

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 500 be amended to read as follows:

- 1 Page 47, between lines 16 and 17, begin a new paragraph and insert:
- 2 "SECTION 31. IC 6-3.5-6-28, AS ADDED BY P.L.214-2005,
- 3 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2007 (RETROACTIVE)]: Sec. 28. (a) This section
- 5 applies only to Howard County.
- 6 (b) Maintaining low property tax rates is essential to economic
- 7 development, and the use of county option income tax revenues as
- 8 provided in this ~~chapter~~ **section** and as needed in the county to fund the
- 9 operation and maintenance of a jail and juvenile detention center,
- 10 rather than the use of property taxes, promotes that purpose.
- 11 (c) In addition to the rates permitted by sections 8 and 9 of this
- 12 chapter, the county fiscal body may impose ~~the a~~ county option income
- 13 tax at a rate ~~of that does not exceed~~ twenty-five hundredths percent
- 14 (0.25%) on the adjusted gross income of resident county taxpayers. **if**
- 15 **The tax rate may be adopted in any increment of one hundredth**
- 16 **percent (0.01%). Before the county fiscal body ~~makes~~ may adopt a**
- 17 **tax rate under this section, the county fiscal body must make the**
- 18 **finding and determination set forth in subsection (d). Section 8(e) of**
- 19 **this chapter applies to the application of the additional tax rate to**
- 20 **nonresident taxpayers. However, notwithstanding section 1 of this**
- 21 **chapter, for the purposes of applying section 8(e) of this chapter to**
- 22 **this section, the term "county taxpayers" includes any individual**
- 23 **who maintains a principal place of business or employment in the**
- 24 **county on the date specified in section 20 of this chapter regardless**

1 **of whether the individual resides in another county that has**
2 **imposed a tax under this chapter, IC 6-3.5-1.1, or IC 6-3.5-7. A tax**
3 **imposed under this section on a taxpayer who is not a resident**
4 **county taxpayer applies only to the adjusted gross income derived**
5 **from the nonresident taxpayer's principal place of business or**
6 **employment. The tax rate on an individual who is not a resident**
7 **county taxpayer is one-fourth (1/4) of the tax rate imposed on**
8 **resident county taxpayers, rounded to the nearest one hundredth**
9 **percent (0.01%).**

10 (d) In order to impose the county option income tax as provided in
11 this section, the county fiscal body must adopt an ordinance:

12 (1) finding and determining that revenues from the county option
13 income tax are needed in the county to fund the operation and
14 maintenance of a jail, a juvenile detention center, or both; and

15 (2) agreeing to freeze the part of any property tax levy imposed in
16 the county for the operation of the jail or juvenile detention
17 center, or both, covered by the ordinance at the rate imposed in
18 the year preceding the year in which a full year of additional
19 county option income tax is certified for distribution to the county
20 under this section for the term in which an ordinance is in effect
21 under this section.

22 (e) If the county fiscal body makes a determination under subsection
23 (d), the county fiscal body may adopt a tax rate under subsection (c).
24 Subject to the limitations in subsection (c), the county fiscal body may
25 amend an ordinance adopted under this section to increase, decrease,
26 or rescind the additional tax rate imposed under this section. As soon
27 as practicable after the adoption of an ordinance under this section, the
28 county fiscal body shall send a certified copy of the ordinance to the
29 county auditor, the department of local government finance, and the
30 department of state revenue. An ordinance adopted under this section
31 before April 1 in a year applies to the imposition of county income
32 taxes after June 30 in that year. An ordinance adopted under this
33 section after March 31 of a year initially applies to the imposition of
34 county option income taxes after June 30 of the immediately following
35 year.

36 (f) The county treasurer shall establish a county jail revenue fund to
37 be used only for the purposes described in this section. County option
38 income tax revenues derived from the tax rate imposed under this
39 section shall be deposited in the county jail revenue fund before
40 making a certified distribution under section 18 of this chapter.

41 (g) County option income tax revenues derived from the tax rate
42 imposed under this section:

43 (1) may only be used for the purposes described in this section;
44 and

45 (2) may not be considered by the department of local government
46 finance in determining the county's maximum permissible

- 1 property tax levy limit under IC 6-1.1-18.5.
- 2 (h) The department of local government finance shall enforce an
3 agreement under subsection (d)(2).
- 4 (i) The department, after reviewing the recommendation of the
5 budget agency, shall adjust the certified distribution of a county to
6 provide for an increased distribution of taxes in the immediately
7 following calendar year after the county adopts an increased tax rate
8 under this section and in each calendar year thereafter. The department
9 shall provide for a full transition to certification of distributions as
10 provided in section 17(a)(1) through 17(a)(2) of this chapter in the
11 manner provided in section 17(c) of this chapter.
- 12 **(j) The department shall separately designate a tax rate imposed**
13 **under this section in any tax form as the Howard County jail**
14 **operating and maintenance income tax."**
- 15 Page 71, between lines 9 and 10, begin a new paragraph and insert:
16 "SECTION 58. [EFFECTIVE JANUARY 1, 2007
17 (RETROACTIVE)]: **An ordinance adopted by the fiscal body for**
18 **Howard County that:**
- 19 **(1) was adopted before April 29, 2007; and**
20 **(2) would have been in compliance with IC 6-3.5-6-28, as**
21 **amended by this act, if this act had been enacted before the**
22 **ordinance was adopted;**
- 23 **is legalized and validated to the same extent as if this act had been**
24 **enacted before the ordinance was adopted."**
- 25 Renumber all SECTIONS consecutively.
(Reference is to ESB 500 as printed April 3, 2007.)

Representative Buck