); or

31 (ii) a city located in a county having a population of more
 32 than four hundred thousand (400,000) but less than seven
 33 hundred thousand (700,000); or

34 (B) to the county that is designated as the home dock of the
 35 riverboat from which the tax revenue was collected, in the case
 36 of a riverboat whose home dock is not in a city described in
 37 clause (A).

38 (3) Subject to subsection (d), the remainder of the tax revenue
 39 remitted by each licensed owner shall be paid to the property tax
 40 replacement fund. In each state fiscal year beginning after June
 41 30, 2003, the treasurer of state shall make the transfer required by

1 this subdivision not later than the last business day of the month
 2 in which the tax revenue is remitted to the state for deposit in the
 3 state gaming fund. However, if tax revenue is received by the state
 4 on the last business day in a month, the treasurer of state may
 5 transfer the tax revenue to the property tax replacement fund in
 6 the immediately following month.

7 (b) This subsection applies only to tax revenue remitted by an
 8 operating agent operating a riverboat in a historic hotel district. After
 9 funds are appropriated under section 4 of this chapter, each month the
 10 treasurer of state shall distribute the tax revenue deposited in the state
 11 gaming fund under this chapter as follows:

12 (1) Thirty-seven and one half percent (37.5%) shall be paid to the
 13 property tax replacement fund established under IC 6-1.1-21.

14 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the
 15 West Baden Springs historic hotel preservation and maintenance
 16 fund established by IC 36-7-11.5-11(b). However, at any time the
 17 balance in that fund exceeds twenty million dollars (\$20,000,000),
 18 the amount described in this subdivision shall be paid to the
 19 property tax replacement fund established under IC 6-1.1-21.

20 (3) Five percent (5%) shall be paid to the historic hotel
 21 preservation commission established under IC 36-7-11.5.

22 (4) Ten percent (10%) shall be paid in equal amounts to each
 23 town that:

24 (A) is located in the county in which the riverboat docks; and

25 (B) contains a historic hotel.

26 The town council shall appropriate a part of the money received
 27 by the town under this subdivision to the budget of the town's
 28 tourism commission.

29 (5) Ten percent (10%) shall be paid to the county treasurer of the
 30 county in which the riverboat is docked. The county treasurer
 31 shall distribute the money received under this subdivision as
 32 follows:

33 (A) Twenty percent (20%) shall be quarterly distributed to the
 34 county treasurer of a county having a population of more than
 35 thirty-nine thousand six hundred (39,600) but less than forty
 36 thousand (40,000) for appropriation by the county fiscal body
 37 after receiving a recommendation from the county executive.

38 The county fiscal body for the receiving county shall provide
 39 for the distribution of the money received under this clause to
 40 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 41 the county under a formula established by the county fiscal

1 body after receiving a recommendation from the county
2 executive.

3 (B) Twenty percent (20%) shall be quarterly distributed to the
4 county treasurer of a county having a population of more than
5 ten thousand seven hundred (10,700) but less than twelve
6 thousand (12,000) for appropriation by the county fiscal body
7 after receiving a recommendation from the county executive.
8 The county fiscal body for the receiving county shall provide
9 for the distribution of the money received under this clause to
10 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
11 the county under a formula established by the county fiscal
12 body after receiving a recommendation from the county
13 executive.

14 (C) Sixty percent (60%) shall be retained by the county where
15 the riverboat is docked for appropriation by the county fiscal
16 body after receiving a recommendation from the county
17 executive. The county fiscal body shall provide for the
18 distribution of part or all of the money received under this
19 clause to the following under a formula established by the
20 county fiscal body:

21 (i) A town having a population of more than two thousand
22 two hundred (2,200) but less than three thousand five
23 hundred (3,500) located in a county having a population of
24 more than nineteen thousand three hundred (19,300) but less
25 than twenty thousand (20,000).

26 (ii) A town having a population of more than three thousand
27 five hundred (3,500) located in a county having a population
28 of more than nineteen thousand three hundred (19,300) but
29 less than twenty thousand (20,000).

30 (c) For each city and county receiving money under subsection
31 ~~(a)(2)(A) or (a)(2)(C)~~; **(a)(2)**, the treasurer of state shall determine the
32 total amount of money paid by the treasurer of state to the city or
33 county during the state fiscal year 2002. The amount determined is the
34 base year revenue for the city or county. The treasurer of state shall
35 certify the base year revenue determined under this subsection to the
36 city or county. The total amount of money distributed to a city or
37 county under this section during a state fiscal year may not exceed the
38 entity's base year revenue. For each state fiscal year beginning after
39 June 30, 2002, the treasurer of state shall pay that part of the riverboat
40 wagering taxes that:

41 (1) exceeds a particular city or county's base year revenue; and

1 (2) would otherwise be due to the city or county under this
2 section;

3 to the property tax replacement fund instead of to the city or county.

4 (d) Each state fiscal year the treasurer of state shall transfer from the
5 tax revenue remitted to the property tax replacement fund under
6 subsection (a)(3) to the build Indiana fund an amount that when added
7 to the following may not exceed two hundred fifty million dollars
8 (\$250,000,000):

9 (1) Surplus lottery revenues under IC 4-30-17-3.

10 (2) Surplus revenue from the charity gaming enforcement fund
11 under IC 4-32-10-6.

12 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

13 The treasurer of state shall make transfers on a monthly basis as needed
14 to meet the obligations of the build Indiana fund. If in any state fiscal
15 year insufficient money is transferred to the property tax replacement
16 fund under subsection (a)(3) to comply with this subsection, the
17 treasurer of state shall reduce the amount transferred to the build
18 Indiana fund to the amount available in the property tax replacement
19 fund from the transfers under subsection (a)(3) for the state fiscal year.

20 (e) Before August 15 of 2003 and each year thereafter, the treasurer
21 of state shall distribute the wagering taxes set aside for revenue sharing
22 under subsection (a)(1) to the county treasurer of each county that
23 does not have a riverboat according to the ratio that the county's
24 population bears to the total population of the counties that do not have
25 a riverboat. Except as provided in subsection (h), the county auditor
26 shall distribute the money received by the county under this subsection
27 as follows:

28 (1) To each city located in the county according to the ratio the
29 city's population bears to the total population of the county.

30 (2) To each town located in the county according to the ratio the
31 town's population bears to the total population of the county.

32 (3) After the distributions required in subdivisions (1) and (2) are
33 made, the remainder shall be retained by the county.

34 (f) Money received by a city, town, or county under subsection (e)
35 or (h) may be used for any of the following purposes:

36 (1) To reduce the property tax levy of the city, town, or county
37 for a particular year (a property tax reduction under this
38 subdivision does not reduce the maximum levy of the city, town,
39 or county under IC 6-1.1-18.5);

40 (2) For deposit in a special fund or allocation fund created under
41 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and

1 IC 36-7-30 to provide funding for additional credits for property
2 tax replacement in property tax increment allocation areas or debt
3 repayment.

4 (3) To fund sewer and water projects, including storm water
5 management projects.

6 (4) For police and fire pensions.

7 (5) To carry out any governmental purpose for which the money
8 is appropriated by the fiscal body of the city, town, or county.
9 Money used under this subdivision does not reduce the property
10 tax levy of the city, town, or county for a particular year or
11 reduce the maximum levy of the city, town, or county under
12 IC 6-1.1-18.5.

13 (g) This subsection does not apply to an entity receiving money
14 under IC 4-33-12-6(c). Before September 15 of 2003 and each year
15 thereafter, the treasurer of state shall determine the total amount of
16 money distributed to an entity under IC 4-33-12-6 during the preceding
17 state fiscal year. If the treasurer of state determines that the total
18 amount of money distributed to an entity under IC 4-33-12-6 during the
19 preceding state fiscal year was less than the entity's base year revenue
20 (as determined under IC 4-33-12-6 or **IC 4-33-12-7**), the treasurer of
21 state shall make a supplemental distribution to the entity from taxes
22 collected under this chapter and deposited into the property tax
23 replacement fund. The amount of the supplemental distribution is equal
24 to the difference between the entity's base year revenue (as determined
25 under IC 4-33-12-6 or **IC 4-33-12-7**) and the total amount of money
26 distributed to the entity during the preceding state fiscal year under
27 IC 4-33-12-6.

28 (h) This section applies only to a county containing a consolidated
29 city. The county auditor shall distribute the money received by the
30 county under subsection (d) as follows:

31 (1) To each city, other than a consolidated city, located in the
32 county according to the ratio that the city's population bears to the
33 total population of the county.

34 (2) To each town located in the county according to the ratio that
35 the town's population bears to the total population of the county.

36 (3) After the distributions required in subdivisions (1) and (2) are
37 made, the remainder shall be paid in equal amounts to the
38 consolidated city and the county."

39 Page 1, delete lines 15 through 16, begin a new line block indented
40 and insert:

41 "~~(4) delivery charges,~~

1 ~~(5) installation charges, or".~~

2 Page 1, line 17, strike "(6)" and insert "(4)".

3 Page 2, between lines 27 and 28, begin a new line blocked left and
4 insert:

5 **"For purposes of subdivision (6), delivery charges are charges by**
6 **the seller for preparation and delivery of the property to a location**
7 **designated by the purchaser of property, including but not limited**
8 **to transportation, shipping, postage, handling, crating, and**
9 **packing."**

10 Page 4, between lines 1 and 2, begin a new paragraph and insert:

11 "SECTION 4. IC 6-2.5-4-1, AS AMENDED BY P.L.257-2003,
12 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 1. (a) A person is a retail merchant making a
14 retail transaction when he engages in selling at retail.

15 (b) A person is engaged in selling at retail when, in the ordinary
16 course of his regularly conducted trade or business, he:

17 (1) acquires tangible personal property for the purpose of resale;

18 and

19 (2) transfers that property to another person for consideration.

20 (c) For purposes of determining what constitutes selling at retail, it
21 does not matter whether:

22 (1) the property is transferred in the same form as when it was
23 acquired;

24 (2) the property is transferred alone or in conjunction with other
25 property or services; or

26 (3) the property is transferred conditionally or otherwise.

27 (d) Notwithstanding subsection (b), a person is not selling at retail
28 if he is making a wholesale sale as described in section 2 of this
29 chapter.

30 (e) The gross retail income received from selling at retail is only
31 taxable under this article to the extent that the income represents:

32 (1) the price of the property transferred, without the rendition of
33 any service; and

34 (2) except as provided in subsection (g), any bona fide charges
35 which are made for preparation, fabrication, alteration,
36 modification, finishing, completion, ~~delivery~~, or other service
37 performed in respect to the property transferred before its transfer
38 and which are separately stated on the transferor's records.

39 For purposes of subdivision (2), ~~charges for delivery are charges by the~~
40 ~~seller for preparation and delivery of the property to a location~~
41 ~~designated by the purchaser of property, including but not limited to~~

1 ~~transportation, shipping, postage, handling, crating, and packing.~~
 2 **transfer shall take place before delivery of the property to the**
 3 **purchaser.**

4 (f) Notwithstanding subsection (e):

5 (1) in the case of retail sales of gasoline (as defined in
 6 IC 6-6-1.1-103) and special fuel (as defined in IC 6-6-2.5-22), the
 7 gross retail income received from selling at retail is the total sales
 8 price of the gasoline or special fuel minus the part of that price
 9 attributable to tax imposed under IC 6-6-1.1, IC 6-6-2.5, or
 10 Section 4041(a) or Section 4081 of the Internal Revenue Code;
 11 and

12 (2) in the case of retail sales of cigarettes (as defined in
 13 IC 6-7-1-2), the gross retail income received from selling at retail
 14 is the total sales price of the cigarettes including the tax imposed
 15 under IC 6-7-1.

16 (g) Gross retail income does not include income that represents
 17 charges for serving or delivering food and food ingredients furnished,
 18 prepared, or served for consumption at a location, or on equipment,
 19 provided by the retail merchant. However, the exclusion under this
 20 subsection only applies if the charges for the serving or delivery are
 21 stated separately from the price of the food and food ingredients when
 22 the purchaser pays the charges."

23 Page 11, line 17, delete "Subject to subsection (g), add an amount
 24 equal to" and insert "**Add an amount equal to any deduction allowed**
 25 **under Section 172 of the Internal Revenue Code.**".

26 Page 11, delete lines 18 through 22.

27 Page 12, line 4, delete "Subject to subsection (g), add an amount
 28 equal to" and insert "**Add an amount equal to any deduction allowed**
 29 **under Section 172 of the Internal Revenue Code.**".

30 Page 12, delete lines 5 through 9.

31 Page 12, line 33, delete "Subject to subsection (g), add an amount
 32 equal to" and insert "**Add an amount equal to any deduction allowed**
 33 **under Section 172 or Section 810 of the Internal Revenue Code.**".

34 Page 12, delete lines 34 through 38.

35 Page 13, line 20, delete "Subject to subsection (g), add an amount
 36 equal to" and insert "**Add an amount equal to any deduction allowed**
 37 **under Section 172 of the Internal Revenue Code.**".

38 Page 13, delete lines 21 through 25.

39 Page 14, line 2, delete "Subject to subsection (g), add an amount
 40 equal to" and insert "**Add an amount equal to any deduction allowed**
 41 **under Section 172 of the Internal Revenue Code.**".

1 Page 14, delete lines 3 through 7.

2 Page 14, delete lines 26 through 42, begin a new paragraph and
3 insert:

4 "SECTION 8. IC 6-3-2-2.5 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec.
6 2.5. (a) This section applies to a resident person. ~~for a particular taxable~~
7 ~~year; if the taxpayer's adjusted gross income for that taxable year is~~
8 ~~reduced because of a deduction allowed under Section 172 of the~~
9 ~~Internal Revenue Code for a net operating loss. For purposes of section~~
10 ~~† of this chapter; the taxpayer's adjusted gross income; for the~~
11 ~~particular taxable year; is the remainder determined under STEP FOUR~~
12 ~~of the following formula:~~

13 STEP ONE: Determine the taxpayer's adjusted gross income; for
14 the taxable year; as calculated without the deduction for net
15 operating losses provided by Section 172 of the Internal Revenue
16 Code.

17 STEP TWO: Determine; in the manner prescribed in subsection
18 (b); the amount of the taxpayer's net operating losses that are
19 deductible for the taxable year under Section 172 of the Internal
20 Revenue Code; as adjusted to reflect the modifications required by
21 IC 6-3-1-3.5.

22 STEP THREE: Enter the larger of zero (0) or the amount
23 determined under STEP TWO.

24 STEP FOUR: Subtract the amount entered under STEP THREE
25 from the amount determined under STEP ONE.

26 (b) For purposes of STEP TWO of subsection (a); the modifications
27 that are to be applied are those modifications required under
28 IC 6-3-1-3.5 for the same taxable year during which each net operating
29 loss was incurred. In addition; for purposes of STEP TWO of
30 subsection (a); the following procedures apply:

31 (1) The taxpayer's net operating loss for a particular taxable year
32 shall be treated as a positive number.

33 (2) A modification that is to be added to federal adjusted gross
34 income or federal taxable income under IC 6-3-1-3.5 shall be
35 treated as a negative number.

36 (3) A modification that is to be subtracted from federal adjusted
37 gross income or federal taxable income under IC 6-3-1-3.5 shall
38 be treated as a positive number.

39 (b) Resident persons are entitled to a net operating loss
40 deduction. The amount of the deduction taken in a taxable year
41 may not exceed the taxpayer's unused Indiana net operating

1 losses carried back or carried over to that year.

2 (c) An Indiana net operating loss equals the taxpayer's federal
3 net operating loss for a taxable year as calculated under Section
4 172 of the Internal Revenue Code, adjusted for the modifications
5 required by IC 6-3-1-3.5.

6 (d) The following provisions apply for purposes of subsection
7 (c):

8 (1) The modifications that are to be applied are those
9 modifications required under IC 6-3-1-3.5 for the same
10 taxable year in which each net operating loss was incurred.

11 (2) An Indiana net operating loss includes a net operating
12 loss that arises when the modifications required by
13 IC 6-3-1-3.5 exceed the taxpayer's federal taxable income (as
14 defined in Section 62 of the Internal Revenue Code) for the
15 taxable year in which the Indiana net operating loss is
16 determined.

17 (e) Subject to the limitations contained in subsection (g), an
18 Indiana net operating loss carryback or carryover shall be
19 available as a deduction from the taxpayer's adjusted gross income
20 (as defined in IC 6-3-1-3.5) in the carryback or carryover year
21 provided in subsection (f).

22 (f) Carrybacks and carryovers shall be determined under this
23 subsection as follows:

24 (1) An Indiana net operating loss shall be an Indiana net
25 operating loss carryback to each of the carryback years
26 preceding the taxable year of the loss.

27 (2) An Indiana net operating loss shall be an Indiana net
28 operating loss carryover to each of the carryover years
29 following the taxable year of the loss.

30 (3) Carryback years shall be determined by reference to the
31 number of years allowed for carrying back a net operating
32 loss under Section 172(b) of the Internal Revenue Code.

33 (4) Carryover years shall be determined by reference to the
34 number of years allowed for carrying over net operating
35 losses under Section 172(b) of the Internal Revenue Code.

36 (5) A taxpayer who makes an election under Section
37 172(b)(3) of the Internal Revenue Code to relinquish the
38 carryback period with respect to a net operating loss for any
39 taxable year shall be considered to have also relinquished the

1 **carryback of the Indiana net operating loss for purposes of**
 2 **this section.**

3 **(g) The entire amount of the Indiana net operating loss for any**
 4 **taxable year shall be carried to the earliest of the taxable years to**
 5 **which (as determined under subsection (f)) the loss may be**
 6 **carried. The amount of the Indiana net operating loss remaining**
 7 **after the deduction is taken under this section in a taxable year**
 8 **may be carried back or carried over as provided in subsection (f).**
 9 **The amount of the Indiana net operating loss carried back or**
 10 **carried over from year to year shall be reduced to the extent that**
 11 **the Indiana net operating loss carryback or carryover is used by**
 12 **the taxpayer to obtain a deduction in a taxable year until the**
 13 **occurrence of the earlier of the following:**

14 **(1) The entire amount of the Indiana net operating loss has**
 15 **been used as a deduction.**

16 **(2) The Indiana net operating loss has been carried over to**
 17 **each of the carryover years provided by subsection (f).**

18 SECTION 9. IC 6-3-2-2.6, AS AMENDED BY P.L.192-2002(ss),
 19 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2.6. (a) This section
 21 applies to a corporation or a nonresident person. for a particular taxable
 22 year, if the taxpayer's adjusted gross income for that taxable year is
 23 reduced because of a deduction allowed under Section 172 of the
 24 Internal Revenue Code for a net operating loss. For purposes of section
 25 † of this chapter, the taxpayer's adjusted gross income, for the
 26 particular taxable year, derived from sources within Indiana is the
 27 remainder determined under STEP FOUR of the following formula:

28 STEP ONE: Determine, in the manner prescribed in section 2 of
 29 this chapter, the taxpayer's adjusted gross income, for the taxable
 30 year, derived from sources within Indiana, as calculated without
 31 the deduction for net operating losses provided by Section 172 of
 32 the Internal Revenue Code.

33 STEP TWO: Determine, in the manner prescribed in subsection
 34 (b), the amount of the taxpayer's net operating losses that are
 35 deductible for the taxable year under Section 172 of the Internal
 36 Revenue Code, as adjusted to reflect the modifications required by
 37 IC 6-3-1-3.5, and that are derived from sources within Indiana.

38 STEP THREE: Enter the larger of zero (0) or the amount
 39 determined under STEP TWO.

40 STEP FOUR: Subtract the amount entered under STEP THREE

1 from the amount determined under STEP ONE:

2 (b) For purposes of STEP TWO of subsection (a), the modifications
3 that are to be applied are those modifications required under
4 IC 6-3-1-3.5 for the same taxable year during which each net operating
5 loss was incurred. In addition, for purposes of STEP TWO of
6 subsection (a), the amount of a taxpayer's net operating losses that are
7 derived from sources within Indiana shall be determined in the same
8 manner that the amount of the taxpayer's income derived from sources
9 within Indiana is determined, under section 2 of this chapter, for the
10 same taxable year during which each loss was incurred. Also, for
11 purposes of STEP TWO of subsection (a), the following procedures
12 apply:

13 (1) The taxpayer's net operating loss for a particular taxable year
14 shall be treated as a positive number:

15 (2) A modification that is to be added to federal adjusted gross
16 income or federal taxable income under IC 6-3-1-3.5 shall be
17 treated as a negative number:

18 (3) A modification that is to be subtracted from federal adjusted
19 gross income or federal taxable income under IC 6-3-1-3.5 shall
20 be treated as a positive number:

21 (4) A net operating loss under this section shall be considered even
22 though in the year the taxpayer incurred the loss the taxpayer was
23 not subject to the tax imposed under section 1 of this chapter
24 because the taxpayer was:

25 (A) a life insurance company (as defined in Section 816(a) of
26 the Internal Revenue Code); or

27 (B) an insurance company subject to tax under Section 831 of
28 the Internal Revenue Code:

29 (b) Corporations and nonresident persons are entitled to a net
30 operating loss deduction. The amount of the deduction taken in a
31 taxable year may not exceed the taxpayer's unused Indiana net
32 operating losses carried back or carried over to that year.

33 (c) An Indiana net operating loss equals the taxpayer's federal
34 net operating loss for a taxable year as calculated under Section
35 172 of the Internal Revenue Code, derived from sources within
36 Indiana and adjusted for the modifications required by
37 IC 6-3-1-3.5.

38 (d) The following provisions apply for purposes of subsection
39 (c):

40 (1) The modifications that are to be applied are those

- 1 **modifications required under IC 6-3-1-3.5 for the same**
2 **taxable year in which each net operating loss was incurred.**
- 3 **(2) The amount of the taxpayer's net operating loss that is**
4 **derived from sources within Indiana shall be determined in**
5 **the same manner that the amount of the taxpayer's adjusted**
6 **income derived from sources within Indiana is determined**
7 **under section 2 of this chapter for the same taxable year**
8 **during which each loss was incurred.**
- 9 **(3) An Indiana net operating loss includes a net operating**
10 **loss that arises when the modifications required by**
11 **IC 6-3-1-3.5 exceed the taxpayer's federal taxable income (as**
12 **defined in Section 63 of the Internal Revenue Code), if the**
13 **taxpayer is a corporation, or when the modifications required**
14 **by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross**
15 **income (as defined by Section 62 of the Internal Revenue**
16 **Code), if the taxpayer is a nonresident person, for the**
17 **taxable year in which the Indiana net operating loss is**
18 **determined.**
- 19 **(e) Subject to the limitations contained in subsection (g), an**
20 **Indiana net operating loss carryback or carryover shall be**
21 **available as a deduction from the taxpayer's adjusted gross income**
22 **derived from sources within Indiana (as defined in section 2 of**
23 **this chapter) in the carryback or carryover year provided in**
24 **subsection (f).**
- 25 **(f) Carrybacks and carryovers shall be determined under this**
26 **subsection as follows:**
- 27 **(1) An Indiana net operating loss shall be an Indiana net**
28 **operating loss carryback to each of the carryback years**
29 **preceding the taxable year of the loss.**
- 30 **(2) An Indiana net operating loss shall be an Indiana net**
31 **operating loss carryover to each of the carryover years**
32 **following the taxable year of the loss.**
- 33 **(3) Carryback years shall be determined by reference to the**
34 **number of years allowed for carrying back a net operating**
35 **loss under Section 172(b) of the Internal Revenue Code.**
- 36 **(4) Carryover years shall be determined by reference to the**
37 **number of years allowed for carrying over net operating**
38 **losses under Section 172(b) of the Internal Revenue Code.**
- 39 **(5) A taxpayer who makes an election under Section**

1 **172(b)(3) of the Internal Revenue Code to relinquish the**
2 **carryback period with respect to a net operating loss for any**
3 **taxable year shall be considered to have also relinquished the**
4 **carryback of the Indiana net operating loss for purposes of**
5 **this section.**

6 **(g) The entire amount of the Indiana net operating loss for any**
7 **taxable year shall be carried to the earliest of the taxable years to**
8 **which (as determined under subsection (f)) the loss may be**
9 **carried. The amount of the Indiana net operating loss remaining**
10 **after the deduction is taken under this section in a taxable year**
11 **may be carried back or carried over as provided in subsection (f).**
12 **The amount of the Indiana net operating loss carried back or**
13 **carried over from year to year shall be reduced to the extent that**
14 **the Indiana net operating loss carryback or carryover is used by**
15 **the taxpayer to obtain a deduction in a taxable year until the**
16 **occurrence of the earlier of the following:**

17 **(1) The entire amount of the Indiana net operating loss has**
18 **been used as a deduction.**

19 **(2) The Indiana net operating loss has been carried over to**
20 **each of the carryover years provided by subsection (f).**

21 **(h) An Indiana net operating loss deduction determined under**
22 **this section shall be allowed notwithstanding the fact that in the**
23 **year the taxpayer incurred the net operating loss the taxpayer was**
24 **not subject to the tax imposed under section 1 of this chapter**
25 **because the taxpayer was:**

26 **(1) a life insurance company (as defined in Section 816(a) of**
27 **the Internal Revenue Code); or**

28 **(2) an insurance company subject to tax under Section 831 of**
29 **the Internal Revenue Code.**

30 **(i) In the case of a life insurance company that claims an**
31 **operations loss deduction under Section 810 of the Internal**
32 **Revenue Code, this section shall be applied by:**

33 **(1) substituting the corresponding provisions of Section 810**
34 **of the Internal Revenue Code in place of references to**
35 **Section 172 of the Internal Revenue; and**

36 **(2) substituting life insurance company taxable income (as**
37 **defined in Section 801 the Internal Revenue Code) in place**
38 **of references to taxable income (as defined in Section 63 of**
39 **the Internal Revenue Code).**

1 **(j) For purposes of an amended return filed to carry back an**
 2 **Indiana net operating loss:**

3 **(1) the term "due date of the return" as used in**
 4 **IC 6-8.1-9-1(a)(1) means the due date of the return for the**
 5 **taxable year in which the net operating loss was incurred;**
 6 **and**

7 **(2) the term "date the payment was due" as used in**
 8 **IC 6-8.1-9-2(c) means the due date of the return for the**
 9 **taxable year in which the net operating loss was incurred."**

10 Delete pages 15 through 25.

11 Page 26, delete lines 1 through 21.

12 Page 26, delete lines 39 through 42.

13 Delete pages 27 through 31.

14 Page 32, delete line 1.

15 Page 34, delete lines 32 through 37.

16 Page 34, delete line 42.

17 Page 35, delete lines 1 through 8.

18 Page 35, line 33, delete "The following provisions" and insert "**IC**
 19 **6-3-1-3.5, IC 6-3-2-2.5, and IC 6-3-2-2.6, all as amended by this**
 20 **act,**".

21 Page 35, line 34, delete ":" and insert ".".

22 Page 35, delete lines 35 through 36, begin a new paragraph and
 23 insert:

24 **"(f) The following provisions apply to deductions for net**
 25 **operating losses that are claimed after December 31, 2003:**

26 **(1) Deductions for net operating losses that are incurred in**
 27 **taxable years beginning after December 31, 2003, and are**
 28 **carried back or carried forward and deducted in taxable years**
 29 **ending before January 1, 2004, must be calculated under**
 30 **IC 6-3-2-2.5 and IC 6-3-2-2.6, both as amended by this act.**

31 **(2) Deductions for net operating losses that were incurred in**
 32 **taxable years ending before January 1, 2004, and that are**
 33 **carried forward and deducted in taxable years ending after**
 34 **December 31, 2003, must be calculated under IC 6-3-2-2.5**
 35 **and IC 6-3-2-2.6, both as amended by this act.**

36 **(3) Deductions for net operating losses that were incurred in**
 37 **taxable years ending before January 1, 2004, and are carried**
 38 **back or carried forward and deducted in taxable years ending**
 39 **before January 1, 2004, must be calculated under the**

1 **versions of IC 6-3-2-2.5 and IC 6-3-2-2.6 that were in effect**
2 **in the year the net operating loss was incurred.**
3 **(4) Regardless of the applicable method of calculation in the**
4 **year in which the net operating loss is deducted, any net**
5 **operating loss available for carry forward shall be reduced by**
6 **the amount of the net operating loss previously deducted in**
7 **an earlier taxable year."**
8 Page 35, line 37, delete "(f)" and insert "(g)".
9 Renumber all SECTIONS consecutively.
 (Reference is to HB 1365 as reprinted February 6, 2004.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 7.

Senator Borst, Chairperson