

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1381 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-30-9-13 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. The commission
- 8 shall establish procedures by which each retailer must account for:
- 9 (1) all tickets sold by the retailer; ~~and account for~~
- 10 (2) all funds received by the retailer from sales; ~~and~~
- 11 (3) **all gross retail taxes collected from the sale of lottery**
- 12 **tickets.**
- 13 The contract with each retailer must include provisions relating to the
- 14 sale of tickets, payments of money to the commission, reports, service
- 15 charges, and interest and penalties, if necessary, that the commission
- 16 considers appropriate.
- 17 SECTION 2. IC 4-30-10-1 IS AMENDED TO READ AS
- 18 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a)** All money
- 19 received by each retailer, **other than taxes imposed under IC 6-2.5,**
- 20 from the operation of the lottery, including all ticket sales, interest,
- 21 gifts, and donations, less the amount retained as compensation for the
- 22 sale of tickets and the amount paid out as prizes, shall be remitted to the
- 23 commission or deposited in a public depository, at the times and as
- 24 directed by the commission. The commission is responsible for all
- 25 administrative functions related to the receipt of funds.

1 **(b)** The commission may require each retailer to file with the
 2 commission reports of the retailer's receipts and transactions in the sale
 3 of lottery tickets in the form and containing the information the
 4 commission requires. **The commission shall require each retailer to**
 5 **file with the commission the reports of the retailer's gross retail tax**
 6 **collections and deposits under IC 6-2.5 related to the sale of lottery**
 7 **tickets in the form and on the schedule prescribed by the**
 8 **department of state revenue. The commission shall provide the**
 9 **department of state revenue with the information required by the**
 10 **department of state revenue to determine the amount of gross retail**
 11 **taxes (IC 6-2.5) collected from the sale of lottery tickets.**

12 **(c)** The commission may require any person, including a qualified
 13 public depository, to perform any function, activity, or services in
 14 connection with the operation that the commission determines to be
 15 advisable under this article. These functions, activities, or services
 16 constitute lawful functions, activities, and services of the person.

17 SECTION 3. IC 4-30-18-2 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. Except as provided
 19 in **IC 6-2.5 and IC 6-3-2**, state and local taxes, regardless of their type,
 20 may not be imposed upon any prize paid or payable under this article
 21 or upon the sale of any lottery ticket under this article."

22 Page 6, between lines 41 and 42, begin a new paragraph and insert:

23 "SECTION 5. IC 6-2.5-5-34 IS REPEALED [EFFECTIVE JULY
 24 1, 2006].

25 SECTION 6. [EFFECTIVE JULY 1, 2006] **(a) In addition to the**
 26 **amount appropriated by P.L.246-2005, SECTION 9, to the**
 27 **department of education from the state general fund for the**
 28 **purpose of making full-day kindergarten grants to school**
 29 **corporations, the amount determined under this SECTION is**
 30 **appropriated for the purpose of full-day kindergarten, beginning**
 31 **July 1, 2006, and ending June 30, 2007. Fifty percent (50%) of the**
 32 **appropriation under this SECTION is appropriated from the state**
 33 **general fund and the remaining fifty percent (50%) is appropriated**
 34 **from the property tax replacement fund. The supplemental amount**
 35 **appropriated under this SECTION shall be distributed to school**
 36 **corporations in the same manner and under the same formulas as**
 37 **apply to the distribution of the appropriation in P.L.246-2005,**
 38 **SECTION 9 as an additional supplemental distribution.**

39 **(b) The amount appropriated under this SECTION is the result**
 40 **of:**

41 **(1) the amount of gross retail taxes remitted to the department**
 42 **of state revenue under IC 6-2.5-6 from the gross retail tax (IC**
 43 **6-2.5) on the sale of lottery tickets beginning July 1, 2006, and**
 44 **ending June 30, 2007, as determined by the budget agency;**
 45 **minus**

46 **(2) the net amount of revenue lost to the state from the**
 47 **granting of credits under IC 6-3.1-31, as added by this act,**

1 **beginning July 1, 2006, and ending June 30, 2007, as adjusted**
2 **to take into account any net increase or net decrease in the**
3 **amount of state distributions to school corporations beginning**
4 **July 1, 2006, and ending June 30, 2007, as determined by the**
5 **department of education, that results from those students for**
6 **whom a credit is awarded under IC 6-3.1-31, as added by this**
7 **act, attending a nonpublic school rather than a public school.**
8 **The department of state revenue and the department of education**
9 **shall provide the budget agency with the information necessary to**
10 **make the determination required by this SECTION. The**
11 **department of state revenue may permit a retail merchant to**
12 **report gross retail tax collections without segregating out the part**
13 **of the collections attributable to the sale of lottery tickets. If the**
14 **department of state revenue does not require a retail merchant to**
15 **segregate out the amount of gross retail tax imposed on the sale of**
16 **lottery tickets from other gross retail taxes, the budget agency shall**
17 **make the determination required by this SECTION based on the**
18 **gross retail tax information submitted to the department of state**
19 **revenue by the state lottery commission under IC 4-30-10-1."**

20 Renumber all SECTIONS consecutively.

(Reference is to HB 1381 as printed January 27, 2006.)

Representative Espich