

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1072, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-10-13-0.1 IS REPEALED [EFFECTIVE JULY
- 4 1, 2012]. ~~Sec. 0.1. The amendments made to section 5 of this chapter~~
- 5 ~~by P.L.98-1989 apply to boating years beginning after December 31,~~
- 6 ~~1989."~~
- 7 Page 6, delete lines 10 through 42.
- 8 Page 7, delete lines 1 through 29.
- 9 Page 8, delete lines 34 through 42.
- 10 Page 9, delete lines 1 through 38.
- 11 Page 10, between lines 10 and 11, begin a new paragraph and insert:
- 12 "SECTION 16. IC 6-1.1-3-24 IS ADDED TO THE INDIANA
- 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 14 [EFFECTIVE MARCH 1, 2011 (RETROACTIVE)]: **Sec. 24. (a) In**
- 15 **determining the assessed value of various sizes of outdoor**
- 16 **advertising signs for the 2011 through 2014 assessment dates, a**
- 17 **taxpayer and assessing official shall use the following table without**
- 18 **any adjustments:**
- 19

Single Pole Structure	
Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000
- 20
- 21

1	At least 48 feet, non-illuminated	\$4,000
2	At least 26 feet and under 48 feet, illuminated	\$4,000
3	At least 26 feet and under 48 feet,	
4	non-illuminated	\$3,300
5	Under 26 feet, illuminated	\$3,200
6	Under 26 feet, non-illuminated	\$2,600
7	Other Types of Outdoor Signs	
8	At least 50 feet, illuminated	\$2,500
9	At least 50 feet, non-illuminated	\$1,500
10	At least 40 feet and under 50 feet, illuminated	\$2,000
11	At least 40 feet and under 50 feet,	
12	non-illuminated	\$1,300
13	At least 30 feet and under 40 feet, illuminated	\$2,000
14	At least 30 feet and under 40 feet,	
15	non-illuminated	\$1,300
16	At least 20 feet and under 30 feet, illuminated	\$1,600
17	At least 20 feet and under 30 feet,	
18	non-illuminated	\$1,000
19	Under 20 feet, illuminated	\$1,600
20	Under 20 feet, non-illuminated	\$1,000

21 **(b) During the 2012 legislative interim, the commission on state**
22 **tax and financing policy shall study the assessment of outdoor**
23 **signs. Before January 1, 2013, the commission shall report to the**
24 **general assembly on any suggested changes in the law with regard**
25 **to assessing outdoor signs.**

26 **(c) This section expires July 1, 2015.**

27 SECTION 17. IC 6-1.1-4-40 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 40. The value of
29 federal income tax credits awarded under Section 42 of the Internal
30 Revenue Code **after December 31, 2012, may not shall** be considered
31 in determining the assessed value of low income housing tax credit
32 property."

33 Page 10, between lines 40 and 41, begin a new paragraph and insert:

34 "SECTION 19. IC 6-1.1-12-26.1 IS ADDED TO THE INDIANA
35 CODE AS A NEW SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 26.1. (a)**
37 **This section applies only to a solar power device that is installed**
38 **after December 31, 2011.**

39 **(b) This section does not apply to a solar power device that is**
40 **owned or operated by a person that provides electricity at**
41 **wholesale or retail for consideration other than a person that:**

42 **(1) participates in a net metering or feed-in-tariff program**

1 **offered by an electric utility with respect to the solar power**
 2 **device; or**

3 **(2) is the owner or host of the solar power device site and a**
 4 **person consumes on the site the equivalent amount of**
 5 **electricity that is generated by the solar power device on an**
 6 **annual basis even if the electricity is sold to a public utility,**
 7 **including a solar power device directly serving a public**
 8 **utility's business operations site.**

9 **(c) For purposes of this section, "solar power device" means a**
 10 **device, such as a solar thermal, a photovoltaic, or other solar**
 11 **energy system, that is designed to use the radiant light or heat from**
 12 **the sun to produce electricity.**

13 **(d) The owner of real property equipped with a solar power**
 14 **device that is assessed as a real property improvement may have**
 15 **deducted annually from the assessed value of the real property an**
 16 **amount equal to:**

17 **(1) the assessed value of the real property with the solar**
 18 **power device included; minus**

19 **(2) the assessed value of the real property without the solar**
 20 **power device.**

21 **(e) The owner of a solar power device that is assessed as:**

22 **(1) distributable property under IC 6-1.1-8; or**

23 **(2) personal property;**

24 **may have deducted annually the assessed value of the solar power**
 25 **device.**

26 SECTION 20. IC 6-1.1-12-27.1, AS AMENDED BY P.L.113-2010,
 27 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 27.1. Except as provided
 29 in sections 36 and 44 of this chapter and subject to section 45 of this
 30 chapter, a person who desires to claim the deduction provided by
 31 section 26 **or 26.1** of this chapter must file a certified statement in
 32 duplicate, on forms prescribed by the department of local government
 33 finance, with the auditor of the county in which the real property, ~~or~~
 34 mobile home, **manufactured home, or solar power device** is subject
 35 to assessment. With respect to real property **or a solar power device**
 36 **that is assessed as distributable property under IC 6-1.1-8 or as**
 37 **personal property**, the person must file the statement during the year
 38 for which the person desires to obtain the deduction. Except as
 39 provided in sections 36 and 44 of this chapter and subject to section 45
 40 of this chapter, with respect to a mobile home which is not assessed as
 41 real property, the person must file the statement during the twelve (12)
 42 months before March 31 of each year for which the person desires to

- 1 obtain the deduction. The person must:
- 2 (1) own the real property, mobile home, or manufactured home **or**
- 3 **own the solar power device; or**
- 4 (2) be buying the real property, mobile home, **or** manufactured
- 5 home, **or solar power device** under contract; **or**
- 6 **(3) be leasing the real property from the real property owner**
- 7 **and be subject to assessment and property taxation with**
- 8 **respect to the solar power device;**
- 9 on the date the statement is filed under this section. The statement may
- 10 be filed in person or by mail. If mailed, the mailing must be postmarked
- 11 on or before the last day for filing. On verification of the statement by
- 12 the assessor of the township in which the real property, **or** mobile
- 13 home, **manufactured home, or solar power device** is subject to
- 14 assessment, or the county assessor if there is no township assessor for
- 15 the township, the county auditor shall allow the deduction."
- 16 Page 12, delete lines 26 through 42.
- 17 Delete pages 13 through 15.
- 18 Page 16, delete lines 1 through 16.
- 19 Page 27, line 2, after "include" delete ":".
- 20 Page 27, delete lines 4 through 5.
- 21 Page 27, line 6, strike "(2)".
- 22 Page 27, run in lines 2 through 6.
- 23 Page 27, line 17, after "chapter." insert "**to the city or town fiscal**
- 24 **body in the manner prescribed by the department of local**
- 25 **government finance before September 2 of a year.**".
- 26 Page 27, reset in roman lines 18 through 23.
- 27 Page 27, line 24, reset in roman "or town."
- 28 Page 27, line 24, delete "to the city or town fiscal body in the
- 29 manner prescribed by".
- 30 Page 27, delete lines 25 through 26.
- 31 Page 28, delete lines 7 through 42.
- 32 Page 29, delete lines 1 through 28.
- 33 Page 34, delete lines 3 through 42.
- 34 Delete pages 35 through 38.
- 35 Page 39, delete lines 1 through 23.
- 36 Page 43, between lines 15 and 16, begin a new paragraph and insert:
- 37 "SECTION 40. IC 6-2.3-4-7 IS ADDED TO THE INDIANA CODE
- 38 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 39 **JANUARY 1, 2013]: Sec. 7. Gross receipts are exempt from the**
- 40 **utility receipts tax if the gross receipts are received by a taxpayer**
- 41 **from an electricity supplier (as defined in IC 8-1-2.3-2) as payment**
- 42 **of severance damages or other compensation resulting from a**

1 **change in assigned service area boundaries under IC 8-1-2.3-6(1),**
2 **IC 8-1-2.3-6(2), or IC 8-1-2.3-6(3).**

3 SECTION 41. IC 6-2.5-4-5, AS AMENDED BY P.L.32-2007,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 5. (a) As used in this
6 section, a "power subsidiary" means a corporation which is owned or
7 controlled by one (1) or more public utilities that furnish or sell
8 electrical energy, natural or artificial gas, water, steam, or steam heat
9 and which produces power exclusively for the use of those public
10 utilities.

11 (b) A power subsidiary or a person engaged as a public utility is a
12 retail merchant making a retail transaction when the subsidiary or
13 person furnishes or sells electrical energy, natural or artificial gas,
14 water, steam, or steam heating service to a person for commercial or
15 domestic consumption.

16 (c) Notwithstanding subsection (b), a power subsidiary or a person
17 engaged as a public utility is not a retail merchant making a retail
18 transaction in any of the following transactions:

19 (1) The power subsidiary or person provides, installs, constructs,
20 services, or removes tangible personal property which is used in
21 connection with the furnishing of the services or commodities
22 listed in subsection (b).

23 (2) The power subsidiary or person sells the services or
24 commodities listed in subsection (b) to another public utility or
25 power subsidiary described in this section or a person described
26 in section 6 of this chapter.

27 (3) The power subsidiary or person sells the services or
28 commodities listed in subsection (b) to a person for use in
29 manufacturing, mining, production, **processing (after December**
30 **31, 2012), repairing (after December 31, 2012), refining,**
31 **recycling (as defined in IC 6-2.5-5-45),** oil extraction, mineral
32 extraction, irrigation, agriculture, **floriculture (after December**
33 **31, 2012), arboriculture (after December 31, 2012),** or
34 horticulture. However, this exclusion for sales of the services and
35 commodities only applies if the services are consumed as an
36 essential and integral part of an integrated process that produces
37 tangible personal property and those sales are separately metered
38 for the excepted uses listed in this subdivision, or if those sales
39 are not separately metered but are predominately used by the
40 purchaser for the excepted uses listed in this subdivision.

41 (4) The power subsidiary or person sells the services or
42 commodities listed in subsection (b) and all the following

- 1 conditions are satisfied:
- 2 (A) The services or commodities are sold to a business that
- 3 after June 30, 2004:
- 4 (i) relocates all or part of its operations to a facility; or
- 5 (ii) expands all or part of its operations in a facility;
- 6 located in a military base (as defined in IC 36-7-30-1(c)), a
- 7 military base reuse area established under IC 36-7-30, the part
- 8 of an economic development area established under
- 9 IC 36-7-14.5-12.5 that is or formerly was a military base (as
- 10 defined in IC 36-7-30-1(c)), a military base recovery site
- 11 designated under IC 6-3.1-11.5, or a qualified military base
- 12 enhancement area established under IC 36-7-34.
- 13 (B) The business uses the services or commodities in the
- 14 facility described in clause (A) not later than five (5) years
- 15 after the operations that are relocated to the facility or
- 16 expanded in the facility commence.
- 17 (C) The sales of the services or commodities are separately
- 18 metered for use by the relocated or expanded operations.
- 19 (D) In the case of a business that uses the services or
- 20 commodities in a qualified military base enhancement area
- 21 established under IC 36-7-34-4(1), the business must satisfy at
- 22 least one (1) of the following criteria:
- 23 (i) The business is a participant in the technology transfer
- 24 program conducted by the qualified military base (as defined
- 25 in IC 36-7-34-3).
- 26 (ii) The business is a United States Department of Defense
- 27 contractor.
- 28 (iii) The business and the qualified military base have a
- 29 mutually beneficial relationship evidenced by a
- 30 memorandum of understanding between the business and
- 31 the United States Department of Defense.
- 32 (E) In the case of a business that uses the services or
- 33 commodities in a qualified military base enhancement area
- 34 established under IC 36-7-34-4(2), the business must satisfy at
- 35 least one (1) of the following criteria:
- 36 (i) The business is a participant in the technology transfer
- 37 program conducted by the qualified military base (as defined
- 38 in IC 36-7-34-3).
- 39 (ii) The business and the qualified military base have a
- 40 mutually beneficial relationship evidenced by a
- 41 memorandum of understanding between the business and
- 42 the qualified military base (as defined in IC 36-7-34-3).

1 However, this subdivision does not apply to a business that
 2 substantially reduces or ceases its operations at another location
 3 in Indiana in order to relocate its operations in an area described
 4 in this subdivision, unless the department determines that the
 5 business had existing operations in the area described in this
 6 subdivision and that the operations relocated to the area are an
 7 expansion of the business's operations in the area.

8 (5) The power subsidiary or person sells services or commodities
 9 that:

10 (A) are referred to in subsection (b); and

11 (B) qualify as home energy (as defined in IC 6-2.5-5-16.5);
 12 to a person who acquires the services or commodities after June
 13 30, 2006, and before July 1, 2009, through home energy
 14 assistance (as defined in IC 6-2.5-5-16.5).

15 SECTION 42. IC 6-2.5-5-5.1, AS AMENDED BY P.L.172-2011,
 16 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2012]: Sec. 5.1. (a) As used in this section, "tangible personal
 18 property" includes electrical energy, natural or artificial gas, water,
 19 steam, and steam heat.

20 (b) Transactions involving tangible personal property are exempt
 21 from the state gross retail tax if the person acquiring the property
 22 acquires it for direct consumption as a material to be consumed in the
 23 direct production of other tangible personal property in the person's
 24 business of manufacturing, processing, refining, repairing, mining,
 25 agriculture, horticulture, floriculture, or arboriculture. This exemption
 26 includes transactions involving acquisitions of tangible personal
 27 property used in commercial printing.

28 (c) A refund claim based on the exemption provided by this section
 29 for electrical energy, natural or artificial gas, water, steam, and steam
 30 heat may not cover transactions that occur more than ~~eighteen (18)~~
 31 **thirty-six (36)** months before the date of the refund claim.

32 SECTION 43. IC 6-2.5-5-9 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) As used in this
 34 section, "returnable containers" means containers customarily returned
 35 by the buyer of the contents for reuse as containers.

36 (b) Sales of returnable containers are exempt from the state gross
 37 retail tax if the transaction constitutes selling at retail as defined in
 38 IC 6-2.5-4-1 and if the returnable containers contain contents.

39 (c) Sales of returnable containers are exempt from the state gross
 40 retail tax if the containers are transferred empty for the purpose of
 41 refilling.

42 (d) Sales of wrapping material and empty containers are exempt

1 from the state gross retail tax if the person acquiring the material or
2 containers acquires them for use as nonreturnable packages for:

- 3 (1) selling the contents that ~~he~~ **the person** adds; or
4 **(2) shipping or delivering tangible personal property that:**
5 **(A) is owned by another person;**
6 **(B) is processed or serviced for the owner; and**
7 **(C) will be sold by that owner either in the same form or as**
8 **a part of other tangible personal property produced by**
9 **that owner in the owner's business of manufacturing,**
10 **assembling, constructing, refining, or processing.**

11 SECTION 44. IC 6-2.5-5-30, AS AMENDED BY P.L.42-2011,
12 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 30. (a) Sales of tangible
14 personal property are exempt from the state gross retail tax if:

- 15 (1) the property constitutes, is incorporated into, or is consumed
16 in the operation of, a device, facility, or structure predominantly
17 used and acquired for the purpose of complying with any state,
18 local, or federal environmental quality statutes, regulations, or
19 standards; and
20 (2) the person acquiring the property is engaged in the business
21 of manufacturing, processing, refining, mining, **recycling (as**
22 **defined in section 45 of this chapter)**, or agriculture.

23 (b) The portion of the sales price of tangible personal property
24 which is exempt from state gross retail and use taxes under this section
25 equals the product of:

- 26 (1) the total sales price; multiplied by
27 (2) one hundred percent (100%).

28 SECTION 45. IC 6-2.5-5-45 IS ADDED TO THE INDIANA CODE
29 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 45. (a) For purposes of**
31 **this section, IC 6-2.5-4-5, and section 30 of this chapter, the**
32 **following definitions apply:**

- 33 **(1) "Recycling" means the processing of recycling materials**
34 **and other tangible personal property into a product for sale**
35 **if the product is predominantly composed of recycling**
36 **materials. The term does not include the following:**
37 **(A) The demolition of improvements to real estate.**
38 **(B) The processing of tangible personal property primarily**
39 **for disposal in a licensed solid waste disposal facility rather**
40 **than for sale.**
41 **(C) The collection of recycling materials by licensed motor**
42 **vehicles.**

- 1 **(2) "Recycling materials" means tangible personal property,**
 2 **including metal, paper, glass, plastic, textile, or rubber, that:**
 3 **(A) is considered "scrap" by industry standards or has no**
 4 **more than scrap value;**
 5 **(B) is a byproduct of another person's manufacturing or**
 6 **production process;**
 7 **(C) was previously manufactured or incorporated into a**
 8 **product;**
 9 **(D) would otherwise reasonably be expected to be destined**
 10 **for disposal in a licensed solid waste disposal facility; or**
 11 **(E) has been removed or diverted from the solid waste**
 12 **stream for sale, use, or reuse as raw materials, regardless**
 13 **of whether or not the materials require subsequent**
 14 **processing or separation from each other.**
- 15 **(3) "Processing of recycling materials" means:**
 16 **(A) the activities involved in collecting or otherwise**
 17 **receiving recycling materials and other tangible personal**
 18 **property; and**
 19 **(B) creating a product for sale by changing the original**
 20 **form, use, or composition of the property (whether**
 21 **manually, mechanically, chemically, or otherwise) through**
 22 **weighing, sorting, grading, separating, shredding,**
 23 **crushing, compacting, breaking, cutting, baling, shearing,**
 24 **torching, wire-stripping, or other means.**
- 25 **(b) Transactions involving machinery, tools, supplies, and**
 26 **equipment are exempt from the state gross retail tax if:**
 27 **(1) the person acquiring that property acquires it for use in**
 28 **recycling; and**
 29 **(2) the person acquiring that property is occupationally**
 30 **engaged in recycling.**
- 31 **(c) Transactions involving recycling materials and other**
 32 **tangible personal property to be consumed in the processing of**
 33 **recycling materials or to become a part of the product produced by**
 34 **the processing of recycling materials are exempt from the state**
 35 **gross retail tax if:**
 36 **(1) the person acquiring that property acquires it for use in**
 37 **recycling; and**
 38 **(2) the person acquiring that property is occupationally**
 39 **engaged in recycling."**
- 40 Page 43, line 16, delete "P.L.229-2011" and insert "HEA
 41 1009-2012, SECTION 47,".
- 42 Page 43, delete lines 17 through 18.

1 Page 43, line 19, delete "AND" and insert "IS".

2 Page 64, delete lines 25 through 42.

3 Page 65, delete lines 1 through 23, begin a new paragraph and
4 insert:

5 "SECTION 45. IC 6-3.1-24-9, AS AMENDED BY P.L.172-2011,
6 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2012]: Sec. 9. (a) The total amount of tax credits that may be
8 allowed under this chapter in a particular calendar year for qualified
9 investment capital provided during that calendar year may not exceed
10 twelve million five hundred thousand dollars (\$12,500,000). The
11 Indiana economic development corporation may not certify a proposed
12 investment plan under section 12.5 of this chapter if the proposed
13 investment would result in the total amount of the tax credits certified
14 for the calendar year exceeding twelve million five hundred thousand
15 dollars (\$12,500,000). An amount of an unused credit carried over by
16 a taxpayer from a previous calendar year may not be considered in
17 determining the amount of proposed investments that the Indiana
18 economic development corporation may certify under this chapter.

19 (b) Notwithstanding the other provisions of this chapter, a taxpayer
20 is not entitled to a credit for providing qualified investment capital to
21 a qualified Indiana business after December 31, ~~2014~~ **2016**. However,
22 this subsection may not be construed to prevent a taxpayer from
23 carrying over to a taxable year beginning after December 31, ~~2014~~,
24 **2016**, an unused tax credit attributable to an investment occurring
25 before January 1, ~~2015~~ **2017**."

26 Page 65, line 30, delete "2015." and insert "**2016**."

27 Page 65, line 33, delete "2016," and insert "**2017**,".

28 Page 65, line 34, delete "2015," and insert "**2016**,".

29 Page 65, between lines 34 and 35, begin a new paragraph and insert:

30 "SECTION 47. IC 6-3.1-31.9-23, AS ADDED BY P.L.223-2007,
31 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2012]: Sec. 23. (a) This chapter applies to taxable years
33 beginning after December 31, 2006.

34 (b) Notwithstanding the other provisions of this chapter, the
35 corporation may not approve a **an alternative fuel vehicle**
36 **manufacturing** credit for a qualified investment made after December
37 31, ~~2012~~ **2016**. However, this section may not be construed to prevent
38 a taxpayer from carrying an unused tax credit attributable to a qualified
39 investment made before January 1, ~~2012~~ **2017**, forward to a taxable
40 year beginning after December 31, ~~2011~~ **2016**, in the manner provided
41 by section 13 of this chapter.

42 SECTION 48. IC 6-3.1-33-9, AS ADDED BY P.L.110-2010,

1 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2012]: Sec. 9. (a) Before January 1, ~~2013~~, **2017**, a corporation
3 or pass through entity that desires to qualify for the **new employer**
4 credit provided by this chapter may submit an application to the IEDC
5 in the form and manner specified by the IEDC.

6 (b) The IEDC shall promptly review all applications submitted to
7 the IEDC under this chapter.

8 (c) If the IEDC determines that an applicant for the tax credit
9 provided by this chapter has furnished reliable evidence, as determined
10 by the IEDC, that the applicant is reasonably capable of:

11 (1) employing at least ten (10) qualified employees in each month
12 of the period specified in section 10(b) of this chapter during the
13 taxable year; and

14 (2) meeting the requirements for the tax credit provided by this
15 chapter;

16 the IEDC may issue the applicant a certificate of approval. If a
17 certificate of approval is issued, the IEDC shall provide a copy of the
18 certificate to the department.

19 (d) In making a determination of whether an applicant is qualified
20 for a credit under this chapter, the IEDC may consider the following:

21 (1) The applicant's employment levels in previous years to
22 determine if the applicant is hiring new individuals or rehiring
23 individuals.

24 (2) Whether the applicant is the successor to part or all of the
25 assets or business operations of another corporation or pass
26 through entity that conducted business operations in Indiana in
27 the same line of business to determine if the applicant is a new
28 Indiana business under this chapter.

29 (e) If the IEDC determines that the applicant will not employ at least
30 ten (10) qualified employees in each month of the period specified in
31 section 10(b) of this chapter during the taxable year, is not a new
32 Indiana business, or does not meet, or is unlikely to meet, any other
33 requirements for the tax credit provided by this chapter, the IEDC shall
34 notify the applicant of the IEDC's determination.

35 (f) The IEDC may not issue a certificate of approval under this
36 chapter after December 31, ~~2012~~. **2016**."

37 Page 66, delete lines 37 through 42.

38 Page 67, delete lines 1 through 25.

39 Page 68, delete lines 26 through 42.

40 Delete pages 69 through 73.

41 Page 74, delete lines 1 through 10.

42 Page 75, delete lines 26 through 42.

1 Delete page 76.

2 Page 77, delete lines 1 through 38.

3 Page 78, between lines 22 and 23, begin a new paragraph and insert:

4 "SECTION 57. IC 6-3.5-1.1-9, AS AMENDED BY P.L.229-2011,
5 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 9. (a) Revenue derived
7 from the imposition of the county adjusted gross income tax shall, in
8 the manner prescribed by this section, be distributed to the county that
9 imposed it. The amount to be distributed to a county during an ensuing
10 calendar year equals the amount of county adjusted gross income tax
11 revenue that the budget agency determines has been:

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

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

17 as adjusted for refunds of county adjusted gross income tax made in the
18 state fiscal year.

19 (b) Before August 2 of each calendar year, the budget agency shall
20 certify to the county auditor of each adopting county the amount
21 determined under subsection (a) plus the amount of interest in the
22 county's account that has accrued and has not been included in a
23 certification made in a preceding year. The amount certified is the
24 county's "certified distribution" for the immediately succeeding
25 calendar year. The amount certified shall be adjusted under subsections
26 (c), (d), (e), (f), **and (g).** ~~and (h).~~ The budget agency shall provide the
27 county council with an informative summary of the calculations used
28 to determine the certified distribution. The summary of calculations
29 must include:

30 (1) the amount reported on individual income tax returns
31 processed by the department during the previous fiscal year;

32 (2) adjustments for over distributions in prior years;

33 (3) adjustments for clerical or mathematical errors in prior years;

34 (4) adjustments for tax rate changes; and

35 (5) the amount of excess account balances to be distributed under
36 IC 6-3.5-1.1-21.1.

37 The budget agency shall also certify information concerning the part of
38 the certified distribution that is attributable to a tax rate under section
39 24, 25, or 26 of this chapter. This information must be certified to the
40 county auditor, the department, and the department of local government
41 finance not later than September 1 of each calendar year. The part of
42 the certified distribution that is attributable to a tax rate under section

1 24, 25, or 26 of this chapter may be used only as specified in those
2 provisions.

3 (c) The budget agency shall certify an amount less than the amount
4 determined under subsection (b) if the budget agency determines that
5 the reduced distribution is necessary to offset overpayments made in a
6 calendar year before the calendar year of the distribution. The budget
7 agency may reduce the amount of the certified distribution over several
8 calendar years so that any overpayments are offset over several years
9 rather than in one (1) lump sum.

10 (d) The budget agency shall adjust the certified distribution of a
11 county to correct for any clerical or mathematical errors made in any
12 previous certification under this section. The budget agency may
13 reduce the amount of the certified distribution over several calendar
14 years so that any adjustment under this subsection is offset over several
15 years rather than in one (1) lump sum.

16 ~~(e) The budget agency shall adjust the certified distribution of a
17 county to provide the county with the distribution required under
18 section 10(b) of this chapter.~~

19 ~~(f)~~ (e) This subsection applies to a county that initially imposes,
20 increases, decreases, or rescinds a tax or tax rate under this chapter
21 before November 1 in the same calendar year in which the budget
22 agency makes a certification under this section. The budget agency
23 shall adjust the certified distribution of a county to provide for a
24 distribution in the immediately following calendar year and in each
25 calendar year thereafter. The budget agency shall provide for a full
26 transition to certification of distributions as provided in subsection
27 (a)(1) through (a)(2) in the manner provided in subsection (c). If the
28 county imposes, increases, decreases, or rescinds a tax or tax rate under
29 this chapter after the date for which a certification under subsection (b)
30 is based, the budget agency shall adjust the certified distribution of the
31 county after August 1 of the calendar year. The adjustment shall reflect
32 any other adjustment required under subsections (c), (d), ~~(e)~~, **(f)**, and
33 ~~(g)~~, and ~~(h)~~. The adjusted certification shall be treated as the county's
34 "certified distribution" for the immediately succeeding calendar year.
35 The budget agency shall certify the adjusted certified distribution to the
36 county auditor for the county and provide the county council with an
37 informative summary of the calculations that revises the informative
38 summary provided in subsection (b) and reflects the changes made in
39 the adjustment.

40 ~~(g)~~ (f) The budget agency shall adjust the certified distribution of a
41 county to provide the county with the distribution required under
42 section 3.3 of this chapter beginning not later than the tenth month after

1 the month in which additional revenue from the tax authorized under
2 section 3.3 of this chapter is initially collected.

3 ~~(h)~~ **(g)** This subsection applies in the year in which a county initially
4 imposes a tax rate under section 24 of this chapter. Notwithstanding
5 any other provision, the budget agency shall adjust the part of the
6 county's certified distribution that is attributable to the tax rate under
7 section 24 of this chapter to provide for a distribution in the
8 immediately following calendar year equal to the result of:

9 (1) the sum of the amounts determined under STEP ONE through
10 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
11 initially imposes a tax rate under section 24 of this chapter;
12 multiplied by

13 (2) two (2).

14 ~~(i)~~ **(h)** The budget agency shall before May 1 of every
15 odd-numbered year publish an estimate of the statewide total amount
16 of certified distributions to be made under this chapter during the
17 following two (2) calendar years.

18 ~~(j)~~ **(i)** The budget agency shall before May 1 of every
19 even-numbered year publish an estimate of the statewide total amount
20 of certified distributions to be made under this chapter during the
21 following calendar year.

22 ~~(k)~~ **(j)** The estimates under subsections **(h)** **and** **(i)** **and** ~~(j)~~ must
23 specify the amount of the estimated certified distributions that are
24 attributable to the additional rate authorized under section 24 of this
25 chapter, the additional rate authorized under section 25 of this chapter,
26 the additional rate authorized under section 26 of this chapter, and any
27 other additional rates authorized under this chapter."

28 Page 80, line 12, delete "P.L.77-2011," and insert "HEA 2009-2012,
29 SECTION 54,".

30 Page 80, delete line 13.

31 Page 80, line 14, delete "CORRECTED AND".

32 Page 93, between lines 9 and 10, begin a new paragraph and insert:
33 "SECTION 60. IC 6-3.5-6-1.5, AS ADDED BY P.L.113-2010,
34 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 1.5. (a) Notwithstanding
36 any other provision of this chapter, a power granted by this chapter to
37 adopt an ordinance to:

38 (1) impose, increase, decrease, or rescind a tax or tax rate; or

39 (2) grant, increase, decrease, rescind, or change a homestead
40 credit or property tax replacement credit authorized under this
41 chapter;

42 may be exercised at any time in a year before November 1 of that year.

1 (b) Notwithstanding any other provision of this chapter, an
 2 ordinance authorized by this chapter that imposes or increases a tax or
 3 a tax rate takes effect as follows:

4 (1) An ordinance adopted after December 31 of the immediately
 5 preceding year and before October 1 of the current year takes
 6 effect October 1 of the current year.

7 (2) An ordinance adopted after September 30 and before October
 8 16 of the current year takes effect November 1 of the current year.

9 (3) An ordinance adopted after October 15 and before November
 10 1 of the current year takes effect December 1 of the current year.

11 (c) Notwithstanding any other provision of this chapter, an
 12 ordinance authorized by this chapter that decreases or rescinds a tax or
 13 a tax rate takes effect as follows:

14 (1) An ordinance adopted after December 31 of the immediately
 15 preceding year and before October 1 of the current year takes
 16 effect on the later of October 1 of the current year or the first day
 17 of the month in the current year as the month in which the last
 18 increase in the tax or tax rate occurred.

19 (2) An ordinance adopted after September 30 and before October
 20 16 of the current year takes effect on the later of November 1 of
 21 the current year or the first day of the month in the current year as
 22 the month in which the last increase in the tax or tax rate
 23 occurred.

24 (3) An ordinance adopted after October 15 and before November
 25 1 of the current year takes effect December 1 of the current year.

26 ~~(d) Notwithstanding any other provision of this chapter,~~ **Except as**
 27 **provided in subsection (e),** an ordinance authorized by this chapter
 28 that grants, increases, decreases, rescinds, or changes a homestead
 29 credit or property tax replacement credit authorized under this chapter
 30 takes effect for and **initially** applies to property taxes first due and
 31 payable in the year immediately following the year in which the
 32 ordinance is adopted.

33 **(e) This subsection applies only to Miami County. A county**
 34 **income tax council may adopt an ordinance in 2012 to select a**
 35 **different combination of uses specified in section 32(f) of this**
 36 **chapter for tax revenue distributed to the county from a tax rate**
 37 **imposed under section 32 of this chapter (county option income tax**
 38 **rate to provide property tax relief to taxpayers). The county**
 39 **income tax council may provide in the ordinance that the**
 40 **ordinance initially takes effect for and applies to property taxes**
 41 **first due and payable in 2012. This subsection expires January 1,**
 42 **2013."**

- 1 Page 115, delete lines 10 through 27.
- 2 Page 121, between lines 29 and 30, begin a new paragraph and
- 3 insert:
- 4 **"(z) This subsection applies to Starke County. Except as**
- 5 **provided in subsection (o), if an ordinance is adopted under section**
- 6 **27.6 of this chapter, the county economic development income tax**
- 7 **rate plus the county adjusted gross income tax rate that is in effect**
- 8 **on January 1 of a year may not exceed two percent (2%)."**
- 9 Page 123, line 2, after "(f)" delete "," and insert "**and**".
- 10 Page 123, line 2, after "(g)" delete "," and insert ".".
- 11 Page 123, line 2, strike "and (h)".
- 12 Page 123, strike lines 26 through 28.
- 13 Page 123, line 29, strike "(g)" and insert "**(f)**".
- 14 Page 123, line 33, strike "(h)" and insert "**(g)**".
- 15 Page 124, line 4, after "(e)" delete "," and insert "**and**".
- 16 Page 124, line 4, after "(f)" delete "," and insert ".".
- 17 Page 124, line 4, strike "and (g)".
- 18 Page 124, line 12, strike "(i)" and insert "**(h)**".
- 19 Page 124, line 16, strike "(j)" and insert "**(i)**".
- 20 Page 124, line 20, strike "(k)" and insert "**(j)**".
- 21 Page 124, line 20, strike "(i) and (j)" and insert "**(h) and (i)**".
- 22 Page 124, line 26, after "27.5," insert "**27.6,**".
- 23 Page 126, line 23, strike "and".
- 24 Page 126, line 23, after "27.5" insert ", **and 27.6**".
- 25 Page 126, line 28, strike "and".
- 26 Page 126, line 28, after "27.5" insert ", **and 27.6**".
- 27 Page 134, delete lines 38 through 42.
- 28 Delete pages 135 through 139.
- 29 Page 140, delete lines 1 through 20.
- 30 Page 143, line 20, strike "16(c)" and insert "**16**".
- 31 Page 143, line 28, strike "16(c)" and insert "**16**".
- 32 Page 144, line 8, strike "16(c)" and insert "**16**".
- 33 Page 148, between lines 7 and 8, begin a new paragraph and insert:
- 34 "SECTION 57. IC 6-3.5-7-27.6 IS ADDED TO THE INDIANA
- 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE UPON PASSAGE]: **Sec. 27.6. (a) This section applies**
- 37 **to Starke County.**
- 38 **(b) Starke County possesses unique governmental and economic**
- 39 **development challenges due to:**
- 40 **(1) the county's predominantly rural geography, demography,**
- 41 **and economy;**
- 42 **(2) the county's relatively low tax base and relatively high**

- 1 **property tax rates;**
 2 **(3) the current maximum capacity of the county jail, which**
 3 **was constructed in 1976; and**
 4 **(4) pending federal class action litigation seeking a mandate**
 5 **to address capacity and living conditions in the county jail.**

6 **The use of county economic development income tax revenue**
 7 **under this section is necessary for the county to address jail**
 8 **capacity and appropriate inmate living conditions and to maintain**
 9 **low property tax rates essential to economic development. The use**
 10 **of the economic development income tax revenue under this section**
 11 **for the purposes described in subsections (c) and (d) promotes that**
 12 **purpose.**

13 **(c) The county council may, by ordinance, determine that**
 14 **additional county economic development income tax revenue is**
 15 **needed in the county to:**

- 16 **(1) finance, construct, acquire, and equip the county jail and**
 17 **related buildings and parking facilities, including costs related**
 18 **to the demolition of existing buildings, the acquisition of land,**
 19 **and any other reasonably related costs; and**
 20 **(2) repay bonds issued or leases entered into for constructing,**
 21 **acquiring, and equipping the county jail and related buildings**
 22 **and parking facilities, including costs related to the demolition**
 23 **of existing buildings, the acquisition of land, and any other**
 24 **reasonably related costs.**

25 **(d) The county council may, by ordinance, determine that**
 26 **additional county economic development income tax revenue is**
 27 **needed in the county to operate or maintain the facilities described**
 28 **in subsection (c)(1) that are located in the county. The county**
 29 **council may make a determination under this subsection and under**
 30 **subsection (c).**

31 **(e) In addition to the rates permitted by section 5 of this**
 32 **chapter, the county council may, subject to subsections (f) and (g),**
 33 **impose the county economic development income tax at a rate not**
 34 **to exceed sixty-five hundredths percent (0.65%) on the adjusted**
 35 **gross income of county taxpayers if the county council:**

- 36 **(1) makes the determination described in subsection (c); or**
 37 **(2) makes both the determination described in subsection (c)**
 38 **and the determination described in subsection (d).**

39 **(f) If the county council makes only the determination under**
 40 **subsection (c), the county council may adopt a tax rate under**
 41 **subsection (e). The tax rate may not exceed the lesser of:**

- 42 **(1) sixty-five hundredths percent (0.65%); or**

1 **(2) the tax rate that is necessary to pay the costs of financing,**
 2 **acquiring, and equipping the county jail and related buildings**
 3 **and parking facilities, including costs related to the demolition**
 4 **of existing buildings, the acquisition of land, and any other**
 5 **reasonably related costs.**

6 **(g) If the county council makes both the determination under**
 7 **subsection (c) and the determination under subsection (d), the**
 8 **county council may adopt a tax rate under subsection (e). The tax**
 9 **rate may not exceed the lesser of:**

10 **(1) sixty-five hundredths percent (0.65%); or**

11 **(2) the tax rate that is necessary to:**

12 **(A) pay the costs of financing, acquiring, and equipping the**
 13 **county jail and related buildings and parking facilities,**
 14 **including costs related to the demolition of existing**
 15 **buildings, the acquisition of land, and any other reasonably**
 16 **related costs; and**

17 **(B) provide sufficient annual revenues to operate and**
 18 **maintain the facilities described in subsection (c)(1).**

19 **(h) A tax rate imposed under this section may be imposed only**
 20 **until the later of:**

21 **(1) the date on which the last of any bonds issued or leases**
 22 **entered into to finance the facilities are fully paid; or**

23 **(2) the date on which the ordinance under subsection (c) or (d)**
 24 **is repealed or rescinded.**

25 **The term of the bonds issued (including any refunding bonds) or a**
 26 **lease entered into under subsection (c)(2) may not exceed**
 27 **twenty-five (25) years.**

28 **(i) The county treasurer shall establish a county jail revenue**
 29 **fund to be used only for the purposes described in this section.**
 30 **County economic development income tax revenues derived from**
 31 **the tax rate imposed under this section shall be deposited in the**
 32 **county jail revenue fund before making a certified distribution**
 33 **under section 11 of this chapter.**

34 **(j) County economic development income tax revenues derived**
 35 **from the tax rate imposed under this section:**

36 **(1) may be used only for the purposes described in this**
 37 **section;**

38 **(2) may not be considered by the department of local**
 39 **government finance in determining the county's maximum**
 40 **permissible ad valorem property tax levy limit under**
 41 **IC 6-1.1-18.5; and**

42 **(3) may be pledged to the repayment of bonds issued or leases**

1 **entered into for the purposes described in subsection (c)."**

2 Page 149, delete lines 23 through 42, begin a new paragraph and
3 insert:

4 "SECTION 95. IC 6-7-2-6 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. As used in this
6 chapter, "wholesale price" means the **net price shown on an invoice**
7 **and** at which the manufacturer of the tobacco products sells tobacco
8 products to distributors, excluding any discount or other reduction **that**
9 **is not shown on the invoice.**

10 SECTION 96. IC 6-8.1-9-1, AS AMENDED BY P.L.172-2011,
11 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2012]: Sec. 1. (a) If a person has paid more tax than the
13 person determines is legally due for a particular taxable period, the
14 person may file a claim for a refund with the department. Except as
15 provided in subsections (f) **and** (g), ~~and (h)~~; in order to obtain the
16 refund, the person must file the claim with the department within three
17 (3) years after the latter of the following:

18 (1) The due date of the return.

19 (2) The date of payment.

20 For purposes of this section, the due date for a return filed for the state
21 gross retail or use tax, the gasoline tax, the special fuel tax, the motor
22 carrier fuel tax, the oil inspection fee, or the petroleum severance tax
23 is the end of the calendar year which contains the taxable period for
24 which the return is filed. The claim must set forth the amount of the
25 refund to which the person is entitled and the reasons that the person
26 is entitled to the refund.

27 (b) After considering the claim and all evidence relevant to the
28 claim, the department shall issue a decision on the claim, stating the
29 part, if any, of the refund allowed and containing a statement of the
30 reasons for any part of the refund that is denied. The department shall
31 mail a copy of the decision to the person who filed the claim. If the
32 person disagrees with a part of the decision, the person may file a
33 protest and request a hearing with the department. The department
34 shall mail a copy of the decision to the person who filed the protest. If
35 the department allows the full amount of the refund claim, a warrant for
36 the payment of the claim is sufficient notice of the decision.

37 (c) If the person disagrees with any part of the department's
38 decision, the person may appeal the decision, regardless of whether or
39 not the person protested the tax payment or whether or not the person
40 has accepted a refund. The person must file the appeal with the tax
41 court. The tax court does not have jurisdiction to hear a refund appeal
42 suit, if:

- 1 ~~(1) the appeal is filed more than three (3) years after the date the~~
 2 ~~claim for refund was filed with the department;~~
 3 ~~(2) (1) the appeal is filed more than ninety (90) days after the later~~
 4 ~~of the date the department mails:~~
 5 (A) the decision of denial of the claim to the person; or
 6 (B) the decision made on the protest filed under subsection
 7 (b); or
 8 ~~(3) (2) the appeal is filed both before the decision is issued and~~
 9 ~~before the one hundred eighty-first day after the date the person~~
 10 ~~files the claim for refund with the department.~~

11 (d) The tax court shall hear the appeal de novo and without a jury,
 12 and after the hearing may order or deny any part of the appealed
 13 refund. The court may assess the court costs in any manner that it feels
 14 is equitable. The court may enjoin the collection of any of the listed
 15 taxes under IC 33-26-6-2. The court may also allow a refund of taxes,
 16 interest, and penalties that have been paid to and collected by the
 17 department.

18 (e) With respect to the motor vehicle excise tax, this section applies
 19 only to penalties and interest paid on assessments of the motor vehicle
 20 excise tax. Any other overpayment of the motor vehicle excise tax is
 21 subject to IC 6-6-5.

22 (f) If a taxpayer's federal income tax liability for a taxable year is
 23 modified by the Internal Revenue Service, and the modification would
 24 result in a reduction of the tax legally due, the due date by which the
 25 taxpayer must file a claim for refund with the department is the later of:

- 26 (1) the date determined under subsection (a); or
 27 (2) the date that is one hundred eighty (180) days after the date on
 28 which the taxpayer is notified of the modification by the Internal
 29 Revenue Service.

30 (g) If an agreement to extend the assessment time period is entered
 31 into under IC 6-8.1-5-2(h), the period during which a person may file
 32 a claim for a refund under subsection (a) is extended to the same date
 33 to which the assessment time period is extended.

34 ~~(h) If a taxpayer's claim for a refund of gross retail or use tax is~~
 35 ~~based on:~~

- 36 ~~(1) IC 6-2.5-4-5(c)(3); or~~
 37 ~~(2) the exemption provided by IC 6-2.5-5-5.1 for electrical~~
 38 ~~energy, natural or artificial gas, water, steam, and steam heat;~~
 39 ~~the person must file the claim with the department within eighteen (18)~~
 40 ~~months after the date of payment."~~

41 Delete pages 150 through 154.

42 Page 155, delete lines 1 through 22, begin a new paragraph and

1 insert:

2 "SECTION 105. IC 6-9-33-8, AS AMENDED BY P.L.229-2011,
3 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2012]: Sec. 8. (a) If a tax is imposed under section 3 of this
5 chapter, the county treasurer shall establish a supplemental coliseum
6 improvement fund. The county treasurer shall deposit in this fund all
7 amounts received from the tax imposed under this chapter. Money in
8 this fund:

9 (1) may be appropriated only to retire or advance refund bonds
10 issued, loans obtained, or lease payments incurred under
11 IC 36-1-10 (referred to in this chapter as "obligations") to
12 remodel, expand, improve, or acquire an athletic and exhibition
13 coliseum in existence before the effective date of an ordinance
14 adopted under section 3 of this chapter; and

15 (2) shall be used to make transfers required by subsection (b).

16 (b) There is established a **food and beverage tax fund, with a** food
17 and beverage tax reserve account, **both** to be administered by the
18 capital improvement board of managers (IC 36-10-8). The money that
19 is deposited in the supplemental coliseum improvement fund after
20 December 31, 2009, and is not needed in a year to make payments on
21 obligations for which a pledge of revenue under this chapter was made
22 before January 1, 2009, shall be transferred to the capital improvement
23 board. The county treasurer shall make the transfer before February 1
24 of the following year. The capital improvement board shall deposit the
25 money it receives in the board's food and beverage tax **fund** reserve
26 account. Money in the reserve account may not be withdrawn or
27 transferred during the year it is received except to make transfers back
28 to the county to make payments on obligations for which a pledge of
29 revenue under this chapter was made before January 1, 2009. However,
30 the capital improvement board may transfer:

31 (1) interest earned on money in the reserve account; and

32 (2) an amount equal to the balance that has been held in the
33 reserve account for at least twelve (12) months;

34 to the board's ~~capital improvement fund established by IC 36-10-8-12.~~
35 **food and beverage tax fund and used as provided in subsection (c).**

36 (c) Excess revenue transferred under subsection (b) to the capital
37 improvement board of managers may be used to provide funding for:

38 (1) the construction of a capital improvement (as defined in
39 IC 36-10-1-4);

40 (2) an economic development project as described in:

41 (A) IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A) through
42 IC 6-3.5-7-13.1(c)(2)(I); and

- 1 (B) IC 6-3.5-7-13.1(c)(2)(K); or
 2 (3) financing a capital improvement or an economic development
 3 project described in subdivision (1) or (2).

4 In carrying out this subsection, the capital improvement board may
 5 borrow against future tax revenue that will be collected under this
 6 chapter. In addition, the capital improvement board may use an amount
 7 not to exceed one hundred thousand dollars (\$100,000) annually from
 8 the tax revenue collected under this chapter to pay expenses related to
 9 investigating a potential capital improvement or economic
 10 development project, including feasibility and preliminary engineering
 11 studies related to such a capital improvement or economic development
 12 project.

13 (d) Excess revenue transferred under subsection (b) to the capital
 14 improvement board of managers may not be used to:

- 15 (1) provide funding for improvements initiated before January 1,
 16 2009, that are located in the area bounded on the north by
 17 Jefferson Boulevard, on the east by Harrison Street, on the south
 18 by Breckenridge Street, and on the west by Ewing Street as those
 19 public ways were located on January 1 2009, as part of the
 20 Harrison Square project;
 21 (2) provide for debt service or lease payments for a project for
 22 which the obligations for the project were incurred before January
 23 1, 2009; or
 24 (3) pay operational expenses for any facilities of the municipality.

25 SECTION 106. IC 6-9-43 IS ADDED TO THE INDIANA CODE
 26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]:

28 **Chapter 43. Town of Fishers Food and Beverage Tax**

29 **Sec. 1. This chapter applies to the Town of Fishers.**

30 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
 31 **chapter.**

32 **Sec. 3. (a) The fiscal body of the town may adopt an ordinance**
 33 **not later than September 30, 2012, to impose an excise tax, known**
 34 **as the town food and beverage tax, on transactions described in**
 35 **section 4 of this chapter.**

36 **(b) If the town fiscal body adopts an ordinance under subsection**
 37 **(a), the town fiscal body shall immediately send a certified copy of**
 38 **the ordinance to the department of state revenue.**

39 **(c) If the town fiscal body adopts an ordinance under subsection**
 40 **(a), the town food and beverage tax applies to transactions that**
 41 **occur after the last day of the month that succeeds the month in**
 42 **which the ordinance is adopted.**

1 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**
2 **under section 3 of this chapter applies to a transaction in which**
3 **food or beverage is furnished, prepared, or served:**

4 **(1) for consumption at a location or on equipment provided by**
5 **a retail merchant;**

6 **(2) in the town; and**

7 **(3) by a retail merchant for consideration.**

8 **(b) Transactions described in subsection (a)(1) include**
9 **transactions in which food or beverage is:**

10 **(1) served by a retail merchant off the merchant's premises;**

11 **(2) food sold in a heated state or heated by a retail merchant;**

12 **(3) made of two (2) or more food ingredients, mixed or**
13 **combined by a retail merchant for sale as a single item (other**
14 **than food that is only cut, repackaged, or pasteurized by the**
15 **seller, and eggs, fish, meat, poultry, and foods containing these**
16 **raw animal foods requiring cooking by the consumer as**
17 **recommended by the federal Food and Drug Administration**
18 **in chapter 3, subpart 3-401.11 of its Food Code so as to**
19 **prevent food borne illnesses); or**

20 **(4) food sold with eating utensils provided by a retail**
21 **merchant, including plates, knives, forks, spoons, glasses,**
22 **cups, napkins, or straws (for purposes of this subdivision, a**
23 **plate does not include a container or package used to**
24 **transport the food).**

25 **(c) The town food and beverage tax does not apply to the**
26 **furnishing, preparing, or serving of a food or beverage in a**
27 **transaction that is exempt, or to the extent the transaction is**
28 **exempt, from the state gross retail tax imposed by IC 6-2.5.**

29 **Sec. 5. The town food and beverage tax imposed on a food or**
30 **beverage transaction described in section 4 of this chapter equals**
31 **one percent (1%) of the gross retail income received by the**
32 **merchant from the transaction. For purposes of this chapter, the**
33 **gross retail income received by the retail merchant from a**
34 **transaction does not include the amount of tax imposed on the**
35 **transaction under IC 6-2.5.**

36 **Sec. 6. A tax imposed under this chapter shall be imposed, paid,**
37 **and collected in the same manner that the state gross retail tax is**
38 **imposed, paid, and collected under IC 6-2.5. However, the return**
39 **to be filed with the payment of the tax imposed under this chapter**
40 **may be made on a separate return or may be combined with the**
41 **return filed for the payment of the state gross retail tax, as**
42 **prescribed by the department of state revenue.**

1 **Sec. 7. The amounts received from the tax imposed under this**
 2 **chapter shall be paid monthly by the treasurer of state to the town**
 3 **fiscal officer upon warrants issued by the auditor of state.**

4 **Sec. 8. (a) If a tax is imposed under section 3 of this chapter by**
 5 **a town, the town fiscal officer shall establish a food and beverage**
 6 **tax receipts fund.**

7 **(b) The town fiscal officer shall deposit in this fund all amounts**
 8 **received under this chapter.**

9 **(c) Money earned from the investment of money in the fund**
 10 **becomes a part of the fund.**

11 **Sec. 9. Money in the food and beverage tax receipts fund shall**
 12 **be used by the town:**

13 **(1) to reduce the town's property tax levy for a particular**
 14 **year at the discretion of the town, but this use does not reduce**
 15 **the maximum permissible ad valorem property tax levy under**
 16 **IC 6-1.1-18.5 for the town; or**

17 **(2) for any legal or corporate purpose of the town, including**
 18 **the pledge of money to bonds, leases, or other obligations**
 19 **under IC 5-1-14-4.**

20 **Revenue derived from the imposition of a tax under this chapter**
 21 **may be treated by the town as additional revenue for the purpose**
 22 **of fixing its budget for the budget year during which the revenues**
 23 **are to be distributed to the town.**

24 **Sec. 10. With respect to obligations for which a pledge has been**
 25 **made under section 9 of this chapter, the general assembly**
 26 **covenants with the holders of the obligations that this chapter will**
 27 **not be repealed or amended in a manner that will adversely affect**
 28 **the imposition or collection of the tax imposed under this chapter**
 29 **if the payment of any of the obligations is outstanding.**

30 **SECTION 107. IC 8-14-1-5 IS AMENDED TO READ AS**
 31 **FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) All funds**
 32 **allocated to cities and towns from the motor vehicle highway account**
 33 **shall be used by the cities and towns for the construction,**
 34 **reconstruction, repair, maintenance, oiling, sprinkling, snow removal,**
 35 **weed and tree cutting, and cleaning of their highways as herein defined,**
 36 **and including also any curbs, and the city's or town's share of the cost**
 37 **of the separation of the grades of crossing of public highways and**
 38 **railroads, the purchase or lease of highway construction and**
 39 **maintenance equipment, the purchase, erection, operation and**
 40 **maintenance of traffic signs and signals, and safety zones and devices;**
 41 **and the painting of structures, objects, surfaces in highways for**
 42 **purposes of safety and traffic regulation. All of such funds shall be**

1 budgeted as provided by law.

2 (b) In addition to purposes for which funds may be expended under
 3 ~~subsections subsection (a), and (c) of this section~~, monies allocated to
 4 cities and towns under this chapter may be expended for **the following**
 5 **purposes:**

6 (1) Law enforcement purposes, subject to the following
 7 limitations:

8 (1) (A) For cities and towns with a population of less than five
 9 thousand (5,000), no more than fifteen percent (15%) may be
 10 spent for law enforcement purposes.

11 (2) (B) For cities and towns other than those specified in
 12 ~~subdivision (1) of this subsection~~, **clause (A)**, no more than
 13 ten percent (10%) may be spent for law enforcement purposes.

14 (2) **The payment of principal and interest on bonds sold**
 15 **primarily to finance road, street, or thoroughfare projects.**

16 (3) **Any purpose for which money may be used under**
 17 **IC 8-14-2.**

18 (c) ~~In addition to purposes for which funds may be expended under~~
 19 ~~subsections (a) and (b) of this section~~, monies allocated to cities and
 20 towns under this chapter may be expended for the payment of principal
 21 and interest on bonds sold primarily to finance road, street, or
 22 thoroughfare projects.

23 SECTION 108. IC 8-14-2-5 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **Except as**
 25 **provided in section 5.5 of this chapter**, money from the local road
 26 and street account shall be used exclusively by the cities, towns, and
 27 counties for:

28 (1) engineering, land acquisition, construction, resurfacing,
 29 maintenance, restoration, or rehabilitation of both local and
 30 arterial road and street systems;

31 (2) the payment of principal and interest on bonds sold primarily
 32 to finance road, street, or thoroughfare projects;

33 (3) any local costs required to undertake a recreational or
 34 reservoir road project under IC 8-23-5; or

35 (4) the purchase, rental, or repair of highway equipment.

36 SECTION 109. IC 8-14-2-5.5 IS ADDED TO THE INDIANA
 37 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. In addition to the**
 39 **purposes described in section 5 of this chapter**, money from the
 40 **local road and street account allocated to cities and towns may be**
 41 **used for any purpose for which money may be used under**
 42 **IC 8-14-1."**

1 Page 156, delete lines 21 through 42.

2 Delete pages 157 through 160.

3 Page 161, delete lines 1 through 27.

4 Page 163, between lines 24 and 25, begin a new paragraph and
5 insert:

6 "SECTION 117. IC 36-7-15.1-16, AS AMENDED BY
7 P.L.146-2008, SECTION 750, IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 16. (a) For the purpose
9 of raising money to carry out this chapter or IC 36-7-15.3, the
10 city-county legislative body may levy each year a special tax upon all
11 property in the redevelopment district. The tax so levied each year shall
12 be certified to the fiscal officers of the city and the county before
13 ~~September 2~~ **November 1** of each year. The tax shall be estimated and
14 entered upon the tax duplicates by the county auditor, and shall be
15 collected and enforced by the county treasurer in the same manner as
16 state and county taxes are estimated, entered, collected, and enforced.

17 (b) As the tax is collected by the county treasurer, it shall be
18 accumulated and kept in a separate fund to be known as the
19 redevelopment district fund and shall be expended and applied only for
20 the purposes of this chapter or IC 36-7-15.3.

21 (c) The amount of the special tax levy shall be based on the budget
22 of the department but may not exceed one and sixty-seven hundredths
23 cents (\$0.0167) on each one hundred dollars (\$100) of taxable
24 valuation in the redevelopment district, except as otherwise provided
25 in this chapter.

26 (d) The budgets and tax levies under this chapter are subject to
27 review and modification in the manner prescribed by IC 36-3-6.

28 SECTION 118. IC 36-7-31.3-10, AS AMENDED BY
29 P.L.182-2009(ss), SECTION 511, IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A tax area must
31 be established by resolution. A resolution establishing a tax area must
32 provide for the allocation of covered taxes attributable to a taxable
33 event or covered taxes earned in the tax area to the professional sports
34 and convention development area fund established for the city or
35 county. The allocation provision must apply to the entire tax area.
36 ~~However, for all tax areas located in a county having a population of~~
37 ~~more than three hundred thousand (300,000) but less than four hundred~~
38 ~~thousand (400,000);~~ **The following apply to Allen County:**

39 **(1) The fund required by this subsection is the coliseum**
40 **professional sports and convention development area fund.**
41 **This fund shall be administered by the Allen County**
42 **Memorial Coliseum board of trustees.**

- 1 (2) The allocation each year must be as follows:
- 2 (1) ~~(A)~~ **(A)** The first two million six hundred thousand dollars
- 3 (\$2,600,000) shall be transferred to the county treasurer for
- 4 deposit in the ~~supplemental~~ coliseum ~~improvement~~
- 5 **professional sports and convention development area** fund.
- 6 ~~(2)~~ **(B)** The remaining amount shall be transferred to the
- 7 treasurer of the joint county-city capital improvement board in
- 8 the county.

9 The resolution must provide the tax area terminates not later than

10 December 31, 2027.

11 (b) In addition to subsection (a), all of the salary, wages, bonuses,

12 and other compensation that are:

- 13 (1) paid during a taxable year to a professional athlete for
- 14 professional athletic services;
- 15 (2) taxable in Indiana; and
- 16 (3) earned in the tax area;

17 shall be allocated to the tax area if the professional athlete is a member

18 of a team that plays the majority of the professional athletic events that

19 the team plays in Indiana in the tax area.

20 (c) For a tax area that is:

- 21 (1) not located in a county having a population of more than three
- 22 hundred thousand (300,000) but less than four hundred thousand
- 23 (400,000); and
- 24 (2) not located in a city having a population of more than one
- 25 hundred ~~five~~ thousand ~~(105,000)~~ **and (100,000) but** less than one
- 26 hundred ~~twenty ten~~ thousand ~~(120,000); (110,000);~~

27 the total amount of state revenue captured by the tax area may not

28 exceed five dollars (\$5) per resident of the city or county per year for

29 twenty (20) consecutive years.

30 (d) For a tax area that is located in a city having a population of

31 more than one hundred ~~five~~ thousand ~~(105,000)~~ **and (100,000) but** less

32 than one hundred ~~twenty ten~~ thousand ~~(120,000); (110,000)~~, the total

33 amount of state revenue captured by the tax area may not exceed six

34 dollars and fifty cents (\$6.50) per resident of the city per year for

35 twenty (20) consecutive years.

36 (e) The resolution establishing the tax area must designate the

37 facility or proposed facility and the facility site for which the tax area

38 is established.

39 (f) The department may adopt rules under IC 4-22-2 and guidelines

40 to govern the allocation of covered taxes to a tax area.

41 SECTION 119. IC 36-7-37.2 IS ADDED TO THE INDIANA

42 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2013]:

2 **Chapter 37.2. Residential Historic Rehabilitation Grant**
3 **Program**

4 **Sec. 1. This chapter applies to any county (in the case of the**
5 **unincorporated area of the county), city, or town in which a**
6 **Section 42 of the Internal Revenue Code low income housing tax**
7 **credit property is located.**

8 **Sec. 2. The definitions set forth in IC 6-3.1-22 apply throughout**
9 **this chapter.**

10 **Sec. 3. (a) The fiscal body of a county, city, or town may adopt**
11 **an ordinance to establish a residential historic rehabilitation grant**
12 **program.**

13 **(b) The grant program shall be administered by the**
14 **redevelopment commission of the county, city, or town.**

15 **(c) Grants may be made only to pay for qualified expenditures**
16 **of a taxpayer that qualifies for a residential historic rehabilitation**
17 **income tax credit under IC 6-3.1-22.**

18 **(d) A redevelopment commission may require a taxpayer to**
19 **apply for a grant on a form prescribed by the redevelopment**
20 **commission.**

21 **Sec. 4. (a) If the fiscal body of a county, city, or town adopts an**
22 **ordinance to establish a residential historic rehabilitation grant**
23 **program, the fiscal body shall also establish a residential historic**
24 **rehabilitation grant fund.**

25 **(b) The fund consists of money attributable to the increment**
26 **determined under section 5 of this chapter. Interest earned on**
27 **money in the fund shall be credited to the fund.**

28 **(c) Money in the fund must be appropriated by the county's,**
29 **city's, or town's fiscal body before the money may be used to**
30 **provide a grant under this chapter.**

31 **Sec. 5. (a) If the fiscal body of a county, city, or town adopts an**
32 **ordinance to establish a residential historic rehabilitation grant**
33 **program, the auditor of the county shall determine the amount of**
34 **property taxes attributable to any increase in the assessed value of**
35 **each low income housing tax credit property located in the**
36 **unincorporated area of the county, city, or town as a result of**
37 **considering the value of federal income tax credits awarded under**
38 **Section 42 of the Internal Revenue Code after December 31, 2012,**
39 **in determining the assessed value of low income housing tax credit**
40 **property as provided in IC 6-1.1-4-40.**

41 **(b) The amount of property taxes determined under subsection**
42 **(a) shall be treated as a property tax levy separate from the**

1 **county's, city's, or town's property tax levy and in the same**
 2 **manner as if the amount were a tax increment finance levy for the**
 3 **redevelopment commission.**

4 **(c) The amount of property taxes determined under this section**
 5 **shall be deposited in the county's, city's, or town's residential**
 6 **historic rehabilitation grant fund.**

7 SECTION 120. IC 36-8-15-19, AS AMENDED BY
 8 P.L.182-2009(ss), SECTION 440, IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) This subsection
 10 applies to a county that has a population of more than one hundred
 11 ~~eighty-two~~ **eighty-five** thousand ~~seven hundred ninety~~ ~~(182,790)~~
 12 **(185,000)** but less than two hundred **fifty** thousand ~~(200,000)~~:
 13 **(250,000)**. For the purpose of raising money to fund the operation of
 14 the district, the county fiscal body may impose, for property taxes first
 15 due and payable during each year after the adoption of an ordinance
 16 establishing the district, an ad valorem property tax levy on property
 17 within the district. The property tax rate for that levy may not exceed
 18 five cents (\$0.05) on each one hundred dollars (\$100) of assessed
 19 valuation.

20 (b) This subsection applies to a county having a consolidated city.
 21 The county fiscal body may elect to fund the operation of the district
 22 from part of the certified distribution, if any, that the county is to
 23 receive during a particular calendar year under IC 6-3.5-6-17. To make
 24 such an election, the county fiscal body must adopt an ordinance before
 25 ~~September~~ **November** 1 of the immediately preceding calendar year.
 26 The county fiscal body must specify in the ordinance the amount of the
 27 certified distribution that is to be used to fund the operation of the
 28 district. If the county fiscal body adopts such an ordinance, it shall
 29 immediately send a copy of the ordinance to the county auditor.

30 (c) Subject to subsections (d), (e), and (f), if an ordinance or
 31 resolution is adopted changing the territory covered by the district or
 32 the number of public agencies served by the district, the department of
 33 local government finance shall, for property taxes first due and payable
 34 during the year after the adoption of the ordinance, adjust the
 35 maximum permissible ad valorem property tax levy limits of the
 36 district and the units participating in the district.

37 (d) If a unit by ordinance or resolution joins the district or elects to
 38 have its public safety agencies served by the district, the department of
 39 local government finance shall reduce the maximum permissible ad
 40 valorem property tax levy of the unit for property taxes first due and
 41 payable during the year after the adoption of the ordinance or
 42 resolution. The reduction shall be based on the amount budgeted by the

1 unit for public safety communication services in the year in which the
 2 ordinance was adopted. If such an ordinance or resolution is adopted,
 3 the district shall refer its proposed budget, ad valorem property tax
 4 levy, and property tax rate for the following year to the department of
 5 local government finance, which shall review and set the budget, levy,
 6 and rate as though the district were covered by IC 6-1.1-18.5-7.

7 (e) If a unit by ordinance or resolution withdraws from the district
 8 or rescinds its election to have its public safety agencies served by the
 9 district, the department of local government finance shall reduce the
 10 maximum permissible ad valorem property tax levy of the district for
 11 property taxes first due and payable during the year after the adoption
 12 of the ordinance or resolution. The reduction shall be based on the
 13 amounts being levied by the district within that unit. If such an
 14 ordinance or resolution is adopted, the unit shall refer its proposed
 15 budget, ad valorem property tax levy, and property tax rate for public
 16 safety communication services to the department of local government
 17 finance, which shall review and set the budget, levy, and rate as though
 18 the unit were covered by IC 6-1.1-18.5-7.

19 (f) The adjustments provided for in subsections (c), (d), and (e) do
 20 not apply to a district or unit located in a particular county if the county
 21 fiscal body of that county does not impose an ad valorem property tax
 22 levy under subsection (a) to fund the operation of the district.

23 (g) A county that has adopted an ordinance under section 1(3) of
 24 this chapter may not impose an ad valorem property tax levy on
 25 property within the district to fund the operation or implementation of
 26 the district.

27 SECTION 121. IC 36-9-4-42 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 42. (a) A municipality
 29 or a public transportation corporation that expends money for the
 30 establishment or maintenance of an urban mass transportation system
 31 under this chapter may acquire the money for these expenditures:

- 32 (1) by issuing bonds under section 43 or 44 of this chapter;
- 33 (2) by borrowing money made available for such purposes by any
 34 source;
- 35 (3) by accepting grants or contributions made available for such
 36 purposes by any source;
- 37 (4) in the case of a municipality, by appropriation from the
 38 general fund of the municipality, or from a special fund that the
 39 municipal legislative body includes in the municipality's budget;
 40 or
- 41 (5) in the case of a public transportation corporation, by levying
 42 a tax under section 49 of this chapter or by recommending an

1 election to use revenue from the county option income taxes, as
2 provided in subsection (c).

3 (b) Money may be acquired under this section for the purpose of
4 exercising any of the powers granted by or incidental to this chapter,
5 including:

6 (1) studies under section 4, 9, or 11 of this chapter;

7 (2) grants in aid;

8 (3) the purchase of buses or real property by a municipality for
9 lease to an urban mass transportation system, including the
10 payment of any amount outstanding under a mortgage, contract of
11 sale, or other security device that may attach to the buses or real
12 property;

13 (4) the acquisition by a public transportation corporation of
14 property of an urban mass transportation system, including the
15 payment of any amount outstanding under a mortgage, contract of
16 sale, or other security device that may attach to the property;

17 (5) the operation of an urban mass transportation system by a
18 public transportation corporation, including the acquisition of
19 additional property for such a system; and

20 (6) the retirement of bonds issued and outstanding under this
21 chapter.

22 (c) This subsection applies only to a public transportation
23 corporation located in a county having a consolidated city. In order to
24 provide revenue to a public transportation corporation during a year,
25 the public transportation corporation board may recommend and the
26 county fiscal body may elect to provide revenue to the corporation from
27 part of the certified distribution, if any, that the county is to receive
28 during that same year under IC 6-3.5-6-17. To make the election, the
29 county fiscal body must adopt an ordinance before ~~September~~
30 **November 1** of the preceding year. The county fiscal body must
31 specify in the ordinance the amount of the certified distribution that is
32 to be used to provide revenue to the corporation. If such an ordinance
33 is adopted, the county fiscal body shall immediately send a copy of the
34 ordinance to the county auditor.

35 SECTION 122. [EFFECTIVE JULY 1, 2013] **(a) The executive of**
36 **either of the following townships may, upon approval by the**
37 **township fiscal body, submit a petition to the department of local**
38 **government finance for an increase in the maximum permissible ad**
39 **valorem property tax levy under IC 36-8-13 (for township fire**
40 **protection and emergency services) for property taxes first due and**
41 **payable in 2013:**

42 **(1) Barkley Township in Jasper County.**

- 1 **(2) Union Township in Jasper County.**
- 2 **(b) The department of local government finance shall increase**
3 **the maximum permissible ad valorem property tax levy under**
4 **IC 36-8-13 for a township that submits a petition under this**
5 **SECTION by the lesser of:**
- 6 **(1) the amount of the increase requested in the petition; or**
7 **(2) the amount necessary to increase the township's maximum**
8 **permissible ad valorem property tax levy under IC 36-8-13**
9 **for property taxes first due and payable in 2013 to the amount**
10 **of the township's maximum permissible ad valorem property**
11 **tax levy under IC 36-8-13 that applied to taxes first due and**
12 **payable in 2003.**
- 13 **(c) A township's maximum permissible ad valorem property tax**
14 **levy under IC 36-8-13 for property taxes first due and payable in**
15 **2013, as adjusted under this SECTION, shall be used in the**
16 **determination of the township's maximum permissible ad valorem**
17 **property tax levy under IC 36-8-13 for property taxes first due and**
18 **payable in 2014 and thereafter.**
- 19 **(d) This SECTION expires January 1, 2015.**
- 20 SECTION 123. [EFFECTIVE JANUARY 1, 2012
21 (RETROACTIVE)] **(a) IC 6-1.1-12-26.1, as added by this act,**
22 **applies to property taxes first due and payable after 2012. A**
23 **deduction statement filed before September 1, 2012, under**
24 **IC 6-1.1-12-27.1, as amended by this act, is considered timely filed**
25 **for purposes of obtaining the deduction under IC 6-1.1-12-26.1, as**
26 **added by this act, in 2012 for property taxes first due and payable**
27 **in 2013.**
- 28 **(b) This SECTION expires January 1, 2014.**
- 29 SECTION 124. [EFFECTIVE JANUARY 1, 2013] **(a) IC 6-2.3-4-7,**
30 **as added by this act, applies to taxable years beginning after**

- 1 **December 31, 2012.**
- 2 **(b) This SECTION expires January 1, 2015."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1072 as reprinted January 28, 2012.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 4.

Senator Hershman, Chairperson