

SENATE BILL No. 42

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3; IC 6-3.5; IC 6-8.1-1-1; IC 36-1-8-5.1; IC 36-3-7-6; IC 36-8-15-19; IC 36-9-4-42.

Synopsis: Administration of county income taxes. Provides that for taxable years beginning after December 31, 2015, a county imposing a county income tax (rather than the department of state revenue) has the authority and responsibility for the administration, collection, and enforcement of the tax. Requires taxpayers to file county income tax returns with the county treasurer of the county that imposed the tax. Requires taxpayers to pay county income tax to the county treasurer of the county that imposed the tax. Provides that withholdings of county income taxes shall be remitted to the county treasurer of the county that imposed the tax. Repeals provisions related to: (1) the state collection of county income taxes; and (2) the calculation and distribution by the state of certified distributions of county income taxes. Specifies that certain provisions related to the department of state revenue's administration of state taxes also apply to a county administering a county income tax. Provides that on February 1, 2016, and on November 1, 2016, the auditor of state shall transfer to each county 95% of the balance on those dates of county income tax collections held by the state. Specifies that: (1) the balances remaining after making those transfers shall be used by the state to pay any refunds of county taxes for taxable years beginning before January 1, 2016; and (2) on January 1, 2019, any remaining balances shall be transferred to the county. Makes technical corrections.

Effective: January 1, 2016.

Kruse

January 6, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 42



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-20.6-10, AS AMENDED BY P.L.137-2012,
2 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 10. (a) As used in this section, "debt service
4 obligations of a political subdivision" refers to:
5 (1) the principal and interest payable during a calendar year on
6 bonds; and
7 (2) lease rental payments payable during a calendar year on
8 leases;
9 of a political subdivision payable from ad valorem property taxes.
10 (b) Political subdivisions are required by law to fully fund the
11 payment of their debt obligations in an amount sufficient to pay any
12 debt service or lease rentals on outstanding obligations, regardless of
13 any reduction in property tax collections due to the application of tax
14 credits granted under this chapter.
15 (c) Upon the failure of a political subdivision to pay any of the
16 political subdivision's debt service obligations during a calendar year



1 when due, the treasurer of state, upon being notified of the failure by
 2 a claimant, shall pay the unpaid debt service obligations that are due
 3 from money in the possession of the state that would otherwise be
 4 available for distribution to the political subdivision under any other
 5 law, deducting the payment from the amount distributed. A deduction
 6 under this subsection must be made

7 ~~(1) first from distributions of county adjusted gross income tax~~
 8 ~~distributions under IC 6-3.5-1.1, county option income tax~~
 9 ~~distributions under IC 6-3.5-6, or county economic development~~
 10 ~~income tax distributions under IC 6-3.5-7 that would otherwise be~~
 11 ~~distributed to the county under the schedule in IC 6-3.5-1.1-10;~~
 12 ~~IC 6-3.5-1.1-21.1; IC 6-3.5-6-16; IC 6-3.5-6-17.3; IC 6-3.5-7-17;~~
 13 ~~and IC 6-3.5-7-17.3; and~~

14 ~~(2) second from any other undistributed funds of the political~~
 15 ~~subdivision in the possession of the state.~~

16 (d) This section shall be interpreted liberally so that the state shall
 17 to the extent legally valid ensure that the debt service obligations of
 18 each political subdivision are paid when due. However, this section
 19 does not create a debt of the state.

20 SECTION 2. IC 6-1.1-30-17, AS AMENDED BY P.L.137-2012,
 21 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2016]: Sec. 17. (a) Except as provided in subsection (c)
 23 and subject to subsection (d), the department of state revenue and the
 24 auditor of state shall, when requested by the department of local
 25 government finance, withhold a percentage of the ~~distributions of~~
 26 ~~county adjusted gross income tax distributions under IC 6-3.5-1.1,~~
 27 ~~county option income tax distributions under IC 6-3.5-6, or county~~
 28 ~~economic development income tax distributions under IC 6-3.5-7 that~~
 29 ~~would otherwise be distributed to the county under the schedules in~~
 30 ~~IC 6-3.5-1.1-10; IC 6-3.5-1.1-21.1; IC 6-3.5-6-17; IC 6-3.5-6-17.3;~~
 31 ~~IC 6-3.5-7-16; and IC 6-3.5-7-17.3; **state funds that would otherwise**~~
 32 ~~**be distributed to the county, if:**~~

33 (1) the county assessor has not transmitted to the department of
 34 local government finance by October 1 of the year in which the
 35 distribution is scheduled to be made the data for all townships in
 36 the county required to be transmitted under IC 6-1.1-4-25;

37 (2) the county auditor has not paid a bill for services under
 38 IC 6-1.1-4-31.5 to the department of local government finance in
 39 a timely manner;

40 (3) the county assessor has not forwarded to the department of
 41 local government finance in a timely manner sales disclosure
 42 form data under IC 6-1.1-5.5-3;



- 1 (4) the county auditor has not forwarded to the department of
2 local government finance the duplicate copies of all approved
3 exemption applications required to be forwarded by that date
4 under IC 6-1.1-11-8(a);
5 (5) by the date the distribution is scheduled to be made, the
6 county auditor has not sent a certified statement required to be
7 sent by that date under IC 6-1.1-17-1 to the department of local
8 government finance;
9 (6) the county does not maintain a certified computer system that
10 meets the requirements of IC 6-1.1-31.5-3.5;
11 (7) the county auditor has not transmitted the data described in
12 IC 36-2-9-20 to the department of local government finance in the
13 form and on the schedule specified by IC 36-2-9-20;
14 (8) the county has not established a parcel index numbering
15 system under 50 IAC 23-8-1 in a timely manner;
16 (9) a county official has not provided other information to the
17 department of local government finance in a timely manner as
18 required by the department of local government finance; or
19 (10) the department of local government finance incurs additional
20 costs to assist a covered county (as defined in IC 6-1.1-22.6-1) to
21 issue tax statements within the time frame specified in
22 IC 6-1.1-22.6-18(b) for each year that the county experienced
23 delayed property taxes (as defined in IC 6-1.1-22.6-2) before the
24 year in which the county qualifies as a covered county.
- 25 The percentage to be withheld is the percentage determined by the
26 department of local government finance. However, the percentage
27 withheld for a reason stated in subdivision (10) may not exceed the
28 percentage needed to reimburse the department of local government
29 finance for the costs incurred by the department of local government
30 finance to take the actions necessary to permit a covered county (as
31 defined in IC 6-1.1-22.6-1) to issue reconciling tax statements for prior
32 year delayed property taxes (as defined in IC 6-1.1-22.6-2) within the
33 time frame specified in IC 6-1.1-22.6-18(b). The county governmental
34 taxing unit of a covered county (as defined in IC 6-1.1-22.6-1) shall
35 reimburse the department of local government finance for these
36 expenses. The amount withheld under subdivision (10) reduces only
37 the amount that would otherwise be distributed to the county
38 governmental taxing unit of a covered county (as defined in
39 IC 6-1.1-22.6-1) and not money distributable to any other political
40 subdivision. The withholding of an amount under subdivision (10) does
41 not relieve the county government of a covered county (as defined in
42 IC 6-1.1-22.6-1) from making bond or lease payments that would



1 otherwise be paid from withheld amounts or providing property tax
 2 credits that would otherwise be provided under IC 6-3.5 from withheld
 3 amounts. Subdivision (10) does not apply to any county other than a
 4 covered county (as defined in IC 6-1.1-22.6-1).

5 (b) Except as provided in subsection (e), money not distributed for
 6 the reasons stated in subsection (a) shall be distributed to the county
 7 when the department of local government finance determines that the
 8 failure to:

9 (1) provide information; or

10 (2) pay a bill for services;

11 has been corrected.

12 (c) The restrictions on distributions under subsection (a) do not
 13 apply if the department of local government finance determines that the
 14 failure to:

15 (1) provide information; or

16 (2) pay a bill for services;

17 in a timely manner is justified by unusual circumstances.

18 (d) The department of local government finance shall give the
 19 county auditor at least thirty (30) days notice in writing before the
 20 department of state revenue or the auditor of state withholds a
 21 distribution under subsection (a).

22 (e) Money not distributed for the reason stated in subsection (a)(2)
 23 may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money
 24 deposited under this subsection is not subject to distribution under
 25 subsection (b).

26 (f) ~~This subsection applies to a county that will not receive a~~
 27 ~~distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request~~
 28 ~~of the department of local government finance, an amount permitted to~~
 29 ~~be withheld under subsection (a) may be withheld from any state~~
 30 ~~revenues that would otherwise be distributed to the county or one (1)~~
 31 ~~or more taxing units in the county.~~

32 SECTION 3. IC 6-3-4-0.5 IS ADDED TO THE INDIANA CODE
 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2016]: **Sec. 0.5. (a) As provided in IC 6-3.5-7.5, in the**
 35 **case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7,**
 36 **for taxable years beginning after December 31, 2015, the county**
 37 **imposing the tax has the authority and responsibility for the**
 38 **administration, collection, and enforcement of the tax.**

39 (b) **For taxable years beginning after December 31, 2015,**
 40 **returns for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or**
 41 **IC 6-3.5-7 shall be filed with the county treasurer of the county**
 42 **imposing the tax, rather than being filed with the department.**



1 (c) For taxable years beginning after December 31, 2015,
 2 payments for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or
 3 IC 6-3.5-7 (including the payment of estimated taxes) shall be made
 4 to the county treasurer of the county imposing the tax, rather than
 5 being made to the department.

6 (d) For taxable years beginning after December 31, 2015,
 7 withholdings for taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or
 8 IC 6-3.5-7 shall be remitted to the county treasurer of the county
 9 imposing the tax, rather than being remitted to the department.

10 (e) Except as otherwise provided and unless the context clearly
 11 denotes otherwise, the provisions of this chapter concerning:

- 12 (1) filing a return (including the due date for filing a return);
- 13 (2) reporting and making estimated payments (including the
- 14 due date for reporting and making estimated payments);
- 15 (3) furnishing copies of returns;
- 16 (4) filing amended returns;
- 17 (5) withholding, including an employer's duties related to
- 18 withholding, collecting, and paying over tax from wages of
- 19 employees;
- 20 (6) liability for taxes; and
- 21 (7) penalties;

22 apply to the county administration of taxes imposed under
 23 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning
 24 after December 31, 2015, except that any reference to the
 25 department shall be considered a reference to the county treasurer.

26 (f) IC 6-3-4-1.5 does not apply to returns filed with a county
 27 treasurer under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.

28 SECTION 4. IC 6-3-4-3, AS AMENDED BY P.L.172-2011,
 29 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2016]: Sec. 3. Returns required to be made pursuant to
 31 section 1 of this chapter shall be filed with the department or (in the
 32 case of a county adjusted gross income tax return, county option
 33 income tax return, or county economic development income tax
 34 return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable
 35 years beginning after December 31, 2015) with the county
 36 treasurer on or before the later of the following:

- 37 (1) The 15th day of the fourth month following the close of the
- 38 taxable year.
- 39 (2) For a corporation whose federal tax return is due on or after
- 40 the date set forth in subdivision (1), as determined without regard
- 41 to any extensions, weekends, or holidays, the 15th day of the
- 42 month following the due date of the federal tax return.



1 SECTION 5. IC 6-3-4-4.1, AS AMENDED BY P.L.1-2009,
2 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 4.1. (a) Any individual required by the
4 Internal Revenue Code to file estimated tax returns and to make
5 payments on account of such estimated tax shall file estimated tax
6 returns and make payments of the tax imposed by this article to the
7 department **or (in the case of an individual required to file a county
8 adjusted gross income tax return, county option income tax return,
9 or county economic development income tax return under
10 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning
11 after December 31, 2015) the county treasurer** at the time or times
12 and in the installments as provided by Section 6654 of the Internal
13 Revenue Code. However, the following apply to estimated tax returns
14 filed and payments made under this subsection:

15 (1) In applying Section 6654 of the Internal Revenue Code for the
16 purposes of this article, "estimated tax" means the amount which
17 the individual estimates as the amount of the adjusted gross
18 income tax imposed by this article for the taxable year, minus the
19 amount which the individual estimates as the sum of any credits
20 against the tax provided by IC 6-3-3.

21 (2) Estimated tax for a nonresident alien (as defined in Section
22 7701 of the Internal Revenue Code) must be computed by
23 applying not more than one (1) exclusion under IC 6-3-1-3.5(a)(3)
24 and IC 6-3-1-3.5(a)(4), regardless of the total number of
25 exclusions that IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit
26 the taxpayer to apply on the taxpayer's final return for the taxable
27 year.

28 (b) Every individual who has adjusted gross income subject to the
29 tax imposed by this article and from which tax is not withheld under
30 the requirements of section 8 of this chapter shall make a declaration
31 of estimated tax for the taxable year. However, no such declaration
32 shall be required if the estimated tax can reasonably be expected to be
33 less than one thousand dollars (\$1,000). In the case of an underpayment
34 of the estimated tax as provided in Section 6654 of the Internal
35 Revenue Code, there shall be added to the tax a penalty in an amount
36 prescribed by IC 6-8.1-10-2.1(b).

37 (c) Every corporation subject to the adjusted gross income tax
38 liability imposed by this article shall be required to report and pay an
39 estimated tax equal to the lesser of:

- 40 (1) twenty-five percent (25%) of such corporation's estimated
41 adjusted gross income tax liability for the taxable year; or
42 (2) the annualized income installment calculated in the manner



1 provided by Section 6655(e) of the Internal Revenue Code as
2 applied to the corporation's liability for adjusted gross income tax.
3 A taxpayer who uses a taxable year that ends on December 31 shall file
4 the taxpayer's estimated adjusted gross income tax returns and pay the
5 tax to the department on or before April 20, June 20, September 20,
6 and December 20 of the taxable year. If a taxpayer uses a taxable year
7 that does not end on December 31, the due dates for filing estimated
8 adjusted gross income tax returns and paying the tax are on or before
9 the twentieth day of the fourth, sixth, ninth, and twelfth months of the
10 taxpayer's taxable year. The department shall prescribe the manner and
11 forms for such reporting and payment.

12 (d) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed
13 by the department on corporations failing to make payments as required
14 in subsection (c) or (f). However, no penalty shall be assessed as to any
15 estimated payments of adjusted gross income tax which equal or
16 exceed:

- 17 (1) the annualized income installment calculated under subsection
18 (c); or
- 19 (2) twenty-five percent (25%) of the final tax liability for the
20 taxpayer's previous taxable year.

21 In addition, the penalty as to any underpayment of tax on an estimated
22 return shall only be assessed on the difference between the actual
23 amount paid by the corporation on such estimated return and
24 twenty-five percent (25%) of the corporation's final adjusted gross
25 income tax liability for such taxable year.

26 (e) The provisions of subsection (c) requiring the reporting and
27 estimated payment of adjusted gross income tax shall be applicable
28 only to corporations having an adjusted gross income tax liability
29 which, after application of the credit allowed by IC 6-3-3-2 (repealed),
30 shall exceed two thousand five hundred dollars (\$2,500) for its taxable
31 year.

32 (f) If the department determines that a corporation's:

- 33 (1) estimated quarterly adjusted gross income tax liability for the
34 current year; or
- 35 (2) average estimated quarterly adjusted gross income tax liability
36 for the preceding year;

37 exceeds five thousand dollars (\$5,000), after the credit allowed by
38 IC 6-3-3-2 (repealed), the corporation shall pay the estimated adjusted
39 gross income taxes due by electronic funds transfer (as defined in
40 IC 4-8.1-2-7) or by delivering in person or overnight by courier a
41 payment by cashier's check, certified check, or money order to the
42 department. The transfer or payment shall be made on or before the



1 date the tax is due.

2 (g) If a corporation's adjusted gross income tax payment is made by
3 electronic funds transfer, the corporation is not required to file an
4 estimated adjusted gross income tax return.

5 (h) An individual filing an estimated tax return and making an
6 estimated tax payment under this section must designate:

7 (1) the portion of the estimated tax payment that represents
8 estimated state adjusted gross income tax liability; and

9 (2) the portion of the estimated tax payment that represents
10 estimated local income tax liability under IC 6-3.5.

11 The department shall adopt guidelines and issue instructions as
12 necessary to assist individuals in making the designations required by
13 this subsection.

14 SECTION 6. IC 6-3-4-5 IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 2016]: Sec. 5. When a return of tax is
16 required pursuant to sections 1 and 3 of this chapter, the taxpayer
17 required to make such return shall, without assessment or notice and
18 demand from the department **or the county treasurer**, pay such tax to
19 the department **or the county treasurer (in the case of an individual**
20 **required to file a county adjusted gross income tax return, county**
21 **option income tax return, or county economic development income**
22 **tax return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable**
23 **years beginning after December 31, 2015)** at the time fixed for filing
24 the return without regard to any extension of time for filing the return.
25 In making a return and paying tax for any taxable year, a taxpayer shall
26 take credit for any tax previously paid by **him the taxpayer** for such
27 taxable year.

28 SECTION 7. IC 6-3-4-6, AS AMENDED BY P.L.172-2011,
29 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2016]: Sec. 6. (a) Any taxpayer, upon request by the:

31 (1) department; or

32 (2) **county treasurer (in the case of an individual required to**
33 **file a county adjusted gross income tax return, county option**
34 **income tax return, or county economic development income**
35 **tax return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for**
36 **taxable years beginning after December 31, 2015);**

37 shall furnish to the department **or county treasurer (as applicable)** a
38 true and correct copy of any tax return which the taxpayer has filed
39 with the United States Internal Revenue Service which copy shall be
40 certified to by the taxpayer under penalties of perjury.

41 (b) Each taxpayer shall notify the department of any modification
42 of:



1 (1) a federal income tax return filed by the taxpayer after January
2 1, 1978; or

3 (2) the taxpayer's federal income tax liability for a taxable year
4 which begins after December 31, 1977.

5 The taxpayer shall file the notice on the form prescribed by the
6 department within one hundred twenty (120) days after the
7 modification is made if the modification was made before January 1,
8 2011, and one hundred eighty (180) days after the modification is made
9 if the modification is made after December 31, 2010.

10 **(c) In the case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6,**
11 **or IC 6-3.5-7 for taxable years beginning after December 31, 2015,**
12 **each taxpayer shall notify the county treasurer with whom the**
13 **taxpayer's tax return was filed of any modification of:**

14 (1) a federal income tax return filed by the taxpayer after
15 December 31, 2015; or

16 (2) the taxpayer's federal income tax liability for a taxable
17 year that begins after December 31, 2015.

18 **The taxpayer shall file the notice on the form prescribed by the**
19 **county treasurer not later than one hundred eighty (180) days after**
20 **the modification is made.**

21 **(e) (d) If the federal modification results in a change in the**
22 **taxpayer's federal or Indiana adjusted gross income, the taxpayer shall**
23 **file an Indiana amended return within one hundred twenty (120) days**
24 **after the modification is made if the modification was made before**
25 **January 1, 2011, and one hundred eighty (180) days after the**
26 **modification is made if the modification is made after December 31,**
27 **2010. If the federal modification results in a change in the**
28 **taxpayer's federal or Indiana adjusted gross income for taxable**
29 **years beginning after December 31, 2015, the taxpayer shall file an**
30 **amended tax return under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7**
31 **(as applicable) with the county treasurer with whom the taxpayer's**
32 **county tax return was originally filed within one hundred eighty**
33 **(180) days after the modification is made.**

34 SECTION 8. IC 6-3-4-8, AS AMENDED BY P.L.158-2013,
35 SECTION 86, AND AS AMENDED BY P.L.293-2013(ts), SECTION
36 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2016]: Sec. 8. (a) Except as provided in subsection (d),
38 every employer making payments of wages subject to tax under this
39 article, regardless of the place where such payment is made, who is
40 required under the provisions of the Internal Revenue Code to
41 withhold, collect, and pay over income tax on wages paid by such
42 employer to such employee, shall, at the time of payment of such



1 wages, deduct and retain therefrom the amount prescribed in
 2 withholding instructions issued by the department. The department
 3 shall base its withholding instructions on the adjusted gross income tax
 4 rate for persons, on the total rates of any income taxes that the taxpayer
 5 is subject to under IC 6-3.5, and on the total amount of exclusions the
 6 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
 7 However, the withholding instructions on the adjusted gross income of
 8 a nonresident alien (as defined in Section 7701 of the Internal Revenue
 9 Code) are to be based on applying not more than one (1) withholding
 10 exclusion, regardless of the total number of exclusions that
 11 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
 12 on the taxpayer's final return for the taxable year. Such employer
 13 making payments of any wages:

14 (1) shall be liable to the state of Indiana for the payment of the tax
 15 required to be deducted and withheld under this section and shall
 16 not be liable to any individual for the amount deducted from the
 17 individual's wages and paid over in compliance or intended
 18 compliance with this section; and

19 (2) shall make return of and payment to the department monthly
 20 of the amount of tax which under this article and IC 6-3.5 the
 21 employer is required to withhold.

22 (b) An employer shall pay taxes withheld under subsection (a)
 23 during a particular month to the department **or (in the case of county**
 24 **adjusted gross income tax, county option income tax, or county**
 25 **economic development income tax under IC 6-3.5-1.1, IC 6-3.5-6,**
 26 **or IC 6-3.5-7 for taxable years beginning after December 31, 2015)**
 27 **to the appropriate county treasurer** no later than thirty (30) days
 28 after the end of that month. However, in place of monthly reporting
 29 periods, the department **or county treasurer** may permit an employer
 30 to report and pay the tax for a calendar year reporting period, if the
 31 *average monthly* amount of all tax required to be withheld by the
 32 employer in the previous calendar year does not exceed one thousand
 33 dollars (\$1,000). An employer using a reporting period (other than a
 34 monthly reporting period) must file the employer's return and pay the
 35 tax for a reporting period no later than the last day of the month
 36 immediately following the close of the reporting period.

37 (c) For purposes of determining whether an employee is subject to
 38 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 39 of an employee as to the employee's county of residence as represented
 40 by the statement of address in forms claiming exemptions for purposes
 41 of withholding, regardless of when the employee supplied the forms.
 42 Every employee shall notify the employee's employer within five (5)



1 days after any change in the employee's county of residence.
2 (d) A county that makes payments of wages subject to tax under this
3 article:
4 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and
5 (2) for the performance of the duties of the precinct election
6 officer imposed by IC 3 that are performed on election day;
7 is not required, at the time of payment of the wages, to deduct and
8 retain from the wages the amount prescribed in withholding
9 instructions issued by the department.
10 (e) Every employer shall, at the time of each payment made by the
11 employer to the department ~~deliver or to the county, do the following:~~
12 **(1) In the case of a payment made to the department, the**
13 **employer shall deliver** to the department a return upon the form
14 prescribed by the department showing:
15 (†) **(A)** the total amount of wages paid to the employer's
16 employees;
17 (‡) **(B)** the amount deducted therefrom in accordance with the
18 provisions of the Internal Revenue Code;
19 (‡) **(C)** the amount of adjusted gross income tax deducted
20 therefrom in accordance with the provisions of this section;
21 (‡) **(D)** the amount of income tax, if any, imposed under
22 IC 6-3.5 and deducted therefrom in accordance with this
23 section; and
24 (‡) **(E)** any other information the department may require.
25 **(2) In the case of a payment to a county for county adjusted**
26 **gross income tax, county option income tax, or county**
27 **economic development income tax under IC 6-3.5-1.1,**
28 **IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after**
29 **December 31, 2015, the employer shall deliver to the county**
30 **a return upon the form prescribed by the county showing:**
31 **(A) the total amount of wages paid to the employer's**
32 **employees;**
33 **(B) the amount deducted in accordance with the Internal**
34 **Revenue Code;**
35 **(C) the amount of adjusted gross income tax deducted in**
36 **accordance with this section;**
37 **(D) the amount of income tax, if any, imposed under**
38 **IC 6-3.5 and deducted in accordance with this section; and**
39 **(E) any other information the county may require to**
40 **collect the tax under IC 6-3.5.**
41 Every employer making a declaration of withholding as provided in this
42 section shall furnish the employer's employees annually, but not later



1 than thirty (30) days after the end of the calendar year, a record of the
 2 total amount of adjusted gross income tax and the amount of each
 3 income tax, if any, imposed under IC 6-3.5, withheld from the
 4 employees, on the forms prescribed by the department.

5 (f) All money deducted and withheld by an employer shall
 6 immediately upon such deduction be the money of the state **or (in the**
 7 **case of county adjusted gross income tax, county option income**
 8 **tax, or county economic development income tax under**
 9 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning**
 10 **after December 31, 2015) the county**, and every employer who
 11 deducts and retains any amount of money under the provisions of this
 12 article shall hold the same in trust for the state of Indiana **or (in the**
 13 **case of county adjusted gross income tax, county option income**
 14 **tax, or county economic development income tax under**
 15 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning**
 16 **after December 31, 2015) the county** and for payment thereof to the
 17 department **or county (as appropriate)** in the manner and at the times
 18 provided in this article. Any employer may be required to post a surety
 19 bond in the sum the department **or (in the case of county adjusted**
 20 **gross income tax, county option income tax, or county economic**
 21 **development income tax under IC 6-3.5-1.1, IC 6-3.5-6, or**
 22 **IC 6-3.5-7 for taxable years beginning after December 31, 2015) the**
 23 **county** determines to be appropriate to protect the state **or county (as**
 24 **appropriate)** with respect to money withheld pursuant to this section.

25 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
 26 delinquency and penalties shall apply to employers subject to the
 27 provisions of this section, and for these purposes any amount deducted
 28 or required to be deducted and remitted to the department under this
 29 section **or (in the case of county adjusted gross income tax, county**
 30 **option income tax, or county economic development income tax**
 31 **under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years**
 32 **beginning after December 31, 2015) to a county under this section**
 33 shall be considered to be the tax of the employer, and with respect to
 34 such amount the employer shall be considered the taxpayer. In the case
 35 of a corporate or partnership employer, every officer, employee, or
 36 member of such employer, who, as such officer, employee, or member
 37 is under a duty to deduct and remit such taxes, shall be personally
 38 liable for such taxes, penalties, and interest.

39 (h) Amounts deducted from wages of an employee during any
 40 calendar year in accordance with the provisions of this section shall be
 41 considered to be in part payment of the tax imposed on such employee
 42 for the employee's taxable year which begins in such calendar year, and



1 a return made by the employer under subsection (b) shall be accepted
 2 by the department **or (in the case of county adjusted gross income**
 3 **tax, county option income tax, or county economic development**
 4 **income tax under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable**
 5 **years beginning after December 31, 2015) by the county** as evidence
 6 in favor of the employee of the amount so deducted from the
 7 employee's wages. Where the total amount so deducted exceeds the
 8 amount of tax on the employee as computed under this article, ~~and~~
 9 ~~IC 6-3.5~~, the department shall, after examining the return or returns
 10 filed by the employee in accordance with this article, ~~and IC 6-3.5~~;
 11 refund the amount of the excess deduction. However, under rules
 12 promulgated by the department, the excess or any part thereof may be
 13 applied to any taxes or other claim due from the taxpayer to the state of
 14 Indiana or any subdivision thereof. **In the case of county adjusted**
 15 **gross income tax, county option income tax, or county economic**
 16 **development income tax under IC 6-3.5-1.1, IC 6-3.5-6, or**
 17 **IC 6-3.5-7 for taxable years beginning after December 31, 2015, if**
 18 **the total amount deducted exceeds the amount of tax on the**
 19 **employee as computed under IC 6-3.5, the county treasurer shall,**
 20 **after examining the return or returns filed by the employee in**
 21 **accordance with IC 6-3.5, refund the amount of the excess**
 22 **deduction. However, under an ordinance adopted by the county,**
 23 **the excess or any part of the excess may be applied to any taxes or**
 24 **other claim due from the taxpayer to the county.** No refund shall be
 25 made to an employee who fails to file the employee's return or returns
 26 as required under this article and IC 6-3.5 within two (2) years from the
 27 due date of the return or returns. In the event that the excess tax
 28 deducted is less than one dollar (\$1), no refund shall be made.

29 (i) This section shall in no way relieve any taxpayer from the
 30 taxpayer's obligation of filing a return or returns at the time required
 31 under this article and IC 6-3.5, and, should the amount withheld under
 32 the provisions of this section be insufficient to pay the total tax of such
 33 taxpayer, such unpaid tax shall be paid at the time prescribed by
 34 section 5 of this chapter.

35 (j) Notwithstanding subsection (b), an employer of a domestic
 36 service employee that enters into an agreement with the domestic
 37 service employee to withhold federal income tax under Section 3402
 38 of the Internal Revenue Code may withhold Indiana income tax on the
 39 domestic service employee's wages on the employer's Indiana
 40 individual income tax return in the same manner as allowed by Section
 41 3510 of the Internal Revenue Code.

42 (k) To the extent allowed by Section 1137 of the Social Security



1 Act, an employer of a domestic service employee may report and remit
 2 state unemployment insurance contributions on the employee's wages
 3 on the employer's Indiana individual income tax return in the same
 4 manner as allowed by Section 3510 of the Internal Revenue Code.

5 (l) A person who knowingly fails to remit trust fund money as set
 6 forth in this section commits a *Class D Level 6* felony.

7 SECTION 9. IC 6-3-4-15.7, AS AMENDED BY P.L.146-2008,
 8 SECTION 320, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2016]: Sec. 15.7. (a) The payor of a
 10 periodic or nonperiodic distribution under an annuity, a pension, a
 11 retirement, or other deferred compensation plan, as described in
 12 Section 3405 of the Internal Revenue Code, that is paid to a resident of
 13 this state shall, upon receipt from the payee of a written request for
 14 state **and county** income tax withholding, withhold the requested
 15 amount from each payment. The request must:

16 (1) be dated and signed by the payee;

17 (2) specify the flat whole dollar amount to be withheld from each
 18 payment;

19 (3) designate the portion of the withheld amount that represents
 20 estimated state adjusted gross income tax liability and the portion
 21 of the withheld amount that represents estimated local income tax
 22 liability under IC 6-3.5 **that will be remitted to the county**
 23 **treasurer under IC 6-3-4-0.5**; and

24 (4) specify the payee's name, current address, taxpayer
 25 identification number, and the contract, policy, or account number
 26 to which the request applies.

27 The request shall remain in effect until the payor receives in writing
 28 from the payee a change in or revocation of the request. The
 29 department shall adopt guidelines and issue instructions as necessary
 30 to assist individuals in making the designations required by subdivision
 31 (3).

32 (b) The payor is not required to withhold state **and county** income
 33 tax from a payment if the amount to be withheld is less than ten dollars
 34 (\$10) or if the amount to be withheld would reduce the affected
 35 payment to less than ten dollars (\$10).

36 (c) The payor is responsible for custody of withheld funds, for
 37 reporting withheld funds to the state, **the county**, and to the payee, and
 38 for remitting withheld funds to the state **and the county** in the same
 39 manner as is done for wage withholding, including utilization of federal
 40 forms and participation by Indiana in the combined Federal/State Filing
 41 Program on magnetic media.

42 SECTION 10. IC 6-3-4-17, AS AMENDED BY P.L.42-2011,



1 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2016]: Sec. 17. ~~Beginning after December 31, 2010~~; The
3 department and the office of management and budget shall:

4 (1) develop a quarterly report that summarizes the amount
5 reported to and processed by the department under ~~section 4.1(h)~~
6 ~~of this chapter~~; section 15.7(a)(3) of this chapter,
7 IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), and IC 6-3.5-7-18(c) for
8 each county; and

9 (2) make the quarterly report available to county auditors within
10 forty-five (45) days after the end of the calendar quarter.

11 SECTION 11. IC 6-3-6-10, AS AMENDED BY P.L.158-2013,
12 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2016]: Sec. 10. (a) A taxpayer subject to taxation under
14 this article shall keep and preserve records and any other books or
15 accounts as required by IC 6-8.1-5-4. All the records shall be kept open
16 for examination at any time by the department or its authorized agents
17 **or (in the case of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or**
18 **IC 6-3.5-7 for taxable years beginning after December 31, 2015) by**
19 **the county treasurer or the county treasurer's authorized agents.**
20 A taxpayer who violates this subsection or fails to comply with the
21 request of the department **or (in the case of a tax imposed under**
22 **IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning**
23 **after December 31, 2015) the request of a county treasurer** pursuant
24 to IC 6-3-4-6 commits a Class A misdemeanor.

25 (b) It is a Level 6 felony for a taxpayer to make false entries in the
26 taxpayer's books, or to keep more than one (1) set of books, with intent
27 to defraud the state **or a county** or to evade the payment of the tax, or
28 any part thereof, imposed by this article.

29 SECTION 12. IC 6-3-6-11, AS AMENDED BY P.L.158-2013,
30 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2016]: Sec. 11. (a) It is a Level 6 felony for a taxpayer
32 to fail to make any return required to be made under this article, or to
33 make any false return or false statement in any return, with intent to
34 defraud the state **or a county** or to evade the payment of the tax, or any
35 part thereof, imposed by this article. It is a Level 6 felony for a person
36 to knowingly fail to permit the examination of any book, paper,
37 account, record, or other data by the department or its authorized
38 agents **or (in the case of a tax imposed under IC 6-3.5-1.1,**
39 **IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after**
40 **December 31, 2015) by the county treasurer or the county**
41 **treasurer's authorized agents**, as required by this article, to
42 knowingly fail to permit the inspection or appraisal of any property by



1 the department or its authorized agents **or (in the case of a tax**
 2 **imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable**
 3 **years beginning after December 31, 2015) by the county treasurer**
 4 **or the county treasurer's authorized agents**, or to knowingly refuse
 5 to offer testimony or produce any record as required in this article.

6 (b) The attorney general has concurrent jurisdiction with the
 7 prosecuting attorney in instituting and prosecuting actions under this
 8 section.

9 SECTION 13. IC 6-3.5-1.1-1.1, AS AMENDED BY
 10 P.L.182-2009(ss), SECTION 209, IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 1.1. (a) For
 12 purposes of allocating the ~~certified distribution made to revenue~~
 13 **received by** a county under this chapter among the civil taxing units
 14 and school corporations in the county, the allocation amount for a civil
 15 taxing unit or school corporation is the amount determined using the
 16 following formula:

17 STEP ONE: Determine the sum of the total property taxes being
 18 collected by the civil taxing unit or school corporation during the
 19 calendar year of the ~~distribution~~ **allocation**.

20 STEP TWO: Determine the sum of the following:

21 (A) Amounts appropriated from property taxes to pay the
 22 principal of or interest on any debenture or other debt
 23 obligation issued after June 30, 2005, other than an obligation
 24 described in subsection (b).

25 (B) Amounts appropriated from property taxes to make
 26 payments on any lease entered into after June 30, 2005, other
 27 than a lease described in subsection (c).

28 (C) The proceeds of any property that are:

29 (i) received as the result of the issuance of a debt obligation
 30 described in clause (A) or a lease described in clause (B);
 31 and

32 (ii) appropriated from property taxes for any purpose other
 33 than to refund or otherwise refinance a debt obligation or
 34 lease described in subsection (b) or (c).

35 STEP THREE: Subtract the STEP TWO amount from the STEP
 36 ONE amount.

37 STEP FOUR: Determine the sum of:

38 (A) the STEP THREE amount; plus

39 (B) the civil taxing unit's or school corporation's certified
 40 distribution for the previous calendar year **(for allocation**
 41 **amounts determined under this chapter before January 1,**
 42 **2017) or the civil taxing unit's or school corporation's**



1 **allocation of tax revenue under this chapter for the**
 2 **previous calendar year (for allocation amounts determined**
 3 **under this chapter after December 31, 2016).**

4 The allocation amount is subject to adjustment as provided in
 5 IC 36-8-19-7.5.

6 (b) Except as provided in this subsection, an appropriation from
 7 property taxes to repay interest and principal of a debt obligation is not
 8 deducted from the allocation amount for a civil taxing unit or school
 9 corporation if:

10 (1) the debt obligation was issued; and

11 (2) the proceeds appropriated from property taxes;
 12 to refund or otherwise refinance a debt obligation or a lease issued
 13 before July 1, 2005. However, an appropriation from property taxes
 14 related to a debt obligation issued after June 30, 2005, is deducted if
 15 the debt extends payments on a debt or lease beyond the time in which
 16 the debt or lease would have been payable if the debt or lease had not
 17 been refinanced or increases the total amount that must be paid on a
 18 debt or lease in excess of the amount that would have been paid if the
 19 debt or lease had not been refinanced. The amount of the deduction is
 20 the annual amount for each year of the extension period or the annual
 21 amount of the increase over the amount that would have been paid.

22 (c) Except as provided in this subsection, an appropriation from
 23 property taxes to make payments on a lease is not deducted from the
 24 allocation amount for a civil taxing unit or school corporation if:

25 (1) the lease was issued; and

26 (2) the proceeds were appropriated from property taxes;
 27 to refinance a debt obligation or lease issued before July 1, 2005.
 28 However, an appropriation from property taxes related to a lease
 29 entered into after June 30, 2005, is deducted if the lease extends
 30 payments on a debt or lease beyond the time in which the debt or lease
 31 would have been payable if the debt or lease had not been refinanced
 32 or increases the total amount that must be paid on a debt or lease in
 33 excess of the amount that would have been paid if the debt or lease had
 34 not been refinanced. The amount of the deduction is the annual amount
 35 for each year of the extension period or the annual amount of the
 36 increase over the amount that would have been paid.

37 SECTION 14. IC 6-3.5-1.1-2.3, AS AMENDED BY P.L.77-2011,
 38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2016]: Sec. 2.3. (a) This section applies to Jasper
 40 County.

41 (b) The county council may, by ordinance, determine that additional
 42 county adjusted gross income tax revenue is needed in the county to:



- 1 (1) finance, construct, acquire, improve, renovate, or equip:
 2 (A) jail facilities;
 3 (B) juvenile court, detention, and probation facilities;
 4 (C) other criminal justice facilities; and
 5 (D) related buildings and parking facilities;
 6 located in the county, including costs related to the demolition of
 7 existing buildings and the acquisition of land; and
 8 (2) repay bonds issued or leases entered into for the purposes
 9 described in subdivision (1).
- 10 (c) The county council may, by ordinance, determine that additional
 11 county adjusted gross income tax revenue is needed in the county to
 12 operate or maintain any of the facilities described in subsection
 13 (b)(1)(A) through (b)(1)(D) that are located in the county. The county
 14 council may make a determination under both this subsection and
 15 subsection (b).
- 16 (d) In addition to the rates permitted by section 2 of this chapter, the
 17 county council may impose the county adjusted gross income tax at a
 18 rate of:
 19 (1) fifteen-hundredths percent (0.15%);
 20 (2) two-tenths percent (0.2%); or
 21 (3) twenty-five hundredths percent (0.25%);
 22 on the adjusted gross income of county taxpayers if the county council
 23 makes a finding and determination set forth in subsection (b) or (c).
- 24 (e) If the county council imposes the tax under this section to pay
 25 for the purposes described in both subsections (b) and (c), when:
 26 (1) the financing, construction, acquisition, improvement,
 27 renovation, and equipping described in subsection (b) are
 28 completed; and
 29 (2) all bonds issued or leases entered into to finance the
 30 construction, acquisition, improvement, renovation, and
 31 equipping described in subsection (b) are fully paid;
 32 the county council shall, subject to subsection (d), establish a tax rate
 33 under this section by ordinance such that the revenue from the tax does
 34 not exceed the costs of operating and maintaining the jail facilities
 35 described in subsection (b)(1)(A). The tax rate may not be imposed at
 36 a rate greater than is necessary to carry out the purposes described in
 37 subsections (b) and (c), as applicable.
- 38 (f) The tax imposed under this section may be imposed only until
 39 the latest of the following:
 40 (1) The date on which the financing, construction, acquisition,
 41 improvement, renovation, and equipping described in subsection
 42 (b) are completed.



1 (2) The date on which the last of any bonds issued or leases
2 entered into to finance the construction, acquisition,
3 improvement, renovation, and equipping described in subsection
4 (b) are fully paid.

5 (3) The date on which an ordinance adopted under subsection (c)
6 is rescinded.

7 (g) The term of the bonds issued (including any refunding bonds) or
8 a lease entered into under subsection (b)(2) may not exceed twenty (20)
9 years.

10 (h) The county treasurer shall establish a criminal justice facilities
11 revenue fund to be used only for purposes described in this section.
12 County adjusted gross income tax revenues derived from the tax rate
13 imposed under this section shall be deposited in the criminal justice
14 facilities revenue fund before making a ~~certified distribution~~
15 **distributions** under section 11 of this chapter.

16 (i) County adjusted gross income tax revenues derived from the tax
17 rate imposed under this section:

18 (1) may be used only for the purposes described in this section;

19 (2) may not be considered by the department of local government
20 finance in determining the county's maximum permissible
21 property tax levy limit under IC 6-1.1-18.5; and

22 (3) may be pledged to the repayment of bonds issued or leases
23 entered into for any or all the purposes described in subsection
24 (b).

25 (j) Notwithstanding any other law, money remaining in the criminal
26 justice facilities revenue fund established under subsection (h) after the
27 tax imposed by this section is terminated under subsection (f) shall be
28 transferred to the county highway fund to be used for construction,
29 resurfacing, restoration, and rehabilitation of county highways, roads,
30 and bridges.

31 SECTION 15. IC 6-3.5-1.1-2.7, AS AMENDED BY P.L.119-2012,
32 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2016]: Sec. 2.7. (a) This section applies to Wayne
34 County.

35 (b) The county council may, by ordinance, determine that additional
36 county adjusted gross income tax revenue is needed in the county to:

37 (1) finance, construct, acquire, improve, renovate, or equip the
38 county jail and related buildings and parking facilities, including
39 costs related to the demolition of existing buildings and the
40 acquisition of land; and

41 (2) repay bonds issued, or leases entered into, for constructing,
42 acquiring, improving, renovating, and equipping the county jail



1 and related buildings and parking facilities, including costs
 2 related to the demolition of existing buildings and the acquisition
 3 of land.

4 (c) In addition to the rates permitted by section 2 of this chapter, the
 5 county council may impose the county adjusted gross income tax at a
 6 rate of:

7 (1) fifteen-hundredths percent (0.15%);
 8 (2) two-tenths percent (0.2%); or
 9 (3) twenty-five hundredths percent (0.25%);
 10 on the adjusted gross income of county taxpayers if the county council
 11 makes the finding and determination set forth in subsection (b). The tax
 12 imposed under this section may be imposed only until the later of the
 13 date on which the financing on, acquisition, improvement, renovation,
 14 and equipping described in subsection (b) is completed or the date on
 15 which the last of any bonds issued or leases entered into to finance the
 16 construction, acquisition, improvement, renovation, and equipping
 17 described in subsection (b) are fully paid. The term of the bonds issued
 18 (including any refunding bonds) or a lease entered into under
 19 subsection (b)(2) may not exceed twenty (20) years.

20 (d) If the county council makes a determination under subsection
 21 (b), the county council may adopt a tax rate under subsection (c). The
 22 tax rate may not be imposed at a rate greater than is necessary to pay
 23 the costs of financing, acquiring, improving, renovating, and equipping
 24 the county jail and related buildings and parking facilities, including
 25 costs related to the demolition of existing buildings and the acquisition
 26 of land.

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

33 (f) County adjusted gross income tax revenues derived from the tax
 34 rate imposed under this section:

35 (1) may only be used for the purposes described in this section;
 36 (2) may not be considered by the department of local government
 37 finance in determining the county's maximum permissible
 38 property tax levy limit under IC 6-1.1-18.5; and
 39 (3) may be pledged to the repayment of bonds issued, or leases
 40 entered into, for purposes described in subsection (b).

41 (g) Wayne County possesses unique economic development
 42 challenges due to underemployment in relation to similarly situated



1 counties. Maintaining low property tax rates is essential to economic
 2 development and the use of county adjusted gross income tax revenues
 3 as provided in this chapter to pay any bonds issued or leases entered
 4 into to finance the construction, acquisition, improvement, renovation,
 5 and equipping described under subsection (b), rather than use of
 6 property taxes, promotes that purpose.

7 (h) Notwithstanding any other law, funds accumulated from the
 8 county adjusted gross income tax imposed under this section after:

9 (1) the redemption of bonds issued; or

10 (2) the final payment of lease rentals due under a lease entered
 11 into under this section;

12 shall be transferred to the county highway fund to be used for
 13 construction, resurfacing, restoration, and rehabilitation of county
 14 highways, roads, and bridges.

15 SECTION 16. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.119-2012,
 16 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2016]: Sec. 2.8. (a) This section applies to the following
 18 counties:

19 (1) Elkhart County.

20 (2) Marshall County.

21 (b) The county council may, by ordinance, determine that additional
 22 county adjusted gross income tax revenue is needed in the county to:

23 (1) finance, construct, acquire, improve, renovate, or equip:

24 (A) jail facilities;

25 (B) juvenile court, detention, and probation facilities;

26 (C) other criminal justice facilities; and

27 (D) related buildings and parking facilities;

28 located in the county, including costs related to the demolition of
 29 existing buildings and the acquisition of land; and

30 (2) repay bonds issued or leases entered into for the purposes
 31 described in subdivision (1).

32 (c) The county council may, by ordinance, determine that additional
 33 county adjusted gross income tax revenue is needed in the county to
 34 operate or maintain:

35 (1) jail facilities;

36 (2) juvenile court, detention, and probation facilities;

37 (3) other criminal justice facilities; and

38 (4) related buildings and parking facilities;

39 located in the county. A county council of a county named in
 40 subsection (a)(1) or (a)(2) may make a determination under both this
 41 subsection and subsection (b).

42 (d) In addition to the rates permitted by section 2 of this chapter, the



1 county council may impose the county adjusted gross income tax at a
2 rate of:

- 3 (1) fifteen-hundredths percent (0.15%);
- 4 (2) two-tenths percent (0.2%); or
- 5 (3) twenty-five hundredths percent (0.25%);

6 on the adjusted gross income of county taxpayers if the county council
7 makes a finding and determination set forth in subsection (b) or (c).
8 The tax rate may not be imposed at a rate greater than is necessary to
9 carry out the purposes described in subsections (b) and (c), as
10 applicable.

11 (e) This subsection applies only to Elkhart County. If the county
12 council imposes the tax under this section to pay for the purposes
13 described in both subsections (b) and (c), when:

- 14 (1) the financing, construction, acquisition, improvement,
15 renovation, and equipping described in subsection (b) are
16 completed; and
- 17 (2) all bonds issued (including any refunding bonds) or leases
18 entered into to finance the construction, acquisition,
19 improvement, renovation, and equipping described in subsection
20 (b) are fully paid;

21 the county council shall, subject to subsection (d), establish a tax rate
22 under this section by ordinance such that the revenue from the tax does
23 not exceed the costs of operating and maintaining the jail facilities
24 referred to in subsection (b)(1)(A).

25 (f) The tax imposed under this section may be imposed only until
26 the last of the following dates:

- 27 (1) The date on which the financing, construction, acquisition,
28 improvement, renovation, and equipping described in subsection
29 (b) are completed.
- 30 (2) The date on which the last of any bonds issued (including any
31 refunding bonds) or leases entered into to finance the
32 construction, acquisition, improvement, renovation, and
33 equipping described in subsection (b) are fully paid.
- 34 (3) If the county imposing the tax under this section is Elkhart
35 County, the date on which an ordinance adopted under subsection
36 (c) is rescinded.

37 (g) The term of the bonds issued (including any refunding bonds) or
38 a lease entered into under subsection (b)(2) may not exceed twenty (20)
39 years.

40 (h) The county treasurer shall establish a criminal justice facilities
41 revenue fund to be used only for purposes described in this section.
42 County adjusted gross income tax revenues derived from the tax rate



1 imposed under this section shall be deposited in the criminal justice
 2 facilities revenue fund before making a ~~certified distribution~~
 3 **distributions** under section 11 of this chapter.

4 (i) County adjusted gross income tax revenues derived from the tax
 5 rate imposed under this section:

- 6 (1) may be used only for the purposes described in this section;
- 7 (2) may not be considered by the department of local government
 8 finance in determining the county's maximum permissible
 9 property tax levy limit under IC 6-1.1-18.5; and
- 10 (3) may be pledged to the repayment of bonds issued or leases
 11 entered into for any or all the purposes described in subsection
 12 (b).

13 (j) Notwithstanding any other law, money remaining in the criminal
 14 justice facilities revenue fund established under subsection (h) after the
 15 tax imposed by this section is terminated under subsection (f) shall be
 16 transferred to the county highway fund to be used for construction,
 17 resurfacing, restoration, and rehabilitation of county highways, roads,
 18 and bridges.

19 SECTION 17. IC 6-3.5-1.1-2.9, AS AMENDED BY P.L. 119-2012,
 20 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2016]: Sec. 2.9. (a) This section applies to Daviess
 22 County.

23 (b) The county council may, by ordinance, determine that additional
 24 county adjusted gross income tax revenue is needed in the county to:

- 25 (1) finance, construct, acquire, improve, renovate, remodel, or
 26 equip the county jail and related buildings and parking facilities,
 27 including costs related to the demolition of existing buildings, the
 28 acquisition of land, and any other reasonably related costs; and
- 29 (2) repay bonds issued or leases entered into for constructing,
 30 acquiring, improving, renovating, remodeling, and equipping the
 31 county jail and related buildings and parking facilities, including
 32 costs related to the demolition of existing buildings, the
 33 acquisition of land, and any other reasonably related costs.

34 (c) In addition to the rates permitted by section 2 of this chapter, the
 35 county council may impose the county adjusted gross income tax at a
 36 rate of:

- 37 (1) fifteen-hundredths percent (0.15%);
- 38 (2) two-tenths percent (0.2%); or
- 39 (3) twenty-five hundredths percent (0.25%);

40 on the adjusted gross income of county taxpayers if the county council
 41 makes the finding and determination set forth in subsection (b). The tax
 42 imposed under this section may be imposed only until the later of the



1 date on which the financing on, acquisition, improvement, renovation,
 2 remodeling, and equipping described in subsection (b) are completed
 3 or the date on which the last of any bonds issued or leases entered into
 4 to finance the construction, acquisition, improvement, renovation,
 5 remodeling, and equipping described in subsection (b) are fully paid.
 6 The term of the bonds issued (including any refunding bonds) or a
 7 lease entered into under subsection (b)(2) may not exceed twenty-five
 8 (25) years.

9 (d) If the county council makes a determination under subsection
 10 (b), the county council may adopt a tax rate under subsection (c). The
 11 tax rate may not be imposed at a rate greater than is necessary to pay
 12 the costs of financing, acquiring, improving, renovating, remodeling,
 13 and equipping the county jail and related buildings and parking
 14 facilities, including costs related to the demolition of existing
 15 buildings, the acquisition of land, and any other reasonably related
 16 costs.

17 (e) The county treasurer shall establish a county jail revenue fund
 18 to be used only for purposes described in this section. County adjusted
 19 gross income tax revenues derived from the tax rate imposed under this
 20 section shall be deposited in the county jail revenue fund before
 21 making a ~~certified distribution~~ **distributions** under section 11 of this
 22 chapter.

23 (f) County adjusted gross income tax revenues derived from the tax
 24 rate imposed under this section:

- 25 (1) may be used only for the purposes described in this section;
- 26 (2) may not be considered by the department of local government
 27 finance in determining the county's maximum permissible
 28 property tax levy limit under IC 6-1.1-18.5; and
- 29 (3) may be pledged to the repayment of bonds issued or leases
 30 entered into for purposes described in subsection (b).

31 (g) Daviess County possesses unique governmental and economic
 32 development challenges due to:

- 33 (1) underemployment in relation to similarly situated counties and
 34 the loss of a major manufacturing business;
- 35 (2) an increase in property taxes for taxable years after December
 36 31, 2000, for the construction of a new elementary school; and
- 37 (3) overcrowding of the county jail, the costs associated with
 38 housing the county's inmates outside the county, and the potential
 39 unavailability of additional housing for inmates outside the
 40 county.

41 The use of county adjusted gross income tax revenues as provided in
 42 this chapter is necessary for the county to provide adequate jail



1 capacity in the county and to maintain low property tax rates essential
 2 to economic development. The use of county adjusted gross income tax
 3 revenues as provided in this chapter to pay any bonds issued or leases
 4 entered into to finance the construction, acquisition, improvement,
 5 renovation, remodeling, and equipping described in subsection (b),
 6 rather than the use of property taxes, promotes those purposes.

7 (h) Notwithstanding any other law, funds accumulated from the
 8 county adjusted gross income tax imposed under this section after:

9 (1) the redemption of bonds issued; or

10 (2) the final payment of lease rentals due under a lease entered
 11 into under this section;

12 shall be transferred to the county highway fund to be used for
 13 construction, resurfacing, restoration, and rehabilitation of county
 14 highways, roads, and bridges.

15 SECTION 18. IC 6-3.5-1.1-3.3 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 3.3. (a) This
 17 section applies only to a county that:

18 (1) operates a county jail that is subject to an order that:

19 (A) was issued by a federal district court before January 1,
 20 2003; and

21 (B) has not been terminated;

22 (2) operates a county jail that fails to meet:

23 (A) American Correctional Association Jail Construction
 24 Standards; and

25 (B) Indiana jail operation standards adopted by the department
 26 of correction; and

27 (3) has insufficient revenue to finance the construction,
 28 acquisition, improvement, renovation, and equipping of a county
 29 jail and related buildings and parking facilities.

30 (b) For purposes of this section, "county jail" includes any other
 31 penal facility that is:

32 (1) located in; and

33 (2) operated by;

34 the county.

35 (c) The county council may, by ordinance, determine that additional
 36 county adjusted gross income tax revenue is needed in the county to:

37 (1) finance, construct, acquire, improve, renovate, or equip a
 38 county jail and related buildings and parking facilities, including
 39 costs related to the demolition of existing buildings and the
 40 acquisition of land; and

41 (2) repay bonds issued or leases entered into for constructing,
 42 acquiring, improving, renovating, and equipping the county jail



1 and related buildings and parking facilities, including costs
 2 related to the demolition of existing buildings and the acquisition
 3 of land.

4 (d) In addition to the rates permitted by section 2 of this chapter, the
 5 county council may impose the county adjusted gross income tax at a
 6 rate of twenty-five hundredths percent (0.25%) on the adjusted gross
 7 income of county taxpayers if the county council makes the finding and
 8 determination set forth in subsection (c). The tax imposed under this
 9 section may be imposed only until the later of the date on which the
 10 financing on acquisition, improvement, renovation, and equipping
 11 described in subsection (c) is completed or the date on which the last
 12 of any bonds issued or leases entered into to finance the construction,
 13 acquisition, improvement, renovation, and equipping described in
 14 subsection (c) are fully paid. The term of the bonds issued (including
 15 any refunding bonds) or a lease entered into under subsection (c)(2)
 16 may not exceed thirty (30) years.

17 (e) If the county council makes a determination under subsection
 18 (c), the county council may adopt a tax rate under subsection (d). The
 19 tax rate may not be imposed at a rate greater than is necessary to pay
 20 the costs of financing, acquiring, improving, renovating, and equipping
 21 the county jail and related buildings and parking facilities, including
 22 costs related to the demolition of existing buildings and the acquisition
 23 of land.

24 (f) The county treasurer shall establish a county jail revenue fund to
 25 be used only for purposes described in this section. County adjusted
 26 gross income tax revenues derived from the tax rate imposed under this
 27 section shall be deposited in the county jail revenue fund before
 28 making a ~~certified distribution~~ **distributions** under section 11 of this
 29 chapter.

30 (g) County adjusted gross income tax revenues derived from the tax
 31 rate imposed under this section:

- 32 (1) may only be used for purposes described in this section;
- 33 (2) may not be considered by the department of local government
 34 finance in determining the county's maximum permissible
 35 property tax levy limit under IC 6-1.1-18.5; and
- 36 (3) may be pledged to the repayment of bonds issued or leases
 37 entered into for purposes described in subsection (c).

38 (h) A county described in subsection (a) possesses unique economic
 39 development challenges due to underemployment in relation to
 40 similarly situated counties. Maintaining low property tax rates is
 41 essential to economic development. The use of county adjusted gross
 42 income tax revenues as provided in this chapter, rather than use of



1 property taxes, to pay any bonds issued or leases entered into to finance
 2 the construction, acquisition, improvement, renovation, and equipping
 3 described in subsection (c) promotes that purpose.

4 (i) Notwithstanding any other law, funds accumulated from the
 5 county adjusted gross income tax imposed under this section after:

6 (1) the redemption of bonds issued; or

7 (2) the final payment of lease rentals due under a lease entered
 8 into under this section;

9 shall be transferred to the county general fund.

10 SECTION 19. IC 6-3.5-1.1-3.6, AS AMENDED BY P.L. 119-2012,
 11 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2016]: Sec. 3.6. (a) This section applies only to Union
 13 County.

14 (b) The county council may, by ordinance, determine that additional
 15 county adjusted gross income tax revenue is needed in the county to:

16 (1) finance, construct, acquire, improve, renovate, or equip the
 17 county courthouse; and

18 (2) repay bonds issued, or leases entered into, for constructing,
 19 acquiring, improving, renovating, and equipping the county
 20 courthouse.

21 (c) In addition to the rates permitted under section 2 of this chapter,
 22 the county council may impose the county adjusted gross income tax
 23 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 24 gross income of county taxpayers if the county council makes the
 25 finding and determination set forth in subsection (b). The tax imposed
 26 under this section may be imposed only until the later of the date on
 27 which the financing on, acquisition, improvement, renovation, and
 28 equipping described in subsection (b) is completed or the date on
 29 which the last of any bonds issued or leases entered into to finance the
 30 construction, acquisition, improvement, renovation, and equipping
 31 described in subsection (b) are fully paid. The term of the bonds issued
 32 (including any refunding bonds) or a lease entered into under
 33 subsection (b)(2) may not exceed twenty-two (22) years.

34 (d) If the county council makes a determination under subsection
 35 (b), the county council may adopt a tax rate under subsection (c). The
 36 tax rate may not be imposed for a time greater than is necessary to pay
 37 the costs of financing, constructing, acquiring, renovating, and
 38 equipping the county courthouse.

39 (e) The county treasurer shall establish a county courthouse revenue
 40 fund to be used only for purposes described in this section. County
 41 adjusted gross income tax revenues derived from the tax rate imposed
 42 under this section shall be deposited in the county courthouse revenue



1 fund before a ~~certified distribution is made~~ **making distributions**
 2 under section 11 of this chapter.

3 (f) County adjusted gross income tax revenues derived from the tax
 4 rate imposed under this section:

- 5 (1) may only be used for the purposes described in this section;
- 6 (2) may not be considered by the department of local government
 7 finance in determining the county's maximum permissible
 8 property tax levy under IC 6-1.1-18.5; and
- 9 (3) may be pledged to the repayment of bonds issued or leases
 10 entered into for purposes described in subsection (b).

11 (g) Union County possesses unique economic development
 12 challenges due to:

- 13 (1) the county's heavy agricultural base;
- 14 (2) the presence of a large amount of state owned property in the
 15 county that is exempt from property taxation; and
- 16 (3) recent obligations of the school corporation in the county that
 17 have already increased property taxes in the county and imposed
 18 additional property tax burdens on the county's agricultural base.

19 Maintaining low property tax rates is essential to economic
 20 development. The use of county adjusted gross income tax revenues as
 21 provided in this chapter to pay any bonds issued or leases entered into
 22 to finance the construction, acquisition, improvement, renovation, and
 23 equipping described in subsection (b), rather than the use of property
 24 taxes, promotes that purpose.

25 (h) Notwithstanding any other law, funds accumulated from the
 26 county adjusted gross income tax imposed under this section after:

- 27 (1) the redemption of the bonds issued; or
- 28 (2) the final payment of lease rentals due under a lease entered
 29 into under this section;

30 shall be transferred to the county highway fund to be used for
 31 construction, resurfacing, restoration, and rehabilitation of county
 32 highways, roads, and bridges.

33 SECTION 20. IC 6-3.5-1.1-5 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 5. (a) Except as
 35 provided in subsections (b) through (c), if the county adjusted gross
 36 income tax is not in effect during a county taxpayer's entire taxable
 37 year, then the amount of county adjusted gross income tax that the
 38 county taxpayer owes for that taxable year equals the product of:

- 39 (1) the amount of county adjusted gross income tax the county
 40 taxpayer would owe if the tax had been imposed during the
 41 county taxpayer's entire taxable year; multiplied by
- 42 (2) a fraction:



- 1 (A) The numerator of the fraction equals the number of days
 2 during the county taxpayer's taxable year during which the
 3 county adjusted gross income tax was in effect.
- 4 (B) The denominator of the fraction equals the total number of
 5 days in the county taxpayer's taxable year.
- 6 (b) If a county taxpayer:
- 7 (1) is unemployed for a part of the taxpayer's taxable year;
 8 (2) was not discharged for just cause (as defined in
 9 IC 22-4-15-1(e)); and
 10 (3) has no earned income for the part of the taxpayer's taxable
 11 year that the tax was in effect;
- 12 the county taxpayer's adjusted gross income for the taxable year is
 13 reduced by the amount of the taxpayer's earned income for the taxable
 14 year.
- 15 (c) A taxpayer who qualifies under subsection (b) must file a claim
 16 for a refund for the difference between the county adjusted gross
 17 income tax owed, as determined under subsection (a), and the tax
 18 owed, as determined under subsection (b). A claim for a refund must
 19 be on a form approved by the department **or (in the case of a tax**
 20 **imposed under this article for taxable years beginning after**
 21 **December 31, 2015) by the county** and include all supporting
 22 documentation reasonably required by the department **or county (as**
 23 **applicable).**
- 24 SECTION 21. IC 6-3.5-1.1-6 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 6. (a) Except as
 26 provided in subsection (b), if for a particular taxable year a county
 27 taxpayer is liable for an income tax imposed by a county, city, town, or
 28 other local governmental entity located outside of Indiana, that county
 29 taxpayer is entitled to a credit against ~~his~~ **the taxpayer's** county
 30 adjusted gross income tax liability for that same taxable year. The
 31 amount of the credit equals the amount of tax imposed by the other
 32 governmental entity on income derived from sources outside Indiana
 33 and subject to the county adjusted gross income tax. However, the
 34 credit provided by this section may not reduce a county taxpayer's
 35 county adjusted gross income tax liability to an amount less than would
 36 have been owed if the income subject to taxation by the other
 37 governmental entity had been ignored.
- 38 (b) The credit provided by this section does not apply to a county
 39 taxpayer to the extent that the other governmental entity provides for
 40 a credit to the taxpayer for the amount of county adjusted gross income
 41 taxes owed under this chapter.
- 42 (c) To claim the credit provided by this section, a county taxpayer



1 must provide the department or **(in the case of a tax imposed under**
 2 **this article for taxable years beginning after December 31, 2015)**
 3 **the county treasurer** with satisfactory evidence that ~~he~~ **the taxpayer**
 4 is entitled to the credit.

5 SECTION 22. IC 6-3.5-1.1-8 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 8. (a) ~~On~~ **On**
 7 **February 1, 2016, and on November 1, 2016, the auditor of state**
 8 **shall transfer to each county ninety-five percent (95%) of the**
 9 **balance on those dates in the special account established** within the
 10 state general fund ~~shall be established for each that county adopting~~
 11 the county adjusted gross income tax. Any revenue derived from the
 12 imposition of the county adjusted gross income tax by a county shall be
 13 deposited in that county's account in the state general fund. ~~and~~
 14 **and ninety-five percent (95%) of any other balances on those dates of**
 15 **county adjusted gross income tax withheld or otherwise paid by or**
 16 **on behalf of county taxpayers.**

17 (b) Any income earned on money held in an account under
 18 subsection (a) becomes a part of that account.

19 (c) Any revenue remaining in an account established under
 20 subsection (a) at the end of a fiscal year does not revert to the state
 21 general fund.

22 (b) The balances remaining after making the transfers required
 23 under subsection (a) shall be used to pay any refunds of county
 24 adjusted gross income tax for taxable years beginning before
 25 January 1, 2016. On January 1, 2019:

26 (1) any remaining balances of county adjusted gross income
 27 tax withheld or otherwise paid by or on behalf of county
 28 taxpayers shall be transferred to the county treasurer; and

29 (2) the special account established within the state general
 30 fund for that county is abolished.

31 (c) This section expires June 30, 2019.

32 SECTION 23. IC 6-3.5-1.1-8.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2016]: Sec. 8.5. (a) Revenue derived
 35 from the imposition of the county adjusted gross income tax by the
 36 county and received by a county treasurer under this chapter,
 37 including any amounts transferred under section 8 of this chapter,
 38 shall be deposited by the county treasurer in a special fund.

39 (b) Any income earned on money held in a special fund under
 40 subsection (c) becomes a part of that fund.

41 (c) Any revenue remaining in a fund established under
 42 subsection (a):



1 **(1) does not revert to the county general fund; and**

2 **(2) shall be distributed as provided in this chapter.**

3 SECTION 24. IC 6-3.5-1.1-9 IS REPEALED [EFFECTIVE
4 JANUARY 1, 2016]. Sec. 9: (a) Revenue derived from the imposition
5 of the county adjusted gross income tax shall, in the manner prescribed
6 by this section, be distributed to the county that imposed it. The amount
7 to be distributed to a county during an ensuing calendar year equals the
8 amount of county adjusted gross income tax revenue that the budget
9 agency determines has been:

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

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

15 as adjusted for refunds of county adjusted gross income tax made in the
16 state fiscal year:

17 (b) Before August 2 of each calendar year, the budget agency shall
18 provide to the county auditor of each adopting county an estimate of
19 the amount determined under subsection (a) that will be distributed to
20 the county, based on known tax rates. Not later than thirty (30) days
21 after receiving the estimate of the certified distribution, the county
22 auditor shall notify each taxing unit of the estimated amount of
23 property tax replacement credits, certified shares, and other revenue
24 that will be distributed to the taxing unit under this chapter during the
25 ensuing calendar year. Before October 1 of each calendar year, the
26 budget agency shall certify to the county auditor of each adopting
27 county the amount determined under subsection (a) plus the amount of
28 interest in the county's account that has accrued and has not been
29 included in a certification made in a preceding year. The amount
30 certified is the county's "certified distribution" for the immediately
31 succeeding calendar year. The amount certified shall be adjusted under
32 subsections (c); (d); (e); (f), and (g). Not later than thirty (30) days
33 after receiving the notice of the amount of the certified distribution, the
34 county auditor shall notify each taxing unit of the amount of property
35 tax replacement credits, certified shares, and other revenue that will be
36 distributed to the taxing unit under this chapter during the ensuing
37 calendar year. The budget agency shall provide the county council with
38 an informative summary of the calculations used to determine the
39 certified distribution. The summary of calculations must include:

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

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



- 1 (3) adjustments for clerical or mathematical errors in prior years;
 2 (4) adjustments for tax rate changes; and
 3 (5) the amount of excess account balances to be distributed under
 4 IC 6-3.5-1.1-21.1.

5 The budget agency shall also certify information concerning the part of
 6 the certified distribution that is attributable to a tax rate under section
 7 24, 25, or 26 of this chapter. This information must be certified to the
 8 county auditor, the department, and the department of local government
 9 finance before October 1 of each calendar year. The part of the certified
 10 distribution that is attributable to a tax rate under section 24, 25, or 26
 11 of this chapter may be used only as specified in those provisions.

12 (c) The budget agency shall certify an amount less than the amount
 13 determined under subsection (b) if the budget agency determines that
 14 the reduced distribution is necessary to offset overpayments made in a
 15 calendar year before the calendar year of the distribution. The budget
 16 agency may reduce the amount of the certified distribution over several
 17 calendar years so that any overpayments are offset over several years
 18 rather than in one (1) lump sum.

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

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



1 informative summary of the calculations that revises the informative
 2 summary provided in subsection (b) and reflects the changes made in
 3 the adjustment.

4 (f) The budget agency shall adjust the certified distribution of a
 5 county to provide the county with the distribution required under
 6 section 3.3 of this chapter beginning not later than the tenth month after
 7 the month in which additional revenue from the tax authorized under
 8 section 3.3 of this chapter is initially collected.

9 (g) This subsection applies in the year in which a county initially
 10 imposes a tax rate under section 24 of this chapter. Notwithstanding
 11 any other provision, the budget agency shall adjust the part of the
 12 county's certified distribution that is attributable to the tax rate under
 13 section 24 of this chapter to provide for a distribution in the
 14 immediately following calendar year equal to the result of:

15 (1) the sum of the amounts determined under STEP ONE through
 16 STEP FOUR of IC 6-3.5-1.5-1(b) in the year in which the county
 17 initially imposes a tax rate under section 24 of this chapter;
 18 multiplied by

19 (2) two (2):

20 (h) The budget agency shall before May 1 of every odd-numbered
 21 year publish an estimate of the statewide total amount of certified
 22 distributions to be made under this chapter during the following two (2)
 23 calendar years.

24 (i) The budget agency shall before May 1 of every even-numbered
 25 year publish an estimate of the statewide total amount of certified
 26 distributions to be made under this chapter during the following
 27 calendar year.

28 (j) The estimates under subsections (h) and (i) must specify the
 29 amount of the estimated certified distributions that are attributable to
 30 the additional rate authorized under section 24 of this chapter; the
 31 additional rate authorized under section 25 of this chapter; the
 32 additional rate authorized under section 26 of this chapter; and any
 33 other additional rates authorized under this chapter.

34 SECTION 25. IC 6-3.5-1.1-10, AS AMENDED BY P.L.137-2012,
 35 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2016]: Sec. 10. (a) One-twelfth (1/12) of each adopting
 37 county's certified distribution for a calendar year shall be distributed
 38 from its account established under section 8 of this chapter to the
 39 appropriate county treasurer on the first regular business day of each
 40 month of that calendar year.

41 (b) Except for:

42 (1) revenue that must be used to pay the costs of:



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

26 **distributions made to a county treasurer under subsection (a) revenue**
 27 **collected under this chapter** shall be treated as though ~~they were the~~
 28 **revenue is** property taxes that were due and payable during that same
 29 calendar year. Except as provided by sections 24, 25, and 26 of this
 30 chapter, the ~~certified distribution~~ **revenue collected under this**
 31 **chapter** shall be distributed and used by the taxing units and school
 32 corporations as provided in sections 11 through 15 of this chapter.

33 (c) ~~All distributions from an account established under section 8 of~~
 34 ~~this chapter shall be made by warrants issued by the auditor of the state~~
 35 ~~to the treasurer of the state ordering the appropriate payments:~~

36 SECTION 26. IC 6-3.5-1.1-11, AS AMENDED BY P.L.77-2011,
 37 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2016]: Sec. 11. (a) Except for:

- 39 (1) revenue that must be used to pay the costs of:
- 40 (A) financing, constructing, acquiring, improving, renovating,
- 41 equipping, operating, or maintaining facilities and buildings;
- 42 (B) debt service on bonds; or



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

23 the ~~certified distribution received~~ **revenue collected under this**
 24 **chapter** by a county treasurer shall, in the manner prescribed in this
 25 section, be allocated, distributed, and used by the civil taxing units and
 26 school corporations of the county as certified shares and property tax
 27 replacement credits.

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

	PROPERTY	
	TAX	
COUNTY		
ADJUSTED GROSS	REPLACEMENT	CERTIFIED



1	INCOME TAX RATE	CREDITS	SHARES
2	0.5%	50%	50%
3	0.75%	33 1/3%	66 2/3%
4	1%	25%	75%

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

8 (d) The part of a ~~certified distribution~~ **the revenue collected under**
9 **this chapter** that constitutes certified shares shall be distributed as
10 provided by section 15 of this chapter.

11 SECTION 27. IC 6-3.5-1.1-11.5, AS ADDED BY P.L.26-2009,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2016]: Sec. 11.5. (a) The county auditor shall timely
14 distribute the part of the ~~certified distribution received under section 10~~
15 ~~of revenue collected under~~ this chapter that constitutes property tax
16 replacement credits to each civil taxing unit and school corporation that
17 is a recipient of property tax replacement credits as provided by
18 sections 12, 13, and 14 of this chapter.

19 (b) The county auditor shall timely distribute the part of a ~~certified~~
20 ~~distribution received under section 10 of the revenue collected under~~
21 this chapter that constitutes certified shares to each civil taxing unit
22 that is a recipient of certified shares as provided by section 15 of this
23 chapter.

24 (c) A distribution is considered to be timely made if the distribution
25 **of revenue received during a month** is made not later than ten (10)
26 working days after the ~~date the county treasurer receives the county's~~
27 ~~certified distribution under section 10 of this chapter:~~ **beginning of the**
28 **following month.**

29 SECTION 28. IC 6-3.5-1.1-12, AS AMENDED BY P.L.207-2005,
30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2016]: Sec. 12. (a) The part of a county's ~~certified~~
32 ~~distribution revenue collected under this chapter~~ for a calendar year
33 that is to be used as property tax replacement credits shall be allocated
34 by the county auditor among the civil taxing units and school
35 corporations of the county.

36 (b) Except as provided in section 13 of this chapter, the amount of
37 property tax replacement credits that each civil taxing unit and school
38 corporation in a county is entitled to receive during a calendar year
39 equals the product of:

40 (1) that part of the county's ~~certified distribution revenue~~
41 **collected under this chapter** that is dedicated to providing
42 property tax replacement credits for that same calendar year;



- 1 multiplied by
 2 (2) a fraction:
 3 (A) The numerator of the fraction equals the allocation amount
 4 for the civil taxing unit or school corporation during that
 5 calendar year.
 6 (B) The denominator of the fraction equals the sum of the
 7 allocation amounts for all the civil taxing units and school
 8 corporations of the county for that calendar year.
 9 (c) The department of local government finance shall provide each
 10 county auditor with the amount of property tax replacement credits that
 11 each civil taxing unit and school corporation in the auditor's county is
 12 entitled to receive under this section. The county auditor shall then
 13 certify to each civil taxing unit and school corporation the amount of
 14 property tax replacement credits it is entitled to receive (after
 15 adjustment made under section 13 of this chapter) under this section
 16 during that calendar year. The county auditor shall also certify these
 17 distributions to the county treasurer.
 18 SECTION 29. IC 6-3.5-1.1-13 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 13. (a) If a civil
 20 taxing unit or school corporation of an adopting county does not
 21 impose a property tax levy that is first due and payable in a calendar
 22 year in which property tax replacement credits are being distributed,
 23 that civil taxing unit or school corporation is entitled to receive a
 24 proportion of the property tax replacement credits to be distributed
 25 within the county. The amount such a civil taxing unit or school
 26 corporation is entitled to receive during that calendar year equals the
 27 product of:
 28 (1) the part of the county's ~~certified distribution revenue~~
 29 **collected under this chapter** that is to be used to provide
 30 property tax replacement credits during that calendar year;
 31 multiplied by
 32 (2) a fraction:
 33 (A) The numerator of the fraction equals the budget of that
 34 civil taxing unit or school corporation for that calendar year.
 35 (B) The denominator of the fraction equals the aggregate
 36 budgets of all civil taxing units and school corporations of that
 37 county for that calendar year.
 38 (b) If for a calendar year a civil taxing unit or school corporation is
 39 allocated a proportion of a county's property tax replacement credits by
 40 this section then the formula used in section 12 of this chapter to
 41 determine all other civil taxing units' and school corporations' property
 42 tax replacement credits shall be changed for that same year by reducing



1 the amount dedicated to providing property tax replacement credits by
 2 the amount of property tax replacement credits allocated under this
 3 section for that same calendar year. The department of local
 4 government finance shall make any adjustments required by this
 5 section and provide them to the appropriate county auditors.

6 SECTION 30. IC 6-3.5-1.1-15, AS AMENDED BY
 7 P.L.182-2009(ss), SECTION 212, IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 15. (a) As used
 9 in this section, "attributed allocation amount" of a civil taxing unit for
 10 a calendar year means the sum of:

- 11 (1) the allocation amount of the civil taxing unit for that calendar
 12 year; plus
 13 (2) the current ad valorem property tax levy of any special taxing
 14 district, authority, board, or other entity formed to discharge
 15 governmental services or functions on behalf of or ordinarily
 16 attributable to the civil taxing unit; plus
 17 (3) in the case of a county, an amount equal to the welfare
 18 allocation amount.

19 The welfare allocation amount is an amount equal to the sum of the
 20 property taxes imposed by the county in 1999 for the county's welfare
 21 fund and welfare administration fund and, if the county received a
 22 certified distribution under this chapter or IC 6-3.5-6 in 2008, the
 23 property taxes imposed by the county in 2008 for the county's county
 24 medical assistance to wards fund, family and children's fund, children's
 25 psychiatric residential treatment services fund, county hospital care for
 26 the indigent fund, and children with special health care needs county
 27 fund.

28 (b) The part of a county's ~~certified distribution~~ **revenue collected**
 29 **under this chapter** that is to be used as certified shares shall be
 30 allocated only among the county's civil taxing units. Each civil taxing
 31 unit of a county is entitled to receive a certified share during a calendar
 32 year in an amount determined in STEP TWO of the following formula:

33 STEP ONE: Divide:

- 34 (A) the attributed allocation amount of the civil taxing unit
 35 during that calendar year; by
 36 (B) the sum of the attributed allocation amounts of all the civil
 37 taxing units of the county during that calendar year.

38 STEP TWO: Multiply the part of the county's ~~certified~~
 39 ~~distribution~~ **revenue collected under this chapter** that is to be
 40 used as certified shares by the STEP ONE amount.

41 (c) The department of local government finance shall determine the
 42 attributed levies of civil taxing units that are entitled to receive certified



1 shares during a calendar year. If the ad valorem property tax levy of
 2 any special taxing district, authority, board, or other entity is attributed
 3 to another civil taxing unit under subsection (a)(2), then the special
 4 taxing district, authority, board, or other entity shall not be treated as
 5 having an attributed allocation amount of its own. The department of
 6 local government finance shall certify the attributed allocation amounts
 7 to the appropriate county auditor. The county auditor shall then allocate
 8 the certified shares among the civil taxing units of the auditor's county.

9 (d) Certified shares received by a civil taxing unit shall be treated
 10 as additional revenue for the purpose of fixing its budget for the
 11 calendar year during which the certified shares will be received. The
 12 certified shares may be allocated to or appropriated for any purpose,
 13 including property tax relief or a transfer of funds to another civil
 14 taxing unit whose levy was attributed to the civil taxing unit in the
 15 determination of its attributed allocation amount.

16 SECTION 31. IC 6-3.5-1.1-18, AS AMENDED BY P.L.146-2008,
 17 SECTION 330, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2016]: Sec. 18. (a) Except as otherwise
 19 provided in this chapter **and IC 6-3.5-7.5**, all provisions of the adjusted
 20 gross income tax law (IC 6-3) concerning:

- 21 (1) definitions;
- 22 (2) declarations of estimated tax;
- 23 (3) filing of returns;
- 24 (4) remittances;
- 25 (5) incorporation of the provisions of the Internal Revenue Code;
- 26 (6) penalties and interest;
- 27 (7) exclusion of military pay credits for withholding; and
- 28 (8) exemptions and deductions;

29 apply to the imposition, collection, and administration of the tax
 30 imposed by this chapter.

31 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
 32 IC 6-3-5-1 do not apply to the tax imposed by this chapter.

33 (c) Notwithstanding subsections (a) and (b), each employer shall
 34 report to the department the amount of withholdings **attributable**
 35 **remitted** to each county **treasurer under IC 6-3-4-0.5**. This report
 36 shall be submitted to the department:

- 37 (1) each time the employer remits to the department the **state**
 38 **adjusted gross income** tax that is withheld; and
- 39 (2) annually along with the employer's annual withholding report.

40 SECTION 32. IC 6-3.5-1.1-21 IS REPEALED [EFFECTIVE
 41 JANUARY 1, 2016]. ~~Sec. 21. Before November 2 of each year, the~~
 42 ~~budget agency shall submit a report to each county auditor indicating~~



1 the balance in the county's adjusted gross income tax account as of the
2 cutoff date specified by the budget agency:

3 SECTION 33. IC 6-3.5-1.1-21.1 IS REPEALED [EFFECTIVE
4 JANUARY 1, 2016]. Sec. 21.1. (a) If the budget agency determines
5 that the balance in a county trust account exceeds fifty percent (50%)
6 of the certified distributions to be made to the county in the ensuing
7 year, the budget agency shall make a supplemental distribution to the
8 county from the county's adjusted gross income tax account:

9 (b) A supplemental distribution described in subsection (a) must be:

10 (1) made in January of the ensuing calendar year; and

11 (2) allocated and, subject to subsection (d), used in the same
12 manner as certified distributions. However, the part of a
13 supplemental distribution that is attributable to an additional rate
14 authorized under this chapter:

15 (A) shall be used for the purpose specified in the statute
16 authorizing the additional rate; and

17 (B) is not required to be deposited in the unit's rainy day fund.

18 The amount of the supplemental distribution is equal to the amount by
19 which the balance in the county trust account exceeds fifty percent
20 (50%) of the certified distributions to be made to the county in the
21 ensuing year:

22 (c) A determination under this section must be made before
23 November 2:

24 (d) This subsection applies to that part of a distribution made under
25 this section that is allocated and available for use in the same manner
26 as certified shares. The civil taxing unit receiving the money shall
27 deposit the money in the civil taxing unit's rainy day fund established
28 under IC 36-1-8-5.1:

29 (e) Any income earned on money held in a trust account established
30 for a county under this chapter shall be deposited in that trust account:

31 SECTION 34. IC 6-3.5-1.1-24, AS AMENDED BY P.L.153-2014,
32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2016]: Sec. 24. (a) In a county in which the county
34 adjusted gross income tax is in effect, the county council may adopt an
35 ordinance to impose or increase (as applicable) a tax rate under this
36 section.

37 (b) In a county in which neither the county adjusted gross income
38 tax nor the county option income tax is in effect, the county council
39 may adopt an ordinance to impose a tax rate under this section.

40 (c) If a county council adopts an ordinance to impose or increase a
41 tax rate under this section, not more than ten (10) days after the vote,
42 the county auditor shall send a certified copy of the ordinance to the



1 commissioner of the department, the director of the budget agency, and
 2 the commissioner of the department of local government finance in an
 3 electronic format approved by the director of the budget agency.

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

7 (e) Except as provided in subsection (t), the following apply only in
 8 the year in which a county council first imposes a tax rate under this
 9 section:

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

12 (2) The tax rate that must be imposed in the county in the first
 13 year is equal to the result of:

14 (A) the tax rate determined for the county under
 15 IC 6-3.5-1.5-1(b) in the year in which the tax rate is increased;
 16 multiplied by

17 (B) two (2).

18 (3) The tax rate that must be imposed in the county in the second
 19 year is the tax rate determined for the county under
 20 IC 6-3.5-1.5-1(c). The tax rate under this subdivision continues in
 21 effect in later years unless the tax rate is increased under this
 22 section.

23 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 24 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
 25 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 26 payable in the ensuing calendar year and to property taxes first
 27 due and payable in the calendar year after the ensuing calendar
 28 year.

29 (f) Except as provided in subsection (t), the following apply only in
 30 a year in which a county council increases a tax rate under this section:

31 (1) The county council shall, in the ordinance increasing the tax
 32 rate, specify the tax rate for the following year.

33 (2) The tax rate that must be imposed in the county is equal to the
 34 result of:

35 (A) the tax rate determined for the county under
 36 IC 6-3.5-1.5-1(b) in that year; plus

37 (B) the tax rate currently in effect in the county under this
 38 section.

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

41 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
 42 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its



- 1 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
 2 payable in the ensuing calendar year.
- 3 (g) Except as provided in subsection (t), the department of local
 4 government finance shall determine the following property tax
 5 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(b) 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(b), 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(b) 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 distributions in 2009 and thereafter, the result
 20 of this STEP is zero (0). For distribution to the county for deposit
 21 in the county family and children's fund before 2009, determine
 22 the result of:
- 23 (1) the quotient of:
- 24 (A) the amount determined under STEP TWO of
 25 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 26 (B) the STEP ONE amount; multiplied by
- 27 (2) the tax revenue received by the county treasurer under this
 28 section.
- 29 STEP FOUR: For distributions in 2009 and thereafter, the result
 30 of this STEP is zero (0). For distribution to the county for deposit
 31 in the county children's psychiatric residential treatment services
 32 fund before 2009, determine the result of:
- 33 (1) the quotient of:
- 34 (A) the amount determined under STEP THREE of
 35 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 36 (B) the STEP ONE amount; multiplied by
- 37 (2) the tax revenue received by the county treasurer under this
 38 section.
- 39 STEP FIVE: For distribution to the county for community mental
 40 health center purposes, determine the result of:
- 41 (1) the quotient of:
- 42 (A) the amount determined under STEP FOUR of



- 1 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 2 (B) the STEP ONE amount; multiplied by
 3 (2) the tax revenue received by the county treasurer under this
 4 section.
- 5 Except as provided in subsection (m), the county treasurer shall
 6 distribute the portion of the ~~certified distribution revenue collected~~
 7 **under this chapter** that is attributable to a tax rate under this section
 8 as specified in this section. The county treasurer shall make the
 9 distributions under this subsection at the same time that distributions
 10 are made to civil taxing units under section 15 of this chapter.
- 11 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 12 council may not decrease or rescind a tax rate imposed under this
 13 section.
- 14 (i) The tax rate under this section shall not be considered for
 15 purposes of computing:
- 16 (1) the maximum income tax rate that may be imposed in a county
 17 under section 2 of this chapter or any other provision of this
 18 chapter; or
 19 (2) the maximum permissible property tax levy under
 20 IC 6-1.1-18.5-3.
- 21 (j) The tax levy under this section shall not be considered for
 22 purposes of the credit under IC 6-1.1-20.6.
- 23 (k) Except as provided in subsections (s) and (t), a distribution
 24 under this section shall be treated as a part of the receiving civil taxing
 25 unit's property tax levy for that year for purposes of fixing the budget
 26 of the civil taxing unit and for determining the distribution of taxes that
 27 are distributed on the basis of property tax levies.
- 28 (l) If a county council imposes a tax rate under this section (other
 29 than a tax rate imposed under subsection (s)), the portion of county
 30 adjusted gross income tax revenue dedicated to property tax
 31 replacement credits under section 11 of this chapter may not be
 32 decreased.
- 33 (m) In the year following the year in a which a county first imposes
 34 a tax rate under this section, one-half (1/2) of the tax revenue that is
 35 attributable to the tax rate under this section (other than a tax rate
 36 imposed under subsection (s)) must be deposited in the county
 37 stabilization fund established under subsection (o).
- 38 (n) Except as provided in subsection (t) and IC 8-25, a pledge of
 39 county adjusted gross income taxes does not apply to revenue
 40 attributable to a tax rate under this section.
- 41 (o) Except as provided in subsection (t), a county stabilization fund
 42 is established in each county that imposes a tax rate under this section.



1 The county stabilization fund shall be administered by the county
 2 auditor. If for a year the ~~certified distributions~~ **revenue collected**
 3 **under this chapter** attributable to a tax rate under this section ~~exceed~~
 4 **exceeds** the amount calculated under STEP ONE through STEP FOUR
 5 of IC 6-3.5-1.5-1(b) that is used by the department of local government
 6 finance and the department of state revenue to determine the tax rate
 7 under this section, the excess shall be deposited in the county
 8 stabilization fund. Money shall be distributed from the county
 9 stabilization fund in a year by the county auditor to political
 10 subdivisions entitled to a distribution of tax revenue attributable to the
 11 tax rate under this section if:

12 (1) the ~~certified distributions~~ **revenue collected under this**
 13 **chapter** attributable to a tax rate under this section ~~are is~~ less than
 14 the amount calculated under STEP ONE through STEP FOUR of
 15 IC 6-3.5-1.5-1(b) that is used by the department of local
 16 government finance and the department of state revenue to
 17 determine the tax rate under this section for a year; or

18 (2) the ~~certified distributions~~ **revenue collected under this**
 19 **chapter** attributable to a tax rate under this section in a year ~~are~~
 20 **is** less than the certified distributions **(for calculations before**
 21 **January 1, 2017) attributable to a tax rate under this section**
 22 **in the preceding year or revenue collected under this chapter**
 23 **(for calculations after December 31, 2016)** attributable to a tax
 24 rate under this section in the preceding year.

25 However, subdivision (2) does not apply to the year following the first
 26 year in which ~~certified distributions~~ of revenue attributable to the tax
 27 rate under this section ~~are is~~ distributed to the county.

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

30 (q) A county council must each year hold at least one (1) public
 31 meeting at which the county council discusses whether the tax rate
 32 under this section should be imposed or increased.

33 (r) The department of local government finance, ~~and~~ the department
 34 of state revenue, **and the county** may take any actions necessary to
 35 carry out the purposes of this section.

36 (s) This subsection applies only to Hancock County and Johnson
 37 County. If the voters of the county approve a local public question
 38 under IC 8-25-2, the fiscal body of the county may adopt an ordinance
 39 to provide for the use of county adjusted gross income tax revenues
 40 attributable to an additional tax rate imposed under this subsection to
 41 fund a public transportation project under IC 8-25. However, a county
 42 fiscal body shall adopt an ordinance under this subsection if required



1 by IC 8-25-6-10 to impose an additional tax rate on the county
 2 taxpayers who reside in a township in which the voters approve a
 3 public transportation project in a local public question held under
 4 IC 8-25-6. An ordinance adopted under this subsection must specify an
 5 additional tax rate to be imposed in the county (or township in the case
 6 of an additional rate required by IC 8-25-6-10) of at least one-tenth
 7 percent (0.1%), but not more than twenty-five hundredths percent
 8 (0.25%). If an ordinance is adopted under this subsection, the amount
 9 of the ~~certified distribution revenue~~ attributable to the additional tax
 10 rate imposed under this subsection must be:

- 11 (1) retained by the county auditor;
- 12 (2) deposited in the public transportation project fund established
 13 under IC 8-25-3-7; and
- 14 (3) used for the purpose provided in this subsection instead of as
 15 a property tax replacement distribution.

16 (t) The following do not apply to an additional tax rate imposed
 17 under subsection (s):

- 18 (1) Subsection (e).
- 19 (2) Subsection (f).
- 20 (3) Subsection (g).
- 21 (4) Subsection (k).
- 22 (5) Subsection (n).
- 23 (6) Subsection (o).

24 SECTION 35. IC 6-3.5-1.1-25, AS AMENDED BY P.L.261-2013,
 25 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2016]: Sec. 25. (a) As used in this section, "public
 27 safety" refers to the following:

- 28 (1) A police and law enforcement system to preserve public peace
 29 and order.
- 30 (2) A firefighting and fire prevention system.
- 31 (3) Emergency ambulance services (as defined in
 32 IC 16-18-2-107).
- 33 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 34 (5) Emergency action (as defined in IC 13-11-2-65).
- 35 (6) A probation department of a court.
- 36 (7) Confinement, supervision, services under a community
 37 corrections program (as defined in IC 35-38-2.6-2), or other
 38 correctional services for a person who has been:
 - 39 (A) diverted before a final hearing or trial under an agreement
 40 that is between the county prosecuting attorney and the person
 41 or the person's custodian, guardian, or parent and that provides
 42 for confinement, supervision, community corrections services,



- 1 or other correctional services instead of a final action
 2 described in clause (B) or (C);
 3 (B) convicted of a crime; or
 4 (C) adjudicated as a delinquent child or a child in need of
 5 services.
- 6 (8) A juvenile detention facility under IC 31-31-8.
 7 (9) A juvenile detention center under IC 31-31-9.
 8 (10) A county jail.
 9 (11) A communications system (as defined in IC 36-8-15-3), an
 10 enhanced emergency telephone system (as defined in
 11 IC 36-8-16-2 (before its repeal on July 1, 2012)), or the statewide
 12 911 system (as defined in IC 36-8-16.7-22).
 13 (12) Medical and health expenses for jail inmates and other
 14 confined persons.
 15 (13) Pension payments for any of the following:
 16 (A) A member of the fire department (as defined in
 17 IC 36-8-1-8) or any other employee of a fire department.
 18 (B) A member of the police department (as defined in
 19 IC 36-8-1-9), a police chief hired under a waiver under
 20 IC 36-8-4-6.5, or any other employee hired by a police
 21 department.
 22 (C) A county sheriff or any other member of the office of the
 23 county sheriff.
 24 (D) Other personnel employed to provide a service described
 25 in this section.
- 26 (b) If a county council has imposed a tax rate of at least twenty-five
 27 hundredths of one percent (0.25%) under section 24 of this chapter, a
 28 tax rate of at least twenty-five hundredths of one percent (0.25%) under
 29 section 26 of this chapter, or a total combined tax rate of at least
 30 twenty-five hundredths of one percent (0.25%) under sections 24 and
 31 26 of this chapter, the county council may also adopt an ordinance to
 32 impose an additional tax rate under this section to provide funding for
 33 public safety.
 34 (c) A tax rate under this section may not exceed twenty-five
 35 hundredths of one percent (0.25%).
 36 (d) If a county council adopts an ordinance to impose a tax rate
 37 under this section, not more than ten (10) days after the vote, the
 38 county auditor shall send a certified copy of the ordinance to the
 39 commissioner of the department, the director of the budget agency, and
 40 the commissioner of the department of local government finance in an
 41 electronic format approved by the director of the budget agency.
 42 (e) A tax rate under this section is in addition to any other tax rates



1 imposed under this chapter and does not affect the purposes for which
2 other tax revenue under this chapter may be used.

3 (f) Except as provided in subsection (k) or (l), the county auditor
4 shall distribute the portion of the ~~certified distribution revenue~~
5 **collected under this chapter** that is attributable to a tax rate under this
6 section to the county and to each municipality in the county that is
7 carrying out or providing at least one (1) of the public safety purposes
8 described in subsection (a). The amount that shall be distributed to the
9 county or municipality is equal to the result of:

10 (1) the portion of the ~~certified distribution revenue collected~~
11 **under this chapter** that is attributable to a tax rate under this
12 section; multiplied by

13 (2) a fraction equal to:

14 (A) the attributed allocation amount (as defined in
15 IC 6-3.5-1.1-15) of the county or municipality for the calendar
16 year; divided by

17 (B) the sum of the attributed allocation amounts of the county
18 and each municipality in the county that is entitled to a
19 distribution under this section for the calendar year.

20 The county auditor shall make the distributions required by this
21 subsection not more than thirty (30) days after receiving the portion of
22 the ~~certified distribution revenue collected under this chapter~~ that is
23 attributable to a tax rate under this section. Tax revenue distributed to
24 a county or municipality under this subsection must be deposited into
25 a separate account or fund and may be appropriated by the county or
26 municipality only for public safety purposes.

27 (g) The department of local government finance may not require a
28 county or municipality receiving tax revenue under this section to
29 reduce the county's or municipality's property tax levy for a particular
30 year on account of the county's or municipality's receipt of the tax
31 revenue.

32 (h) The tax rate under this section and the tax revenue attributable
33 to the tax rate under this section shall not be considered for purposes
34 of computing:

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

38 (2) the maximum permissible property tax levy under
39 IC 6-1.1-18.5-3; or

40 (3) the credit under IC 6-1.1-20.6.

41 (i) The tax rate under this section may be imposed or rescinded at
42 the same time and in the same manner that the county may impose or



- 1 increase a tax rate under section 24 of this chapter.
- 2 (j) The department of local government finance, ~~and~~ the department
3 of state revenue, **and the county** may take any actions necessary to
4 carry out the purposes of this section.
- 5 (k) Two (2) or more political subdivisions that are entitled to receive
6 a distribution under this section may adopt resolutions providing that
7 some part or all of those distributions shall instead be paid to one (1)
8 political subdivision in the county to carry out specific public safety
9 purposes specified in the resolutions.
- 10 (l) A fire department, volunteer fire department, or emergency
11 medical services provider that:
- 12 (1) provides fire protection or emergency medical services within
13 the county; and
- 14 (2) is operated by or serves a political subdivision that is not
15 otherwise entitled to receive a distribution of tax revenue under
16 this section;
- 17 may before July 1 of a year apply to the county council for a
18 distribution of tax revenue under this section during the following
19 calendar year. The county council shall review an application
20 submitted under this subsection and may before September 1 of a year
21 adopt a resolution requiring that one (1) or more of the applicants shall
22 receive a specified amount of the tax revenue to be distributed under
23 this section during the following calendar year. A resolution approved
24 under this subsection providing for a distribution to one (1) or more fire
25 departments, volunteer fire departments, or emergency medical
26 services providers applies only to distributions in the following
27 calendar year. Any amount of tax revenue distributed under this
28 subsection to a fire department, volunteer fire department, or
29 emergency medical services provider shall be distributed before the
30 remainder of the tax revenue is distributed under subsection (f).
- 31 SECTION 36. IC 6-3.5-1.1-26, AS AMENDED BY P.L.261-2013,
32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2016]: Sec. 26. (a) A county council may impose a tax
34 rate under this section to provide property tax relief to taxpayers in the
35 county. A county council is not required to impose any other tax before
36 imposing a tax rate under this section.
- 37 (b) A tax rate under this section may be imposed in increments of
38 five hundredths of one percent (0.05%) determined by the county
39 council. A tax rate under this section may not exceed one percent (1%).
- 40 (c) A tax rate under this section is in addition to any other tax rates
41 imposed under this chapter and does not affect the purposes for which
42 other tax revenue under this chapter may be used.



1 (d) If a county council adopts an ordinance to impose or increase a
2 tax rate under this section, not more than ten (10) days after the vote,
3 the county auditor shall send a certified copy of the ordinance to the
4 commissioner of the department, the director of the budget agency, and
5 the commissioner of the department of local government finance in an
6 electronic format approved by the director of the budget agency.

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

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

14 (1) Except as provided in subsection (j), the tax revenue may be
15 used to provide local property tax replacement credits at a
16 uniform rate to all taxpayers in the county. The local property tax
17 replacement credits shall be treated for all purposes as property
18 tax levies. The county auditor shall determine the local property
19 tax replacement credit percentage for a particular year based on
20 the amount of tax revenue that will be used under this subdivision
21 to provide local property tax replacement credits in that year. A
22 county council may not adopt an ordinance determining that tax
23 revenue shall be used under this subdivision to provide local
24 property tax replacement credits at a uniform rate to all taxpayers
25 in the county unless the county council has done the following:

26 (A) Made available to the public the county council's best
27 estimate of the amount of property tax replacement credits to
28 be provided under this subdivision to homesteads, other
29 residential property, commercial property, industrial property,
30 and agricultural property.

31 (B) Adopted a resolution or other statement acknowledging
32 that some taxpayers in the county that do not pay the tax rate
33 under this section will receive a property tax replacement
34 credit that is funded with tax revenue from the tax rate under
35 this section.

36 (2) The tax revenue may be used to uniformly provide the
37 homestead credit percentage in the county. The homestead credits
38 shall be treated for all purposes as property tax levies. The
39 homestead credits do not reduce the basis for determining any
40 state homestead credit. The homestead credits shall be applied to
41 the net property taxes due on the homestead after the application
42 of all other assessed value deductions or property tax deductions



1 and credits that apply to the amount owed under IC 6-1.1. The
2 county auditor shall determine the homestead credit percentage
3 for a particular year based on the amount of tax revenue that will
4 be used under this subdivision to provide homestead credits in
5 that year.

6 (3) The tax revenue may be used to provide local property tax
7 replacement credits at a uniform rate for all qualified residential
8 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
9 and as defined in section 1 of this chapter after December 31,
10 2008) in the county. The local property tax replacement credits
11 shall be treated for all purposes as property tax levies. The county
12 auditor shall determine the local property tax replacement credit
13 percentage for a particular year based on the amount of tax
14 revenue that will be used under this subdivision to provide local
15 property tax replacement credits in that year.

16 (4) This subdivision applies only to Lake County. The Lake
17 County council may adopt an ordinance providing that the tax
18 revenue from the tax rate under this section is used for any of the
19 following:

20 (A) To reduce all property tax levies imposed by the county by
21 the granting of property tax replacement credits against those
22 property tax levies.

23 (B) To provide local property tax replacement credits in Lake
24 County in the following manner:

25 (i) The tax revenue under this section that is collected from
26 taxpayers within a particular municipality in Lake County
27 (as determined by the department based on the department's
28 best estimate) shall be used only to provide a local property
29 tax credit against property taxes imposed by that
30 municipality.

31 (ii) The tax revenue under this section that is collected from
32 taxpayers within the unincorporated area of Lake County (as
33 determined by the department) shall be used only to provide
34 a local property tax credit against property taxes imposed by
35 the county. The local property tax credit for the
36 unincorporated area of Lake County shall be available only
37 to those taxpayers within the unincorporated area of the
38 county.

39 (C) To provide property tax credits in the following manner:

40 (i) Sixty percent (60%) of the tax revenue under this section
41 shall be used as provided in clause (B).

42 (ii) Forty percent (40%) of the tax revenue under this section



1 shall be used to provide property tax replacement credits
 2 against property tax levies of the county and each township
 3 and municipality in the county. The percentage of the tax
 4 revenue distributed under this item that shall be used as
 5 credits against the county's levies or against a particular
 6 township's or municipality's levies is equal to the percentage
 7 determined by dividing the population of the county,
 8 township, or municipality by the sum of the total population
 9 of the county, each township in the county, and each
 10 municipality in the county.

11 The Lake County council shall determine whether the credits
 12 under clause (A), (B), or (C) shall be provided to homesteads, to
 13 all qualified residential property, or to all taxpayers. The
 14 department of local government finance, with the assistance of the
 15 budget agency, shall certify to the county auditor and the fiscal
 16 body of the county and each township and municipality in the
 17 county the amount of property tax credits under this subdivision.
 18 Except as provided in subsection (g), the tax revenue under this
 19 section that is used to provide credits under this subdivision shall
 20 be treated for all purposes as property tax levies.

21 The county council may adopt an ordinance changing the purposes for
 22 which tax revenue attributable to a tax rate under this section shall be
 23 used in the following year.

24 (g) The tax rate under this section and the tax revenue attributable
 25 to the tax rate under this section shall not be considered for purposes
 26 of computing:

- 27 (1) the maximum income tax rate that may be imposed in a county
- 28 under section 2 of this chapter or any other provision of this
- 29 chapter;
- 30 (2) the maximum permissible property tax levy under
- 31 IC 6-1.1-18.5-3; or
- 32 (3) the credit under IC 6-1.1-20.6.

33 (h) Tax revenue under this section shall be treated as a part of the
 34 receiving civil taxing unit's or school corporation's property tax levy for
 35 that year for purposes of fixing the budget of the civil taxing unit or
 36 school corporation and for determining the distribution of taxes that are
 37 distributed on the basis of property tax levies. To the extent the county
 38 auditor determines that there is income tax revenue remaining from the
 39 tax under this section after providing the property tax replacement
 40 credits, the excess shall be credited to a dedicated county account and
 41 may be used only for property tax replacement credits under this
 42 section in subsequent years.



1 (i) The department of local government finance, ~~and~~ the department
 2 of state revenue, **and the county** may take any actions necessary to
 3 carry out the purposes of this section.

4 (j) A taxpayer that owns an industrial plant located in Jasper County
 5 is ineligible for a local property tax replacement credit under this
 6 section against the property taxes due on the industrial plant if the
 7 assessed value of the industrial plant as of March 1, 2006, exceeds
 8 twenty percent (20%) of the total assessed value of all taxable property
 9 in the county on that date. The general assembly finds that the
 10 provisions of this subsection are necessary because the industrial plant
 11 represents such a large percentage of Jasper County's assessed
 12 valuation.

13 SECTION 37. IC 6-3.5-6-1.1, AS AMENDED BY
 14 P.L.182-2009(ss), SECTION 217, IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 1.1. (a) For
 16 purposes of allocating the ~~certified distribution made to revenue~~
 17 **received by** a county under this chapter among the civil taxing units in
 18 the county, the allocation amount for a civil taxing unit is the amount
 19 determined using the following formula:

20 STEP ONE: Determine the total property taxes that are first due
 21 and payable to the civil taxing unit during the calendar year of the
 22 distribution plus, for a county, an amount equal to the welfare
 23 allocation amount.

24 STEP TWO: Determine the sum of the following:

25 (A) Amounts appropriated from property taxes to pay the
 26 principal of or interest on any debenture or other debt
 27 obligation issued after June 30, 2005, other than an obligation
 28 described in subsection (b).

29 (B) Amounts appropriated from property taxes to make
 30 payments on any lease entered into after June 30, 2005, other
 31 than a lease described in subsection (c).

32 (C) The proceeds of any property that are:

33 (i) received as the result of the issuance of a debt obligation
 34 described in clause (A) or a lease described in clause (B);
 35 and

36 (ii) appropriated from property taxes for any purpose other
 37 than to refund or otherwise refinance a debt obligation or
 38 lease described in subsection (b) or (c).

39 STEP THREE: Subtract the STEP TWO amount from the STEP
 40 ONE amount.

41 STEP FOUR: Determine the sum of:

42 (A) the STEP THREE amount; plus



1 (B) the civil taxing unit or school corporation's certified
 2 distribution for the previous calendar year **(for allocations**
 3 **calculated before January 1, 2017) or the civil taxing unit's**
 4 **or school corporation's allocation of revenue under this**
 5 **chapter for the previous calendar year (for allocations**
 6 **calculated after December 31, 2016).**

7 The allocation amount is subject to adjustment as provided in
 8 IC 36-8-19-7.5. The welfare allocation amount is an amount equal to
 9 the sum of the property taxes imposed by the county in 1999 for the
 10 county's welfare fund and welfare administration fund and, if the
 11 county received a certified distribution under IC 6-3.5-1.1 or this
 12 chapter in 2008, the property taxes imposed by the county in 2008 for
 13 the county's county medical assistance to wards fund, family and
 14 children's fund, children's psychiatric residential treatment services
 15 fund, county hospital care for the indigent fund, and children with
 16 special health care needs county fund.

17 (b) Except as provided in this subsection, an appropriation from
 18 property taxes to repay interest and principal of a debt obligation is not
 19 deducted from the allocation amount for a civil taxing unit if:

20 (1) the debt obligation was issued; and

21 (2) the proceeds appropriated from property taxes;

22 to refund or otherwise refinance a debt obligation or a lease issued
 23 before July 1, 2005. However, an appropriation from property taxes
 24 related to a debt obligation issued after June 30, 2005, is deducted if
 25 the debt extends payments on a debt or lease beyond the time in which
 26 the debt or lease would have been payable if the debt or lease had not
 27 been refinanced or increases the total amount that must be paid on a
 28 debt or lease in excess of the amount that would have been paid if the
 29 debt or lease had not been refinanced. The amount of the deduction is
 30 the annual amount for each year of the extension period or the annual
 31 amount of the increase over the amount that would have been paid.

32 (c) Except as provided in this subsection, an appropriation from
 33 property taxes to make payments on a lease is not deducted from the
 34 allocation amount for a civil taxing unit if:

35 (1) the lease was issued; and

36 (2) the proceeds were appropriated from property taxes;

37 to refinance a debt obligation or lease issued before July 1, 2005.
 38 However, an appropriation from property taxes related to a lease
 39 entered into after June 30, 2005, is deducted if the lease extends
 40 payments on a debt or lease beyond the time in which the debt or lease
 41 would have been payable if it had not been refinanced or increases the
 42 total amount that must be paid on a debt or lease in excess of the



1 amount that would have been paid if the debt or lease had not been
 2 refinanced. The amount of the deduction is the annual amount for each
 3 year of the extension period or the annual amount of the increase over
 4 the amount that would have been paid.

5 SECTION 38. IC 6-3.5-6-16 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 16. (a) ~~On~~ **On**
 7 **February 1, 2016, and on November 1, 2016, the auditor of state**
 8 **shall transfer to each county ninety-five percent (95%) of the**
 9 **balance on those dates in the special account established** within the
 10 state general fund ~~shall be established for each that county that adopts~~
 11 the county option income tax. Any revenue derived from the imposition
 12 of the county option income tax by a county shall be deposited in that
 13 county's account in the state general fund. ~~and ninety-five percent~~
 14 **(95%) of any other balances on those dates of county option**
 15 **income tax withheld or otherwise paid by or on behalf of county**
 16 **taxpayers.**

17 (b) Any income earned on money held in an account under
 18 subsection (a) becomes a part of that account.

19 (c) Any revenue remaining in an account established under
 20 subsection (a) at the end of a fiscal year does not revert to the state
 21 general fund.

22 (b) The balances remaining after making the transfers required
 23 under subsection (a) shall be used to pay any refunds of county
 24 option income tax for taxable years beginning before January 1,
 25 2016. On January 1, 2019:

26 (1) any remaining balances of county option income tax
 27 withheld or otherwise paid by or on behalf of county
 28 taxpayers shall be transferred to the county treasurer; and

29 (2) the special account established within the state general
 30 fund for that county is abolished.

31 (c) This section expires June 30, 2019.

32 SECTION 39. IC 6-3.5-6-16.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2016]: Sec. 16.5. (a) Revenue derived
 35 from the imposition of the county option income tax by the county
 36 and received by a county treasurer under this chapter, including
 37 any amounts transferred under section 16 of this chapter, shall be
 38 deposited by the county treasurer in a special fund.

39 (b) Any income earned on money held in a special fund under
 40 subsection (c) becomes a part of that fund.

41 (c) Any revenue remaining in a fund established under
 42 subsection (a):



1 **(1) does not revert to the county general fund; and**

2 **(2) shall be distributed as provided in this chapter.**

3 SECTION 40. IC 6-3.5-6-17 IS REPEALED [EFFECTIVE
4 JANUARY 1, 2016]. Sec. 17. (a) Revenue derived from the imposition
5 of the county option income tax shall, in the manner prescribed by this
6 section, be distributed to the county that imposed it. The amount that
7 is to be distributed to a county during an ensuing calendar year equals
8 the amount of county option income tax revenue that the budget agency
9 determines has been:

10 (†) received from that county for a taxable year ending in a
11 calendar year preceding the calendar year in which the
12 determination is made; and

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

16 as adjusted (as determined after review of the recommendation of the
17 budget agency) for refunds of county option income tax made in the
18 state fiscal year.

19 (b) Before August 2 of each calendar year, the budget agency shall
20 provide to the county auditor of each adopting county an estimate of
21 the amount determined under subsection (a) that will be distributed to
22 the county, based on known tax rates. Not later than thirty (30) days
23 after receiving the estimate of the certified distribution, the county
24 auditor shall notify each taxing unit of the estimated amount of
25 distributive shares and other revenue that will be distributed to the
26 taxing unit under this chapter during the ensuing calendar year. Before
27 October † of each calendar year, the budget agency shall certify to the
28 county auditor of each adopting county the amount determined under
29 subsection (a) plus the amount of interest in the county's account that
30 has accrued and has not been included in a certification made in a
31 preceding year. The amount certified is the county's "certified
32 distribution" for the immediately succeeding calendar year. The amount
33 certified shall be adjusted, as necessary, under subsections (c); (d); (e);
34 and (f). Not later than thirty (30) days after receiving the notice of the
35 amount of the certified distribution, the county auditor shall notify each
36 taxing unit of the amount of distributive shares and other revenue that
37 will be distributed to the taxing unit under this chapter during the
38 ensuing calendar year. The budget agency shall provide the county
39 council with an informative summary of the calculations used to
40 determine the certified distribution. The summary of calculations must
41 include:

42 (†) the amount reported on individual income tax returns



- 1 processed by the department during the previous fiscal year;
 2 (2) adjustments for over distributions in prior years;
 3 (3) adjustments for clerical or mathematical errors in prior years;
 4 (4) adjustments for tax rate changes; and
 5 (5) the amount of excess account balances to be distributed under
 6 IC 6-3.5-6-17.3.

7 The budget agency shall also certify information concerning the part of
 8 the certified distribution that is attributable to a tax rate under section
 9 30, 31, or 32 of this chapter. This information must be certified to the
 10 county auditor and to the department of local government finance
 11 before October 1 of each calendar year. The part of the certified
 12 distribution that is attributable to a tax rate under section 30, 31, or 32
 13 of this chapter may be used only as specified in those provisions.

14 (c) The budget agency shall certify an amount less than the amount
 15 determined under subsection (b) if the budget agency determines that
 16 the reduced distribution is necessary to offset overpayments made in a
 17 calendar year before the calendar year of the distribution. The budget
 18 agency may reduce the amount of the certified distribution over several
 19 calendar years so that any overpayments are offset over several years
 20 rather than in one (1) lump sum.

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

27 (e) This subsection applies to a county that imposes, increases,
 28 decreases, or rescinds a tax or tax rate under this chapter before
 29 November 1 in the same calendar year in which the budget agency
 30 makes a certification under this section. The budget agency shall adjust
 31 the certified distribution of a county to provide for a distribution in the
 32 immediately following calendar year and in each calendar year
 33 thereafter. The budget agency shall provide for a full transition to
 34 certification of distributions as provided in subsection (a)(1) through
 35 (a)(2) in the manner provided in subsection (c). If the county imposes,
 36 increases, decreases, or rescinds a tax or tax rate under this chapter
 37 after the date for which a certification under subsection (b) is based, the
 38 budget agency shall adjust the certified distribution of the county after
 39 September 30 of the calendar year. The adjustment shall reflect any
 40 other adjustment required under subsections (c), (d), and (f). The
 41 adjusted certification shall be treated as the county's "certified
 42 distribution" for the immediately succeeding calendar year. The budget



1 agency shall certify the adjusted certified distribution to the county
 2 auditor for the county and provide the county council with an
 3 informative summary of the calculations that revises the informative
 4 summary provided in subsection (b) and reflects the changes made in
 5 the adjustment.

6 (f) This subsection applies in the year a county initially imposes a
 7 tax rate under section 30 of this chapter. Notwithstanding any other
 8 provision, the budget agency shall adjust the part of the county's
 9 certified distribution that is attributable to the tax rate under section 30
 10 of this chapter to provide for a distribution in the immediately
 11 following calendar year equal to the result of:

12 (1) the sum of the amounts determined under STEP ONE through
 13 STEP FOUR of IC 6-3.5-1.5-1(b) in the year in which the county
 14 initially imposes a tax rate under section 30 of this chapter;
 15 multiplied by

16 (2) the following:

17 (A) In a county containing a consolidated city, one and
 18 five-tenths (1.5).

19 (B) In a county other than a county containing a consolidated
 20 city, two (2).

21 (g) One-twelfth (1/12) of each adopting county's certified
 22 distribution for a calendar year shall be distributed from its account
 23 established under section 16 of this chapter to the appropriate county
 24 treasurer on the first regular business day of each month of that
 25 calendar year.

26 (h) Upon receipt, each monthly payment of a county's certified
 27 distribution shall be allocated among, distributed to, and used by the
 28 civil taxing units of the county as provided in sections 18 and 19 of this
 29 chapter.

30 (i) All distributions from an account established under section 16 of
 31 this chapter shall be made by warrants issued by the auditor of state to
 32 the treasurer of state ordering the appropriate payments.

33 (j) The budget agency shall before May 1 of every odd-numbered
 34 year publish an estimate of the statewide total amount of certified
 35 distributions to be made under this chapter during the following two (2)
 36 calendar years.

37 (k) The budget agency shall before May 1 of every even-numbered
 38 year publish an estimate of the statewide total amount of certified
 39 distributions to be made under this chapter during the following
 40 calendar year.

41 (l) The estimates under subsections (j) and (k) must specify the
 42 amount of the estimated certified distributions that are attributable to



1 the additional rate authorized under section 30 of this chapter; the
 2 additional rate authorized under section 31 of this chapter; the
 3 additional rate authorized under section 32 of this chapter; and any
 4 other additional rates authorized under this chapter.

5 SECTION 41. IC 6-3.5-6-17.2 IS REPEALED [EFFECTIVE
 6 JANUARY 1, 2016]. Sec. 17.2. Before October 2 of each year, the
 7 budget agency shall submit a report to each county auditor indicating
 8 the balance in the county's special account as of the cutoff date set by
 9 the budget agency.

10 SECTION 42. IC 6-3.5-6-17.3 IS REPEALED [EFFECTIVE
 11 JANUARY 1, 2016]. Sec. 17.3. (a) If the budget agency determines
 12 that the balance in a county trust account exceeds fifty percent (50%)
 13 of the certified distributions to be made to the county in the ensuing
 14 year, the budget agency shall make a supplemental distribution to the
 15 county from the county's special account:

16 (b) A supplemental distribution described in subsection (a) must be:

17 (1) made in January of the ensuing calendar year; and

18 (2) allocated in the same manner as certified distributions for
 19 deposit in a civil unit's rainy day fund established under
 20 IC 36-1-8-5.1. However, the part of a supplemental distribution
 21 that is attributable to an additional rate authorized under this
 22 chapter:

23 (A) shall be used for the purpose specified in the statute
 24 authorizing the additional rate; and

25 (B) is not required to be deposited in the unit's rainy day fund.

26 The amount of the supplemental distribution is equal to the amount by
 27 which the balance in the county trust account exceeds fifty percent
 28 (50%) of the certified distributions to be made to the county in the
 29 ensuing year.

30 (c) A determination under this section must be made before October
 31 2.

32 (d) Any income earned on money held in a trust account established
 33 for a county under this chapter shall be deposited in that trust account.

34 SECTION 43. IC 6-3.5-6-18, AS AMENDED BY P.L.153-2014,
 35 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2016]: Sec. 18. (a) The revenue a county auditor
 37 receives under this chapter shall be used to:

38 (1) replace the amount, if any, of property tax revenue lost due to
 39 the allowance of an increased homestead credit within the county;

40 (2) fund the operation of a public communications system and
 41 computer facilities district as provided in an election, if any, made
 42 by the county fiscal body under IC 36-8-15-19(b);



- 1 (3) fund the operation of a public transportation corporation as
 2 provided in an election, if any, made by the county fiscal body
 3 under IC 36-9-4-42;
- 4 (4) fund the operation of a public library in a county containing a
 5 consolidated city as provided in an election, if any, made by the
 6 county fiscal body under IC 36-3-7-6;
- 7 (5) make payments permitted under IC 36-7-14-25.5 or
 8 IC 36-7-15.1-17.5;
- 9 (6) make payments permitted under subsection (i);
- 10 (7) make distributions of distributive shares to the civil taxing
 11 units of a county;
- 12 (8) make the distributions permitted under sections 27, 28, 29, 30,
 13 31, 32, and 33 of this chapter; and
- 14 (9) fund a public transportation project approved in an eligible
 15 county under IC 8-25-2 or in a township under IC 8-25-6, if any.
- 16 (b) The county auditor shall retain from the ~~payments of the county's~~
 17 ~~certified distribution, revenue received under this chapter~~ an amount
 18 equal to the revenue lost, if any, due to the increase of the homestead
 19 credit within the county. This money shall be distributed to the civil
 20 taxing units and school corporations of the county as though they were
 21 property tax collections and in such a manner that no civil taxing unit
 22 or school corporation shall suffer a net revenue loss due to the
 23 allowance of an increased homestead 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 36-3-7-6,
 27 IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and
 28 IC 36-9-4-42 from the ~~county's certified distribution revenue~~
 29 **received under this chapter** for that same calendar year; and
- 30 (2) the amount of an additional tax rate imposed under section 27,
 31 28, 29, 30, 31, 32, or 33 of this chapter.
- 32 The county auditor shall distribute amounts retained under this
 33 subsection to the county.
- 34 (d) All ~~certified distribution~~ revenues **received under this chapter**
 35 that are not retained and distributed under subsections (b) and (c) shall
 36 be distributed to the civil taxing units of the county as distributive
 37 shares.
- 38 (e) The amount of distributive shares that each civil taxing unit in
 39 a county is entitled to receive during a month equals the product of the
 40 following:
- 41 (1) The amount of revenue that is to be distributed as distributive
 42 shares during that month; multiplied by



1 (2) A fraction. The numerator of the fraction equals the allocation
 2 amount for the civil taxing unit for the calendar year in which the
 3 month falls. The denominator of the fraction equals the sum of the
 4 allocation amounts of all the civil taxing units of the county for
 5 the calendar year in which the month falls.

6 (f) The department of local government finance shall provide each
 7 county auditor with the fractional amount of distributive shares that
 8 each civil taxing unit in the auditor's county is entitled to receive
 9 monthly under this section.

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

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

20 (2) A fraction. The numerator of the fraction equals the budget of
 21 that civil taxing unit for that calendar year. The denominator of
 22 the fraction equals the aggregate budgets of all civil taxing units
 23 of that county for that calendar year.

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

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

42 SECTION 44. IC 6-3.5-6-18.5, AS AMENDED BY P.L.146-2008,



1 SECTION 339, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2016]: Sec. 18.5. (a) This section applies
 3 to a county containing a consolidated city.

4 (b) Notwithstanding section 18(e) of this chapter, the distributive
 5 shares that each civil taxing unit in a county containing a consolidated
 6 city is entitled to receive during a month equals the following:

7 (1) For the calendar year beginning January 1, 1995, calculate the
 8 total amount of revenues that are to be distributed as distributive
 9 shares during that month multiplied by the following factor:

10	Center Township	.0251
11	Decatur Township	.00217
12	Franklin Township	.0023
13	Lawrence Township	.01177
14	Perry Township	.01130
15	Pike Township	.01865
16	Warren Township	.01359
17	Washington Township	.01346
18	Wayne Township	.01307
19	Lawrence-City	.00858
20	Beech Grove	.00845
21	Southport	.00025
22	Speedway	.00722
23	Indianapolis/Marion County	.86409

24 (2) Notwithstanding subdivision (1), for the calendar year
 25 beginning January 1, 1995, the distributive shares for each civil
 26 taxing unit in a county containing a consolidated city shall be not
 27 less than the following:

28	Center Township	\$1,898,145
29	Decatur Township	\$164,103
30	Franklin Township	\$173,934
31	Lawrence Township	\$890,086
32	Perry Township	\$854,544
33	Pike Township	\$1,410,375
34	Warren Township	\$1,027,721
35	Washington Township	\$1,017,890
36	Wayne Township	\$988,397
37	Lawrence-City	\$648,848
38	Beech Grove	\$639,017
39	Southport	\$18,906
40	Speedway	\$546,000

41 (3) For each year after 1995, calculate the total amount of
 42 revenues that are to be distributed as distributive shares during



- 1 that month as follows:
- 2 STEP ONE: Determine the total amount of revenues that were
- 3 distributed as distributive shares during that month in calendar
- 4 year 1995.
- 5 STEP TWO: Determine the total amount of revenue that ~~the~~
- 6 ~~department has certified as~~ **will be distributed as** distributive
- 7 shares for that month under ~~section 17~~ of this chapter for the
- 8 calendar year.
- 9 STEP THREE: Subtract the STEP ONE result from the STEP
- 10 TWO result.
- 11 STEP FOUR: If the STEP THREE result is less than or equal
- 12 to zero (0), multiply the STEP TWO result by the ratio
- 13 established under subdivision (1).
- 14 STEP FIVE: Determine the ratio of:
- 15 (A) the maximum permissible property tax levy under
- 16 IC 6-1.1-18.5 for each civil taxing unit for the calendar year
- 17 in which the month falls, plus, for a county, the welfare
- 18 allocation amount; divided by
- 19 (B) the sum of the maximum permissible property tax levies
- 20 under IC 6-1.1-18.5 for all civil taxing units of the county
- 21 during the calendar year in which the month falls, and an
- 22 amount equal to the welfare allocation amount.
- 23 STEP SIX: If the STEP THREE result is greater than zero (0),
- 24 the STEP ONE amount shall be distributed by multiplying the
- 25 STEP ONE amount by the ratio established under subdivision
- 26 (1).
- 27 STEP SEVEN: For each taxing unit determine the STEP FIVE
- 28 ratio multiplied by the STEP TWO amount.
- 29 STEP EIGHT: For each civil taxing unit determine the
- 30 difference between the STEP SEVEN amount minus the
- 31 product of the STEP ONE amount multiplied by the ratio
- 32 established under subdivision (1). The STEP THREE excess
- 33 shall be distributed as provided in STEP NINE only to the civil
- 34 taxing units that have a STEP EIGHT difference greater than
- 35 or equal to zero (0).
- 36 STEP NINE: For the civil taxing units qualifying for a
- 37 distribution under STEP EIGHT, each civil taxing unit's share
- 38 equals the STEP THREE excess multiplied by the ratio of:
- 39 (A) the maximum permissible property tax levy under
- 40 IC 6-1.1-18.5 for the qualifying civil taxing unit during the
- 41 calendar year in which the month falls, plus, for a county, an
- 42 amount equal to the welfare allocation amount; divided by



1 (B) the sum of the maximum permissible property tax levies
 2 under IC 6-1.1-18.5 for all qualifying civil taxing units of
 3 the county during the calendar year in which the month falls,
 4 and an amount equal to the welfare allocation amount.

5 (c) The welfare allocation amount is an amount equal to the sum of
 6 the property taxes imposed by the county in 1999 for the county's
 7 welfare fund and welfare administration fund and the property taxes
 8 imposed by the county in 2008 for the county's county medical
 9 assistance to wards fund, family and children's fund, children's
 10 psychiatric residential treatment services fund, county hospital care for
 11 the indigent fund, children with special health care needs county fund,
 12 plus, in the case of Marion County, thirty-five million dollars
 13 (\$35,000,000).

14 SECTION 45. IC 6-3.5-6-18.6, AS ADDED BY P.L.26-2009,
 15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2016]: Sec. 18.6. (a) The county auditor shall timely
 17 distribute the ~~certified distribution revenue~~ received under ~~section 17~~
 18 ~~of this chapter~~ to each civil taxing unit that is a recipient of distributive
 19 shares as provided by sections 18 and 18.5 of this chapter.

20 (b) A distribution is considered to be timely made if the distribution
 21 **of revenue received during a month** is made not later than ten (10)
 22 working days after the ~~date the county treasurer receives the county's~~
 23 ~~certified distribution under section 17 of this chapter:~~ **beginning of the**
 24 **following month.**

25 SECTION 46. IC 6-3.5-6-22, AS AMENDED BY P.L.146-2008,
 26 SECTION 340, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JANUARY 1, 2016]: Sec. 22. (a) Except as otherwise
 28 provided in subsection (b), ~~and~~ the other provisions of this chapter, ~~and~~
 29 **IC 6-3.5-7.5**, all provisions of the adjusted gross income tax law
 30 (IC 6-3) concerning:

- 31 (1) definitions;
- 32 (2) declarations of estimated tax;
- 33 (3) filing of returns;
- 34 (4) deductions or exemptions from adjusted gross income;
- 35 (5) remittances;
- 36 (6) incorporation of the provisions of the Internal Revenue Code;
- 37 (7) penalties and interest; and
- 38 (8) exclusion of military pay credits for withholding;

39 apply to the imposition, collection, and administration of the tax
 40 imposed by this chapter.

41 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
 42 IC 6-3-5-1 do not apply to the tax imposed by this chapter.



1 (c) Notwithstanding subsections (a) and (b), each employer shall
 2 report to the department the amount of withholdings ~~attributable~~
 3 **remitted** to each county **treasurer under IC 6-3-4-0.5**. This report
 4 shall be submitted to the department:

5 (1) each time the employer remits to the department the **state**
 6 **adjusted gross income** tax that is withheld; and

7 (2) annually along with the employer's annual withholding report.

8 SECTION 47. IC 6-3.5-6-23 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 23. (a) Except as
 10 provided in subsection (b), if for a particular taxable year a county
 11 taxpayer is liable for an income tax imposed by a county, city, town, or
 12 other local governmental entity located outside of Indiana, that county
 13 taxpayer is entitled to a credit against the county option income tax
 14 liability for that same taxable year. The amount of the credit equals the
 15 amount of tax imposed by the other governmental entity on income
 16 derived from sources outside Indiana and subject to the county option
 17 income tax. However, the credit provided by this section may not
 18 reduce a county taxpayer's county option income tax liability to an
 19 amount less than would have been owed if the income subject to
 20 taxation by the other governmental entity had been ignored.

21 (b) The credit provided by this section does not apply to a county
 22 taxpayer to the extent that the other governmental entity provides for
 23 a credit to the taxpayer for the amount of county option income taxes
 24 owed under this chapter.

25 (c) To claim the credit provided by this section, a county taxpayer
 26 must provide the department **or (in the case of a tax imposed under**
 27 **this article for taxable years beginning after December 31, 2015)**
 28 **the county treasurer** with satisfactory evidence that the taxpayer is
 29 entitled to the credit.

30 SECTION 48. IC 6-3.5-6-27, AS AMENDED BY P.L.182-2009(ss),
 31 SECTION 223, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2016]: Sec. 27. (a) This section applies
 33 only to Miami County. Miami County possesses unique economic
 34 development challenges due to:

35 (1) underemployment in relation to similarly situated counties;
 36 and

37 (2) the presence of a United States government military base or
 38 other military installation that is completely or partially inactive
 39 or closed.

40 Maintaining low property tax rates is essential to economic
 41 development, and the use of county option income tax revenues as
 42 provided in this chapter to pay any bonds issued or leases entered into



1 to finance the construction, acquisition, improvement, renovation, and
 2 equipping described under subsection (c), rather than use of property
 3 taxes, promotes that purpose.

4 (b) In addition to the rates permitted by sections 8 and 9 of this
 5 chapter, the county council may impose the county option income tax
 6 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 7 gross income of resident county taxpayers if the county council makes
 8 the finding and determination set forth in subsection (c). Section 8(e)
 9 of this chapter applies to the application of the additional rate to
 10 nonresident taxpayers.

11 (c) In order to impose the county option income tax as provided in
 12 this section, the county council must adopt an ordinance finding and
 13 determining that revenues from the county option income tax are
 14 needed to pay the costs of financing, constructing, acquiring,
 15 renovating, and equipping a county jail, including the repayment of
 16 bonds issued, or leases entered into, for financing, constructing,
 17 acquiring, renovating, and equipping a county jail.

18 (d) If the county council makes a determination under subsection
 19 (c), the county council may adopt a tax rate under subsection (b). The
 20 tax rate may not be imposed at a rate or for a time greater than is
 21 necessary to pay the costs of financing, constructing, acquiring,
 22 renovating, and equipping a county jail.

23 (e) The county treasurer shall establish a county jail revenue fund
 24 to be used only for the purposes described in this section. County
 25 option income tax revenues derived from the tax rate imposed under
 26 this section shall be deposited in the county jail revenue fund before
 27 making a ~~certified distribution~~ **any other distributions of revenue**
 28 **received** under ~~section 18~~ of this chapter.

29 (f) County option income tax revenues derived from the tax rate
 30 imposed under this section:

- 31 (1) may only be used for the purposes described in this section;
- 32 (2) may not be considered by the department of local government
 33 finance in determining the county's maximum permissible
 34 property tax levy limit under IC 6-1.1-18.5; and
- 35 (3) may be pledged to the repayment of bonds issued, or leases
 36 entered into, for the purposes described in subsection (c).

37 (g) ~~The budget agency shall adjust the certified distribution of a~~
 38 ~~county to provide for an increased distribution of taxes in the~~
 39 ~~immediately following calendar year after the county adopts an~~
 40 ~~increased tax rate under this section and in each calendar year~~
 41 ~~thereafter. The budget agency shall provide for a full transition to~~
 42 ~~certification of distributions as provided in section 17(a)(1) through~~



1 17(a)(2) of this chapter in the manner provided in section 17(c) of this
2 chapter.

3 SECTION 49. IC 6-3.5-6-28, AS AMENDED BY P.L.261-2013,
4 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2016]: Sec. 28. (a) This section applies only to Howard
6 County.

7 (b) Maintaining low property tax rates is essential to economic
8 development, and the use of county option income tax revenues as
9 provided in this section and as needed in the county to fund the
10 operation and maintenance of a jail and juvenile detention center,
11 rather than the use of property taxes, promotes that purpose.

12 (c) In addition to the rates permitted by sections 8 and 9 of this
13 chapter, the county fiscal body may impose a county option income tax
14 at a rate that does not exceed twenty-five hundredths percent (0.25%)
15 on the adjusted gross income of resident county taxpayers. The tax rate
16 may be adopted in any increment of one hundredth percent (0.01%).
17 Before the county fiscal body may adopt a tax rate under this section,
18 the county fiscal body must make the finding and determination set
19 forth in subsection (d). Section 8(e) of this chapter applies to the
20 application of the additional tax rate to nonresident taxpayers.

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

- 23 (1) finding and determining that revenues from the county option
24 income tax are needed in the county to fund the operation and
25 maintenance of a jail, a juvenile detention center, or both; and
26 (2) agreeing to freeze the part of any property tax levy imposed in
27 the county for the operation of the jail or juvenile detention
28 center, or both, covered by the ordinance at the rate imposed in
29 the year preceding the year in which a full year of additional
30 county option income tax is certified for distribution to the county
31 under this section for the term in which an ordinance is in effect
32 under this section.

33 (e) If the county fiscal body makes a determination under subsection
34 (d), the county fiscal body may adopt a tax rate under subsection (c).
35 Subject to the limitations in subsection (c), the county fiscal body may
36 amend an ordinance adopted under this section to increase, decrease,
37 or rescind the additional tax rate imposed under this section. Not more
38 than ten (10) days after the vote, the county fiscal body shall send a
39 certified copy of the ordinance to the county auditor, the commissioner
40 of the department, the director of the budget agency, and the
41 commissioner of the department of local government finance in an
42 electronic format approved by the director of the budget agency.



1 (f) The county treasurer shall establish a county jail revenue fund to
 2 be used only for the purposes described in this section. County option
 3 income tax revenues derived from the tax rate imposed under this
 4 section shall be deposited in the county jail revenue fund before
 5 making a ~~certified distribution~~ **any other distributions of revenue**
 6 **received** under ~~section 18~~ of this chapter.

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

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

11 (2) may not be considered by the department of local government
 12 finance in determining the county's maximum permissible
 13 property tax levy limit under IC 6-1.1-18.5.

14 (h) The department of local government finance shall enforce an
 15 agreement under subsection (d)(2).

16 (i) ~~The budget agency shall adjust the certified distribution of a~~
 17 ~~county to provide for an increased distribution of taxes in the~~
 18 ~~immediately following calendar year after the county adopts an~~
 19 ~~increased tax rate under this section and in each calendar year~~
 20 ~~thereafter. The budget agency shall provide for a full transition to~~
 21 ~~certification of distributions as provided in section 17(a)(1) through~~
 22 ~~17(a)(2) of this chapter in the manner provided in section 17(c) of this~~
 23 ~~chapter.~~

24 (j) (i) ~~The department~~ **county** shall separately designate a tax rate
 25 imposed under this section in any tax form as the Howard County jail
 26 operating and maintenance income tax.

27 SECTION 50. IC 6-3.5-6-29, AS AMENDED BY P.L.261-2013,
 28 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2016]: Sec. 29. (a) This section applies only to Scott
 30 County. Scott County is a county in which:

31 (1) maintaining low property tax rates is essential to economic
 32 development; and

33 (2) the use of additional county option income tax revenues as
 34 provided in this section, rather than the use of property taxes, to
 35 fund:

36 (A) the financing, construction, acquisition, improvement,
 37 renovation, equipping, operation, or maintenance of jail
 38 facilities; and

39 (B) the repayment of bonds issued or leases entered into for
 40 the purposes described in clause (A), except operation or
 41 maintenance;

42 promotes the purpose of maintaining low property tax rates.



1 (b) The county fiscal body may impose the county option income tax
 2 on the adjusted gross income of resident county taxpayers at a rate, in
 3 addition to the rates permitted by sections 8 and 9 of this chapter, not
 4 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this
 5 chapter applies to the application of the additional rate to nonresident
 6 taxpayers.

7 (c) To impose the county option income tax as provided in this
 8 section, the county fiscal body must adopt an ordinance finding and
 9 determining that additional revenues from the county option income tax
 10 are needed in the county to fund:

11 (1) the financing, construction, acquisition, improvement,
 12 renovation, equipping, operation, or maintenance of jail facilities;
 13 and

14 (2) the repayment of bonds issued or leases entered into for the
 15 purposes described in subdivision (1), except operation or
 16 maintenance.

17 (d) If the county fiscal body makes a determination under subsection
 18 (c), the county fiscal body may adopt an additional tax rate under
 19 subsection (b). Subject to the limitations in subsection (b), the county
 20 fiscal body may amend an ordinance adopted under this section to
 21 increase, decrease, or rescind the additional tax rate imposed under this
 22 section. Not more than ten (10) days after the vote, the county fiscal
 23 body shall send a certified copy of the ordinance to the county auditor,
 24 the commissioner of the department, the director of the budget agency,
 25 and the commissioner of the department of local government finance
 26 in an electronic format approved by the director of the budget agency.

27 (e) If the county imposes an additional tax rate under this section,
 28 the county treasurer shall establish a county jail revenue fund to be
 29 used only for the purposes described in this section. County option
 30 income tax revenues derived from the tax rate imposed under this
 31 section shall be deposited in the county jail revenue fund before
 32 making a ~~certified distribution~~ **any other distributions of revenue**
 33 **received under section 18** of this chapter.

34 (f) County option income tax revenues derived from an additional
 35 tax rate imposed under this section:

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

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

40 (3) may be pledged for the repayment of bonds issued or leases
 41 entered into to fund the purposes described in subsection (c)(1),
 42 except operation or maintenance.



1 (g) If the county imposes an additional tax rate under this section;
 2 the budget agency shall adjust the certified distribution of the county
 3 to provide for an increased distribution of taxes in the immediately
 4 following calendar year after the county adopts the increased tax rate
 5 and in each calendar year thereafter. The budget agency shall provide
 6 for a full transition to certification of distributions as provided in
 7 section 17(a)(1) through 17(a)(2) of this chapter in the manner
 8 provided in section 17(c) of this chapter.

9 SECTION 51. IC 6-3.5-6-30, AS AMENDED BY P.L.153-2014,
 10 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2016]: Sec. 30. (a) In a county in which the county
 12 option income tax is in effect, the county income tax council may adopt
 13 an ordinance to impose or increase (as applicable) a tax rate under this
 14 section.

15 (b) In a county in which neither the county option adjusted gross
 16 income tax nor the county option income tax is in effect, the county
 17 income tax council may adopt an ordinance to impose a tax rate under
 18 this section.

19 (c) If a county income tax council adopts an ordinance to impose or
 20 increase a tax rate under this section, not more than ten (10) days after
 21 the vote, the county auditor shall send a certified copy of the ordinance
 22 to the commissioner of the department, the director of the budget
 23 agency, and the commissioner of the department of local government
 24 finance in an electronic format approved by the director of the budget
 25 agency.

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

29 (e) Except as provided in subsection (u), the following apply only
 30 in the year in which a county income tax council first imposes a tax rate
 31 under this section:

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

35 (2) The tax rate that must be imposed in the county in the first
 36 year is equal to the result of:

37 (A) the tax rate determined for the county under
 38 IC 6-3.5-1.5-1(b) in that year; multiplied by

39 (B) the following:

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

42 (ii) In a county other than a county containing a consolidated



- 1 city, two (2).
- 2 (3) The tax rate that must be imposed in the county in the second
- 3 year is the tax rate determined for the county under
- 4 IC 6-3.5-1.5-1(c). The tax rate under this subdivision continues in
- 5 effect in later years unless the tax rate is increased under this
- 6 section.
- 7 (4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
- 8 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
- 9 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
- 10 payable in the ensuing calendar year and to property taxes first
- 11 due and payable in the calendar year after the ensuing calendar
- 12 year.
- 13 (f) Except as provided in subsection (u), the following apply only in
- 14 a year in which a county income tax council increases a tax rate under
- 15 this section:
- 16 (1) The county income tax council shall, in the ordinance
- 17 increasing the tax rate, specify the tax rate for the following year.
- 18 (2) The tax rate that must be imposed in the county is equal to the
- 19 result of:
- 20 (A) the tax rate determined for the county under
- 21 IC 6-3.5-1.5-1(b) in the year the tax rate is increased; plus
- 22 (B) the tax rate currently in effect in the county under this
- 23 section.
- 24 The tax rate under this subdivision continues in effect in later
- 25 years unless the tax rate is increased under this section.
- 26 (3) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c),
- 27 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
- 28 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
- 29 payable in the ensuing calendar year.
- 30 (g) Except as provided in subsection (u), the department of local
- 31 government finance shall determine the following property tax
- 32 replacement distribution amounts:
- 33 STEP ONE: Determine the sum of the amounts determined under
- 34 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(b) for the
- 35 county in the preceding year.
- 36 STEP TWO: For distribution to each civil taxing unit that in the
- 37 year had a maximum permissible property tax levy limited under
- 38 IC 6-1.1-18.5-3(b), determine the result of:
- 39 (1) the quotient of:
- 40 (A) the part of the amount determined under STEP ONE of
- 41 IC 6-3.5-1.5-1(b) in the preceding year that was attributable
- 42 to the civil taxing unit; divided by



- 1 (B) the STEP ONE amount; multiplied by
 2 (2) the tax revenue received by the county treasurer under this
 3 section.
 4 STEP THREE: For distributions in 2009 and thereafter, the result
 5 of this STEP is zero (0). For distribution to the county for deposit
 6 in the county family and children's fund before 2009, determine
 7 the result of:
 8 (1) the quotient of:
 9 (A) the amount determined under STEP TWO of
 10 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 11 (B) the STEP ONE amount; multiplied by
 12 (2) the tax revenue received by the county treasurer under this
 13 section.
 14 STEP FOUR: For distributions in 2009 and thereafter, the result
 15 of this STEP is zero (0). For distribution to the county for deposit
 16 in the county children's psychiatric residential treatment services
 17 fund before 2009, determine the result of:
 18 (1) the quotient of:
 19 (A) the amount determined under STEP THREE of
 20 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 21 (B) the STEP ONE amount; multiplied by
 22 (2) the tax revenue received by the county treasurer under this
 23 section.
 24 STEP FIVE: For distribution to the county for community mental
 25 health center purposes, determine the result of:
 26 (1) the quotient of:
 27 (A) the amount determined under STEP FOUR of
 28 IC 6-3.5-1.5-1(b) in the preceding year; divided by
 29 (B) the STEP ONE amount; multiplied by
 30 (2) the tax revenue received by the county treasurer under this
 31 section.
 32 Except as provided in subsection (m), the county treasurer shall
 33 distribute the portion of the ~~certified distribution~~ **revenue collected**
 34 **under this chapter** that is attributable to a tax rate under this section
 35 as specified in this section. The county treasurer shall make the
 36 distributions under this subsection at the same time that distributions
 37 are made to civil taxing units under section 18 of this chapter.
 38 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
 39 income tax council may not decrease or rescind a tax rate imposed
 40 under this section.
 41 (i) The tax rate under this section shall not be considered for
 42 purposes of computing:



- 1 (1) the maximum income tax rate that may be imposed in a county
 2 under section 8 or 9 of this chapter or any other provision of this
 3 chapter; or
 4 (2) the maximum permissible property tax levy under
 5 IC 6-1.1-18.5-3.
- 6 (j) The tax levy under this section shall not be considered for
 7 purposes of the credit under IC 6-1.1-20.6.
- 8 (k) Except as provided in subsections (t) and (u), a distribution
 9 under this section shall be treated as a part of the receiving civil taxing
 10 unit's property tax levy for that year for purposes of fixing its budget
 11 and for determining the distribution of taxes that are distributed on the
 12 basis of property tax levies.
- 13 (l) If a county income tax council imposes a tax rate under this
 14 section (other than a tax rate imposed under subsection (t)), the county
 15 option income tax rate dedicated to locally funded homestead credits
 16 in the county may not be decreased.
- 17 (m) In the year following the year in which a county first imposes
 18 a tax rate under this section:
- 19 (1) one-third (1/3) of the tax revenue that is attributable to the tax
 20 rate under this section must be deposited in the county
 21 stabilization fund established under subsection (o), in the case of
 22 a county containing a consolidated city; and
 23 (2) one-half (1/2) of the tax revenue that is attributable to the tax
 24 rate under this section (other than a tax rate imposed under
 25 subsection (t)) must be deposited in the county stabilization fund
 26 established under subsection (o), in the case of a county not
 27 containing a consolidated city.
- 28 (n) Except as provided in subsection (t) and IC 8-25, a pledge of
 29 county option income taxes does not apply to revenue attributable to a
 30 tax rate under this section.
- 31 (o) Except as provided in subsections (t) and (u), a county
 32 stabilization fund is established in each county that imposes a tax rate
 33 under this section. The county stabilization fund shall be administered
 34 by the county auditor. If for a year the ~~certified distributions revenue~~
 35 **collected under this chapter** attributable to a tax rate under this
 36 section ~~exceed~~ **exceeds** the amount calculated under STEP ONE
 37 through STEP FOUR of IC 6-3.5-1.5-1(b) that is used by the
 38 department of local government finance and the department of state
 39 revenue to determine the tax rate under this section, the excess shall be
 40 deposited in the county stabilization fund. Money shall be distributed
 41 from the county stabilization fund in a year by the county auditor to
 42 political subdivisions entitled to a distribution of tax revenue



1 attributable to the tax rate under this section if:

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

8 (2) the ~~certified distributions~~ **revenue collected under this**
 9 **chapter** attributable to a tax rate under this section in a year ~~are~~
 10 **is** less than the certified distributions **(for calculations before**
 11 **January 1, 2017) attributable to a tax rate under this section**
 12 **in the preceding year or revenue collected under this chapter**
 13 **(for calculations after December 31, 2016) attributable to a tax**
 14 **rate under this section in the preceding year.**

15 However, subdivision (2) does not apply to the year following the first
 16 year in which ~~certified distributions~~ of revenue **received under this**
 17 **chapter** attributable to the tax rate under this section ~~are is~~ distributed
 18 to the county.

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

21 (q) Except as provided in subsection (u), a county income tax
 22 council must each year hold at least one (1) public meeting at which
 23 the county council discusses whether the tax rate under this section
 24 should be imposed or increased.

25 (r) The department of local government finance, ~~and~~ the department
 26 of state revenue, **and the county** may take any actions necessary to
 27 carry out the purposes of this section.

28 (s) Notwithstanding any other provision, in:

- 29 (1) Lake County;
 30 (2) Delaware County; and
 31 (3) Madison County;

32 the county council (and not the county income tax council) is the entity
 33 authorized to take actions concerning the additional tax rate under this
 34 section.

35 (t) This subsection applies only to Delaware County and Madison
 36 County. If the voters of a county approve a local public question under
 37 IC 8-25-2, the fiscal body of the county may, after at least one (1)
 38 public meeting, adopt an ordinance to provide for the use of county
 39 option income tax revenue attributable to an additional tax rate
 40 imposed under this subsection to fund a public transportation project
 41 under IC 8-25. However, a county fiscal body shall adopt an ordinance
 42 under this subsection if required by IC 8-25-6-10 to impose an



1 additional tax rate on the county taxpayers who reside in a township in
 2 which the voters approve a public transportation project in a local
 3 public question held under IC 8-25-6. An ordinance adopted under this
 4 subsection must specify an additional tax rate to be imposed in the
 5 county (or township in the case of an additional rate required by
 6 IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than
 7 twenty-five hundredths percent (0.25%). If an ordinance is adopted
 8 under this subsection, the amount of the ~~certified distribution~~ **revenue**
 9 attributable to the additional tax rate imposed under this subsection
 10 must be:

- 11 (1) retained by the county auditor;
- 12 (2) deposited in the county public transportation project fund
 13 established under IC 8-25-3-7; and
- 14 (3) used for the purpose provided in this subsection instead of as
 15 a property tax replacement distribution.

16 (u) The following do not apply to an additional tax rate imposed
 17 under subsection (t):

- 18 (1) Subsection (e).
- 19 (2) Subsection (f).
- 20 (3) Subsection (g).
- 21 (4) Subsection (k).
- 22 (5) Subsection (n).
- 23 (6) Subsection (o).
- 24 (7) Subsection (q).

25 SECTION 52. IC 6-3.5-6-31, AS AMENDED BY P.L.261-2013,
 26 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2016]: Sec. 31. (a) As used in this section, "public
 28 safety" refers to the following:

- 29 (1) A police and law enforcement system to preserve public peace
 30 and order.
- 31 (2) A firefighting and fire prevention system.
- 32 (3) Emergency ambulance services (as defined in
 33 IC 16-18-2-107).
- 34 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 35 (5) Emergency action (as defined in IC 13-11-2-65).
- 36 (6) A probation department of a court.
- 37 (7) Confinement, supervision, services under a community
 38 corrections program (as defined in IC 35-38-2.6-2), or other
 39 correctional services for a person who has been:
 40 (A) diverted before a final hearing or trial under an agreement
 41 that is between the county prosecuting attorney and the person
 42 or the person's custodian, guardian, or parent and that provides



- 1 for confinement, supervision, community corrections services,
 2 or other correctional services instead of a final action
 3 described in clause (B) or (C);
 4 (B) convicted of a crime; or
 5 (C) adjudicated as a delinquent child or a child in need of
 6 services.
- 7 (8) A juvenile detention facility under IC 31-31-8.
 8 (9) A juvenile detention center under IC 31-31-9.
 9 (10) A county jail.
 10 (11) A communications system (as defined in IC 36-8-15-3), an
 11 enhanced emergency telephone system (as defined in
 12 IC 36-8-16-2 (before its repeal on July 1, 2012)), or the statewide
 13 911 system (as defined in IC 36-8-16.7-22).
 14 (12) Medical and health expenses for jail inmates and other
 15 confined persons.
 16 (13) Pension payments for any of the following:
 17 (A) A member of the fire department (as defined in
 18 IC 36-8-1-8) or any other employee of a fire department.
 19 (B) A member of the police department (as defined in
 20 IC 36-8-1-9), a police chief hired under a waiver under
 21 IC 36-8-4-6.5, or any other employee hired by a police
 22 department.
 23 (C) A county sheriff or any other member of the office of the
 24 county sheriff.
 25 (D) Other personnel employed to provide a service described
 26 in this section.
- 27 (b) The county income tax council may adopt an ordinance to
 28 impose an additional tax rate under this section to provide funding for
 29 public safety if:
 30 (1) the county income tax council has imposed a tax rate under
 31 section 30 of this chapter, in the case of a county containing a
 32 consolidated city; or
 33 (2) the county income tax council has imposed a tax rate of at
 34 least twenty-five hundredths of one percent (0.25%) under section
 35 30 of this chapter, a tax rate of at least twenty-five hundredths of
 36 one percent (0.25%) under section 32 of this chapter, or a total
 37 combined tax rate of at least twenty-five hundredths of one
 38 percent (0.25%) under sections 30 and 32 of this chapter, in the
 39 case of a county other than a county containing a consolidated
 40 city.
- 41 (c) A tax rate under this section may not exceed the following:
 42 (1) Five-tenths of one percent (0.5%), in the case of a county



- 1 containing a consolidated city.
- 2 (2) Twenty-five hundredths of one percent (0.25%), in the case of
- 3 a county other than a county containing a consolidated city.
- 4 (d) If a county income tax council adopts an ordinance to impose a
- 5 tax rate under this section, not more than ten (10) days after the vote,
- 6 the county auditor shall send a certified copy of the ordinance to the
- 7 commissioner of the department, the director of the budget agency, and
- 8 the commissioner of the department of local government finance in an
- 9 electronic format approved by the director of the budget agency.
- 10 (e) A tax rate under this section is in addition to any other tax rates
- 11 imposed under this chapter and does not affect the purposes for which
- 12 other tax revenue under this chapter may be used.
- 13 (f) Except as provided in subsections (l) and (m), the county auditor
- 14 shall distribute the portion of the ~~certified distribution revenue~~ **revenue**
- 15 **collected under this chapter** that is attributable to a tax rate under this
- 16 section to the county and to each municipality in the county that is
- 17 carrying out or providing at least one (1) of the public safety purposes
- 18 described in subsection (a). The amount that shall be distributed to the
- 19 county or municipality is equal to the result of:
- 20 (1) the portion of the ~~certified distribution revenue~~ **revenue collected**
- 21 **under this chapter** that is attributable to a tax rate under this
- 22 section; multiplied by
- 23 (2) a fraction equal to:
- 24 (A) the total property taxes being collected in the county by
- 25 the county or municipality for the calendar year; divided by
- 26 (B) the sum of the total property taxes being collected in the
- 27 county by the county and each municipality in the county that
- 28 is entitled to a distribution under this section for the calendar
- 29 year.
- 30 The county auditor shall make the distributions required by this
- 31 subsection not more than thirty (30) days after receiving the portion of
- 32 the ~~certified distribution revenue~~ **revenue collected under this chapter** that is
- 33 attributable to a tax rate under this section. Tax revenue distributed to
- 34 a county or municipality under this subsection must be deposited into
- 35 a separate account or fund and may be appropriated by the county or
- 36 municipality only for public safety purposes.
- 37 (g) The department of local government finance may not require a
- 38 county or municipality receiving tax revenue under this section to
- 39 reduce the county's or municipality's property tax levy for a particular
- 40 year on account of the county's or municipality's receipt of the tax
- 41 revenue.
- 42 (h) The tax rate under this section and the tax revenue attributable



1 to the tax rate under this section shall not be considered for purposes
2 of computing:

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

6 (2) the maximum permissible property tax levy under
7 IC 6-1.1-18.5-3; or

8 (3) the credit under IC 6-1.1-20.6.

9 (i) The tax rate under this section may be imposed or rescinded at
10 the same time and in the same manner that the county may impose or
11 increase a tax rate under section 30 of this chapter.

12 (j) The department of local government finance, ~~and~~ the department
13 of state revenue, **and the county** may take any actions necessary to
14 carry out the purposes of this section.

15 (k) Notwithstanding any other provision, in Lake County the county
16 council (and not the county income tax council) is the entity authorized
17 to take actions concerning the additional tax rate under this section.

18 (l) Two (2) or more political subdivisions that are entitled to receive
19 a distribution under this section may adopt resolutions providing that
20 some part or all of those distributions shall instead be paid to one (1)
21 political subdivision in the county to carry out specific public safety
22 purposes specified in the resolutions.

23 (m) A fire department, volunteer fire department, or emergency
24 medical services provider that:

25 (1) provides fire protection or emergency medical services within
26 the county; and

27 (2) is operated by or serves a political subdivision that is not
28 otherwise entitled to receive a distribution of tax revenue under
29 this section;

30 may before July 1 of a year apply to the county income tax council for
31 a distribution of tax revenue under this section during the following
32 calendar year. The county income tax council shall review an
33 application submitted under this subsection and may before September
34 1 of a year adopt a resolution requiring that one (1) or more of the
35 applicants shall receive a specified amount of the tax revenue to be
36 distributed under this section during the following calendar year. A
37 resolution approved under this subsection providing for a distribution
38 to one (1) or more fire departments, volunteer fire departments, or
39 emergency services providers applies only to distributions in the
40 following calendar year. Any amount of tax revenue distributed under
41 this subsection to a fire department, volunteer fire department, or
42 emergency medical services provider shall be distributed before the



1 remainder of the tax revenue is distributed under subsection (f).

2 SECTION 53. IC 6-3.5-6-32, AS AMENDED BY P.L.261-2013,
3 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2016]: Sec. 32. (a) A county income tax council may
5 impose a tax rate under this section to provide property tax relief to
6 taxpayers in the county. A county income tax council is not required to
7 impose any other tax before imposing a tax rate under this section.

8 (b) A tax rate under this section may be imposed in increments of
9 five-hundredths of one percent (0.05%) determined by the county
10 income tax council. A tax rate under this section may not exceed one
11 percent (1%).

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

15 (d) If a county income tax council adopts an ordinance to impose or
16 increase a tax rate under this section, not more than ten (10) days after
17 the vote, the county auditor shall send a certified copy of the ordinance
18 to the commissioner of the department, the director of the budget
19 agency, and the commissioner of the department of local government
20 finance in an electronic format approved by the director of the budget
21 agency.

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

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

29 (1) The tax revenue may be used to provide local property tax
30 replacement credits at a uniform rate to all taxpayers in the
31 county. The local property tax replacement credits shall be treated
32 for all purposes as property tax levies. The county auditor shall
33 determine the local property tax replacement credit percentage for
34 a particular year based on the amount of tax revenue that will be
35 used under this subdivision to provide local property tax
36 replacement credits in that year. A county income tax council may
37 not adopt an ordinance determining that tax revenue shall be used
38 under this subdivision to provide local property tax replacement
39 credits at a uniform rate to all taxpayers in the county unless the
40 county council has done the following:

41 (A) Made available to the public the county council's best
42 estimate of the amount of property tax replacement credits to



- 1 be provided under this subdivision to homesteads, other
 2 residential property, commercial property, industrial property,
 3 and agricultural property.
- 4 (B) Adopted a resolution or other statement acknowledging
 5 that some taxpayers in the county that do not pay the tax rate
 6 under this section will receive a property tax replacement
 7 credit that is funded with tax revenue from the tax rate under
 8 this section.
- 9 (2) The tax revenue may be used to uniformly increase (before
 10 January 1, 2011) or uniformly provide (after December 31, 2010)
 11 the homestead credit percentage in the county. The homestead
 12 credits shall be treated for all purposes as property tax levies. The
 13 homestead credits do not reduce the basis for determining any
 14 state homestead credit. The homestead credits shall be applied to
 15 the net property taxes due on the homestead after the application
 16 of all other assessed value deductions or property tax deductions
 17 and credits that apply to the amount owed under IC 6-1.1. The
 18 county auditor shall determine the homestead credit percentage
 19 for a particular year based on the amount of tax revenue that will
 20 be used under this subdivision to provide homestead credits in
 21 that year.
- 22 (3) The tax revenue may be used to provide local property tax
 23 replacement credits at a uniform rate for all qualified residential
 24 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
 25 and as defined in section 1 of this chapter after December 31,
 26 2008) in the county. The local property tax replacement credits
 27 shall be treated for all purposes as property tax levies. The county
 28 auditor shall determine the local property tax replacement credit
 29 percentage for a particular year based on the amount of tax
 30 revenue that will be used under this subdivision to provide local
 31 property tax replacement credits in that year.
- 32 (4) This subdivision applies only to Lake County. The Lake
 33 County council may adopt an ordinance providing that the tax
 34 revenue from the tax rate under this section is used for any of the
 35 following:
- 36 (A) To reduce all property tax levies imposed by the county by
 37 the granting of property tax replacement credits against those
 38 property tax levies.
- 39 (B) To provide local property tax replacement credits in Lake
 40 County in the following manner:
- 41 (i) The tax revenue under this section that is collected from
 42 taxpayers within a particular municipality in Lake County



1 (as determined by the department based on the department's
 2 best estimate) shall be used only to provide a local property
 3 tax credit against property taxes imposed by that
 4 municipality.

5 (ii) The tax revenue under this section that is collected from
 6 taxpayers within the unincorporated area of Lake County (as
 7 determined by the department) shall be used only to provide
 8 a local property tax credit against property taxes imposed by
 9 the county. The local property tax credit for the
 10 unincorporated area of Lake County shall be available only
 11 to those taxpayers within the unincorporated area of the
 12 county.

13 (C) To provide property tax credits in the following manner:

14 (i) Sixty percent (60%) of the tax revenue under this section
 15 shall be used as provided in clause (B).

16 (ii) Forty percent (40%) of the tax revenue under this section
 17 shall be used to provide property tax replacement credits
 18 against property tax levies of the county and each township
 19 and municipality in the county. The percentage of the tax
 20 revenue distributed under this item that shall be used as
 21 credits against the county's levies or against a particular
 22 township's or municipality's levies is equal to the percentage
 23 determined by dividing the population of the county,
 24 township, or municipality by the sum of the total population
 25 of the county, each township in the county, and each
 26 municipality in the county.

27 The Lake County council shall determine whether the credits
 28 under clause (A), (B), or (C) shall be provided to homesteads, to
 29 all qualified residential property, or to all taxpayers. The
 30 department of local government finance, with the assistance of the
 31 budget agency, shall certify to the county auditor and the fiscal
 32 body of the county and each township and municipality in the
 33 county the amount of property tax credits under this subdivision.
 34 Except as provided in subsection (g), the tax revenue under this
 35 section that is used to provide credits under this subdivision shall
 36 be treated for all purposes as property tax levies.

37 The county income tax council may adopt an ordinance changing the
 38 purposes for which tax revenue attributable to a tax rate under this
 39 section shall be used in the following year.

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

42 (1) the maximum income tax rate that may be imposed in a county



- 1 under section 8 or 9 of this chapter or any other provision of this
 2 chapter;
- 3 (2) the maximum permissible property tax levy under
 4 IC 6-1.1-18.5-3; or
- 5 (3) the credit under IC 6-1.1-20.6.
- 6 (h) Tax revenue under this section shall be treated as a part of the
 7 receiving civil taxing unit's or school corporation's property tax levy for
 8 that year for purposes of fixing the budget of the civil taxing unit or
 9 school corporation and for determining the distribution of taxes that are
 10 distributed on the basis of property tax levies. To the extent the county
 11 auditor determines that there is income tax revenue remaining from the
 12 tax under this section after providing the property tax replacement, the
 13 excess shall be credited to a dedicated county account and may be used
 14 only for property tax replacement under this section in subsequent
 15 years.
- 16 (i) The department of local government finance, ~~and~~ the department
 17 of state revenue, **and the county** may take any actions necessary to
 18 carry out the 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 SECTION 54. IC 6-3.5-6-33, AS AMENDED BY P.L.261-2013,
 23 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2016]: Sec. 33. (a) This section applies only to Monroe
 25 County.
- 26 (b) Maintaining low property tax rates is essential to economic
 27 development, and the use of county option income tax revenues as
 28 provided in this chapter and as needed in the county to fund the
 29 operation and maintenance of a juvenile detention center and other
 30 facilities to provide juvenile services, rather than the use of property
 31 taxes, promotes that purpose.
- 32 (c) In addition to the rates permitted by sections 8 and 9 of this
 33 chapter, the county fiscal body may impose an additional county option
 34 income tax at a rate of not more than twenty-five hundredths percent
 35 (0.25%) on the adjusted gross income of resident county taxpayers if
 36 the county fiscal body makes the finding and determination set forth in
 37 subsection (d). Section 8(e) of this chapter applies to the application of
 38 the additional rate to nonresident taxpayers.
- 39 (d) In order to impose the county option income tax as provided in
 40 this section, the county fiscal body must adopt an ordinance:
- 41 (1) finding and determining that revenues from the county option
 42 income tax are needed in the county to fund the operation and



1 maintenance of a juvenile detention center and other facilities
 2 necessary to provide juvenile services; and

3 (2) agreeing to freeze for the term in which an ordinance is in
 4 effect under this section the part of any property tax levy imposed
 5 in the county for the operation of the juvenile detention center and
 6 other facilities covered by the ordinance at the rate imposed in:

7 (A) the year preceding the year in which a full year of
 8 additional county option income tax is certified for distribution
 9 to the county under this section **(in the case of an ordinance
 10 adopted under this section before July 1, 2015); or**

11 **(B) the year preceding the year in which a full year of
 12 additional county option income tax is received under this
 13 section (in the case of an ordinance adopted under this
 14 section after June 30, 2015).**

15 (e) If the county fiscal body makes a determination under subsection
 16 (d), the county fiscal body may adopt a tax rate under subsection (c).
 17 Subject to the limitations in subsection (c), the county fiscal body may
 18 amend an ordinance adopted under this section to increase, decrease,
 19 or rescind the additional tax rate imposed under this section. Not more
 20 than ten (10) days after the vote, the county fiscal body shall send a
 21 certified copy of the ordinance to the county auditor, the commissioner
 22 of the department, the director of the budget agency, and the
 23 commissioner of the department of local government finance in an
 24 electronic format approved by the director of the budget agency.

25 (f) The county treasurer shall establish a county juvenile detention
 26 center revenue fund to be used only for the purposes described in this
 27 section. County option income tax revenues derived from the tax rate
 28 imposed under this section shall be deposited in the county juvenile
 29 detention center revenue fund before ~~a certified distribution is made~~
 30 **making any other distribution of revenue collected under section 18**
 31 **of this chapter.**

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

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

36 (2) may not be considered by the department of local government
 37 finance in determining the county's maximum permissible
 38 property tax levy limit under IC 6-1.1-18.5.

39 (h) The department of local government finance shall enforce an
 40 agreement made under subsection (d)(2).

41 (i) ~~The budget agency shall adjust the certified distribution of a~~
 42 ~~county to provide for an increased distribution of taxes in the~~



1 immediately following calendar year after the county adopts an
 2 increased tax rate under this section and in each calendar year
 3 thereafter. The budget agency shall provide for a full transition to
 4 certification of distributions as provided in section 17(a)(1) through
 5 17(a)(2) of this chapter in the manner provided in section 17(c) of this
 6 chapter.

7 SECTION 55. IC 6-3.5-7-5, AS AMENDED BY P.L.153-2014,
 8 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2016]: Sec. 5. (a) Except as provided in subsection (c),
 10 the county economic development income tax may be imposed on the
 11 adjusted gross income of county taxpayers. Except as provided in
 12 section 26(m) of this chapter, the entity that may impose the tax is:

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

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

25 (b) Except as provided in this section and section 28 of this chapter,
 26 the county economic development income tax may be imposed at a rate
 27 of:

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

36 on the adjusted gross income of county taxpayers.

37 (c) Except as provided in this section, the county economic
 38 development income tax rate plus the county adjusted gross income tax
 39 rate, if any, that are in effect on January 1 of a year may not exceed one
 40 and twenty-five hundredths percent (1.25%). Except as provided in this
 41 section, the county economic development tax rate plus the county
 42 option income tax rate, if any, that are in effect on January 1 of a year



- 1 may not exceed one percent (1%).
- 2 (d) To impose, increase, decrease, or rescind the county economic
3 development income tax, the appropriate body must adopt an
4 ordinance.
- 5 (e) The ordinance to impose the tax must substantially state the
6 following:
7 "The _____ County _____ imposes the county economic
8 development income tax on the county taxpayers of _____
9 County. The county economic development income tax is imposed at
10 a rate of _____ percent (____%) on the county taxpayers of the
11 county."
- 12 (f) The auditor of a county shall record all votes taken on ordinances
13 presented for a vote under the authority of this chapter and shall, not
14 more than ten (10) days after the vote, send a certified copy of the
15 results to the commissioner of the department, the director of the
16 budget agency, and the commissioner of the department of local
17 government finance in an electronic format approved by the director of
18 the budget agency.
- 19 (g) For Jackson County, except as provided in subsection (o), the
20 county economic development income tax rate plus the county adjusted
21 gross income tax rate that are in effect on January 1 of a year may not
22 exceed one and thirty-five hundredths percent (1.35%) if the county has
23 imposed the county adjusted gross income tax at a rate of one and
24 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.
- 25 (h) For Pulaski County, except as provided in subsection (o), the
26 county economic development income tax rate plus the county adjusted
27 gross income tax rate that are in effect on January 1 of a year may not
28 exceed one and fifty-five hundredths percent (1.55%).
- 29 (i) For Wayne County, except as provided in subsection (o), the
30 county economic development income tax rate plus the county adjusted
31 gross income tax rate that are in effect on January 1 of a year may not
32 exceed one and five-tenths percent (1.5%).
- 33 (j) This subsection applies to Randolph County. Except as provided
34 in subsection (o), in addition to the rates permitted under subsection
35 (b):
36 (1) the county economic development income tax may be imposed
37 at a rate of twenty-five hundredths percent (0.25%); and
38 (2) the sum of the county economic development income tax rate
39 and the county adjusted gross income tax rate that are in effect on
40 January 1 of a year may not exceed one and five-tenths percent
41 (1.5%);
42 if the county council makes a determination to impose rates under this



- 1 subsection and section 22.5 of this chapter.
- 2 (k) For Daviess County, except as provided in subsection (o), the
- 3 county economic development income tax rate plus the county adjusted
- 4 gross income tax rate that are in effect on January 1 of a year may not
- 5 exceed one and five-tenths percent (1.5%).
- 6 (l) For:
- 7 (1) Elkhart County; or
- 8 (2) Marshall County;
- 9 except as provided in subsection (o), the county economic development
- 10 income tax rate plus the county adjusted gross income tax rate that are
- 11 in effect on January 1 of a year may not exceed one and five-tenths
- 12 percent (1.5%).
- 13 (m) For Union County, except as provided in subsection (o), the
- 14 county economic development income tax rate plus the county adjusted
- 15 gross income tax rate that are in effect on January 1 of a year may not
- 16 exceed one and five-tenths percent (1.5%).
- 17 (n) This subsection applies to Knox County. Except as provided in
- 18 subsection (o), in addition to the rates permitted under subsection (b):
- 19 (1) the county economic development income tax may be imposed
- 20 at a rate of twenty-five hundredths percent (0.25%); and
- 21 (2) the sum of the county economic development income tax rate
- 22 and:
- 23 (A) the county adjusted gross income tax rate that are in effect
- 24 on January 1 of a year may not exceed one and five-tenths
- 25 percent (1.5%); or
- 26 (B) the county option income tax rate that are in effect on
- 27 January 1 of a year may not exceed one and twenty-five
- 28 hundredths percent (1.25%);
- 29 if the county council makes a determination to impose rates under this
- 30 subsection and section 24 of this chapter.
- 31 (o) This subsection applies to a county in which an adopting entity
- 32 approves the use of the ~~certified distribution~~ **revenue collected under**
- 33 **this chapter** for property tax relief under section 26(c) and 26(e) of
- 34 this chapter or to a county in which the county fiscal body approves the
- 35 use of the ~~certified distribution~~ **revenue collected under this chapter**
- 36 to fund a public transportation project under section 26(m) of this
- 37 chapter. In addition:
- 38 (1) the county economic development income tax may be imposed
- 39 at a rate that exceeds by not more than twenty-five hundredths
- 40 percent (0.25%) the maximum rate that would otherwise apply
- 41 under this section; and
- 42 (2) the:



- 1 (A) county economic development income tax; and
 2 (B) county option income tax or county adjusted gross income
 3 tax;
 4 may be imposed at combined rates that exceed by not more than
 5 twenty-five hundredths percent (0.25%) the maximum combined
 6 rates that would otherwise apply under this section.
- 7 Except as provided in section 5.5 of this chapter, the additional rate
 8 imposed under this subsection may not exceed the amount necessary
 9 to mitigate the increased ad valorem property taxes on homesteads (as
 10 defined in IC 6-1.1-20.9-1 (repealed) before January 1, 2009, or
 11 IC 6-1.1-12-37 after December 31, 2008) or residential property (as
 12 defined in section 26 of this chapter), as appropriate under the
 13 ordinance adopted by the adopting body in the county, resulting from
 14 the deduction of the assessed value of inventory in the county under
 15 IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of
 16 inventory from the definition of personal property in IC 6-1.1-1-11.
- 17 (p) If the county economic development income tax is imposed as
 18 authorized under subsection (o) at a rate that exceeds the maximum
 19 rate that would otherwise apply under this section, the **certified**
 20 **distribution revenue collected under this chapter** must be used for a
 21 purpose provided in section 26 of this chapter to the extent that the
 22 **certified distribution revenue collected under this chapter** results
 23 from the difference between:
 24 (1) the actual county economic development tax rate; and
 25 (2) the maximum rate that would otherwise apply under this
 26 section.
- 27 (q) This subsection applies only to a county described in section 27
 28 of this chapter. Except as provided in subsection (o), in addition to the
 29 rates permitted by subsection (b), the:
 30 (1) county economic development income tax may be imposed at
 31 a rate of twenty-five hundredths percent (0.25%); and
 32 (2) county economic development income tax rate plus the county
 33 option income tax rate that are in effect on January 1 of a year
 34 may equal up to one and twenty-five hundredths percent (1.25%);
 35 if the county council makes a determination to impose rates under this
 36 subsection and section 27 of this chapter.
- 37 (r) Except as provided in subsection (o), the county economic
 38 development income tax rate plus the county adjusted gross income tax
 39 rate that are in effect on January 1 of a year may not exceed one and
 40 five-tenths percent (1.5%) if the county has imposed the county
 41 adjusted gross income tax under IC 6-3.5-1.1-3.3.
- 42 (s) This subsection applies to Howard County. Except as provided



1 in subsection (o), the sum of the county economic development income
 2 tax rate and the county option income tax rate that are in effect on
 3 January 1 of a year may not exceed one and twenty-five hundredths
 4 percent (1.25%).

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

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

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

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

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

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

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

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

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

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

41 (y) This subsection applies to Perry County. Except as provided in
 42 subsection (o), if an ordinance is adopted under section 27.5 of this



1 chapter, the county economic development income tax rate plus the
 2 county option income tax rate that is in effect on January 1 of a year
 3 may not exceed one and seventy-five hundredths percent (1.75%).

4 (z) This subsection applies to Starke County. Except as provided in
 5 subsection (o), if an ordinance is adopted under section 27.6 of this
 6 chapter, the county economic development income tax rate plus the
 7 county adjusted gross income tax rate that is in effect on January 1 of
 8 a year may not exceed two percent (2%).

9 SECTION 56. IC 6-3.5-7-10 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 10. (a) **On**
 11 **February 1, 2016, and on November 1, 2016, the auditor of state**
 12 **shall transfer to each county ninety-five percent (95%) of the**
 13 **balance on those dates in the special account established** within the
 14 state general fund ~~shall be established for each that~~ county adopting
 15 the county economic development income tax. Any revenue derived
 16 from the imposition of the county economic development income tax
 17 by a county shall be credited to that county's account in the state
 18 general fund: **and ninety-five percent (95%) of any other balances**
 19 **on those dates of county economic development income tax**
 20 **withheld or otherwise paid by or on behalf of county taxpayers.**

21 (b) Any income earned on money credited to an account under
 22 subsection (a) becomes a part of that account.

23 (c) Any revenue credited to an account established under subsection
 24 (a) at the end of a fiscal year may not be credited to any other account
 25 in the state general fund.

26 (b) **The balances remaining after making the transfers required**
 27 **under subsection (a) shall be used to pay any refunds of county**
 28 **economic development income tax for taxable years beginning**
 29 **before January 1, 2016. On January 1, 2019:**

30 (1) **any remaining balances of county economic development**
 31 **income tax withheld or otherwise paid by or on behalf of**
 32 **county taxpayers shall be transferred to the county treasurer;**
 33 **and**

34 (2) **the special account established within the state general**
 35 **fund for that county is abolished.**

36 (c) **This section expires June 30, 2019.**

37 SECTION 57. IC 6-3.5-7-10.3 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2016]: Sec. 10.3. (a) **Revenue derived**
 40 **from the imposition of the county economic development income**
 41 **tax by the county and received by a county treasurer under this**
 42 **chapter, including any amounts transferred under section 10 of this**



1 chapter, shall be deposited by the county treasurer in a special
2 fund.

3 (b) Any income earned on money held in a special fund under
4 subsection (c) becomes a part of that fund.

5 (c) Any revenue remaining in a fund established under
6 subsection (a):

7 (1) does not revert to the county general fund; and

8 (2) shall be distributed as provided in this chapter.

9 SECTION 58. IC 6-3.5-7-10.5 IS REPEALED [EFFECTIVE
10 JANUARY 1, 2016]. Sec. 10.5. Before October 2 of each year, the
11 department shall submit a report to each county auditor indicating the
12 balance in the county's special account as of the cutoff date set by the
13 budget agency.

14 SECTION 59. IC 6-3.5-7-11 IS REPEALED [EFFECTIVE
15 JANUARY 1, 2016]. Sec. 11. (a) Revenue derived from the imposition
16 of the county economic development income tax shall, in the manner
17 prescribed by this section, be distributed to the county that imposed it.

18 (b) Before August 2 of each calendar year, the budget agency shall
19 provide to the county auditor of each adopting county an estimate of
20 the amount determined under subsection (a) that will be distributed to
21 the county, based on known tax rates. Not later than thirty (30) days
22 after receiving the estimate of the certified distribution, the county
23 auditor shall notify each taxing unit entitled to receive a distribution
24 under this chapter of the estimated amount of the distribution and other
25 revenue that will be distributed to the taxing unit under this chapter
26 during the ensuing calendar year. Before October 1 of each calendar
27 year, the budget agency shall certify to the county auditor of each
28 adopting county the sum of the amount of county economic
29 development income tax revenue that the budget agency determines
30 has been:

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

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

36 as adjusted for refunds of county economic development income tax
37 made in the state fiscal year plus the amount of interest in the county's
38 account that has been accrued and has not been included in a
39 certification made in a preceding year. The amount certified is the
40 county's certified distribution, which shall be distributed on the dates
41 specified in section 16 of this chapter for the following calendar year.

42 (c) The amount certified under subsection (b) shall be adjusted



1 under subsections (d), (e), (f), and (g): Not later than thirty (30) days
 2 after receiving the notice of the amount of the certified distribution, the
 3 county auditor shall notify each taxing unit entitled to receive a
 4 distribution under this chapter of the amount of distribution and other
 5 revenue that will be distributed to the taxing unit under this chapter
 6 during the ensuing calendar year. The budget agency shall provide the
 7 county council with an informative summary of the calculations used
 8 to determine the certified distribution. The summary of calculations
 9 must include:

- 10 (1) the amount reported on individual income tax returns
- 11 processed by the department during the previous fiscal year;
- 12 (2) adjustments for over distributions in prior years;
- 13 (3) adjustments for clerical or mathematical errors in prior years;
- 14 (4) adjustments for tax rate changes; and
- 15 (5) the amount of excess account balances to be distributed under
- 16 IC 6-3.5-7-17.3.

17 (d) The budget agency shall certify an amount less than the amount
 18 determined under subsection (b) if the budget agency determines that
 19 the reduced distribution is necessary to offset overpayments made in a
 20 calendar year before the calendar year of the distribution. The budget
 21 agency may reduce the amount of the certified distribution over several
 22 calendar years so that any overpayments are offset over several years
 23 rather than in one (1) lump sum.

24 (e) The budget agency shall adjust the certified distribution of a
 25 county to correct for any clerical or mathematical errors made in any
 26 previous certification under this section. The budget agency may
 27 reduce the amount of the certified distribution over several calendar
 28 years so that any adjustment under this subsection is offset over several
 29 years rather than in one (1) lump sum.

30 (f) The budget agency shall adjust the certified distribution of a
 31 county to provide the county with the amount of any tax increase
 32 imposed under section 26 of this chapter to provide additional
 33 homestead credits as provided in those provisions:

34 (g) This subsection applies to a county that imposes, increases,
 35 decreases, or rescinds a tax or tax rate under this chapter before
 36 November 1 in the same calendar year in which the budget agency
 37 makes a certification under this section. The budget agency shall adjust
 38 the certified distribution of a county to provide for a distribution in the
 39 immediately following calendar year and in each calendar year
 40 thereafter. The budget agency shall provide for a full transition to
 41 certification of distributions as provided in subsection (b)(1) through
 42 (b)(2) in the manner provided in subsection (d). If the county imposes;



1 increases; decreases; or rescinds a tax or tax rate under this chapter
 2 after the date for which a certification under subsection (b) is based; the
 3 budget agency shall adjust the certified distribution of the county after
 4 September 30 of the calendar year. The adjustment shall reflect any
 5 other adjustment authorized under subsections (c); (d); (e); and (f). The
 6 adjusted certification shall be treated as the county's certified
 7 distribution for the immediately succeeding calendar year. The budget
 8 agency shall certify the adjusted certified distribution to the county
 9 auditor for the county and provide the county council with an
 10 informative summary of the calculations that revises the informative
 11 summary provided in subsection (c) and reflects the changes made in
 12 the adjustment.

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

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

21 (j) The estimates under subsections (h) and (i) must specify the
 22 amount of the estimated certified distributions that are attributable to
 23 any additional rates authorized under this chapter.

24 SECTION 60. IC 6-3.5-7-12, AS AMENDED BY P.L.137-2012,
 25 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2016]: Sec. 12. (a) Except as provided in sections 23, 26,
 27 27.5, 27.6, and 28 of this chapter, the county auditor shall distribute
 28 **revenue collected under this chapter** in the manner specified in this
 29 section ~~the certified distribution~~ to the county.

30 (b) Except as provided in subsections (c) and (h) and section 15 of
 31 this chapter, and subject to adjustment as provided in IC 36-8-19-7.5,
 32 the amount of the ~~certified distribution~~ **revenue collected under this**
 33 **chapter** that the county and each city or town in a county is entitled to
 34 receive each month of each year equals the product of the following:

35 (1) The amount of the ~~certified distribution~~ **revenue collected**
 36 **under this chapter** for that month; multiplied by

37 (2) A fraction. The numerator of the fraction equals the sum of:
 38 (A) total property taxes that are first due and payable to the
 39 county, city, or town during the calendar year in which the
 40 month falls; plus
 41 (B) for a county, the welfare allocation amount.

42 The denominator of the fraction equals the sum of the total



1 property taxes that are first due and payable to the county and all
 2 cities and towns of the county during the calendar year in which
 3 the month falls, plus the welfare allocation amount. The welfare
 4 allocation amount is an amount equal to the sum of the property
 5 taxes imposed by the county in 1999 for the county's welfare fund
 6 and welfare administration fund and, if the county received a
 7 certified distribution under this chapter in 2008, the property
 8 taxes imposed by the county in 2008 for the county's county
 9 medical assistance to wards fund, family and children's fund,
 10 children's psychiatric residential treatment services fund, county
 11 hospital care for the indigent fund, and children with special
 12 health care needs county fund.

13 (c) This subsection applies to a county council or county income tax
 14 council that imposes a tax under this chapter after June 1, 1992. The
 15 body imposing the tax may adopt an ordinance before August 2 of a
 16 year to provide for the distribution of ~~certified distributions~~ **revenue**
 17 **collected under this chapter** under this subsection instead of a
 18 distribution under subsection (b). The following apply if an ordinance
 19 is adopted under this subsection:

- 20 (1) The ordinance is effective January 1 of the following year.
 21 (2) Except as provided in section 26 of this chapter, the amount
 22 of the ~~certified distribution~~ **revenue collected under this chapter**
 23 that the county and each city and town in the county is entitled to
 24 receive during each month of each year equals the product of:
 25 (A) the amount of the ~~certified distribution~~ **revenue collected**
 26 **under this chapter** for the month; multiplied by
 27 (B) a fraction. For a city or town, the numerator of the fraction
 28 equals the population of the city or the town. For a county, the
 29 numerator of the fraction equals the population of the part of
 30 the county that is not located in a city or town. The
 31 denominator of the fraction equals the sum of the population
 32 of all cities and towns located in the county and the population
 33 of the part of the county that is not located in a city or town.
 34 (3) The ordinance may be made irrevocable for the duration of
 35 specified lease rental or debt service payments.

36 (d) The body imposing the tax may not adopt an ordinance under
 37 subsection (c) if, before the adoption of the proposed ordinance, any of
 38 the following have pledged the county economic development income
 39 tax for any purpose permitted by IC 5-1-14 or any other statute:

- 40 (1) The county.
 41 (2) A city or town in the county.
 42 (3) A commission, a board, a department, or an authority that is



- 1 authorized by statute to pledge the county economic development
2 income tax.
- 3 (e) The department of local government finance shall provide each
4 county auditor with the fractional amount of the ~~certified distribution~~
5 **revenue collected under this chapter** that the county and each city or
6 town in the county is entitled to receive under this section.
- 7 (f) Money received by a county, city, or town under this section
8 shall be deposited in the unit's economic development income tax fund.
- 9 (g) Except as provided in subsection (b)(2)(B), in determining the
10 fractional amount of the ~~certified distribution~~ **revenue collected under**
11 **this chapter** the county and its cities and towns are entitled to receive
12 under subsection (b) during a calendar year, the department of local
13 government finance shall consider only property taxes imposed on
14 tangible property subject to assessment in that county.
- 15 (h) In a county having a consolidated city, only the consolidated city
16 is entitled to the ~~certified distribution~~, **revenue collected under this**
17 **chapter**, subject to the requirements of sections 15 and 26 of this
18 chapter.
- 19 SECTION 61. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,
20 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2016]: Sec. 13.1. (a) The fiscal officer of each county,
22 city, or town for a county in which the county economic development
23 tax is imposed shall establish an economic development income tax
24 fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this
25 chapter, the revenue received by a county, city, or town under this
26 chapter shall be deposited in the unit's economic development income
27 tax fund.
- 28 (b) As used in this subsection, "homestead" means a homestead that
29 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
30 provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter,
31 revenues from the county economic development income tax may be
32 used as follows:
- 33 (1) By a county, city, or town for economic development projects,
34 for paying, notwithstanding any other law, under a written
35 agreement all or a part of the interest owed by a private developer
36 or user on a loan extended by a financial institution or other
37 lender to the developer or user if the proceeds of the loan are or
38 are to be used to finance an economic development project, for
39 the retirement of bonds under section 14 of this chapter for
40 economic development projects, for leases under section 21 of
41 this chapter, or for leases or bonds entered into or issued prior to
42 the date the economic development income tax was imposed if



- 1 the purpose of the lease or bonds would have qualified as a
 2 purpose under this chapter at the time the lease was entered into
 3 or the bonds were issued.
- 4 (2) By a county, city, or town for:
- 5 (A) the construction or acquisition of, or remedial action with
 6 respect to, a capital project for which the unit is empowered to
 7 issue general obligation bonds or establish a fund under any
 8 statute listed in IC 6-1.1-18.5-9.8;
- 9 (B) the retirement of bonds issued under any provision of
 10 Indiana law for a capital project;
- 11 (C) the payment of lease rentals under any statute for a capital
 12 project;
- 13 (D) contract payments to a nonprofit corporation whose
 14 primary corporate purpose is to assist government in planning
 15 and implementing economic development projects;
- 16 (E) operating expenses of a governmental entity that plans or
 17 implements economic development projects;
- 18 (F) to the extent not otherwise allowed under this chapter,
 19 funding substance removal or remedial action in a designated
 20 unit; or
- 21 (G) funding of a revolving fund established under
 22 IC 5-1-14-14.
- 23 (3) By a county, city, or town for any lawful purpose for which
 24 money in any of its other funds may be used.
- 25 (4) By a city or county described in IC 36-7.5-2-3(b) for making
 26 transfers required by IC 36-7.5-4-2. If the county economic
 27 development income tax rate is increased after April 30, 2005, in
 28 Porter County, the first three million five hundred thousand
 29 dollars (\$3,500,000) of the tax revenue that results each year from
 30 the tax rate increase shall be used by the county or by eligible
 31 municipalities (as defined in IC 36-7.5-1-11.3) in the county only
 32 to make the county's transfer required by IC 36-7.5-4-2. The first
 33 three million five hundred thousand dollars (\$3,500,000) of the
 34 tax revenue that results each year from the tax rate increase shall
 35 be paid by the county treasurer to the treasurer of the northwest
 36 Indiana regional development authority under IC 36-7.5-4-2
 37 before ~~certified distributions~~ **distributions of revenue collected**
 38 **under this chapter** are made to the county or any cities or towns
 39 in the county under this chapter from the tax revenue that results
 40 each year from the tax rate increase. If Porter County ceases to be
 41 a member of the northwest Indiana regional development
 42 authority under IC 36-7.5 but two (2) or more municipalities in



1 the county have become members of the northwest Indiana
 2 regional development authority as authorized by IC 36-7.5-2-3(i),
 3 the county treasurer shall continue to transfer the three million
 4 five hundred thousand dollars (\$3,500,000) to the treasurer of the
 5 northwest Indiana regional development authority under
 6 IC 36-7.5-4-2 before ~~certified distributions~~ **distributions of**
 7 **revenue collected under this chapter** are made to the county or
 8 any cities or towns in the county. In Porter County, all of the tax
 9 revenue that results each year from the tax rate increase that is in
 10 excess of the first three million five hundred thousand dollars
 11 (\$3,500,000) that results each year from the tax rate increase must
 12 be used by the county and cities and towns in the county for
 13 homestead credits under subdivision (5).

14 (5) This subdivision applies only in Porter County. All of the tax
 15 revenue that results each year from a tax rate increase described
 16 in subdivision (4) that is in excess of the first three million five
 17 hundred thousand dollars (\$3,500,000) that results each year from
 18 the tax rate increase must be used by the county and cities and
 19 towns in the county for homestead credits under this subdivision.
 20 The following apply to homestead credits provided under this
 21 subdivision:

22 (A) The homestead credits must be applied uniformly to
 23 provide a homestead credit for homesteads in the county, city,
 24 or town.

25 (B) The homestead credits shall be treated for all purposes as
 26 property tax levies.

27 (C) The homestead credits shall be applied to the net property
 28 taxes due on the homestead after the application of all other
 29 assessed value deductions or property tax deductions and
 30 credits that apply to the amount owed under IC 6-1.1.

31 (D) The department of local government finance shall
 32 determine the homestead credit percentage for a particular
 33 year based on the amount of county economic development
 34 income tax revenue that will be used under this subdivision to
 35 provide homestead credits in that year.

36 (6) This subdivision applies only in Lake County. The county or
 37 a city or town in the county may use county economic
 38 development income tax revenue to provide homestead credits in
 39 the county, city, or town. The following apply to homestead
 40 credits provided under this subdivision:

41 (A) The county, city, or town fiscal body must adopt an
 42 ordinance authorizing the homestead credits. The ordinance



- 1 must specify the amount of county economic development
 2 income tax revenue that will be used to provide homestead
 3 credits in the following year.
- 4 (B) The county, city, or town fiscal body that adopts an
 5 ordinance under this subdivision must forward a copy of the
 6 ordinance to the county auditor and the department of local
 7 government finance not more than thirty (30) days after the
 8 ordinance is adopted.
- 9 (C) The homestead credits must be applied uniformly to
 10 increase the homestead credit under IC 6-1.1-20.9 (repealed)
 11 for homesteads in the county, city, or town (for property taxes
 12 first due and payable before January 1, 2009) or to provide a
 13 homestead credit for homesteads in the county, city, or town
 14 (for property taxes first due and payable after December 31,
 15 2008).
- 16 (D) The homestead credits shall be treated for all purposes as
 17 property tax levies.
- 18 (E) The homestead credits shall be applied to the net property
 19 taxes due on the homestead after the application of all other
 20 assessed value deductions or property tax deductions and
 21 credits that apply to the amount owed under IC 6-1.1.
- 22 (F) The department of local government finance shall
 23 determine the homestead credit percentage for a particular
 24 year based on the amount of county economic development
 25 income tax revenue that will be used under this subdivision to
 26 provide homestead credits in that year.
- 27 (7) For a regional venture capital fund established under section
 28 13.5 of this chapter or a local venture capital fund established
 29 under section 13.6 of this chapter.
- 30 (8) This subdivision applies only to LaPorte County, if:
- 31 (A) the county fiscal body has adopted an ordinance under
 32 IC 36-7.5-2-3(e) providing that the county is joining the
 33 northwest Indiana regional development authority; and
- 34 (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has
 35 adopted an ordinance under IC 36-7.5-2-3(e) providing that
 36 the city is joining the development authority.
- 37 Revenue from the county economic development income tax may
 38 be used by a county or a city described in this subdivision for
 39 making transfers required by IC 36-7.5-4-2. In addition, if the
 40 county economic development income tax rate is increased after
 41 June 30, 2006, in the county, the first three million five hundred
 42 thousand dollars (\$3,500,000) of the tax revenue that results each



1 year from the tax rate increase shall be used by the county only to
 2 make the county's transfer required by IC 36-7.5-4-2. The first
 3 three million five hundred thousand dollars (\$3,500,000) of the
 4 tax revenue that results each year from the tax rate increase shall
 5 be paid by the county treasurer to the treasurer of the northwest
 6 Indiana regional development authority under IC 36-7.5-4-2
 7 before ~~certified~~ distributions **of revenue collected under this**
 8 **chapter** 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. All of the tax revenue that results
 11 each year from the tax rate increase that is in excess of the first
 12 three million five hundred thousand dollars (\$3,500,000) that
 13 results each year from the tax rate increase must be used by the
 14 county and cities and towns in the county for homestead credits
 15 under subdivision (9).

16 (9) This subdivision applies only to LaPorte County. All of the tax
 17 revenue that results each year from a tax rate increase described
 18 in subdivision (8) that is in excess of the first three million five
 19 hundred thousand dollars (\$3,500,000) that results each year from
 20 the tax rate increase must be used by the county and cities and
 21 towns in the county for homestead credits under this subdivision.
 22 The following apply to homestead credits provided under this
 23 subdivision:

24 (A) The homestead credits must be applied uniformly to
 25 provide a homestead credit for homesteads in the county, city,
 26 or town.

27 (B) The homestead credits shall be treated for all purposes as
 28 property tax levies.

29 (C) The homestead credits shall be applied to the net property
 30 taxes due on the homestead after the application of all other
 31 assessed value deductions or property tax deductions and
 32 credits that apply to the amount owed under IC 6-1.1.

33 (D) The department of local government finance shall
 34 determine the homestead credit percentage for a particular
 35 year based on the amount of county economic development
 36 income tax revenue that will be used under this subdivision to
 37 provide homestead credits in that year.

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

40 (1) the county, city, or town determines will:

41 (A) promote significant opportunities for the gainful
 42 employment of its citizens;



- 1 (B) attract a major new business enterprise to the unit; or
- 2 (C) retain or expand a significant business enterprise within
- 3 the unit; and
- 4 (2) involves an expenditure for:
- 5 (A) the acquisition of land;
- 6 (B) interests in land;
- 7 (C) site improvements;
- 8 (D) infrastructure improvements;
- 9 (E) buildings;
- 10 (F) structures;
- 11 (G) rehabilitation, renovation, and enlargement of buildings
- 12 and structures;
- 13 (H) machinery;
- 14 (I) equipment;
- 15 (J) furnishings;
- 16 (K) facilities;
- 17 (L) administrative expenses associated with such a project,
- 18 including contract payments authorized under subsection
- 19 (b)(2)(D);
- 20 (M) operating expenses authorized under subsection (b)(2)(E);
- 21 or
- 22 (N) to the extent not otherwise allowed under this chapter,
- 23 substance removal or remedial action in a designated unit;
- 24 or any combination of these.

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

31 SECTION 62. IC 6-3.5-7-15, AS AMENDED BY P.L.137-2012,
 32 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2016]: Sec. 15. (a) The executive of a
 34 county, city, or town may, subject to the use of the ~~certified distribution~~
 35 **revenue collected under this chapter** permitted under section 26 of
 36 this chapter:

- 37 (1) adopt a capital improvement plan specifying the uses of the
- 38 revenues to be received under this chapter; or
- 39 (2) designate the county or a city or town in the county as the
- 40 recipient of all or a part of its share of the ~~distribution~~ **revenue**
- 41 **collected under this chapter.**
- 42 (b) If a designation is made under subsection (a)(2), the county



1 treasurer shall transfer the share or part of the share to the designated
2 unit unless that unit does not have a capital improvement plan.

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

5 (1) its fractional amount of the ~~certified distribution~~; **revenue**
6 **collected under this chapter**; or

7 (2) any amount designated under subsection (a)(2);

8 for the year or years in which the unit does not have a plan. The county
9 treasurer shall retain the ~~certified distribution unit's part of the~~
10 **revenue collected under this chapter** and any designated distribution
11 for such a unit in a separate account until the unit adopts a plan.
12 Interest on the separate account becomes part of the account. If a unit
13 fails to adopt a plan for a period of three (3) years, then the balance in
14 the separate account shall be distributed to the other units in the county
15 based on property taxes first due and payable to the units during the
16 calendar year in which the three (3) year period expires.

17 (d) A capital improvement plan must include the following
18 components:

19 (1) Identification and general description of each project that
20 would be funded by the county economic development income
21 tax.

22 (2) The estimated total cost of the project.

23 (3) Identification of all sources of funds expected to be used for
24 each project.

25 (4) The planning, development, and construction schedule of each
26 project.

27 (e) A capital improvement plan:

28 (1) must encompass a period of no less than two (2) years; and

29 (2) must incorporate projects the cost of which is at least
30 seventy-five percent (75%) of the fractional amount ~~certified~~
31 **distribution of the revenue collected under this chapter that is**
32 expected to be received by the county, city, or town in that period
33 of time.

34 (f) In making a designation under subsection (a)(2), the executive
35 must specify the purpose and duration of the designation. If the
36 designation is made to provide for the payment of lease rentals or bond
37 payments, the executive may specify that the designation and its
38 duration are irrevocable.

39 SECTION 63. IC 6-3.5-7-16 IS REPEALED [EFFECTIVE
40 JANUARY 1, 2016]. ~~Sec. 16. (a) One-twelfth (1/12) of each county's~~
41 ~~certified distribution for a calendar year shall be distributed from its~~
42 ~~account established under section 10 of this chapter to the appropriate~~



1 county treasurer on the first regular business day of each month of that
 2 calendar year.

3 (b) All distributions from an account established under section 10
 4 of this chapter shall be made by warrants issued by the auditor of state
 5 to the treasurer of state ordering the appropriate payments.

6 SECTION 64. IC 6-3.5-7-16.5, AS ADDED BY P.L.26-2009,
 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2016]: Sec. 16.5. (a) **Except as otherwise provided**, the
 9 county auditor shall timely distribute the certified distribution received
 10 under section 12 of revenue collected under this chapter to the
 11 county and to each city and town that is a recipient of a certified
 12 distribution. **in the county.**

13 (b) A distribution of revenue is considered to be timely made if the
 14 distribution of revenue received during a month is made not later
 15 than ten (10) working days after the date the county treasurer receives
 16 the county's certified distribution under section 12 of this chapter:
 17 **beginning of the following month.**

18 SECTION 65. IC 6-3.5-7-17.3 IS REPEALED [EFFECTIVE
 19 JANUARY 1, 2016]. Sec. 17.3: (a) If the budget agency determines
 20 that the balance in a county trust account exceeds fifty percent (50%)
 21 of the certified distributions to be made to the county in the ensuing
 22 year, the budget agency shall make a supplemental distribution to the
 23 county from the county's special account:

24 (b) A supplemental distribution described in subsection (a) must be:

- 25 (1) made in January of the ensuing calendar year; and
- 26 (2) allocated in the same manner as certified distributions for
 27 deposit in a civil unit's rainy day fund established under
 28 IC 36-1-8-5.1. However, the part of a supplemental distribution
 29 that is attributable to an additional rate authorized under this
 30 chapter:

31 (A) shall be used for the purpose specified in the statute
 32 authorizing the additional rate; and

33 (B) is not required to be deposited in the unit's rainy day fund:
 34 The amount of the supplemental distribution is equal to the amount by
 35 which the balance in the county trust account exceeds fifty percent
 36 (50%) of the certified distributions to be made to the county in the
 37 ensuing year.

38 (c) A determination under this section must be made before October
 39 2:

40 (d) Any income earned on money held in a trust account established
 41 for a county under this chapter shall be deposited in that trust account:

42 SECTION 66. IC 6-3.5-7-18, AS AMENDED BY P.L.146-2008,



1 SECTION 348, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2016]: Sec. 18. (a) Except as otherwise
 3 provided in this chapter **or by IC 6-3.5-7.5**, all provisions of the
 4 adjusted gross income tax law (IC 6-3) concerning:

- 5 (1) definitions;
- 6 (2) declarations of estimated tax;
- 7 (3) filing of returns;
- 8 (4) remittances;
- 9 (5) incorporation of the provisions of the Internal Revenue Code;
- 10 (6) penalties and interest;
- 11 (7) exclusion of military pay credits for withholding; and
- 12 (8) exemptions and deductions;

13 apply to the imposition, collection, and administration of the tax
 14 imposed by this chapter.

15 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and
 16 IC 6-3-5-1 do not apply to the tax imposed by this chapter.

17 (c) Notwithstanding subsections (a) and (b), each employer shall
 18 report to the department the amount of withholdings **attributable**
 19 **remitted** to each county **treasurer under IC 6-3-4-0.5**. This report
 20 shall be submitted to the department:

- 21 (1) each time the employer remits to the department **the state**
 22 **adjusted gross income** tax that is withheld; and
- 23 (2) annually along with the employer's annual withholding report.

24 SECTION 67. IC 6-3.5-7-20 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 20. The economic
 26 development income tax **for taxable years beginning before January**
 27 **1, 2016**, is a listed tax and an income tax for the purposes of IC 6-8.1.

28 SECTION 68. IC 6-3.5-7-22.5, AS AMENDED BY P.L.119-2012,
 29 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2016]: Sec. 22.5. (a) This section applies to Randolph
 31 County.

32 (b) In addition to the rates permitted by section 5 of this chapter, the
 33 county council may impose the county economic development income
 34 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 35 gross income of county taxpayers if the county council makes the
 36 finding and determination set forth in subsection (c).

37 (c) In order to impose the county economic development income tax
 38 as provided in this section, the county council must adopt an ordinance
 39 finding and determining that revenues from the county economic
 40 development income tax are needed to pay the costs of:

- 41 (1) financing, constructing, acquiring, renovating, and equipping
 42 the county courthouse, and financing and renovating the former



1 county hospital for additional office space, educational facilities,
 2 nonsecure juvenile facilities, and other county functions,
 3 including the repayment of bonds issued, or leases entered into for
 4 constructing, acquiring, renovating, and equipping the county
 5 courthouse and for renovating the former county hospital for
 6 additional office space, educational facilities, nonsecure juvenile
 7 facilities, and other county functions;
 8 (2) financing, constructing, acquiring, renovating, and equipping
 9 buildings for a volunteer fire department (as defined in
 10 IC 36-8-12-2) that provides services in any part of the county; and
 11 (3) financing, constructing, acquiring, and renovating firefighting
 12 apparatus or other related equipment for a volunteer fire
 13 department (as defined in IC 36-8-12-2) that provides services in
 14 any part of the county.

15 (d) If the county council makes a determination under subsection
 16 (c), the county council may adopt a tax rate under subsection (b). The
 17 tax rate may not be imposed at a rate or for a time greater than is
 18 necessary to pay for the purposes described in this section.

19 (e) The county treasurer shall establish a county option tax revenue
 20 fund to be used only for the purposes described in this section. County
 21 economic development income tax revenues derived from the tax rate
 22 imposed under this section shall be deposited in the county option tax
 23 revenue fund before making a ~~certified distribution~~ **distributions** under
 24 section ~~11~~ **12** of this chapter.

25 (f) County economic development income tax revenues derived
 26 from the tax rate imposed under this section:
 27 (1) may only be used for the purposes described in this section;
 28 (2) may not be considered by the department of local government
 29 finance in determining the county's maximum permissible
 30 property tax levy limit under IC 6-1.1-18.5; and
 31 (3) may be pledged to the repayment of bonds issued, or leases
 32 entered into, for the purposes described in subsection (c).

33 (g) Randolph County possesses:
 34 (1) unique fiscal challenges to finance the operations of county
 35 government due to the county's ongoing obligation to repay
 36 amounts received by the county due to an overpayment of the
 37 county's ~~certified~~ distribution under IC 6-3.5-1.1-9 (**before its**
 38 **repeal**) for a prior year; and
 39 (2) unique capital financing needs related to the purposes
 40 described in subsection (c).

41 SECTION 69. IC 6-3.5-7-23, AS AMENDED BY P.L.119-2012,
 42 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2016]: Sec. 23. (a) This section applies only to Hancock
2 County.

3 (b) The county council may by ordinance determine that, in order to
4 promote the development of libraries in the county and thereby
5 encourage economic development, it is necessary to use economic
6 development income tax revenue to replace library property taxes in
7 the county. However, a county council may adopt an ordinance under
8 this subsection only if all territory in the county is included in a library
9 district.

10 (c) If the county council makes a determination under subsection
11 (b), the county council may designate the county economic
12 development income tax revenue generated by the tax rate adopted
13 under section 5 of this chapter, or revenue generated by a portion of the
14 tax rate, as revenue that will be used to replace public library property
15 taxes imposed by public libraries in the county. The county council
16 may not designate for library property tax replacement purposes any
17 county economic development income tax revenue that is generated by
18 a tax rate of more than fifteen-hundredths percent (0.15%).

19 (d) The county treasurer shall establish a library property tax
20 replacement fund to be used only for the purposes described in this
21 section. County economic development income tax revenues derived
22 from the portion of the tax rate designated for property tax replacement
23 credits under subsection (c) shall be deposited in the library property
24 tax replacement fund before ~~certified distributions are made~~ **making**
25 **distributions** under section 12 of this chapter. Any interest earned on
26 money in the library property tax replacement fund shall be credited to
27 the library property tax replacement fund.

28 (e) The amount of county economic development income tax
29 revenue dedicated to providing library property tax replacement credits
30 shall, in the manner prescribed in this section, be allocated to public
31 libraries operating in the county and shall be used by those public
32 libraries as property tax replacement credits. The amount of property
33 tax replacement credits that each public library in the county is entitled
34 to receive during a calendar year under this section equals the lesser of:

- 35 (1) the product of:
- 36 (A) the amount of revenue deposited by the county auditor in
37 the library property tax replacement fund; multiplied by
38 (B) a fraction described as follows:
- 39 (i) The numerator of the fraction equals the sum of the total
40 property taxes that would have been collected by the public
41 library during the previous calendar year from taxpayers
42 located within the library district if the property tax



- 1 replacement under this section had not been in effect.
- 2 (ii) The denominator of the fraction equals the sum of the
- 3 total property taxes that would have been collected during
- 4 the previous year from taxpayers located within the county
- 5 by all public libraries that are eligible to receive property tax
- 6 replacement credits under this section if the property tax
- 7 replacement under this section had not been in effect; or
- 8 (2) the total property taxes that would otherwise be collected by
- 9 the public library for the calendar year if the property tax
- 10 replacement credit under this section were not in effect.

11 The department of local government finance shall make any
 12 adjustments necessary to account for the expansion of a library district.
 13 However, a public library is eligible to receive property tax
 14 replacement credits under this section only if it has entered into
 15 reciprocal borrowing agreements with all other public libraries in the
 16 county. If the total amount of county economic development income
 17 tax revenue deposited by the county auditor in the library property tax
 18 replacement fund for a calendar year exceeds the total property tax
 19 liability that would otherwise be imposed for public libraries in the
 20 county for the year, the excess shall remain in the library property tax
 21 replacement fund and shall be used for library property tax replacement
 22 purposes in the following calendar year.

23 (f) Notwithstanding subsection (e), if a public library did not impose
 24 a property tax levy during the previous calendar year, that public
 25 library is entitled to receive a part of the property tax replacement
 26 credits to be distributed for the calendar year. The amount of property
 27 tax replacement credits the public library is entitled to receive during
 28 the calendar year equals the product of:

- 29 (1) the amount of revenue deposited in the library property tax
- 30 replacement fund; multiplied by
- 31 (2) a fraction. The numerator of the fraction equals the budget of
- 32 the public library for that calendar year. The denominator of the
- 33 fraction equals the aggregate budgets of public libraries in the
- 34 county for that calendar year.

35 If for a calendar year a public library is allocated a part of the property
 36 tax replacement credits under this subsection, then the amount of
 37 property tax credits distributed to other public libraries in the county
 38 for the calendar year shall be reduced by the amount to be distributed
 39 as property tax replacement credits under this subsection. The
 40 department of local government finance shall make any adjustments
 41 required by this subsection and provide the adjustments to the county
 42 auditor.



1 (g) The department of local government finance shall inform the
2 county auditor of the amount of property tax replacement credits that
3 each public library in the county is entitled to receive under this
4 section. The county auditor shall certify to each public library the
5 amount of property tax replacement credits that the public library is
6 entitled to receive during that calendar year. The county auditor shall
7 also certify these amounts to the county treasurer.

8 (h) A public library receiving property tax replacement credits under
9 this section shall allocate the credits among each fund for which a
10 distinct property tax levy is imposed. The amount that must be
11 allocated to each fund equals:

12 (1) the amount of property tax replacement credits provided to the
13 public library under this section; multiplied by

14 (2) the amount determined in STEP THREE of the following
15 formula:

16 STEP ONE: Determine the property taxes that would have
17 been collected for each fund by the public library during the
18 previous calendar year if the property tax replacement under
19 this section had not been in effect.

20 STEP TWO: Determine the sum of the total property taxes that
21 would have been collected for all funds by the public library
22 during the previous calendar year if the property tax
23 replacement under this section had not been in effect.

24 STEP THREE: Divide the STEP ONE amount by the STEP
25 TWO amount.

26 However, if a public library did not impose a property tax levy during
27 the previous calendar year or did not impose a property tax levy for a
28 particular fund during the previous calendar year, but the public library
29 is imposing a property tax levy in the current calendar year or is
30 imposing a property tax levy for the particular fund in the current
31 calendar year, the department of local government finance shall adjust
32 the amount of property tax replacement credits allocated among the
33 various funds of the public library and shall provide the adjustment to
34 the county auditor. If a public library receiving property tax
35 replacement credits under this section does not impose a property tax
36 levy for a particular fund that is first due and payable in a calendar year
37 in which the property tax replacement credits are being distributed, the
38 public library is not required to allocate to that fund a part of the
39 property tax replacement credits to be distributed to the public library.
40 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives
41 property tax replacement credits under this section is subject to the
42 procedures for the issuance of bonds set forth in IC 6-1.1-20.



1 (i) For each public library that receives property tax credits under
 2 this section, the department of local government finance shall certify
 3 to the county auditor the property tax rate applicable to each fund after
 4 the property tax replacement credits are allocated.

5 (j) A public library shall treat property tax replacement credits
 6 received during a particular calendar year under this section as a part
 7 of the public library's property tax levy for each fund for that same
 8 calendar year for purposes of fixing the public library's budget and for
 9 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

10 (k) For the purpose of computing and distributing ~~certified~~
 11 ~~distributions~~ **revenue** under IC 6-3.5-1.1 and tax revenue under
 12 IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are
 13 received under this section shall be treated as though they were
 14 property taxes that were due and payable during that same calendar
 15 year.

16 SECTION 70. IC 6-3.5-7-24, AS AMENDED BY P.L.119-2012,
 17 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2016]: Sec. 24. (a) This section applies to Knox County.

19 (b) In addition to the rates permitted by section 5 of this chapter, the
 20 county council may impose the county economic development income
 21 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 22 gross income of county taxpayers if the county council makes the
 23 finding and determination set forth in subsection (c).

24 (c) In order to impose the county economic development income tax
 25 as provided in this section, the county council must adopt an ordinance
 26 finding and determining that revenues from the county economic
 27 development income tax are needed to pay the costs of financing,
 28 constructing, acquiring, renovating, and equipping a county jail
 29 including the repayment of bonds issued, or leases entered into, for
 30 constructing, acquiring, renovating, and equipping a county jail.

31 (d) If the county council makes a determination under subsection
 32 (c), the county council may adopt a tax rate under subsection (b). The
 33 tax rate may not be imposed at a rate or for a time greater than is
 34 necessary to pay the costs of financing, constructing, acquiring,
 35 renovating, and equipping a county jail.

36 (e) The county treasurer shall establish a county jail revenue fund
 37 to be used only for the purposes described in this section. County
 38 economic development income tax revenues derived from the tax rate
 39 imposed under this section shall be deposited in the county jail revenue
 40 fund before making a ~~certified distribution~~ **distributions** under section
 41 ~~11~~ **12** of this chapter.

42 (f) County economic development income tax revenues derived



1 from the tax rate imposed under this section:
 2 (1) may only be used for the purposes described in this section;
 3 (2) may not be considered by the department of local government
 4 finance in determining the county's maximum permissible
 5 property tax levy limit under IC 6-1.1-18.5; and
 6 (3) may be pledged to the repayment of bonds issued, or leases
 7 entered into, for the purposes described in subsection (c).
 8 SECTION 71. IC 6-3.5-7-26, AS AMENDED BY P.L.153-2014,
 9 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2016]: Sec. 26. (a) This section applies only to the
 11 following:
 12 (1) Taxes imposed under this chapter to provide homestead and
 13 property tax replacement credits for property taxes first due and
 14 payable after calendar year 2006.
 15 (2) Taxes imposed under this chapter to fund a public
 16 transportation project under subsection (m).
 17 (b) The following definitions apply throughout this section:
 18 (1) "Adopt" includes amend.
 19 (2) "Adopting entity" means:
 20 (A) the entity that adopts an ordinance under
 21 IC 6-1.1-12-41(f); or
 22 (B) any other entity that may impose a county economic
 23 development income tax under section 5 of this chapter.
 24 (3) "Homestead" refers to tangible property that is eligible for a
 25 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
 26 deduction under IC 6-1.1-12-37.
 27 (4) "Residential" refers to the following:
 28 (A) Real property, a mobile home, and industrialized housing
 29 that would qualify as a homestead if the taxpayer had filed for
 30 a homestead credit under IC 6-1.1-20.9 (repealed) or the
 31 standard deduction under IC 6-1.1-12-37.
 32 (B) Real property not described in clause (A) designed to
 33 provide units that are regularly used to rent or otherwise
 34 furnish residential accommodations for periods of thirty (30)
 35 days or more, regardless of whether the tangible property is
 36 subject to assessment under rules of the department of local
 37 government finance that apply to:
 38 (i) residential property; or
 39 (ii) commercial property.
 40 (c) This subsection does not apply to a county in which the county
 41 fiscal body adopts an ordinance to provide for the use of ~~the certified~~
 42 ~~distribution described in section 16 of revenue received by the~~



1 **adopting entity under** this chapter to fund a public transportation
 2 project under IC 8-25. An adopting entity may adopt an ordinance to
 3 provide for the use of ~~the certified distribution described in section 16~~
 4 **of this chapter revenue received by the adopting entity under this**
 5 **chapter** for the purpose provided in subsection (e). An adopting entity
 6 that adopts an ordinance under this subsection shall use the procedures
 7 set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the
 8 imposition of the county option income tax. The ordinance may provide
 9 for an additional rate under section 5(o) of this chapter. An ordinance
 10 adopted under this subsection:

11 (1) first applies to ~~the certified distribution described in section 16~~
 12 **of revenue received by the adopting entity under** this chapter
 13 made in the ~~later of the~~ calendar year that immediately succeeds
 14 the calendar year in which the ordinance is adopted; ~~or calendar~~
 15 ~~year 2007~~; and

16 (2) must specify that the ~~certified distribution~~ **revenue received**
 17 **by the adopting entity under this chapter** must be used to
 18 provide for one (1) of the following, as determined by the
 19 adopting entity:

20 (A) Uniformly applied homestead credits as provided in
 21 subsection (f).

22 (B) Uniformly applied residential credits as provided in
 23 subsection (g).

24 (C) Allocated homestead credits as provided in subsection (i).

25 (D) Allocated residential credits as provided in subsection (j).

26 An ordinance adopted under this subsection may be combined with an
 27 ordinance adopted under section 25 of this chapter (before its repeal).

28 (d) If an ordinance is adopted under subsection (c), the percentage
 29 of the ~~certified distribution~~ **revenue** specified in the ordinance for use
 30 for the purpose provided in subsection (e) shall be:

31 (1) retained by the county auditor under subsection (k); and

32 (2) used for the purpose provided in subsection (e) instead of the
 33 purposes specified in the capital improvement plans adopted
 34 under section 15 of this chapter.

35 (e) If an ordinance is adopted under subsection (c), the adopting
 36 entity shall use the ~~certified distribution described in section 16~~ **of**
 37 **revenue received by the adopting entity under** this chapter to
 38 provide:

39 (1) if the ordinance grants a credit described in subsection
 40 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or

41 (2) if the ordinance grants a credit described in subsection
 42 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for



1 residential property;
 2 for property taxes to offset the effect on homesteads or residential
 3 property, as applicable, in the county resulting from the statewide
 4 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 5 2008 of inventory from the definition of personal property in
 6 IC 6-1.1-1-11. The amount of a residential property tax replacement
 7 credit granted under this section may not be considered in computing
 8 the amount of any homestead credit to which the residential property
 9 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 10 other than IC 6-1.1-20.6.

11 (f) If the imposing entity specifies the application of uniform
 12 homestead credits under subsection (c)(2)(A), the county auditor shall,
 13 for each calendar year in which a homestead credit percentage is
 14 authorized under this section, determine:

- 15 (1) the amount of the ~~certified distribution~~ **revenue received by**
 16 **the adopting entity under this chapter** that is available to
 17 provide a homestead credit percentage under this section for the
 18 year;
 19 (2) the amount of uniformly applied homestead credits for the
 20 year in the county that equals the amount determined under
 21 subdivision (1); and
 22 (3) the percentage of homestead credit under this section that
 23 equates to the amount of homestead credits determined under
 24 subdivision (2).

25 (g) If the imposing entity specifies the application of uniform
 26 residential credits under subsection (c)(2)(B), the county auditor shall
 27 determine for each calendar year in which a homestead credit
 28 percentage is authorized under this section:

- 29 (1) the amount of the ~~certified distribution~~ **revenue received by**
 30 **the adopting entity under this chapter** that is available to
 31 provide a residential property tax replacement credit percentage
 32 for the year;
 33 (2) the amount of uniformly applied residential property tax
 34 replacement credits for the year in the county that equals the
 35 amount determined under subdivision (1); and
 36 (3) the percentage of residential property tax replacement credit
 37 under this section that equates to the amount of residential
 38 property tax replacement credits determined under subdivision
 39 (2).

40 (h) The percentage of homestead credit determined by the county
 41 auditor under subsection (f) or the percentage of residential property
 42 tax replacement credit determined by the county auditor under



1 subsection (g) applies uniformly in the county in the calendar year for
2 which the percentage is determined.

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

7 (1) the amount of the ~~certified distribution~~ **revenue received by**
8 **the adopting entity under this chapter** that is available to
9 provide a homestead credit under this section for the year; and

10 (2) except as provided in subsection (1), a percentage of
11 homestead credit for each taxing district in the county that
12 allocates to the taxing district an amount of homestead credits that
13 bears the same proportion to the amount determined under
14 subdivision (1) that the amount of inventory assessed value
15 deducted under IC 6-1.1-12-42 in the taxing district for the
16 assessment date in 2006 bears to the total inventory assessed
17 value deducted under IC 6-1.1-12-42 in the county for the
18 assessment date in 2006.

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

24 (1) the amount of the ~~certified distribution~~ **revenue received by**
25 **the adopting entity under this chapter** that is available to
26 provide a residential property tax replacement credit under this
27 section for the year; and

28 (2) except as provided in subsection (1), a percentage of
29 residential property tax replacement credit for each taxing district
30 in the county that allocates to the taxing district an amount of
31 residential property tax replacement credits that bears the same
32 proportion to the amount determined under subdivision (1) that
33 the amount of inventory assessed value deducted under
34 IC 6-1.1-12-42 in the taxing district for the assessment date in
35 2006 bears to the total inventory assessed value deducted under
36 IC 6-1.1-12-42 in the county for the assessment date in 2006.

37 (k) This subsection does not apply to a county in which the county
38 fiscal body adopts an ordinance to provide for the use of the ~~certified~~
39 ~~distribution described in section 16~~ **of revenue received by the**
40 **adopting entity under** this chapter to fund a public transportation
41 project under IC 8-25. The county auditor shall retain from the
42 payments of the county's ~~certified distribution~~ **revenue received by the**



1 **adopting entity under this chapter** an amount equal to the revenue
 2 lost, if any, due to the homestead credit or residential property tax
 3 replacement credit provided under this section within the county. The
 4 money shall be distributed to the civil taxing units and school
 5 corporations of the county:

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

7 (2) in such a manner that no civil taxing unit or school
 8 corporation will suffer a net revenue loss because of the
 9 allowance of a homestead credit or residential property tax
 10 replacement credit under this section.

11 (l) This subsection does not apply to a county in which the county
 12 fiscal body adopts an ordinance to provide for the use of the ~~certified~~
 13 ~~distribution described in section 16 of revenue received by the~~
 14 **adopting entity under** this chapter to fund a public transportation
 15 project under IC 8-25. Subject to the approval of the imposing entity,
 16 the county auditor may adjust the increased percentage of:

17 (1) homestead credit determined under subsection (i)(2) if the
 18 county auditor determines that the adjustment is necessary to
 19 achieve an equitable reduction of property taxes among the
 20 homesteads in the county; or

21 (2) residential property tax replacement credit determined under
 22 subsection (j)(2) if the county auditor determines that the
 23 adjustment is necessary to achieve an equitable reduction of
 24 property taxes among the residential property in the county.

25 (m) This section applies to Hamilton County and Marion County. If
 26 the voters of a county approve a local public question under IC 8-25-2,
 27 the fiscal body of the county may adopt an ordinance to provide for the
 28 use of the ~~certified distribution described in section 16 of revenue~~
 29 **received by the adopting entity under** this chapter to fund a public
 30 transportation project under IC 8-25. However, a county fiscal body
 31 shall adopt an ordinance under this subsection if required by
 32 IC 8-25-6-10 to impose an additional tax rate on the county taxpayers
 33 who reside in a township in which the voters approve a public
 34 transportation project in a local public question held under IC 8-25-6.
 35 An ordinance adopted under this subsection must specify an additional
 36 tax rate to be imposed in the county (or township in the case of an
 37 additional rate required by IC 8-25-6-10) of at least one-tenth percent
 38 (0.1%), but not more than twenty-five hundredths percent (0.25%). If
 39 an ordinance is adopted under this subsection, the amount of the
 40 ~~certified distribution revenue~~ attributable to the additional tax rate
 41 specified in the ordinance and authorized by section 5(o) of this chapter
 42 to fund a public transportation project under IC 8-25 must be:



- 1 (1) retained by the county auditor;
- 2 (2) deposited in the public transportation project fund established
- 3 under IC 8-25-3-7; and
- 4 (3) used for the purpose provided in this subsection instead of the
- 5 purposes specified in the capital improvement plan adopted under
- 6 section 15 of this chapter.

7 SECTION 72. IC 6-3.5-7-27, AS AMENDED BY P.L.261-2013,
 8 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2016]: Sec. 27. (a) This section applies to a county that:

- 10 (1) operates a courthouse that is subject to an order that:
- 11 (A) is issued by a federal district court;
- 12 (B) applies to an action commenced before January 1, 2003;
- 13 and
- 14 (C) requires the county to comply with the federal Americans
- 15 with Disabilities Act; and
- 16 (2) has insufficient revenues to finance the construction,
- 17 acquisition, improvement, renovation, equipping, and operation
- 18 of the courthouse facilities and related facilities.

19 (b) A county described in this section possesses unique fiscal
 20 challenges in financing, renovating, equipping, and operating the
 21 county courthouse facilities and related facilities because the county
 22 consistently has one (1) of the highest unemployment rates in Indiana.
 23 Maintaining low property tax rates is essential to economic
 24 development in the county. The use of economic development income
 25 tax revenues under this section for the purposes described in subsection
 26 (c) promotes that purpose.

27 (c) In addition to actions authorized by section 5 of this chapter, a
 28 county council may, using the procedures set forth in this chapter,
 29 adopt an ordinance to impose an additional county economic
 30 development income tax on the adjusted gross income of county
 31 taxpayers. The ordinance imposing the additional tax must include a
 32 finding that revenues from additional tax are needed to pay the costs of:

- 33 (1) constructing, acquiring, improving, renovating, equipping, or
- 34 operating the county courthouse or related facilities;
- 35 (2) repaying any bonds issued, or leases entered into, for
- 36 constructing, acquiring, improving, renovating, equipping, or
- 37 operating the county courthouse or related facilities; and
- 38 (3) economic development projects described in the county's
- 39 capital improvement plan.

40 (d) The tax rate imposed under this section may not exceed
 41 twenty-five hundredths percent (0.25%).

42 (e) If the county council adopts an ordinance to impose an



1 additional tax under this section, the county auditor shall, not more
 2 than ten (10) days after the vote, send a certified copy of the ordinance
 3 to the commissioner of the department, the director of the budget
 4 agency, and the commissioner of the department of local government
 5 finance in an electronic format approved by the director of the budget
 6 agency. The county treasurer shall establish a county facilities revenue
 7 fund to be used only for the purposes described in subsection (c)(1) and
 8 (c)(2). The amount of county economic development income tax
 9 revenues derived from the tax rate imposed under this section that are
 10 necessary to pay the costs described in subsection (c)(1) and (c)(2)
 11 shall be deposited into the county facilities revenue fund before a
 12 ~~certified making a~~ distribution is **made of revenue** under section 12 of
 13 this chapter. The remainder shall be deposited into the economic
 14 development income tax funds of the county's units.

15 (f) County economic development income tax revenues derived
 16 from the tax rate imposed under this section may not be used for
 17 purposes other than those described in this section.

18 (g) County economic development income tax revenues derived
 19 from the tax rate imposed under this section that are deposited into the
 20 county facilities revenue fund may not be considered by the department
 21 of local government finance in determining the county's ad valorem
 22 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

23 (h) Notwithstanding any other law, funds accumulated from the
 24 county economic development income tax imposed under this section
 25 and deposited into the county facilities revenue fund or any other
 26 revenues of the county may be deposited into a nonreverting fund of
 27 the county to be used for operating costs of the courthouse facilities,
 28 juvenile detention facilities, or related facilities. Amounts in the county
 29 nonreverting fund may not be used by the department of local
 30 government finance to reduce the county's ad valorem property tax levy
 31 for an ensuing calendar year under IC 6-1.1-18.5.

32 SECTION 73. IC 6-3.5-7-27.5, AS ADDED BY P.L.199-2011,
 33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2016]: Sec. 27.5. (a) This section applies to Perry
 35 County.

36 (b) Perry County possesses unique governmental and economic
 37 development challenges due to:

- 38 (1) underemployment in relation to similarly situated counties and
- 39 the loss of a major manufacturing business; and
- 40 (2) overcrowding of the county jail, the costs associated with
- 41 housing the county's inmates outside the county, and the potential
- 42 unavailability of additional housing for inmates outside the



- 1 county.
- 2 The use of county economic development income tax revenue under
3 this section is necessary for the county to provide adequate jail capacity
4 in the county and to maintain low property tax rates essential to
5 economic development. The use of the economic development income
6 tax revenues under this section for the purposes described in subsection
7 (c) promotes that purpose.
- 8 (c) The county council may, by ordinance, determine that additional
9 county economic development income tax revenue is needed in the
10 county to:
- 11 (1) finance, construct, acquire, improve, renovate, remodel, or
12 equip the county jail and related buildings and parking facilities,
13 including costs related to the demolition of existing buildings, the
14 acquisition of land, and any other reasonably related costs; and
- 15 (2) repay bonds issued or leases entered into for constructing,
16 acquiring, improving, renovating, remodeling, and equipping the
17 county jail and related buildings and parking facilities, including
18 costs related to the demolition of existing buildings, the
19 acquisition of land, and any other reasonably related costs.
- 20 (d) In addition to the rates permitted under section 5 of this chapter,
21 the county council may impose the county economic development
22 income tax at a rate not to exceed five-tenths percent (0.5%) on the
23 adjusted gross income of county taxpayers. The ordinance imposing the
24 additional tax must include the determination described in subsection
25 (c). The tax imposed under this section may be imposed only until the
26 later of the year in which the financing on, acquisition, improvement,
27 renovation, remodeling, and equipping described in subsection (c) are
28 completed or the year in which the last of any bonds issued or leases
29 entered into to finance the construction, acquisition, improvement,
30 renovation, remodeling, and equipping described in subsection (b)(1)
31 is fully paid. The term of the bonds issued (including any refunding
32 bonds) or a lease entered into under subsection (c)(2) may not exceed
33 twenty-five (25) years.
- 34 (e) If the county council makes a determination under subsection
35 (c), the county council may adopt a tax rate under subsection (d). The
36 tax rate may not be imposed at a rate greater than is necessary to pay
37 the costs of financing, acquiring, improving, renovating, remodeling,
38 and equipping the county jail and related buildings and parking,
39 including costs related to the demolition of existing buildings, the
40 acquisition of land, and any other reasonably related costs.
- 41 (f) The county treasurer shall establish a county jail revenue fund to
42 be used only for the purposes described in this section. County



1 economic development income tax revenues derived from the tax rate
2 imposed under this section shall be deposited in the county jail revenue
3 fund before making a ~~certified distribution~~ **distributions** under section
4 ~~11~~ **12** of this chapter.

5 (g) County economic development income tax revenues derived
6 from the tax rate imposed under this section:

- 7 (1) may be used only for the purposes described in this section;
- 8 (2) may not be considered by the department of local government
9 finance in determining the county's maximum permissible
10 property tax levy limit under IC 6-1.1-18.5; and
- 11 (3) may be pledged to the repayment of bonds issued or leases
12 entered into for the purposes described in subsection (c).

13 (h) Notwithstanding any other law, funds accumulated from the
14 county economic development income tax imposed under this section
15 after:

- 16 (1) the redemption of bonds issued; or
- 17 (2) the final payment of lease rentals due under a lease entered
18 into under this section;

19 shall be transferred to the county highway fund to be used for
20 construction, resurfacing, restoration, and rehabilitation of county
21 highways, roads, and bridges.

22 SECTION 74. IC 6-3.5-7-27.6, AS ADDED BY P.L.137-2012,
23 SECTION 107, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JANUARY 1, 2016]: Sec. 27.6. (a) This section applies
25 to Starke County.

26 (b) Starke County possesses unique governmental and economic
27 development challenges due to:

- 28 (1) the county's predominantly rural geography, demography, and
29 economy;
- 30 (2) the county's relatively low tax base and relatively high
31 property tax rates;
- 32 (3) the current maximum capacity of the county jail, which was
33 constructed in 1976; and
- 34 (4) pending federal class action litigation seeking a mandate to
35 address capacity and living conditions in the county jail.

36 The use of county economic development income tax revenue under
37 this section is necessary for the county to address jail capacity and
38 appropriate inmate living conditions and to maintain low property tax
39 rates essential to economic development. The use of the economic
40 development income tax revenue under this section for the purposes
41 described in subsections (c) and (d) promotes that purpose.

42 (c) The county council may, by ordinance, determine that additional



1 county economic development income tax revenue is needed in the
 2 county to:

3 (1) finance, construct, acquire, and equip the county jail and
 4 related buildings and parking facilities, including costs related to
 5 the demolition of existing buildings, the acquisition of land, and
 6 any other reasonably related costs; and

7 (2) repay bonds issued or leases entered into for constructing,
 8 acquiring, and equipping the county jail and related buildings and
 9 parking facilities, including costs related to the demolition of
 10 existing buildings, the acquisition of land, and any other
 11 reasonably related costs.

12 (d) The county council may, by ordinance, determine that additional
 13 county economic development income tax revenue is needed in the
 14 county to operate or maintain the facilities described in subsection
 15 (c)(1) that are located in the county. The county council may make a
 16 determination under this subsection and under subsection (c).

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

22 (1) makes the determination described in subsection (c); or
 23 (2) makes both the determination described in subsection (c) and
 24 the determination described in subsection (d).

25 (f) If the county council makes only the determination under
 26 subsection (c), the county council may adopt a tax rate under
 27 subsection (e). The tax rate may not exceed the lesser of:

28 (1) sixty-five hundredths percent (0.65%); or
 29 (2) the tax rate that is necessary to pay the costs of financing,
 30 acquiring, and equipping the county jail and related buildings and
 31 parking facilities, including costs related to the demolition of
 32 existing buildings, the acquisition of land, and any other
 33 reasonably related costs.

34 (g) If the county council makes both the determination under
 35 subsection (c) and the determination under subsection (d), the county
 36 council may adopt a tax rate under subsection (e). The tax rate may not
 37 exceed the lesser of:

38 (1) sixty-five hundredths percent (0.65%); or
 39 (2) the tax rate that is necessary to:

40 (A) pay the costs of financing, acquiring, and equipping the
 41 county jail and related buildings and parking facilities,
 42 including costs related to the demolition of existing buildings,



1 the acquisition of land, and any other reasonably related costs;
2 and
3 (B) provide sufficient annual revenues to operate and maintain
4 the facilities described in subsection (c)(1).
5 (h) A tax rate imposed under this section may be imposed only until
6 the later of:
7 (1) the date on which the last of any bonds issued or leases
8 entered into to finance the facilities are fully paid; or
9 (2) the date on which the ordinance under subsection (c) or (d) is
10 repealed or rescinded.
11 The term of the bonds issued (including any refunding bonds) or a
12 lease entered into under subsection (c)(2) may not exceed twenty-five
13 (25) years.
14 (i) The county treasurer shall establish a county jail revenue fund to
15 be used only for the purposes described in this section. County
16 economic development income tax revenues derived from the tax rate
17 imposed under this section shall be deposited in the county jail revenue
18 fund before making a ~~certified distribution~~ **distributions** under section
19 ~~12~~ **12** of this chapter.
20 (j) County economic development income tax revenues derived
21 from the tax rate imposed under this section:
22 (1) may be used only for the purposes described in this section;
23 (2) may not be considered by the department of local government
24 finance in determining the county's maximum permissible ad
25 valorem property tax levy limit under IC 6-1.1-18.5; and
26 (3) may be pledged to the repayment of bonds issued or leases
27 entered into for the purposes described in subsection (c).
28 SECTION 75. IC 6-3.5-7-28, AS AMENDED BY P.L.137-2012,
29 SECTION 108, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JANUARY 1, 2016]: Sec. 28. (a) This section applies
31 only to a county that is a member of a regional development authority
32 under IC 36-7.6.
33 (b) In addition to the rates permitted by section 5 of this chapter, the
34 entity that imposed the county economic development income tax
35 under section 5 of this chapter (or, in the case of a county that has not
36 imposed the county economic development income tax, the entity that
37 may impose the county economic development income tax under
38 section 5(a)(3) of this chapter) may by ordinance impose an additional
39 county economic development income tax at a rate of:
40 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),
41 twenty-five thousandths of one percent (0.025%); or
42 (2) in the case of any other county to which this section applies,



1 five-hundredths of one percent (0.05%);
 2 on the adjusted gross income of county taxpayers.

3 (c) If an additional county economic development income tax is
 4 imposed under this section, the county treasurer shall establish a county
 5 regional development authority fund. Notwithstanding any other
 6 provision of this chapter, the county economic development income tax
 7 revenues derived from the additional county economic development
 8 income tax imposed under this section must be deposited in the county
 9 regional development authority fund before **making any certified**
 10 **distributions are made distributions** under section 12 of this chapter.

11 (d) County economic development income tax revenues derived
 12 from the additional county economic development income tax imposed
 13 under this section and deposited in the county regional development
 14 authority fund:

15 (1) shall, not more than thirty (30) days after being deposited in
 16 the county regional development authority fund, be transferred as
 17 provided in IC 36-7.6-4-2 to the development fund of the regional
 18 development authority for which the county is a member; and

19 (2) may not be considered by the department of local government
 20 finance in determining the county's maximum permissible
 21 property tax levy under IC 6-1.1-18.5.

22 SECTION 76. IC 6-3.5-7.5 IS ADDED TO THE INDIANA CODE
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2016]:

25 **Chapter 7.5. County Administration of County Option Income**
 26 **Taxes**

27 **Sec. 1. The definitions in IC 6-8.1-1 apply to the county**
 28 **administration of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or**
 29 **IC 6-3.5-7 for taxable years beginning after December 31, 2015.**

30 **Sec. 2. In the case of a tax imposed under IC 6-3.5-1.1,**
 31 **IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after**
 32 **December 31, 2015, the county imposing the tax has the authority**
 33 **and responsibility for the administration, collection, and**
 34 **enforcement of the tax.**

35 **Sec. 3. (a) Except as otherwise provided and unless the context**
 36 **clearly denotes otherwise, the requirements, deadlines, and**
 37 **procedures specified in IC 6-3-4 for returns, reports, payments,**
 38 **estimates, withholding, and remittances related to taxes**
 39 **administered by the department of state revenue apply to the**
 40 **county administration of taxes imposed under IC 6-3.5-1.1,**
 41 **IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after**
 42 **December 31, 2015, except that any reference to the department of**



1 state revenue shall be considered a reference to the county
2 treasurer.

3 (b) The following do not apply to the county administration of
4 taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for
5 taxable years beginning after December 31, 2015:

6 (1) IC 6-3-4-1.5.

7 (2) IC 6-3-4-16.

8 (3) IC 6-3-4-16.5.

9 Sec. 4. A taxpayer who for a taxable year:

10 (1) is required to file a return with the department of state
11 revenue under IC 6-3-4-1; and

12 (2) is subject to a tax imposed by a county under IC 6-3.5-1.1,
13 IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after
14 December 31, 2015;

15 shall file a county return with the county treasurer on or before the
16 fifteenth day of the fourth month following the close of the taxable
17 year.

18 Sec. 5. If a tax return is required under this chapter, a taxpayer
19 required to make the return shall, without assessment or notice
20 and demand from the county treasurer, pay the tax to the county
21 treasurer at the time fixed for filing the return without regard to
22 any extension of time for filing the return. In making a return and
23 paying tax for any taxable year, the taxpayer shall take credit for
24 any tax previously paid by the taxpayer for the taxable year.

25 Sec. 6. Except as otherwise provided and unless the context
26 clearly denotes otherwise, the provisions of IC 6-8.1-3 concerning:

27 (1) hearings;

28 (2) entering into contracts with persons to provide services
29 necessary to properly administer and collect taxes;

30 (3) the class or type of mailing to be used;

31 (4) the audit of returns;

32 (5) the appraisal of property if the property's value relates to
33 the administration or enforcement of a tax;

34 (6) subpoena powers;

35 (7) court orders;

36 (8) the authority to recover court costs, fees, and other
37 expenses related to an audit, investigatory, appraisal, or
38 enforcement action;

39 (9) concurrent jurisdiction of the attorney general and the
40 respective county prosecuting attorney in conducting criminal
41 prosecutions of tax matters; and

42 (10) prosecution by the attorney general of a civil action to



1 collect unpaid taxes, penalties, and interest and to enforce the
 2 department's powers;
 3 apply to the county administration of taxes imposed under
 4 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning
 5 after December 31, 2015, except that any reference to the
 6 department of state revenue shall be considered a reference to the
 7 county treasurer.

8 Sec. 7. (a) A county treasurer shall maintain, for at least three
 9 (3) years:

10 (1) a record of all money received and disbursed under
 11 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years
 12 beginning after December 31, 2015; and

13 (2) copies of all tax returns filed with the county under
 14 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years
 15 beginning after December 31, 2015.

16 (b) The state board of accounts shall annually audit a county's
 17 record of receipts and disbursements under IC 6-3.5-1.1,
 18 IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after
 19 December 31, 2015.

20 Sec. 8. Except as otherwise provided and unless the context
 21 clearly denotes otherwise, the provisions of IC 6-8.1-5 concerning:

22 (1) making proposed assessments of taxes, including deadlines
 23 for making assessments;

24 (2) holding hearings;

25 (3) issuing letters of findings;

26 (4) appealing decisions to the tax court;

27 (5) jurisdiction of the tax court;

28 (6) issuing and serving tax warrants; and

29 (7) keeping books and records and allowing inspection of
 30 books and records and returns;

31 apply to the county administration of taxes imposed under
 32 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning
 33 after December 31, 2015, except that any reference to the
 34 department of state revenue shall be considered a reference to the
 35 county treasurer.

36 Sec. 9. (a) Except as otherwise provided and unless the context
 37 clearly denotes otherwise, the provisions of IC 6-8.1-8 concerning:

38 (1) methods of making a tax payment;

39 (2) final discharge of tax liability;

40 (3) vendor transaction charges or discount fees;

41 (4) issuance of receipts;

42 (5) application of partial payments;



- 1 (6) payment of withholding tax liability using periodic
2 payments;
3 (7) issuance of demand notices for the payment of a tax and
4 any interest or penalties accrued on the tax;
5 (8) procedures and deadlines;
6 (9) issuance, filing, recording, enforcement, and collection of
7 tax warrants;
8 (10) liens and judgments related to tax warrants;
9 (11) the sale of property to satisfy a tax warrant;
10 (12) disbursements of judgments collected that arose from tax
11 warrants;
12 (13) fees;
13 (14) obtaining a court order restraining a person from
14 conducting business in Indiana;
15 (15) appointment of receivers;
16 (16) actions that may be taken without judicial proceedings;
17 (17) proceedings supplementary to execution on a judgment;
18 (18) actions to levy on or encumber an account;
19 (19) erroneous levies;
20 (20) determination of uncollectible taxes, interest, penalties,
21 collection fees, sheriff's costs, clerk's costs, or fees;
22 (21) levying on unclaimed property; and
23 (22) the issuing, commencing, or conducting a demand notice,
24 warrant, levy, or proceeding in court for the collection of a
25 protested tax or any penalties and interest against a taxpayer;
26 apply to the county administration of taxes imposed under
27 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning
28 after December 31, 2015, except that any reference to the
29 department of state revenue shall be considered a reference to the
30 county treasurer.
- 31 (b) The provisions of IC 6-8.1-8-8.7 concerning operation of a
32 data match system with financial institutions do not apply to the
33 county administration of taxes imposed under IC 6-3.5-1.1,
34 IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning after
35 December 31, 2015.
- 36 Sec. 10. (a) Except as otherwise provided and unless the context
37 clearly denotes otherwise, the provisions of IC 6-8.1-9 concerning:
38 (1) procedures and deadlines for filing a claim for a refund;
39 (2) issuance of a decision on a claim for a refund;
40 (3) appeal to the tax court of a decision on a claim for a
41 refund;
42 (4) jurisdiction of the tax court to hear an appeal of a decision



1 on a claim for a refund;

2 (5) refunding the excess amount of tax payments to a person;

3 (6) the accrual of interest; and

4 (7) class actions for the refund of a tax;

5 apply to the county administration of taxes imposed under

6 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning

7 after December 31, 2015, except that any reference to the

8 department of state revenue shall be considered a reference to the

9 county treasurer.

10 (b) The provisions of IC 6-8.1-9-4 concerning the payment of a

11 refund to the nongame fund do not apply to the county

12 administration of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, or

13 IC 6-3.5-7.

14 Sec. 11. Except as otherwise provided and unless the context

15 clearly denotes otherwise, the provisions of IC 6-8.1-10 concerning:

16 (1) failure to file a state tax return;

17 (2) failure to pay the full amount of tax shown on the

18 taxpayer's tax return by the due date for the return or the

19 payment;

20 (3) incurring a deficiency upon a determination by the county

21 treasurer;

22 (4) the applicable adjusted rate of interest;

23 (5) interest on excess tax payments;

24 (6) the waiver of interest;

25 (7) failure to timely remit any tax held in trust;

26 (8) failure to make payment by electronic funds transfer,

27 overnight courier, or personal delivery by the due date;

28 (9) waiver of penalties;

29 (10) failure to withhold and pay any amount of tax required

30 to be withheld;

31 (11) notices;

32 (12) preparation of returns for a taxpayer;

33 (13) penalties and additional penalties;

34 (14) civil and criminal penalties;

35 (15) inability to obtain payment on a check, credit card, debit

36 card, or electronic funds transfer for its full face amount; and

37 (16) actions required by the officers and directors of a

38 corporation;

39 apply to the county administration of taxes imposed under

40 IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 for taxable years beginning

41 after December 31, 2015, except that any reference to the

42 department of state revenue shall be considered a reference to the



1 **county treasurer.**

2 SECTION 77. IC 6-8.1-1-1, AS AMENDED BY P.L.220-2014,
 3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2016]: Sec. 1. "Listed taxes" or "taxes" includes only the
 5 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat
 6 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);
 7 the slot machine wagering tax (IC 4-35-8); the type II gambling game
 8 excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the
 9 utility receipts and utility services use taxes (IC 6-2.3); the state gross
 10 retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3);
 11 the supplemental net income tax (IC 6-3-8) (repealed); the county
 12 adjusted gross income tax (IC 6-3.5-1.1), **for taxable years beginning**
 13 **before January 1, 2016**; the county option income tax (IC 6-3.5-6),
 14 **for taxable years beginning before January 1, 2016**; the county
 15 economic development income tax (IC 6-3.5-7), **for taxable years**
 16 **beginning before January 1, 2016**; the auto rental excise tax
 17 (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax
 18 (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax
 19 (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement
 20 under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the aviation
 21 fuel excise tax (IC 6-6-13); the commercial vehicle excise tax
 22 (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck
 23 campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6)
 24 (repealed); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2);
 25 the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the
 26 hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5);
 27 the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes
 28 (IC 6-9); the various food and beverage taxes (IC 6-9); the county
 29 admissions tax (IC 6-9-13 and IC 6-9-28); the regional transportation
 30 improvement income tax (IC 8-24-17); the oil inspection fee
 31 (IC 16-44-2); the emergency and hazardous chemical inventory form
 32 fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3
 33 and IC 9-30); the fees and penalties assessed for overweight vehicles
 34 (IC 9-20-4 and IC 9-30); and any other tax or fee that the department
 35 is required to collect or administer.

36 SECTION 78. IC 36-1-8-5.1, AS AMENDED BY P.L.288-2013,
 37 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2016]: Sec. 5.1. (a) A political subdivision may establish
 39 a rainy day fund by the adoption of:

- 40 (1) an ordinance, in the case of a county, city, or town; or
 41 (2) a resolution, in the case of any other political subdivision.
 42 (b) An ordinance or a resolution adopted under this section must



- 1 specify the following:
- 2 (1) The purposes of the rainy day fund.
- 3 (2) The sources of funding for the rainy day fund, which may
- 4 include the following:
- 5 (A) Unused and unencumbered funds under
- 6 (i) section 5 of this chapter.
- 7 (ii) ~~IC 6-3.5-1.1-21.1;~~
- 8 (iii) ~~IC 6-3.5-6-17.3;~~ or
- 9 (iv) ~~IC 6-3.5-7-17.3.~~
- 10 (B) Any other funding source:
- 11 (i) specified in the ordinance or resolution adopted under
- 12 this section; and
- 13 (ii) not otherwise prohibited by law.
- 14 (c) The rainy day fund is subject to the same appropriation process
- 15 as other funds that receive tax money.
- 16 (d) In any fiscal year, a political subdivision may, at any time, do the
- 17 following:
- 18 (1) Transfer any unused and unencumbered funds specified in
- 19 subsection (b)(2)(A) from any fiscal year to the rainy day fund.
- 20 (2) Transfer any other unobligated cash balances from any fiscal
- 21 year that are not otherwise identified in subsection (b)(2)(A) or
- 22 section 5 of this chapter to the rainy day fund as long as the
- 23 transfer satisfies the following requirements:
- 24 (A) The amount of the transfer is authorized by and identified
- 25 in an ordinance or resolution.
- 26 (B) The amount of the transfer is not more than ten percent
- 27 (10%) of the political subdivision's total annual budget
- 28 adopted under IC 6-1.1-17 for that fiscal year.
- 29 (C) The transfer is not made from a debt service fund.
- 30 (e) A political subdivision may use only the funding sources
- 31 specified in subsection (b)(2)(A) or in the ordinance or resolution
- 32 establishing the rainy day fund. The political subdivision may adopt a
- 33 subsequent ordinance or resolution authorizing the use of another
- 34 funding source.
- 35 (f) The department of local government finance may not reduce the
- 36 actual or maximum permissible levy of a political subdivision as a
- 37 result of a balance in the rainy day fund of the political subdivision.
- 38 (g) A county, city, or town may at any time, by ordinance or
- 39 resolution, transfer to:
- 40 (1) its general fund; or
- 41 (2) any other appropriated funds of the county, city, or town;
- 42 money that has been deposited in the rainy day fund of the county, city,



1 or town.

2 SECTION 79. IC 36-3-7-6, AS ADDED BY P.L.135-2011,
 3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2016]: Sec. 6. The governing body of a public library
 5 located in the county may recommend and the county fiscal body may
 6 elect to provide revenue to the public library from part of the ~~certified~~
 7 ~~distribution, revenue~~, if any, that the county is to receive during that
 8 same year under ~~IC 6-3.5-6-17~~. **IC 6-3.5-6**. To make the election, the
 9 county fiscal body must adopt an ordinance before November 1 of the
 10 preceding year. The county fiscal body must specify in the ordinance
 11 the amount of the ~~certified distribution revenue~~ that is to be used to
 12 provide revenue to the public library. If such an ordinance is adopted,
 13 the county fiscal body shall immediately send a copy of the ordinance
 14 to the county auditor.

15 SECTION 80. IC 36-8-15-19, AS AMENDED BY P.L.137-2012,
 16 SECTION 122, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2016]: Sec. 19. (a) This subsection applies
 18 to a county that has a population of more than one hundred eighty-five
 19 thousand (185,000) but less than two hundred fifty thousand (250,000).
 20 For the purpose of raising money to fund the operation of the district,
 21 the county fiscal body may impose, for property taxes first due and
 22 payable during each year after the adoption of an ordinance
 23 establishing the district, an ad valorem property tax levy on property
 24 within the district. The property tax rate for that levy may not exceed
 25 five cents (\$0.05) on each one hundred dollars (\$100) of assessed
 26 valuation.

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

38 (c) Subject to subsections (d), (e), and (f), if an ordinance or
 39 resolution is adopted changing the territory covered by the district or
 40 the number of public agencies served by the district, the department of
 41 local government finance shall, for property taxes first due and payable
 42 during the year after the adoption of the ordinance, adjust the



1 maximum permissible ad valorem property tax levy limits of the
2 district and the units participating in the district.

3 (d) If a unit by ordinance or resolution joins the district or elects to
4 have its public safety agencies served by the district, the department of
5 local government finance shall reduce the maximum permissible ad
6 valorem property tax levy of the unit for property taxes first due and
7 payable during the year after the adoption of the ordinance or
8 resolution. The reduction shall be based on the amount budgeted by the
9 unit for public safety communication services in the year in which the
10 ordinance was adopted. If such an ordinance or resolution is adopted,
11 the district shall refer its proposed budget, ad valorem property tax
12 levy, and property tax rate for the following year to the department of
13 local government finance, which shall review and set the budget, levy,
14 and rate as though the district were covered by IC 6-1.1-18.5-7.

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

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

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

35 SECTION 81. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,
36 SECTION 123, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2016]: Sec. 42. (a) A municipality or a
38 public transportation corporation that expends money for the
39 establishment or maintenance of an urban mass transportation system
40 under this chapter may acquire the money for these expenditures:

- 41 (1) by issuing bonds under section 43 or 44 of this chapter;
42 (2) by borrowing money made available for such purposes by any



1 source;

2 (3) by accepting grants or contributions made available for such
3 purposes by any source;

4 (4) in the case of a municipality, by appropriation from the
5 general fund of the municipality, or from a special fund that the
6 municipal legislative body includes in the municipality's budget;
7 or

8 (5) in the case of a public transportation corporation, by levying
9 a tax under section 49 of this chapter or by recommending an
10 election to use revenue from the county option income taxes, as
11 provided in subsection (c).

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

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

16 (2) grants in aid;

17 (3) the purchase of buses or real property by a municipality for
18 lease to an urban mass transportation system, including the
19 payment of any amount outstanding under a mortgage, contract of
20 sale, or other security device that may attach to the buses or real
21 property;

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

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

29 (6) the retirement of bonds issued and outstanding under this
30 chapter.

31 (c) This subsection applies only to a public transportation
32 corporation located in a county having a consolidated city. In order to
33 provide revenue to a public transportation corporation during a year,
34 the public transportation corporation board may recommend and the
35 county fiscal body may elect to provide revenue to the corporation from
36 part of the ~~certified distribution~~, **revenue**, if any, that the county is to
37 receive during that same year under ~~IC 6-3.5-6-17~~: **IC 6-3.5-6**. To
38 make the election, the county fiscal body must adopt an ordinance
39 before November 1 of the preceding year. The county fiscal body must
40 specify in the ordinance the amount of ~~the certified distribution~~
41 **revenue** that is to be used to provide revenue to the corporation. If such
42 an ordinance is adopted, the county fiscal body shall immediately send



- 1 a copy of the ordinance to the county auditor.

