

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 208 be amended to read 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.233-2007,
- 4 SECTION 16, AND AS AMENDED BY P.L.234-2007, SECTION
- 5 280, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
- 6 [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The department shall
- 7 place in the state general fund the tax revenue collected under this
- 8 chapter.
- 9 (b) Except as provided by subsections (c) and (d), ~~and~~
- 10 ~~IC 6-3-1-20-7~~, the treasurer of state shall quarterly pay the following
- 11 amounts:
- 12 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 13 admissions tax collected by the licensed owner for each person
- 14 embarking on a gambling excursion during the quarter or
- 15 admitted to a riverboat that has implemented flexible scheduling
- 16 under IC 4-33-6-21 during the quarter shall be paid to:
- 17 (A) the city in which the riverboat is docked, if the city:
- 18 (i) is located in a county having a population of more than
- 19 one hundred ten thousand (110,000) but less than one
- 20 hundred fifteen thousand (115,000); or
- 21 (ii) is contiguous to the Ohio River and is the largest city in
- 22 the county; and
- 23 (B) the county in which the riverboat is docked, if the
- 24 riverboat is not docked in a city described in clause (A).

- 1 (2) Except as provided in subsection (k), one dollar (\$1) of the
2 admissions tax collected by the licensed owner for each person:
3 (A) embarking on a gambling excursion during the quarter; or
4 (B) admitted to a riverboat during the quarter that has
5 implemented flexible scheduling under IC 4-33-6-21;
6 shall be paid to the county in which the riverboat is docked. In the
7 case of a county described in subdivision (1)(B), this one dollar
8 (\$1) is in addition to the one dollar (\$1) received under
9 subdivision (1)(B).
- 10 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
11 admissions tax collected by the licensed owner for each person:
12 (A) embarking on a gambling excursion during the quarter; or
13 (B) admitted to a riverboat during the quarter that has
14 implemented flexible scheduling under IC 4-33-6-21;
15 shall be paid to the county convention and visitors bureau or
16 promotion fund for the county in which the riverboat is docked.
- 17 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
18 the admissions tax collected by the licensed owner for each
19 person:
20 (A) embarking on a gambling excursion during the quarter; or
21 (B) admitted to a riverboat during a quarter that has
22 implemented flexible scheduling under IC 4-33-6-21;
23 shall be paid to the state fair commission, for use in any activity
24 that the commission is authorized to carry out under IC 15-1.5-3.
- 25 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
26 admissions tax collected by the licensed owner for each person:
27 (A) embarking on a gambling excursion during the quarter; or
28 (B) admitted to a riverboat during the quarter that has
29 implemented flexible scheduling under IC 4-33-6-21;
30 shall be paid to the division of mental health and addiction. The
31 division shall allocate at least twenty-five percent (25%) of the
32 funds derived from the admissions tax to the prevention and
33 treatment of compulsive gambling.
- 34 (6) Except as provided in subsection (k) *and section 7 of this*
35 *chapter*, sixty-five cents (\$0.65) of the admissions tax collected
36 by the licensed owner for each person embarking on a gambling
37 excursion during the quarter or admitted to a riverboat during the
38 quarter that has implemented flexible scheduling under
39 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
40 to be distributed as follows, in amounts determined by the Indiana
41 horse racing commission, for the promotion and operation of
42 horse racing in Indiana:
43 (A) To one (1) or more breed development funds established
44 by the Indiana horse racing commission under IC 4-31-11-10.
45 (B) To a racetrack that was approved by the Indiana horse
46 racing commission under IC 4-31. The commission may make

1 a grant under this clause only for purses, promotions, and
 2 routine operations of the racetrack. No grants shall be made
 3 for long term capital investment or construction, and no grants
 4 shall be made before the racetrack becomes operational and is
 5 offering a racing schedule.

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

9 (1) ~~Twenty-five~~ *Twenty-two* percent ~~(25%)~~ (22%) of the
 10 admissions tax collected during the quarter shall be paid to the
 11 county treasurer of the county in which the riverboat is docked.
 12 The county treasurer shall distribute the money received under
 13 this subdivision as follows:

14 (A) ~~Twenty~~ *Twenty-two and seventy-five hundredths* percent
 15 ~~(20%)~~ (22.75%) shall be quarterly distributed to the county
 16 treasurer of a county having a population of more than
 17 thirty-nine thousand six hundred (39,600) but less than forty
 18 thousand (40,000) for appropriation by the county fiscal body
 19 after receiving a recommendation from the county executive.
 20 The county fiscal body for the receiving county shall provide
 21 for the distribution of the money received under this clause to
 22 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 23 the county under a formula established by the county fiscal
 24 body after receiving a recommendation from the county
 25 executive.

26 (B) ~~Twenty~~ *Twenty-two and seventy-five hundredths* percent
 27 ~~(20%)~~ (22.75%) shall be quarterly distributed to the county
 28 treasurer of a county having a population of more than ten
 29 thousand seven hundred (10,700) but less than twelve
 30 thousand (12,000) for appropriation by the county fiscal body.
 31 The county fiscal body for the receiving county shall provide
 32 for the distribution of the money received under this clause to
 33 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 34 the county under a formula established by the county fiscal
 35 body after receiving a recommendation from the county
 36 executive.

37 (C) ~~Sixty~~ *Fifty-four and five-tenths* percent ~~(60%)~~ (54.5%)
 38 shall be retained by the county where the riverboat is docked
 39 for appropriation by the county fiscal body after receiving a
 40 recommendation from the county executive. ~~The county fiscal~~
 41 ~~body shall provide for the distribution of part or all of the~~
 42 ~~money received under this clause to the following under a~~
 43 ~~formula established by the county fiscal body.~~

44 ~~(i)~~ (2) Five percent (5%) of the admissions tax collected during
 45 the quarter shall be paid to a town having a population of more
 46 than two thousand two hundred (2,200) but less than three

1 thousand five hundred (3,500) located in a county having a
 2 population of more than nineteen thousand three hundred
 3 (19,300) but less than twenty thousand (20,000). *At least twenty*
 4 *percent (20%) of the taxes received by a town under this*
 5 *subdivision must be transferred to the school corporation in*
 6 *which the town is located.*

7 ~~(ii)~~ (3) *Five percent (5%) of the admissions tax collected during*
 8 *the quarter shall be paid to a town having a population of more*
 9 *than three thousand five hundred (3,500) located in a county*
 10 *having a population of more than nineteen thousand three*
 11 *hundred (19,300) but less than twenty thousand (20,000). At least*
 12 *twenty percent (20%) of the taxes received by a town under this*
 13 *subdivision must be transferred to the school corporation in*
 14 *which the town is located.*

15 ~~(2) Sixteen~~ (4) *Twenty percent (16%) (20%) of the admissions tax*
 16 *collected during the quarter shall be paid in equal amounts to*
 17 *each town that:*

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

19 (B) contains a historic hotel.

20 *The town council shall appropriate a part of the money received*
 21 *by the town under this subdivision to the budget of the town's*
 22 *tourism commission. At least twenty percent (20%) of the taxes*
 23 *received by a town under this subdivision must be transferred to*
 24 *the school corporation in which the town is located.*

25 ~~(3) Nine~~ (5) *Ten percent (9%) (10%) of the admissions tax*
 26 *collected during the quarter shall be paid to the ~~historic hotel~~*
 27 *preservation Orange County development commission*
 28 *established under IC 36-7-11.5. At least one-third (1/3) of the*
 29 *taxes paid to the Orange County development commission under*
 30 *this subdivision must be transferred to the Orange County*
 31 *convention and visitors bureau.*

32 ~~(4) Twenty-five~~ (6) *Thirteen percent (25%) (13%) of the*
 33 *admissions tax collected during the quarter shall be paid to the*
 34 *West Baden Springs historic hotel preservation and maintenance*
 35 *fund established by IC 36-7-11.5-11(b).*

36 ~~(5)~~ (7) *Twenty-five percent (25%) of the admissions tax collected*
 37 *during the quarter shall be paid to the Indiana economic*
 38 *development corporation to be used by the corporation for the*
 39 *development and implementation of a regional economic*
 40 *development strategy to assist the residents of the county in which*
 41 *the riverboat is located and residents of contiguous counties in*
 42 *improving their quality of life and to help promote successful and*
 43 *sustainable communities. The regional economic development*
 44 *strategy must include goals concerning the following issues:*

45 (A) Job creation and retention.

46 (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 Indiana economic development corporation.
- 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
- 42 person:
- 43 (A) embarking on a gambling excursion during the quarter; or
- 44 (B) admitted to a riverboat during a quarter that has
- 45 implemented flexible scheduling under IC 4-33-6-21;
- 46 shall be paid to the state fair commission for use in any activity

1 that the commission is authorized to carry out under IC 15-1.5-3.
 2 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 3 admissions tax collected by the licensed owner for each person:

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

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

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

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

22 (B) To a racetrack that was approved by the Indiana horse
 23 racing commission under IC 4-31. The commission may make
 24 a grant under this clause only for purses, promotions, and
 25 routine operations of the racetrack. No grants shall be made
 26 for long term capital investment or construction, and no grants
 27 shall be made before the racetrack becomes operational and is
 28 offering a racing schedule.

29 (e) Money paid to a unit of local government under subsection
 30 (b)(1) through (b)(2), (c)(1) through ~~(c)(2)~~, (c)(4), or (d)(1) through
 31 (d)(2):

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

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

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

41 (4) is considered miscellaneous revenue.

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

44 (1) deposited in:

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

46 (B) the county's general fund if the county does not have a

- 1 convention and visitor promotion fund; and
 2 (2) used only for the tourism promotion, advertising, and
 3 economic development activities of the county and community.
- 4 (g) Money received by the division of mental health and addiction
 5 under subsections (b)(5) and (d)(6):
- 6 (1) is annually appropriated to the division of mental health and
 7 addiction;
 8 (2) shall be distributed to the division of mental health and
 9 addiction at times during each state fiscal year determined by the
 10 budget agency; and
 11 (3) shall be used by the division of mental health and addiction
 12 for programs and facilities for the prevention and treatment of
 13 addictions to drugs, alcohol, and compulsive gambling, including
 14 the creation and maintenance of a toll free telephone line to
 15 provide the public with information about these addictions. The
 16 division shall allocate at least twenty-five percent (25%) of the
 17 money received to the prevention and treatment of compulsive
 18 gambling.
- 19 (h) This subsection applies to the following:
- 20 (1) Each entity receiving money under subsection (b).
 21 (2) Each entity receiving money under subsection (d)(1) through
 22 (d)(2).
 23 (3) Each entity receiving money under subsection (d)(5) through
 24 (d)(7).
- 25 The treasurer of state shall determine the total amount of money paid
 26 by the treasurer of state to an entity subject to this subsection during
 27 the state fiscal year 2002. The amount determined under this subsection
 28 is the base year revenue for each entity subject to this subsection. The
 29 treasurer of state shall certify the base year revenue determined under
 30 this subsection to each entity subject to this subsection.
- 31 (i) This subsection applies to an entity receiving money under
 32 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
 33 total amount of money paid by the treasurer of state to the entity
 34 described in subsection (d)(3) during state fiscal year 2002. The
 35 amount determined under this subsection multiplied by nine-tenths
 36 (0.9) is the base year revenue for the entity described in subsection
 37 (d)(3). The amount determined under this subsection multiplied by
 38 one-tenth (0.1) is the base year revenue for the entity described in
 39 subsection (d)(4). The treasurer of state shall certify the base year
 40 revenue determined under this subsection to each entity subject to this
 41 subsection.
- 42 (j) This subsection does not apply to an entity receiving money
 43 under subsection (c). For state fiscal years beginning after June 30,
 44 2002, the total amount of money distributed to an entity under this
 45 section during a state fiscal year may not exceed the entity's base year
 46 revenue as determined under subsection (h) or (i). If the treasurer of

1 state determines that the total amount of money distributed to an entity
 2 under this section during a state fiscal year is less than the entity's base
 3 year revenue, the treasurer of state shall make a supplemental
 4 distribution to the entity under IC 4-33-13-5(g).

5 (k) This subsection does not apply to an entity receiving money
 6 under subsection (c). For state fiscal years beginning after June 30,
 7 2002, the treasurer of state shall pay that part of the riverboat
 8 admissions taxes that:

9 (1) ~~exceed~~ exceeds a particular entity's base year revenue; and

10 (2) would otherwise be due to the entity under this section;

11 to the property tax replacement fund instead of to the entity.

12 SECTION 2. IC 4-33-13-5, AS AMENDED BY P.L.233-2007,
 13 SECTION 19, AND AS AMENDED BY P.L.234-2007, SECTION
 14 281, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This subsection does not
 16 apply to tax revenue remitted by an operating agent operating a
 17 riverboat in a historic hotel district. After funds are appropriated under
 18 section 4 of this chapter, each month the treasurer of state shall
 19 distribute the tax revenue deposited in the state gaming fund under this
 20 chapter to the 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
 23 revenue 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, the treasurer of state
 41 shall make the transfer required by this subdivision not later than
 42 the last business day of the month in which the tax revenue is
 43 remitted to the state for deposit in the state gaming fund.
 44 However, if tax revenue is received by the state on the last
 45 business day in a month, the treasurer of state may transfer the tax
 46 revenue to the property tax replacement fund in the immediately

1 following month.

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

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

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

17 (3) ~~Five Eight~~ percent (~~5%~~) (8%) shall be paid to the *historic*
18 *hotel preservation Orange County development* commission
19 established under IC 36-7-11.5.

20 (4) ~~Ten Sixteen~~ percent (~~10%~~) (16%) shall be paid in equal
21 amounts to each town that ~~(A)~~ is located in the county in which
22 the riverboat docks and ~~(B)~~ contains a historic hotel. ~~The town~~
23 ~~council shall appropriate a part of the money received by the~~
24 ~~town under this subdivision to the budget of the town's tourism~~
25 ~~commission. The following apply to taxes received by a town~~
26 ~~under this subdivision:~~

27 (A) At least twenty-five percent (25%) of the taxes must be
28 transferred to the school corporation in which the town is
29 located.

30 (B) At least twelve and five-tenths percent (12.5%) of the taxes
31 must be transferred to the Orange County convention and
32 visitors bureau.

33 (5) ~~Ten Nine~~ percent (~~10%~~) (9%) shall be paid to the county
34 treasurer of the county in which the riverboat is docked. The
35 county treasurer shall distribute the money received under this
36 subdivision as follows:

37 (A) ~~Twenty Twenty-two and twenty-five hundredths~~ percent
38 (~~20%~~) (22.25%) shall be quarterly distributed to the county
39 treasurer of a county having a population of more than
40 thirty-nine thousand six hundred (39,600) but less than forty
41 thousand (40,000) for appropriation by the county fiscal body
42 after receiving a recommendation from the county executive.
43 The county fiscal body for the receiving county shall provide
44 for the distribution of the money received under this clause to
45 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
46 the county under a formula established by the county fiscal

- 1 body after receiving a recommendation from the county
2 executive.
- 3 (B) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent
4 ~~(20%)~~ (22.25%) shall be quarterly distributed to the county
5 treasurer of a county having a population of more than ten
6 thousand seven hundred (10,700) but less than twelve
7 thousand (12,000) for appropriation by the county fiscal body
8 after receiving a recommendation from the county executive.
9 The county fiscal body for the receiving county shall provide
10 for the distribution of the money received under this clause to
11 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
12 the county under a formula established by the county fiscal
13 body after receiving a recommendation from the county
14 executive.
- 15 (C) ~~Sixty~~ *Fifty-five and five-tenths* percent ~~(60%)~~ (55.5%) shall
16 be retained by the county where the riverboat is docked for
17 appropriation by the county fiscal body after receiving a
18 recommendation from the county executive. *The county fiscal*
19 *body shall provide for the distribution of part or all of the*
20 *money received under this clause to the following under a*
21 *formula established by the county fiscal body:*
- 22 ~~(i)~~ (6) *Five percent (5%) shall be paid to* a town having a
23 population of more than two thousand two hundred (2,200) but
24 less than three thousand five hundred (3,500) located in a county
25 having a population of more than nineteen thousand three
26 hundred (19,300) but less than twenty thousand (20,000). *At least*
27 *forty percent (40%) of the taxes received by a town under this*
28 *subdivision must be transferred to the school corporation in*
29 *which the town is located.*
- 30 ~~(ii)~~ (7) *Five percent (5%) shall be paid to* a town having a
31 population of more than three thousand five hundred (3,500)
32 located in a county having a population of more than nineteen
33 thousand three hundred (19,300) but less than twenty thousand
34 (20,000). *At least forty percent (40%) of the taxes received by a*
35 *town under this subdivision must be transferred to the school*
36 *corporation in which the town is located.*
- 37 (8) *Five-tenths percent (0.5%) shall be paid to the Orange County*
38 *convention and visitors bureau.*
- 39 (c) For each city and county receiving money under subsection
40 (a)(2), the treasurer of state shall determine the total amount of money
41 paid by the treasurer of state to the city or county during the state fiscal
42 year 2002. The amount determined is the base year revenue for the city
43 or county. The treasurer of state shall certify the base year revenue
44 determined under this subsection to the city or county. The total
45 amount of money distributed to a city or county under this section
46 during a state fiscal year may not exceed the entity's base year revenue.

- 1 For each state fiscal year, the treasurer of state shall pay that part of the
 2 riverboat wagering taxes that:
- 3 (1) exceeds a particular city's or county's base year revenue; and
 - 4 (2) would otherwise be due to the city or county under this
 5 section;
- 6 to the property tax replacement fund instead of to the city or county.
- 7 (d) Each state fiscal year the treasurer of state shall transfer from the
 8 tax revenue remitted to the property tax replacement fund under
 9 subsection (a)(3) to the build Indiana fund an amount that when added
 10 to the following may not exceed two hundred fifty million dollars
 11 (\$250,000,000):
- 12 (1) Surplus lottery revenues under IC 4-30-17-3.
 - 13 (2) Surplus revenue from the charity gaming enforcement fund
 14 under IC 4-32.2-7-7.
 - 15 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.
- 16 The treasurer of state shall make transfers on a monthly basis as needed
 17 to meet the obligations of the build Indiana fund. If in any state fiscal
 18 year insufficient money is transferred to the property tax replacement
 19 fund under subsection (a)(3) to comply with this subsection, the
 20 treasurer of state shall reduce the amount transferred to the build
 21 Indiana fund to the amount available in the property tax replacement
 22 fund from the transfers under subsection (a)(3) for the state fiscal year.
- 23 (e) Before August 15 of each year, the treasurer of state shall
 24 distribute the wagering taxes set aside for revenue sharing under
 25 subsection (a)(1) to the county treasurer of each county that does not
 26 have a riverboat according to the ratio that the county's population
 27 bears to the total population of the counties that do not have a
 28 riverboat. Except as provided in subsection (h), the county auditor shall
 29 distribute the money received by the county under this subsection as
 30 follows:
- 31 (1) To each city located in the county according to the ratio the
 32 city's population bears to the total population of the county.
 - 33 (2) To each town located in the county according to the ratio the
 34 town's population bears to the total population of the county.
 - 35 (3) After the distributions required in subdivisions (1) and (2) are
 36 made, the remainder shall be retained by the county.
- 37 (f) Money received by a city, town, or county under subsection (e)
 38 or (h) may be used for any of the following purposes:
- 39 (1) To reduce the property tax levy of the city, town, or county for
 40 a particular year (a property tax reduction under this subdivision
 41 does not reduce the maximum levy of the city, town, or county
 42 under IC 6-1.1-18.5).
 - 43 (2) For deposit in a special fund or allocation fund created under
 44 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
 45 IC 36-7-30 to provide funding for additional credits for property
 46 tax replacement in property tax increment allocation areas or debt

- 1 repayment.
- 2 (3) To fund sewer and water projects, including storm water
- 3 management projects.
- 4 (4) For police and fire pensions.
- 5 (5) To carry out any governmental purpose for which the money
- 6 is appropriated by the fiscal body of the city, town, or county.
- 7 Money used under this subdivision does not reduce the property
- 8 tax levy of the city, town, or county for a particular year or reduce
- 9 the maximum levy of the city, town, or county under
- 10 IC 6-1.1-18.5.

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

- 23 (1) the entity's base year revenue (as determined under
- 24 IC 4-33-12-6); minus
- 25 (2) ~~the sum of:~~
- 26 ~~(A) the total amount of money distributed to the entity during~~
- 27 ~~the preceding state fiscal year under IC 4-33-12-6. plus~~
- 28 ~~(B) any amounts deducted under IC 6-3.1-20-7.~~

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

- 32 (1) To each city, other than a consolidated city, located in the
- 33 county according to the ratio that the city's population bears to the
- 34 total population of the county.
- 35 (2) To each town located in the county according to the ratio that
- 36 the town's population bears to the total population of the county.
- 37 (3) After the distributions required in subdivisions (1) and (2) are
- 38 made, the remainder shall be paid in equal amounts to the
- 39 consolidated city and the county.

40 (i) *This subsection applies only to the Indiana horse racing*
 41 *commission. For each state fiscal year the amount of the Indiana horse*
 42 *racing commission's supplemental distribution under subsection (g)*
 43 *must be reduced by the amount required to comply with*
 44 *IC 4-33-12-7(a).*

45 SECTION 3. IC 5-13-12-7, AS AMENDED BY P.L.1-2006,
 46 SECTION 100, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) The board for
2 depositories shall manage and operate the insurance fund. All expenses
3 incident to the administration of the fund shall be paid out of the money
4 accumulated in it subject to the direction of the board for depositories.

5 (b) Effective January 1 and July 1 in each year, the board shall
6 before those dates redetermine the amount of the reserve to be
7 maintained by the insurance fund. The establishment or any change in
8 the reserve for losses shall be determined by the board based on a study
9 to be made or updated by actuaries, economists, or other consultants
10 based on the history of losses, earnings on the funds, conditions of the
11 depositories, economic conditions affecting particular depositories or
12 depositories in general, and any other factors that the board considers
13 relevant in making its determination. The reserve determined by the
14 board must be sufficient to ensure the safekeeping and prompt payment
15 of public funds to the extent they are not covered by insurance of any
16 federal deposit insurance agency.

17 (c) At the end of each biennial period during which depositories
18 have had public funds on deposit under this chapter and paid the
19 assessments levied by the board, the board shall compute its receipts
20 from assessments and all other sources and its expenses and losses and
21 determine the profit derived from the operation of the fund for the
22 period. Until the amount of the reserve for losses has been
23 accumulated, all assessments levied for a biennial period shall be
24 retained by the fund. The amount of the assessments, if any, levied by
25 the board shall, to the extent the fund exceeds the reserve for losses at
26 the end of a biennial period commencing July 1 of each odd-numbered
27 year, be distributed to the depositories that had public funds on deposit
28 during the biennial period in which the assessments were paid. The
29 distribution shall be made to the respective depositories in the
30 proportion that the total assessments paid by each depository during
31 that period bears to the total assessments then paid by all depositories.
32 A distribution to which any closed depository would otherwise be
33 entitled shall be set off against any claim that the insurance fund may
34 have against the closed depository.

35 (d) The board may invest, reinvest, and exchange investments of the
36 insurance fund in excess of the cash working balance in any of the
37 following:

38 (1) In bonds, notes, certificates, and other valid obligations of the
39 United States, either directly or, subject to the limitations in
40 subsection (e), in the form of securities of or other interests in an
41 open-end no-load management-type investment company or
42 investment trust registered under the provisions of the Investment
43 Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

44 (2) In bonds, notes, debentures, and other securities issued by a
45 federal agency or a federal instrumentality and fully guaranteed
46 by the United States either directly or, subject to the limitations

- 1 in subsection (e), in the form of securities of or other interests in
 2 an open-end no-load management-type investment company or
 3 investment trust registered under the provisions of the Investment
 4 Company Act of 1940, as amended (15 U.S.C. 80a et seq.).
- 5 (3) In bonds, notes, certificates, and other valid obligations of a
 6 state or of an Indiana political subdivision that are issued under
 7 law, the issuers of which, for five (5) years before the date of the
 8 investment, have promptly paid the principal and interest on their
 9 bonds and other legal obligations.
- 10 (4) In bonds or other obligations of the Indiana finance authority
 11 issued under IC 4-13.5.
- 12 (5) In investments permitted the state under IC 5-13-10.5.
- 13 (6) In guarantees of industrial development obligations or credit
 14 enhancement obligations, or both, for the purposes of retaining
 15 and increasing employment in enterprises in Indiana, subject to
 16 the limitations and conditions set out in this subdivision,
 17 subsection (e), and section 8 of this chapter. An individual
 18 guarantee of the board under this subdivision must not exceed
 19 eight million dollars (\$8,000,000).
- 20 (7) In guarantees of bonds or notes issued under IC 5-1.5-4-1,
 21 subject to the limitations and conditions set out in subsection (e)
 22 and section 8 of this chapter.
- 23 (8) In bonds, notes, or other valid obligations of the Indiana
 24 finance authority that have been issued in conjunction with the
 25 authority's acquisition, development, or improvement of property
 26 or other interests for an industrial development project (as defined
 27 in IC 4-4-10.9-11) that the authority has undertaken for the
 28 purposes of retaining or increasing employment in existing or new
 29 enterprises in Indiana, subject to the limitations in subsection (e).
- 30 ~~(9) In notes or other debt obligations of counties, cities, and towns~~
 31 ~~that have been issued under IC 6-1.1-39 for borrowings from the~~
 32 ~~industrial development fund under IC 5-28-9 for purposes of~~
 33 ~~retaining or increasing employment in existing or new enterprises~~
 34 ~~in Indiana, subject to the limitations in subsection (e).~~
- 35 ~~(10)~~ (9) In bonds or other obligations of the Indiana housing and
 36 community development authority.
- 37 (e) The investment authority of the board under subsection (d) is
 38 subject to the following limitations:
- 39 (1) For investments under subsection (d)(1) and (d)(2), the
 40 portfolio of an open-end no-load management-type investment
 41 company or investment trust must be limited to:
- 42 (A) direct obligations of the United States and obligations of
 43 a federal agency or a federal instrumentality that are fully
 44 guaranteed by the United States; and
 45 (B) repurchase agreements fully collateralized by obligations
 46 described in clause (A), of which the company or trust takes

- 1 delivery either directly or through an authorized custodian.
- 2 (2) Total outstanding investments in guarantees of industrial
3 development obligations and credit enhancement obligations
4 under subsection (d)(6) must not exceed the greater of:
- 5 (A) ten percent (10%) of the available balance of the insurance
6 fund; or
7 (B) fourteen million dollars (\$14,000,000).
- 8 (3) Total outstanding investments in guarantees of bond bank
9 obligations under subsection (d)(7) must not exceed the greater
10 of:
- 11 (A) twenty percent (20%) of the available balance of the
12 insurance fund; or
13 (B) twenty-four million dollars (\$24,000,000).
- 14 (4) Total outstanding investments in bonds, notes, or other
15 obligations of the Indiana finance authority under subsection
16 (d)(8) may not exceed the greater of:
- 17 (A) fifteen percent (15%) of the available balance of the
18 insurance fund; or
19 (B) twenty million dollars (\$20,000,000).
- 20 However, after June 30, 1988, the board may not make any
21 additional investment in bonds, notes, or other obligations of the
22 Indiana finance authority issued under IC 4-4-11, and the board
23 may invest an amount equal to the remainder, if any, of:
- 24 (i) fifteen percent (15%) of the available balance of the
25 insurance fund; minus
26 (ii) the board's total outstanding investments in bonds, notes,
27 or other obligations of the Indiana finance authority issued
28 under IC 4-4-11;
- 29 in guarantees of industrial development obligations or credit
30 enhancement obligations, or both, as authorized by subsection
31 (d)(6). In such a case, the outstanding investments, as authorized
32 by subsection (d)(6) and (d)(8), may not exceed in total the
33 greater of twenty-five percent (25%) of the available balance of
34 the insurance fund or thirty-four million dollars (\$34,000,000).
- 35 ~~(5) Total outstanding investments in notes or other debt~~
36 ~~obligations of counties, cities, and towns under subsection (d)(9)~~
37 ~~may not exceed the greater of:~~
- 38 ~~(A) ten percent (10%) of the available balance of the insurance~~
39 ~~fund; or~~
40 ~~(B) twelve million dollars (\$12,000,000).~~
- 41 (f) For purposes of subsection (e), the available balance of the
42 insurance fund does not include the outstanding principal amount of
43 any fund investment in a corporate note or obligation or the part of the
44 fund that has been established as a reserve for losses.
- 45 (g) Except as provided in section 4 of this chapter, all interest and
46 other income earned on investments of the insurance fund and all

- 1 amounts collected by the board accrue to the fund.
- 2 (h) Members of the board and any officers or employees of the
3 board are not subject to personal liability or accountability by reason
4 of any investment in any of the obligations listed in subsection (d).
- 5 (i) The board shall, when directed by the state board of finance
6 constituted by IC 4-9.1-1-1, purchase the loan made by the state board
7 of finance under IC 4-10-18-10(i). The loan shall be purchased by the
8 board at a purchase price equal to the total of:
- 9 (1) the principal amount of the loan;
 - 10 (2) the deferred interest payable on the loan; and
 - 11 (3) accrued interest to the date of purchase by the board.
- 12 Members of the board and any officers or employees of the board are
13 not subject to personal liability or accountability by reason of the
14 purchase of the loan under this subsection.
- 15 SECTION 4. IC 5-28-9-10, AS ADDED BY P.L.4-2005, SECTION
16 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2009]: Sec. 10. (a) Two million dollars (\$2,000,000) in
18 the industrial development fund does not revert to the state general
19 fund but constitutes a revolving fund to be used exclusively for the
20 purpose of this chapter. The corporation, subject to the approval of the
21 state board of finance, may order the auditor of state to make an
22 approved loan from the revolving fund to a qualified entity (including
23 the purchase of bonds of the qualified entity), a small business
24 investment company, or a minority enterprise small business
25 investment company.
- 26 (b) A qualified entity may borrow funds from the corporation under
27 this chapter and shall use the loan proceeds to institute and administer
28 an approved industrial development program. The combined amount
29 of outstanding loans to any one (1) program may not exceed one
30 million dollars (\$1,000,000). ~~However, the one million dollar~~
31 ~~(\$1,000,000) restriction in this subsection does not apply to an~~
32 ~~approved industrial development program in an economic development~~
33 ~~district established by a qualified entity under IC 6-1-1-39.~~ A loan
34 made under this chapter to an economic development commission is
35 not a loan to or an obligation of the qualified entity that formed the
36 commission, if the repayment of the loan is limited to a specified
37 revenue source under section 15 of this chapter.
- 38 (c) A small business investment company or a minority enterprise
39 small business investment company may use the loan proceeds for any
40 lawful purpose.
- 41 (d) Notwithstanding any other law (including IC 5-1-11), the loan
42 to a qualified entity under this section may be directly negotiated with
43 the corporation without public sale of bonds or other evidences of
44 indebtedness of the qualified entity.
- 45 SECTION 5. IC 5-28-9-19, AS ADDED BY P.L.4-2005, SECTION
46 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2009]: Sec. 19. (a) The corporation, with the approval
 2 of the state board of finance, may sell to a person (including the board
 3 for depositories) the notes or other debt obligations issued by a county,
 4 city, or town under this chapter ~~or IC 6-1.1-39~~ for any borrowing from
 5 the industrial development fund under this chapter.

6 (b) A sale by the corporation of a note or another debt obligation of
 7 a county, city, or town as authorized by subsection (a) shall be made:

8 (1) without recourse against the corporation, the state board of
 9 finance, or the industrial development fund; and

10 (2) on the other terms and conditions that the corporation, with
 11 the approval of the state board of finance, establishes.

12 (c) A purchaser of a note or another debt obligation succeeds to all
 13 the rights, entitlements, conditions, and limitations under the note or
 14 other debt obligation. However, section 17 of this chapter does not
 15 apply to a note or another debt obligation that has been sold under
 16 subsection (a).

17 (d) After a sale of a note or another debt obligation, the corporation,
 18 the state board of finance, and the industrial development fund have no
 19 right, title, or interest in or to the note or debt obligation.

20 (e) The proceeds from a sale of a note or another debt obligation
 21 shall be deposited in the industrial development fund to be used
 22 exclusively for the purpose of this chapter.

23 SECTION 6. IC 5-28-9-20, AS AMENDED BY P.L.1-2006,
 24 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) For industrial
 26 development projects (as defined in IC 4-4-10.9-11(a)) that have a cost
 27 of the project (as defined in IC 4-4-10.9-5) greater than one hundred
 28 million dollars (\$100,000,000), the corporation may coordinate a loan
 29 to a county, city, or town under this chapter that is to be funded under
 30 IC 6-1.1-39 with a simultaneous or successive sale of the note or other
 31 debt obligation issued or to be issued by the county, city, or town to
 32 evidence the borrowing under this chapter. For such a coordinated or
 33 simultaneous lending and sale, the sale proceeds may be applied to the
 34 funding of the loan to the county, city, or town.

35 (b) Notes or other debt obligations of a county, city, or town that
 36 may be sold by the corporation under this section or section 19 of this
 37 chapter are declared to be legal investments for:

38 (1) all insurance companies and associations and other persons
 39 carrying on an insurance business; and

40 (2) all banks, bankers, banking associations, trust companies,
 41 savings associations including savings and loan associations,
 42 building and loan associations, investment companies, and other
 43 persons carrying on a banking business.

44 These entities may invest their funds, including capital, in the notes or
 45 other debt obligations, notwithstanding any law to the contrary.

46 SECTION 7. IC 6-1.1-10-44 IS ADDED TO THE INDIANA CODE

1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2009]: **Sec. 44. (a) The following definitions apply
3 throughout this section:**

4 **(1) "Dwelling" means any of the following:**

5 **(A) Residential real property improvements that an
6 individual uses as the individual's residence, including a
7 house or garage.**

8 **(B) A mobile home that is not assessed as real property
9 that an individual uses as the individual's residence.**

10 **(C) A manufactured home that is not assessed as real
11 property that an individual uses as the individual's
12 residence.**

13 **(2) "Homestead" means an individual's principal place of
14 residence that:**

15 **(A) is located in Indiana;**

16 **(B) either:**

17 **(i) the individual owns or is buying under a contract,
18 recorded in the county recorder's office, that provides
19 that the individual is to pay the property taxes on the
20 residence; or**

21 **(ii) is owned by a trust in which the individual has a
22 beneficial interest or is being purchased by a trust in
23 which the individual has a beneficial interest under a
24 contract, recorded in the county recorder's office, that
25 provides that the trust or the individual is to pay the
26 property taxes on the residence; and**

27 **(C) consists of:**

28 **(i) a dwelling; and**

29 **(ii) real estate, not exceeding one (1) acre, immediately
30 surrounding the dwelling that is used for residential
31 purposes.**

32 **(b) A homestead is exempt from taxation under this article for
33 property taxes imposed for an assessment date after January 15,
34 2008.**

35 SECTION 8. IC 6-1.1-11-3.6 IS ADDED TO THE INDIANA
36 CODE AS A NEW SECTION TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2008]: **Sec. 3.6. (a) As used in this section,
38 "homestead" has the meaning set forth in IC 6-1.1-10-44.**

39 **(b) An individual who:**

40 **(1) is eligible for a homestead credit under IC 6-1.1-20.9
41 (before its repeal) for property taxes imposed for the March
42 1, 2007, or January 15, 2008, assessment date; and**

43 **(2) would be eligible for a homestead exemption under
44 IC 6-1.1-10-44 for an assessment date after January 15, 2008,
45 if the individual filed for the exemption under this chapter;
46 is entitled to the exemption under IC 6-1.1-10-44 without filing an
47 exemption application under section 3 of this chapter. A county**

1 auditor shall provide a procedure to apply the exemption to
2 property without the filing of an application.

3 (c) An individual who:

4 (1) was not eligible for a homestead credit under IC 6-1.1-20.9
5 (before its repeal) for property taxes imposed for the March
6 1, 2007, or January 15, 2008, assessment date; but

7 (2) would be eligible for a homestead exemption under
8 IC 6-1.1-10-44 for an assessment date after January 15, 2008,
9 if the individual filed for the exemption under this chapter;

10 is required to file for the exemption under section 3 of this chapter
11 only one (1) time for the initial year in which the exemption will
12 apply.

13 (d) After an exemption is initially applied to a homestead, the
14 auditor of the county in which the homestead is located shall apply
15 the homestead exemption under IC 6-1.1-10-44 to the homestead
16 in each subsequent year until the property tax assessment board of
17 appeals determines that the individual is no longer eligible for the
18 exemption or the county auditor receives a notice of ineligibility
19 under subsection (e).

20 (e) An individual who receives an exemption provided under
21 IC 6-1.1-10-44 for a particular year and whose property becomes
22 ineligible for the exemption for the following year shall notify the
23 assessor of the county in which the tangible property for which the
24 individual claims the exemption is located of the ineligibility of the
25 tangible property not later than seventy-five (75) days after the
26 first assessment date on which the tangible property becomes
27 ineligible for the exemption. The county assessor shall immediately
28 notify the county auditor of the disqualification of the property for
29 the exemption. An individual who fails to provide the notification
30 required by this subsection is subject to the penalties set forth in
31 IC 6-1.1-37-9.

32 (f) The department of local government finance or a county
33 auditor may at any time review an exemption granted to a
34 homestead to determine whether or not the homestead is eligible
35 for the exemption.

36 SECTION 9. IC 6-1.1-12-9, AS AMENDED BY P.L.219-2007,
37 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2009]: Sec. 9. (a) An individual may obtain a deduction
39 from the assessed value of the individual's real property, or mobile
40 home or manufactured home which is not assessed as real property, if:

41 (1) the individual is at least sixty-five (65) years of age on or
42 before December 31 of the calendar year preceding the year in
43 which the deduction is claimed;

44 (2) the combined adjusted gross income (as defined in Section 62
45 of the Internal Revenue Code) of:

46 (A) the individual and the individual's spouse; or

47 (B) the individual and all other individuals with whom:

- 1 (i) the individual shares ownership; or
 2 (ii) the individual is purchasing the property under a
 3 contract;
 4 as joint tenants or tenants in common;
 5 for the calendar year preceding the year in which the deduction is
 6 claimed did not exceed twenty-five thousand dollars (\$25,000);
 7 (3) the individual has owned the real property, mobile home, or
 8 manufactured home for at least one (1) year before claiming the
 9 deduction; or the individual has been buying the real property,
 10 mobile home, or manufactured home under a contract that
 11 provides that the individual is to pay the property taxes on the real
 12 property, mobile home, or manufactured home for at least one (1)
 13 year before claiming the deduction, and the contract or a
 14 memorandum of the contract is recorded in the county recorder's
 15 office;
 16 (4) the individual and any individuals covered by subdivision
 17 (2)(B) reside on the real property, mobile home, or manufactured
 18 home;
 19 (5) the assessed value of the real property, mobile home, or
 20 manufactured home does not exceed one hundred eighty-two
 21 thousand four hundred thirty dollars (\$182,430); and
 22 (6) the individual receives no other property tax deduction for the
 23 year in which the deduction is claimed, except the deductions
 24 provided by sections 1 ~~37~~, and 38 of this chapter.
- 25 (b) Except as provided in subsection (h), in the case of real property,
 26 an individual's deduction under this section equals the lesser of:
 27 (1) one-half (1/2) of the assessed value of the real property; or
 28 (2) twelve thousand four hundred eighty dollars (\$12,480).
- 29 (c) Except as provided in subsection (h) and section 40.5 of this
 30 chapter, in the case of a mobile home that is not assessed as real
 31 property or a manufactured home which is not assessed as real
 32 property, an individual's deduction under this section equals the lesser
 33 of:
 34 (1) one-half (1/2) of the assessed value of the mobile home or
 35 manufactured home; or
 36 (2) twelve thousand four hundred eighty dollars (\$12,480).
- 37 (d) An individual may not be denied the deduction provided under
 38 this section because the individual is absent from the real property,
 39 mobile home, or manufactured home while in a nursing home or
 40 hospital.
- 41 (e) For purposes of this section, if real property, a mobile home, or
 42 a manufactured home is owned by:
 43 (1) tenants by the entirety;
 44 (2) joint tenants; or
 45 (3) tenants in common;
 46 only one (1) deduction may be allowed. However, the age requirement

1 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
2 of age.

3 (f) A surviving spouse is entitled to the deduction provided by this
4 section if:

5 (1) the surviving spouse is at least sixty (60) years of age on or
6 before December 31 of the calendar year preceding the year in
7 which the deduction is claimed;

8 (2) the surviving spouse's deceased husband or wife was at least
9 sixty-five (65) years of age at the time of a death;

10 (3) the surviving spouse has not remarried; and

11 (4) the surviving spouse satisfies the requirements prescribed in
12 subsection (a)(2) through (a)(6).

13 (g) An individual who has sold real property to another person
14 under a contract that provides that the contract buyer is to pay the
15 property taxes on the real property may not claim the deduction
16 provided under this section against that real property.

17 (h) In the case of tenants covered by subsection (a)(2)(B), if all of
18 the tenants are not at least sixty-five (65) years of age, the deduction
19 allowed under this section shall be reduced by an amount equal to the
20 deduction multiplied by a fraction. The numerator of the fraction is the
21 number of tenants who are not at least sixty-five (65) years of age, and
22 the denominator is the total number of tenants.

23 SECTION 10. IC 6-1.1-12-43 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 43. (a) For
25 purposes of this section:

26 (1) "benefit" refers to

27 ~~(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,~~
28 ~~31, 33, or 34 of this chapter; or~~

29 ~~(B) the homestead credit under IC 6-1.1-20.9-2;~~

30 (2) "closing agent" means a person that closes a transaction;

31 (3) "customer" means an individual who obtains a loan in a
32 transaction; and

33 (4) "transaction" means a single family residential:

34 (A) first lien purchase money mortgage transaction; or

35 (B) refinancing transaction.

36 (b) Before closing a transaction after December 31, 2004, a closing
37 agent must provide to the customer the form referred to in subsection
38 (c).

39 ~~Before June 1, 2004,~~ The department of local government
40 finance shall prescribe the form to be provided by closing agents to
41 customers under subsection (b). The department shall make the form
42 available to closing agents, county assessors, county auditors, and
43 county treasurers in hard copy and electronic form. County assessors,
44 county auditors, and county treasurers shall make the form available to
45 the general public. The form must:

46 (1) on one (1) side:

- 1 (A) list each benefit;
 2 (B) list the eligibility criteria for each benefit; and
 3 (C) indicate that a new application for a deduction under
 4 section 1 of this chapter is required when residential real
 5 property is refinanced;
 6 (2) on the other side indicate:
 7 (A) each action by; and
 8 (B) each type of documentation from;
 9 the customer required to file for each benefit; and
 10 (3) be printed in one (1) of two (2) or more colors prescribed by
 11 the department of local government finance that distinguish the
 12 form from other documents typically used in a closing referred to
 13 in subsection (b).
 14 (d) A closing agent:
 15 (1) may reproduce the form referred to in subsection (c);
 16 (2) in reproducing the form, must use a print color prescribed by
 17 the department of local government finance; and
 18 (3) is not responsible for the content of the form referred to in
 19 subsection (c) and shall be held harmless by the department of
 20 local government finance from any liability for the content of the
 21 form.
 22 (e) A closing agent to which this section applies shall document its
 23 compliance with this section with respect to each transaction in the
 24 form of verification of compliance signed by the customer.
 25 (f) A closing agent is subject to a civil penalty of twenty-five dollars
 26 (\$25) for each instance in which the closing agent fails to comply with
 27 this section with respect to a customer. The penalty:
 28 (1) may be enforced by the state agency that has administrative
 29 jurisdiction over the closing agent in the same manner that the
 30 agency enforces the payment of fees or other penalties payable to
 31 the agency; and
 32 (2) shall be paid into the property tax replacement fund.
 33 A closing agent is not liable for any other damages claimed by a
 34 customer because of the closing agent's mere failure to provide the
 35 appropriate document to the customer.
 36 (g) The state agency that has administrative jurisdiction over a
 37 closing agent shall:
 38 (1) examine the closing agent to determine compliance with this
 39 section; and
 40 (2) impose and collect penalties under subsection (f).
 41 SECTION 11. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007,
 42 SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25,
 43 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 44 [EFFECTIVE JANUARY 1, 2009]: Sec. 13. With respect to an appeal
 45 filed under section 12 of this chapter, the local government tax control
 46 board (*before January 1, 2009*) or the county board of tax and capital

1 *projects review (after December 31, 2008) may recommend that a civil*
 2 *taxing unit receive any one (1) or more of the following types of relief:*

3 *(1) A levy increase may not be granted under this subdivision for*
 4 *property taxes first due and payable after December 31, 2009.*

5 Permission to the civil taxing unit to increase its levy in excess of
 6 the limitations established under section 3 of this chapter, if in the
 7 judgment of the local government tax control board the increase
 8 is reasonably necessary due to increased costs of the civil taxing
 9 unit resulting from annexation, consolidation, or other extensions
 10 of governmental services by the civil taxing unit to additional
 11 geographic areas or persons.

12 *(2) A levy increase may not be granted under this subdivision for*
 13 *property taxes first due and payable after December 31, 2009.*

14 Permission to the civil taxing unit to increase its levy in excess of
 15 the limitations established under section 3 of this chapter, if the
 16 local government tax control board finds that the civil taxing unit
 17 needs the increase to meet the civil taxing unit's share of the costs
 18 of operating a court established by statute enacted after December
 19 31, 1973. Before recommending such an increase, the local
 20 government tax control board shall consider all other revenues
 21 available to the civil taxing unit that could be applied for that
 22 purpose. The maximum aggregate levy increases that the local
 23 government tax control board may recommend for a particular
 24 court equals the civil taxing unit's estimate of the unit's share of
 25 the costs of operating a court for the first full calendar year in
 26 which it is in existence. For purposes of this subdivision, costs of
 27 operating a court include:

28 (A) the cost of personal services (including fringe benefits);

29 (B) the cost of supplies; and

30 (C) any other cost directly related to the operation of the court.

31 (3) Permission to the civil taxing unit to increase its levy in excess
 32 of the limitations established under section 3 of this chapter, if the
 33 local government tax control board finds that the quotient
 34 determined under STEP SIX of the following formula is equal to
 35 or greater than one and two-hundredths (1.02):

36 STEP ONE: Determine the three (3) calendar years that most
 37 immediately precede the ensuing calendar year and in which
 38 a statewide general reassessment of real property *or the initial*
 39 *annual adjustment of the assessed value of real property*
 40 *under IC 6-1.1-4-4.5 does not first become effective.*

41 STEP TWO: Compute separately, for each of the calendar
 42 years determined in STEP ONE, the quotient (rounded to the
 43 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 44 unit's total assessed value of all taxable property and the total
 45 assessed value of property tax deductions in the unit under
 46 ~~IC 6-1.1-12-41~~ or IC 6-1.1-12-42 in the particular calendar

- 1 year, divided by the sum of the civil taxing unit's total assessed
 2 value of all taxable property and the total assessed value of
 3 property tax deductions in the unit under ~~IC 6-1.1-12-41~~ or
 4 IC 6-1.1-12-42 in the calendar year immediately preceding the
 5 particular calendar year.
- 6 STEP THREE: Divide the sum of the three (3) quotients
 7 computed in STEP TWO by three (3).
- 8 STEP FOUR: Compute separately, for each of the calendar
 9 years determined in STEP ONE, the quotient (rounded to the
 10 nearest ten-thousandth (0.0001)) of the sum of the total
 11 assessed value of all taxable property in all counties and the
 12 total assessed value of property tax deductions in all counties
 13 under ~~IC 6-1.1-12-41~~ or IC 6-1.1-12-42 in the particular
 14 calendar year, divided by the sum of the total assessed value
 15 of all taxable property in all counties and the total assessed
 16 value of property tax deductions in all counties under
 17 ~~IC 6-1.1-12-41~~ or IC 6-1.1-12-42 in the calendar year
 18 immediately preceding the particular calendar year.
- 19 STEP FIVE: Divide the sum of the three (3) quotients
 20 computed in STEP FOUR by three (3).
- 21 STEP SIX: Divide the STEP THREE amount by the STEP
 22 FIVE amount.
- 23 The civil taxing unit may increase its levy by a percentage not
 24 greater than the percentage by which the STEP THREE amount
 25 exceeds the percentage by which the civil taxing unit may
 26 increase its levy under section 3 of this chapter based on the
 27 assessed value growth quotient determined under section 2 of this
 28 chapter.
- 29 *(4) A levy increase may not be granted under this subdivision for*
 30 *property taxes first due and payable after December 31, 2009.*
 31 Permission to the civil taxing unit to increase its levy in excess of
 32 the limitations established under section 3 of this chapter, if the
 33 local government tax control board finds that the civil taxing unit
 34 needs the increase to pay the costs of furnishing fire protection for
 35 the civil taxing unit through a volunteer fire department. For
 36 purposes of determining a township's need for an increased levy,
 37 the local government tax control board shall not consider the
 38 amount of money borrowed under IC 36-6-6-14 during the
 39 immediately preceding calendar year. However, any increase in
 40 the amount of the civil taxing unit's levy recommended by the
 41 local government tax control board under this subdivision for the
 42 ensuing calendar year may not exceed the lesser of:
- 43 (A) ten thousand dollars (\$10,000); or
 44 (B) twenty percent (20%) of:
 45 (i) the amount authorized for operating expenses of a
 46 volunteer fire department in the budget of the civil taxing

- 1 unit for the immediately preceding calendar year; plus
 2 (ii) the amount of any additional appropriations authorized
 3 during that calendar year for the civil taxing unit's use in
 4 paying operating expenses of a volunteer fire department
 5 under this chapter; minus
 6 (iii) the amount of money borrowed under IC 36-6-6-14
 7 during that calendar year for the civil taxing unit's use in
 8 paying operating expenses of a volunteer fire department.
- 9 (5) *A levy increase may not be granted under this subdivision for*
 10 *property taxes first due and payable after December 31, 2009.*
 11 Permission to a civil taxing unit to increase its levy in excess of
 12 the limitations established under section 3 of this chapter in order
 13 to raise revenues for pension payments and contributions the civil
 14 taxing unit is required to make under IC 36-8. The maximum
 15 increase in a civil taxing unit's levy that may be recommended
 16 under this subdivision for an ensuing calendar year equals the
 17 amount, if any, by which the pension payments and contributions
 18 the civil taxing unit is required to make under IC 36-8 during the
 19 ensuing calendar year exceeds the product of one and one-tenth
 20 (1.1) multiplied by the pension payments and contributions made
 21 by the civil taxing unit under IC 36-8 during the calendar year that
 22 immediately precedes the ensuing calendar year. For purposes of
 23 this subdivision, "pension payments and contributions made by a
 24 civil taxing unit" does not include that part of the payments or
 25 contributions that are funded by distributions made to a civil
 26 taxing unit by the state.
- 27 (6) *A levy increase may not be granted under this subdivision for*
 28 *property taxes first due and payable after December 31, 2009.*
 29 Permission to increase its levy in excess of the limitations
 30 established under section 3 of this chapter if the local government
 31 tax control board finds that:
 32 (A) the township's township assistance ad valorem property
 33 tax rate is less than one and sixty-seven hundredths cents
 34 (\$0.0167) per one hundred dollars (\$100) of assessed
 35 valuation; and
 36 (B) the township needs the increase to meet the costs of
 37 providing township assistance under IC 12-20 and IC 12-30-4.
 38 The maximum increase that the board may recommend for a
 39 township is the levy that would result from an increase in the
 40 township's township assistance ad valorem property tax rate of
 41 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 42 dollars (\$100) of assessed valuation minus the township's ad
 43 valorem property tax rate per one hundred dollars (\$100) of
 44 assessed valuation before the increase.
- 45 (7) *A levy increase may not be granted under this subdivision for*
 46 *property taxes first due and payable after December 31, 2009.*

1 Permission to a civil taxing unit to increase its levy in excess of
2 the limitations established under section 3 of this chapter if:

3 (A) the increase has been approved by the legislative body of
4 the municipality with the largest population where the civil
5 taxing unit provides public transportation services; and

6 (B) the local government tax control board finds that the civil
7 taxing unit needs the increase to provide adequate public
8 transportation services.

9 The local government tax control board shall consider tax rates
10 and levies in civil taxing units of comparable population, and the
11 effect (if any) of a loss of federal or other funds to the civil taxing
12 unit that might have been used for public transportation purposes.
13 However, the increase that the board may recommend under this
14 subdivision for a civil taxing unit may not exceed the revenue that
15 would be raised by the civil taxing unit based on a property tax
16 rate of one cent (\$.01) per one hundred dollars (\$100) of
17 assessed valuation.

18 *(8) A levy increase may not be granted under this subdivision for
19 property taxes first due and payable after December 31, 2009.*

20 Permission to a civil taxing unit to increase the unit's levy in
21 excess of the limitations established under section 3 of this
22 chapter if the local government tax control board finds that:

23 (A) the civil taxing unit is:

24 (i) a county having a population of more than one hundred
25 forty-eight thousand (148,000) but less than one hundred
26 seventy thousand (170,000);

27 (ii) a city having a population of more than fifty-five
28 thousand (55,000) but less than fifty-nine thousand (59,000);

29 (iii) a city having a population of more than twenty-eight
30 thousand seven hundred (28,700) but less than twenty-nine
31 thousand (29,000);

32 (iv) a city having a population of more than fifteen thousand
33 four hundred (15,400) but less than sixteen thousand six
34 hundred (16,600); or

35 (v) a city having a population of more than seven thousand
36 (7,000) but less than seven thousand three hundred (7,300);
37 and

38 (B) the increase is necessary to provide funding to undertake
39 removal (as defined in IC 13-11-2-187) and remedial action
40 (as defined in IC 13-11-2-185) relating to hazardous
41 substances (as defined in IC 13-11-2-98) in solid waste
42 disposal facilities or industrial sites in the civil taxing unit that
43 have become a menace to the public health and welfare.

44 The maximum increase that the local government tax control
45 board may recommend for such a civil taxing unit is the levy that
46 would result from a property tax rate of six and sixty-seven

1 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 2 of assessed valuation. For purposes of computing the ad valorem
 3 property tax levy limit imposed on a civil taxing unit under
 4 section 3 of this chapter, the civil taxing unit's ad valorem
 5 property tax levy for a particular year does not include that part of
 6 the levy imposed under this subdivision. In addition, a property
 7 tax increase permitted under this subdivision may be imposed for
 8 only two (2) calendar years.

9 *(9) A levy increase may not be granted under this subdivision for*
 10 *property taxes first due and payable after December 31, 2009.*

11 Permission for a county:

12 (A) having a population of more than eighty thousand (80,000)
 13 but less than ninety thousand (90,000) to increase the county's
 14 levy in excess of the limitations established under section 3 of
 15 this chapter, if the local government tax control board finds
 16 that the county needs the increase to meet the county's share of
 17 the costs of operating a jail or juvenile detention center,
 18 including expansion of the facility, if the jail or juvenile
 19 detention center is opened after December 31, 1991;

20 (B) that operates a county jail or juvenile detention center that
 21 is subject to an order that:

22 (i) was issued by a federal district court; and

23 (ii) has not been terminated;

24 (C) that operates a county jail that fails to meet:

25 (i) American Correctional Association Jail Construction
 26 Standards; and

27 (ii) Indiana jail operation standards adopted by the
 28 department of correction; or

29 (D) that operates a juvenile detention center that fails to meet
 30 standards equivalent to the standards described in clause (C)
 31 for the operation of juvenile detention centers.

32 Before recommending an increase, the local government tax
 33 control board shall consider all other revenues available to the
 34 county that could be applied for that purpose. An appeal for
 35 operating funds for a jail or a juvenile detention center shall be
 36 considered individually, if a jail and juvenile detention center are
 37 both opened in one (1) county. The maximum aggregate levy
 38 increases that the local government tax control board may
 39 recommend for a county equals the county's share of the costs of
 40 operating the jail or a juvenile detention center for the first full
 41 calendar year in which the jail or juvenile detention center is in
 42 operation.

43 *(10) A levy increase may not be granted under this subdivision*
 44 *for property taxes first due and payable after December 31, 2009.*

45 Permission for a township to increase its levy in excess of the
 46 limitations established under section 3 of this chapter, if the local

1 government tax control board finds that the township needs the
 2 increase so that the property tax rate to pay the costs of furnishing
 3 fire protection for a township, or a portion of a township, enables
 4 the township to pay a fair and reasonable amount under a contract
 5 with the municipality that is furnishing the fire protection.
 6 However, for the first time an appeal is granted the resulting rate
 7 increase may not exceed fifty percent (50%) of the difference
 8 between the rate imposed for fire protection within the
 9 municipality that is providing the fire protection to the township
 10 and the township's rate. A township is required to appeal a second
 11 time for an increase under this subdivision if the township wants
 12 to further increase its rate. However, a township's rate may be
 13 increased to equal but may not exceed the rate that is used by the
 14 municipality. More than one (1) township served by the same
 15 municipality may use this appeal.

16 *(11) A levy increase may not be granted under this subdivision*
 17 *for property taxes first due and payable after December 31, 2009.*
 18 Permission for a township to increase its levy in excess of the
 19 limitations established under section 3 of this chapter, if the local
 20 government tax control board finds that the township has been
 21 required, for the three (3) consecutive years preceding the year for
 22 which the appeal under this subdivision is to become effective, to
 23 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 24 township or a part of the township. However, the maximum
 25 increase in a township's levy that may be allowed under this
 26 subdivision is the least of the amounts borrowed under
 27 IC 36-6-6-14 during the preceding three (3) calendar years. A
 28 township may elect to phase in an approved increase in its levy
 29 under this subdivision over a period not to exceed three (3) years.
 30 A particular township may appeal to increase its levy under this
 31 section not more frequently than every fourth calendar year.

32 *(12) A levy increase may not be granted under this subdivision*
 33 *for property taxes first due and payable after December 31, 2009.*
 34 Permission to a city having a population of more than twenty-nine
 35 thousand (29,000) but less than thirty-one thousand (31,000) to
 36 increase its levy in excess of the limitations established under
 37 section 3 of this chapter if:

38 (A) an appeal was granted to the city under this section to
 39 reallocate property tax replacement credits under IC 6-3.5-1.1
 40 in 1998, 1999, and 2000; and

41 (B) the increase has been approved by the legislative body of
 42 the city, and the legislative body of the city has by resolution
 43 determined that the increase is necessary to pay normal
 44 operating expenses.

45 The maximum amount of the increase is equal to the amount of
 46 property tax replacement credits under IC 6-3.5-1.1 that the city

1 petitioned under this section to have reallocated in 2001 for a
2 purpose other than property tax relief.

3 *(13) A levy increase may be granted under this subdivision only*
4 *for property taxes first due and payable after December 31, 2009.*
5 *Permission to a civil taxing unit to increase its levy in excess of*
6 *the limitations established under section 3 of this chapter if the*
7 *civil taxing unit cannot carry out its governmental functions for*
8 *an ensuing calendar year under the levy limitations imposed by*
9 *section 3 of this chapter.*

10 SECTION 12. IC 6-1.1-20-1.6 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.6. As used in
12 this chapter, "property taxes" means a property tax rate or levy to pay
13 debt service or to pay lease rentals, but does not include taxes allocated
14 for an allocation area under ~~IC 6-1.1-39-5~~, IC 8-22-3.5-9,
15 IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

16 SECTION 13. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007,
17 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2009]: Sec. 7. (a) ~~In the case of a credit authorized under~~
19 ~~section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this~~
20 ~~chapter for property taxes first due and payable in a calendar year:~~

21 (1) a person is entitled to a credit against the person's property tax
22 liability for property taxes first due and payable in that calendar
23 year attributable to

24 (A) the person's qualified residential property located in the
25 county; in the case of a calendar year before 2008; or

26 (B) the person's homestead (as defined in ~~IC 6-1.1-20.9-1~~)
27 property located in the county; in the case of a calendar year
28 after 2007 and before 2010; and

29 (2) the amount of the credit is the amount by which the person's
30 property tax liability attributable to

31 (A) the person's qualified residential property; in the case of a
32 calendar year before 2008; or

33 (B) the person's homestead property; in the case of a calendar
34 year after 2007 and before 2010;

35 for property taxes first due and payable in that calendar year exceeds
36 two percent (2%) of the gross assessed value that is the basis for
37 determination of property taxes on the qualified residential property (in
38 the case of a calendar year before 2008) or the person's homestead
39 property (in the case of a calendar year after 2007 and before 2010) for
40 property taxes first due and payable in that calendar year; as adjusted
41 under subsection (c).

42 (b) ~~In the case of a credit provided by section 6.5(c) of this chapter~~
43 ~~for property taxes first due and payable in a calendar year:~~

44 (1) (a) A person is entitled to a credit against the person's property
45 tax liability for property taxes first due and payable in that a calendar
46 year **after December 31, 2009, that are** attributable to the person's

1 real property and personal property located in the county. and

2 ~~(2) The amount of the credit is equal to the following:~~

3 ~~(A) In the case of property tax liability attributable to the~~
 4 ~~person's homestead property; the amount of the credit is the~~
 5 ~~amount by which the person's property tax liability attributable~~
 6 ~~to the person's homestead property for property taxes first due~~
 7 ~~and payable in that calendar year exceeds two percent (2%) of~~
 8 ~~the gross assessed value that is the basis for determination of~~
 9 ~~property taxes on the homestead property for property taxes~~
 10 ~~first due and payable in that calendar year; as adjusted under~~
 11 ~~subsection (c):~~

12 ~~(B) In the case of property tax liability attributable to property~~
 13 ~~other than homestead property; The amount of the credit is the~~
 14 ~~amount by which the person's property tax liability attributable~~
 15 ~~to the person's real property (other than homestead property)~~
 16 ~~and personal property for property taxes first due and payable~~
 17 ~~in that calendar year exceeds three percent (3%) of the gross~~
 18 ~~assessed value that is the basis for determination of property~~
 19 ~~taxes on the real property (other than homestead property) and~~
 20 ~~personal property for property taxes first due and payable in~~
 21 ~~that calendar year, as adjusted under subsection (c): (b).~~

22 ~~(c) This subsection applies to property taxes first due and payable~~
 23 ~~after December 31, 2007: (b) The amount of a credit to which a person~~
 24 ~~is entitled under subsection (a) or (b) in a county shall be adjusted as~~
 25 ~~determined in STEP FIVE of the following STEPS:~~

26 STEP ONE: Determine the total amount of the person's property
 27 tax liability described in subsection ~~(a)(1) or (b)(1)~~ **(a)** (as
 28 applicable) that is for tuition support levy property taxes.

29 STEP TWO: Determine the total amount of the person's property
 30 tax liability described in subsection ~~(a)(1) or (b)(1)~~ **(a)** (as
 31 applicable).

32 STEP THREE: Determine the result of:

33 (A) the STEP TWO amount; minus

34 (B) the STEP ONE amount.

35 STEP FOUR: Determine the result of:

36 (A) the STEP THREE amount; divided by

37 (B) the STEP TWO amount.

38 STEP FIVE: Multiply the credit to which the person is entitled
 39 under subsection (a) ~~or (b)~~ by the STEP FOUR amount.

40 Notwithstanding any other provision of this chapter, a school
 41 corporation's tuition support property tax levy collections may not be
 42 reduced because of a credit under this chapter.

43 SECTION 14. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006,
 44 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 45 JANUARY 1, 2009]: Sec. 9.5. ~~(a) This section applies only to credits~~
 46 ~~under this chapter against property taxes first due and payable after~~

1 ~~December 31, 2006.~~

2 ~~(b)~~ (a) The application of the credit under this chapter results in a
3 reduction of the property tax collections of each political subdivision
4 in which the credit is applied. A political subdivision may not increase
5 its property tax levy to make up for that reduction.

6 ~~(c)~~ (b) The county auditor shall in each calendar year notify each
7 political subdivision in which the credit under this chapter is applied
8 of the reduction of property tax collections referred to in subsection ~~(b)~~
9 (a) for the political subdivision for that year.

10 ~~(d)~~ (c) A political subdivision may not borrow money to compensate
11 the political subdivision or any other political subdivision for the
12 reduction of property tax collections referred to in subsection ~~(b)~~: (a).

13 SECTION 15. IC 6-1.1-21-2.5, AS AMENDED BY P.L.234-2007,
14 SECTION 296, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 2009]: Sec. 2.5. (a) Annually, before the
16 department determines the eligible property tax replacement amount
17 for a year under section 3 of this chapter and the department of local
18 government finance makes its certification under section 3(b) of this
19 chapter, the budget agency shall determine whether the total amount of
20 property tax replacement credits granted in Indiana under section 5 of
21 this chapter and homestead credits granted in Indiana under
22 ~~IC 6-1.1-20.9-2~~ for a year, determined without applying this section,
23 will be more than the amount appropriated for those purposes for that
24 year. The budget agency shall give notice of its determination to the
25 members of the board and, in an electronic format under IC 5-14-6, the
26 general assembly. If the budget agency determines that the amount of
27 property tax replacement credits and homestead credits granted under
28 ~~IC 6-1.1-20.9-2~~ for the year will be more than the amount appropriated
29 for those purposes for that year, the board shall do the following:

30 ~~(1) For calendar years 2008 and 2009;~~ decrease for that year the
31 percentages used to determine a taxpayer's property tax
32 replacement credit amount so that the total amount of property tax
33 replacement credits granted in Indiana under section 5 of this
34 chapter and homestead credits granted in Indiana under
35 ~~IC 6-1.1-20.9-2~~ does not exceed the total amount appropriated for
36 those purposes for that year.

37 ~~(2) For calendar years 2010 and thereafter;~~ decrease for that year
38 in the same proportions:

39 (A) the percentages used to determine a taxpayer's property tax
40 replacement credit amount; and

41 (B) and the homestead credit percentage applicable under
42 ~~IC 6-1.1-20.9-2;~~

43 so that the total amount of property tax replacement credits
44 granted in Indiana under section 5 of this chapter and homestead
45 credits granted in Indiana under ~~IC 6-1.1-20.9-2~~ does not exceed
46 the total amount appropriated for those purposes for that year.

- 1 (b) The adjusted percentages set under subsection (a):
 2 (1) are the percentages that apply under
 3 (A) section 5 of this chapter to determine a taxpayer's property
 4 tax replacement credit amount; and
 5 (B) ~~IC 6-1.1-20.9-2~~ to determine a taxpayer's homestead
 6 credit; and
 7 (2) must be used by the
 8 (A) department in estimating the eligible property tax
 9 replacement amount under section 3 of this chapter and
 10 (B) ~~department of local government finance in making its~~
 11 ~~certification under section 3(b) of this chapter;~~
 12 and for all other purposes under this chapter and ~~IC 6-1.1-20.9~~
 13 related to distributions under this chapter;
 14 for the particular year covered by a budget agency's determination
 15 under subsection (a).

16 SECTION 16. IC 6-1.1-21-3, AS AMENDED BY P.L.162-2006,
 17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2009]: Sec. 3. (a) The department, with the assistance of
 19 the auditor of state and the department of local government finance,
 20 shall determine an amount equal to the eligible property tax
 21 replacement amount, which is the estimated property tax replacement.

22 (b) ~~The department of local government finance shall certify to the~~
 23 ~~department the amount of homestead credits provided under~~
 24 ~~IC 6-1.1-20.9 which are allowed by the county for the particular~~
 25 ~~calendar year. The department of local government finance shall make~~
 26 ~~the certification based on the best information available at the time the~~
 27 ~~certification is made.~~

28 (c) If there are one (1) or more taxing districts in the county that
 29 contain all or part of an economic development district that meets the
 30 requirements of section 5-5 of this chapter, the department of local
 31 government finance shall estimate an additional distribution for the
 32 county in the same report required under subsection (a). This additional
 33 distribution equals the sum of the amounts determined under the
 34 following STEPS for all taxing districts in the county that contain all
 35 or part of an economic development district:

36 STEP ONE: Estimate that part of the sum of the amounts under
 37 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 38 to the taxing district.

39 STEP TWO: Divide:

40 (A) that part of the estimated property tax replacement amount
 41 attributable to the taxing district; by

42 (B) the STEP ONE sum.

43 STEP THREE: Multiply:

44 (A) the STEP TWO quotient; times

45 (B) the taxes levied in the taxing district that are allocated to
 46 a special fund under ~~IC 6-1.1-39-5.~~

1 ~~(d)~~ The ~~sum of the amounts amount~~ determined under ~~subsections~~
 2 ~~(a) through (c) this section~~ is the particular county's estimated
 3 distribution for the calendar year.

4 SECTION 17. IC 6-1.1-21-4, AS AMENDED BY P.L.234-2007,
 5 SECTION 297, AND AS AMENDED BY P.L.219-2007, SECTION
 6 62, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Each year the
 8 department shall allocate from the property tax replacement fund an
 9 amount equal to ~~the sum of~~:

10 ~~(1)~~ each county's total eligible property tax replacement amount
 11 for that year. ~~plus~~

12 ~~(2)~~ the total amount of homestead tax credits that are provided
 13 under ~~IC 6-1.1-20.9~~ and allowed by each county for that year;
 14 ~~plus~~

15 ~~(3)~~ an amount for each county that has one ~~(1)~~ or more taxing
 16 districts that contain all or part of an economic development
 17 district that meets the requirements of section 5.5 of this chapter.
 18 This amount is the sum of the amounts determined under the
 19 following STEPS for all taxing districts in the county that contain
 20 all or part of an economic development district:

21 STEP ONE: Determine that part of the sum of the amounts
 22 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
 23 attributable to the taxing district.

24 STEP TWO: Divide:

25 (A) that part of the subdivision ~~(1)~~ amount that is
 26 attributable to the taxing district; by

27 (B) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; times

30 (B) the taxes levied in the taxing district that are allocated to
 31 a special fund under ~~IC 6-1.1-39-5~~.

32 (b) Except as provided in subsection (e), between March 1 and
 33 August 31 of each year, the department shall distribute to each county
 34 treasurer from the property tax replacement fund one-half (1/2) of the
 35 estimated distribution for that year for the county. Between September
 36 1 and December 15 of that year, the department shall distribute to each
 37 county treasurer from the property tax replacement fund the remaining
 38 one-half (1/2) of each estimated distribution for that year. The amount
 39 of the distribution for each of these periods shall be according to a
 40 schedule determined by the property tax replacement fund board under
 41 section 10 of this chapter. The estimated distribution for each county
 42 may be adjusted from time to time by the department to reflect any
 43 changes in the total county tax levy upon which the estimated
 44 distribution is based.

45 (c) On or before December 31 of each year or as soon thereafter as
 46 possible, the department shall make a final determination of the amount

1 which should be distributed from the property tax replacement fund to
 2 each county for that calendar year. This determination shall be known
 3 as the final determination of distribution. The department shall
 4 distribute to the county treasurer or, *except as provided in section 9 of*
 5 *this chapter*, receive back from the county treasurer any deficit or
 6 excess, as the case may be, between the sum of the distributions made
 7 for that calendar year based on the estimated distribution and the final
 8 determination of distribution. The final determination of distribution
 9 shall be based on the auditor's abstract filed with the auditor of state,
 10 adjusted for postabstract adjustments included in the December
 11 settlement sheet for the year, and such additional information as the
 12 department may require.

13 (d) All distributions provided for in this section shall be made on
 14 warrants issued by the auditor of state drawn on the treasurer of state.
 15 If the amounts allocated by the department from the property tax
 16 replacement fund exceed in the aggregate the balance of money in the
 17 fund, then the amount of the deficiency shall be transferred from the
 18 state general fund to the property tax replacement fund, and the auditor
 19 of state shall issue a warrant to the treasurer of state ordering the
 20 payment of that amount. However, any amount transferred under this
 21 section from the general fund to the property tax replacement fund
 22 shall, as soon as funds are available in the property tax replacement
 23 fund, be retransferred from the property tax replacement fund to the
 24 state general fund, and the auditor of state shall issue a warrant to the
 25 treasurer of state ordering the replacement of that amount.

26 (e) Except as provided in subsection (g) and subject to subsection
 27 (h), the department shall not distribute under subsection (b) and section
 28 10 of this chapter a percentage, determined by the department, of the
 29 money that would otherwise be distributed to the county under
 30 subsection (b) and section 10 of this chapter if:

- 31 (1) by the date the distribution is scheduled to be made, the
 32 county auditor has not sent a certified statement required to be
 33 sent by that date under IC 6-1.1-17-1 to the department of local
 34 government finance;
- 35 (2) by the deadline under IC 36-2-9-20, the county auditor has not
 36 transmitted data as required under that section;
- 37 (3) the county assessor has not forwarded to the department of
 38 local government finance the duplicate copies of all approved
 39 exemption applications required to be forwarded by that date
 40 under IC 6-1.1-11-8(a);
- 41 (4) the county assessor has not forwarded to the department of
 42 local government finance in a timely manner sales disclosure
 43 *forms form data* under ~~IC 6-1.1-5.5-3(b)~~; IC 6-1.1-5.5-3(h);
- 44 (5) local assessing officials have not provided information to the
 45 department of local government finance in a timely manner under
 46 IC 4-10-13-5(b);

- 1 (6) the county auditor has not paid a bill for services under
 2 IC 6-1.1-4-31.5 to the department of local government finance in
 3 a timely manner;
 4 (7) the elected township assessors in the county, the elected
 5 township assessors and the county assessor, or the county assessor
 6 has not transmitted to the department of local government finance
 7 by October 1 of the year in which the distribution is scheduled to
 8 be made the data for all townships in the county required to be
 9 transmitted under IC 6-1.1-4-25(b);
 10 (8) the county has not established a parcel index numbering
 11 system under 50 IAC 12-15-1 in a timely manner; or
 12 (9) a township or county official has not provided other
 13 information to the department of local government finance in a
 14 timely manner as required by the department.

15 (f) Except as provided in subsection (i), money not distributed for
 16 the reasons stated in subsection (e) shall be distributed to the county
 17 when the department of local government finance determines that the
 18 failure to:

- 19 (1) provide information; or
 20 (2) pay a bill for services;

21 has been corrected.

22 (g) The restrictions on distributions under subsection (e) do not
 23 apply if the department of local government finance determines that the
 24 failure to:

- 25 (1) provide information; or
 26 (2) pay a bill for services;

27 in a timely manner is justified by unusual circumstances.

28 (h) The department shall give the county auditor at least thirty (30)
 29 days notice in writing before withholding a distribution under
 30 subsection (e).

31 (i) Money not distributed for the reason stated in subsection (e)(6)
 32 may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money
 33 deposited under this subsection is not subject to distribution under
 34 subsection (f).

35 SECTION 18. IC 6-1.1-21-5, AS AMENDED BY P.L.219-2007,
 36 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2009]: Sec. 5. (a) Each year the taxpayers of each county
 38 shall receive a credit for property tax replacement in the amount of
 39 each taxpayer's property tax replacement credit amount for taxes which
 40 ~~(1) under IC 6-1.1-22-9 are due and payable in that year. or~~
 41 ~~(2) under IC 6-1.1-22-9.5 are due in installments established by~~
 42 ~~the department of local government finance for that year.~~

43 The credit shall be applied to each installment of taxes. The dollar
 44 amount of the credit for each taxpayer shall be determined by the
 45 county auditor, based on data furnished by the department of local
 46 government finance.

1 (b) The tax liability of a taxpayer for the purpose of computing the
 2 credit for a particular year shall be based upon the taxpayer's tax
 3 liability as is evidenced by the tax duplicate for the taxes payable in
 4 that year, plus the amount by which the tax payable by the taxpayer had
 5 been reduced due to the application of county adjusted gross income
 6 tax revenues to the extent the county adjusted gross income tax
 7 revenues were included in the determination of the total county tax levy
 8 for that year, as provided in sections 2(g) and 3 of this chapter,
 9 adjusted, however, for any change in assessed valuation which may
 10 have been made pursuant to a post-abstract adjustment if the change is
 11 set forth on the tax statement or on a corrected tax statement stating the
 12 taxpayer's tax liability, as prepared by the county treasurer in
 13 accordance with IC 6-1.1-22-8(a). However, except when using the
 14 term under section 2(l)(1) of this chapter, the tax liability of a taxpayer
 15 does not include the amount of any property tax owed by the taxpayer
 16 that is attributable to that part of any property tax levy subtracted under
 17 section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F),
 18 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this
 19 chapter in computing the total county tax levy.

20 (c) The credit for taxes payable in a particular year with respect to
 21 mobile homes which are assessed under IC 6-1.1-7 is equivalent to the
 22 taxpayer's property tax replacement credit amount for the taxes payable
 23 with respect to the assessments plus the adjustments stated in this
 24 section.

25 (d) Each taxpayer in a taxing district that contains all or part of an
 26 economic development district that meets the requirements of section
 27 5.5 of this chapter is entitled to an additional credit for property tax
 28 replacement. This credit is equal to the product of:

29 (1) the STEP TWO quotient determined under section 4(a)(3) of
 30 this chapter for the taxing district; multiplied by

31 (2) the taxpayer's taxes levied in the taxing district that are
 32 allocated to a special fund under IC 6-1.1-39-5.

33 SECTION 19. IC 6-1.1-21-7 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a)
 35 Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit
 36 under this chapter or who has properly filed for and is entitled to a
 37 credit under IC 6-1.1-20-9; and who, without taking the credit, pays in
 38 full the taxes to which the credit applies, is entitled to a refund, without
 39 interest, of an amount equal to the amount of the credit. However, if the
 40 taxpayer, at the time a refund is claimed, owes any other taxes, interest,
 41 or penalties payable to the county treasurer to whom the taxes subject
 42 to the credit were paid, then the credit shall be first applied in full or
 43 partial payment of the other taxes, interest, and penalties and the
 44 balance, if any, remaining after that application is available as a refund
 45 to the taxpayer.

46 (b) Any taxpayer entitled to a refund under this section shall be paid

1 that refund from proceeds of the property tax replacement fund.
 2 However, with respect to any refund attributable to a homestead credit,
 3 the refund shall be paid from that fund only to the extent that the
 4 percentage homestead credit the taxpayer was entitled to receive for a
 5 year does not exceed the percentage credit allowed in
 6 IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that
 7 amount shall be paid from the county's revenue distributions received
 8 under IC 6-3.5-6.

9 (c) The state board of accounts shall establish an appropriate
 10 procedure to simplify and expedite the method for claiming these
 11 refunds and for the payments thereof, as provided for in this section,
 12 which procedure is the exclusive procedure for the processing of the
 13 refunds. The procedure shall, however, require the filing of claims for
 14 the refunds by not later than June 1 of the year following the payment
 15 of the taxes to which the credit applied.

16 SECTION 20. IC 6-1.1-21-9, AS AMENDED BY P.L.234-2007,
 17 SECTION 298, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) On or before October 15
 19 of each year, each county auditor shall make a settlement with the
 20 department as to the aggregate amount of property tax replacement
 21 credits extended to taxpayers in the auditor's county during the first
 22 eight (8) months of that same year. On or before December 31 of each
 23 year, each county auditor shall make a settlement with the department
 24 along with the filing of the county auditor's December settlement as to
 25 the aggregate amount of property tax replacement credits extended to
 26 taxpayers in the auditor's county during the last four (4) months of that
 27 same year. If the aggregate credits allowed during either period exceed
 28 the property tax replacement funds allocated and distributed to the
 29 county treasurer for that same period, as provided in sections 4 and 5
 30 of this chapter, then the department shall certify the amount of the
 31 excess to the auditor of state who shall issue a warrant, payable from
 32 the property tax replacement fund, to the treasurer of the state ordering
 33 the payment of the excess to the county treasurer. If the distribution
 34 exceeds the aggregate credits, the county treasurer shall repay to the
 35 treasurer of the state the amount of the excess, which shall be
 36 redeposited in the property tax replacement fund.

37 (b) In making the settlement required by subsection (a), the county
 38 auditor shall recognize the fact that any loss of revenue resulting from
 39 the provision of homestead credits in excess of the percentage credit
 40 allowed in IC 6-1.1-20.9-2(d) must be paid from county option income
 41 revenues.

42 (c) (b) Except as otherwise provided in this chapter, the state board
 43 of accounts with the cooperation of the department shall prescribe the
 44 accounting forms, records, and procedures required to carry out the
 45 provisions of this chapter.

46 (d) (c) Not later than November 15 of each year, the budget agency

1 shall determine whether the amount distributed to counties under
 2 section 10 of this chapter for state property tax replacement credits and
 3 state homestead credits is less than the amount available, as determined
 4 by the budget agency, from the appropriation to the property tax
 5 replacement board for distribution as state property tax replacement
 6 credits. ~~and state homestead credits~~. If the amount distributed is less
 7 than the available appropriation, the budget agency shall apportion the
 8 excess among the counties in proportion to the final determination of
 9 state property tax replacement credits ~~and state homestead credits~~ for
 10 each county and certify the excess amount for each county to the
 11 department and the department of local government finance. The
 12 department shall distribute the certified additional amount for a county
 13 to the county treasurer before December 15 of the year. Not later than
 14 December 31 in the year, the county treasurer shall allocate the
 15 certified additional amount among the taxing units in the county in
 16 proportion to the part of the total county tax levy imposed by each
 17 taxing unit. The taxing unit shall deposit the allocated amount in the
 18 taxing unit's levy excess fund ~~under~~ established under IC 6-1.1-18.5-17
 19 or IC 20-40-10. The allocated amount shall be treated in the same
 20 manner as a levy excess (as defined in IC 6-1.1-18.5-17 and
 21 IC 20-44-3-2) and shall be used only to reduce the part of the county
 22 tax levy imposed by the taxing unit in the immediately following year.

23 SECTION 21. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007,
 24 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2009]: Sec. 9. (a) Except as provided in subsections (b)
 26 and (c), the property taxes assessed for a year under this article are due
 27 in two (2) equal installments on May 10 and November 10 of the
 28 following year.

29 (b) Subsection (a) does not apply if any of the following apply to the
 30 property taxes assessed for the year under this article:

- 31 (1) Subsection (c).
- 32 (2) Subsection (d).
- 33 (3) Subsection (h).
- 34 (4) Subsection (i).
- 35 (5) IC 6-1.1-7-7.

36 ~~(6) Section 9.5 of this chapter.~~

37 (c) A county council may adopt an ordinance to require a person to
 38 pay the person's property tax liability in one (1) installment, if the tax
 39 liability for a particular year is less than twenty-five dollars (\$25). If the
 40 county council has adopted such an ordinance, then whenever a tax
 41 statement mailed under section 8 of this chapter shows that the person's
 42 property tax liability for a year is less than twenty-five dollars (\$25) for
 43 the property covered by that statement, the tax liability for that year is
 44 due in one (1) installment on May 10 of that year.

45 (d) If the county treasurer receives a copy of an appeal petition
 46 under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county

1 treasurer mails or transmits statements under section 8(a) of this
2 chapter, the county treasurer may:

3 (1) mail or transmit the statements without regard to the pendency
4 of the appeal and, if the resolution of the appeal by the department
5 of local government finance results in changes in levies, mail or
6 transmit reconciling statements under subsection (e); or

7 (2) delay the mailing or transmission of statements under section
8 8(a) of this chapter so that:

9 (A) the due date of the first installment that would otherwise
10 be due under subsection (a) is delayed by not more than sixty
11 (60) days; and

12 (B) all statements reflect any changes in levies that result from
13 the resolution of the appeal by the department of local
14 government finance.

15 (e) A reconciling statement under subsection (d)(1) must indicate:

16 (1) the total amount due for the year;

17 (2) the total amount of the installments paid that did not reflect
18 the resolution of the appeal under IC 6-1.1-18.5-12(g) or
19 IC 6-1.1-19-2(g) by the department of local government finance;

20 (3) if the amount under subdivision (1) exceeds the amount under
21 subdivision (2), the adjusted amount that is payable by the
22 taxpayer:

23 (A) as a final reconciliation of all amounts due for the year;
24 and

25 (B) not later than

26 (i) November 10; or

27 (ii) ~~the date or dates established under section 9.5 of this~~
28 ~~chapter~~; and

29 (4) if the amount under subdivision (2) exceeds the amount under
30 subdivision (1), that the taxpayer may claim a refund of the excess
31 under IC 6-1.1-26.

32 (f) If property taxes are not paid on or before the due date, the
33 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent
34 taxes.

35 (g) Notwithstanding any other law, a property tax liability of less
36 than five dollars (\$5) is increased to five dollars (\$5). The difference
37 between the actual liability and the five dollar (\$5) amount that appears
38 on the statement is a statement processing charge. The statement
39 processing charge is considered a part of the tax liability.

40 (h) If in a county the notices of general reassessment under
41 IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an
42 assessment date in a calendar year are given to the taxpayers in the
43 county after March 26 of the immediately succeeding calendar year, the
44 property taxes that would otherwise be due under subsection (a) on
45 May 10 of the immediately succeeding calendar year are due on the
46 later of:

- 1 (1) May 10 of the immediately succeeding calendar year; or
 2 (2) forty-five (45) days after the notices are given to taxpayers in
 3 the county.

4 (i) If subsection (h) applies, the property taxes that would otherwise
 5 be due under subsection (a) on November 10 of the immediately
 6 succeeding calendar year referred to in subsection (h) are due on the
 7 later of:

- 8 (1) November 10 of the immediately succeeding calendar year; or
 9 (2) a date determined by the county treasurer that is not later than
 10 December 31 of the immediately succeeding calendar year.

11 SECTION 22. IC 6-1.1-37-9, AS AMENDED BY P.L.219-2007,
 12 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2009]: Sec. 9. (a) This section applies when:

- 14 (1) an assessment is made or increased after the date or dates on
 15 which the taxes for the year for which the assessment is made
 16 were originally due;
 17 (2) the assessment upon which a taxpayer has been paying taxes
 18 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a
 19 petition for review or a judicial proceeding has been pending is
 20 less than the assessment that results from the final determination
 21 of the petition for review or judicial proceeding; or
 22 (3) the collection of certain ad valorem property taxes has been
 23 enjoined under IC 33-26-6-2, and under the final determination of
 24 the petition for judicial review the taxpayer is liable for at least
 25 part of those taxes.

26 (b) Except as provided in subsections (c) and (g), a taxpayer shall
 27 pay interest on the taxes the taxpayer is required to pay as a result of an
 28 action or a determination described in subsection (a) at the rate of ten
 29 percent (10%) per year from the original due date or dates for those
 30 taxes to:

- 31 (1) the date of payment; or
 32 (2) the date on which penalties for the late payment of a tax
 33 installment may be charged under subsection (e) or (f);
 34 whichever occurs first.

35 (c) Except as provided in subsection (g), a taxpayer shall pay
 36 interest on the taxes the taxpayer is ultimately required to pay in excess
 37 of the amount that the taxpayer is required to pay under
 38 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial
 39 proceeding has been pending at the overpayment rate established under
 40 Section 6621(c)(1) of the Internal Revenue Code in effect on the
 41 original due date or dates for those taxes from the original due date or
 42 dates for those taxes to:

- 43 (1) the date of payment; or
 44 (2) the date on which penalties for the late payment of a tax
 45 installment may be charged under subsection (e) or (f);
 46 whichever occurs first.

1 (d) With respect to an action or determination described in
 2 subsection (a), the taxpayer shall pay the taxes resulting from that
 3 action or determination and the interest prescribed under subsection (b)
 4 or (c) on or before:

5 (1) the next May 10; or

6 (2) the next November 10;

7 whichever occurs first.

8 (e) A taxpayer shall, to the extent that the penalty is not waived
 9 under section ~~10.5~~ or 10.7 of this chapter, begin paying the penalty
 10 prescribed in section 10 of this chapter on the day after the date for
 11 payment prescribed in subsection (d) if:

12 (1) the taxpayer has not paid the amount of taxes resulting from
 13 the action or determination; and

14 (2) the taxpayer either:

15 (A) received notice of the taxes the taxpayer is required to pay
 16 as a result of the action or determination at least thirty (30)
 17 days before the date for payment; or

18 (B) voluntarily signed and filed an assessment return for the
 19 taxes.

20 (f) If subsection (e) does not apply, a taxpayer who has not paid the
 21 amount of taxes resulting from the action or determination shall, to the
 22 extent that the penalty is not waived under section ~~10.5~~ or 10.7 of this
 23 chapter, begin paying the penalty prescribed in section 10 of this
 24 chapter on:

25 (1) the next May 10 which follows the date for payment
 26 prescribed in subsection (d); or

27 (2) the next November 10 which follows the date for payment
 28 prescribed in subsection (d);

29 whichever occurs first.

30 (g) A taxpayer is not subject to the payment of interest on real
 31 property assessments under subsection (b) or (c) if:

32 (1) an assessment is made or increased after the date or dates on
 33 which the taxes for the year for which the assessment is made
 34 were due;

35 (2) the assessment or the assessment increase is made as the result
 36 of error or neglect by the assessor or by any other official
 37 involved with the assessment of property or the collection of
 38 property taxes; and

39 (3) the assessment:

40 (A) would have been made on the normal assessment date if
 41 the error or neglect had not occurred; or

42 (B) increase would have been included in the assessment on
 43 the normal annual assessment date if the error or neglect had
 44 not occurred.

45 SECTION 23. IC 6-1.1-37-10, AS AMENDED BY P.L.219-2007,
 46 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2009]: Sec. 10. (a) Except as provided in ~~sections 10.5~~
 2 ~~and section~~ 10.7 of this chapter, if an installment of property taxes is
 3 not completely paid on or before the due date, a penalty shall be added
 4 to the unpaid portion in the year of the initial delinquency. The penalty
 5 is equal to an amount determined as follows:

6 (1) If:

7 (A) an installment of real property taxes is completely paid on
 8 or before the date thirty (30) days after the due date; and

9 (B) the taxpayer is not liable for delinquent property taxes first
 10 due and payable in a previous installment for the same parcel;
 11 the amount of the penalty is equal to five percent (5%) of the
 12 amount of delinquent taxes.

13 (2) If:

14 (A) an installment of personal property taxes is completely
 15 paid on or before the date thirty (30) days after the due date;
 16 and

17 (B) the taxpayer is not liable for delinquent property taxes first
 18 due and payable in a previous installment for a personal
 19 property tax return for property in the same taxing district;
 20 the amount of the penalty is equal to five percent (5%) of the
 21 amount of delinquent taxes.

22 (3) If subdivision (1) or (2) does not apply, the amount of the
 23 penalty is equal to ten percent (10%) of the amount of delinquent
 24 taxes.

25 (b) With respect to property taxes due in two (2) equal installments
 26 under IC 6-1.1-22-9(a), on the day immediately following the due dates
 27 of the first and second installments in each year following the year of
 28 the initial delinquency, an additional penalty equal to ten percent (10%)
 29 of any taxes remaining unpaid shall be added. With respect to property
 30 taxes due in installments under IC 6-1.1-22-9.5 (**before its repeal**), an
 31 additional penalty equal to ten percent (10%) of any taxes remaining
 32 unpaid shall be added on the day immediately following each date that
 33 succeeds the last installment due date by:

34 (1) six (6) months; or

35 (2) a multiple of six (6) months.

36 (c) The penalties under subsection (b) are imposed only on the
 37 principal amount of the delinquent taxes.

38 (d) If the department of local government finance determines that
 39 an emergency has occurred which precludes the mailing of the tax
 40 statement in any county at the time set forth in IC 6-1.1-22-8, the
 41 department shall establish by order a new date on which the installment
 42 of taxes in that county is due and no installment is delinquent if paid by
 43 the date so established.

44 (e) If any due date falls on a Saturday, a Sunday, a national legal
 45 holiday recognized by the federal government, or a statewide holiday,
 46 the act that must be performed by that date is timely if performed by

1 the next succeeding day that is not a Saturday, a Sunday, or one (1) of
2 those holidays.

3 (f) Subject to subsections (g) and (h), a payment to the county
4 treasurer is considered to have been paid by the due date if the payment
5 is:

6 (1) received on or before the due date by the county treasurer or
7 a collecting agent appointed by the county treasurer;

8 (2) deposited in United States first class mail:

9 (A) properly addressed to the principal office of the county
10 treasurer;

11 (B) with sufficient postage; and

12 (C) postmarked by the United States Postal Service as mailed
13 on or before the due date;

14 (3) deposited with a nationally recognized express parcel carrier
15 and is:

16 (A) properly addressed to the principal office of the county
17 treasurer; and

18 (B) verified by the express parcel carrier as:

19 (i) paid in full for final delivery; and

20 (ii) received by the express parcel carrier on or before the
21 due date;

22 (4) deposited to be mailed through United States registered mail,
23 United States certified mail, or United States certificate of
24 mailing:

25 (A) properly addressed to the principal office of the county
26 treasurer;

27 (B) with sufficient postage; and

28 (C) with a date of registration, certification, or certificate, as
29 evidenced by any record authenticated by the United States
30 Postal Service, on or before the due date; or

31 (5) made by an electronic funds transfer and the taxpayer's bank
32 account is charged on or before the due date.

33 For purposes of this subsection, "postmarked" does not mean the date
34 printed by a postage meter that affixes postage to the envelope or
35 package containing a payment.

36 (g) If a payment is mailed through the United States mail and is
37 physically received after the due date without a legible correct
38 postmark, the person who mailed the payment is considered to have
39 made the payment on or before the due date if the person can show by
40 reasonable evidence that the payment was deposited in the United
41 States mail on or before the due date.

42 (h) If a payment is sent via the United States mail or a nationally
43 recognized express parcel carrier but is not received by the designated
44 recipient, the person who sent the payment is considered to have made
45 the payment on or before the due date if the person:

46 (1) can show by reasonable evidence that the payment was

1 deposited in the United States mail, or with the express parcel
2 carrier, on or before the due date; and

3 (2) makes a duplicate payment within thirty (30) days after the
4 date the person is notified that the payment was not received.

5 SECTION 24. IC 6-1.1-45-9, AS AMENDED BY P.L.211-2007,
6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2009]: Sec. 9. (a) Subject to subsection (c), a taxpayer
8 that makes a qualified investment is entitled to a deduction from the
9 assessed value of the taxpayer's enterprise zone property located at the
10 enterprise zone location for which the taxpayer made the qualified
11 investment. The amount of the deduction is equal to the remainder of:

12 (1) the total amount of the assessed value of the taxpayer's
13 enterprise zone property assessed at the enterprise zone location
14 on a particular assessment date; minus

15 (2) the total amount of the base year assessed value for the
16 enterprise zone location.

17 (b) To receive the deduction allowed under subsection (a) for a
18 particular year, a taxpayer must comply with the conditions set forth in
19 this chapter.

20 (c) A taxpayer that makes a qualified investment in an enterprise
21 zone established under IC 5-28-15-11 that is under the jurisdiction of
22 a military base reuse authority board created under IC 36-7-14.5 or
23 IC 36-7-30-3 is entitled to a deduction under this section only if the
24 deduction is approved by the military base reuse authority board.

25 (d) Except as provided in subsection (c), a taxpayer that makes a
26 qualified investment at an enterprise zone location that is located
27 within an allocation area (as defined by ~~IC 12-19-1.5-1~~, in
28 **IC 6-1.1-21.2-3**) is entitled to a deduction under this section only if the
29 deduction is approved by the governing body of the allocation area.

30 SECTION 25. IC 6-1.1-21.2-3 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. As used in this
32 chapter, "allocation area" refers to an area that is established under the
33 authority of any of the following statutes and in which tax increment
34 revenues are collected:

35 (1) IC 8-22-3.5.

36 (2) IC 36-7-14.

37 (3) IC 36-7-14.5.

38 (4) IC 36-7-15.1.

39 (5) IC 36-7-30.

40 **(6) IC 36-7-30.5.**

41 SECTION 26. IC 6-1.1-21.2-4 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. As used in this
43 chapter, "base assessed value" means the base assessed value as that
44 term is defined or used in:

45 (1) IC 8-22-3.5-9(a);

46 **(2) IC 8-22-3.5-9.5;**

- 1 ~~(2)~~ **(3)** IC 36-7-14-39(a);
 2 **(4) IC 36-7-14-39.2;**
 3 ~~(3)~~ **(5)** IC 36-7-14-39.3(c);
 4 **(6) IC 36-7-14-48;**
 5 ~~(4)~~ **(7)** IC 36-7-14.5-12.5;
 6 ~~(5)~~ **(8)** IC 36-7-15.1-26(a);
 7 ~~(6)~~ **(9)** IC 36-7-15.1-26.2(c);
 8 ~~(7)~~ **(10)** IC 36-7-15.1-35(a);
 9 **(11) IC 36-7-15.1-35.5;**
 10 ~~(8)~~ **(12)** IC 36-7-15.1-53;
 11 ~~(9)~~ **(13)** IC 36-7-15.1-55(c);
 12 ~~(10)~~ **(14)** IC 36-7-30-25(a)(2); ~~or~~
 13 ~~(11)~~ **(15)** IC 36-7-30-26(c);
 14 **(16) IC 36-7-30.5-30; or**
 15 **(17) IC 36-7-30.5-31.**

16 SECTION 27. IC 6-1.1-21.2-5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. As used in this
 18 chapter, "district" refers to **the following:**

- 19 (1) An eligible entity (as defined in IC 8-22-3.5-2.5).
 20 (2) A redevelopment district, for an allocation area established
 21 under:
 22 (A) IC 36-7-14; or
 23 (B) IC 36-7-15.1. ~~or~~
 24 (3) A special taxing district, as described in:
 25 (A) IC 36-7-14.5-12.5(d); or
 26 (B) IC 36-7-30-3(b).
 27 **(4) A military base development area under IC 36-7-30.5-16.**

28 SECTION 28. IC 6-1.1-21.2-6 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. As used in this
 30 chapter, "governing body" means the following:

- 31 (1) For an allocation area created under IC 8-22-3.5, the
 32 commission (as defined in IC 8-22-3.5-2).
 33 (2) For an allocation area created under IC 36-7-14, the
 34 redevelopment commission.
 35 (3) For an allocation area created under IC 36-7-14.5, the
 36 redevelopment authority.
 37 (4) For an allocation area created under IC 36-7-15.1, the
 38 metropolitan development commission.
 39 (5) For an allocation area created under IC 36-7-30, the military
 40 base reuse authority.
 41 **(6) For an allocation area created under IC 36-7-30.5, the**
 42 **military base development authority.**

43 SECTION 29. IC 6-1.1-21.2-6.6 IS ADDED TO THE INDIANA
 44 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 45 [EFFECTIVE JULY 1, 2008]: **Sec. 6.6. As used in this chapter,**
 46 **"obligation" means an obligation to repay:**

1 **(1) the principal and interest on bonds;**
 2 **(2) lease rentals on leases; or**
 3 **(3) any other contractual obligation;**
 4 **payable from tax increment revenues. The term includes a**
 5 **guarantee of repayment from tax increment revenues if other**
 6 **revenues are insufficient to make a payment.**

7 SECTION 30. IC 6-1.1-21.2-7 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. As used in this
 9 chapter, "property taxes" means:

10 (1) property taxes, as defined in:

11 (A) IC 36-7-14-39(a);

12 **(B) IC 36-7-14-39.2;**

13 ~~(C) IC 36-7-14-39.3(c);~~

14 **(D) IC 36-7-14.5-12.5;**

15 ~~(E) IC 36-7-15.1-26(a);~~

16 ~~(F) IC 36-7-15.1-26.2(c);~~

17 ~~(G) IC 36-7-15.1-53(a);~~

18 ~~(H) IC 36-7-15.1-55(c);~~

19 ~~(I) IC 36-7-30-25(a)(3); or~~

20 ~~(J) IC 36-7-30-26(c); or~~

21 **(K) IC 36-7-30.5-30; or**

22 **(L) IC 36-7-30.5-31; or**

23 (2) for allocation areas created under IC 8-22-3.5, the taxes
 24 assessed on taxable tangible property in the allocation area.

25 SECTION 31. IC 6-1.1-21.2-8 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this
 27 chapter, "special fund" means:

28 (1) the special funds referred to in IC 8-22-3.5-9(e);

29 (2) the allocation fund referred to in IC 36-7-14-39(b)(2);

30 (3) the allocation fund referred to in IC 36-7-14.5-12.5(d);

31 (4) the special fund referred to in IC 36-7-15.1-26(b)(2);

32 (5) the special fund referred to in IC 36-7-15.1-53(b)(2); or

33 (6) the allocation fund referred to in IC 36-7-30-25(b)(2); or

34 **(7) the allocation fund referred to in IC 36-7-30.5-30(b)(2).**

35 SECTION 32. IC 6-1.1-21.2-11 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) ~~Not later than~~
 37 ~~September 1 of a year in which a general reassessment does not~~
 38 ~~become effective;~~ The governing body shall estimate the tax increment
 39 replacement amount for each allocation area under the jurisdiction of
 40 the governing body for the next calendar year ~~in a year in which a~~
 41 ~~general reassessment becomes effective;~~ the department of local
 42 government finance may extend the deadline under this subsection by
 43 giving written notice to the governing body before the deadline. ~~on the~~
 44 **schedule prescribed by the department of local government**
 45 **finance.**

46 (b) The tax increment replacement amount is the **greater of zero (0)**

1 **or the net amount determined in STEP THREE of the following**
 2 **formula:**

3 **STEP ONE:** The governing body shall estimate the amount of tax
 4 **increment revenues it would receive in the next calendar year if**
 5 **the property tax replacement credits payable with respect to the**
 6 **general fund levies imposed by all school corporations with**
 7 **jurisdiction in the allocation area were determined under**
 8 **IC 6-1.1-21 as in effect on January 1, 2001.**

9 **STEP TWO:** The governing body shall estimate the amount of tax
 10 **increment revenues it will receive in the next calendar year after**
 11 **implementation of the increase in the property tax credits payable**
 12 **under IC 6-1.1-21, as amended by the general assembly in 2002;**
 13 **with respect to general fund levies imposed by all school**
 14 **corporations with jurisdiction in the allocation area.**

15 **STEP THREE:** Subtract the STEP TWO amount from the STEP
 16 **ONE amount, by which:**

17 **(1) laws enacted by the general assembly; and**

18 **(2) actions taken by the department of local government**
 19 **finance;**

20 **after the establishment of the allocation area have decreased the**
 21 **tax increment revenues of the allocation area for the next calendar**
 22 **year (after adjusting for any increases resulting from laws or**
 23 **actions of the department of local government finance) below the**
 24 **sum of the amount needed to make all payments that are due in the**
 25 **next calendar year on obligations payable from tax increment**
 26 **revenues and to maintain any tax increment revenue to obligation**
 27 **payment ratio required by an agreement on which any of the**
 28 **obligations are based.**

29 **SECTION 33. IC 6-1.1-21.2-12 IS AMENDED TO READ AS**
 30 **FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) A tax is**
 31 **imposed each year on all taxable property in the district in which the**
 32 **governing body exercises jurisdiction. This section applies if the tax**
 33 **increment replacement amount for an allocation area in a district**
 34 **is greater than zero (0).**

35 **(b) Except as provided in subsections (c) and (d), the tax imposed**
 36 **under this section shall be automatically imposed at a rate sufficient to**
 37 **generate the tax increment replacement amount determined under**
 38 **section 11(b) of this chapter for that year.**

39 **(b) A governing body may, after a public hearing, do the**
 40 **following:**

41 **(1) Impose a special assessment on the owners of property**
 42 **that is located in an allocation area to raise an amount not to**
 43 **exceed the tax increment replacement amount.**

44 **(2) Impose a tax on all taxable property in the district in**
 45 **which the governing body exercises jurisdiction to raise an**
 46 **amount not to exceed the tax increment replacement amount.**

- 1 **(3) Reduce the base assessed value of property in the**
 2 **allocation area to an amount that is sufficient to increase the**
 3 **tax increment revenues in the allocation area by an amount**
 4 **that does not exceed the tax increment replacement amount.**
- 5 **(c) The governing body shall submit a proposed special**
 6 **assessment or tax levy under this section to the legislative body of**
 7 **the unit that established the district. The legislative body may:**
- 8 (1) reduce the amount of the **special assessment or tax** to be
 9 levied under this section; **or**
- 10 (2) determine that no **special assessment or property tax** should
 11 be levied under this section; **or**
- 12 **(3) increase the special assessment or tax to the amount**
 13 **necessary to fully fund the tax increment replacement**
 14 **amount.**
- 15 **(d) This subsection applies to a district in which the total assessed**
 16 **value of all allocation areas in the district is greater than ten percent**
 17 **(10%) of the total assessed value of the district. Except as provided in**
 18 **section 14(d) of this chapter, a tax levy imposed under this section may**
 19 **not exceed the lesser of:**
- 20 (1) the tax increment replacement amount; **or**
- 21 (2) the amount that will result from the imposition of a rate for the
 22 tax levy that the department of local government finance
 23 estimates will cause the total tax rate in the district to be one
 24 hundred ten percent (110%) of the rate that would apply if the tax
 25 levy authorized by this chapter were not imposed for the year.
- 26 **(d) Before a public hearing under subsection (b) may be held,**
 27 **the governing body must publish notice of the hearing under**
 28 **IC 5-3-1. The notice must also be sent to the fiscal officer of each**
 29 **political subdivision that is located in any part of the district. The**
 30 **notice must state that the governing body will meet to consider**
 31 **whether a special assessment or tax should be imposed under this**
 32 **chapter and whether the special assessment or tax will help the**
 33 **governing body realize the redevelopment or economic**
 34 **development objectives for the allocation area or honor its**
 35 **obligations related to the allocation area. The notice must also**
 36 **specify a date when the governing body will receive and hear**
 37 **remonstrances and objections from persons affected by the special**
 38 **assessment. All persons affected by the hearing, including all**
 39 **taxpayers within the allocation area, shall be considered notified of**
 40 **the pendency of the hearing and of subsequent acts, hearings, and**
 41 **orders of the governing body by the notice. At the hearing, which**
 42 **may be adjourned from time to time, the governing body shall hear**
 43 **all persons affected by the proceedings and shall consider all**
 44 **written remonstrances and objections that have been filed. The**
 45 **only grounds for remonstrance or objection are that the special**
 46 **assessment or tax will not help the governing body realize the**
 47 **redevelopment or economic development objectives for the**

1 allocation area or honor its obligations related to the allocation
 2 area. After considering the evidence presented, the governing body
 3 shall take final action concerning the proposed special assessment
 4 or tax. The final action taken by the governing body shall be
 5 recorded and is final and conclusive, except that an appeal may be
 6 taken in the manner prescribed by subsection (e).

7 (e) A person who filed a written remonstrance with a governing
 8 body under subsection (d) and is aggrieved by the final action
 9 taken may, within ten (10) days after that final action, file in the
 10 office of the clerk of the circuit or superior court a copy of the
 11 order of the governing body and the person's remonstrance or
 12 objection against that final action, together with a bond
 13 conditioned to pay the costs of appeal if the appeal is determined
 14 against the person. The only ground of remonstrance or objection
 15 that the court may hear is whether the proposed special assessment
 16 or tax will help achieve the redevelopment of economic
 17 development objectives for the allocation area or honor its
 18 obligations related to the allocation area. An appeal under this
 19 subsection shall be promptly heard by the court without a jury. All
 20 remonstrances or objections upon which an appeal has been taken
 21 must be consolidated, heard, and determined within thirty (30)
 22 days after the time of the filing of the appeal. The court shall hear
 23 evidence on the remonstrances or objections and may confirm the
 24 final action of the governing body or sustain the remonstrances or
 25 objections. The judgment of the court is final and conclusive, unless
 26 an appeal is taken as in other civil actions.

27 SECTION 34. IC 6-1.1-21.2-15, AS AMENDED BY P.L.224-2007,
 28 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2008]: Sec. 15. (a) A tax levied under this chapter shall be
 30 certified by the department of local government finance to the auditor
 31 of the county in which the district is located and shall be:

32 (1) estimated and entered upon the tax duplicates by the county
 33 auditor; and

34 (2) collected and enforced by the county treasurer;
 35 in the same manner as state and county taxes are estimated; entered;
 36 collected; and enforced:

37 (b) (a) As the special assessment or tax imposed under this
 38 chapter is collected by the county treasurer, it shall be transferred to
 39 the governing body and accumulated and kept in the special fund for
 40 the allocation area.

41 (c) (b) A special assessment or tax levied under this chapter

42 (1) is exempt from the levy limitations imposed under
 43 IC 6-1.1-18.5; and

44 (2) is not subject to IC 6-1.1-20.

45 (d) Notwithstanding any other provision of this chapter or
 46 IC 6-1.1-20.6, a governing body may file with the county auditor a
 47 certified statement providing that for purposes of computing and

1 applying a credit under IC 6-1.1-20.6 for a particular calendar year, a
 2 taxpayer's property tax liability does not include the liability for a tax
 3 levied under this chapter. The department of local government finance
 4 shall adopt the form of the certified statement that a governing body
 5 may file under this subsection. The department of local government
 6 finance shall establish procedures governing the filing of a certified
 7 statement under this subsection. If a governing body files a certified
 8 statement under this subsection, then for purposes of computing and
 9 applying a credit under IC 6-1.1-20.6 for the specified calendar year,
 10 a taxpayer's property tax liability does not include the liability for a tax
 11 levied under this chapter.

12 ~~(e)~~ (c) A **special assessment** or tax levied under this chapter and
 13 the use of revenues from a **special assessment** or tax levied under this
 14 chapter by a governing body do not create a constitutional or statutory
 15 debt, pledge, or obligation of the governing body, the district, or any
 16 unit: **county, city, town, or township.**"

17 Page 7, after line 24, begin a new paragraph and insert:

18 "SECTION 37. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007,
 19 SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND
 20 AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED
 21 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2009]: Sec. 3.5. When used in this article, the term
 23 "adjusted gross income" shall mean the following:

24 (a) In the case of all individuals, "adjusted gross income" (as
 25 defined in Section 62 of the Internal Revenue Code), modified as
 26 follows:

27 (1) Subtract income that is exempt from taxation under this article
 28 by the Constitution and statutes of the United States.

29 (2) Add an amount equal to any deduction or deductions allowed
 30 or allowable pursuant to Section 62 of the Internal Revenue Code
 31 for taxes based on or measured by income and levied at the state
 32 level by any state of the United States.

33 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 34 joint return filed by a husband and wife, subtract for each spouse
 35 one thousand dollars (\$1,000).

36 (4) Subtract one thousand dollars (\$1,000) for:

37 (A) each of the exemptions provided by Section 151(c) of the
 38 Internal Revenue Code;

39 (B) each additional amount allowable under Section 63(f) of
 40 the Internal Revenue Code; and

41 (C) the spouse of the taxpayer if a separate return is made by
 42 the taxpayer and if the spouse, for the calendar year in which
 43 the taxable year of the taxpayer begins, has no gross income
 44 and is not the dependent of another taxpayer.

45 (5) Subtract:

46 (A) for taxable years beginning after December 31, 2004, one

- 1 thousand five hundred dollars (\$1,500) for each of the
2 exemptions allowed under Section 151(c)(1)(B) of the Internal
3 Revenue Code (as effective January 1, 2004); and
4 (B) five hundred dollars (\$500) for each additional amount
5 allowable under Section 63(f)(1) of the Internal Revenue Code
6 if the adjusted gross income of the taxpayer, or the taxpayer
7 and the taxpayer's spouse in the case of a joint return, is less
8 than forty thousand dollars (\$40,000).
9 This amount is in addition to the amount subtracted under
10 subdivision (4).
11 (6) Subtract an amount equal to the lesser of:
12 (A) that part of the individual's adjusted gross income (as
13 defined in Section 62 of the Internal Revenue Code) for that
14 taxable year that is subject to a tax that is imposed by a
15 political subdivision of another state and that is imposed on or
16 measured by income; or
17 (B) two thousand dollars (\$2,000).
18 (7) Add an amount equal to the total capital gain portion of a
19 lump sum distribution (as defined in Section 402(e)(4)(D) of the
20 Internal Revenue Code) if the lump sum distribution is received
21 by the individual during the taxable year and if the capital gain
22 portion of the distribution is taxed in the manner provided in
23 Section 402 of the Internal Revenue Code.
24 (8) Subtract any amounts included in federal adjusted gross
25 income under Section 111 of the Internal Revenue Code as a
26 recovery of items previously deducted as an itemized deduction
27 from adjusted gross income.
28 (9) Subtract any amounts included in federal adjusted gross
29 income under the Internal Revenue Code which amounts were
30 received by the individual as supplemental railroad retirement
31 annuities under 45 U.S.C. 231 and which are not deductible under
32 subdivision (1).
33 (10) Add an amount equal to the deduction allowed under Section
34 221 of the Internal Revenue Code for married couples filing joint
35 returns if the taxable year began before January 1, 1987.
36 (11) Add an amount equal to the interest excluded from federal
37 gross income by the individual for the taxable year under Section
38 128 of the Internal Revenue Code if the taxable year began before
39 January 1, 1985.
40 (12) Subtract an amount equal to the amount of federal Social
41 Security and Railroad Retirement benefits included in a taxpayer's
42 federal gross income by Section 86 of the Internal Revenue Code.
43 (13) In the case of a nonresident taxpayer or a resident taxpayer
44 residing in Indiana for a period of less than the taxpayer's entire
45 taxable year, the total amount of the deductions allowed pursuant
46 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount

- 1 which bears the same ratio to the total as the taxpayer's income
 2 taxable in Indiana bears to the taxpayer's total income.
- 3 (14) In the case of an individual who is a recipient of assistance
 4 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
 5 subtract an amount equal to that portion of the individual's
 6 adjusted gross income with respect to which the individual is not
 7 allowed under federal law to retain an amount to pay state and
 8 local income taxes.
- 9 (15) In the case of an eligible individual, subtract the amount of
 10 a Holocaust victim's settlement payment included in the
 11 individual's federal adjusted gross income.
- 12 (16) For taxable years beginning after December 31, 1999,
 13 subtract an amount equal to the portion of any premiums paid
 14 during the taxable year by the taxpayer for a qualified long term
 15 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
 16 taxpayer's spouse, or both.
- 17 ~~(17)~~ Subtract an amount equal to the lesser of:
- 18 (A) for a taxable year:
- 19 (i) including any part of ~~2004~~, the amount determined under
 20 subsection (f); and
 21 (ii) beginning after ~~December 31, 2004~~, two thousand five
 22 hundred dollars (\$2,500); or
- 23 (B) the amount of property taxes that are paid during the
 24 taxable year in Indiana by the individual on the individual's
 25 principal place of residence.
- 26 ~~(18)~~ (17) Subtract an amount equal to the amount of a September
 27 11 terrorist attack settlement payment included in the individual's
 28 federal adjusted gross income.
- 29 ~~(19)~~ (18) Add or subtract the amount necessary to make the
 30 adjusted gross income of any taxpayer that owns property for
 31 which bonus depreciation was allowed in the current taxable year
 32 or in an earlier taxable year equal to the amount of adjusted gross
 33 income that would have been computed had an election not been
 34 made under Section 168(k) of the Internal Revenue Code to apply
 35 bonus depreciation to the property in the year that it was placed
 36 in service.
- 37 ~~(20)~~ (19) Add an amount equal to any deduction allowed under
 38 Section 172 of the Internal Revenue Code.
- 39 ~~(21)~~ (20) Add or subtract the amount necessary to make the
 40 adjusted gross income of any taxpayer that placed Section 179
 41 property (as defined in Section 179 of the Internal Revenue Code)
 42 in service in the current taxable year or in an earlier taxable year
 43 equal to the amount of adjusted gross income that would have
 44 been computed had an election for federal income tax purposes
 45 not been made for the year in which the property was placed in
 46 service to take deductions under Section 179 of the Internal

- 1 Revenue Code in a total amount exceeding twenty-five thousand
 2 dollars (\$25,000).
- 3 ~~(22)~~ (21) Add an amount equal to the amount that a taxpayer
 4 claimed as a deduction for domestic production activities for the
 5 taxable year under Section 199 of the Internal Revenue Code for
 6 federal income tax purposes.
- 7 ~~(23)~~ (22) *Subtract an amount equal to the amount of the*
 8 *taxpayer's qualified military income that was not excluded from*
 9 *the taxpayer's gross income for federal income tax purposes*
 10 *under Section 112 of the Internal Revenue Code.*
- 11 (23) *Subtract income that is:*
- 12 (A) *exempt from taxation under IC 6-3-2-21.7; and*
 13 (B) *included in the individual's federal adjusted gross income*
 14 *under the Internal Revenue Code.*
- 15 (b) In the case of corporations, the same as "taxable income" (as
 16 defined in Section 63 of the Internal Revenue Code) adjusted as
 17 follows:
- 18 (1) Subtract income that is exempt from taxation under this article
 19 by the Constitution and statutes of the United States.
- 20 (2) Add an amount equal to any deduction or deductions allowed
 21 or allowable pursuant to Section 170 of the Internal Revenue
 22 Code.
- 23 (3) Add an amount equal to any deduction or deductions allowed
 24 or allowable pursuant to Section 63 of the Internal Revenue Code
 25 for taxes based on or measured by income and levied at the state
 26 level by any state of the United States.
- 27 (4) Subtract an amount equal to the amount included in the
 28 corporation's taxable income under Section 78 of the Internal
 29 Revenue Code.
- 30 (5) Add or subtract the amount necessary to make the adjusted
 31 gross income of any taxpayer that owns property for which bonus
 32 depreciation was allowed in the current taxable year or in an
 33 earlier taxable year equal to the amount of adjusted gross income
 34 that would have been computed had an election not been made
 35 under Section 168(k) of the Internal Revenue Code to apply bonus
 36 depreciation to the property in the year that it was placed in
 37 service.
- 38 (6) Add an amount equal to any deduction allowed under Section
 39 172 of the Internal Revenue Code.
- 40 (7) Add or subtract the amount necessary to make the adjusted
 41 gross income of any taxpayer that placed Section 179 property (as
 42 defined in Section 179 of the Internal Revenue Code) in service
 43 in the current taxable year or in an earlier taxable year equal to
 44 the amount of adjusted gross income that would have been
 45 computed had an election for federal income tax purposes not
 46 been made for the year in which the property was placed in

- 1 service to take deductions under Section 179 of the Internal
 2 Revenue Code in a total amount exceeding twenty-five thousand
 3 dollars (\$25,000).
- 4 (8) Add an amount equal to the amount that a taxpayer claimed as
 5 a deduction for domestic production activities for the taxable year
 6 under Section 199 of the Internal Revenue Code for federal
 7 income tax purposes.
- 8 (9) Add to the extent required by IC 6-3-2-20 the amount of
 9 intangible expenses (as defined in IC 6-3-2-20) and any directly
 10 related intangible interest expenses (as defined in IC 6-3-2-20) for
 11 the taxable year that reduced the corporation's taxable income (as
 12 defined in Section 63 of the Internal Revenue Code) for federal
 13 income tax purposes.
- 14 *(10) Add an amount equal to any deduction for dividends paid (as*
 15 *defined in Section 561 of the Internal Revenue Code) to*
 16 *shareholders of a captive real estate investment trust (as defined*
 17 *in section 34.5 of this chapter).*
- 18 ~~(10)~~ **(11) Subtract income that is:**
- 19 *(A) exempt from taxation under IC 6-3-2-21.7; and*
 20 *(B) included in the corporation's taxable income under the*
 21 *Internal Revenue Code.*
- 22 (c) In the case of life insurance companies (as defined in Section
 23 816(a) of the Internal Revenue Code) that are organized under Indiana
 24 law, the same as "life insurance company taxable income" (as defined
 25 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 26 (1) Subtract income that is exempt from taxation under this article
 27 by the Constitution and statutes of the United States.
- 28 (2) Add an amount equal to any deduction allowed or allowable
 29 under Section 170 of the Internal Revenue Code.
- 30 (3) Add an amount equal to a deduction allowed or allowable
 31 under Section 805 or Section 831(c) of the Internal Revenue Code
 32 for taxes based on or measured by income and levied at the state
 33 level by any state.
- 34 (4) Subtract an amount equal to the amount included in the
 35 company's taxable income under Section 78 of the Internal
 36 Revenue Code.
- 37 (5) Add or subtract the amount necessary to make the adjusted
 38 gross income of any taxpayer that owns property for which bonus
 39 depreciation was allowed in the current taxable year or in an
 40 earlier taxable year equal to the amount of adjusted gross income
 41 that would have been computed had an election not been made
 42 under Section 168(k) of the Internal Revenue Code to apply bonus
 43 depreciation to the property in the year that it was placed in
 44 service.
- 45 (6) Add an amount equal to any deduction allowed under Section
 46 172 or Section 810 of the Internal Revenue Code.

1 (7) Add or subtract the amount necessary to make the adjusted
 2 gross income of any taxpayer that placed Section 179 property (as
 3 defined in Section 179 of the Internal Revenue Code) in service
 4 in the current taxable year or in an earlier taxable year equal to
 5 the amount of adjusted gross income that would have been
 6 computed had an election for federal income tax purposes not
 7 been made for the year in which the property was placed in
 8 service to take deductions under Section 179 of the Internal
 9 Revenue Code in a total amount exceeding twenty-five thousand
 10 dollars (\$25,000).

11 (8) Add an amount equal to the amount that a taxpayer claimed as
 12 a deduction for domestic production activities for the taxable year
 13 under Section 199 of the Internal Revenue Code for federal
 14 income tax purposes.

15 (9) *Subtract income that is:*

16 (A) *exempt from taxation under IC 6-3-2-21.7; and*

17 (B) *included in the insurance company's taxable income under*
 18 *the Internal Revenue Code.*

19 (d) In the case of insurance companies subject to tax under Section
 20 831 of the Internal Revenue Code and organized under Indiana law, the
 21 same as "taxable income" (as defined in Section 832 of the Internal
 22 Revenue Code), adjusted as follows:

23 (1) Subtract income that is exempt from taxation under this article
 24 by the Constitution and statutes of the United States.

25 (2) Add an amount equal to any deduction allowed or allowable
 26 under Section 170 of the Internal Revenue Code.

27 (3) Add an amount equal to a deduction allowed or allowable
 28 under Section 805 or Section 831(c) of the Internal Revenue Code
 29 for taxes based on or measured by income and levied at the state
 30 level by any state.

31 (4) Subtract an amount equal to the amount included in the
 32 company's taxable income under Section 78 of the Internal
 33 Revenue Code.

34 (5) Add or subtract the amount necessary to make the adjusted
 35 gross income of any taxpayer that owns property for which bonus
 36 depreciation was allowed in the current taxable year or in an
 37 earlier taxable year equal to the amount of adjusted gross income
 38 that would have been computed had an election not been made
 39 under Section 168(k) of the Internal Revenue Code to apply bonus
 40 depreciation to the property in the year that it was placed in
 41 service.

42 (6) Add an amount equal to any deduction allowed under Section
 43 172 of the Internal Revenue Code.

44 (7) Add or subtract the amount necessary to make the adjusted
 45 gross income of any taxpayer that placed Section 179 property (as
 46 defined in Section 179 of the Internal Revenue Code) in service

1 in the current taxable year or in an earlier taxable year equal to
 2 the amount of adjusted gross income that would have been
 3 computed had an election for federal income tax purposes not
 4 been made for the year in which the property was placed in
 5 service to take deductions under Section 179 of the Internal
 6 Revenue Code in a total amount exceeding twenty-five thousand
 7 dollars (\$25,000).

8 (8) Add an amount equal to the amount that a taxpayer claimed as
 9 a deduction for domestic production activities for the taxable year
 10 under Section 199 of the Internal Revenue Code for federal
 11 income tax purposes.

12 (9) *Subtract income that is:*

13 (A) *exempt from taxation under IC 6-3-2-21.7; and*

14 (B) *included in the insurance company's taxable income under*
 15 *the Internal Revenue Code.*

16 (e) In the case of trusts and estates, "taxable income" (as defined for
 17 trusts and estates in Section 641(b) of the Internal Revenue Code)
 18 adjusted as follows:

19 (1) Subtract income that is exempt from taxation under this article
 20 by the Constitution and statutes of the United States.

21 (2) Subtract an amount equal to the amount of a September 11
 22 terrorist attack settlement payment included in the federal
 23 adjusted gross income of the estate of a victim of the September
 24 11 terrorist attack or a trust to the extent the trust benefits a victim
 25 of the September 11 terrorist attack.

26 (3) Add or subtract the amount necessary to make the adjusted
 27 gross income of any taxpayer that owns property for which bonus
 28 depreciation was allowed in the current taxable year or in an
 29 earlier taxable year equal to the amount of adjusted gross income
 30 that would have been computed had an election not been made
 31 under Section 168(k) of the Internal Revenue Code to apply bonus
 32 depreciation to the property in the year that it was placed in
 33 service.

34 (4) Add an amount equal to any deduction allowed under Section
 35 172 of the Internal Revenue Code.

36 (5) Add or subtract the amount necessary to make the adjusted
 37 gross income of any taxpayer that placed Section 179 property (as
 38 defined in Section 179 of the Internal Revenue Code) in service
 39 in the current taxable year or in an earlier taxable year equal to
 40 the amount of adjusted gross income that would have been
 41 computed had an election for federal income tax purposes not
 42 been made for the year in which the property was placed in
 43 service to take deductions under Section 179 of the Internal
 44 Revenue Code in a total amount exceeding twenty-five thousand
 45 dollars (\$25,000).

46 (6) Add an amount equal to the amount that a taxpayer claimed as

1 a deduction for domestic production activities for the taxable year
2 under Section 199 of the Internal Revenue Code for federal
3 income tax purposes.

4 (7) Subtract income that is:

5 (A) exempt from taxation under IC 6-3-2-21.7; and

6 (B) included in the taxpayer's taxable income under the
7 Internal Revenue Code.

8 (f) This subsection applies only to the extent that an individual paid
9 property taxes in 2004 that were imposed for the March 1, 2002,
10 assessment date or the January 15, 2003, assessment date. The
11 maximum amount of the deduction under subsection (a)(17) is equal
12 to the amount determined under STEP FIVE of the following formula:

13 STEP ONE: Determine the amount of property taxes that the
14 taxpayer paid after December 31, 2003, in the taxable year for
15 property taxes imposed for the March 1, 2002, assessment date
16 and the January 15, 2003, assessment date.

17 STEP TWO: Determine the amount of property taxes that the
18 taxpayer paid in the taxable year for the March 1, 2003,
19 assessment date and the January 15, 2004, assessment date.

20 STEP THREE: Determine the result of the STEP ONE amount
21 divided by the STEP TWO amount.

22 STEP FOUR: Multiply the STEP THREE amount by two
23 thousand five hundred dollars (\$2,500).

24 STEP FIVE: Determine the sum of the STEP FOUR amount and
25 two thousand five hundred dollars (\$2,500).

26 SECTION 38. IC 6-3-2-4, AS AMENDED BY P.L.144-2007,
27 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2009]: Sec. 4. (a) Each taxable year, an individual, or the
29 individual's surviving spouse, is entitled to an adjusted gross income
30 tax deduction for the first five thousand dollars (\$5,000) of income,
31 including retirement or survivor's benefits, received during the taxable
32 year by the individual, or the individual's surviving spouse, for the
33 individual's service in an active or reserve component of the armed
34 forces of the United States, including the army, navy, air force, coast
35 guard, marine corps, merchant marine, Indiana army national guard, or
36 Indiana air national guard. However, a person who is less than sixty
37 (60) years of age on the last day of the person's taxable year is not, for
38 that taxable year, entitled to a deduction under this section for
39 retirement or survivor's benefits.

40 (b) An individual whose qualified military income is subtracted
41 from the individual's federal adjusted gross income under
42 ~~IC 6-3-1-3.5(a)(23)~~ IC 6-3-1-3.5(a)(22) for Indiana individual income
43 tax purposes is not, for that taxable year, entitled to a deduction under
44 this section for the individual's qualified military income.

45 SECTION 39. IC 6-3.5-1.1-11, AS AMENDED BY P.L.224-2007,
46 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

- 1 JANUARY 1, 2009]: Sec. 11. (a) Except for:
 2 (1) revenue that must be used to pay the costs of:
 3 (A) financing, constructing, acquiring, improving, renovating,
 4 equipping, operating, or maintaining facilities and buildings;
 5 (B) debt service on bonds; or
 6 (C) lease rentals;
 7 under section 2.3 of this chapter;
 8 (2) revenue that must be used to pay the costs of operating a jail
 9 and juvenile detention center under section 2.5(d) of this chapter;
 10 (3) revenue that must be used to pay the costs of:
 11 (A) financing, constructing, acquiring, improving, renovating,
 12 equipping, operating, or maintaining facilities and buildings;
 13 (B) debt service on bonds; or
 14 (C) lease rentals;
 15 under section 2.8 of this chapter;
 16 (4) revenue that must be used to pay the costs of construction,
 17 improvement, renovation, or remodeling of a jail and related
 18 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 19 this chapter;
 20 (5) revenue that must be used to pay the costs of operating and
 21 maintaining a jail and justice center under section 3.5(d) of this
 22 chapter;
 23 (6) revenue that must be used to pay the costs of constructing,
 24 acquiring, improving, renovating, or equipping a county
 25 courthouse under section 3.6 of this chapter; or
 26 (7) revenue attributable to a tax rate under section 24, 25, or 26 of
 27 this chapter;

28 the certified distribution received by a county treasurer shall, in the
 29 manner prescribed in this section, be allocated, distributed, and used
 30 by the civil taxing units and school corporations of the county as
 31 certified shares and property tax replacement credits.

32 (b) Before August 10 of each calendar year, each county auditor
 33 shall determine the part of the certified distribution for the next
 34 succeeding calendar year that will be allocated as property tax
 35 replacement credits and the part that will be allocated as certified
 36 shares. The percentage of a certified distribution that will be allocated
 37 as property tax replacement credits or as certified shares depends upon
 38 the county adjusted gross income tax rate for resident county taxpayers
 39 in effect on August 1 of the calendar year that precedes the year in
 40 which the certified distribution will be received by two (2) years. The
 41 percentages are set forth in the following table:

42	PROPERTY		
43	COUNTY	TAX	
44	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
45	INCOME TAX RATE	CREDITS	SHARES
46	0.5%	50%	50%

1	0.75%	33 1/3%	66 2/3%
2	1%	25%	75%
3	0.5%	25%	75%
4	0.75%	16 2/3%	83 1/3%
5	1%	12 1/2%	87 1/2%

6 (c) The part of a certified distribution that constitutes property tax
 7 replacement credits shall be distributed as provided under sections 12,
 8 13, and 14 of this chapter.

9 (d) The part of a certified distribution that constitutes certified
 10 shares shall be distributed as provided by section 15 of this chapter.

11 SECTION 40. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007,
 12 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2009]: Sec. 26. (a) A county council may impose a tax
 14 rate under this section to provide property tax relief to political
 15 subdivisions in the county. A county council is not required to impose
 16 any other tax before imposing a tax rate under this section.

17 (b) A tax rate under this section may be imposed in increments of
 18 five hundredths of one percent (0.05%) determined by the county
 19 council. A tax rate under this section may not exceed one percent (1%).

20 (c) A tax rate under this section is in addition to any other tax rates
 21 imposed under this chapter and does not affect the purposes for which
 22 other tax revenue under this chapter may be used.

23 (d) If a county council adopts an ordinance to impose or increase a
 24 tax rate under this section, the county auditor shall send a certified
 25 copy of the ordinance to the department and the department of local
 26 government finance by certified mail.

27 (e) A tax rate under this section may be imposed, increased,
 28 decreased, or rescinded by a county council at the same time and in the
 29 same manner that the county council may impose or increase a tax rate
 30 under section 24 of this chapter.

31 (f) Tax revenue attributable to a tax rate under this section may be
 32 used for any combination of the following purposes, as specified by
 33 ordinance of the county council:

34 (1) The tax revenue may be used to provide local property tax
 35 replacement credits at a uniform rate to all taxpayers in the
 36 county. Any tax revenue that is attributable to the tax rate under
 37 this section and that is used to provide local property tax
 38 replacement credits under this subdivision shall be distributed to
 39 civil taxing units and school corporations in the county in the
 40 same manner that certified distributions are allocated as property
 41 tax replacement credits under section 12 of this chapter. The
 42 department of local government finance shall provide each county
 43 auditor with the amount of property tax replacement credits that
 44 each civil taxing unit and school corporation in the auditor's
 45 county is entitled to receive under this subdivision. The county
 46 auditor shall then certify to each civil taxing unit and school

1 corporation the amount of property tax replacement credits the
 2 civil taxing unit or school corporation is entitled to receive under
 3 this subdivision during that calendar year. **The property tax**
 4 **replacement credit shall be applied after any credit available**
 5 **under IC 6-1.1-21, IC 6-3.5-7-26, or section 11 of this chapter.**

6 (2) The tax revenue may be used to uniformly increase the
 7 homestead credit percentage in the county. The additional
 8 homestead credits shall be treated for all purposes as property tax
 9 levies. The additional homestead credits do not reduce the basis
 10 for determining the state homestead credit under IC 6-1.1-20-9.
 11 The additional homestead credits shall be applied to the net
 12 property taxes due on the homestead after the application of all
 13 other assessed value deductions or property tax deductions and
 14 credits that apply to the amount owed under IC 6-1.1. The
 15 department of local government finance shall determine the
 16 additional homestead credit percentage for a particular year based
 17 on the amount of tax revenue that will be used under this
 18 subdivision to provide additional homestead credits in that year.

19 (3) (2) The tax revenue may be used to provide local property tax
 20 replacement credits at a uniform rate for all qualified residential
 21 property (as defined in IC 6-1.1-20-6-4) consisting of:

22 (A) real property consisting of not more than four (4) units
 23 that are regularly used to rent or otherwise furnish
 24 residential accommodations for periods of thirty (30) days
 25 or more;

26 (B) mobile homes (as defined in IC 6-1.1-1-8.7) that are
 27 regularly used to rent or otherwise furnish residential
 28 accommodations for periods of thirty (30) days or more;
 29 and

30 (C) real property consisting of at least five (5) units that
 31 are regularly used to rent or otherwise furnish residential
 32 accommodations for periods of thirty (30) days or more;
 33 in the county, including not more than one (1) acre used for
 34 residential purposes on which the real property or mobile
 35 homes are located, regardless of whether the property is
 36 classified as residential or commercial under the rules
 37 adopted by the department of local government finance. Any
 38 tax revenue that is attributable to the tax rate under this section
 39 and that is used to provide local property tax replacement credits
 40 under this subdivision shall be distributed to civil taxing units and
 41 school corporations in the county in the same manner that
 42 certified distributions are allocated as property tax replacement
 43 credits under section 12 of this chapter. The department of local
 44 government finance shall provide each county auditor with the
 45 amount of property tax replacement credits that each civil taxing
 46 unit and school corporation in the auditor's county is entitled to

1 receive under this subdivision. The county auditor shall then
 2 certify to each civil taxing unit and school corporation the amount
 3 of property tax replacement credits the civil taxing unit or school
 4 corporation is entitled to receive under this subdivision during
 5 that calendar year. **The property tax replacement credit shall**
 6 **be applied after any credit available under IC 6-1.1-21,**
 7 **IC 6-3.5-7-26, or section 11 of this chapter.**

8 (g) The tax rate under this section and the tax revenue attributable
 9 to the tax rate under this section shall not be considered for purposes
 10 of computing:

11 (1) the maximum income tax rate that may be imposed in a county
 12 under section 2 of this chapter or any other provision of this
 13 chapter;

14 (2) the maximum permissible property tax levy under STEP
 15 EIGHT of IC 6-1.1-18.5-3(b); or

16 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
 17 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

18 (h) Tax revenue under this section shall be treated as a part of the
 19 receiving civil taxing unit's or school corporation's property tax levy for
 20 that year for purposes of fixing the budget of the civil taxing unit or
 21 school corporation and for determining the distribution of taxes that are
 22 distributed on the basis of property tax levies.

23 (i) The department of local government finance and the department
 24 of state revenue may take any actions necessary to carry out the
 25 purposes of this section.

26 (j) **The amount of property tax replacement credits that each**
 27 **civil taxing unit and school corporation in a county is entitled to**
 28 **receive under subsection (f)(2) during a calendar year equals the**
 29 **product of:**

30 (1) **the tax revenue attributable to a tax rate under this section**
 31 **that is dedicated to property tax replacement credits under**
 32 **subsection (f)(2); multiplied by**

33 (2) **the following fraction:**

34 (A) **The numerator of the fraction equals the total property**
 35 **taxes being collected in the county by the civil taxing unit**
 36 **or school corporation during the calendar year of the**
 37 **distribution.**

38 (B) **The denominator of the fraction equals the sum of the**
 39 **total property taxes being collected in the county by all**
 40 **civil taxing units and school corporations of the county**
 41 **during the calendar year of the distribution.**

42 **The department of local government finance shall provide**
 43 **each county auditor with the amount of property tax**
 44 **replacement credits that each civil taxing unit and school**
 45 **corporation in the auditor's county is entitled to receive under**
 46 **subsection (f)(2). The county auditor shall then certify to each**
 47 **civil taxing unit and school corporation the amount of**

1 **property tax replacement credits the civil taxing unit or**
 2 **school corporation is entitled to receive under subsection**
 3 **(f)(2) during that calendar year. The county auditor shall also**
 4 **certify these distributions to the county treasurer. Except as**
 5 **provided in subsection (g), the local property tax replacement**
 6 **credits shall be treated for all purposes as property tax levies.**

7 SECTION 41. IC 6-3.5-6-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A county
 9 income tax council is established for each county in Indiana. The
 10 membership of each county's county income tax council consists of the
 11 fiscal body of the county and the fiscal body of each city or town that
 12 lies either partially or entirely within that county.

13 (b) Using procedures described in this chapter, a county income tax
 14 council may adopt ordinances to:

- 15 (1) impose the county option income tax in its county;
- 16 (2) subject to section 12 of this chapter, rescind the county option
 17 income tax in its county;
- 18 (3) increase the county option income tax rate for the county;
- 19 (4) freeze the county option income tax rate for its county;
- 20 (5) ~~increase the homestead~~ **provide a property tax replacement**
 21 **credit in its county under section 13 of this chapter;** or
- 22 (6) subject to section 12.5 of this chapter, decrease the county
 23 option income tax rate for the county.

24 (c) An ordinance adopted in a particular year under this chapter to
 25 impose or rescind the county option income tax or to increase its tax
 26 rate is effective July 1 of that year.

27 SECTION 42. IC 6-3.5-6-13, AS AMENDED BY P.L.224-2007,
 28 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2009]: Sec. 13. (a) A county income tax council of a
 30 county in which the county option income tax is in effect may adopt an
 31 ordinance to ~~increase the percentage credit allowed for homesteads in~~
 32 ~~its county under IC 6-1.1-20.9-2:~~ **provide a property tax replacement**
 33 **credit in the county.**

34 (b) A county income tax council may not ~~increase the~~ **provide a**
 35 **property tax replacement credit** ~~percentage credit allowed for~~
 36 ~~homesteads by an~~ **under this section that would provide a total**
 37 **amount of credits in a year** that exceeds the amount determined in the
 38 last STEP of the following formula:

39 STEP ONE: Determine the amount of the sum of all property tax
 40 levies for all taxing units in a county which are to be paid in the
 41 county in 2003 as reflected by the auditor's abstract for the 2002
 42 assessment year, adjusted, however, for any postabstract
 43 adjustments which change the amount of the levies.

44 STEP TWO: Determine the amount of the county's estimated
 45 property tax replacement under IC 6-1.1-21-3(a) for property
 46 taxes first due and payable in 2003.

- 1 STEP THREE: Subtract the STEP TWO amount from the STEP
2 ONE amount.
- 3 STEP FOUR: Determine the amount of the county's total county
4 levy (as defined in IC 6-1.1-21-2(g)) for property taxes first due
5 and payable in 2003.
- 6 STEP FIVE: Subtract the STEP FOUR amount from the STEP
7 ONE amount.
- 8 STEP SIX: Subtract the STEP FIVE result from the STEP THREE
9 result.
- 10 STEP SEVEN: Divide the STEP THREE result by the STEP SIX
11 result.
- 12 STEP EIGHT: Multiply the STEP SEVEN result by
13 eight-hundredths (0.08).
- 14 STEP NINE: Round the STEP EIGHT product to the nearest
15 one-thousandth (0.001) and express the result as a percentage.
- 16 (c) ~~The increase of the homestead credit percentage must be~~
17 ~~uniform for all homesteads in a county. tax revenue may be used to~~
18 **provide local property tax replacement credits at a uniform rate to**
19 **all taxpayers in the county. The department of local government**
20 **finance shall provide each county auditor with the amount of**
21 **property tax replacement credits that each civil taxing unit and**
22 **school corporation in the auditor's county is entitled to receive**
23 **under this subsection. The county auditor shall then certify to each**
24 **civil taxing unit and school corporation the amount of property tax**
25 **replacement credits the civil taxing unit or school corporation is**
26 **entitled to receive under this subsection during that calendar year.**
- 27 (d) ~~In the ordinance that increases the homestead~~ **provides a** credit
28 percentage **under this section**, a county income tax council may
29 provide for a series of increases or decreases to take place for each of
30 a group of succeeding calendar years.
- 31 (e) An ordinance may be adopted under this section after March 31
32 but before August 1 of a calendar year.
- 33 (f) An ordinance adopted under this section takes effect on January
34 1 of the next succeeding calendar year.
- 35 (g) Any ordinance adopted under this section for a county is
36 repealed for a year if on January 1 of that year the county option
37 income tax is not in effect.
- 38 **(h) A credit under this section shall be applied after the total**
39 **property tax liability imposed against property covered by the**
40 **credit after the application of all deductions to which the property**
41 **is entitled and all credits granted under IC 6-1.1-21 or**
42 **IC 6-3.5-7-26.**
- 43 SECTION 43. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007,
44 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
45 JANUARY 1, 2009]: Sec. 18. (a) The revenue a county auditor
46 receives under this chapter shall be used to:

- 1 (1) replace the amount, if any, of property tax revenue lost due to
- 2 the allowance of an increased homestead credit within the county;
- 3 (2) fund the operation of a public communications system and
- 4 computer facilities district as provided in an election, if any, made
- 5 by the county fiscal body under IC 36-8-15-19(b);
- 6 (3) fund the operation of a public transportation corporation as
- 7 provided in an election, if any, made by the county fiscal body
- 8 under IC 36-9-4-42;
- 9 (4) make payments permitted under IC 36-7-15.1-17.5;
- 10 (5) make payments permitted under subsection (i);
- 11 (6) make distributions of distributive shares to the civil taxing
- 12 units of a county; and
- 13 (7) make the distributions permitted under sections 27, 28, 29, 30,
- 14 31, 32, and 33 of this chapter.

15 (b) The county auditor shall retain from the payments of the county's
 16 certified distribution an amount equal to the revenue lost, if any, due to
 17 ~~the increase of the homestead a property tax replacement~~ credit
 18 **established under section 13 of this chapter** within the county. This
 19 money shall be distributed to the civil taxing units and school
 20 corporations of the county as though they were property tax collections
 21 and in such a manner that no civil taxing unit or school corporation
 22 shall suffer a net revenue loss due to the allowance of ~~an increased~~
 23 **homestead the property tax replacement** credit.

- 24 (c) The county auditor shall retain:
- 25 (1) the amount, if any, specified by the county fiscal body for a
 - 26 particular calendar year under subsection (i), IC 36-7-15.1-17.5,
 - 27 IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified
 - 28 distribution for that same calendar year; and
 - 29 (2) the amount of an additional tax rate imposed under section 27,
 - 30 28, 29, 30, 31, 32, or 33 of this chapter.

31 The county auditor shall distribute amounts retained under this
 32 subsection to the county.

33 (d) All certified distribution revenues that are not retained and
 34 distributed under subsections (b) and (c) shall be distributed to the civil
 35 taxing units of the county as distributive shares.

36 (e) The amount of distributive shares that each civil taxing unit in
 37 a county is entitled to receive during a month equals the product of the
 38 following:

- 39 (1) The amount of revenue that is to be distributed as distributive
- 40 shares during that month; multiplied by
- 41 (2) A fraction. The numerator of the fraction equals the allocation
- 42 amount for the civil taxing unit for the calendar year in which the
- 43 month falls. The denominator of the fraction equals the sum of the
- 44 allocation amounts of all the civil taxing units of the county for
- 45 the calendar year in which the month falls.

46 (f) The department of local government finance shall provide each

1 county auditor with the fractional amount of distributive shares that
 2 each civil taxing unit in the auditor's county is entitled to receive
 3 monthly under this section.

4 (g) Notwithstanding subsection (e), if a civil taxing unit of an
 5 adopting county does not impose a property tax levy that is first due
 6 and payable in a calendar year in which distributive shares are being
 7 distributed under this section, that civil taxing unit is entitled to receive
 8 a part of the revenue to be distributed as distributive shares under this
 9 section within the county. The fractional amount such a civil taxing
 10 unit is entitled to receive each month during that calendar year equals
 11 the product of the following:

12 (1) The amount to be distributed as distributive shares during that
 13 month; multiplied by

14 (2) A fraction. The numerator of the fraction equals the budget of
 15 that civil taxing unit for that calendar year. The denominator of
 16 the fraction equals the aggregate budgets of all civil taxing units
 17 of that county for that calendar year.

18 (h) If for a calendar year a civil taxing unit is allocated a part of a
 19 county's distributive shares by subsection (g), then the formula used in
 20 subsection (e) to determine all other civil taxing units' distributive
 21 shares shall be changed each month for that same year by reducing the
 22 amount to be distributed as distributive shares under subsection (e) by
 23 the amount of distributive shares allocated under subsection (g) for that
 24 same month. The department of local government finance shall make
 25 any adjustments required by this subsection and provide them to the
 26 appropriate county auditors.

27 (i) Notwithstanding any other law, a county fiscal body may pledge
 28 revenues received under this chapter (other than revenues attributable
 29 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the
 30 payment of bonds or lease rentals to finance a qualified economic
 31 development tax project under IC 36-7-27 in that county or in any other
 32 county if the county fiscal body determines that the project will
 33 promote significant opportunities for the gainful employment or
 34 retention of employment of the county's residents.

35 SECTION 44. IC 6-3.5-6-30, AS ADDED BY P.L.224-2007,
 36 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2009]: Sec. 30. (a) In a county in which the county
 38 option income tax is in effect, the county income tax council may,
 39 before August 1 of a year, adopt an ordinance to impose or increase (as
 40 applicable) a tax rate under this section.

41 (b) In a county in which neither the county option adjusted gross
 42 income tax nor the county option income tax is in effect, the county
 43 income tax council may, before August 1 of a year, adopt an ordinance
 44 to impose a tax rate under this section.

45 (c) An ordinance adopted under this section takes effect October 1
 46 of the year in which the ordinance is adopted. If a county income tax

1 council adopts an ordinance to impose or increase a tax rate under this
 2 section, the county auditor shall send a certified copy of the ordinance
 3 to the department and the department of local government finance by
 4 certified mail.

5 (d) A tax rate under this section is in addition to any other tax rates
 6 imposed under this chapter and does not affect the purposes for which
 7 other tax revenue under this chapter may be used.

8 (e) The following apply only in the year in which a county income
 9 tax council first imposes a tax rate under this section:

10 (1) The county income tax council shall, in the ordinance
 11 imposing the tax rate, specify the tax rate for each of the
 12 following two (2) years.

13 (2) The tax rate that must be imposed in the county from October
 14 1 of the year in which the tax rate is imposed through September
 15 30 of the following year is equal to the result of:

16 (A) the tax rate determined for the county under
 17 IC 6-3.5-1.5-1(a) in that year; multiplied by

18 (B) the following:

19 (i) In a county containing a consolidated city, one and
 20 five-tenths (1.5).

21 (ii) In a county other than a county containing a consolidated
 22 city, two (2).

23 (3) The tax rate that must be imposed in the county from October
 24 1 of the following year through September 30 of the year after the
 25 following year is the tax rate determined for the county under
 26 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
 27 in effect in later years unless the tax rate is increased under this
 28 section.

29 (4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),
 30 IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to
 31 property taxes first due and payable in the ensuing calendar year
 32 and to property taxes first due and payable in the calendar year
 33 after the ensuing calendar year.

34 (f) The following apply only in a year in which a county income tax
 35 council increases a tax rate under this section.

36 (1) The county income tax council shall, in the ordinance
 37 increasing the tax rate, specify the tax rate for the following year.

38 (2) The tax rate that must be imposed in the county from October
 39 1 of the year in which the tax rate is increased through September
 40 30 of the following year is equal to the result of:

41 (A) the tax rate determined for the county under
 42 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

43 (B) the tax rate currently in effect in the county under this
 44 section.

45 The tax rate under this subdivision continues in effect in later
 46 years unless the tax rate is increased under this section.

- 1 (3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),
 2 IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to
 3 property taxes first due and payable in the ensuing calendar year.
- 4 (g) The department of local government finance shall determine the
 5 following property tax replacement distribution amounts:
- 6 STEP ONE: Determine the sum of the amounts determined under
 7 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
 8 county in the preceding year.
- 9 STEP TWO: For distribution to each civil taxing unit that in the
 10 year had a maximum permissible property tax levy limited under
 11 IC 6-1.1-18.5-3(g), determine the result of:
- 12 (1) the quotient of:
 13 (A) the part of the amount determined under STEP ONE of
 14 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 15 to the civil taxing unit; divided by
 16 (B) the STEP ONE amount; multiplied by
- 17 (2) the tax revenue received by the county treasurer under this
 18 section.
- 19 STEP THREE: For distribution to the county for deposit in the
 20 county family and children's fund, determine the result of:
- 21 (1) the quotient of:
 22 (A) the amount determined under STEP TWO of
 23 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 24 (B) the STEP ONE amount; multiplied by
- 25 (2) the tax revenue received by the county treasurer under this
 26 section.
- 27 STEP FOUR: For distribution to the county for deposit in the
 28 county children's psychiatric residential treatment services fund,
 29 determine the result of:
- 30 (1) the quotient of:
 31 (A) the amount determined under STEP THREE of
 32 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 33 (B) the STEP ONE amount; multiplied by
- 34 (2) the tax revenue received by the county treasurer under this
 35 section.
- 36 STEP FIVE: For distribution to the county for community mental
 37 health center purposes, determine the result of:
- 38 (1) the quotient of:
 39 (A) the amount determined under STEP FOUR of
 40 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 41 (B) the STEP ONE amount; multiplied by
- 42 (2) the tax revenue received by the county treasurer under this
 43 section.
- 44 Except as provided in subsection (m), the county treasurer shall
 45 distribute the portion of the certified distribution that is attributable to
 46 a tax rate under this section as specified in this section. The county

1 treasurer shall make the distributions under this subsection at the same
2 time that distributions are made to civil taxing units under section 18
3 of this chapter.

4 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
5 income tax council may not decrease or rescind a tax rate imposed
6 under this chapter.

7 (i) The tax rate under this section shall not be considered for
8 purposes of computing:

9 (1) the maximum income tax rate that may be imposed in a county
10 under section 8 or 9 of this chapter or any other provision of this
11 chapter; or

12 (2) the maximum permissible property tax levy under STEP
13 EIGHT of IC 6-1.1-18.5-3(b).

14 (j) The tax levy under this section shall not be considered for
15 purposes of computing the total county tax levy under
16 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

17 (k) A distribution under this section shall be treated as a part of the
18 receiving civil taxing unit's property tax levy for that year for purposes
19 of fixing its budget and for determining the distribution of taxes that
20 are distributed on the basis of property tax levies.

21 (l) If a county income tax council imposes a tax rate under this
22 section, the county option income tax rate dedicated **under section 13**
23 **of this chapter** to locally funded ~~homestead~~ credits in the county may
24 not be decreased.

25 (m) In the year following the year in which a county first imposes
26 a tax rate under this section:

27 (1) one-third (1/3) of the tax revenue that is attributable to the tax
28 rate under this section must be deposited in the county
29 stabilization fund established under subsection (o), in the case of
30 a county containing a consolidated city; and

31 (2) one-half (1/2) of the tax revenue that is attributable to the tax
32 rate under this section must be deposited in the county
33 stabilization fund established under subsection (o), in the case of
34 a county not containing a consolidated city.

35 (n) A pledge of county option income taxes does not apply to
36 revenue attributable to a tax rate under this section.

37 (o) A county stabilization fund is established in each county that
38 imposes a tax rate under this section. The county stabilization fund
39 shall be administered by the county auditor. If for a year the certified
40 distributions attributable to a tax rate under this section exceed the
41 amount calculated under STEP ONE through STEP FOUR of
42 IC 6-3.5-1.5-1(a) that is used by the department of local government
43 finance and the department of state revenue to determine the tax rate
44 under this section, the excess shall be deposited in the county
45 stabilization fund. Money shall be distributed from the county
46 stabilization fund in a year by the county auditor to political

1 subdivisions entitled to a distribution of tax revenue attributable to the
2 tax rate under this section if:

3 (1) the certified distributions attributable to a tax rate under this
4 section are less than the amount calculated under STEP ONE
5 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
6 department of local government finance and the department of
7 state revenue to determine the tax rate under this section for a
8 year; or

9 (2) the certified distributions attributable to a tax rate under this
10 section in a year are less than the certified distributions
11 attributable to a tax rate under this section in the preceding year.

12 However, subdivision (2) does not apply to the year following the first
13 year in which certified distributions of revenue attributable to the tax
14 rate under this section are distributed to the county.

15 (p) Notwithstanding any other provision, a tax rate imposed under
16 this section may not exceed one percent (1%).

17 (q) The department of local government finance and the department
18 of state revenue may take any actions necessary to carry out the
19 purposes of this section.

20 (r) Notwithstanding any other provision, in Lake County the county
21 council (and not the county income tax council) is the entity authorized
22 to take actions concerning the additional tax rate under this section.

23 SECTION 45. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007,
24 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2009]: Sec. 32. (a) A county income tax council may
26 impose a tax rate under this section to provide property tax relief to
27 political subdivisions in the county. A county income tax council is not
28 required to impose any other tax before imposing a tax rate under this
29 section.

30 (b) A tax rate under this section may be imposed in increments of
31 five hundredths of one percent (0.05%) determined by the county
32 income tax council. A tax rate under this section may not exceed one
33 percent (1%).

34 (c) A tax rate under this section is in addition to any other tax rates
35 imposed under this chapter and does not affect the purposes for which
36 other tax revenue under this chapter may be used.

37 (d) If a county income tax council adopts an ordinance to impose or
38 increase a tax rate under this section, the county auditor shall send a
39 certified copy of the ordinance to the department and the department
40 of local government finance by certified mail.

41 (e) A tax rate under this section may be imposed, increased,
42 decreased, or rescinded at the same time and in the same manner that
43 the county income tax council may impose or increase a tax rate under
44 section 30 of this chapter.

45 (f) Tax revenue attributable to a tax rate under this section may be
46 used for any combination of the following purposes, as specified by

1 ordinance of the county income tax council:

2 (1) The tax revenue may be used to provide local property tax
3 replacement credits at a uniform rate to civil taxing units and
4 school corporations in the county. The amount of property tax
5 replacement credits that each civil taxing unit and school
6 corporation in a county is entitled to receive under this
7 subdivision during a calendar year equals the product of:

8 (A) the tax revenue attributable to a tax rate under this section
9 that is dedicated to property tax replacement credits under this
10 subdivision; multiplied by

11 (B) the following fraction:

12 (i) The numerator of the fraction equals the total property
13 taxes being collected in the county by the civil taxing unit or
14 school corporation during the calendar year of the
15 distribution.

16 (ii) The denominator of the fraction equals the sum of the
17 total property taxes being collected in the county by all civil
18 taxing units and school corporations of the county during the
19 calendar year of the distribution.

20 The department of local government finance shall provide each
21 county auditor with the amount of property tax replacement
22 credits that each civil taxing unit and school corporation in the
23 auditor's county is entitled to receive under this subdivision. The
24 county auditor shall then certify to each civil taxing unit and
25 school corporation the amount of property tax replacement credits
26 the civil taxing unit or school corporation is entitled to receive
27 under this subdivision during that calendar year. The county
28 auditor shall also certify these distributions to the county
29 treasurer. Except as provided in subsection (g), the local property
30 tax replacement credits shall be treated for all purposes as
31 property tax levies. **The property tax replacement credit shall**
32 **be applied after any credit available under IC 6-1.1-21,**
33 **IC 6-3.5-7-26, or section 13 of this chapter.**

34 (2) The tax revenue may be used to uniformly increase the
35 homestead credit percentage in the county. The additional
36 homestead credits shall be treated for all purposes as property tax
37 levies. The additional homestead credits do not reduce the basis
38 for determining the state homestead credit under IC 6-1.1-20-9.
39 The additional homestead credits shall be applied to the net
40 property taxes due on the homestead after the application of all
41 other assessed value deductions or property tax deductions and
42 credits that apply to the amount owed under IC 6-1.1. The
43 department of local government finance shall determine the
44 additional homestead credit percentage for a particular year based
45 on the amount of tax revenue that will be used under this
46 subdivision to provide additional homestead credits in that year.

1 (3) (2) The tax revenue may be used to provide local property tax
2 replacement credits at a uniform rate for all qualified residential
3 property (as defined in IC 6-1.1-20.6-4) consisting of:

4 (A) real property consisting of not more than four (4) units
5 that are regularly used to rent or otherwise furnish
6 residential accommodations for periods of thirty (30) days
7 or more;

8 (B) mobile homes (as defined in IC 6-1.1-1-8.7) that are
9 regularly used to rent or otherwise furnish residential
10 accommodations for periods of thirty (30) days or more;
11 and

12 (C) real property consisting of at least five (5) units that
13 are regularly used to rent or otherwise furnish residential
14 accommodations for periods of thirty (30) days or more;
15 in the county, including not more than one (1) acre used for
16 residential purposes on which the real property or mobile
17 homes are located, regardless of whether the property is
18 classified as residential or commercial under the rules
19 adopted by the department of local government finance. The
20 amount of property tax replacement credits that each civil taxing
21 unit and school corporation in a county is entitled to receive under
22 this subdivision during a calendar year equals the product of:

23 (A) the tax revenue attributable to a tax rate under this section
24 that is dedicated to property tax replacement credits under this
25 subdivision; multiplied by

26 (B) the following fraction:

27 (i) The numerator of the fraction equals the total property
28 taxes being collected in the county by the civil taxing unit or
29 school corporation during the calendar year of the
30 distribution;

31 (ii) The denominator of the fraction equals the sum of the
32 total property taxes being collected in the county by all civil
33 taxing units and school corporations of the county during the
34 calendar year of the distribution.

35 The department of local government finance shall provide each
36 county auditor with the amount of property tax replacement
37 credits that each civil taxing unit and school corporation in the
38 auditor's county is entitled to receive under this subdivision. The
39 county auditor shall then certify to each civil taxing unit and
40 school corporation the amount of property tax replacement credits
41 the civil taxing unit or school corporation is entitled to receive
42 under this subdivision during that calendar year. The county
43 auditor shall also certify these distributions to the county
44 treasurer. Except as provided in subsection (g), the local property
45 tax replacement credits shall be treated for all purposes as
46 property tax levies determined under subsection (k).

1 **The property tax replacement credit shall be applied after any**
 2 **credit available under IC 6-1.1-21, IC 6-3.5-7-26, or section 13 of**
 3 **this chapter.**

4 (g) The tax rate under this section shall not be considered for
 5 purposes of computing:

6 (1) the maximum income tax rate that may be imposed in a county
 7 under section 8 or 9 of this chapter or any other provision of this
 8 chapter; or

9 (2) the maximum permissible property tax levy under STEP
 10 EIGHT of IC 6-1.1-18.5-3(b).

11 (h) Tax revenue under this section shall be treated as a part of the
 12 receiving civil taxing unit's or school corporation's property tax levy for
 13 that year for purposes of fixing the budget of the civil taxing unit or
 14 school corporation and for determining the distribution of taxes that are
 15 distributed on the basis of property tax levies.

16 (i) The department of local government finance and the department
 17 of state revenue may take any actions necessary to carry out the
 18 purposes of this section.

19 (j) Notwithstanding any other provision, in Lake County the county
 20 council (and not the county income tax council) is the entity authorized
 21 to take actions concerning the tax rate under this section.

22 **(k) The amount of property tax replacement credits that each**
 23 **civil taxing unit and school corporation in a county is entitled to**
 24 **receive under subsection (f)(2) during a calendar year equals the**
 25 **product of:**

26 **(1) the tax revenue attributable to a tax rate under this section**
 27 **that is dedicated to property tax replacement credits under**
 28 **subsection (f)(2); multiplied by**

29 **(2) the following fraction:**

30 **(A) The numerator of the fraction equals the total property**
 31 **taxes being collected in the county by the civil taxing unit**
 32 **or school corporation during the calendar year of the**
 33 **distribution.**

34 **(B) The denominator of the fraction equals the sum of the**
 35 **total property taxes being collected in the county by all**
 36 **civil taxing units and school corporations of the county**
 37 **during the calendar year of the distribution.**

38 **The department of local government finance shall provide**
 39 **each county auditor with the amount of property tax**
 40 **replacement credits that each civil taxing unit and school**
 41 **corporation in the auditor's county is entitled to receive under**
 42 **subsection (f)(2). The county auditor shall then certify to each**
 43 **civil taxing unit and school corporation the amount of**
 44 **property tax replacement credits the civil taxing unit or**
 45 **school corporation is entitled to receive under subsection**
 46 **(f)(2) during that calendar year. The county auditor shall also**
 47 **certify these distributions to the county treasurer. Except as**

1 **provided in subsection (g), the local property tax replacement**
 2 **credits shall be treated for all purposes as property tax levies.**

3 SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.224-2007,
 4 SECTION 87, AND AS AMENDED BY P.L.232-2007, SECTION 3,
 5 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Except as provided in
 7 subsection (c), the county economic development income tax may be
 8 imposed on the adjusted gross income of county taxpayers. The entity
 9 that may impose the tax is:

- 10 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
 11 the county option income tax is in effect on *January 1* ~~March 31~~
 12 of the year the county economic development income tax is
 13 imposed;
 14 (2) the county council if the county adjusted gross income tax is
 15 in effect on *January 1* ~~March 31~~ of the year the county economic
 16 development tax is imposed; or
 17 (3) the county income tax council or the county council,
 18 whichever acts first, for a county not covered by subdivision (1)
 19 or (2).

20 To impose the county economic development income tax, a county
 21 income tax council shall use the procedures set forth in IC 6-3.5-6
 22 concerning the imposition of the county option income tax.

23 (b) Except as provided in subsections (c), (g), (k), (p), and (r) *and*
 24 *section 28 of this chapter*, the county economic development income
 25 tax may be imposed at a rate of:

- 26 (1) one-tenth percent (0.1%);
 27 (2) two-tenths percent (0.2%);
 28 (3) twenty-five hundredths percent (0.25%);
 29 (4) three-tenths percent (0.3%);
 30 (5) thirty-five hundredths percent (0.35%);
 31 (6) four-tenths percent (0.4%);
 32 (7) forty-five hundredths percent (0.45%); or
 33 (8) five-tenths percent (0.5%);

34 on the adjusted gross income of county taxpayers.

35 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
 36 (p), (s), (v), ~~(w)~~, ~~(x)~~, **or (y)**, the county economic development
 37 income tax rate plus the county adjusted gross income tax rate, if any,
 38 that are in effect on January 1 of a year may not exceed one and
 39 twenty-five hundredths percent (1.25%). Except as provided in
 40 subsection (g), (p), (r), (t), (u), ~~(w)~~, ~~(x)~~, **or (y)**, the county
 41 economic development tax rate plus the county option income tax rate,
 42 if any, that are in effect on January 1 of a year may not exceed one
 43 percent (1%).

44 (d) To impose, increase, decrease, or rescind the county economic
 45 development income tax, the appropriate body must, after *January 1*
 46 ~~March 31~~ but before ~~April~~ *August 1* of a year, adopt an ordinance. The

- 1 ordinance to impose the tax must substantially state the following:
 2 "The _____ County _____ imposes the county economic
 3 development income tax on the county taxpayers of _____
 4 County. The county economic development income tax is imposed at
 5 a rate of _____ percent (____%) on the county taxpayers of the
 6 county. This tax takes effect ~~July~~ *October* 1 of this year."
 7 (e) Any ordinance adopted under this chapter takes effect July 1 of
 8 the year the ordinance is adopted.
 9 (f) The auditor of a county shall record all votes taken on ordinances
 10 presented for a vote under the authority of this chapter and shall, not
 11 more than ten (10) days after the vote, send a certified copy of the
 12 results to the commissioner of the department by certified mail.
 13 (g) This subsection applies to a county having a population of more
 14 than one hundred forty-eight thousand (148,000) but less than one
 15 hundred seventy thousand (170,000). Except as provided in subsection
 16 (p), in addition to the rates permitted by subsection (b), the:
 17 (1) county economic development income tax may be imposed at
 18 a rate of:
 19 (A) fifteen-hundredths percent (0.15%);
 20 (B) two-tenths percent (0.2%); or
 21 (C) twenty-five hundredths percent (0.25%); and
 22 (2) county economic development income tax rate plus the county
 23 option income tax rate that are in effect on January 1 of a year
 24 may equal up to one and twenty-five hundredths percent (1.25%);
 25 if the county income tax council makes a determination to impose rates
 26 under this subsection and section 22 of this chapter.
 27 (h) For a county having a population of more than forty-one
 28 thousand (41,000) but less than forty-three thousand (43,000), except
 29 as provided in subsection (p), the county economic development
 30 income tax rate plus the county adjusted gross income tax rate that are
 31 in effect on January 1 of a year may not exceed one and thirty-five
 32 hundredths percent (1.35%) if the county has imposed the county
 33 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
 34 under IC 6-3.5-1.1-2.5.
 35 (i) For a county having a population of more than thirteen thousand
 36 five hundred (13,500) but less than fourteen thousand (14,000), except
 37 as provided in subsection (p), the county economic development
 38 income tax rate plus the county adjusted gross income tax rate that are
 39 in effect on January 1 of a year may not exceed one and fifty-five
 40 hundredths percent (1.55%).
 41 (j) For a county having a population of more than seventy-one
 42 thousand (71,000) but less than seventy-one thousand four hundred
 43 (71,400), except as provided in subsection (p), the county economic
 44 development income tax rate plus the county adjusted gross income tax
 45 rate that are in effect on January 1 of a year may not exceed one and
 46 five-tenths percent (1.5%).

1 (k) This subsection applies to a county having a population of more
 2 than twenty-seven thousand four hundred (27,400) but less than
 3 twenty-seven thousand five hundred (27,500). Except as provided in
 4 subsection (p), in addition to the rates permitted under subsection (b):

5 (1) the county economic development income tax may be imposed
 6 at a rate of twenty-five hundredths percent (0.25%); and

7 (2) the sum of the county economic development income tax rate
 8 and the county adjusted gross income tax rate that are in effect on
 9 January 1 of a year may not exceed one and five-tenths percent
 10 (1.5%);

11 if the county council makes a determination to impose rates under this
 12 subsection and section 22.5 of this chapter.

13 (l) For a county having a population of more than twenty-nine
 14 thousand (29,000) but less than thirty thousand (30,000), except as
 15 provided in subsection (p), the county economic development income
 16 tax rate plus the county adjusted gross income tax rate that are in effect
 17 on January 1 of a year may not exceed one and five-tenths percent
 18 (1.5%).

19 (m) For:

20 (1) a county having a population of more than one hundred
 21 eighty-two thousand seven hundred ninety (182,790) but less than
 22 two hundred thousand (200,000); or

23 (2) a county having a population of more than forty-five thousand
 24 (45,000) but less than forty-five thousand nine hundred (45,900);
 25 except as provided in subsection (p), the county economic development
 26 income tax rate plus the county adjusted gross income tax rate that are
 27 in effect on January 1 of a year may not exceed one and five-tenths
 28 percent (1.5%).

29 (n) For a county having a population of more than six thousand
 30 (6,000) but less than eight thousand (8,000), except as provided in
 31 subsection (p), the county economic development income tax rate plus
 32 the county adjusted gross income tax rate that are in effect on January
 33 1 of a year may not exceed one and five-tenths percent (1.5%).

34 (o) This subsection applies to a county having a population of more
 35 than thirty-nine thousand (39,000) but less than thirty-nine thousand
 36 six hundred (39,600). Except as provided in subsection (p), in addition
 37 to the rates permitted under subsection (b):

38 (1) the county economic development income tax may be imposed
 39 at a rate of twenty-five hundredths percent (0.25%); and

40 (2) the sum of the county economic development income tax rate
 41 and:

42 (A) the county adjusted gross income tax rate that are in effect
 43 on January 1 of a year may not exceed one and five-tenths
 44 percent (1.5%); or

45 (B) the county option income tax rate that are in effect on
 46 January 1 of a year may not exceed one and twenty-five

1 hundredths percent (1.25%);
2 if the county council makes a determination to impose rates under this
3 subsection and section 24 of this chapter.

4 (p) In addition:

5 (1) the county economic development income tax may be imposed
6 at a rate that exceeds by not more than twenty-five hundredths
7 percent (0.25%) the maximum rate that would otherwise apply
8 under this section; and

9 (2) the:

10 (A) county economic development income tax; and

11 (B) county option income tax or county adjusted gross income
12 tax;

13 may be imposed at combined rates that exceed by not more than
14 twenty-five hundredths percent (0.25%) the maximum combined
15 rates that would otherwise apply under this section.

16 However, the additional rate imposed under this subsection may not
17 exceed the amount necessary to mitigate the increased ad valorem
18 property taxes on ~~homesteads (as defined in IC 6-1.1-20.9-1)~~ or
19 residential property (as defined in section 26 of this chapter), as
20 appropriate under the ordinance adopted by the adopting body in the
21 county, resulting from the deduction of the assessed value of inventory
22 in the county under ~~IC 6-1.1-12-41~~ or IC 6-1.1-12-42.

23 (q) If the county economic development income tax is imposed as
24 authorized under subsection (p) at a rate that exceeds the maximum
25 rate that would otherwise apply under this section, the certified
26 distribution must be used for the purpose provided in section ~~25(c)~~ or
27 26 of this chapter to the extent that the certified distribution results
28 from the difference between:

29 (1) the actual county economic development tax rate; and

30 (2) the maximum rate that would otherwise apply under this
31 section.

32 (r) This subsection applies only to a county described in section 27
33 of this chapter. Except as provided in subsection (p), in addition to the
34 rates permitted by subsection (b), the:

35 (1) county economic development income tax may be imposed at
36 a rate of twenty-five hundredths percent (0.25%); and

37 (2) county economic development income tax rate plus the county
38 option income tax rate that are in effect on January 1 of a year
39 may equal up to one and twenty-five hundredths percent (1.25%);

40 if the county council makes a determination to impose rates under this
41 subsection and section 27 of this chapter.

42 (s) Except as provided in subsection (p), the county economic
43 development income tax rate plus the county adjusted gross income tax
44 rate that are in effect on January 1 of a year may not exceed one and
45 five-tenths percent (1.5%) if the county has imposed the county
46 adjusted gross income tax under IC 6-3.5-1.1-3.3.

1 (t) This subsection applies to Howard County. Except as provided
 2 in subsection (p), the sum of the county economic development income
 3 tax rate and the county option income tax rate that are in effect on
 4 January 1 of a year may not exceed one and twenty-five hundredths
 5 percent (1.25%).

6 (u) This subsection applies to Scott County. Except as provided in
 7 subsection (p), the sum of the county economic development income
 8 tax rate and the county option income tax rate that are in effect on
 9 January 1 of a year may not exceed one and twenty-five hundredths
 10 percent (1.25%).

11 (v) This subsection applies to Jasper County. Except as provided in
 12 subsection (p), the sum of the county economic development income
 13 tax rate and the county adjusted gross income tax rate that are in effect
 14 on January 1 of a year may not exceed one and five-tenths percent
 15 (1.5%).

16 (w) *An additional county economic development income tax rate*
 17 *imposed under section 28 of this chapter may not be considered in*
 18 *calculating any limit under this section on the sum of:*

19 (1) *the county economic development income tax rate plus the*
 20 *county adjusted gross income tax rate; or*

21 (2) *the county economic development tax rate plus the county*
 22 *option income tax rate.*

23 ~~(w)~~ (x) *The income tax rate limits imposed by subsection (c) or ~~(x)~~*
 24 *(y) or any other provision of this chapter do not apply to:*

25 (1) *a county adjusted gross income tax rate imposed under*
 26 *IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or*

27 (2) *a county option income tax rate imposed under IC 6-3.5-6-30,*
 28 *IC 6-3.5-6-31, or IC 6-3.5-6-32.*

29 *For purposes of computing the maximum combined income tax rate*
 30 *under subsection (c) or ~~(x)~~ (y) or any other provision of this chapter*
 31 *that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and*
 32 *this chapter, a county's county adjusted gross income tax rate or*
 33 *county option income tax rate for a particular year does not include*
 34 *the county adjusted gross income tax rate imposed under*
 35 *IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county*
 36 *option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or*
 37 *IC 6-3.5-6-32.*

38 ~~(x)~~ (y) *This subsection applies to Monroe County. Except as*
 39 *provided in subsection (p), if an ordinance is adopted under*
 40 *IC 6-3.5-6-33, the sum of the county economic development income tax*
 41 *rate and the county option income tax rate that are in effect on*
 42 *January 1 of a year may not exceed one and twenty-five hundredths*
 43 *percent (1.25%).*

44 SECTION 47. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005,
 45 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JANUARY 1, 2009]: Sec. 11. (a) Revenue derived from the imposition

1 of the county economic development income tax shall, in the manner
2 prescribed by this section, be distributed to the county that imposed it.

3 (b) Before August 2 of each calendar year, the department, after
4 reviewing the recommendation of the budget agency, shall certify to the
5 county auditor of each adopting county the sum of the amount of
6 county economic development income tax revenue that the department
7 determines has been:

8 (1) received from that county for a taxable year ending before the
9 calendar year in which the determination is made; and

10 (2) reported on an annual return or amended return processed by
11 the department in the state fiscal year ending before July 1 of the
12 calendar year in which the determination is made;

13 as adjusted (as determined after review of the recommendation of the
14 budget agency) for refunds of county economic development income
15 tax made in the state fiscal year plus the amount of interest in the
16 county's account that has been accrued and has not been included in a
17 certification made in a preceding year. The amount certified is the
18 county's certified distribution, which shall be distributed on the dates
19 specified in section 16 of this chapter for the following calendar year.
20 The amount certified shall be adjusted under subsections (c), (d), (e),
21 (f), and (g). The department shall provide with the certification an
22 informative summary of the calculations used to determine the certified
23 distribution.

24 (c) The department shall certify an amount less than the amount
25 determined under subsection (b) if the department, after reviewing the
26 recommendation of the budget agency, determines that the reduced
27 distribution is necessary to offset overpayments made in a calendar
28 year before the calendar year of the distribution. The department, after
29 reviewing the recommendation of the budget agency, may reduce the
30 amount of the certified distribution over several calendar years so that
31 any overpayments are offset over several years rather than in one (1)
32 lump sum.

33 (d) After reviewing the recommendation of the budget agency, the
34 department shall adjust the certified distribution of a county to correct
35 for any clerical or mathematical errors made in any previous
36 certification under this section. The department, after reviewing the
37 recommendation of the budget agency, may reduce the amount of the
38 certified distribution over several calendar years so that any adjustment
39 under this subsection is offset over several years rather than in one (1)
40 lump sum.

41 (e) The department, after reviewing the recommendation of the
42 budget agency, shall adjust the certified distribution of a county to
43 provide the county with the distribution required under section 16(b)
44 of this chapter.

45 (f) The department, after reviewing the recommendation of the
46 budget agency, shall adjust the certified distribution of a county to

1 provide the county with the amount of any tax increase imposed under
 2 section ~~25~~ or 26 of this chapter to provide additional ~~homestead~~ credits
 3 as provided in those provisions.

4 (g) This subsection applies to a county that:

5 (1) initially imposed the county economic development income
 6 tax; or

7 (2) increases the county economic development income rate;
 8 under this chapter in the same calendar year in which the department
 9 makes a certification under this section. The department, after
 10 reviewing the recommendation of the budget agency, shall adjust the
 11 certified distribution of a county to provide for a distribution in the
 12 immediately following calendar year and in each calendar year
 13 thereafter. The department shall provide for a full transition to
 14 certification of distributions as provided in subsection (b)(1) through
 15 (b)(2) in the manner provided in subsection (c).

16 SECTION 48. IC 6-3.5-7-12, AS AMENDED BY P.L.232-2007,
 17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2009]: Sec. 12. (a) Except as provided in sections 23, ~~25~~,
 19 26, 27, and 28 of this chapter, the county auditor shall distribute in the
 20 manner specified in this section the certified distribution to the county.

21 (b) Except as provided in subsections (c) and (h) and sections 15
 22 and ~~25~~ 26 of this chapter, the amount of the certified distribution that
 23 the county and each city or town in a county is entitled to receive
 24 during May and November of each year equals the product of the
 25 following:

26 (1) The amount of the certified distribution for that month;
 27 multiplied by

28 (2) A fraction. The numerator of the fraction equals the sum of the
 29 following:

30 (A) Total property taxes that are first due and payable to the
 31 county, city, or town during the calendar year in which the
 32 month falls; plus

33 (B) For a county, an amount equal to the property taxes
 34 imposed by the county in 1999 for the county's welfare fund
 35 and welfare administration fund.

36 The denominator of the fraction equals the sum of the total
 37 property taxes that are first due and payable to the county and all
 38 cities and towns of the county during the calendar year in which
 39 the month falls, plus an amount equal to the property taxes
 40 imposed by the county in 1999 for the county's welfare fund and
 41 welfare administration fund.

42 (c) This subsection applies to a county council or county income tax
 43 council that imposes a tax under this chapter after June 1, 1992. The
 44 body imposing the tax may adopt an ordinance before July 1 of a year
 45 to provide for the distribution of certified distributions under this
 46 subsection instead of a distribution under subsection (b). The following

- 1 apply if an ordinance is adopted under this subsection:
- 2 (1) The ordinance is effective January 1 of the following year.
- 3 (2) Except as provided in ~~sections 25 and~~ **section** 26 of this
- 4 chapter, the amount of the certified distribution that the county
- 5 and each city and town in the county is entitled to receive during
- 6 May and November of each year equals the product of:
- 7 (A) the amount of the certified distribution for the month;
- 8 multiplied by
- 9 (B) a fraction. For a city or town, the numerator of the fraction
- 10 equals the population of the city or the town. For a county, the
- 11 numerator of the fraction equals the population of the part of
- 12 the county that is not located in a city or town. The
- 13 denominator of the fraction equals the sum of the population
- 14 of all cities and towns located in the county and the population
- 15 of the part of the county that is not located in a city or town.
- 16 (3) The ordinance may be made irrevocable for the duration of
- 17 specified lease rental or debt service payments.
- 18 (d) The body imposing the tax may not adopt an ordinance under
- 19 subsection (c) if, before the adoption of the proposed ordinance, any of
- 20 the following have pledged the county economic development income
- 21 tax for any purpose permitted by IC 5-1-14 or any other statute:
- 22 (1) The county.
- 23 (2) A city or town in the county.
- 24 (3) A commission, a board, a department, or an authority that is
- 25 authorized by statute to pledge the county economic development
- 26 income tax.
- 27 (e) The department of local government finance shall provide each
- 28 county auditor with the fractional amount of the certified distribution
- 29 that the county and each city or town in the county is entitled to receive
- 30 under this section.
- 31 (f) Money received by a county, city, or town under this section
- 32 shall be deposited in the unit's economic development income tax fund.
- 33 (g) Except as provided in subsection (b)(2)(B), in determining the
- 34 fractional amount of the certified distribution the county and its cities
- 35 and towns are entitled to receive under subsection (b) during a calendar
- 36 year, the department of local government finance shall consider only
- 37 property taxes imposed on tangible property subject to assessment in
- 38 that county.
- 39 (h) In a county having a consolidated city, only the consolidated city
- 40 is entitled to the certified distribution, subject to the requirements of
- 41 sections ~~15 25~~, and 26 of this chapter.
- 42 SECTION 49. IC 6-3.5-7-13.1, AS AMENDED BY P.L.1-2007,
- 43 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 44 JANUARY 1, 2009]: Sec. 13.1. (a) The fiscal officer of each county,
- 45 city, or town for a county in which the county economic development
- 46 tax is imposed shall establish an economic development income tax

1 fund. Except as provided in sections 23, ~~25~~; 26, and 27 of this chapter,
 2 the revenue received by a county, city, or town under this chapter shall
 3 be deposited in the unit's economic development income tax fund.

4 (b) Except as provided in sections 15, 23, ~~25~~; 26, and 27 of this
 5 chapter, revenues from the county economic development income tax
 6 may be used as follows:

7 (1) By a county, city, or town for economic development projects,
 8 for paying, notwithstanding any other law, under a written
 9 agreement all or a part of the interest owed by a private developer
 10 or user on a loan extended by a financial institution or other
 11 lender to the developer or user if the proceeds of the loan are or
 12 are to be used to finance an economic development project, for
 13 the retirement of bonds under section 14 of this chapter for
 14 economic development projects, for leases under section 21 of
 15 this chapter, or for leases or bonds entered into or issued prior to
 16 the date the economic development income tax was imposed if
 17 the purpose of the lease or bonds would have qualified as a
 18 purpose under this chapter at the time the lease was entered into
 19 or the bonds were issued.

20 (2) By a county, city, or town for:

21 (A) the construction or acquisition of, or remedial action with
 22 respect to, a capital project for which the unit is empowered to
 23 issue general obligation bonds or establish a fund under any
 24 statute listed in IC 6-1.1-18.5-9.8;

25 (B) the retirement of bonds issued under any provision of
 26 Indiana law for a capital project;

27 (C) the payment of lease rentals under any statute for a capital
 28 project;

29 (D) contract payments to a nonprofit corporation whose
 30 primary corporate purpose is to assist government in planning
 31 and implementing economic development projects;

32 (E) operating expenses of a governmental entity that plans or
 33 implements economic development projects;

34 (F) to the extent not otherwise allowed under this chapter,
 35 funding substance removal or remedial action in a designated
 36 unit; or

37 (G) funding of a revolving fund established under
 38 IC 5-1-14-14.

39 (3) By a county, city, or town for any lawful purpose for which
 40 money in any of its other funds may be used.

41 (4) By a city or county described in IC 36-7.5-2-3(b) for making
 42 transfers required by IC 36-7.5-4-2. If the county economic
 43 development income tax rate is increased after April 30, 2005, in
 44 a county having a population of more than one hundred forty-five
 45 thousand (145,000) but less than one hundred forty-eight
 46 thousand (148,000), the first three million five hundred thousand

1 dollars (\$3,500,000) of the tax revenue that results each year from
 2 the tax rate increase shall be used by the county only to make the
 3 county's transfer required by IC 36-7.5-4-2. The first three million
 4 five hundred thousand dollars (\$3,500,000) of the tax revenue that
 5 results each year from the tax rate increase shall be paid by the
 6 county treasurer to the treasurer of the northwest Indiana regional
 7 development authority under IC 36-7.5-4-2 before certified
 8 distributions are made to the county or any cities or towns in the
 9 county under this chapter from the tax revenue that results each
 10 year from the tax rate increase. In a county having a population of
 11 more than one hundred forty-five thousand (145,000) but less
 12 than one hundred forty-eight thousand (148,000), all of the tax
 13 revenue that results each year from the tax rate increase that is in
 14 excess of the first three million five hundred thousand dollars
 15 (\$3,500,000) that results each year from the tax rate increase must
 16 be used by the county and cities and towns in the county for
 17 additional ~~homestead~~ credits under subdivision (5).

18 (5) This subdivision applies only in a county having a population
 19 of more than one hundred forty-five thousand (145,000) but less
 20 than one hundred forty-eight thousand (148,000). Except as
 21 otherwise provided, the procedures and definitions in
 22 ~~IC 6-1.1-20.9~~ **IC 6-1.1-21** apply to this subdivision. All of the tax
 23 revenue that results each year from a tax rate increase described
 24 in subdivision (4) that is in excess of the first three million five
 25 hundred thousand dollars (\$3,500,000) that results each year from
 26 the tax rate increase must be used by the county and cities and
 27 towns in the county for additional ~~homestead~~ **property tax**
 28 **replacement** credits under this subdivision. The following apply
 29 to additional ~~homestead~~ credits provided under this subdivision:

30 (A) The additional ~~homestead~~ credits must be applied
 31 uniformly to increase the ~~homestead~~ **property tax**
 32 **replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for
 33 ~~homesteads~~ **all tangible property** in the county, city, or town
 34 **or all qualified residential property in the county, city, or**
 35 **town consisting of real property consisting of:**

36 (i) **not more than four (4) units that are regularly used to**
 37 **rent or otherwise furnish residential accommodations**
 38 **for periods of thirty (30) days or more;**

39 (ii) **mobile homes (as defined in IC 6-1.1-1-8.7) that are**
 40 **regularly used to rent or otherwise furnish residential**
 41 **accommodations for periods of thirty (30) days or more;**
 42 **and**

43 (iii) **real property consisting of at least five (5) units that**
 44 **are regularly used to rent or otherwise furnish**
 45 **residential accommodations for periods of thirty (30)**
 46 **days or more;**

- 1 **including not more than one (1) acre used for residential**
 2 **purposes on which the real property or mobile homes are**
 3 **located.**
- 4 (B) The additional ~~homestead~~ credits shall be treated for all
 5 purposes as property tax levies. The additional ~~homestead~~
 6 credits do not reduce the basis for determining the state
 7 property tax replacement credit under IC 6-1.1-21. ~~or the state~~
 8 ~~homestead credit under IC 6-1.1-20.9.~~
- 9 (C) The additional ~~homestead~~ credits shall be applied to the
 10 net property taxes due on the ~~homestead~~ **taxable property**
 11 after the application of all other assessed value deductions or
 12 property tax deductions and credits that apply to the amount
 13 owed under IC 6-1.1, **except IC 6-1.1-20.6.**
- 14 (D) The department of local government finance shall
 15 determine the additional ~~homestead~~ credit percentage for a
 16 particular year based on the amount of county economic
 17 development income tax revenue that will be used under this
 18 subdivision to provide additional ~~homestead~~ credits in that
 19 year.
- 20 (6) This subdivision applies only in a county having a population
 21 of more than four hundred thousand (400,000) but less than seven
 22 hundred thousand (700,000). Except as otherwise provided, the
 23 procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-1.1-21** apply to
 24 this subdivision. A county or a city or town in the county may use
 25 county economic development income tax revenue to provide
 26 additional ~~homestead~~ **property tax replacement** credits in the
 27 county, city, or town. The following apply to additional
 28 ~~homestead~~ credits provided under this subdivision:
- 29 (A) The county, city, or town fiscal body must adopt an
 30 ordinance authorizing the additional ~~homestead~~ credits. The
 31 ordinance must:
- 32 (i) be adopted before September 1 of a year to apply to
 33 property taxes first due and payable in the following year;
 34 and
- 35 (ii) specify the amount of county economic development
 36 income tax revenue that will be used to provide additional
 37 ~~homestead~~ credits in the following year.
- 38 (B) A county, city, or town fiscal body that adopts an
 39 ordinance under this subdivision must forward a copy of the
 40 ordinance to the county auditor and the department of local
 41 government finance not more than thirty (30) days after the
 42 ordinance is adopted.
- 43 (C) The additional ~~homestead~~ credits must be applied
 44 uniformly to increase the ~~homestead~~ **property tax**
 45 **replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for
 46 ~~homesteads~~ **all tangible property** in the county, city, or town

1 **or all qualified residential property in the county, city, or**
 2 **town consisting of real property consisting of:**

3 **(i) not more than four (4) units that are regularly used to**
 4 **rent or otherwise furnish residential accommodations**
 5 **for periods of thirty (30) days or more;**

6 **(ii) mobile homes (as defined in IC 6-1.1-1-8.7) that are**
 7 **regularly used to rent or otherwise furnish residential**
 8 **accommodations for periods of thirty (30) days or more;**
 9 **and**

10 **(iii) real property consisting of at least five (5) units that**
 11 **are regularly used to rent or otherwise furnish**
 12 **residential accommodations for periods of thirty (30)**
 13 **days or more;**

14 **including not more than one (1) acre used for residential**
 15 **purposes on which the real property or mobile homes are**
 16 **located.**

17 (D) The additional ~~homestead~~ credits shall be treated for all
 18 purposes as property tax levies. The additional ~~homestead~~
 19 credits do not reduce the basis for determining the state
 20 property tax replacement credit under IC 6-1.1-21. ~~or the state~~
 21 ~~homestead credit under IC 6-1.1-20.9.~~

22 (E) The additional ~~homestead~~ credits shall be applied to the
 23 net property taxes due on the ~~homestead~~ **tangible property**
 24 after the application of all other assessed value deductions or
 25 property tax deductions and credits that apply to the amount
 26 owed under IC 6-1.1, **except IC 6-1.1-20.6.**

27 (F) The department of local government finance shall
 28 determine the additional ~~homestead~~ credit percentage for a
 29 particular year based on the amount of county economic
 30 development income tax revenue that will be used under this
 31 subdivision to provide additional ~~homestead~~ credits in that
 32 year.

33 (7) For a regional venture capital fund established under section
 34 13.5 of this chapter or a local venture capital fund established
 35 under section 13.6 of this chapter.

36 (8) This subdivision applies only to a county:

37 (A) that has a population of more than one hundred ten
 38 thousand (110,000) but less than one hundred fifteen thousand
 39 (115,000); and

40 (B) in which:

41 (i) the county fiscal body has adopted an ordinance under
 42 IC 36-7.5-2-3(e) providing that the county is joining the
 43 northwest Indiana regional development authority; and

44 (ii) the fiscal body of the city described in IC 36-7.5-2-3(e)
 45 has adopted an ordinance under IC 36-7.5-2-3(e) providing
 46 that the city is joining the development authority.

1 Revenue from the county economic development income tax may
 2 be used by a county or a city described in this subdivision for
 3 making transfers required by IC 36-7.5-4-2. In addition, if the
 4 county economic development income tax rate is increased after
 5 June 30, 2006, in the county, the first three million five hundred
 6 thousand dollars (\$3,500,000) of the tax revenue that results each
 7 year from the tax rate increase shall be used by the county only to
 8 make the county's transfer required by IC 36-7.5-4-2. The first
 9 three million five hundred thousand dollars (\$3,500,000) of the
 10 tax revenue that results each year from the tax rate increase shall
 11 be paid by the county treasurer to the treasurer of the northwest
 12 Indiana regional development authority under IC 36-7.5-4-2
 13 before certified distributions are made to the county or any cities
 14 or towns in the county under this chapter from the tax revenue
 15 that results each year from the tax rate increase. All of the tax
 16 revenue that results each year from the tax rate increase that is in
 17 excess of the first three million five hundred thousand dollars
 18 (\$3,500,000) that results each year from the tax rate increase must
 19 be used by the county and cities and towns in the county for
 20 additional **homestead property tax replacement** credits under
 21 subdivision (9).

22 (9) This subdivision applies only to a county described in
 23 subdivision (8). ~~Except as otherwise provided, the procedures and~~
 24 ~~definitions in IC 6-1.1-20.9 apply to this subdivision.~~ All of the
 25 tax revenue that results each year from a tax rate increase
 26 described in subdivision (8) that is in excess of the first three
 27 million five hundred thousand dollars (\$3,500,000) that results
 28 each year from the tax rate increase must be used by the county
 29 and cities and towns in the county for additional **homestead**
 30 **property tax replacement** credits under this subdivision. The
 31 following apply to additional **homestead** credits provided under
 32 this subdivision:

33 (A) The additional ~~homestead~~ credits must be applied
 34 uniformly to increase the **homestead property tax**
 35 **replacement** credit under ~~IC 6-1.1-20.9~~ **IC 6-1.1-21-5** for
 36 ~~homesteads~~ **all tangible property** in the county, city, or town
 37 **or all qualified residential property in the county, city, or**
 38 **town consisting of real property consisting of:**

- 39 (i) **not more than four (4) units that are regularly used to**
 40 **rent or otherwise furnish residential accommodations**
 41 **for periods of thirty (30) days or more;**
 42 (ii) **mobile homes (as defined in IC 6-1.1-1-8.7) that are**
 43 **regularly used to rent or otherwise furnish residential**
 44 **accommodations for periods of thirty (30) days or more;**
 45 **and**
 46 (iii) **real property consisting of at least five (5) units that**

1 **are regularly used to rent or otherwise furnish**
 2 **residential accommodations for periods of thirty (30)**
 3 **days or more;**
 4 **including not more than one (1) acre used for residential**
 5 **purposes on which the real property or mobile homes are**
 6 **located.**

7 (B) The additional ~~homestead~~ credits shall be treated for all
 8 purposes as property tax levies. The additional ~~homestead~~
 9 credits do not reduce the basis for determining the state
 10 property tax replacement credit under IC 6-1.1-21. ~~or the state~~
 11 ~~homestead credit under IC 6-1.1-20.9.~~

12 (C) The additional ~~homestead~~ credits shall be applied to the
 13 net property taxes due on the ~~homestead~~ **tangible property**
 14 after the application of all other assessed value deductions or
 15 property tax deductions and credits that apply to the amount
 16 owed under IC 6-1.1, **except IC 6-1.1-20.6.**

17 (D) The department of local government finance shall
 18 determine the additional ~~homestead~~ credit percentage for a
 19 particular year based on the amount of county economic
 20 development income tax revenue that will be used under this
 21 subdivision to provide additional ~~homestead~~ credits in that
 22 year.

23 (c) As used in this section, an economic development project is any
 24 project that:

- 25 (1) the county, city, or town determines will:
- 26 (A) promote significant opportunities for the gainful
 27 employment of its citizens;
- 28 (B) attract a major new business enterprise to the unit; or
- 29 (C) retain or expand a significant business enterprise within
 30 the unit; and
- 31 (2) involves an expenditure for:
- 32 (A) the acquisition of land;
- 33 (B) interests in land;
- 34 (C) site improvements;
- 35 (D) infrastructure improvements;
- 36 (E) buildings;
- 37 (F) structures;
- 38 (G) rehabilitation, renovation, and enlargement of buildings
 39 and structures;
- 40 (H) machinery;
- 41 (I) equipment;
- 42 (J) furnishings;
- 43 (K) facilities;
- 44 (L) administrative expenses associated with such a project,
 45 including contract payments authorized under subsection
 46 (b)(2)(D);

1 (M) operating expenses authorized under subsection (b)(2)(E);
 2 or
 3 (N) to the extent not otherwise allowed under this chapter,
 4 substance removal or remedial action in a designated unit;
 5 or any combination of these.

6 (d) If there are bonds outstanding that have been issued under
 7 section 14 of this chapter or leases in effect under section 21 of this
 8 chapter, a county, city, or town may not expend money from its
 9 economic development income tax fund for a purpose authorized under
 10 subsection (b)(3) in a manner that would adversely affect owners of the
 11 outstanding bonds or payment of any lease rentals due.

12 SECTION 50. IC 6-3.5-7-15 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) The
 14 executive of a county, city, or town may, subject to the use of the
 15 certified distribution permitted under ~~sections 25 and section 26~~ of this
 16 chapter:

17 (1) adopt a capital improvement plan specifying the uses of the
 18 revenues to be received under this chapter; or
 19 (2) designate the county or a city or town in the county as the
 20 recipient of all or a part of its share of the distribution.

21 (b) If a designation is made under subsection (a)(2), the county
 22 treasurer shall transfer the share or part of the share to the designated
 23 unit unless that unit does not have a capital improvement plan.

24 (c) A county, city, or town that fails to adopt a capital improvement
 25 plan may not receive:

26 (1) its fractional amount of the certified distribution; or
 27 (2) any amount designated under subsection (a)(2);

28 for the year or years in which the unit does not have a plan. The county
 29 treasurer shall retain the certified distribution and any designated
 30 distribution for such a unit in a separate account until the unit adopts
 31 a plan. Interest on the separate account becomes part of the account. If
 32 a unit fails to adopt a plan for a period of three (3) years, then the
 33 balance in the separate account shall be distributed to the other units in
 34 the county based on property taxes first due and payable to the units
 35 during the calendar year in which the three (3) year period expires.

36 (d) A capital improvement plan must include the following
 37 components:

38 (1) Identification and general description of each project that
 39 would be funded by the county economic development income
 40 tax.
 41 (2) The estimated total cost of the project.
 42 (3) Identification of all sources of funds expected to be used for
 43 each project.
 44 (4) The planning, development, and construction schedule of each
 45 project.

46 (e) A capital improvement plan:

- 1 (1) must encompass a period of no less than two (2) years; and
 2 (2) must incorporate projects the cost of which is at least
 3 seventy-five percent (75%) of the fractional amount certified
 4 distribution expected to be received by the county, city, or town
 5 in that period of time.

6 (f) In making a designation under subsection (a)(2), the executive
 7 must specify the purpose and duration of the designation. If the
 8 designation is made to provide for the payment of lease rentals or bond
 9 payments, the executive may specify that the designation and its
 10 duration are irrevocable.

11 SECTION 51. IC 6-3.5-7-16 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) Except as
 13 provided in subsections (b) and (c), on May 1 of each year, one-half
 14 (1/2) of each county's certified distribution for a calendar year shall be
 15 distributed from its account established under section 10 of this chapter
 16 to the county treasurer. The other one-half (1/2) shall be distributed on
 17 November 1 of that calendar year.

18 (b) This subsection applies to a county having a population of more
 19 than one hundred forty-five thousand (145,000) but less than one
 20 hundred forty-eight thousand (148,000). Notwithstanding section 11 of
 21 this chapter, the initial certified distribution certified for a county under
 22 section 11 of this chapter shall be distributed to the county treasurer
 23 from the account established for the county under section 10 of this
 24 chapter according to the following schedule during the eighteen (18)
 25 month period beginning on July 1 of the year in which the county
 26 initially adopts an ordinance under section 2 of this chapter:

- 27 (1) One-fourth (1/4) on October 1 of the year in which the
 28 ordinance was adopted.
 29 (2) One-fourth (1/4) on January 1 of the calendar year following
 30 the year in which the ordinance was adopted.
 31 (3) One-fourth (1/4) on May 1 of the calendar year following the
 32 year in which the ordinance was adopted.
 33 (4) One-fourth (1/4) on November 1 of the calendar year
 34 following the year in which the ordinance was adopted.

35 The county auditor and county treasurer shall distribute amounts
 36 received under this subsection to a county and each city or town in the
 37 county in the same proportions as are set forth in section 12 of this
 38 chapter. Certified distributions made to the county treasurer for
 39 calendar years following the eighteen (18) month period described in
 40 this subsection shall be made as provided in subsection (a).

41 (c) Before July 1 of each year, a county's certified distribution for
 42 additional ~~homestead~~ credits under section 25 or 26 of this chapter for
 43 the year shall be distributed from the county's account established
 44 under section 10 of this chapter.

45 (d) All distributions from an account established under section 10
 46 of this chapter shall be made by warrants issued by the auditor of state

- 1 to the treasurer of state ordering the appropriate payments.
- 2 SECTION 52. IC 6-3.5-7-26, AS AMENDED BY P.L.224-2007,
 3 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2009]: Sec. 26. (a) This section applies only to
 5 ~~homestead and~~ property tax replacement credits for property taxes first
 6 due and payable after calendar year 2006.
- 7 (b) The following definitions apply throughout this section:
- 8 (1) "Adopt" includes amend.
- 9 (2) "Adopting entity" means:
- 10 (A) the entity that adopts an ordinance under IC 6-1.1-12-41(f)
 11 **(before its repeal);** or
- 12 (B) any other entity that may impose a county economic
 13 development income tax under section 5 of this chapter.
- 14 ~~(3) "Homestead" refers to tangible property that is eligible for a~~
 15 ~~homestead credit under IC 6-1.1-20-9.~~
- 16 ~~(4) "Residential" refers to the following:~~
- 17 ~~(A) Real property, a mobile home, and industrialized housing~~
 18 ~~that would qualify as a homestead if the taxpayer had filed for~~
 19 ~~a homestead credit under IC 6-1.1-20-9.~~
- 20 ~~(B) Real property not described in clause (A) designed to~~
 21 ~~provide units that are regularly used to rent or otherwise~~
 22 ~~furnish residential accommodations for periods of thirty ~~(30)~~~~
 23 ~~days or more; regardless of whether the tangible property is~~
 24 ~~subject to assessment under rules of the department of local~~
 25 ~~government finance that apply to:~~
- 26 ~~(i) residential property; or~~
 27 ~~(ii) commercial property.~~
- 28 (c) An adopting entity may adopt an ordinance to provide for the use
 29 of the certified distribution described in section 16(c) of this chapter for
 30 the purpose provided in subsection (e). An adopting entity that adopts
 31 an ordinance under this subsection shall use the procedures set forth in
 32 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
 33 of the county option income tax. An ordinance must be adopted under
 34 this subsection after January 1, 2006, and before June 1, 2006, or, in a
 35 year following 2006, after March 31 but before August 1 of a calendar
 36 year. The ordinance may provide for an additional rate under section
 37 5(p) of this chapter. An ordinance adopted under this subsection:
- 38 (1) first applies to the certified distribution described in section
 39 16(c) of this chapter made in the later of the calendar year that
 40 immediately succeeds the calendar year in which the ordinance is
 41 adopted or calendar year 2007; and
- 42 (2) must specify that the certified distribution must be used to
 43 provide for one (1) of the following, as determined by the
 44 adopting entity:
- 45 (A) ~~Uniformly applied increased homestead credits as~~
 46 ~~provided in subsection (f):~~

1 ~~(B)~~ **(A)** Uniformly applied ~~increased residential~~ credits as
2 provided in subsection ~~(g)~~: **(f)** for all tangible property in the
3 county or all qualified residential property in the county
4 consisting of real property consisting of:
5 **(i)** not more than four (4) units that are regularly used to
6 rent or otherwise furnish residential accommodations
7 for periods of thirty (30) days or more;
8 **(ii)** mobile homes (as defined in IC 6-1.1-1-8.7) that are
9 regularly used to rent or otherwise furnish residential
10 accommodations for periods of thirty (30) days or more;
11 and
12 **(iii)** real property consisting of at least five (5) units that
13 are regularly used to rent or otherwise furnish
14 residential accommodations for periods of thirty (30)
15 days or more;
16 including not more than one (1) acre used for residential
17 purposes on which the real property or mobile homes are
18 located.
19 ~~(C)~~ Allocated increased homestead credits as provided in
20 subsection ~~(i)~~:
21 ~~(D)~~ **(B)** Allocated ~~increased residential~~ credits as provided in
22 subsection ~~(j)~~: **(h)** for all tangible property in the county or
23 all qualified residential property in the county consisting
24 of real property consisting of:
25 **(i)** not more than four (4) units that are regularly used to
26 rent or otherwise furnish residential accommodations
27 for periods of thirty (30) days or more;
28 **(ii)** mobile homes (as defined in IC 6-1.1-1-8.7) that are
29 regularly used to rent or otherwise furnish residential
30 accommodations for periods of thirty (30) days or more;
31 and
32 **(iii)** real property consisting of at least five (5) units that
33 are regularly used to rent or otherwise furnish
34 residential accommodations for periods of thirty (30)
35 days or more;
36 including not more than one (1) acre used for residential
37 purposes on which the real property or mobile homes are
38 located.
39 An ordinance adopted under this subsection may be combined with an
40 ordinance adopted under section 25 of this chapter:
41 (d) If an ordinance is adopted under subsection (c), the percentage
42 of the certified distribution specified in the ordinance for use for the
43 purpose provided in subsection (e) shall be:
44 (1) retained by the county auditor under subsection ~~(k)~~; **(i)**; and
45 (2) used for the purpose provided in subsection (e) instead of the
46 purposes specified in the capital improvement plans adopted
47 under section 15 of this chapter.

1 (e) If an ordinance is adopted under subsection (c), the adopting
 2 entity shall use the certified distribution described in section 16(c) of
 3 this chapter to increase

4 (1) if the ordinance grants a credit described in subsection
 5 (c)(2)(A) or (c)(2)(C); the homestead credit allowed in the county
 6 under IC 6-1.1-20-9 for a year; or

7 (2) if the ordinance grants a credit described in subsection
 8 (c)(2)(B) or (c)(2)(D); the property tax replacement credit allowed
 9 in the county under IC 6-1.1-21-5 for a year for the residential
 10 property to offset the effect on homesteads or residential the
 11 property as applicable; in the county resulting from the statewide
 12 deduction for inventory under IC 6-1.1-12-42. The amount of an
 13 additional residential property tax replacement credit granted
 14 under this section may not be considered in computing the
 15 amount of any homestead credit to which the residential property
 16 may be entitled under IC 6-1.1-20-9 or another law other than
 17 IC 6-1.1-20-6.

18 (f) If the imposing entity specifies the application of uniform
 19 increased homestead credits under subsection (c)(2)(A); the county
 20 auditor shall, for each calendar year in which an increased homestead
 21 credit percentage is authorized under this section; determine:

22 (1) the amount of the certified distribution that is available to
 23 provide an increased homestead credit percentage for the year;

24 (2) the amount of uniformly applied homestead credits for the
 25 year in the county that equals the amount determined under
 26 subdivision (1); and

27 (3) the increased percentage of homestead credit that equates to
 28 the amount of homestead credits determined under subdivision
 29 (2).

30 (g) (f) If the imposing entity specifies the application of uniform
 31 increased residential credits under subsection (c)(2)(B); (c)(2)(A), the
 32 county auditor shall determine for each calendar year in which an
 33 increased homestead credit percentage is authorized under this section:

34 (1) the amount of the certified distribution that is available to
 35 provide an increased residential property tax replacement credit
 36 percentage for the year;

37 (2) the amount of uniformly applied residential property tax
 38 replacement credits for the year in the county that equals the
 39 amount determined under subdivision (1); and

40 (3) the increased percentage of residential property tax
 41 replacement credit that equates to the amount of residential
 42 property tax replacement credits determined under subdivision
 43 (2).

44 (h) (g) The increased percentage of homestead credit determined by
 45 the county auditor under subsection (f) or the increased percentage of
 46 residential property tax replacement credit determined by the county

1 auditor under subsection ~~(g)~~ (f) applies uniformly in the county in the
2 calendar year for which the increased percentage is determined.

3 (i) If the imposing entity specifies the application of allocated
4 increased homestead credits under subsection ~~(c)(2)(C)~~; the county
5 auditor shall, for each calendar year in which an increased homestead
6 credit is authorized under this section, determine:

7 (1) the amount of the certified distribution that is available to
8 provide an increased homestead credit for the year; and

9 (2) except as provided in subsection (1); an increased percentage
10 of homestead credit for each taxing district in the county that
11 allocates to the taxing district an amount of increased homestead
12 credits that bears the same proportion to the amount determined
13 under subdivision (1) that the amount of inventory assessed value
14 deducted under IC 6-1.1-12-42 in the taxing district for the
15 immediately preceding year's assessment date bears to the total
16 inventory assessed value deducted under IC 6-1.1-12-42 in the
17 county for the immediately preceding year's assessment date.

18 ~~(j)~~ (h) If the imposing entity specifies the application of allocated
19 increased residential property tax replacement credits under subsection
20 ~~(c)(2)(D)~~; ~~(c)(2)(B)~~, the county auditor shall determine for each
21 calendar year in which an increased residential property tax
22 replacement credit is authorized under this section:

23 (1) the amount of the certified distribution that is available to
24 provide an increased residential property tax replacement credit
25 for the year; and

26 (2) except as provided in subsection ~~(i)~~; (j), an increased
27 percentage of residential property tax replacement credit for each
28 taxing district in the county that allocates to the taxing district an
29 amount of increased residential property tax replacement credits
30 that bears the same proportion to the amount determined under
31 subdivision (1) that the amount of inventory assessed value
32 deducted under IC 6-1.1-12-42 in the taxing district for the
33 immediately preceding year's assessment date bears to the total
34 inventory assessed value deducted under IC 6-1.1-12-42 in the
35 county for the immediately preceding year's assessment date.

36 ~~(k)~~ (i) The county auditor shall retain from the payments of the
37 county's certified distribution an amount equal to the revenue lost, if
38 any, due to the increase of the homestead credit or residential property
39 tax replacement credit within the county. The money shall be
40 distributed to the civil taxing units and school corporations of the
41 county:

42 (1) as if the money were from property tax collections; and

43 (2) in such a manner that no civil taxing unit or school
44 corporation will suffer a net revenue loss because of the
45 allowance of an increased homestead credit or residential property
46 tax replacement credit.

1 (†) (j) Subject to the approval of the imposing entity, the county
2 auditor may adjust the increased percentage of

3 (1) ~~homestead credit determined under subsection (i)(2)~~ if the
4 county auditor determines that the adjustment is necessary to
5 achieve an equitable reduction of property taxes among the
6 homesteads in the county; or

7 (2) ~~residential~~ property tax replacement credit determined under
8 subsection ~~(j)(2)~~ (h)(2) if the county auditor determines that the
9 adjustment is necessary to achieve an equitable reduction of
10 property taxes among the ~~residential~~ property in the county.

11 SECTION 53. IC 8-22-3.5-10, AS AMENDED BY P.L.219-2007,
12 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2009]: Sec. 10. (a) ~~Except as provided in subsection (d);~~
14 If the commission adopts the provisions of this section by resolution,
15 each taxpayer in the airport development zone is entitled to an
16 additional credit for taxes (as defined in IC 6-1.1-21-2) that, under
17 IC 6-1.1-22-9, are due and payable in that year. ~~Except as provided in~~
18 ~~subsection (d);~~ One-half (1/2) of the credit shall be applied to each
19 installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the
20 amount determined under the following STEPS for each taxpayer in a
21 taxing district that contains all or part of the airport development zone:

22 STEP ONE: Determine that part of the sum of the amounts under
23 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through
24 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

25 STEP TWO: Divide:

26 (A) that part of the county's eligible property tax replacement
27 amount (as defined in IC 6-1.1-21-2) for that year as
28 determined under IC 6-1.1-21-4 that is attributable to the
29 taxing district; by

30 (B) the STEP ONE sum.

31 STEP THREE: Multiply:

32 (A) the STEP TWO quotient; by

33 (B) the total amount of the taxpayer's taxes (as defined in
34 IC 6-1.1-21-2) levied in the taxing district that would have
35 been allocated to the special funds under section 9 of this
36 chapter had the additional credit described in this section not
37 been given.

38 The additional credit reduces the amount of proceeds allocated and
39 paid into the special funds under section 9 of this chapter.

40 (b) The additional credit under subsection (a) shall be:

41 (1) computed on an aggregate basis of all taxpayers in a taxing
42 district that contains all or part of an airport development zone;
43 and

44 (2) combined on the tax statement sent to each taxpayer.

45 (c) Concurrently with the mailing or other delivery of the tax
46 statement or any corrected tax statement to each taxpayer, as required

1 by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement
 2 also deliver to each taxpayer in an airport development zone who is
 3 entitled to the additional credit under subsection (a) a notice of
 4 additional credit. The actual dollar amount of the credit, the taxpayer's
 5 name and address, and the tax statement to which the credit applies
 6 shall be stated on the notice.

7 ~~(d) This subsection applies to an airport development zone only to~~
 8 ~~the extent that the net assessed value of property that is assessed as~~
 9 ~~residential property under the rules of the department of local~~
 10 ~~government finance is not included in the base assessed value. If~~
 11 ~~property tax installments with respect to a homestead (as defined in~~
 12 ~~IC 6-1.1-20.9-1) are due in installments established by the department~~
 13 ~~of local government finance under IC 6-1.1-22-9.5, each taxpayer~~
 14 ~~subject to those installments in an airport development zone is entitled~~
 15 ~~to an additional credit under subsection (a) for the taxes (as defined in~~
 16 ~~IC 6-1.1-21-2) due in installments. The credit shall be applied in the~~
 17 ~~same proportion to each installment of taxes (as defined in~~
 18 ~~IC 6-1.1-21-2).~~

19 SECTION 54. IC 12-20-25-45 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 45. (a)
 21 Notwithstanding IC 6-3.5-6, after the termination of the controlled
 22 status of all townships located in a county as provided in section 41 of
 23 this chapter and if the county option income tax is imposed under this
 24 chapter, the county fiscal body may adopt an ordinance to

25 ~~(1) increase the percentage credit allowed for homesteads in the~~
 26 ~~county under IC 6-1.1-20.9-2; or~~

27 ~~(2) reduce the county option income tax rate for resident county~~
 28 ~~taxpayers to a rate not less than the greater of:~~

29 ~~(A) the minimum rate necessary to satisfy the requirements of~~
 30 ~~section 43 of this chapter. or~~

31 ~~(B) the minimum rate necessary to satisfy the requirements of~~
 32 ~~sections 43 and 46(2) of this chapter if an ordinance is adopted~~
 33 ~~under subdivision (1).~~

34 ~~(b) A county fiscal body may not increase the percentage credit~~
 35 ~~allowed for homesteads in such a manner that more than eight percent~~
 36 ~~(8%) is added to the percentage established under IC 6-1.1-20.9-2(d).~~

37 ~~(c) The increase in the homestead credit percentage must be uniform~~
 38 ~~for all homesteads in a county.~~

39 ~~(d) In an ordinance that increases the homestead credit percentage,~~
 40 ~~the county fiscal body may provide for a series of increases or~~
 41 ~~decreases to take place for each of a group of succeeding calendar~~
 42 ~~years.~~

43 ~~(e) (b) An ordinance may be adopted under this section after~~
 44 ~~January 1 but before June 1 of a calendar year.~~

45 ~~(f) (c) An ordinance adopted under this section takes effect January~~
 46 ~~1 of the next calendar year.~~

1 ~~(g)~~ (d) An ordinance adopted under this section for a county is not
2 applicable for a year if on January 1 of that year the county option
3 income tax is not in effect.

4 SECTION 55. IC 12-20-25-46 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 46. After the
6 termination of the controlled status of all townships located in a county
7 as provided in section 41 of this chapter, if the county adjusted gross
8 income tax or the county option income tax is imposed under this
9 chapter, any revenues from the county adjusted gross income tax or the
10 county option income tax imposed under this chapter shall be
11 distributed in the following priority:

12 (1) To satisfy the requirements of section 43 of this chapter.

13 ~~(2) If the county option income tax imposed under this chapter is~~
14 ~~in effect, to replace the amount, if any, of property tax revenue~~
15 ~~lost due to the allowance of an increased homestead credit within~~
16 ~~the county.~~

17 ~~(3)~~ (2) To be used as a certified distribution as provided in
18 IC 6-3.5-1.1 or IC 6-3.5-6, whichever applies.

19 SECTION 56. IC 20-46-3-6, AS ADDED BY P.L.2-2006,
20 SECTION 169, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JANUARY 1, 2009]: Sec. 6. ~~Subject to~~
22 ~~IC 6-1.1-18.5-9.9;~~ The tax control board may recommend to the
23 department of local government finance that a school corporation be
24 allowed to establish a levy. The amount of the levy shall be determined
25 each year and the levy may not exceed the lesser of the following:

26 (1) The revenue derived from a tax rate of eight and thirty-three
27 hundredths cents (\$0.0833) for each one hundred dollars (\$100)
28 of assessed valuation within the school corporation.

29 (2) The revenue derived from a tax rate equal to the difference
30 between the maximum rate allowed for the school corporation's
31 capital projects fund under IC 20-46-6 minus the actual capital
32 projects fund rate that will be in effect for the school corporation
33 for a particular year.

34 SECTION 57. IC 20-46-6-5, AS ADDED BY P.L.154-2006,
35 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2009]: Sec. 5. Subject to IC 6-1.1-18-12, ~~and~~
37 ~~IC 6-1.1-18.5-9.9;~~ to provide for the fund, the governing body may, for
38 each year in which a plan is in effect, impose a property tax rate that
39 does not exceed forty-one and sixty-seven hundredths cents (\$0.4167)
40 on each one hundred dollars (\$100) of assessed valuation of the school
41 corporation. The actual rate imposed by the governing body must be
42 advertised in the same manner as other property tax rates.

43 SECTION 58. IC 35-41-1-10.5, AS AMENDED BY P.L.26-2006,
44 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
45 JANUARY 1, 2009]: Sec. 10.5. "Family housing complex" means a
46 building or series of buildings:

- 1 (1) that contains at least twelve (12) dwelling units:
 2 (A) where children are domiciled or are likely to be domiciled;
 3 and
 4 (B) that are owned by a governmental unit or political
 5 subdivision;
 6 (2) that is operated as a hotel or motel (as described in
 7 IC 22-11-18-1);
 8 (3) that is operated as an apartment complex ~~(as defined in~~
 9 ~~IC 6-1.1-20-6-1)~~; **that consists of real property consisting of at**
 10 **least five (5) units that are regularly used to rent or otherwise**
 11 **furnish residential accommodations for periods of thirty (30)**
 12 **days or more; or**
 13 (4) that contains subsidized housing.

14 SECTION 59. IC 36-7-14-39.5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39.5. (a) As used
 16 in this section, "allocation area" has the meaning set forth in section 39
 17 of this chapter.

18 (b) As used in this section, "taxing district" has the meaning set
 19 forth in IC 6-1.1-1-20.

20 (c) Subject to subsection (e), ~~and except as provided in subsection~~
 21 ~~(h)~~; each taxpayer in an allocation area is entitled to an additional credit
 22 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due
 23 and payable in May and November of that year. ~~Except as provided in~~
 24 ~~subsection (h)~~; One-half (1/2) of the credit shall be applied to each
 25 installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the
 26 amount determined under the following STEPS for each taxpayer in a
 27 taxing district that contains all or part of the allocation area:

28 STEP ONE: Determine that part of the sum of the amounts under
 29 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 30 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 31 the taxing district.

32 STEP TWO: Divide:

33 (A) that part of each county's eligible property tax replacement
 34 amount (as defined in IC 6-1.1-21-2) for that year as
 35 determined under IC 6-1.1-21-4 that is attributable to the
 36 taxing district; by

37 (B) the STEP ONE sum.

38 STEP THREE: Multiply:

39 (A) the STEP TWO quotient; times

40 (B) the total amount of the taxpayer's taxes (as defined in
 41 IC 6-1.1-21-2) levied in the taxing district that would have
 42 been allocated to an allocation fund under section 39 of this
 43 chapter had the additional credit described in this section not
 44 been given.

45 The additional credit reduces the amount of proceeds allocated to the
 46 redevelopment district and paid into an allocation fund under section

1 39(b)(2) of this chapter.

2 (d) If the additional credit under subsection (c) is not reduced under
3 subsection (e) or (f), the credit for property tax replacement under
4 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
5 computed on an aggregate basis for all taxpayers in a taxing district
6 that contains all or part of an allocation area. The credit for property tax
7 replacement under IC 6-1.1-21-5 and the additional credit under
8 subsection (c) shall be combined on the tax statements sent to each
9 taxpayer.

10 (e) Upon the recommendation of the redevelopment commission,
11 the municipal legislative body (in the case of a redevelopment
12 commission established by a municipality) or the county executive (in
13 the case of a redevelopment commission established by a county) may,
14 by resolution, provide that the additional credit described in subsection
15 (c):

- 16 (1) does not apply in a specified allocation area; or
17 (2) is to be reduced by a uniform percentage for all taxpayers in
18 a specified allocation area.

19 (f) Whenever the municipal legislative body or county executive
20 determines that granting the full additional credit under subsection (c)
21 would adversely affect the interests of the holders of bonds or other
22 contractual obligations that are payable from allocated tax proceeds in
23 that allocation area in a way that would create a reasonable expectation
24 that those bonds or other contractual obligations would not be paid
25 when due, the municipal legislative body or county executive must
26 adopt a resolution under subsection (e) to deny the additional credit or
27 reduce it to a level that creates a reasonable expectation that the bonds
28 or other obligations will be paid when due. A resolution adopted under
29 subsection (e) denies or reduces the additional credit for property taxes
30 first due and payable in the allocation area in any year following the
31 year in which the resolution is adopted.

32 (g) A resolution adopted under subsection (e) remains in effect until
33 it is rescinded by the body that originally adopted it. However, a
34 resolution may not be rescinded if the rescission would adversely affect
35 the interests of the holders of bonds or other obligations that are
36 payable from allocated tax proceeds in that allocation area in a way that
37 would create a reasonable expectation that the principal of or interest
38 on the bonds or other obligations would not be paid when due. If a
39 resolution is rescinded and no other resolution is adopted, the
40 additional credit described in subsection (c) applies to property taxes
41 first due and payable in the allocation area in each year following the
42 year in which the resolution is rescinded.

43 (h) This subsection applies to an allocation area only to the extent
44 that the net assessed value of property that is assessed as residential
45 property under the rules of the department of local government finance
46 is not included in the base assessed value. If property tax installments

1 with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in
 2 installments established by the department of local government finance
 3 under IC 6-1.1-22-9.5; each taxpayer subject to those installments in an
 4 allocation area is entitled to an additional credit under subsection (c)
 5 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 6 credit shall be applied in the same proportion to each installment of
 7 taxes (as defined in IC 6-1.1-21-2).

8 SECTION 60. IC 36-7-14-48, AS AMENDED BY P.L.219-2007,
 9 SECTION 126, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JANUARY 1, 2009]: Sec. 48. (a) Notwithstanding
 11 section 39(a) of this chapter, with respect to the allocation and
 12 distribution of property taxes for the accomplishment of a program
 13 adopted under section 45 of this chapter, "base assessed value" means
 14 the net assessed value of all of the property, other than personal
 15 property, as finally determined for the assessment date immediately
 16 preceding the effective date of the allocation provision, as adjusted
 17 under section 39(h) of this chapter.

18 (b) The allocation fund established under section 39(b) of this
 19 chapter for the allocation area for a program adopted under section 45
 20 of this chapter may be used only for purposes related to the
 21 accomplishment of the program, including the following:

22 (1) The construction, rehabilitation, or repair of residential units
 23 within the allocation area.

24 (2) The construction, reconstruction, or repair of any
 25 infrastructure (including streets, sidewalks, and sewers) within or
 26 serving the allocation area.

27 (3) The acquisition of real property and interests in real property
 28 within the allocation area.

29 (4) The demolition of real property within the allocation area.

30 (5) The provision of financial assistance to enable individuals and
 31 families to purchase or lease residential units within the allocation
 32 area. However, financial assistance may be provided only to those
 33 individuals and families whose income is at or below the county's
 34 median income for individuals and families, respectively.

35 (6) The provision of financial assistance to neighborhood
 36 development corporations to permit them to provide financial
 37 assistance for the purposes described in subdivision (5).

38 (7) Providing each taxpayer in the allocation area a credit for
 39 property tax replacement as determined under subsections (c) and
 40 (d). However, the commission may provide this credit only if the
 41 municipal legislative body (in the case of a redevelopment
 42 commission established by a municipality) or the county
 43 executive (in the case of a redevelopment commission established
 44 by a county) establishes the credit by ordinance adopted in the
 45 year before the year in which the credit is provided.

46 (c) The maximum credit that may be provided under subsection

1 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 2 allocation area established for a program adopted under section 45 of
 3 this chapter shall be determined as follows:

4 STEP ONE: Determine that part of the sum of the amounts
 5 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 6 through IC 6-1.1-21-2(g)(5) that is attributable to the taxing
 7 district.

8 STEP TWO: Divide:

9 (A) that part of each county's eligible property tax replacement
 10 amount (as defined in IC 6-1.1-21-2) for that year as
 11 determined under IC 6-1.1-21-4(a)(1) that is attributable to the
 12 taxing district; by

13 (B) the amount determined under STEP ONE.

14 STEP THREE: Multiply:

15 (A) the STEP TWO quotient; by

16 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in
 17 the taxing district allocated to the allocation fund, including
 18 the amount that would have been allocated but for the credit.

19 (d) The commission may determine to grant to taxpayers in an
 20 allocation area from its allocation fund a credit under this section, as
 21 calculated under subsection (c). ~~Except as provided in subsection (g);~~
 22 One-half (1/2) of the credit shall be applied to each installment of taxes
 23 (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and
 24 payable in a year. The commission must provide for the credit annually
 25 by a resolution and must find in the resolution the following:

26 (1) That the money to be collected and deposited in the allocation
 27 fund, based upon historical collection rates, after granting the
 28 credit will equal the amounts payable for contractual obligations
 29 from the fund, plus ten percent (10%) of those amounts.

30 (2) If bonds payable from the fund are outstanding, that there is
 31 a debt service reserve for the bonds that at least equals the amount
 32 of the credit to be granted.

33 (3) If bonds of a lessor under section 25.2 of this chapter or under
 34 IC 36-1-10 are outstanding and if lease rentals are payable from
 35 the fund, that there is a debt service reserve for those bonds that
 36 at least equals the amount of the credit to be granted.

37 If the tax increment is insufficient to grant the credit in full, the
 38 commission may grant the credit in part, prorated among all taxpayers.

39 (e) Notwithstanding section 39(b) of this chapter, the allocation
 40 fund established under section 39(b) of this chapter for the allocation
 41 area for a program adopted under section 45 of this chapter may only
 42 be used to do one (1) or more of the following:

43 (1) Accomplish one (1) or more of the actions set forth in section
 44 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter
 45 for property that is residential in nature.

46 (2) Reimburse the county or municipality for expenditures made

1 by the county or municipality in order to accomplish the housing
 2 program in that allocation area.

3 The allocation fund may not be used for operating expenses of the
 4 commission.

5 (f) Notwithstanding section 39(b) of this chapter, the commission
 6 shall, relative to the allocation fund established under section 39(b) of
 7 this chapter for an allocation area for a program adopted under section
 8 45 of this chapter, do the following before July 15 of each year:

9 (1) Determine the amount, if any, by which property taxes payable
 10 to the allocation fund in the following year will exceed the
 11 amount of property taxes necessary:

12 (A) to make, when due, principal and interest payments on
 13 bonds described in section 39(b)(2) of this chapter;

14 (B) to pay the amount necessary for other purposes described
 15 in section 39(b)(2) of this chapter; and

16 (C) to reimburse the county or municipality for anticipated
 17 expenditures described in subsection (e)(2).

18 (2) Notify the county auditor of the amount, if any, of excess
 19 property taxes that the commission has determined may be paid
 20 to the respective taxing units in the manner prescribed in section
 21 39(b)(1) of this chapter.

22 (g) This subsection applies to an allocation area only to the extent
 23 that the net assessed value of property that is assessed as residential
 24 property under the rules of the department of local government finance
 25 is not included in the base assessed value. If property tax installments
 26 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in
 27 installments established by the department of local government finance
 28 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 29 allocation area is entitled to an additional credit under subsection (d)
 30 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 31 credit shall be applied in the same proportion to each installment of
 32 taxes (as defined in IC 6-1.1-21-2).

33 SECTION 61. IC 36-7-15.1-26.5, AS AMENDED BY
 34 P.L.219-2007, SECTION 129, IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 26.5. (a) As used
 36 in this section, "adverse determination" means a determination by the
 37 fiscal officer of the consolidated city that the granting of credits
 38 described in subsection (g) or (h) would impair any contract with or
 39 otherwise adversely affect the owners of outstanding bonds payable
 40 from the allocation area special fund.

41 (b) As used in this section, "allocation area" has the meaning set
 42 forth in section 26 of this chapter.

43 (c) As used in this section, "special fund" refers to the special fund
 44 into which property taxes are paid under section 26 of this chapter.

45 (d) As used in this section, "taxing district" has the meaning set
 46 forth in IC 6-1.1-1-20.

1 (e) Except as provided in subsections (g), (h), **and (i) and (j)**; each
 2 taxpayer in an allocation area is entitled to an additional credit for taxes
 3 (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and
 4 payable in that year. ~~Except as provided in subsection (j)~~; One-half
 5 (1/2) of the credit shall be applied to each installment of taxes (as
 6 defined in IC 6-1.1-21-2). This credit equals the amount determined
 7 under the following STEPS for each taxpayer in a taxing district that
 8 contains all or part of the allocation area:

9 STEP ONE: Determine that part of the sum of the amounts under
 10 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 11 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 12 the taxing district.

13 STEP TWO: Divide:

14 (A) that part of each county's eligible property tax replacement
 15 amount (as defined in IC 6-1.1-21-2) for that year as
 16 determined under IC 6-1.1-21-4 that is attributable to the
 17 taxing district; by

18 (B) the STEP ONE sum.

19 STEP THREE: Multiply:

20 (A) the STEP TWO quotient; by

21 (B) the total amount of the taxpayer's taxes (as defined in
 22 IC 6-1.1-21-2) levied in the taxing district that would have
 23 been allocated to an allocation fund under section 26 of this
 24 chapter had the additional credit described in this section not
 25 been given.

26 The additional credit reduces the amount of proceeds allocated to the
 27 redevelopment district and paid into the special fund.

28 (f) The credit for property tax replacement under IC 6-1.1-21-5 and
 29 the additional credits under subsections (e), (g), (h), and (i), unless the
 30 credits under subsections (g) and (h) are partial credits, shall be
 31 computed on an aggregate basis for all taxpayers in a taxing district
 32 that contains all or part of an allocation area. Except as provided in
 33 subsections (h) and (i), the credit for property tax replacement under
 34 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),
 35 and (i) shall be combined on the tax statements sent to each taxpayer.

36 (g) This subsection applies to an allocation area if allocated taxes
 37 from that area were pledged to bonds, leases, or other obligations of the
 38 commission before May 8, 1989. A credit calculated using the method
 39 provided in subsection (e) may be granted under this subsection. The
 40 credit provided under this subsection is first applicable for the
 41 allocation area for property taxes first due and payable in 1992. The
 42 following apply to the determination of the credit provided under this
 43 subsection:

44 (1) Before June 15 of each year, the fiscal officer of the
 45 consolidated city shall determine and certify the following:

46 (A) All amounts due in the following year to the owners of

- 1 outstanding bonds payable from the allocation area special
2 fund.
- 3 (B) All amounts that are:
- 4 (i) required under contracts with bond holders; and
5 (ii) payable from the allocation area special fund to fund
6 accounts and reserves.
- 7 (C) An estimate of the amount of personal property taxes
8 available to be paid into the allocation area special fund under
9 section 26.9(c) of this chapter.
- 10 (D) An estimate of the aggregate amount of credits to be
11 granted if full credits are granted.
- 12 (2) Before June 15 of each year, the fiscal officer of the
13 consolidated city shall determine if the granting of the full amount
14 of credits in the following year would impair any contract with or
15 otherwise adversely affect the owners of outstanding bonds
16 payable from the allocation area special fund.
- 17 (3) If the fiscal officer of the consolidated city determines under
18 subdivision (2) that there would not be an impairment or adverse
19 effect:
- 20 (A) the fiscal officer of the consolidated city shall certify the
21 determination; and
- 22 (B) the full credits shall be applied in the following year,
23 subject to the determinations and certifications made under
24 section 26.7(b) of this chapter.
- 25 (4) If the fiscal officer of the consolidated city makes an adverse
26 determination under subdivision (2), the fiscal officer of the
27 consolidated city shall determine whether there is an amount of
28 partial credits that, if granted in the following year, would not
29 result in the impairment or adverse effect. If the fiscal officer
30 determines that there is an amount of partial credits that would
31 not result in the impairment or adverse effect, the fiscal officer
32 shall do the following:
- 33 (A) Determine the amount of the partial credits.
34 (B) Certify that determination.
- 35 (5) If the fiscal officer of the consolidated city certifies under
36 subdivision (4) that partial credits may be paid, the partial credits
37 shall be applied pro rata among all affected taxpayers in the
38 following year.
- 39 (6) An affected taxpayer may appeal any of the following to the
40 circuit or superior court of the county in which the allocation area
41 is located:
- 42 (A) A determination by the fiscal officer of the consolidated
43 city that:
- 44 (i) credits may not be paid in the following year; or
45 (ii) only partial credits may be paid in the following year.
46 (B) A failure by the fiscal officer of the consolidated city to

- 1 make a determination by June 15 of whether full or partial
2 credits are payable under this subsection.
- 3 (7) An appeal of a determination must be filed not later than thirty
4 (30) days after the publication of the determination.
- 5 (8) An appeal of a failure by the fiscal officer of the consolidated
6 city to make a determination of whether the credits are payable
7 under this subsection must be filed by July 15 of the year in which
8 the determination should have been made.
- 9 (9) All appeals under subdivision (6) shall be decided by the court
10 within sixty (60) days.
- 11 (h) This subsection applies to an allocation area if allocated taxes
12 from that area were pledged to bonds, leases, or other obligations of the
13 commission before May 8, 1989. A credit calculated using the method
14 in subsection (e) and in subdivision (2) may be granted under this
15 subsection. The following apply to the credit granted under this
16 subsection:
- 17 (1) The credit is applicable to property taxes first due and payable
18 in 1991.
- 19 (2) For purposes of this subsection, the amount of a credit for
20 1990 taxes payable in 1991 with respect to an affected taxpayer
21 is equal to:
- 22 (A) the amount of the quotient determined under STEP TWO
23 of subsection (e); multiplied by
- 24 (B) the total amount of the property taxes payable by the
25 taxpayer that were allocated in 1991 to the allocation area
26 special fund under section 26 of this chapter.
- 27 (3) Before June 15, 1991, the fiscal officer of the consolidated
28 city shall determine and certify an estimate of the aggregate
29 amount of credits for 1990 taxes payable in 1991 if the full credits
30 are granted.
- 31 (4) The fiscal officer of the consolidated city shall determine
32 whether the granting of the full amounts of the credits for 1990
33 taxes payable in 1991 against 1991 taxes payable in 1992 and the
34 granting of credits under subsection (g) would impair any contract
35 with or otherwise adversely affect the owners of outstanding
36 bonds payable from the allocation area special fund for an
37 allocation area described in subsection (g).
- 38 (5) If the fiscal officer of the consolidated city determines that
39 there would not be an impairment or adverse effect under
40 subdivision (4):
- 41 (A) the fiscal officer shall certify that determination; and
- 42 (B) the full credits shall be applied against 1991 taxes payable
43 in 1992 or the amount of the credits shall be paid to the
44 taxpayers as provided in subdivision (12), subject to the
45 determinations and certifications made under section 26.7(b)
46 of this chapter.

- 1 (6) If the fiscal officer of the consolidated city makes an adverse
2 determination under subdivision (4), the fiscal officer shall
3 determine whether there is an amount of partial credits for 1990
4 taxes payable in 1991 that, if granted against 1991 taxes payable
5 in 1992 in addition to granting of the credits under subsection (g),
6 would not result in the impairment or adverse effect.
- 7 (7) If the fiscal officer of the consolidated city determines under
8 subdivision (6) that there is an amount of partial credits that
9 would not result in the impairment or adverse effect, the fiscal
10 officer shall determine the amount of partial credits and certify
11 that determination.
- 12 (8) If the fiscal officer of the consolidated city certifies under
13 subdivision (7) that partial credits may be paid, the partial credits
14 shall be applied pro rata among all affected taxpayers against
15 1991 taxes payable in 1992.
- 16 (9) An affected taxpayer may appeal any of the following to the
17 circuit or superior court of the county in which the allocation area
18 is located:
- 19 (A) A determination by the fiscal officer of the consolidated
20 city that:
- 21 (i) credits may not be paid for 1990 taxes payable in 1991;
22 or
23 (ii) only partial credits may be paid for 1990 taxes payable
24 in 1991.
- 25 (B) A failure by the fiscal officer of the consolidated city to
26 make a determination by June 15, 1991, of whether credits are
27 payable under this subsection.
- 28 (10) An appeal of a determination must be filed not later than
29 thirty (30) days after the publication of the determination. Any
30 such appeal shall be decided by the court within sixty (60) days.
- 31 (11) An appeal of a failure by the fiscal officer of the consolidated
32 city to make a determination of whether credits are payable under
33 this subsection must be filed by July 15, 1991. Any such appeal
34 shall be decided by the court within sixty (60) days.
- 35 (12) If 1991 taxes payable in 1992 with respect to a parcel are
36 billed to the same taxpayer to which 1990 taxes payable in 1991
37 were billed, the county treasurer shall apply to the tax bill for
38 1991 taxes payable in 1992 both the credit provided under
39 subsection (g) and the credit provided under this subsection,
40 along with any credit determined to be applicable to the tax bill
41 under subsection (i). In the alternative, at the election of the
42 county auditor, the county may pay to the taxpayer the amount of
43 the credit by May 10, 1992, and the amount shall be charged to
44 the taxing units in which the allocation area is located in the
45 proportion of the taxing units' respective tax rates for 1990 taxes
46 payable in 1991.

1 (13) If 1991 taxes payable in 1992 with respect to a parcel are
2 billed to a taxpayer other than the taxpayer to which 1990 taxes
3 payable in 1991 were billed, the county treasurer shall do the
4 following:

5 (A) Apply only the credits under subsections (g) and (i) to the
6 tax bill for 1991 taxes payable in 1992.

7 (B) Give notice by June 30, 1991, by publication two (2) times
8 in three (3) newspapers in the county with the largest
9 circulation of the availability of a refund of the credit under
10 this subsection.

11 A taxpayer entitled to a credit must file an application for refund
12 of the credit with the county auditor not later than November 30,
13 1991.

14 (14) A taxpayer who files an application by November 30, 1991,
15 is entitled to payment from the county treasurer in an amount that
16 is in the same proportion to the credit provided under this
17 subsection with respect to a parcel as the amount of 1990 taxes
18 payable in 1991 paid by the taxpayer with respect to the parcel
19 bears to the 1990 taxes payable in 1991 with respect to the parcel.
20 This amount shall be paid to the taxpayer by May 10, 1992, and
21 shall be charged to the taxing units in which the allocation area is
22 located in the proportion of the taxing units' respective tax rates
23 for 1990 taxes payable in 1991.

24 (i) This subsection applies to an allocation area if allocated taxes
25 from that area were pledged to bonds, leases, or other obligations of the
26 commission before May 8, 1989. The following apply to the credit
27 granted under this subsection:

28 (1) A prior year credit is applicable to property taxes first due and
29 payable in each year from 1987 through 1990 (the "prior years").

30 (2) The credit for each prior year is equal to:

31 (A) the amount of the quotient determined under STEP TWO
32 of subsection (e) for the prior year; multiplied by

33 (B) the total amount of the property taxes paid by the taxpayer
34 that were allocated in the prior year to the allocation area
35 special fund under section 26 of this chapter.

36 (3) Before January 31, 1992, the county auditor shall determine
37 the amount of credits under subdivision (2) with respect to each
38 parcel in the allocation area for all prior years with respect to
39 which:

40 (A) taxes were billed to the same taxpayer for taxes payable in
41 each year from 1987 through 1991; or

42 (B) an application was filed by November 30, 1991, under
43 subdivision (8) for refund of the credits for prior years.

44 A report of the determination by parcel shall be sent by the county
45 auditor to the department of local government finance and the
46 budget agency within five (5) days of such determination.

- 1 (4) Before January 31, 1992, the county auditor shall determine
2 the quotient of the amounts determined under subdivision (3) with
3 respect to each parcel divided by six (6).
- 4 (5) Before January 31, 1992, the county auditor shall determine
5 the quotient of the aggregate amounts determined under
6 subdivision (3) with respect to all parcels divided by twelve (12).
- 7 (6) Except as provided in subdivisions (7) and (9), in each year in
8 which credits from prior years remain unpaid, credits for the prior
9 years in the amounts determined under subdivision (4) shall be
10 applied as provided in this subsection.
- 11 (7) If taxes payable in the current year with respect to a parcel are
12 billed to the same taxpayer to which taxes payable in all of the
13 prior years were billed and if the amount determined under
14 subdivision (3) with respect to the parcel is at least five hundred
15 dollars (\$500), the county treasurer shall apply the credits
16 provided for the current year under subsections (g) and (h) and
17 the credit in the amount determined under subdivision (4) to the
18 tax bill for taxes payable in the current year. However, if the
19 amount determined under subdivision (3) with respect to the
20 parcel is less than five hundred dollars (\$500) (referred to in this
21 subdivision as "small claims"), the county may, at the election of
22 the county auditor, either apply a credit in the amount determined
23 under subdivision (3) or (4) to the tax bill for taxes payable in the
24 current year or pay either amount to the taxpayer. If title to a
25 parcel transfers in a year in which a credit under this subsection
26 is applied to the tax bill, the transferor may file an application
27 with the county auditor within thirty (30) days of the date of the
28 transfer of title to the parcel for payments to the transferor at the
29 same times and in the same amounts that would have been
30 allowed as credits to the transferor under this subsection if there
31 had not been a transfer. If a determination is made by the county
32 auditor to refund or credit small claims in the amounts determined
33 under subdivision (3) in 1992, the county auditor may make
34 appropriate adjustments to the credits applied with respect to
35 other parcels so that the total refunds and credits in any year will
36 not exceed the payments made from the state property tax
37 replacement fund to the prior year credit fund referred to in
38 subdivision (11) in that year.
- 39 (8) If taxes payable in the current year with respect to a parcel are
40 billed to a taxpayer that is not a taxpayer to which taxes payable
41 in all of the prior years were billed, the county treasurer shall do
42 the following:
- 43 (A) Apply only the credits under subsections (g) and (h) to the
44 tax bill for taxes payable in the current year.
- 45 (B) Give notice by June 30, 1991, by publication two (2) times
46 in three (3) newspapers in the county with the largest

- 1 circulation of the availability of a refund of the credit.
 2 A taxpayer entitled to the credit must file an application for
 3 refund of the credit with the county auditor not later than
 4 November 30, 1991. A refund shall be paid to an eligible
 5 applicant by May 10, 1992.
 6 (9) A taxpayer who filed an application by November 30, 1991,
 7 is entitled to payment from the county treasurer under subdivision
 8 (8) in an amount that is in the same proportion to the credit
 9 determined under subdivision (3) with respect to a parcel as the
 10 amount of taxes payable in the prior years paid by the taxpayer
 11 with respect to the parcel bears to the taxes payable in the prior
 12 years with respect to the parcel.
 13 (10) In each year on May 1 and November 1, the state shall pay
 14 to the county treasurer from the state property tax replacement
 15 fund the amount determined under subdivision (5).
 16 (11) All payments received from the state under subdivision (10)
 17 shall be deposited into a special fund to be known as the prior
 18 year credit fund. The prior year credit fund shall be used to make:
 19 (A) payments under subdivisions (7) and (9); and
 20 (B) deposits into the special fund for the application of prior
 21 year credits.
 22 (12) All amounts paid into the special fund for the allocation area
 23 under subdivision (11) are subject to any pledge of allocated
 24 property tax proceeds made by the redevelopment district under
 25 section 26(d) of this chapter, including but not limited to any
 26 pledge made to owners of outstanding bonds of the
 27 redevelopment district of allocated taxes from that area.
 28 (13) By January 15, 1993, and by January 15 of each year
 29 thereafter, the county auditor shall send to the department of local
 30 government finance and the budget agency a report of the
 31 receipts, earnings, and disbursements of the prior year credit fund
 32 for the prior calendar year. If in the final year that credits under
 33 subsection (i) are allowed any balance remains in the prior year
 34 credit fund after the payment of all credits payable under this
 35 subsection, such balance shall be repaid to the treasurer of state
 36 for deposit in the property tax replacement fund.
 37 (14) In each year, the county shall limit the total of all refunds and
 38 credits provided for in this subsection to the total amount paid in
 39 that year from the property tax replacement fund into the prior
 40 year credit fund and any balance remaining from the preceding
 41 year in the prior year credit fund.
 42 (j) This subsection applies to an allocation area only to the extent
 43 that the net assessed value of property that is assessed as residential
 44 property under the rules of the department of local government finance
 45 is not included in the base assessed value. If property tax installments
 46 with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in

1 installments established by the department of local government finance
 2 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 3 allocation area is entitled to an additional credit under subsection (e)
 4 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 5 credit shall be applied in the same proportion to each installment of
 6 taxes (as defined in IC 6-1.1-21-2).

7 SECTION 62. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007,
 8 SECTION 131, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2009]: Sec. 35. (a) Notwithstanding
 10 section 26(a) of this chapter, with respect to the allocation and
 11 distribution of property taxes for the accomplishment of a program
 12 adopted under section 32 of this chapter, "base assessed value" means
 13 the net assessed value of all of the land as finally determined for the
 14 assessment date immediately preceding the effective date of the
 15 allocation provision, as adjusted under section 26(g) of this chapter.
 16 However, "base assessed value" does not include the value of real
 17 property improvements to the land.

18 (b) The special fund established under section 26(b) of this chapter
 19 for the allocation area for a program adopted under section 32 of this
 20 chapter may be used only for purposes related to the accomplishment
 21 of the program, including the following:

22 (1) The construction, rehabilitation, or repair of residential units
 23 within the allocation area.

24 (2) The construction, reconstruction, or repair of infrastructure
 25 (such as streets, sidewalks, and sewers) within or serving the
 26 allocation area.

27 (3) The acquisition of real property and interests in real property
 28 within the allocation area.

29 (4) The demolition of real property within the allocation area.

30 (5) To provide financial assistance to enable individuals and
 31 families to purchase or lease residential units within the allocation
 32 area. However, financial assistance may be provided only to those
 33 individuals and families whose income is at or below the county's
 34 median income for individuals and families, respectively.

35 (6) To provide financial assistance to neighborhood development
 36 corporations to permit them to provide financial assistance for the
 37 purposes described in subdivision (5).

38 (7) To provide each taxpayer in the allocation area a credit for
 39 property tax replacement as determined under subsections (c) and
 40 (d). However, this credit may be provided by the commission only
 41 if the city-county legislative body establishes the credit by
 42 ordinance adopted in the year before the year in which the credit
 43 is provided.

44 (c) The maximum credit that may be provided under subsection
 45 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 46 allocation area established for a program adopted under section 32 of

- 1 this chapter shall be determined as follows:
- 2 STEP ONE: Determine that part of the sum of the amounts
- 3 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
- 4 through IC 6-1.1-21-2(g)(5) that is attributable to the taxing
- 5 district.
- 6 STEP TWO: Divide:
- 7 (A) that part of each county's eligible property tax replacement
- 8 amount (as defined in IC 6-1.1-21-2) for that year as
- 9 determined under IC 6-1.1-21-4(a)(1) that is attributable to the
- 10 taxing district; by
- 11 (B) the amount determined under STEP ONE.
- 12 STEP THREE: Multiply:
- 13 (A) the STEP TWO quotient; by
- 14 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in
- 15 the taxing district allocated to the allocation fund, including
- 16 the amount that would have been allocated but for the credit.
- 17 (d) ~~Except as provided in subsection (g);~~ The commission may
- 18 determine to grant to taxpayers in an allocation area from its allocation
- 19 fund a credit under this section, as calculated under subsection (c), by
- 20 applying one-half (1/2) of the credit to each installment of taxes (as
- 21 defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable
- 22 in a year. ~~Except as provided in subsection (g);~~ One-half (1/2) of the
- 23 credit shall be applied to each installment of taxes (as defined in
- 24 IC 6-1.1-21-2). The commission must provide for the credit annually
- 25 by a resolution and must find in the resolution the following:
- 26 (1) That the money to be collected and deposited in the allocation
- 27 fund, based upon historical collection rates, after granting the
- 28 credit will equal the amounts payable for contractual obligations
- 29 from the fund, plus ten percent (10%) of those amounts.
- 30 (2) If bonds payable from the fund are outstanding, that there is
- 31 a debt service reserve for the bonds that at least equals the amount
- 32 of the credit to be granted.
- 33 (3) If bonds of a lessor under section 17.1 of this chapter or under
- 34 IC 36-1-10 are outstanding and if lease rentals are payable from
- 35 the fund, that there is a debt service reserve for those bonds that
- 36 at least equals the amount of the credit to be granted.
- 37 If the tax increment is insufficient to grant the credit in full, the
- 38 commission may grant the credit in part, prorated among all taxpayers.
- 39 (e) Notwithstanding section 26(b) of this chapter, the special fund
- 40 established under section 26(b) of this chapter for the allocation area
- 41 for a program adopted under section 32 of this chapter may only be
- 42 used to do one (1) or more of the following:
- 43 (1) Accomplish one (1) or more of the actions set forth in section
- 44 26(b)(2)(A) through 26(b)(2)(H) of this chapter.
- 45 (2) Reimburse the consolidated city for expenditures made by the
- 46 city in order to accomplish the housing program in that allocation

1 area.

2 The special fund may not be used for operating expenses of the
3 commission.

4 (f) Notwithstanding section 26(b) of this chapter, the commission
5 shall, relative to the special fund established under section 26(b) of this
6 chapter for an allocation area for a program adopted under section 32
7 of this chapter, do the following before July 15 of each year:

8 (1) Determine the amount, if any, by which property taxes payable
9 to the allocation fund in the following year will exceed the
10 amount of property taxes necessary:

11 (A) to make, when due, principal and interest payments on
12 bonds described in section 26(b)(2) of this chapter;

13 (B) to pay the amount necessary for other purposes described
14 in section 26(b)(2) of this chapter; and

15 (C) to reimburse the consolidated city for anticipated
16 expenditures described in subsection (e)(2).

17 (2) Notify the county auditor of the amount, if any, of excess
18 property taxes that the commission has determined may be paid
19 to the respective taxing units in the manner prescribed in section
20 26(b)(1) of this chapter.

21 (g) This subsection applies to an allocation area only to the extent
22 that the net assessed value of property that is assessed as residential
23 property under the rules of the department of local government finance
24 is not included in the base assessed value. If property tax installments
25 with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in
26 installments established by the department of local government finance
27 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
28 allocation area is entitled to an additional credit under subsection (d)
29 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
30 credit shall be applied in the same proportion to each installment of
31 taxes (as defined in IC 6-1.1-21-2).

32 SECTION 63. IC 36-7-15.1-56, AS AMENDED BY P.L.219-2007,
33 SECTION 133, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JANUARY 1, 2009]: Sec. 56. (a) As used in this section,
35 "allocation area" has the meaning set forth in section 53 of this chapter.

36 (b) As used in this section, "taxing district" has the meaning set
37 forth in IC 6-1.1-1-20.

38 (c) Subject to subsection (e), and ~~except as provided in subsection~~
39 ~~(h)~~, each taxpayer in an allocation area is entitled to an additional credit
40 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due
41 and payable in that year. ~~Except as provided in subsection (h)~~, One-half
42 (1/2) of the credit shall be applied to each installment of taxes (as
43 defined in IC 6-1.1-21-2). This credit equals the amount determined
44 under the following STEPS for each taxpayer in a taxing district that
45 contains all or part of the allocation area:

46 STEP ONE: Determine that part of the sum of the amounts under

1 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 2 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 3 the taxing district.

4 STEP TWO: Divide:

5 (A) that part of each county's eligible property tax replacement
 6 amount (as defined in IC 6-1.1-21-2) for that year as
 7 determined under IC 6-1.1-21-4 that is attributable to the
 8 taxing district; by

9 (B) the STEP ONE sum.

10 STEP THREE: Multiply:

11 (A) the STEP TWO quotient; times

12 (B) the total amount of the taxpayer's taxes (as defined in
 13 IC 6-1.1-21-2) levied in the taxing district that would have
 14 been allocated to an allocation fund under section 53 of this
 15 chapter had the additional credit described in this section not
 16 been given.

17 The additional credit reduces the amount of proceeds allocated to the
 18 development district and paid into an allocation fund under section
 19 53(b)(2) of this chapter.

20 (d) If the additional credit under subsection (c) is not reduced under
 21 subsection (e) or (f), the credit for property tax replacement under
 22 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
 23 computed on an aggregate basis for all taxpayers in a taxing district
 24 that contains all or part of an allocation area. The credit for property tax
 25 replacement under IC 6-1.1-21-5 and the additional credit under
 26 subsection (c) shall be combined on the tax statements sent to each
 27 taxpayer.

28 (e) Upon the recommendation of the commission, the excluded city
 29 legislative body may, by resolution, provide that the additional credit
 30 described in subsection (c):

31 (1) does not apply in a specified allocation area; or

32 (2) is to be reduced by a uniform percentage for all taxpayers in
 33 a specified allocation area.

34 (f) Whenever the excluded city legislative body determines that
 35 granting the full additional credit under subsection (c) would adversely
 36 affect the interests of the holders of bonds or other contractual
 37 obligations that are payable from allocated tax proceeds in that
 38 allocation area in a way that would create a reasonable expectation that
 39 those bonds or other contractual obligations would not be paid when
 40 due, the excluded city legislative body must adopt a resolution under
 41 subsection (e) to deny the additional credit or reduce it to a level that
 42 creates a reasonable expectation that the bonds or other obligations will
 43 be paid when due. A resolution adopted under subsection (e) denies or
 44 reduces the additional credit for property taxes first due and payable in
 45 the allocation area in any year following the year in which the
 46 resolution is adopted.

1 (g) A resolution adopted under subsection (e) remains in effect until
 2 it is rescinded by the body that originally adopted it. However, a
 3 resolution may not be rescinded if the rescission would adversely affect
 4 the interests of the holders of bonds or other obligations that are
 5 payable from allocated tax proceeds in that allocation area in a way that
 6 would create a reasonable expectation that the principal of or interest
 7 on the bonds or other obligations would not be paid when due. If a
 8 resolution is rescinded and no other resolution is adopted, the
 9 additional credit described in subsection (c) applies to property taxes
 10 first due and payable in the allocation area in each year following the
 11 year in which the resolution is rescinded.

12 (h) This subsection applies to an allocation area only to the extent
 13 that the net assessed value of property that is assessed as residential
 14 property under the rules of the department of local government finance
 15 is not included in the base assessed value. If property tax installments
 16 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in
 17 installments established by the department of local government finance
 18 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 19 allocation area is entitled to an additional credit under subsection (c)
 20 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 21 credit shall be applied in the same proportion to each installment of
 22 taxes (as defined in IC 6-1.1-21-2).

23 SECTION 64. IC 36-7-30-27, AS AMENDED BY P.L.219-2007,
 24 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2009]: Sec. 27. (a) As used in this section,
 26 "allocation area" has the meaning set forth in section 25 of this chapter.

27 (b) As used in this section, "taxing district" has the meaning set
 28 forth in IC 6-1.1-1-20.

29 (c) Subject to subsection (e), and ~~except as provided in subsection~~
 30 ~~(h)~~, each taxpayer in an allocation area is entitled to an additional credit
 31 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due
 32 and payable in that year. ~~Except as provided in subsection (h)~~, One-half
 33 (1/2) of the credit shall be applied to each installment of taxes (as
 34 defined in IC 6-1.1-21-2). This credit equals the amount determined
 35 under the following STEPS for each taxpayer in a taxing district that
 36 contains all or part of the allocation area:

37 STEP ONE: Determine that part of the sum of the amounts under
 38 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 39 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 40 the taxing district.

41 STEP TWO: Divide:

42 (A) that part of each county's eligible property tax replacement
 43 amount (as defined in IC 6-1.1-21-2) for that year as
 44 determined under IC 6-1.1-21-4 that is attributable to the
 45 taxing district; by

46 (B) the STEP ONE sum.

- 1 STEP THREE: Multiply:
- 2 (A) the STEP TWO quotient; times
- 3 (B) the total amount of the taxpayer's taxes (as defined in
- 4 IC 6-1.1-21-2) levied in the taxing district that would have
- 5 been allocated to an allocation fund under section 25 of this
- 6 chapter had the additional credit described in this section not
- 7 been given.
- 8 The additional credit reduces the amount of proceeds allocated to the
- 9 military base reuse district and paid into an allocation fund under
- 10 section 25(b)(2) of this chapter.
- 11 (d) If the additional credit under subsection (c) is not reduced under
- 12 subsection (e) or (f), the credit for property tax replacement under
- 13 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
- 14 computed on an aggregate basis for all taxpayers in a taxing district
- 15 that contains all or part of an allocation area. The credit for property tax
- 16 replacement under IC 6-1.1-21-5 and the additional credit under
- 17 subsection (c) shall be combined on the tax statements sent to each
- 18 taxpayer.
- 19 (e) Upon the recommendation of the reuse authority, the municipal
- 20 legislative body (in the case of a reuse authority established by a
- 21 municipality) or the county executive (in the case of a reuse authority
- 22 established by a county) may by resolution provide that the additional
- 23 credit described in subsection (c):
- 24 (1) does not apply in a specified allocation area; or
- 25 (2) is to be reduced by a uniform percentage for all taxpayers in
- 26 a specified allocation area.
- 27 (f) If the municipal legislative body or county executive determines
- 28 that granting the full additional credit under subsection (c) would
- 29 adversely affect the interests of the holders of bonds or other
- 30 contractual obligations that are payable from allocated tax proceeds in
- 31 that allocation area in a way that would create a reasonable expectation
- 32 that those bonds or other contractual obligations would not be paid
- 33 when due, the municipal legislative body or county executive must
- 34 adopt a resolution under subsection (e) to deny the additional credit or
- 35 reduce the credit to a level that creates a reasonable expectation that
- 36 the bonds or other obligations will be paid when due. A resolution
- 37 adopted under subsection (e) denies or reduces the additional credit for
- 38 property taxes first due and payable in the allocation area in any year
- 39 following the year in which the resolution is adopted.
- 40 (g) A resolution adopted under subsection (e) remains in effect until
- 41 rescinded by the body that originally adopted the resolution. However,
- 42 a resolution may not be rescinded if the rescission would adversely
- 43 affect the interests of the holders of bonds or other obligations that are
- 44 payable from allocated tax proceeds in that allocation area in a way that
- 45 would create a reasonable expectation that the principal of or interest
- 46 on the bonds or other obligations would not be paid when due. If a

1 resolution is rescinded and no other resolution is adopted, the
 2 additional credit described in subsection (c) applies to property taxes
 3 first due and payable in the allocation area in each year following the
 4 year in which the resolution is rescinded.

5 ~~(h)~~ This subsection applies to an allocation area only to the extent
 6 that the net assessed value of property that is assessed as residential
 7 property under the rules of the department of local government finance
 8 is not included in the base assessed value. If property tax installments
 9 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in
 10 installments established by the department of local government finance
 11 under IC 6-1.1-22-9.5; each taxpayer subject to those installments in an
 12 allocation area is entitled to an additional credit under subsection (c)
 13 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 14 credit shall be applied in the same proportion to each installment of
 15 taxes (as defined in IC 6-1.1-21-2).

16 SECTION 65. IC 36-7-30.5-32, AS AMENDED BY P.L.219-2007,
 17 SECTION 138, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2009]: Sec. 32. (a) As used in this section,
 19 "allocation area" has the meaning set forth in section 30 of this chapter.

20 (b) As used in this section, "taxing district" has the meaning set
 21 forth in IC 6-1.1-1-20.

22 (c) Subject to subsection (e), ~~and except as provided in subsection~~
 23 ~~(h)~~; each taxpayer in an allocation area is entitled to an additional credit
 24 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due
 25 and payable in that year. ~~Except as provided in subsection (h)~~; One-half
 26 (1/2) of the credit shall be applied to each installment of taxes (as
 27 defined in IC 6-1.1-21-2). This credit equals the amount determined
 28 under the following STEPS for each taxpayer in a taxing district that
 29 contains all or part of the allocation area:

30 STEP ONE: Determine that part of the sum of the amounts under
 31 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 32 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 33 the taxing district.

34 STEP TWO: Divide:

35 (A) that part of each county's eligible property tax replacement
 36 amount (as defined in IC 6-1.1-21-2) for that year as
 37 determined under IC 6-1.1-21-4 that is attributable to the
 38 taxing district; by

39 (B) the STEP ONE sum.

40 STEP THREE: Multiply:

41 (A) the STEP TWO quotient; by

42 (B) the total amount of the taxpayer's taxes (as defined in
 43 IC 6-1.1-21-2) levied in the taxing district that would have
 44 been allocated to an allocation fund under section 30 of this
 45 chapter had the additional credit described in this section not
 46 been given.

1 The additional credit reduces the amount of proceeds allocated to the
2 military base development district and paid into an allocation fund
3 under section 30(b)(2) of this chapter.

4 (d) If the additional credit under subsection (c) is not reduced under
5 subsection (e) or (f), the credit for property tax replacement under
6 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
7 computed on an aggregate basis for all taxpayers in a taxing district
8 that contains all or part of an allocation area. The credit for property tax
9 replacement under IC 6-1.1-21-5 and the additional credit under
10 subsection (c) shall be combined on the tax statements sent to each
11 taxpayer.

12 (e) Upon the recommendation of the development authority, the
13 municipal legislative body of an affected municipality or the county
14 executive of an affected county may by resolution provide that the
15 additional credit described in subsection (c):

16 (1) does not apply in a specified allocation area; or

17 (2) is to be reduced by a uniform percentage for all taxpayers in
18 a specified allocation area.

19 (f) If the municipal legislative body or county executive determines
20 that granting the full additional credit under subsection (c) would
21 adversely affect the interests of the holders of bonds or other
22 contractual obligations that are payable from allocated tax proceeds in
23 that allocation area in a way that would create a reasonable expectation
24 that those bonds or other contractual obligations would not be paid
25 when due, the municipal legislative body or county executive must
26 adopt a resolution under subsection (e) to deny the additional credit or
27 reduce the credit to a level that creates a reasonable expectation that
28 the bonds or other obligations will be paid when due. A resolution
29 adopted under subsection (e) denies or reduces the additional credit for
30 property taxes first due and payable in the allocation area in any year
31 following the year in which the resolution is adopted.

32 (g) A resolution adopted under subsection (e) remains in effect until
33 rescinded by the body that originally adopted the resolution. However,
34 a resolution may not be rescinded if the rescission would adversely
35 affect the interests of the holders of bonds or other obligations that are
36 payable from allocated tax proceeds in that allocation area in a way that
37 would create a reasonable expectation that the principal of or interest
38 on the bonds or other obligations would not be paid when due. If a
39 resolution is rescinded and no other resolution is adopted, the
40 additional credit described in subsection (c) applies to property taxes
41 first due and payable in the allocation area in each year following the
42 year in which the resolution is rescinded.

43 (h) This subsection applies to an allocation area only to the extent
44 that the net assessed value of property that is assessed as residential
45 property under the rules of the department of local government finance
46 is not included in the base assessed value. If property tax installments

1 with respect to a homestead (as defined in IC 6-1.1-20-9-1) are due in
 2 installments established by the department of local government finance
 3 under IC 6-1.1-22-9.5; each taxpayer subject to those installments in an
 4 allocation area is entitled to an additional credit under subsection (c)
 5 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 6 credit shall be applied in the same proportion to each installment of
 7 taxes (as defined in IC 6-1.1-21-2).

8 SECTION 66. THE FOLLOWING ARE REPEALED [EFFECTIVE
 9 JANUARY 1, 2009]: IC 6-1.1-12-37; IC 6-1.1-12-41;
 10 IC 6-1.1-18.5-9.9; IC 6-1.1-20.4; IC 6-1.1-20.6-1; IC 6-1.1-20.6-2;
 11 IC 6-1.1-20.6-4; IC 6-1.1-20.6-5; IC 6-1.1-20.6-6; IC 6-1.1-20.6-6.5;
 12 IC 6-1.1-20.6-9; IC 6-1.1-20.9; IC 6-1.1-21-5.5; IC 6-1.1-22-9.5;
 13 IC 6-1.1-37-10.5; IC 6-1.1-39; IC 6-3-2-6; IC 6-3.1-20; IC 6-3.5-7-25;
 14 IC 6-3.5-7-25.5; IC 12-19-1.5.

15 SECTION 67. [EFFECTIVE JULY 1, 2008] (a) **The amendments**
 16 **made by this act to IC 6-3.5 apply to the use of a certified**
 17 **distribution made to a county after December 31, 2008.**

18 (b) **Notwithstanding P.L.234-2007, the appropriation made to**
 19 **the property tax replacement board for distributions to taxing**
 20 **units under IC 6-1.1-21 is reduced in the state fiscal year beginning**
 21 **July 1, 2008, and ending June 30, 2009, by one hundred fifty-seven**
 22 **million dollars (\$157,000,000) to reflect the elimination of the state**
 23 **distribution to taxing units in calendar year 2009 that would have**
 24 **been distributed to replace homestead credits granted under**
 25 **IC 6-1.1-20.9 (repealed) and property tax replacement credits**
 26 **under IC 6-1.1-21-5 to homesteads, if homesteads had not been**
 27 **exempted from property taxation under IC 6-1.1-10-44, as added**
 28 **by this act."**

29 Renumber all SECTIONS consecutively.

(Reference is to ESB 208 as printed February 15, 2008.)

Representative Walorski