

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 496 be amended to read as follows:

- 1 Page 119, between lines 11 and 12, begin a new paragraph and  
2 insert:  
3 "SECTION 94. [EFFECTIVE UPON PASSAGE] (a) **The general**  
4 **assembly makes the following findings:**  
5 (1) **Indiana's current tax system has evolved over the last two**  
6 **(2) centuries and is in need of a comprehensive review.**  
7 (2) **Some elements of the current tax system may no longer**  
8 **function well as the economy changes.**  
9 (3) **The general assembly should do all it can to make**  
10 **Indiana's tax system equitable for all citizens of Indiana.**  
11 (b) **As used in this SECTION, "commission" refers to the**  
12 **commission on tax reform established by this SECTION.**  
13 (c) **There is established the commission on tax reform.**  
14 (d) **The commission consists of the following eleven (11) voting**  
15 **members:**  
16 (1) **Four (4) individuals appointed by the speaker of the house**  
17 **of representatives who:**  
18 (A) **are professors at state supported universities; and**  
19 (B) **have expertise in business, economics, or state and local**  
20 **taxation.**  
21 (2) **An individual who is a former deputy state budget director**  
22 **and is appointed by the minority leader of the house of**  
23 **representatives.**  
24 (3) **Four (4) individuals appointed by the president pro**

- 1           **tempore of the senate who:**
- 2           **(A) are professors at state supported universities; and**
- 3           **(B) have expertise in business, economics, or state and local**
- 4           **taxation.**
- 5           **(4) An individual who holds a graduate degree in economics**
- 6           **and is employed in the private sector and is appointed by the**
- 7           **minority leader of the senate.**
- 8           **(5) An individual who holds a graduate degree in economics**
- 9           **and is appointed by the governor.**
- 10          **A member serves at the pleasure of the appointing authority.**
- 11          **(e) The governor shall appoint the chairperson of the**
- 12          **commission. The chairperson serves in that position at the pleasure**
- 13          **of the governor.**
- 14          **(f) The commission shall undertake a comprehensive review and**
- 15          **analysis of Indiana's state and local tax structure. The commission**
- 16          **shall evaluate the tax system using the following criteria and shall**
- 17          **address the following questions:**
- 18               **(1) Growth performance and elasticity: is our tax system**
- 19               **designed to grow along with the Indiana economy?**
- 20               **(2) Reliability and volatility: are the revenues raised relatively**
- 21               **stable over time, or are they excessively volatile and difficult**
- 22               **to predict?**
- 23               **(3) Distributional effects and fairness: how are the taxes**
- 24               **distributed among various types of taxpayers? Does the**
- 25               **system treat similarly situated taxpayers similarly? Does the**
- 26               **system account for taxpayers' different capacities to bear the**
- 27               **burden of taxation?**
- 28               **(4) Transparency and administrative simplicity: are the taxes**
- 29               **easy and economical to collect and administer? To what extent**
- 30               **does the system result in taxpayers being accountable for**
- 31               **paying their taxes and tax agencies being accountable for**
- 32               **enforcing the laws?**
- 33               **(5) Federal interaction: to what extent are state and local taxes**
- 34               **deductible for federal purposes?**
- 35               **(6) Economic climate: what effects do the taxes have on**
- 36               **Indiana's business climate and overall economic activity? To**
- 37               **what extent does the system promote economic growth?**
- 38               **(7) Provision of adequate revenues: does the tax system result**
- 39               **in sufficient, stable, and certainty of revenues?**
- 40          **(g) The legislative services agency shall provide:**
- 41               **(1) the legislative drafting, clerical, fiscal research, and**
- 42               **administrative personnel; and**
- 43               **(2) other assistance;**
- 44          **necessary to enable the commission to properly perform its duties.**
- 45          **(h) The expenses of the commission shall be paid from funds**
- 46          **appropriated to the legislative council.**

1           **(i) The commission shall operate under the legislative council's**  
2 **rules governing study committees. However, the commission shall**  
3 **meet as often as is necessary to properly perform its duties and**  
4 **shall issue a final report before November 2, 2005.**

5           **(j) The affirmative votes of a majority of the voting members**  
6 **appointed to the commission are required for the commission to**  
7 **take action on any measure, including final reports.**

8           **(k) This SECTION expires November 2, 2005."**

9           Renumber all SECTIONS consecutively.

(Reference is to ESB 496 as printed April 1, 2005.)

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Representative Welch