IC 6-3.5

ARTICLE 3.5. LOCAL TAXATION

IC 6-3.5-0.7

Chapter 0.7. Status of Certain Property Tax Credits

IC 6-3.5-0.7-1

Treatment of certain homestead credits provided under repealed statutes; calculation of credits

Sec. 1. Notwithstanding the repeal of IC 6-1.1-20.9 by P.L.146-2008, a provision in this article that refers to a credit as an additional homestead credit, an increased homestead credit, or a credit for property that is eligible for a homestead credit under IC 6-1.1-20.9 (repealed by P.L.146-2008) shall be treated after December 31, 2008, as continuing to permit a grant of a homestead credit against the property tax liability imposed on property that is eligible for a standard deduction under IC 6-1.1-12-37. The credit shall be calculated in the same manner as the credits were calculated before January 1, 2009.

As added by P.L.220-2011, SEC.144.

IC 6-3.5-0.7-2

Treatment of certain property tax replacement credits provided under repealed statutes; calculation of credits

Sec. 2. Notwithstanding the repeal of IC 6-1.1-21 by P.L.146-2008, a provision in this article that refers to a credit as an additional property tax replacement credit or an increased property tax replacement credit shall be treated after December 31, 2008, as continuing to permit the grant of a property tax replacement credit against property tax liability. The credit shall be calculated in the same manner as the credits were calculated before January 1, 2009.

As added by P.L.220-2011, SEC.144.

IC 6-3.5-0.8

Chapter 0.8. Adoption of Certain Ordinances Relating to a County Adjusted Gross Income Tax or a County Option Income Tax

IC 6-3.5-0.8-1

Adoption of additional county adjusted gross income tax rates during 2009

Sec. 1. Notwithstanding any provision in IC 6-3.5-1.1 (including the August 1 deadlines applicable under IC 6-3.5-1.1-24(a), IC 6-3.5-1.1-24(b), IC 6-3.5-1.1-25(i), and IC 6-3.5-1.1-26(e)), a county council may in 2009 adopt an additional county adjusted gross income tax rate under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 at any time before November 1, 2009.

As added by P.L.220-2011, SEC.145.

IC 6-3.5-0.8-2

Adoption of additional county option income tax rates during 2009

Sec. 2. Notwithstanding any provision in IC 6-3.5-6 (including the August 1 deadlines applicable under IC 6-3.5-6-30(a), IC 6-3.5-6-30(b), IC 6-3.5-6-31(i), and IC 6-3.5-6-32(e)), a county income tax council or county council, as applicable, may in 2009 adopt an additional county option income tax rate under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 at any time before November 1, 2009.

As added by P.L.220-2011, SEC.145.

IC 6-3.5-0.8-3

Adoption of additional county income taxes; taking effect of rates

Sec. 3. Notwithstanding any provision of IC 6-3.5-1.1 or IC 6-3.5-6, any additional county adjusted gross income tax rate adopted in 2009 under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 and any additional county option income tax rate adopted in 2009 under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 take effect as follows:

(1) In the case of an ordinance adopted before October 1, 2009, the tax rate takes effect October 1, 2009.

(2) In the case of an ordinance adopted after September 30, 2009, and before October 16, 2009, the tax rate takes effect November 1, 2009.

(3) In the case of an ordinance adopted after October 15, 2009, and before November 1, 2009, the tax rate takes effect December 1, 2009.

As added by P.L.220-2011, SEC.145.

IC 6-3.5-1
Repealed

(Repealed by P.L.73-1983, SEC.3.)

IC 6-3.5-1.1

Chapter 1.1. County Adjusted Gross Income Tax

IC 6-3.5-1.1-1

Definitions

Sec. 1. As used in this chapter:

"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5(a), except that in the case of a county taxpayer who is not a resident of a county that has imposed the county adjusted gross income tax, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment.

"Apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"Civil taxing unit" means any entity having the power to impose ad valorem property taxes except a school corporation. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a consolidated city, the term "civil taxing unit" includes the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9.

"County council" includes the city-county council of a consolidated city.

"County taxpayer" as it relates to a county for a year means any individual:

(1) who resides in that county on the date specified in section 16 of this chapter; or

(2) who maintains the taxpayer's principal place of business or employment in that county on the date specified in section 16 of this chapter and who does not on that same date reside in another county in which the county adjusted gross income tax, the county option income tax, or the county economic development income tax is in effect.

"Department" refers to the Indiana department of state revenue.

"Homestead" has the meaning set forth in IC 6-1.1-12-37.

"Nonresident county taxpayer" as it relates to a county for a year means any county taxpayer for that county for that year who is not a resident county taxpayer of that county for that year.

"Qualified residential property" refers to any of the following:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

"Resident county taxpayer" as it relates to a county for a year means any county taxpayer who resides in that county on the date specified in section 16 of this chapter.

"Residential rental property" means real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30)

days.

"School corporation" means any public school corporation established under Indiana law.

As added by P.L.73-1983, SEC.2. Amended by P.L.44-1984, SEC.12; P.L.22-1988, SEC.3; P.L.96-1995, SEC.1; P.L.146-2008, SEC.326.

IC 6-3.5-1.1-1.1

Determination of allocation amount

Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units and school corporations in the county, the allocation amount for a civil taxing unit or school corporation is the amount determined using the following formula:

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

STEP TWO: Determine the sum of the following:

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

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

(C) The proceeds of any property that are:

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

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

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

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

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

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

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease

had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

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

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

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

As added by P.L.207-2005, SEC.1. Amended by P.L.182-2009(ss), SEC.209.

IC 6-3.5-1.1-1.3

Districts not entitled to distribution

Sec. 1.3. (a) This section applies to a county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113).

(b) A district may not receive a distribution under this chapter unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.

(c) A resolution passed by a county fiscal body under subsection (b) may:

(1) expire on a date specified in the resolution; or

(2) remain in effect until the county fiscal body revokes or rescinds the resolution.

As added by P.L.96-1995, SEC.2. Amended by P.L.1-1996, SEC.47; P.L.70-2001, SEC.1.

IC 6-3.5-1.1-1.5

Time within which to adopt ordinance; effective date of ordinances

Sec. 1.5. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:

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

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

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

year.

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

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

(2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.

(c) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit authorized under this chapter takes effect for and applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

(d) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance with this article:

(1) the commissioner shall:

(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and

(B) specify the corrective action that must be taken for the ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and

(2) the ordinance may not take effect until the corrective action is taken.

As added by P.L.113-2010, SEC.61. Amended by P.L.261-2013, SEC.2.

IC 6-3.5-1.1-2

Authorization; rate of tax; form and adoption of ordinance

Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on December 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county.

(b) Except as provided in section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent

(0.1%).

(c) To impose the county adjusted gross income tax, the county council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (_____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county.".

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(e) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

As added by P.L.73-1983, SEC.2. Amended by P.L.44-1984, SEC.13; P.L.3-1990, SEC.24; P.L.35-1990, SEC.12; P.L.42-1994, SEC.1; P.L.119-1998, SEC.6; P.L.135-2001, SEC.1; P.L.178-2002, SEC.52; P.L.42-2003, SEC.1; P.L.162-2006, SEC.27; P.L.224-2007, SEC.54; P.L.77-2011, SEC.1; P.L.137-2012, SEC.64; P.L.261-2013, SEC.3.

IC 6-3.5-1.1-2.3

Jasper County; additional tax rate for criminal justice facilities

Sec. 2.3. (a) This section applies to Jasper County.

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

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

(A) jail facilities;

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

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

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

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

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

county to operate or maintain any of the facilities described in subsection (b)(1)(A) through (b)(1)(D) that are located in the county. The county council may make a determination under both this subsection and subsection (b).

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

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes a finding and determination set forth in subsection (b) or (c).

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and

(2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

(f) The tax imposed under this section may be imposed only until the latest of the following:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.

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

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

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

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

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

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

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

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

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

As added by P.L.162-2006, SEC.28. Amended by P.L.1-2007, SEC.59; P.L.224-2007, SEC.55; P.L.77-2011, SEC.2.

IC 6-3.5-1.1-2.5

Jackson County; additional tax for jail and juvenile detention center

Sec. 2.5. (a) This section applies only to Jackson County.

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and juvenile detention center opened after July 1, 1998.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) on adjusted gross income for calendar years ending before January 1, 2024. For calendar years beginning after December 31, 2023, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If the county imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under this section, the revenue derived from a tax rate of one-tenth percent (0.1%) on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating a jail and juvenile detention center opened after July 1, 1998; and

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

As added by P.L.119-1998, SEC.7. Amended by P.L.89-2001, SEC.3; P.L.90-2002, SEC.289; P.L.184-2006, SEC.5; P.L.119-2012, SEC.37; P.L.293-2013(ts), SEC.15.

IC 6-3.5-1.1-2.6

Repealed

(Repealed by P.L.137-2012, SEC.65.)

IC 6-3.5-1.1-2.7

Wayne County; additional county adjusted gross income tax

Sec. 2.7. (a) This section applies to Wayne County.

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

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

(2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

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

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

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

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

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

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

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

permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued, or leases entered into, for purposes described in subsection (b).

(g) Wayne County possesses unique economic development challenges due to underemployment in relation to similarly situated counties. Maintaining low property tax rates is essential to economic development and the use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described under subsection (b), rather than use of property taxes, promotes that purpose.

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

(1) the redemption of bonds issued; or

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

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

As added by P.L.135-2001, SEC.2. Amended by P.L.1-2002, SEC.33 and P.L.90-2002, SEC.290; P.L.119-2012, SEC.38.

IC 6-3.5-1.1-2.8

Elkhart County, Marshall County; additional rate for criminal justice facilities; fund; use of additional revenue; balance transfer to county highway fund

Sec. 2.8. (a) This section applies to the following counties:

(1) Elkhart County.

(2) Marshall County.

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

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

(A) jail facilities;

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

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

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

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

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

(1) jail facilities;

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

(3) other criminal justice facilities; and

(4) related buildings and parking facilities;

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

subsection and subsection (b).

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

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

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

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

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and

(2) all bonds issued (including any refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

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

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

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.

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

(3) If the county imposing the tax under this section is Elkhart County, the date on which an ordinance adopted under subsection (c) is rescinded.

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

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

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

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

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

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

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

As added by P.L.178-2002, SEC.53. Amended by P.L.147-2006, SEC.1; P.L.119-2012, SEC.39.

IC 6-3.5-1.1-2.9

Daviess County; additional rate for county jail facilities; fund; use of additional revenue; balance transfer to county highway fund

Sec. 2.9. (a) This section applies to Daviess County.

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

(1) finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

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

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-five (25) years.

(d) If the county council makes a determination under subsection

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

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

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

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

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

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

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

(1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business;

(2) an increase in property taxes for taxable years after December 31, 2000, for the construction of a new elementary school; and

(3) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

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

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

(1) the redemption of bonds issued; or

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

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

As added by P.L.178-2002, SEC.54. Amended by P.L.1-2003,

SEC.39; P.L.119-2012, SEC.40.

IC 6-3.5-1.1-3
Increase of tax rate; ordinance; requisites

Sec. 3. (a) The county council may increase the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To increase the rate, the county council must adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County Council increases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%).".

(b) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.73-1983, SEC.2. Amended by P.L.35-1990, SEC.13; P.L.224-2007, SEC.57; P.L.77-2011, SEC.3; P.L.137-2012, SEC.66; P.L.261-2013, SEC.4.

IC 6-3.5-1.1-3.1
Decrease in tax rate; adoption of ordinance; procedures

Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%).".

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(d) Notwithstanding IC 6-3.5-7, and except as provided in subsection (e), a county council that decreases the county adjusted gross income tax rate in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

(e) This subsection applies only to LaPorte County. The county council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

As added by P.L.42-1994, SEC.2. Amended by P.L.10-1997, SEC.13; P.L.170-2002, SEC.26; P.L.224-2007, SEC.58; P.L.77-2011, SEC.4; P.L.119-2012, SEC.41; P.L.137-2012, SEC.67; P.L.261-2013, SEC.5.

IC 6-3.5-1.1-3.3

Additional rate for jail facilities in county subject to federal court order; use of additional revenues

Sec. 3.3. (a) This section applies only to a county that:

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

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

(B) has not been terminated;

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

(A) American Correctional Association Jail Construction Standards; and

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

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

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

(1) located in; and

(2) operated by;

the county.

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

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

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax

at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c). The tax imposed under this section may be imposed only until the later of the date on which the financing on acquisition, improvement, renovation, and equipping described in subsection (c) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (c) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (c)(2) may not exceed thirty (30) years.

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

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

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

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

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

(3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (c).

(h) A county described in subsection (a) possesses unique economic development challenges due to underemployment in relation to similarly situated counties. Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter, rather than use of property taxes, to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (c) promotes that purpose.

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

(1) the redemption of bonds issued; or

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

shall be transferred to the county general fund.

As added by P.L.42-2003, SEC.2.

IC 6-3.5-1.1-3.5

Pulaski County; additional tax for jail and justice center

Sec. 3.5. (a) This section applies only to Pulaski County.

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and justice center.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) only for calendar years beginning before January 1, 2021. If the county council imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter. If an augmented county adjusted gross income tax rate authorized by this section is in effect in the county on December 31, 2020, the rate is reduced to one percent (1%) after December 31, 2020.

(d) If the county imposes the county adjusted gross income tax at an additional rate under this section, the revenue derived from the additional tax rate on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating and maintaining a jail and justice center; and

(3) may not be considered by the department of local government finance under any provision of IC 6-1.1-18.5, including the determination of the county's maximum permissible property tax levy.

As added by P.L.119-1998, SEC.8. Amended by P.L.89-2001, SEC.4; P.L.90-2002, SEC.291; P.L.224-2007, SEC.59; P.L.119-2012, SEC.42; P.L.293-2013(ts), SEC.16.

IC 6-3.5-1.1-3.6

Union County; additional rate for county courthouse; fund; use of additional revenue; balance transfer to county highway fund

Sec. 3.6. (a) This section applies only to Union County.

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

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

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

(c) In addition to the rates permitted under section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The

tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-two (22) years.

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

(e) The county treasurer shall establish a county courthouse revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county courthouse revenue fund before a certified distribution is made under section 11 of this chapter.

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

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

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

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

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

(1) the county's heavy agricultural base;

(2) the presence of a large amount of state owned property in the county that is exempt from property taxation; and

(3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base.

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

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

(1) the redemption of the bonds issued; or

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

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county

highways, roads, and bridges.
As added by P.L.178-2002, SEC.55. Amended by P.L.1-2003, SEC.40; P.L.97-2004, SEC.29; P.L.119-2012, SEC.43.

IC 6-3.5-1.1-4
Duration of tax; rescission of tax; ordinance

Sec. 4. (a) The county adjusted gross income tax imposed by a county council under this chapter remains in effect until rescinded.

(b) Except as provided in subsection (d), the county council may rescind the county adjusted gross income tax by adopting an ordinance to rescind the tax.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(d) A county council may not rescind the county adjusted gross income tax or take any action that would result in a civil taxing unit in the county having a smaller certified share than the certified share to which the civil taxing unit was entitled when the civil taxing unit pledged county adjusted gross income tax if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county adjusted gross income tax has pledged county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute. The prohibition in this section does not apply if the civil taxing unit pledges legally available revenues to fully replace the civil taxing unit's certified share that has been pledged.
As added by P.L.73-1983, SEC.2. Amended by P.L.35-1990, SEC.14; P.L.224-2007, SEC.60; P.L.77-2011, SEC.5; P.L.137-2012, SEC.68; P.L.261-2013, SEC.6.

IC 6-3.5-1.1-5
Tax in effect part of year; computation

Sec. 5. (a) Except as provided in subsections (b) through (c), if the county adjusted gross income tax is not in effect during a county taxpayer's entire taxable year, then the amount of county adjusted gross income tax that the county taxpayer owes for that taxable year equals the product of:

(1) the amount of county adjusted gross income tax the county taxpayer would owe if the tax had been imposed during the county taxpayer's entire taxable year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the number of days during the county taxpayer's taxable year during which the county adjusted gross income tax was in effect.

(B) The denominator of the fraction equals the total number of days in the county taxpayer's taxable year.

(b) If a county taxpayer:

(1) is unemployed for a part of the taxpayer's taxable year;

(2) was not discharged for just cause (as defined in IC 22-4-15-1(e)); and

(3) has no earned income for the part of the taxpayer's taxable year that the tax was in effect;

the county taxpayer's adjusted gross income for the taxable year is reduced by the amount of the taxpayer's earned income for the taxable year.

(c) A taxpayer who qualifies under subsection (b) must file a claim for a refund for the difference between the county adjusted gross income tax owed, as determined under subsection (a), and the tax owed, as determined under subsection (b). A claim for a refund must be on a form approved by the department and include all supporting documentation reasonably required by the department.

As added by P.L.73-1983, SEC.2. Amended by P.L.96-1987, SEC.1.

IC 6-3.5-1.1-6

Credit for taxes imposed by governmental entities outside Indiana

Sec. 6. (a) Except as provided in subsection (b), if for a particular taxable year a county taxpayer is liable for an income tax imposed by a county, city, town, or other local governmental entity located outside of Indiana, that county taxpayer is entitled to a credit against his county adjusted gross income tax liability for that same taxable year. The amount of the credit equals the amount of tax imposed by the other governmental entity on income derived from sources outside Indiana and subject to the county adjusted gross income tax. However, the credit provided by this section may not reduce a county taxpayer's county adjusted gross income tax liability to an amount less than would have been owed if the income subject to taxation by the other governmental entity had been ignored.

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

(c) To claim the credit provided by this section, a county taxpayer must provide the department with satisfactory evidence that he is entitled to the credit.

As added by P.L.73-1983, SEC.2.

IC 6-3.5-1.1-7

Credit for the elderly and persons with a total disability; computation

Sec. 7. (a) If for a particular taxable year a county taxpayer is, or a county taxpayer and the taxpayer's spouse who file a joint return are, allowed a credit for the elderly or individuals with a total disability under Section 22 of the Internal Revenue Code, the county taxpayer is, or the county taxpayer and the taxpayer's spouse are, entitled to a credit against the taxpayer's or the taxpayer's and the taxpayer's spouse's county adjusted gross income tax liability for that

same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the taxpayer's or the taxpayer's and the taxpayer's spouse's credit for the elderly or individuals with a total disability for that same taxable year; multiplied by

(B) a fraction, the numerator of which is the county adjusted gross income tax rate imposed against the county taxpayer, or the county taxpayer and the taxpayer's spouse, and the denominator of which is fifteen hundredths (0.15); or

(2) the amount of county adjusted gross income tax imposed on the county taxpayer, or the county taxpayer and the taxpayer's spouse.

(b) If a county taxpayer and the taxpayer's spouse file a joint return and are subject to different county adjusted gross income tax rates for the same taxable year, they shall compute the credit under this section by using the formula provided by subsection (a), except that they shall use the average of the two (2) county adjusted gross income tax rates imposed against them as the numerator referred to in subsection (a)(1)(B).

As added by P.L.73-1983, SEC.2. Amended by P.L.23-1986, SEC.5; P.L.63-1988, SEC.9; P.L.99-2007, SEC.27.

IC 6-3.5-1.1-8

Accounts in state general fund; deposits

Sec. 8. (a) A special account within the state general fund shall be established for each county adopting the county adjusted gross income tax. Any revenue derived from the imposition of the county adjusted gross income tax by a county shall be deposited in that county's account in the state general fund.

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

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

As added by P.L.73-1983, SEC.2.

IC 6-3.5-1.1-9

Calculation of certified distribution; summary of calculation; notice to county auditor; notice to taxing units

Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the budget agency determines has been:

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

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

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

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

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

(2) adjustments for over distributions in prior years;

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

(4) adjustments for tax rate changes; and

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

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

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

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

(e) This subsection applies to a county that initially imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment required under subsections (c), (d), (f), and (g). The adjusted certification shall be treated as the county's "certified distribution" for the immediately succeeding calendar year. The budget agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the calculations that revises the informative summary provided in subsection (b) and reflects the changes made in the adjustment.

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

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

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

(2) two (2).

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

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

calendar year.

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

As added by P.L.73-1983, SEC.2. Amended by P.L.23-1986, SEC.6; P.L.267-2003, SEC.3; P.L.207-2005, SEC.2; P.L.224-2007, SEC.61; P.L.146-2008, SEC.327; P.L.182-2009(ss), SEC.210; P.L.113-2010, SEC.62; P.L.229-2011, SEC.88; P.L.137-2012, SEC.69; P.L.261-2013, SEC.7; P.L.153-2014, SEC.2.

IC 6-3.5-1.1-9.5
Repealed

(Repealed by P.L.267-2003, SEC.16.)

IC 6-3.5-1.1-10
Distribution of revenue; time; use

Sec. 10. (a) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on the first regular business day of each month of that calendar year.

(b) Except for:

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

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

(2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5 of this chapter;

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

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county

courthouse under section 3.6 of this chapter; or

(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

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

(c) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments. *As added by P.L.73-1983, SEC.2. Amended by P.L.119-1998, SEC.9; P.L.135-2001, SEC.3; P.L.157-2002, SEC.2; P.L.178-2002, SEC.57; P.L.1-2003, SEC.41; P.L.42-2003, SEC.3; P.L.147-2006, SEC.2; P.L.162-2006, SEC.29; P.L.2-2006, SEC.68; P.L.1-2007, SEC.60; P.L.224-2007, SEC.62; P.L.77-2011, SEC.6; P.L.119-2012, SEC.44; P.L.137-2012, SEC.70.*

IC 6-3.5-1.1-11

Property tax replacement; calculation of certified shares

Sec. 11. (a) Except for:

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

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

(2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5 of this chapter;

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

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; or

(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

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

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

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

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

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.
As added by P.L.73-1983, SEC.2. Amended by P.L.119-1998, SEC.10; P.L.135-2001, SEC.4; P.L.178-2002, SEC.58; P.L.42-2003, SEC.4; P.L.267-2003, SEC.4; P.L.147-2006, SEC.3; P.L.162-2006, SEC.30; P.L.1-2007, SEC.61; P.L.224-2007, SEC.63; P.L.77-2011, SEC.7.

IC 6-3.5-1.1-11.5
Timing of income tax distributions within the county

Sec. 11.5. (a) The county auditor shall timely distribute the part of the certified distribution received under section 10 of this chapter that constitutes property tax replacement credits to each civil taxing unit and school corporation that is a recipient of property tax replacement credits as provided by sections 12, 13, and 14 of this chapter.

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

(c) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 10 of this chapter.
As added by P.L.26-2009, SEC.1.

IC 6-3.5-1.1-12

Allocation of property tax replacement credits; amount; formula; certification

Sec. 12. (a) The part of a county's certified distribution for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.

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

(1) that part of the county's certified distribution that is dedicated to providing property tax replacement credits for that same calendar year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the allocation amount for the civil taxing unit or school corporation during that calendar year.

(B) The denominator of the fraction equals the sum of the allocation amounts for all the civil taxing units and school corporations of the county for that calendar year.

(c) The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this section. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits it is entitled to receive (after adjustment made under section 13 of this chapter) under this section during that calendar year. The county auditor shall also certify these distributions to the county treasurer.

As added by P.L.73-1983, SEC.2. Amended by P.L.90-2002, SEC.293; P.L.207-2005, SEC.3.

IC 6-3.5-1.1-13

Allocation of replacement credits; tax levy not due in same year as credit distribution; amount; formula; adjustments

Sec. 13. (a) If a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, that civil taxing unit or school corporation is entitled to receive a proportion of the property tax replacement credits to be distributed within the county. The amount such a civil taxing unit or school corporation is entitled to receive during that calendar year equals the product of:

(1) the part of the county's certified distribution that is to be used to provide property tax replacement credits during that calendar year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the budget of that civil taxing unit or school corporation for that calendar year.

(B) The denominator of the fraction equals the aggregate

budgets of all civil taxing units and school corporations of that county for that calendar year.

(b) If for a calendar year a civil taxing unit or school corporation is allocated a proportion of a county's property tax replacement credits by this section then the formula used in section 12 of this chapter to determine all other civil taxing units' and school corporations' property tax replacement credits shall be changed for that same year by reducing the amount dedicated to providing property tax replacement credits by the amount of property tax replacement credits allocated under this section for that same calendar year. The department of local government finance shall make any adjustments required by this section and provide them to the appropriate county auditors.

As added by P.L.73-1983, SEC.2. Amended by P.L.90-2002, SEC.294.

IC 6-3.5-1.1-14

Replacement credits; determination limited; multiple county taxing units; effect upon budget, property tax rates, and school funds

Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its debt service fund, capital projects fund, transportation fund, and school bus replacement fund in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget. A school corporation shall allocate the property tax replacement credits described in this subsection to all four (4) funds in proportion to the

levy for each fund.
As added by P.L.73-1983, SEC.2. Amended by P.L.25-1995, SEC.56; P.L.90-2002, SEC.295; P.L.207-2005, SEC.4; P.L.2-2006, SEC.69; P.L.146-2008, SEC.328; P.L.182-2009(ss), SEC.211.

IC 6-3.5-1.1-15
Attributed allocation amount; allocation of certified shares

Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the welfare allocation amount.

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

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

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

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

As added by P.L.73-1983, SEC.2. Amended by P.L.273-1999, SEC.69; P.L.283-2001, SEC.2; P.L.120-2002, SEC.2; P.L.255-2003, SEC.2; P.L.207-2005, SEC.5; P.L.224-2007, SEC.64; P.L.146-2008, SEC.329; P.L.182-2009(ss), SEC.212.

IC 6-3.5-1.1-16

County residency and place of business or employment; determination

Sec. 16. (a) For purposes of this chapter, an individual shall be treated as a resident of the county in which he:

(1) maintains a home if the individual maintains only one (1) in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if neither subdivision (1) or (2) applies, registers his personal automobile; or

(4) if neither subdivision (1), (2), or (3) applies, spends the majority of his time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on January 1 of the calendar year in which the individual's taxable year commences. If an individual changes the location of his residence or principal place of employment or business to another county in Indiana during a calendar year, his liability for county adjusted gross income tax is not affected.

(c) Notwithstanding subsection (b), if an individual becomes a county taxpayer for purposes of IC 36-7-27 during a calendar year because the individual:

(1) changes the location of the individual's residence to a county in which the individual begins employment or business at a qualified economic development tax project (as defined in IC 36-7-27-9); or

(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which the county adjusted gross income tax is in effect;

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable only by the county containing the qualified economic development tax project.

As added by P.L.73-1983, SEC.2. Amended by P.L.42-1994, SEC.3.

IC 6-3.5-1.1-17

Reciprocity agreements between local governmental entities

Sec. 17. (a) The county council of any adopting county may adopt an ordinance to enter into reciprocity agreements with the taxing authority of any city, town, municipality, county, or other similar local government entity of any other state. Such a reciprocity agreement must provide that the income of resident county taxpayers is exempt from income taxation by the other local governmental entity to the extent that income of the residents of the other local governmental entity is exempt from the county adjusted gross income tax in the adopting county.

(b) A reciprocity agreement entered into under subsection (a) may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) The form and effective date of any reciprocity agreement described in this section must be approved by the department.

As added by P.L.73-1983, SEC.2.

IC 6-3.5-1.1-18

Adjusted gross income tax provisions; applicability; employer's withholding report

Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

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

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted to the department:

(1) each time the employer remits to the department the tax that is withheld; and
(2) annually along with the employer's annual withholding report.

As added by P.L.73-1983, SEC.2. Amended by P.L.82-1983, SEC.9; P.L.23-1986, SEC.7; P.L.57-1997, SEC.4; P.L.146-2008, SEC.330.

IC 6-3.5-1.1-19

Citation to prior law; continued effect of rules

Sec. 19. (a) If a provision of the prior county adjusted gross income tax law (IC 6-3.5-1) has been replaced in the same form or in a restated form, by a provision of this chapter, then a citation to the

provision of the prior law shall be construed as a citation to the corresponding provision of this chapter.

(b) Any rule adopted under, and applicable to, the prior county adjusted gross income tax law (IC 6-3.5-1) continues in effect under this chapter if the provisions under which it was adopted and to which it was applicable were replaced, in the same or restated form, by corresponding provisions of this chapter.

As added by P.L.73-1983, SEC.2.

IC 6-3.5-1.1-21

Annual report to county auditor

Sec. 21. Before November 2 of each year, the budget agency shall submit a report to each county auditor indicating the balance in the county's adjusted gross income tax account as of the cutoff date specified by the budget agency.

As added by P.L.23-1986, SEC.8. Amended by P.L.178-2002, SEC.59; P.L.267-2003, SEC.5; P.L.182-2009(ss), SEC.213; P.L.77-2011, SEC.8.

IC 6-3.5-1.1-21.1

Distribution of excess balance; use

Sec. 21.1. (a) If the budget agency determines that the balance in a county trust account exceeds fifty percent (50%) of the certified distributions to be made to the county in the ensuing year, the budget agency shall make a supplemental distribution to the county from the county's adjusted gross income tax account.

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

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

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

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

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

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

(c) A determination under this section must be made before November 2.

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

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

trust account.
As added by P.L.178-2002, SEC.60. Amended by P.L.267-2003, SEC.6; P.L.182-2009(ss), SEC.214; P.L.77-2011, SEC.9; P.L.229-2011, SEC.89; P.L.261-2013, SEC.8.

IC 6-3.5-1.1-22
Obligations or leases entered into by civil taxing unit; public sale

Sec. 22. Notwithstanding any other law, if a civil taxing unit desires to issue obligations or enter into leases payable wholly or in part by the county adjusted gross income tax, the obligations of the civil taxing unit or any lessor may be sold at public sale in accordance with IC 5-1-11 or at negotiated sale.
As added by P.L.35-1990, SEC.15.

IC 6-3.5-1.1-23
Pledges

Sec. 23. (a) A pledge of county adjusted gross income tax revenues received under this chapter (other than tax revenue attributable to a tax rate under section 24, 25, or 26 of this chapter for property tax relief or public safety) is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter as long as the principal of or interest on those obligations is unpaid.
As added by P.L.135-2001, SEC.5. Amended by P.L.224-2007, SEC.65; P.L.153-2014, SEC.3.

IC 6-3.5-1.1-24
Rate for property tax levy freeze; rate for public transportation

Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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

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

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

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

this section:

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

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

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

(B) two (2).

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

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

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

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

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

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

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

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

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

(g) Except as provided in subsection (t), the department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(b) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(b) in the preceding year that was

attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this section.

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

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

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

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) Except as provided in subsections (s) and (t), a distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section (other than a tax rate imposed under subsection (s)), the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is attributable to the tax rate under this section (other than a tax rate imposed under subsection (s)) must be deposited in the county stabilization fund established under subsection (o).

(n) Except as provided in subsection (t) and IC 8-25, a pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) Except as provided in subsection (t), a county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(b) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

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

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

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

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

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

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

(s) This subsection applies only to Hancock County and Johnson County. If the voters of the county approve a local public question under IC 8-25-2, the fiscal body of the county may adopt an ordinance to provide for the use of county adjusted gross income tax revenues attributable to an additional tax rate imposed under this subsection to fund a public transportation project under IC 8-25. However, a county fiscal body shall adopt an ordinance under this subsection if required by IC 8-25-6-10 to impose an additional tax rate on the county taxpayers who reside in a township in which the voters approve a public transportation project in a local public question held under IC 8-25-6. An ordinance adopted under this subsection must specify an additional tax rate to be imposed in the county (or township in the case of an additional rate required by IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%). If an ordinance is adopted under this subsection, the amount of the certified distribution attributable to the additional tax rate imposed under this subsection must be:

(1) retained by the county auditor;

(2) deposited in the public transportation project fund established under IC 8-25-3-7; and

(3) used for the purpose provided in this subsection instead of as a property tax replacement distribution.

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

(1) Subsection (e).

(2) Subsection (f).

(3) Subsection (g).

(4) Subsection (k).

(5) Subsection (n).

(6) Subsection (o).

As added by P.L.224-2007, SEC.66. Amended by P.L.146-2008, SEC.331; P.L.77-2011, SEC.10; P.L.172-2011, SEC.73; P.L.6-2012, SEC.54; P.L.137-2012, SEC.71; P.L.261-2013, SEC.9; P.L.153-2014, SEC.4.

IC 6-3.5-1.1-25

Rate for public safety

Sec. 25. (a) As used in this section, "public safety" refers to the following:

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other

correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3), an enhanced emergency telephone system (as defined in IC 36-8-16-2 (before its repeal on July 1, 2012)), or the statewide 911 system (as defined in IC 36-8-16.7-22).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) If a county council has imposed a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 24 of this chapter, a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 26 of this chapter, or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 24 and 26 of this chapter, the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed twenty-five hundredths of one percent (0.25%).

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

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

(f) Except as provided in subsection (k) or (l), the county auditor

shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county that is carrying out or providing at least one (1) of the public safety purposes described in subsection (a). The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

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

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

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

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

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

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

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

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

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

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

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

(l) A fire department, volunteer fire department, or emergency medical services provider that:

(1) provides fire protection or emergency medical services

within the county; and

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

may before July 1 of a year apply to the county council for a distribution of tax revenue under this section during the following calendar year. The county council shall review an application submitted under this subsection and may before September 1 of a year adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under this section during the following calendar year. A resolution approved under this subsection providing for a distribution to one (1) or more fire departments, volunteer fire departments, or emergency medical services providers applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or emergency medical services provider shall be distributed before the remainder of the tax revenue is distributed under subsection (f). *As added by P.L.224-2007, SEC.67. Amended by P.L.146-2008, SEC.332; P.L.172-2011, SEC.74; P.L.132-2012, SEC.3; P.L.137-2012, SEC.72; P.L.13-2013, SEC.23; P.L.261-2013, SEC.10.*

IC 6-3.5-1.1-26

Rate for property tax relief

Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to taxpayers in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

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

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

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

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

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

(2) The tax revenue may be used to uniformly provide the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining any state homestead credit. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The county auditor shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

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

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

(A) To reduce all property tax levies imposed by the county

by the granting of property tax replacement credits against those property tax levies.

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

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

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

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

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

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

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

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

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

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

county under section 2 of this chapter or any other provision of this chapter;

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

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

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

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

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

As added by P.L.224-2007, SEC.68. Amended by P.L.146-2008, SEC.333; P.L.172-2011, SEC.75; P.L.137-2012, SEC.73; P.L.261-2013, SEC.11.

IC 6-3.5-1.1-27

Jackson County; legalization and validation of additional rate

Sec. 27. (a) This section applies only to an additional tax rate imposed in Jackson County under section 2.5 of this chapter.

(b) This subsection applies to an additional tax rate imposed after June 30, 2011, and before July 1, 2013. Notwithstanding section 2.5 of this chapter (as in effect on January 1, 2013), the imposition, collection, and distribution of county adjusted gross income taxes attributable to the additional tax rate is legalized and validated.

(c) Any action described in subsection (b) of:

(1) the department;

(2) the budget agency; or

(3) an officer or employee of Jackson County;

is legalized and validated.

(d) The additional tax rate:

(1) authorized by the county council under section 2.5 of this chapter (as in effect on January 1, 2013); and

(2) legalized and validated by subsection (c);

remains in effect for the calendar years specified in section 2.5(c) of

this chapter without additional county council action. However, this subsection may not be construed to limit the ability of the county council to decrease the rate or rescind the tax in the manner provided under this chapter.
As added by P.L.293-2013(ts), SEC.17.

IC 6-3.5-1.1-28
Pulaski County; legalization and validation of additional rate

Sec. 28. (a) This section applies only to an additional tax rate imposed in Pulaski County under section 3.5 of this chapter.

(b) This subsection applies to an additional tax rate imposed after the eight (8) years authorized by section 3.5 of this chapter (as in effect on January 1, 2013) have elapsed and before July 1, 2013. Notwithstanding section 3.5 of this chapter (as in effect on January 1, 2013), the imposition, collection, and distribution of county adjusted gross income taxes attributable to the additional tax rate is legalized and validated.

(c) Any action described in subsection (b) of:
(1) the department;
(2) the budget agency; or
(3) an officer or employee of Pulaski County;
is legalized and validated.

(d) The additional tax rate:
(1) authorized by the county council under section 3.5 of this chapter (as in effect on January 1, 2013); and
(2) legalized and validated by subsection (c);
remains in effect for the calendar years specified in section 3.5(c) of this chapter without additional county council action. However, this subsection may not be construed to limit the ability of the county council to decrease the rate or rescind the tax in the manner provided under this chapter.
As added by P.L.293-2013(ts), SEC.18.

IC 6-3.5-1.1-29
Applicability of a tax rate in a township opting-in to a public transportation project

Sec. 29. Notwithstanding any other law, if an additional tax rate imposed under section 24(s) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.
As added by P.L.153-2014, SEC.5.

IC 6-3.5-1.5

Chapter 1.5. Calculation of Levy Freeze Amounts

IC 6-3.5-1.5-1

Calculation of rate for county adjusted gross income tax or county option income tax

Sec. 1. (a) This section does not apply to a tax rate imposed under IC 6-3.5-1.1-24(s) or IC 6-3.5-6-30(t) for a public transportation project authorized under IC 8-25.

(b) The department of local government finance and the budget agency shall, before September 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 (before its repeal) for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) (before its repeal) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 (before its repeal) for the current calendar year.

STEP THREE: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 (before its repeal) for the ensuing calendar

year (before any adjustment under IC 12-19-7.5-6(b) (before its repeal) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services property tax imposed by the county under IC 12-19-7.5-6 (before its repeal) for the current calendar year.

STEP FOUR: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(c) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the budget agency shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the budget agency shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

(d) The budget agency and the department of local government finance shall make the calculations under subsections (b) and (c) based on the best information available at the time the calculation is made.

(e) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a county has adopted an income tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before January 1, 2009, to reduce levy growth in the county family and children's fund property tax levy and the children's psychiatric residential treatment services property tax levy shall instead be used for property tax relief in the same manner that a tax rate under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.

As added by P.L.224-2007, SEC.69. Amended by P.L.1-2008, SEC.4; P.L.146-2008, SEC.334; P.L.182-2009(ss), SEC.215; P.L.137-2012, SEC.74; P.L.153-2014, SEC.6.

IC 6-3.5-1.5-2

Certification of amount

Sec. 2. The department of local government finance shall, before September 1 of each year, certify the amount calculated for a county under section 1 of this chapter to the county auditor.

As added by P.L.224-2007, SEC.69. Amended by P.L.137-2012, SEC.75.

IC 6-3.5-1.5-3

Authority to carry out chapter

Sec. 3. The department of local government finance and the budget agency may take any actions necessary to carry out the purposes of this chapter.

As added by P.L.224-2007, SEC.69. Amended by P.L.182-2009(ss), SEC.216.

IC 6-3.5-2

Chapter 2. Employment Tax

IC 6-3.5-2-1

Definitions

Sec. 1. As used in this chapter:

(1) "Agency" means a board, commission, division, bureau, committee, authority, military body, college, university, or other instrumentality.

(2) "Compensation" means gross income from services rendered as that term is defined by section 61(a) of the Internal Revenue Code.

(3) "Employee" means any individual permitted to work for remuneration by any employer, but excluding any individual performing:

(i) agricultural labor as that term is defined in IC 22-2-2-3(m);

(ii) domestic service solely on a daily basis in a private home;

(iii) newspaper carrier delivery or distribution service if the individual is under the age of eighteen (18) years; or

(iv) services in the employ of one's father, mother, son, daughter, or spouse.

(4) "Full time employee" means an employee who received compensation from employment of at least nine hundred dollars ($900) in any calendar quarter of a year from an employer who is subject to the tax imposed by this chapter; "full time employee" shall include a self-employed person who receives compensation from employment of at least nine hundred dollars ($900) in any calendar quarter of a year.

(5) "Employer" means any natural person, receiver, administrator, executor, trustee, trustee in bankruptcy, trust, estate, firm, partnership (general or limited), joint venture, company, limited liability company, or any form of unincorporated business, corporation (foreign or domestic, for profit or not-for-profit) who or which is doing business within the county.

(6) "Doing business within the county" means employing individuals to work in whole or in part, within the county and one (1) of the following:

(i) maintaining a fixed place of business in the county;

(ii) owning or leasing property within the county;

(iii) maintaining a stock of tangible personal property within the county;

(iv) employing or loaning capital or property within the county; or

(v) employing persons as employees or independent contractors, to solicit business within the county.

(7) "Person" includes a sole proprietorship, partnership, association, corporation, limited liability company, fiduciary, or individual.

(8) "Principally employed in the county" means an employee who devotes more than fifty percent (50%) of the time which he works for his employer to services which he performs in the taxing county.

(9) "Political subdivision" means a county, township, town, city, separate municipal corporation, special taxing district, or public school corporation.

(10) "County council" includes a city-county council of a consolidated city.

(Formerly: Acts 1975, P.L.62, SEC.1.) As amended by Acts 1981, P.L.11, SEC.32; P.L.2-1987, SEC.22; P.L.8-1993, SEC.91.

IC 6-3.5-2-2

Counties over 400,000 but less than 700,000; ordinance imposing tax; maximum rate

Sec. 2. Before July 1 of any year, the county council of Lake County may adopt an ordinance to impose an employment tax on each employer and employee described in section 3 of this chapter. The county council may impose the employment tax at a rate not to exceed fifty cents ($0.50) per employee per month. Any tax so imposed shall be paid by the employer for each full-time employee and by each such employee at the same rate. A self-employed person shall be subject to tax only as an employee. No other county may adopt an ordinance to impose an employment tax under this chapter.

(Formerly: Acts 1975, P.L.62, SEC.1.) As amended by Acts 1979, P.L.74, SEC.1; P.L.12-1992, SEC.28; P.L.119-2012, SEC.45.

IC 6-3.5-2-3

Employers and employees subject to tax

Sec. 3. If the county council adopts an ordinance to impose the employment tax, employers and employees are subject to the tax if:

(1) in the case of an employer, he employs at least one (1) full time employee who is principally employed in the county during any portion of a month after the date such ordinance is adopted; and

(2) in the case of an employee, he is principally employed in the county by an employer described in clause (1) of this section during any portion of a month after the date the ordinance is adopted.

(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-4

Persons exempt from tax

Sec. 4. The following persons are exempt from the employment tax:

(1) the United States;
(2) an agency of the United States;
(3) this state;
(4) an agency of this state;
(5) a political subdivision of this state; and
(6) a taxpayer described in IC 6-2.5-5-21(b)(1).

However, employees of such persons are not exempt from the employment tax.

(Formerly: Acts 1975, P.L.62, SEC.1.) As amended by Acts 1981, P.L.77, SEC.16; P.L.192-2002(ss), SEC.120.

IC 6-3.5-2-5
Rescission of tax

Sec. 5. Before July 1 of any year, the county council may adopt an ordinance to rescind the employment tax. If the county council adopts such an ordinance, the tax does not apply after December 31 of the year the ordinance is adopted.

However, if the adoption of the employment tax is conditioned upon any other county adopting the tax, the county council may rescind the tax before it becomes effective if the other county does not adopt the tax.

(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-6
Increasing or decreasing tax

Sec. 6. Before July 1 of any year, the county council may adopt an ordinance to increase or decrease the employment tax rate. The new tax rate shall become effective on January 1 of the year immediately following the year in which the ordinance is adopted.

(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-7
Copies of ordinances

Sec. 7. If a county council adopts an ordinance to impose, rescind, or change the rate of the employment tax, the county council shall send a copy of the ordinance to the county auditor and to the county treasurer.

(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-8
Quarterly payments

Sec. 8. An employer described in section 3 of this chapter shall pay employment tax for each calendar quarter equal to the sum of the following:

(1) for each month during which the employer employed at least one (1) full time employee who was principally employed in the county during that month, the tax for such month equals the total number of full time employees principally employed within the county during that month multiplied by the current tax rate; and

(2) for each employee described in clause (1) of this section the employer is required to withhold the tax imposed on the employee for that month under this chapter. The employer shall withhold the tax from the employee, as an agent for the county. Notwithstanding the amount of employment tax collected from its employees, each employer is liable to the county for the tax imposed on its employees under this chapter. Every employer and every officer, employee or member of the employer who is responsible for withholding the taxes from employees is personally liable for the taxes. The taxes to be withheld by the employer constitute a trust fund in the hands of the employer and are owned by the county.

(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-9
Filing returns; record keeping requirement

Sec. 9. Each employer described in section 3 of this chapter shall pay the total employment tax due for each calendar quarter to the county treasurer within thirty (30) days after the end of the quarter. Concurrently with the payment of the tax, the employer shall file an employment tax return with the county treasurer on a form prescribed by the state board of accounts. Each employer within the county shall maintain for a period of five (5) years adequate records to determine its tax liability for a calendar quarter. Upon request of the county treasurer, the Indiana department of revenue shall conduct an audit of an employer's employment tax records.
(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-10
County mass transportation fund; deposit of revenue

Sec. 10. The county treasurer shall deposit all employment tax revenues in a fund to be known as the "_____ county mass transportation fund". Money which is credited to a county's mass transportation fund may be used only to purchase, establish, operate, repair, or maintain a public mass transportation system. The county council may, in the manner provided by law, appropriate money from the fund to a public corporation which is authorized to purchase, establish, operate, repair, or maintain such a system if the system is located, either entirely or partially, within the county.
(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-11
Tokens for public passenger transportation

Sec. 11. The county council may establish a method of provide to each taxpayer at the time the employment tax is paid, tokens, coupons or indicia, equal to the tax paid, which are acceptable for passenger transportation on any transportation facility operated by or under contract with the county or public transportation authority.
(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-12
Estimated tax revenues

Sec. 12. On or before August 1st of each year, the auditor of a county which has adopted the employment tax shall provide the county council with an estimate of the employment tax revenues to be credited to the county mass transportation fund during the next calendar year. The county shall show the estimated employment tax revenues in its budget estimate for that calendar year.
(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-2-13
Interest penalties

Sec. 13. If an employer fails to pay all or any part of the employment tax due for a calendar quarter within the time prescribed

by section 9 of this chapter, he shall pay interest on the unpaid amount at the rate of twelve percent (12%) per year.
(Formerly: Acts 1975, P.L.62, SEC.1.)

IC 6-3.5-3
Repealed

(Repealed by P.L.28-1997, SEC.31.)

IC 6-3.5-4

Chapter 4. County Motor Vehicle Excise Surtax

IC 6-3.5-4-0.1

Application of certain amendments to chapter

Sec. 0.1. The following amendments to this chapter apply as follows:

(1) The amendments made to section 7 of this chapter by P.L.33-1990 apply to vehicles registered after December 31, 1990.

(2) The addition of section 7.3 of this chapter by P.L.33-1990 applies to vehicles registered after December 31, 1990.

As added by P.L.220-2011, SEC.146.

IC 6-3.5-4-1

Definitions

Sec. 1. As used in this chapter:

"Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

"Branch office" means a branch office of the bureau of motor vehicles.

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.

"Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

"Surtax" means the annual license excise surtax imposed by an adopting entity under this chapter.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.205-2013, SEC.85.

IC 6-3.5-4-1.1

County income tax council

Sec. 1.1. For purposes of acting as the adopting entity under this chapter, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the income tax that may be in effect in the county). The county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.

As added by P.L.205-2013, SEC.86.

IC 6-3.5-4-2 Version a

Imposition and rate of surtax; application of tax; wheel tax; duration

Note: This version of section effective until 1-1-2015. See also following version of this section, effective 1-1-2015.

Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount on each motor vehicle listed in subsection (b) that is registered in the county. The adopting entity may impose the surtax either:

(1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or

(2) at a specific amount of at least seven dollars and fifty cents ($7.50) and not more than twenty-five dollars ($25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents ($7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

(b) The license excise surtax applies to the following vehicles:

(1) Passenger vehicles.

(2) Motorcycles.

(3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

(c) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.1; P.L.255-1996, SEC.1; P.L.205-2013, SEC.87.

IC 6-3.5-4-2 Version b

Imposition and rate of surtax; application of tax; wheel tax; duration

Note: This version of section effective 1-1-2015. See also preceding version of this section, effective until 1-1-2015.

Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection (c), adopt an ordinance to impose an annual license excise surtax at the same rate or amount on each motor vehicle listed in subsection (b) that is registered in the county. The adopting entity may impose the surtax either:

(1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or

(2) at a specific amount of at least seven dollars and fifty cents ($7.50) and not more than twenty-five dollars ($25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents ($7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

(b) The license excise surtax applies to the following vehicles:

(1) Passenger vehicles.

(2) Motorcycles.

(3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.

(4) Motor driven cycles.

(c) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(d) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.1; P.L.255-1996, SEC.1; P.L.205-2013, SEC.87; P.L.221-2014, SEC.4.

IC 6-3.5-4-3

Motor vehicles subject to tax

Sec. 3. If an adopting entity adopts an ordinance imposing the surtax after December 31 but before July 1 of the following year, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance is adopted. If an adopting entity adopts an ordinance imposing the surtax after June 30 but before the following January 1, a motor vehicle is subject to the tax if it is registered in the county after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the surtax is effective, the surtax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the surtax is first effective.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.2; P.L.43-1994, SEC.1; P.L.205-2013, SEC.88.

IC 6-3.5-4-4

Rescission of surtax and wheel tax

Sec. 4. (a) After January 1 but before July 1 of any year, the adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If the adopting entity adopts such an ordinance, the surtax does not apply to a motor vehicle registered after December 31 of the year the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to rescind the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to rescind the wheel tax. In addition, the adopting entity may not adopt an ordinance to rescind the surtax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1981, P.L.88, SEC.1; P.L.205-2013, SEC.89.

IC 6-3.5-4-5

Increase or decrease of surtax; rate

Sec. 5. (a) The adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the surtax rate or amount. The new surtax rate or amount must be within the range of rates or amounts prescribed by section 2 of this chapter. A new rate or amount that is established by an ordinance that is adopted after December 31 but before July 1 of the following year applies to motor vehicles registered after December 31 of the year in which the ordinance to change the rate or amount is adopted. A new rate or amount that is established by an ordinance that is adopted after June 30 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to decrease the surtax rate or amount under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1981, P.L.88, SEC.2; P.L.85-1983, SEC.3; P.L.255-1996, SEC.2; P.L.205-2013, SEC.90.

IC 6-3.5-4-6

Adopted ordinance; transmittal of copy to commissioner of bureau of motor vehicles

Sec. 6. If an adopting entity adopts an ordinance to impose, rescind, or change the rate or amount of the surtax, the adopting entity shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.255-1996, SEC.3; P.L.205-2013, SEC.91.

IC 6-3.5-4-7

Registration of motor vehicle; surtax; amount; collection

Sec. 7. A person may not register a motor vehicle in a county that has adopted the surtax unless the person pays the surtax due, if any, to the bureau of motor vehicles. The amount of the surtax due equals the greater of seven dollars and fifty cents ($7.50), the amount established under section 2 of this chapter, or the product of:

(1) the amount determined under section 7.3 of this chapter for the vehicle, as adjusted under section 7.4 of this chapter; multiplied by

(2) the surtax rate in effect at the time of registration.

The bureau of motor vehicles shall collect the surtax due, if any, at the time a motor vehicle is registered. However, the bureau may utilize its branch offices to collect the surtax.

As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.4; P.L.33-1990, SEC.11; P.L.255-1996, SEC.4; P.L.11-1999, SEC.1.

IC 6-3.5-4-7.3

Surtax; amount; schedule

Sec. 7.3. (a) The amount of surtax imposed by rate under this chapter shall be based upon the classification and age of a vehicle as determined by the bureau of motor vehicles under IC 6-6-5, in accordance with the schedule set out in subsection (b).

(b) The schedule to be used in determining the amount to be used in section 7 of this chapter is as follows:

Year of Manufacture	I	II	III	IV	V
1st	$12	$36	$60	$96	$132
2nd	12	30	51	84	114
3rd	12	27	42	72	96
4th	12	24	33	60	78
5th	12	18	24	48	66
6th	12	12	18	36	54
7th	12	12	12	24	42
8th	12	12	12	18	24
9th	12	12	12	12	12
10th and thereafter	12	12	12	12	12

Year of Manufacture	VI	VII	VIII	IX	X
1st	$168	$206	$246	$300	$344
2nd	147	184	220	268	298
3rd	126	154	186	230	260
4th	104	127	156	196	224
5th	82	101	128	164	191
6th	63	74	98	130	157
7th	49	60	75	104	129
8th	30	40	54	80	106
9th	18	21	34	40	50
10th and thereafter	12	12	12	12	12

Year of Manufacture	XI	XII	XIII	XIV	XV
1st	$413	$500	$600	$700	$812
2nd	358	434	520	607	705
3rd	312	378	450	529	614
4th	269	326	367	456	513
5th	229	278	300	389	420
6th	188	228	242	319	338
7th	155	188	192	263	268
8th	127	129	129	181	181
9th	62	62	62	87	87
10th and thereafter	21	26	30	36	42

Year of Manufacture	XVI	XVII
1st	$938	$1,063

2nd	814	922
3rd	709	795
4th	611	693
5th	521	591
6th	428	483
7th	353	383
8th	258	258
9th	125	125
10th	49	55

and thereafter

As added by P.L.33-1990, SEC.12. Amended by P.L.255-1996, SEC.5.

IC 6-3.5-4-7.4

Surtax adjustment

Sec. 7.4. (a) If a vehicle has been acquired or brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the vehicle is required under the motor vehicle registration laws of Indiana to register vehicles, the amount of surtax computed under section 7.3 of this chapter shall be reduced in the same manner as the excise tax is reduced under IC 6-6-5-7.2.

(b) The owner of a vehicle who sells the vehicle in a year in which the owner has paid the surtax imposed by this chapter is entitled to receive a credit that is calculated in the same manner and subject to the same requirements as the credit for the excise tax under IC 6-6-5-7.2.

(c) If the name of the owner of a vehicle is legally changed and the change has caused a change in the owner's annual registration date, the surtax liability of the owner shall be adjusted in the same manner as excise taxes are adjusted under IC 6-6-5-7.2.

As added by P.L.11-1999, SEC.2. Amended by P.L.3-2008, SEC.61.

IC 6-3.5-4-8

Collections by branch office; disposition

Sec. 8. The surtax collected by a branch office shall be deposited daily by the branch manager in a separate account in a depository designated by the state board of finance.

As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-4-9

Collections by branch office; remittance to county treasurer; report

Sec. 9. On or before the tenth day of the month following the month in which surtax is collected at a branch office, the branch office manager shall remit the surtax to the county treasurer of the county that imposed the surtax. Concurrently with the remittance, the branch office manager shall file a surtax collections report with the county treasurer and the county auditor. The branch manager shall prepare the report on forms prescribed by the state board of accounts.

As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-4-10
Collections by branch office; report to bureau of motor vehicles

Sec. 10. Each branch office manager shall report surtax collections, if any, to the bureau of motor vehicles at the same time that registration fees are reported.
As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-4-11
Collections by bureau of motor vehicles; remittance to county treasurer; report to county auditor

Sec. 11. If surtax is collected directly by the bureau of motor vehicles, instead of at a branch office, the commissioner of the bureau shall:

(1) remit the surtax to, and file a surtax collections report with, the appropriate county treasurer; and

(2) file a surtax collections report with the county auditor;

in the same manner and at the same time that a branch office manager is required to remit and report under section 9 of this chapter.
As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-4-12
Appropriation of money derived from surtax

Sec. 12. In the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the surtax to the department of transportation established by IC 36-3-5-4 for use by the department under law. The city-county council may not appropriate money derived from the surtax for any other purpose.
As added by Acts 1980, P.L.10, SEC.4. Amended by Acts 1982, P.L.33, SEC.7.

IC 6-3.5-4-13
Surtax fund; allocation; distribution; use

Sec. 13. (a) In the case of a county that does not contain a consolidated city of the first class, the county treasurer shall deposit the surtax revenues in a fund to be known as the "_____ County Surtax Fund".

(b) Before the twentieth day of each month, the county auditor shall allocate the money deposited in the county surtax fund during that month among the county and the cities and the towns in the county. The county auditor shall allocate the money to counties, cities, and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county surtax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b).

(d) A county, city, or town may only use the surtax revenues it receives under this section to construct, reconstruct, repair, or

maintain streets and roads under its jurisdiction.
As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.85-1983, SEC.5.

IC 6-3.5-4-14
Estimate of revenues; distribution

Sec. 14. (a) On or before August 1 of each year, the auditor of a county that contains a consolidated city of the first class and that has adopted the surtax shall provide the county council with an estimate of the surtax revenues to be received by the county during the next calendar year. The county shall show the estimated surtax revenues in its budget estimate for the calendar year.

(b) On or before August 1 of each year, the auditor of a county that does not contain a consolidated city of the first class and that has adopted the surtax shall provide the county and each city and town in the county with an estimate of the surtax revenues to be distributed to that unit during the next calendar year. The county, city, or town shall show the estimated surtax revenues in its budget estimate for the calendar year.
As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-4-15
Service charge for surtax

Sec. 15. Each license branch shall collect the service charge prescribed under IC 9-29 for the surtax collected with respect to each vehicle registered by that branch.
As added by Acts 1980, P.L.10, SEC.4. Amended by P.L.42-1986, SEC.3; P.L.2-1991, SEC.37.

IC 6-3.5-4-16
Violations; offense

Sec. 16. (a) The owner of a motor vehicle who knowingly registers the vehicle without paying surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles, an employee of a branch office, or the manager of a branch office who recklessly issues a registration on any motor vehicle without collecting surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.
As added by Acts 1980, P.L.10, SEC.4.

IC 6-3.5-5

Chapter 5. County Wheel Tax

IC 6-3.5-5-1

Definitions

Sec. 1. As used in this chapter:

"Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.

"Branch office" means a branch office of the bureau of motor vehicles.

"Bus" has the meaning set forth in IC 9-13-2-17(a).

"Commercial motor vehicle" has the meaning set forth in IC 6-6-5.5-1(c).

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

"Political subdivision" has the meaning set forth in IC 34-6-2-110.

"Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

"Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

"State agency" has the meaning set forth in IC 34-6-2-141.

"Tractor" has the meaning set forth in IC 9-13-2-180.

"Trailer" has the meaning set forth in IC 9-13-2-184(a).

"Truck" has the meaning set forth in IC 9-13-2-188(a).

"Wheel tax" means the tax imposed under this chapter.

As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.3-1989, SEC.40; P.L.2-1991, SEC.38; P.L.1-1998, SEC.79; P.L.1-2007, SEC.62; P.L.211-2007, SEC.30; P.L.205-2013, SEC.92.

IC 6-3.5-5-1.1

County income tax council

Sec. 1.1. For purposes of acting as the adopting entity under this chapter, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county (regardless of the income tax that may be in effect in the county). The county income tax council shall use the same procedures that apply under IC 6-3.5-6 when acting as an adopting entity under this chapter.

As added by P.L.205-2013, SEC.93.

IC 6-3.5-5-2

Imposition of tax; annual license excise tax; rate

Sec. 2. (a) The adopting entity of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose an annual wheel tax on each vehicle that:

(1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;

(2) is not exempt from the wheel tax under section 4 of this chapter; and

(3) is registered in the county.

(b) The adopting entity of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the annual license excise surtax.

(c) The adopting entity may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the adopting entity may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles may not be less than five dollars ($5) and may not exceed forty dollars ($40). The adopting entity shall state the initial wheel tax rates in the ordinance that imposes the tax.

As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.85-1983, SEC.6; P.L.205-2013, SEC.94.

IC 6-3.5-5-3

Vehicles subject to tax

Sec. 3. The wheel tax applies to the following classes of vehicles:

(1) buses;
(2) recreational vehicles;
(3) semitrailers;
(4) tractors;
(5) trailers; and
(6) trucks.

As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-4

Exempt vehicles

Sec. 4. A vehicle is exempt from the wheel tax imposed under this chapter if the vehicle is:

(1) owned by this state;
(2) owned by a state agency of this state;
(3) owned by a political subdivision of this state;
(4) subject to the annual license excise surtax imposed under IC 6-3.5-4; or
(5) a bus owned and operated by a religious or nonprofit youth organization and used to haul persons to religious services or for the benefit of their members.

As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-5

Registration of vehicles

Sec. 5. If an adopting entity adopts an ordinance imposing the wheel tax after December 31 but before July 1 of the following year, a vehicle described in section 2(a) of this chapter is subject to the tax if it is registered in the county after December 31 of the year in which the ordinance is adopted. If an adopting entity adopts an ordinance imposing the wheel tax after June 30 but before the following January 1, a vehicle described in section 2(a) of this chapter is subject

to the tax if it is registered in the county after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the tax is effective, the tax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the tax is first effective.

As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.85-1983, SEC.7; P.L.43-1994, SEC.2; P.L.205-2013, SEC.95.

IC 6-3.5-5-6

Rescission of wheel tax and annual license excise surtax

Sec. 6. (a) After January 1 but before July 1 of any year, the adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the wheel tax. If the adopting entity adopts such an ordinance, the wheel tax does not apply to a vehicle registered after December 31 of the year the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to rescind the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to rescind the annual license excise surtax. In addition, the adopting entity may not adopt an ordinance to rescind the wheel tax if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

As added by Acts 1980, P.L.10, SEC.5. Amended by Acts 1981, P.L.88, SEC.3; P.L.205-2013, SEC.96.

IC 6-3.5-5-7

Increase or decrease of tax; rates

Sec. 7. (a) The adopting entity may, subject to the limitations imposed by subsection (b), adopt an ordinance to increase or decrease the wheel tax rates. The new wheel tax rates must be within the range of rates prescribed by section 2 of this chapter. New rates that are established by an ordinance that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after December 31 of the year in which the ordinance to change the rates is adopted. New rates that are established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

(b) The adopting entity may not adopt an ordinance to decrease the wheel tax rate under this section if:

(1) any portion of a loan obtained by the county under IC 8-14-8 is unpaid; or

(2) any bonds issued by the county under IC 8-14-9 are outstanding.

As added by Acts 1980, P.L.10, SEC.5. Amended by Acts 1981, P.L.88, SEC.4; P.L.85-1983, SEC.8; P.L.205-2013, SEC.97.

IC 6-3.5-5-8

Adopted ordinance; transmittal of copy to commissioner of bureau of motor vehicles

Sec. 8. If an adopting entity adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the adopting entity shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.205-2013, SEC.98.

IC 6-3.5-5-8.5

Credit upon sale of vehicle

Sec. 8.5. (a) Every owner of a vehicle for which the wheel tax has been paid for the owner's registration year is entitled to a credit if during that registration year the owner sells the vehicle. The amount of the credit equals the wheel tax paid by the owner for the vehicle that was sold. The credit may only be applied by the owner against the wheel tax owed for a vehicle that is purchased during the same registration year.

(b) An owner of a vehicle is not entitled to a refund of any part of a credit that is not used under this section.

As added by P.L.86-1983, SEC.1.

IC 6-3.5-5-9

Registration of motor vehicle; wheel tax; amount; collection

Sec. 9. A person may not register a vehicle in a county which has adopted the wheel tax unless he pays the wheel tax due, if any, to the bureau of motor vehicles. The amount of the wheel tax due is based on the wheel tax rate, for that class of vehicle, in effect at the time of registration. The bureau of motor vehicles shall collect the wheel tax due, if any, at the time a motor vehicle is registered. However, the bureau may utilize its branch offices to collect the wheel tax.

As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-9.5

Apportioned wheel tax for certain vehicles

Sec. 9.5. (a) This section applies to a wheel tax adopted after June 30, 2007.

(b) An owner of one (1) or more commercial vehicles paying an apportioned registration to the state under the International Registration Plan that is required to pay a wheel tax shall pay an apportioned wheel tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles. The apportioned wheel tax under this section shall be paid at the same time and in the same manner as the commercial motor vehicle excise tax under IC 6-6-5.5.

(c) A voucher from the department of state revenue showing payment of the wheel tax may be accepted by the bureau of motor vehicles in lieu of the payment required under section 9 of this

chapter.
As added by P.L.211-2007, SEC.31.

IC 6-3.5-5-10
Collections by branch office; disposition

Sec. 10. The wheel tax collected by a branch office shall be deposited daily by the branch manager in a separate account in a depository designated by the state board of finance.
As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-11
Collections by branch office; remittance to county treasurer; report

Sec. 11. On or before the tenth day of the month following the month in which wheel tax is collected at a branch office, the branch office manager shall remit the wheel tax to the county treasurer of the county that imposed the wheel tax. Concurrently with the remittance, the branch office manager shall file a wheel tax collections report with the county treasurer and the county auditor. The branch manager shall prepare the report on forms prescribed by the state board of accounts.
As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-12
Collections by branch office; report to bureau of motor vehicles

Sec. 12. Each branch office manager shall report wheel tax collections, if any, to the bureau of motor vehicles at the same time that registration fees are reported.
As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-13
Collection by bureau of motor vehicles or department of state revenue; remittance to county treasurer; report to county auditor

Sec. 13. (a) If the wheel tax is collected directly by the bureau of motor vehicles, instead of at a branch office, the commissioner of the bureau shall:

(1) remit the wheel tax to, and file a wheel tax collections report with, the appropriate county treasurer; and

(2) file a wheel tax collections report with the county auditor;

in the same manner and at the same time that a branch office manager is required to remit and report under section 11 of this chapter.

(b) If the wheel tax for a commercial vehicle is collected directly by the department of state revenue, the commissioner of the department of state revenue shall:

(1) remit the wheel tax to, and file a wheel tax collections report with, the appropriate county treasurer; and

(2) file a wheel tax collections report with the county auditor;

in the same manner and at the same time that a branch office manager is required to remit and report under section 11 of this chapter.
As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.211-2007,

SEC.32.

IC 6-3.5-5-14
Appropriation of money derived from wheel tax

Sec. 14. (a) In the case of a county that contains a consolidated city, the city-county council may appropriate money derived from the wheel tax to:

(1) the department of transportation established by IC 36-3-5-4 for use by the department under law; or

(2) an authority established under IC 36-7-23.

(b) The city-county council may not appropriate money derived from the wheel tax for any other purpose.

As added by Acts 1980, P.L.10, SEC.5. Amended by Acts 1982, P.L.33, SEC.8; P.L.346-1989(ss), SEC.1.

IC 6-3.5-5-15
Wheel tax fund; allocation; distribution; use

Sec. 15. (a) In the case of a county that does not contain a consolidated city, the county treasurer shall deposit the wheel tax revenues in a fund to be known as the "County Wheel Tax Fund".

(b) Before the twentieth day of each month, the county auditor shall allocate the money deposited in the county wheel tax fund during that month among the county and the cities and the towns in the county. The county auditor shall allocate the money to counties, cities, and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county wheel tax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b).

(d) A county, city, or town may only use the wheel tax revenues it receives under this section:

(1) to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction; or

(2) as a contribution to an authority established under IC 36-7-23.

As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.85-1983, SEC.9; P.L.346-1989(ss), SEC.2.

IC 6-3.5-5-16
Estimate of revenues; distribution

Sec. 16. (a) On or before August 1 of each year, the auditor of a county that contains a consolidated city of the first class and that has adopted the wheel tax shall provide the county council with an estimate of the wheel tax revenues to be received by the county during the next calendar year. The county shall show the estimated wheel tax revenues in its budget estimate for the calendar year.

(b) On or before August 1 of each year, the auditor of a county that does not contain a consolidated city of the first class and that has adopted the wheel tax shall provide the county and each city and

town in the county with an estimate of the wheel tax revenues to be distributed to that unit during the next calendar year. The county, city, or town shall show the estimated wheel tax revenues in its budget estimate for the calendar year.
As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-5-17
Service charge

Sec. 17. Each license branch shall collect the service charge prescribed under IC 9-29 for the wheel tax collected with respect to each vehicle registered by that branch.
As added by Acts 1980, P.L.10, SEC.5. Amended by P.L.42-1986, SEC.4; P.L.2-1991, SEC.39.

IC 6-3.5-5-18
Violations; offense

Sec. 18. (a) The owner of a vehicle who knowingly registers the vehicle without paying wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles, an employee of a branch office, or the manager of a branch office who recklessly issues a registration on any vehicle without collecting wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.
As added by Acts 1980, P.L.10, SEC.5.

IC 6-3.5-6

Chapter 6. County Option Income Tax

IC 6-3.5-6-0.7

Legalization of certain ordinances by Howard County fiscal body

Sec. 0.7. An ordinance adopted by the fiscal body for Howard County that:

(1) was adopted before April 29, 2007; and

(2) would have been in compliance with section 28 of this chapter, as amended by P.L.224-2007, if P.L.224-2007 had been enacted before the ordinance was adopted;

is legalized and validated to the same extent as if P.L.224-2007 had been enacted before the ordinance was adopted.

As added by P.L.220-2011, SEC.147.

IC 6-3.5-6-1

Definitions

Sec. 1. As used in this chapter:

"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5. However, in the case of a county taxpayer who is not treated as a resident county taxpayer of a county, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment.

"Apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"Civil taxing unit" means any entity, except a school corporation, that has the power to impose ad valorem property taxes. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a county in which a consolidated city is located, the consolidated city, the county, all special taxing districts, special service districts, included towns (as defined in IC 36-3-1-7), and all other political subdivisions except townships, excluded cities (as defined in IC 36-3-1-7), and school corporations shall be deemed to comprise one (1) civil taxing unit whose fiscal body is the fiscal body of the consolidated city.

"County income tax council" means a council established by section 2 of this chapter.

"County taxpayer", as it relates to a particular county, means any individual:

(1) who resides in that county on the date specified in section 20 of this chapter; or

(2) who maintains the taxpayer's principal place of business or employment in that county on the date specified in section 20 of this chapter and who does not reside on that same date in another county in which the county option income tax, the county adjusted income tax, or the county economic development income tax is in effect.

"Department" refers to the Indiana department of state revenue.

"Fiscal body" has the same definition that the term is given in IC 36-1-2-6.

"Homestead" has the meaning set forth in IC 6-1.1-12-37.

"Qualified residential property" refers to any of the following:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

"Resident county taxpayer", as it relates to a particular county, means any county taxpayer who resides in that county on the date specified in section 20 of this chapter.

"Residential rental property" means real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"School corporation" has the same definition that the term is given in IC 6-1.1-1-16.

As added by P.L.44-1984, SEC.14. Amended by P.L.23-1986, SEC.9; P.L.22-1988, SEC.4; P.L.96-1995, SEC.3; P.L.146-2008, SEC.335.

IC 6-3.5-6-1.1

Determination of allocation amount

Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units in the county, the allocation amount for a civil taxing unit is the amount determined using the following formula:

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

STEP TWO: Determine the sum of the following:

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

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

(C) The proceeds of any property that are:

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

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

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

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit or school corporation's certified distribution for the previous calendar year.

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

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

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

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

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

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

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

As added by P.L.207-2005, SEC.6. Amended by P.L.146-2008, SEC.336; P.L.182-2009(ss), SEC.217.

IC 6-3.5-6-1.3

Districts not entitled to distribution

Sec. 1.3. (a) This section applies to a county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113).

(b) A district may not receive a distribution under this chapter

unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.

(c) A resolution passed by a county fiscal body under subsection (b) may:

(1) expire on a date specified in the resolution; or

(2) remain in effect until the county fiscal body revokes or rescinds the resolution.

As added by P.L.96-1995, SEC.4. Amended by P.L.1-1996, SEC.48; P.L.70-2001, SEC.2.

IC 6-3.5-6-1.5

Time within which to adopt ordinance; effective date of ordinances

Sec. 1.5. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:

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

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

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

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

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

(2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.

(c) An ordinance authorized by this chapter that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit authorized under this chapter takes effect for and initially applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

(d) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance with this article:

(1) the commissioner shall:

(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and

(B) specify the corrective action that must be taken for the ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and

(2) the ordinance may not take effect until the corrective action is taken.

As added by P.L.113-2010, SEC.63. Amended by P.L.137-2012, SEC.76; P.L.13-2013, SEC.24; P.L.261-2013, SEC.12.

IC 6-3.5-6-2
County income tax council; established; powers

Sec. 2. (a) A county income tax council is established for each county in Indiana. The membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

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

(1) impose the county option income tax in its county;
(2) subject to section 12 of this chapter, rescind the county option income tax in its county;
(3) increase the county option income tax rate for the county;
(4) freeze the county option income tax rate for its county;
(5) increase the homestead credit in its county; or
(6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

As added by P.L.44-1984, SEC.14. Amended by P.L.2-1989, SEC.14; P.L.42-1994, SEC.4; P.L.267-2003, SEC.7; P.L.77-2011, SEC.11.

IC 6-3.5-6-3
County income tax council; allocation of votes

Sec. 3. (a) In the case of a city or town that lies within more than one (1) county, the county auditor of each county shall base the allocations required by subsection (b) on the population of that part of the city or town that lies within the county for which the allocations are being made.

(b) Every county income tax council has a total of one hundred (100) votes. Every member of the county income tax council is allocated a percentage of the total one hundred (100) votes that may be cast. The percentage that a city or town is allocated for a year equals the same percentage that the population of the city or town bears to the population of the county. The percentage that the county is allocated for a year equals the same percentage that the population of all areas in the county not located in a city or town bears to the population of the county. On or before January 1 of each year, the county auditor shall certify to each member of the county income tax council the number of votes, rounded to the nearest one hundredth (0.01), it has for that year.

As added by P.L.44-1984, SEC.14.

IC 6-3.5-6-4
Resolutions; transmittal to county auditor

Sec. 4. (a) A member of the county income tax council may exercise its votes by passing a resolution and transmitting the resolution to the auditor of the county. However, in the case of an ordinance to impose, rescind, increase, decrease, or freeze the county rate of the county option income tax, the member must transmit the resolution to the county auditor by the appropriate time described in section 8, 9, 10, or 11 of this chapter. The form of a resolution is as

follows:

"The _____ (name of civil taxing unit's fiscal body) casts its _____ votes _____ (for or against) the proposed ordinance of the _____ County Income Tax Council, which reads as follows:".

(b) A resolution passed by a member of the county income tax council exercises all votes of the member on the proposed ordinance, and those votes may not be changed during the year.

As added by P.L.44-1984, SEC.14. Amended by P.L.42-1994, SEC.5.

IC 6-3.5-6-5

Ordinances; procedure for proposal; voting

Sec. 5. Any member of a county income tax council may present an ordinance for passage. To do so, the member must pass a resolution to propose the ordinance to the county income tax council and distribute a copy of the proposed ordinance to the auditor of the county. The auditor of the county shall treat any proposed ordinance presented to the auditor under this section as a casting of all that member's votes in favor of that proposed ordinance. Subject to the limitations of section 6 of this chapter, the auditor of the county shall deliver copies of a proposed ordinance the auditor receives to all members of the county income tax council within ten (10) days after receipt. Once a member receives a proposed ordinance from the auditor of the county, the member shall vote on it within thirty (30) days after receipt.

As added by P.L.44-1984, SEC.14. Amended by P.L.28-1997, SEC.17.

IC 6-3.5-6-6

Ordinances; limitation of number; effect of passage on proposed ordinances; proposed ordinances with same effect

Sec. 6. (a) A county income tax council may pass only one (1) ordinance described in section 2(b)(1), 2(b)(2), 2(b)(3), 2(b)(4), or 2(b)(6) of this chapter in one (1) year. Once an ordinance described in section 2(b)(1), 2(b)(2), 2(b)(3), 2(b)(4), or 2(b)(6) of this chapter has been passed, the auditor of the county shall:

(1) cease distributing proposed ordinances of those types for the rest of the year; and

(2) withdraw from the membership any other of those types of proposed ordinances.

Any votes subsequently received by the auditor of the county on proposed ordinances of those types during that same year are void.

(b) The county income tax council may not vote on, nor may the auditor of the county distribute to the members of the county income tax council, any proposed ordinance during a year, if previously during that same year the auditor of the county received and distributed to the members of the county income tax council a proposed ordinance whose passage would have substantially the same effect.

As added by P.L.44-1984, SEC.14. Amended by P.L.42-1994, SEC.6.

IC 6-3.5-6-7
Ordinances; hearing; notice

Sec. 7. (a) Before a member of the county income tax council may propose an ordinance or vote on a proposed ordinance, the member must hold a public hearing on the proposed ordinance and provide the public with notice of the time and place where the public hearing will be held.

(b) The notice required by subsection (a) must be given in accordance with IC 5-3-1.

(c) The form of the notice required by this section must be in substantially the following form:

"NOTICE OF COUNTY OPTION
INCOME TAX ORDINANCE VOTE.

The fiscal body of the _____ (insert name of civil taxing unit) hereby declares that on _____ (insert date) at _____ (insert the time of day) a public hearing will be held at _____ (insert location) concerning the following resolution to propose an ordinance (or proposed ordinance) that is before the members of the county income tax council. Members of the public are cordially invited to attend the hearing for the purpose of expressing their views.

(Insert a copy of the proposed ordinance or resolution to propose an ordinance.)".

As added by P.L.44-1984, SEC.14.

IC 6-3.5-6-8
Imposition of tax; rate of tax; necessity and form of ordinance; recording of votes

Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on December 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county.

(b) Except as provided in sections 30, 31, and 32 of this chapter, the county option income tax may initially be imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five-hundredths of one percent (0.05%) for all other county taxpayers.

(c) To impose the county option income tax, a county income tax council must pass an ordinance. The ordinance must substantially state the following:

> "The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five-hundredths of one percent (0.05%) on all other county taxpayers.".

(d) Except as provided in sections 30, 31, and 32 of this chapter, if the county option income tax is imposed on the county taxpayers

of a county, then the county option income tax rate that is in effect for resident county taxpayers of that county increases by one-tenth of one percent (0.1%) on each succeeding October 1 until the rate equals six-tenths of one percent (0.6%).

(e) The county option income tax rate in effect for the county taxpayers of a county who are not resident county taxpayers of that county is at all times one-fourth (1/4) of the tax rate imposed upon resident county taxpayers.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.44-1984, SEC.14. Amended by P.L.35-1990, SEC.16; P.L.224-2007, SEC.70; P.L.77-2011, SEC.12; P.L.137-2012, SEC.77; P.L.261-2013, SEC.13.

IC 6-3.5-6-9
Increase of tax rate

Sec. 9. (a) If on January 1 of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter, the county income tax council of that county may pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one-tenth of one percent (0.1%) in the year in which the ordinance is adopted, as provided in section 1.5 of this chapter, and on each succeeding October 1 until its rate reaches a maximum of one percent (1%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter.

(b) The auditor of the county shall record any vote taken on an ordinance proposed under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.44-1984, SEC.14. Amended by P.L.35-1990, SEC.17; P.L.224-2007, SEC.71; P.L.77-2011, SEC.13; P.L.137-2012, SEC.78; P.L.261-2013, SEC.14.

IC 6-3.5-6-9.5
Repealed

(Repealed by P.L.2-1989, SEC.56.)

IC 6-3.5-6-10
Effect of adoption of county option income tax and county adjusted

gross income tax in same county

Sec. 10. If during a particular calendar year the county council of a county adopts an ordinance to impose the county adjusted gross income tax on the same day that the county option income tax council of the county adopts an ordinance to impose the county option income tax, the county option income tax takes effect in that county and the county adjusted gross income tax shall not take effect in that county.

As added by P.L.44-1984, SEC.14. Amended by P.L.224-2007, SEC.72; P.L.77-2011, SEC.14.

IC 6-3.5-6-11

Freeze of tax rate; adoption, duration, and rescission of ordinance

Sec. 11. (a) This section does not apply to a tax rate imposed under section 30 of this chapter.

(b) The county income tax council of any county may adopt an ordinance to permanently freeze the county option income tax rates at the rate in effect for its county on December 1 of a year.

(c) To freeze the county option income tax rates, a county income tax council must adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County Income Tax Council permanently freezes the county option income tax rates at the rate in effect on December 1 of the current year.".

(d) An ordinance adopted under the authority of this section remains in effect until rescinded.

(e) If a county income tax council rescinds an ordinance as adopted under this section, the county option income tax rate shall automatically increase by one-tenth of one percent (0.1%) until:

> (1) the tax rate is again frozen under another ordinance adopted under this section; or
>
> (2) the tax rate equals six-tenths of one percent (0.6%) (if the frozen tax rate equaled an amount less than six-tenths of one percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled an amount in excess of six-tenths of one percent (0.6%)).

(f) The county auditor shall record any vote taken on an ordinance proposed under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.44-1984, SEC.14. Amended by P.L.35-1990, SEC.18; P.L.224-2007, SEC.73; P.L.77-2011, SEC.15; P.L.137-2012, SEC.79; P.L.261-2013, SEC.15.

IC 6-3.5-6-12

Duration of tax; rescission of tax; record of votes

Sec. 12. (a) The county option income tax imposed by a county

income tax council under this chapter remains in effect until rescinded.

(b) Subject to subsection (c), the county income tax council of a county may rescind the county option income tax by passing an ordinance.

(c) A county income tax council may not rescind the county option income tax or take any action that would result in a civil taxing unit in the county having a smaller distributive share than the distributive share to which it was entitled when it pledged county option income tax, if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county option income tax, has pledged county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) The auditor of a county shall record all votes taken on a proposed ordinance presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.44-1984, SEC.14. Amended by P.L.2-1989, SEC.15; P.L.35-1990, SEC.19; P.L.28-1997, SEC.18; P.L.224-2007, SEC.74; P.L.77-2011, SEC.16; P.L.137-2012, SEC.80; P.L.261-2013, SEC.16.

IC 6-3.5-6-12.5

Decrease in county option income tax rate; adoption of ordinance; procedures

Sec. 12.5. (a) The county income tax council may adopt an ordinance to decrease the county option income tax rate in effect.

(b) To decrease the county option income tax rate, the county income tax council must adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County Income Tax Council decreases the county option income tax rate from _____ percent (___ %) to _____ percent (___ %).".

(c) A county income tax council may not decrease the county option income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the county option income tax has pledged the county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) The county auditor shall record the votes taken on an ordinance under this subsection and, not more than ten (10) days after the vote, shall send a certified copy of the ordinance to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(e) Notwithstanding IC 6-3.5-7, a county income tax council that decreases the county option income tax in a year may not in the same

year adopt or increase the county economic development income tax under IC 6-3.5-7.

As added by P.L.42-1994, SEC.7. Amended by P.L.224-2007, SEC.75; P.L.77-2011, SEC.17; P.L.137-2012, SEC.81; P.L.261-2013, SEC.17.

IC 6-3.5-6-13

Homestead credit percentage; determination

Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to provide a homestead credit for homesteads in its county.

(b) A county income tax council may not provide a homestead credit percentage that exceeds the amount determined in the last STEP of the following formula:

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

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

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

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g) before its repeal) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that establishes the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

As added by P.L.44-1984, SEC.14. Amended by P.L.3-1989, SEC.41; P.L.224-2003, SEC.247; P.L.97-2004, SEC.30; P.L.224-2007, SEC.76; P.L.146-2008, SEC.337; P.L.77-2011, SEC.18.

IC 6-3.5-6-13.5
County income tax council meetings to consider rate adjustment

Sec. 13.5. A county income tax council must before August 1 of each odd-numbered year hold at least one (1) public meeting at which the county income tax council discusses whether the county option income tax rate under this chapter should be adjusted.

As added by P.L.182-2009(ss), SEC.218.

IC 6-3.5-6-14
Taxpayer subject to different tax rates; rate of tax

Sec. 14. If for any taxable year a county taxpayer is subject to different tax rates for the county option income tax imposed by a particular county, the taxpayer's county option income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: For each tax rate in effect in a year, multiply the number of months in the taxpayer's taxable year in which the rate is in effect.

STEP TWO: Divide the sum of the amounts determined under STEP ONE by twelve (12).

As added by P.L.44-1984, SEC.14. Amended by P.L.224-2007, SEC.77; P.L.77-2011, SEC.19.

IC 6-3.5-6-15
Tax not in effect entire taxable year

Sec. 15. If the county option income tax is not in effect during a county taxpayer's entire taxable year, the amount of county option income tax that the county taxpayer owes for that taxable year equals the product of:

(1) the amount of county option income tax the county taxpayer would owe if the tax had been imposed during the county taxpayer's entire taxable year; multiplied by

(2) a fraction. The numerator of the fraction equals the number of days in the county taxpayer's taxable year during which the county option income tax was in effect. The denominator of the fraction equals the total number of days in the county taxpayer's taxable year.

However, if the taxpayer files state income tax returns on a calendar year basis, the fraction to be applied under this section is one-half (1/2).

As added by P.L.44-1984, SEC.14.

IC 6-3.5-6-16
Deposit of revenue in special account

Sec. 16. (a) A special account within the state general fund shall be established for each county that adopts the county option income tax. Any revenue derived from the imposition of the county option income tax by a county shall be deposited in that county's account in the state general fund.

(b) Any income earned on money held in an account under

subsection (a) becomes a part of that account.

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

As added by P.L.44-1984, SEC.14.

IC 6-3.5-6-17

Calculation of certified distribution; summary of calculation; notice to county auditor; notice to taxing units

Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the budget agency determines has been:

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

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

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

(b) Before August 2 of each calendar year, the budget agency shall provide to the county auditor of each adopting county an estimate of the amount determined under subsection (a) that will be distributed to the county, based on known tax rates. Not later than thirty (30) days after receiving the estimate of the certified distribution, the county auditor shall notify each taxing unit of the estimated amount of distributive shares and other revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Before October 1 of each calendar year, the budget agency shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). Not later than thirty (30) days after receiving the notice of the amount of the certified distribution, the county auditor shall notify each taxing unit of the amount of distributive shares and other revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

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

(2) adjustments for over distributions in prior years;

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

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.

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

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

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

(e) This subsection applies to a county that imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment required under subsections (c), (d), and (f). The adjusted certification shall be treated as the county's "certified distribution" for the immediately succeeding calendar year. The budget agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the calculations that revises the informative summary provided in subsection (b) and reflects the changes made in the adjustment.

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other

provision, the budget agency shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

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

(2) the following:

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

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

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

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

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

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

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

(l) The estimates under subsections (j) and (k) must specify the amount of the estimated certified distributions that are attributable to the additional rate authorized under section 30 of this chapter, the additional rate authorized under section 31 of this chapter, the additional rate authorized under section 32 of this chapter, and any other additional rates authorized under this chapter.

As added by P.L.44-1984, SEC.14. Amended by P.L.23-1986, SEC.10; P.L.178-2002, SEC.61; P.L.1-2003, SEC.42; P.L.267-2003, SEC.8; P.L.207-2005, SEC.7; P.L.224-2007, SEC.78; P.L.146-2008, SEC.338; P.L.182-2009(ss), SEC.219; P.L.113-2010, SEC.64; P.L.229-2011, SEC.90; P.L.137-2012, SEC.82; P.L.261-2013, SEC.18; P.L.153-2014, SEC.7.

IC 6-3.5-6-17.2

Annual report to county auditor

Sec. 17.2. Before October 2 of each year, the budget agency shall submit a report to each county auditor indicating the balance in the

county's special account as of the cutoff date set by the budget agency.

As added by P.L.178-2002, SEC.62. Amended by P.L.267-2003, SEC.9; P.L.182-2009(ss), SEC.220.

IC 6-3.5-6-17.3

Distribution of excess balance; use

Sec. 17.3. (a) If the budget agency determines that the balance in a county trust account exceeds fifty percent (50%) of the certified distributions to be made to the county in the ensuing year, the budget agency shall make a supplemental distribution to the county from the county's special account.

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

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

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

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

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

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

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

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

As added by P.L.178-2002, SEC.63. Amended by P.L.267-2003, SEC.10; P.L.182-2009(ss), SEC.221; P.L.229-2011, SEC.91; P.L.261-2013, SEC.19.

IC 6-3.5-6-17.4

Repealed

(Repealed by P.L.267-2003, SEC.16.)

IC 6-3.5-6-17.5

Repealed

(Repealed by P.L.267-2003, SEC.16.)

IC 6-3.5-6-17.6

Repealed

(Repealed by P.L.267-2003, SEC.16.)

IC 6-3.5-6-18

Use of revenue by county auditors; distribution of revenue to civil taxing units and school corporations; qualified economic development tax projects

Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

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

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

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) fund the operation of a public library in a county containing a consolidated city as provided in an election, if any, made by the county fiscal body under IC 36-3-7-6;

(5) make payments permitted under IC 36-7-14-25.5 or IC 36-7-15.1-17.5;

(6) make payments permitted under subsection (i);

(7) make distributions of distributive shares to the civil taxing units of a county;

(8) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter; and

(9) fund a public transportation project approved in an eligible county under IC 8-25-2 or in a township under IC 8-25-6, if any.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-3-7-6, IC 36-7-14-25.5, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

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

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

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

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

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

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

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

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

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

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

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

As added by P.L.44-1984, SEC.14. Amended by P.L.225-1986, SEC.10; P.L.32-1986, SEC.2; P.L.84-1987, SEC.3; P.L.2-1989, SEC.16; P.L.28-1993, SEC.7; P.L.273-1999, SEC.71; P.L.283-2001, SEC.4; P.L.90-2002, SEC.296; P.L.120-2002, SEC.4; P.L.1-2003, SEC.44; P.L.255-2003, SEC.4; P.L.207-2005, SEC.8; P.L.162-2006, SEC.31; P.L.184-2006, SEC.6; P.L.1-2007, SEC.63; P.L.224-2007,

SEC.79; P.L.182-2009(ss), SEC.222; P.L.135-2011, SEC.1; P.L.153-2014, SEC.8.

IC 6-3.5-6-18.5
Distributive shares to civil taxing units in counties containing a consolidated city

Sec. 18.5. (a) This section applies to a county containing a consolidated city.

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

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

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

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

Center Township	$1,898,145
Decatur Township	$164,103
Franklin Township	$173,934
Lawrence Township	$890,086
Perry Township	$854,544
Pike Township	$1,410,375
Warren Township	$1,027,721
Washington Township	$1,017,890
Wayne Township	$988,397
Lawrence-City	$648,848
Beech Grove	$639,017
Southport	$18,906
Speedway	$546,000

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

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 for each civil taxing unit for the calendar year in which the month falls, plus, for a county, the welfare allocation amount; divided by

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

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the welfare allocation amount; divided by

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

(c) The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and the property taxes

imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, thirty-five million dollars ($35,000,000).

As added by P.L.42-1994, SEC.10. Amended by P.L.98-1995, SEC.1; P.L.273-1999, SEC.72; P.L.283-2001, SEC.5; P.L.120-2002, SEC.5; P.L.255-2003, SEC.5; P.L.234-2005, SEC.5; P.L.146-2008, SEC.339.

IC 6-3.5-6-18.6

Timing of income tax distributions within the county

Sec. 18.6. (a) The county auditor shall timely distribute the certified distribution received under section 17 of this chapter to each civil taxing unit that is a recipient of distributive shares as provided by sections 18 and 18.5 of this chapter.

(b) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 17 of this chapter.

As added by P.L.26-2009, SEC.2.

IC 6-3.5-6-19

Calculation of distributive shares; allowable uses of revenue

Sec. 19. (a) Except as provided in sections 18(e) and 18.5(b)(3) of this chapter, in determining the fractional share of distributive shares the civil taxing units of a county are entitled to receive under section 18 of this chapter during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(b) In determining the amount of distributive shares a civil taxing unit is entitled to receive under section 18(g) of this chapter, the department of local government finance shall consider only the percentage of the civil taxing unit's budget that equals the ratio that the total assessed valuation that lies within the civil taxing unit and the county that has adopted the county option tax bears to the total assessed valuation that lies within the civil taxing unit.

(c) The distributive shares to be allocated and distributed under this chapter:

(1) shall be treated by each civil taxing unit as additional revenue for the purpose of fixing the civil taxing unit's budget for the budget year during which the distributive shares are to be distributed to the civil taxing unit; and

(2) may be used for any lawful purpose of the civil taxing unit.

(d) In the case of a civil taxing unit that includes a consolidated city, its fiscal body may distribute any revenue it receives under this chapter to any governmental entity located in its county except an excluded city, a township, or a school corporation.

As added by P.L.44-1984, SEC.14. Amended by P.L.225-1986,

SEC.11; P.L.273-1999, SEC.73; P.L.90-2002, SEC.297; P.L.267-2003, SEC.11; P.L.118-2005, SEC.1.

IC 6-3.5-6-20
County residents; determination

Sec. 20. (a) For purposes of this chapter, an individual shall be treated as a resident of the county in which he:

(1) maintains a home, if the individual maintains only one (1) in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers his personal automobile; or

(4) if subdivision (1), (2), or (3) does not apply, spends the majority of his time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on January 1 of the calendar year in which the individual's taxable year commences. If an individual changes the location of his residence or principal place of employment or business to another county in Indiana during a calendar year, his liability for county option income tax is not affected.

(c) Notwithstanding subsection (b), if an individual becomes a county taxpayer for purposes of IC 36-7-27 during a calendar year because the individual:

(1) changes the location of the individual's residence to a county in which the individual begins employment or business at a qualified economic development tax project (as defined in IC 36-7-27-9); or

(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which the county option income tax is in effect;

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable only by the county containing the qualified economic development tax project.

As added by P.L.44-1984, SEC.14. Amended by P.L.42-1994, SEC.11.

IC 6-3.5-6-21
Reciprocity agreements

Sec. 21. (a) Using procedures provided under this chapter, the county income tax council of any adopting county may pass an ordinance to enter into reciprocity agreements with the taxing authority of any city, town, municipality, county, or other similar local governmental entity of any other state. The reciprocity agreements must provide that the income of resident county taxpayers is exempt from income taxation by the other local governmental entity to the extent income of the residents of the other

local governmental entity is exempt from the county option income tax in the adopting county.

(b) A reciprocity agreement adopted under this section may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) The form and effective date of any reciprocity agreement described in this section must be approved by the department.

As added by P.L.44-1984, SEC.14.

IC 6-3.5-6-22

Adjusted gross income tax provisions; applicability; employer's withholding report

Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

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

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted to the department:

(1) each time the employer remits to the department the tax that is withheld; and
(2) annually along with the employer's annual withholding report.

As added by P.L.44-1984, SEC.14. Amended by P.L.23-1986, SEC.11; P.L.57-1997, SEC.5; P.L.146-2008, SEC.340.

IC 6-3.5-6-23

Credit for income tax imposed by local governmental entity outside Indiana

Sec. 23. (a) Except as provided in subsection (b), if for a particular taxable year a county taxpayer is liable for an income tax imposed by a county, city, town, or other local governmental entity located outside of Indiana, that county taxpayer is entitled to a credit against the county option income tax liability for that same taxable year. The amount of the credit equals the amount of tax imposed by the other governmental entity on income derived from sources outside Indiana and subject to the county option income tax. However, the credit provided by this section may not reduce a county

taxpayer's county option income tax liability to an amount less than would have been owed if the income subject to taxation by the other governmental entity had been ignored.

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

(c) To claim the credit provided by this section, a county taxpayer must provide the department with satisfactory evidence that the taxpayer is entitled to the credit.

As added by P.L.23-1986, SEC.12.

IC 6-3.5-6-24

Credit for the elderly or persons with a total disability

Sec. 24. (a) If for a particular taxable year a county taxpayer is, or a county taxpayer and the taxpayer's spouse who file a joint return are, allowed a credit for the elderly or individuals with a total disability under Section 22 of the Internal Revenue Code, the county taxpayer is, or the county taxpayer and the taxpayer's spouse are, entitled to a credit against the county option income tax liability for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the credit for the elderly or individuals with a total disability for that same taxable year; multiplied by

(B) a fraction, the numerator of which is the county option income tax rate imposed against the county taxpayer, or the county taxpayer and the taxpayer's spouse, and the denominator of which is fifteen-hundredths (0.15); or

(2) the amount of county option income tax imposed on the county taxpayer, or the county taxpayer and the taxpayer's spouse.

(b) If a county taxpayer and the taxpayer's spouse file a joint return and are subject to different county option income tax rates for the same taxable year, they shall compute the credit under this section by using the formula provided by subsection (a), except that they shall use the average of the two (2) county option income tax rates imposed against them as the numerator referred to in subsection (a)(1)(B).

As added by P.L.23-1986, SEC.13. Amended by P.L.63-1988, SEC.10; P.L.99-2007, SEC.28.

IC 6-3.5-6-25

Public sale of obligations

Sec. 25. Notwithstanding any other law, if a civil taxing unit desires to issue obligations, or enter into leases, payable wholly or in part by the county option income tax, the obligations of the civil taxing unit or any lessor may be sold at public sale in accordance with IC 5-1-11 or at negotiated sale.

As added by P.L.2-1989, SEC.17.

IC 6-3.5-6-26

Enforcement of pledge of county option income tax revenue; covenant by general assembly

Sec. 26. (a) A pledge of county option income tax revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter for property tax relief or public safety) is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

As added by P.L.178-2002, SEC.67. Amended by P.L.224-2007, SEC.82; P.L.153-2014, SEC.9.

IC 6-3.5-6-27

Miami County additional rate; findings; uses

Sec. 27. (a) This section applies only to Miami County. Miami County possesses unique economic development challenges due to:

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

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

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

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

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

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

renovating, and equipping a county jail.

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

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

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

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

(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

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

As added by P.L.214-2005, SEC.18. Amended by P.L.182-2009(ss), SEC.223.

IC 6-3.5-6-28

Howard County additional rate; findings; uses

Sec. 28. (a) This section applies only to Howard County.

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

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

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

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

(2) agreeing to freeze the part of any property tax levy imposed

in the county for the operation of the jail or juvenile detention center, or both, covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section for the term in which an ordinance is in effect under this section.

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

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

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

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

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

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

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

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

As added by P.L.214-2005, SEC.19. Amended by P.L.224-2007, SEC.80; P.L.182-2009(ss), SEC.224; P.L.77-2011, SEC.20; P.L.137-2012, SEC.83; P.L.261-2013, SEC.20.

IC 6-3.5-6-29

Scott County additional rate; findings; uses

Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:

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

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

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

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

promotes the purpose of maintaining low property tax rates.

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

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

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

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

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

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

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

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

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

permissible property tax levy limit under IC 6-1.1-18.5; and

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

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

As added by P.L.162-2006, SEC.32 and P.L.184-2006, SEC.7. Amended by P.L.1-2007, SEC.64; P.L.224-2007, SEC.81; P.L.182-2009(ss), SEC.225; P.L.77-2011, SEC.21; P.L.137-2012, SEC.84; P.L.261-2013, SEC.21.

IC 6-3.5-6-30

Rate for property tax levy freeze; rate for public transportation

Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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

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

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

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

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

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

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

(B) the following:

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

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

consolidated city, two (2).

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

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

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

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

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

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

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

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

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

(g) Except as provided in subsection (u), the department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(b) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(b), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(b) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009,

determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(b) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

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

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

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

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

(j) The tax levy under this section shall not be considered for purposes of the credit under IC 6-1.1-20.6.

(k) Except as provided in subsections (t) and (u), a distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section (other than a tax rate imposed under subsection (t)), the

county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

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

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

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

(n) Except as provided in subsection (t) and IC 8-25, a pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) Except as provided in subsections (t) and (u), a county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(b) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

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

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

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

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

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

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

(s) Notwithstanding any other provision, in:

(1) Lake County;

(2) Delaware County; and

(3) Madison County;

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

(t) This subsection applies only to Delaware County and Madison County. If the voters of a county approve a local public question under IC 8-25-2, the fiscal body of the county may, after at least one (1) public meeting, adopt an ordinance to provide for the use of county option income tax revenue attributable to an additional tax rate imposed under this subsection to fund a public transportation project under IC 8-25. However, a county fiscal body shall adopt an ordinance under this subsection if required by IC 8-25-6-10 to impose an additional tax rate on the county taxpayers who reside in a township in which the voters approve a public transportation project in a local public question held under IC 8-25-6. An ordinance adopted under this subsection must specify an additional tax rate to be imposed in the county (or township in the case of an additional rate required by IC 8-25-6-10) of at least one-tenth percent (0.1%), but not more than twenty-five hundredths percent (0.25%). If an ordinance is adopted under this subsection, the amount of the certified distribution attributable to the additional tax rate imposed under this subsection must be:

(1) retained by the county auditor;

(2) deposited in the county public transportation project fund established under IC 8-25-3-7; and

(3) used for the purpose provided in this subsection instead of as a property tax replacement distribution.

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

(1) Subsection (e).

(2) Subsection (f).

(3) Subsection (g).

(4) Subsection (k).

(5) Subsection (n).

(6) Subsection (o).

(7) Subsection (q).

As added by P.L.224-2007, SEC.83. Amended by P.L.146-2008, SEC.341; P.L.77-2011, SEC.22; P.L.172-2011, SEC.76; P.L.137-2012, SEC.85; P.L.261-2013, SEC.22; P.L.153-2014, SEC.10.

IC 6-3.5-6-31

Rate for public safety

Sec. 31. (a) As used in this section, "public safety" refers to the following:

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.
(3) Emergency ambulance services (as defined in IC 16-18-2-107).
(4) Emergency medical services (as defined in IC 16-18-2-110).
(5) Emergency action (as defined in IC 13-11-2-65).
(6) A probation department of a court.
(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:
(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);
(B) convicted of a crime; or
(C) adjudicated as a delinquent child or a child in need of services.
(8) A juvenile detention facility under IC 31-31-8.
(9) A juvenile detention center under IC 31-31-9.
(10) A county jail.
(11) A communications system (as defined in IC 36-8-15-3), an enhanced emergency telephone system (as defined in IC 36-8-16-2 (before its repeal on July 1, 2012)), or the statewide 911 system (as defined in IC 36-8-16.7-22).
(12) Medical and health expenses for jail inmates and other confined persons.
(13) Pension payments for any of the following:
(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.
(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.
(C) A county sheriff or any other member of the office of the county sheriff.
(D) Other personnel employed to provide a service described in this section.

(b) The county income tax council may adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety if:
(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or
(2) the county income tax council has imposed a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 30 of this chapter, a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 32 of this chapter, or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 30 and 32 of

this chapter, in the case of a county other than a county containing a consolidated city.

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) Twenty-five hundredths of one percent (0.25%), in the case of a county other than a county containing a consolidated city.

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

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

(f) Except as provided in subsections (l) and (m), the county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county that is carrying out or providing at least one (1) of the public safety purposes described in subsection (a). The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by

(B) the sum of the total property taxes being collected in the county by the county and each municipality in the county that is entitled to a distribution under this section for the calendar year.

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

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

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

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

provision of this chapter;

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

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

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

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

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

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

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

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

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

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

As added by P.L.224-2007, SEC.84. Amended by P.L.146-2008, SEC.342; P.L.172-2011, SEC.77; P.L.132-2012, SEC.4; P.L.137-2012, SEC.86; P.L.13-2013, SEC.25; P.L.261-2013, SEC.23.

IC 6-3.5-6-32

Rate for property tax relief

Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to taxpayers in the

county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

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

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

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

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

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

(2) The tax revenue may be used to uniformly increase (before January 1, 2011) or uniformly provide (after December 31, 2010) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property

tax levies. The homestead credits do not reduce the basis for determining any state homestead credit. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The county auditor shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

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

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

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

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

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

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

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

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

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be

used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

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

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

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

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

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

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

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

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

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

As added by P.L.224-2007, SEC.85. Amended by P.L.146-2008, SEC.343; P.L.113-2010, SEC.65; P.L.172-2011, SEC.78; P.L.137-2012, SEC.87; P.L.261-2013, SEC.24.

IC 6-3.5-6-33

Monroe County; additional rate for operation and maintenance of

juvenile detention center and other juvenile services facilities

Sec. 33. (a) This section applies only to Monroe County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose an additional county option income tax at a rate of not more than twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county fiscal body makes the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

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

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities necessary to provide juvenile services; and

(2) agreeing to freeze for the term in which an ordinance is in effect under this section the part of any property tax levy imposed in the county for the operation of the juvenile detention center and other facilities covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section.

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

(f) The county treasurer shall establish a county juvenile detention center revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county juvenile detention center revenue fund before a certified distribution is made under section 18 of this chapter.

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

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

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

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

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

As added by P.L.224-2007, SEC.86. Amended by P.L.182-2009(ss), SEC.226; P.L.77-2011, SEC.23; P.L.137-2012, SEC.88; P.L.261-2013, SEC.25.

IC 6-3.5-6-34

Applicability of tax rate in a township opting-in to a public transportation project

Sec. 34. Notwithstanding any other law, if an additional tax rate imposed under section 30(t) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.

As added by P.L.153-2014, SEC.11.

IC 6-3.5-7

Chapter 7. County Economic Development Income Tax

IC 6-3.5-7-0.3

Legalization of certain county income tax council actions; legalization of certain capital improvement plans

Sec. 0.3. The following are legalized and validated:

(1) Any action taken by a county income tax council in adopting the county economic development income tax, if the action would have been valid under section 5 of this chapter, as amended by P.L.28-1993.

(2) Any action of a county in adopting a capital improvement plan under section 15 of this chapter, if the action would have been valid under this chapter, as amended by P.L.28-1993.

As added by P.L.220-2011, SEC.148.

IC 6-3.5-7-1

"Adjusted gross income"

Sec. 1. (a) Except as otherwise provided in this section, as used in this chapter, "adjusted gross income" has the meaning set forth in IC 6-3-1-3.5(a).

(b) In the case of a county taxpayer who is not a resident of a county that has imposed the county economic development income tax, the term "adjusted gross income" includes only adjusted gross income derived from the taxpayer's principal place of business or employment.

(c) In the case of a county taxpayer who is a resident of Perry County, the term "adjusted gross income" does not include adjusted gross income that is:

(1) earned in a county that is:

(A) located in another state; and

(B) adjacent to the county in which the taxpayer resides; and

(2) subject to an income tax imposed by a county, city, town, or other local governmental entity in the other state.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.66-1991, SEC.1; P.L.12-1992, SEC.29; P.L.170-2002, SEC.28; P.L.119-2012, SEC.46.

IC 6-3.5-7-1.5

Repealed

(Repealed by P.L.137-2012, SEC.89.)

IC 6-3.5-7-2

"County council"

Sec. 2. As used in this chapter, "county council" includes the city-county council of a consolidated city.

As added by P.L.380-1987(ss), SEC.6.

IC 6-3.5-7-3

"County taxpayer"

Sec. 3. As used in this chapter, "county taxpayer" as it relates to a county for a year means any individual who:

(1) resides in that county on the date specified in section 17 of this chapter; or

(2) maintains a principal place of business or employment in that county on the date specified in section 17 of this chapter and who does not on that same date reside in another county in which the county adjusted gross income tax, the county option income tax, or the county economic development income tax is in effect.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.22-1988, SEC.6.

IC 6-3.5-7-4
"Department"

Sec. 4. As used in the chapter, "department" refers to the department of state revenue.

As added by P.L.380-1987(ss), SEC.6.

IC 6-3.5-7-4.3
Repealed

(Repealed by P.L.137-2012, SEC.90; P.L.137-2012, SEC.134.)

IC 6-3.5-7-4.6
Repealed

(Repealed by P.L.137-2012, SEC.91.)

IC 6-3.5-7-4.7
Repealed

(Repealed by P.L.137-2012, SEC.92.)

IC 6-3.5-7-4.8
Repealed

(Repealed by P.L.137-2012, SEC.93.)

IC 6-3.5-7-4.9
Time within which to adopt ordinance; effective date of ordinances

Sec. 4.9. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:

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

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

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

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

(1) An ordinance adopted after December 31 of the immediately preceding year and before September 1 of the current year takes

effect on October 1 of the current year.

(2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.

(c) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit authorized under this chapter takes effect for and applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

(d) If the commissioner of the department determines that an ordinance described in subsection (b) was not adopted according to the requirements of this article or is otherwise not in compliance with this article:

(1) the commissioner shall:

(A) notify the county auditor that the ordinance was not adopted according to the requirements of this article or is not in compliance with this article; and

(B) specify the corrective action that must be taken for the ordinance to be adopted according to the requirements of this article and to be in compliance with this article; and

(2) the ordinance may not take effect until the corrective action is taken.

As added by P.L.113-2010, SEC.66. Amended by P.L.261-2013, SEC.26.

IC 6-3.5-7-5

Imposition of tax; procedures; rate of tax; ordinance; effective date; vote

Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. Except as provided in section 26(m) of this chapter, the entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on October 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on October 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

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

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

(1) one-tenth percent (0.1%);

(2) two-tenths percent (0.2%);

(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

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

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must adopt an ordinance.

(e) The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county.".

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

(g) For Jackson County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(h) For Pulaski County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(i) For Wayne County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(j) This subsection applies to Randolph County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

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

and

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

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

(k) For Daviess County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(l) For:

(1) Elkhart County; or

(2) Marshall County;

except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For Union County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) This subsection applies to Knox County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

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

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

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

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(o) This subsection applies to a county in which an adopting entity approves the use of the certified distribution for property tax relief under section 26(c) and 26(e) of this chapter or to a county in which the county fiscal body approves the use of the certified distribution to fund a public transportation project under section 26(m) of this chapter. In addition:

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

(2) the:

(A) county economic development income tax; and

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

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

Except as provided in section 5.5 of this chapter, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed) before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(y) This subsection applies to Perry County. Except as provided in subsection (o), if an ordinance is adopted under section 27.5 of this chapter, the county economic development income tax rate plus the county option income tax rate that is in effect on January 1 of a year may not exceed one and seventy-five hundredths percent (1.75%).

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

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.35-1990, SEC.20; P.L.28-1993, SEC.8; P.L.44-1994, SEC.6; P.L.99-1995, SEC.1; P.L.119-1998, SEC.11; P.L.135-2001, SEC.6; P.L.291-2001, SEC.179; P.L.185-2001, SEC.3; P.L.1-2002, SEC.34; P.L.178-2002, SEC.68; P.L.192-2002(ss), SEC.121; P.L.42-2003, SEC.5; P.L.224-2003, SEC.254; P.L.97-2004, SEC.31; P.L.214-2005, SEC.20; P.L.162-2006, SEC.33; P.L.184-2006, SEC.8; P.L.1-2007, SEC.65; P.L.224-2007, SEC.87; P.L.232-2007, SEC.3; P.L.3-2008, SEC.62; P.L.146-2008, SEC.344; P.L.77-2011, SEC.24;

P.L.199-2011, SEC.1; P.L.119-2012, SEC.48; P.L.137-2012, SEC.94; P.L.261-2013, SEC.27; P.L.153-2014, SEC.12.

IC 6-3.5-7-5.5
Limits on additional rate to mitigate the effect of inventory deduction do not apply to additional tax rate for public transportation

Sec. 5.5. (a) This section applies to Hamilton County and Marion County.

(b) If an additional tax rate is imposed under section 5(o) of this chapter:

(1) by a county subject to this section; and

(2) for the purpose described in section 26(m) of this chapter;

the additional tax rate is not subject to the limitations set forth in section 5(o) of this chapter that relate to increased ad valorem property taxes on homesteads or residential property resulting from the exclusion of inventory from the definition of personal property in IC 6-1.1-1-11.

As added by P.L.153-2014, SEC.13.

IC 6-3.5-7-6
Rate decrease or increase; limitations; ordinance; vote

Sec. 6. (a) The body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from _____ percent (___%) to _____ percent (___%).".

(b) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.35-1990, SEC.21; P.L.44-1994, SEC.7; P.L.99-1995, SEC.2; P.L.119-1998, SEC.12; P.L.224-2007, SEC.88; P.L.77-2011, SEC.25; P.L.137-2012, SEC.95; P.L.261-2013, SEC.28.

IC 6-3.5-7-7
Tax effective until rescission; rescinding ordinance; vote

Sec. 7. (a) The county economic development income tax imposed under this chapter remains in effect until rescinded.

(b) Subject to section 14 of this chapter, the body imposing the county economic development income tax may rescind the tax by adopting an ordinance.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department, the director of the budget agency, and the commissioner of the department of local government finance in an electronic format approved by the director of the budget agency.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.35-1990, SEC.22; P.L.28-1997, SEC.19; P.L.224-2007, SEC.89; P.L.77-2011, SEC.26; P.L.137-2012, SEC.96; P.L.261-2013, SEC.29.

IC 6-3.5-7-8

Tax effective for less than taxable year; calculation

Sec. 8. If the county economic development income tax is not in effect during a county taxpayer's entire taxable year, then the amount of county economic development income tax that the county taxpayer owes for that taxable year equals the product of:

(1) the amount of county economic development income tax the county taxpayer would owe if the tax had been imposed during the county taxpayer's entire taxable year; multiplied by

(2) a fraction. The numerator of the fraction equals the number of days during the county taxpayer's taxable year during which the county economic development income tax was in effect. The denominator of the fraction equals three hundred sixty-five (365).

As added by P.L.380-1987(ss), SEC.6.

IC 6-3.5-7-8.1

Credit for taxes imposed by local governmental entites outside Indiana

Sec. 8.1. (a) This section applies to a taxable year beginning after December 31, 2014.

(b) Except as provided in subsection (c), if for a particular taxable year a county taxpayer is liable for an income tax imposed by a county, city, town, or other local governmental entity located outside Indiana, that county taxpayer is entitled to a credit against the county taxpayer's county economic development income tax liability for that same taxable year. The amount of the credit equals the amount of tax imposed by the other governmental entity on income derived from sources outside Indiana and subject to the county economic development income tax. However, the credit provided by this section may not reduce a county taxpayer's economic development income tax liability to an amount less than would have been owed if the income subject to taxation by the other governmental entity had been ignored.

(c) The credit provided by this section does not apply to a county taxpayer to the extent that the other governmental entity described in

subsection (b) provides for a credit to the taxpayer for the amount of county economic development income taxes owed under this chapter.

(d) To claim the credit provided by this section, a county taxpayer must provide the department with satisfactory evidence that the county taxpayer is entitled to the credit.

As added by P.L.190-2014, SEC.23.

IC 6-3.5-7-9

Credit for the elderly or persons with a total disability; computation

Sec. 9. (a) If for a taxable year a county taxpayer is (or a county taxpayer and a county taxpayer's spouse who file a joint return are) allowed a credit for the elderly or individuals with a total disability under Section 22 of the Internal Revenue Code, the county taxpayer is (or the county taxpayer and the county taxpayer's spouse are) entitled to a credit against the county taxpayer's (or the county taxpayer's and the county taxpayer's spouse's) county economic development income tax liability for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the county taxpayer's (or the county taxpayer's and the county taxpayer's spouse's) credit for the elderly or individuals with a total disability for that same taxable year; multiplied by

(B) a fraction. The numerator of the fraction is the county economic development income tax rate imposed against the county taxpayer (or against the county taxpayer and the county taxpayer's spouse). The denominator of the fraction is fifteen-hundredths (0.15); or

(2) the amount of county economic development income tax imposed on the county taxpayer (or the county taxpayer and the county taxpayer's spouse).

(b) If a county taxpayer and the county taxpayer's spouse file a joint return and are subject to different county economic development income tax rates for the same taxable year, they shall compute the credit under this section by using the formula provided by subsection (a), except that they shall use the average of the two (2) county economic development income tax rates imposed against them as the numerator referred to in subsection (a)(1)(B).

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.63-1988, SEC.11; P.L.99-2007, SEC.29.

IC 6-3.5-7-10

County economic development income tax special account

Sec. 10. (a) A special account within the state general fund shall be established for each county adopting the county economic development income tax. Any revenue derived from the imposition of the county economic development income tax by a county shall be credited to that county's account in the state general fund.

(b) Any income earned on money credited to an account under

subsection (a) becomes a part of that account.

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

As added by P.L.380-1987(ss), SEC.6.

IC 6-3.5-7-10.5

Annual report to county auditor

Sec. 10.5. Before October 2 of each year, the department shall submit a report to each county auditor indicating the balance in the county's special account as of the cutoff date set by the budget agency.

As added by P.L.178-2002, SEC.69. Amended by P.L.267-2003, SEC.12.

IC 6-3.5-7-11

Calculation of certified distribution; summary of calculation; notice to county auditor; notice to taxing units

Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

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

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

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

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

(c) The amount certified under subsection (b) shall be adjusted under subsections (d), (e), (f), and (g). Not later than thirty (30) days after receiving the notice of the amount of the certified distribution, the county auditor shall notify each taxing unit entitled to receive a distribution under this chapter of the amount of distribution and other

revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

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

(2) adjustments for over distributions in prior years;

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

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.

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

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

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

(g) This subsection applies to a county that imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (d). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment authorized under subsections (c), (d), (e), and (f). The adjusted certification shall be treated as the county's certified distribution for the immediately succeeding calendar year. The budget agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the

calculations that revises the informative summary provided in subsection (c) and reflects the changes made in the adjustment.

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

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

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

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.267-2003, SEC.13; P.L.207-2005, SEC.9; P.L.146-2008, SEC.345; P.L.1-2009, SEC.54; P.L.182-2009(ss), SEC.228; P.L.113-2010, SEC.67; P.L.229-2011, SEC.92; P.L.137-2012, SEC.97; P.L.261-2013, SEC.30.

IC 6-3.5-7-12

Certified distribution; amount; adoption of ordinance; exception; fractional amounts

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 in the manner specified in this section the certified distribution to the county.

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

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

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

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

(B) for a county, the welfare allocation amount.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus the welfare allocation amount. The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with

special health care needs county fund.

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

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in section 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during each month of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

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

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15 and 26 of this chapter.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.47-1992, SEC.1; P.L.28-1993, SEC.9; P.L.99-1995, SEC.3; P.L.124-1999, SEC.1; P.L.273-1999, SEC.74; P.L.14-2000, SEC.18; P.L.283-2001, SEC.6; P.L.90-2002, SEC.298; P.L.120-2002, SEC.6; P.L.192-2002(ss), SEC.122; P.L.224-2003, SEC.255; P.L.255-2003, SEC.6; P.L.97-2004, SEC.32; P.L.232-2007, SEC.4; P.L.146-2008, SEC.346; P.L.182-2009(ss), SEC.229; P.L.77-2011, SEC.27; P.L.199-2011, SEC.2; P.L.137-2012, SEC.98.

IC 6-3.5-7-12.7
Transfers from economic development income tax funds

Sec. 12.7. (a) Subject to subsection (b), the executive of a county, by resolution or ordinance, or the executive of a city or town may at any time transfer to:

(1) its general fund; or

(2) any other fund of the county, city, or town that the executive serves;

money that has been deposited in the economic development income tax fund established by the county, city, or town under section 13.1 of this chapter. The executive shall adjust the unit's capital improvement plan adopted under section 15 of this chapter to reflect the transfer. After appropriation of the money by the fiscal body of the county, city, or town in a budget or supplemental budget (as required by law), the money transferred under this section may be used for the purposes of the fund to which the money is transferred.

(b) A unit may not transfer money under subsection (a) if the amount transferred would impair the unit's ability to satisfy any debts, liabilities, or obligations for which county economic development income taxes are pledged or otherwise encumbered, including transfers required by IC 36-7.5-4-2.

As added by P.L.53-2011, SEC.1. Amended by P.L.36-2013, SEC.1.

IC 6-3.5-7-13
Repealed

(Repealed by P.L.1-1990, SEC.80.)

IC 6-3.5-7-13.1
Economic development income tax funds; deposits; uses

Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) As used in this subsection, "homestead" means a homestead that is eligible for a standard deduction under IC 6-1.1-12-37. Except as provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development

projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

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

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

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

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

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

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

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

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

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

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in Porter County, the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. If Porter County ceases to be a member of the northwest Indiana regional development authority under

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

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

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

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

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

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

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

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the homestead credits. The ordinance must specify the amount of county economic development income tax revenue that will be used to provide homestead credits in the following year.

(B) The county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the

ordinance is adopted.

(C) The homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 (repealed) for homesteads in the county, city, or town (for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).

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

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

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

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

(8) This subdivision applies only to LaPorte County, if:

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

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

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under

subdivision (9).

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

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

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

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

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

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

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

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

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

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

As added by P.L.1-1990, SEC.81. Amended by P.L.17-1991, SEC.9; P.L.44-1994, SEC.8; P.L.27-1995, SEC.6; P.L.124-1999, SEC.2; P.L.192-2002(ss), SEC.123; P.L.224-2003, SEC.256; P.L.118-2005, SEC.2; P.L.214-2005, SEC.21; P.L.47-2006, SEC.4; P.L.1-2006, SEC.145; P.L.137-2006, SEC.11; P.L.1-2007, SEC.66; P.L.146-2008, SEC.347; P.L.182-2009(ss), SEC.227; P.L.77-2011, SEC.28; P.L.199-2011, SEC.3; P.L.119-2012, SEC.49; P.L.137-2012, SEC.99.

IC 6-3.5-7-13.5

Regional venture capital funds

Sec. 13.5. (a) The general assembly finds that counties and municipalities in Indiana have a need to foster economic development, the development of new technology, and industrial and commercial growth. The general assembly finds that it is necessary and proper to provide an alternative method for counties and municipalities to foster the following:

(1) Economic development.

(2) The development of new technology.

(3) Industrial and commercial growth.

(4) Employment opportunities.

(5) The diversification of industry and commerce.

The fostering of economic development and the development of new technology under this section or section 13.6 of this chapter for the benefit of the general public, including industrial and commercial enterprises, is a public purpose.

(b) The fiscal bodies of two (2) or more counties or municipalities may, by resolution, do the following:

(1) Determine that part or all the taxes received by the units under this chapter should be combined to foster:

(A) economic development;

(B) the development of new technology; and

(C) industrial and commercial growth.

(2) Establish a regional venture capital fund.

(c) Each unit participating in a regional venture capital fund established under subsection (b) may deposit the following in the fund:

(1) Taxes distributed to the unit under this chapter.

(2) The proceeds of public or private grants.

(d) A regional venture capital fund shall be administered by a governing board. The expenses of administering the fund shall be

paid from money in the fund. The governing board shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund. The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of the audit.

(e) The fiscal body of each participating unit shall approve an interlocal agreement created under IC 36-1-7 establishing the terms for the administration of the regional venture capital fund. The terms must include the following:

(1) The membership of the governing board.

(2) The amount of each unit's contribution to the fund.

(3) The procedures and criteria under which the governing board may loan or grant money from the fund.

(4) The procedures for the dissolution of the fund and for the distribution of money remaining in the fund at the time of the dissolution.

(f) An interlocal agreement made by the participating units under subsection (e) must provide that:

(1) each of the participating units is represented by at least one (1) member of the governing board; and

(2) the membership of the governing board is established on a bipartisan basis so that the number of the members of the governing board who are members of one (1) political party may not exceed the number of members of the governing board required to establish a quorum.

(g) A majority of the governing board constitutes a quorum, and the concurrence of a majority of the governing board is necessary to authorize any action.

(h) An interlocal agreement made by the participating units under subsection (e) must be submitted to the Indiana economic development corporation for approval before the participating units may contribute to the fund.

(i) A majority of members of a governing board of a regional venture capital fund established under this section must have at least five (5) years of experience in business, finance, or venture capital.

(j) The governing board of the fund may loan or grant money from the fund to a private or public entity if the governing board finds that the loan or grant will be used by the borrower or grantee for at least one (1) of the following economic development purposes:

(1) To promote significant employment opportunities for the residents of the units participating in the regional venture capital fund.

(2) To attract a major new business enterprise to a participating unit.

(3) To develop, retain, or expand a significant business enterprise in a participating unit.

(k) The expenditures of a borrower or grantee of money from a regional venture capital fund that are considered to be for an economic development purpose include expenditures for any of the

following:

(1) Research and development of technology.

(2) Job training and education.

(3) Acquisition of property interests.

(4) Infrastructure improvements.

(5) New buildings or structures.

(6) Rehabilitation, renovation, or enlargement of buildings or structures.

(7) Machinery, equipment, and furnishings.

(8) Funding small business development with respect to:

(A) prototype products or processes;

(B) marketing studies to determine the feasibility of new products or processes; or

(C) business plans for the development and production of new products or processes.

As added by P.L.137-2006, SEC.12.

IC 6-3.5-7-13.6

Local venture capital funds

Sec. 13.6. (a) The fiscal body of a county or municipality may, by resolution, establish a local venture capital fund.

(b) A unit establishing a local venture capital fund under subsection (a) may deposit the following in the fund:

(1) Taxes distributed to the unit under this chapter.

(2) The proceeds of public or private grants.

(c) A local venture capital fund shall be administered by a governing board. The expenses of administering the fund shall be paid from money in the fund. The governing board shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund. The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of the audit.

(d) The fiscal body of a unit establishing a local venture capital fund under subsection (a) shall establish the terms for the administration of the local venture capital fund. The terms must include the following:

(1) The membership of the governing board.

(2) The amount of the unit's contribution to the fund.

(3) The procedures and criteria under which the governing board may loan or grant money from the fund.

(4) The procedures for the dissolution of the fund and for the distribution of money remaining in the fund at the time of the dissolution.

(e) A unit establishing a local venture capital fund under subsection (a) must be represented by at least one (1) member of the governing board.

(f) The membership of the governing board must be established on a bipartisan basis so that the number of the members of the governing board who are members of one (1) political party may not exceed the

number of members of the governing board required to establish a quorum.

(g) A majority of the governing board constitutes a quorum, and the concurrence of a majority of the governing board is necessary to authorize any action.

(h) The terms established under subsection (d) for the administration of the local venture capital fund must be submitted to the Indiana economic development corporation for approval before a unit may contribute to the fund.

(i) A majority of members of a governing board of a local venture capital fund established under this section must have at least five (5) years of experience in business, finance, or venture capital.

(j) The governing board of the fund may loan or grant money from the fund to a private or public entity if the governing board finds that the loan or grant will be used by the borrower or grantee for at least one (1) of the following economic development purposes:

(1) To promote significant employment opportunities for the residents of the unit establishing the local venture capital fund.

(2) To attract a major new business enterprise to the unit.

(3) To develop, retain, or expand a significant business enterprise in the unit.

(k) The expenditures of a borrower or grantee of money from a local venture capital fund that are considered to be for an economic development purpose include expenditures for any of the following:

(1) Research and development of technology.

(2) Job training and education.

(3) Acquisition of property interests.

(4) Infrastructure improvements.

(5) New buildings or structures.

(6) Rehabilitation, renovation, or enlargement of buildings or structures.

(7) Machinery, equipment, and furnishings.

(8) Funding small business development with respect to:

(A) prototype products or processes;

(B) marketing studies to determine the feasibility of new products or processes; or

(C) business plans for the development and production of new products or processes.

As added by P.L.137-2006, SEC.13.

IC 6-3.5-7-14

Bonds; debt service requirements; sale; covenant protecting bondholders

Sec. 14. (a) The fiscal body of a county, city, or town may issue bonds payable from the county economic development income tax. The bonds must be for economic development projects (as defined in section 13.1 of this chapter).

(b) The fiscal body of a county, city, or town may issue bonds payable from the county economic development income tax for any capital project for which the fiscal body is authorized to issue general

obligation bonds. The bonds issued under this section may be payable from the county economic development income tax if the county option income tax or the county adjusted gross income tax is also in effect in the county at the time the bonds are issued.

(c) If there are bonds outstanding that have been issued under this section, or leases in effect under section 21 of this chapter, the body that imposed the county economic development income tax may not reduce the county economic development income tax rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service on the bonds to their final maturity, plus the highest annual lease payments, unless:

(1) the body that imposed the economic development income tax; or

(2) any city, town, or county;

pledges all or a portion of its distributive share for the life of the bonds or the term of the lease, in an amount that is sufficient, when combined with the amount pledged by the city, town, or county that issued the bonds, to produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service plus the highest annual lease payments.

(d) For purposes of subsection (c), the determination of a tax rate sufficient to produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service plus the highest annual lease payments shall be based on an average of the immediately preceding three (3) years tax collections, if the tax has been imposed for the last preceding three (3) years. If the tax has not been imposed for the last preceding three (3) years, the body that imposed the tax may not reduce the rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service, plus the highest annual lease payments, based upon a study by a qualified public accountant or financial advisor.

(e) IC 6-1.1-20 does not apply to the issuance of bonds under this section.

(f) Bonds issued under this section may be sold at a public sale in accordance with IC 5-1-11 or may be sold at a negotiated sale.

(g) After a sale of bonds under this section, the county auditor shall prepare a debt service schedule for the bonds.

(h) The general assembly covenants that it will not repeal or amend this chapter in a manner that would adversely affect owners of outstanding bonds issued, or payment of any lease rentals due, under this section.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.2-1989, SEC.19; P.L.1-1990, SEC.82; P.L.19-1994, SEC.11.

IC 6-3.5-7-15

Capital improvement plan; retention of certified distribution pending adoption of plan; components of plan

Sec. 15. (a) The executive of a county, city, or town may, subject to the use of the certified distribution permitted under section 26 of this chapter:

(1) adopt a capital improvement plan specifying the uses of the revenues to be received under this chapter; or

(2) designate the county or a city or town in the county as the recipient of all or a part of its share of the distribution.

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

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

(1) its fractional amount of the certified distribution; or

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

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

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

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

(2) The estimated total cost of the project.

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

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

(e) A capital improvement plan:

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

(2) must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount certified distribution expected to be received by the county, city, or town in that period of time.

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

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.22-1988, SEC.8; P.L.17-1991, SEC.10; P.L.192-2002(ss), SEC.124; P.L.1-2003, SEC.45; P.L.137-2012, SEC.100.

IC 6-3.5-7-16

Certified distribution dates; distribution by warrant

Sec. 16. (a) One-twelfth (1/12) of each county's certified distribution for a calendar year shall be distributed from its account established under section 10 of this chapter to the appropriate county

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

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

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.157-2002, SEC.3; P.L.192-2002(ss), SEC.125; P.L.77-2011, SEC.29; P.L.119-2012, SEC.50; P.L.137-2012, SEC.101.

IC 6-3.5-7-16.5

Timing of income tax distributions within the county

Sec. 16.5. (a) The county auditor shall timely distribute the certified distribution received under section 12 of this chapter to each city and town that is a recipient of a certified distribution.

(b) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 12 of this chapter.

As added by P.L.26-2009, SEC.3.

IC 6-3.5-7-17

Residence or principal place of business; determination

Sec. 17. (a) For purposes of this chapter, an individual shall be treated as a resident of the county in which the individual:

(1) maintains a home if the individual maintains only one (1) home in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or

(4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on January 1 of the calendar year in which the individual's taxable year commences. If an individual changes location of residence or principal place of employment or business to another county in Indiana during a calendar year, the individual's liability for county economic development income tax is not affected.

(c) Notwithstanding subsection (b), if an individual becomes a county taxpayer for purposes of IC 36-7-27 during a calendar year because the individual:

(1) changes the location of the individual's residence to a county in which the individual begins employment or business at a qualified economic development tax project (as defined in IC 36-7-27-9); or

(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which the county economic development income tax is in effect;

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable only by the county containing the qualified economic development tax project.
As added by P.L.380-1987(ss), SEC.6. Amended by P.L.44-1994, SEC.9.

IC 6-3.5-7-17.3
Distribution of excess balance; use

Sec. 17.3. (a) If the budget agency determines that the balance in a county trust account exceeds fifty percent (50%) of the certified distributions to be made to the county in the ensuing year, the budget agency shall make a supplemental distribution to the county from the county's special account.

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

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

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

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

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

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

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

(d) Any income earned on money held in a trust account established for a county under this chapter shall be deposited in that trust account.
As added by P.L.178-2002, SEC.70. Amended by P.L.267-2003, SEC.14; P.L.182-2009(ss), SEC.230; P.L.229-2011, SEC.93; P.L.261-2013, SEC.31.

IC 6-3.5-7-18
Application of adjusted gross income tax law and other statutory provisions; withholdings report

Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;

(2) declarations of estimated tax;

(3) filing of returns;

(4) remittances;

(5) incorporation of the provisions of the Internal Revenue Code;

(6) penalties and interest;
(7) exclusion of military pay credits for withholding; and
(8) exemptions and deductions;

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted to the department:

(1) each time the employer remits to the department the tax that is withheld; and
(2) annually along with the employer's annual withholding report.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.57-1997, SEC.6; P.L.146-2008, SEC.348.

IC 6-3.5-7-19
Repealed

(Repealed by P.L.267-2003, SEC.16.)

IC 6-3.5-7-20
Listed tax and income tax status for tax administration purposes

Sec. 20. The economic development income tax is a listed tax and an income tax for the purposes of IC 6-8.1.

As added by P.L.380-1987(ss), SEC.6.

IC 6-3.5-7-21
Leases; terms; public hearing; approval; execution; notice; action contesting validity; purchase of leased facility

Sec. 21. (a) A unit may enter into a lease with a leasing body (as defined in IC 5-1-1-1) of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed fifty (50) years, and the lease may provide for payments from revenues under this chapter, any other revenue available to the unit, or any combination of these sources.

(b) A lease may provide that payments by the unit to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the executive of the unit only after a public hearing at which all interested parties are provided the opportunity to be heard. After the public hearing, the executive may approve the execution of the lease on behalf of the unit if the executive finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by the executive must also be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the unit in whole or in part from taxes under this chapter and upon approval of the lease by the unit's fiscal body, the executive of the unit shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1.

(e) Except as provided in this section, no approvals of any governmental body or agency are required before the unit enters into a lease under this section.

(f) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease.

(g) If a unit exercises an option to buy a leased facility from a lessor, the unit may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the executive of the unit through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the unit shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

As added by P.L.380-1987(ss), SEC.6. Amended by P.L.28-1993, SEC.10; P.L.99-1995, SEC.4.

IC 6-3.5-7-22
Repealed

(Repealed by P.L.137-2012, SEC.102.)

IC 6-3.5-7-22.5
Randolph County; additional rate for hospital, county courthouse, and volunteer fire department

Sec. 22.5. (a) This section applies to Randolph County.

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

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

(1) financing, constructing, acquiring, renovating, and equipping the county courthouse, and financing and renovating the former county hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions, including the repayment of bonds issued, or leases entered into for constructing, acquiring, renovating, and equipping the county courthouse and for renovating the former county hospital for additional office space, educational

facilities, nonsecure juvenile facilities, and other county functions;

(2) financing constructing, acquiring, renovating, and equipping buildings for a volunteer fire department (as defined in IC 36-8-12-2) that provides services in any part of the county; and

(3) financing constructing, acquiring, and renovating firefighting apparatus or other related equipment for a volunteer fire department (as defined in IC 36-8-12-2) that provides services in any part of the county.

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

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

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

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

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

(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

(g) Randolph County possesses:

(1) unique fiscal challenges to finance the operations of county government due to the county's ongoing obligation to repay amounts received by the county due to an overpayment of the county's certified distribution under IC 6-3.5-1.1-9 for a prior year; and

(2) unique capital financing needs related to the purposes described in subsection (c).

As added by P.L.185-2001, SEC.4; P.L.291-2001, SEC.180 and P.L.291-2001, SEC.198. Amended by P.L.90-2002, SEC.299; P.L.224-2003, SEC.258; P.L.90-2004, SEC.3; P.L.119-2012, SEC.51.

IC 6-3.5-7-23

Hancock County; library property taxes; replacement credits

Sec. 23. (a) This section applies only to Hancock County.

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

library district.

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

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

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

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax

replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

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

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

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

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

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

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

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

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

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public

library during the previous calendar year if the property tax replacement under this section had not been in effect.

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

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

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

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

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

As added by P.L.124-1999, SEC.3. Amended by P.L.90-2002, SEC.300; P.L.87-2002, SEC.1; P.L.192-2002(ss), SEC.126; P.L.146-2008, SEC.349; P.L.119-2012, SEC.52.

IC 6-3.5-7-24

Knox County; additional rate for county jail facilities; fund; use of additional revenue

Sec. 24. (a) This section applies to Knox County.

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

(c) In order to impose the county economic development income

tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail including the repayment of bonds issued, or leases entered into, for constructing, acquiring, renovating, and equipping a county jail.

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

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

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

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

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

(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

As added by P.L.178-2002, SEC.71. Amended by P.L.119-2012, SEC.53.

IC 6-3.5-7-25
Repealed

(Repealed by P.L.137-2012, SEC.103.)

IC 6-3.5-7-25.5
Repealed

(Repealed by P.L.137-2012, SEC.104.)

IC 6-3.5-7-26
Additional tax rate to mitigate effect of inventory deduction; additional rate for public transportation

Sec. 26. (a) This section applies only to the following:

(1) Taxes imposed under this chapter to provide homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(2) Taxes imposed under this chapter to fund a public transportation project under subsection (m).

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under

IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20.9 (repealed) or the standard deduction under IC 6-1.1-12-37.

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20.9 (repealed) or the standard deduction under IC 6-1.1-12-37.

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

(i) residential property; or

(ii) commercial property.

(c) This subsection does not apply to a county in which the county fiscal body adopts an ordinance to provide for the use of the certified distribution described in section 16 of this chapter to fund a public transportation project under IC 8-25. An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16 of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. The ordinance may provide for an additional rate under section 5(o) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16 of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

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

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

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

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

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

(d) If an ordinance is adopted under subsection (c), the percentage

of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

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

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

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

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

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

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

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

(1) the amount of the certified distribution that is available to provide a homestead credit percentage under this section for the year;

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

(3) the percentage of homestead credit under this section that equates to the amount of homestead credits determined under subdivision (2).

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

(1) the amount of the certified distribution that is available to provide a residential property tax replacement credit percentage for the year;

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

(3) the percentage of residential property tax replacement credit under this section that equates to the amount of residential property tax replacement credits determined under subdivision (2).

(h) The percentage of homestead credit determined by the county auditor under subsection (f) or the percentage of residential property tax replacement credit determined by the county auditor under subsection (g) applies uniformly in the county in the calendar year for which the percentage is determined.

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

(1) the amount of the certified distribution that is available to provide a homestead credit under this section for the year; and

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

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

(1) the amount of the certified distribution that is available to provide a residential property tax replacement credit under this section for the year; and

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

(k) This subsection does not apply to a county in which the county fiscal body adopts an ordinance to provide for the use of the certified distribution described in section 16 of this chapter to fund a public transportation project under IC 8-25. The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the homestead credit or residential property tax replacement credit provided under this section within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

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

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of a homestead credit or residential property tax

replacement credit under this section.

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

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

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

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

(1) retained by the county auditor;

(2) deposited in the public transportation project fund established under IC 8-25-3-7; and

(3) used for the purpose provided in this subsection instead of the purposes specified in the capital improvement plan adopted under section 15 of this chapter.

As added by P.L.192-2002(ss), SEC.128. Amended by P.L.1-2003, SEC.46; P.L.272-2003, SEC.6; P.L.97-2004, SEC.33; P.L.199-2005, SEC.26; P.L.162-2006, SEC.34; P.L.224-2007, SEC.91; P.L.146-2008, SEC.350; P.L.77-2011, SEC.30; P.L.137-2012, SEC.105; P.L.153-2014, SEC.14.

IC 6-3.5-7-27

Additional tax rate to finance courthouse; county facilities revenue fund; nonreverting fund for operating costs

Sec. 27. (a) This section applies to a county that:

(1) operates a courthouse that is subject to an order that:

(A) is issued by a federal district court;

(B) applies to an action commenced before January 1, 2003; and

(C) requires the county to comply with the federal Americans with Disabilities Act; and

(2) has insufficient revenues to finance the construction, acquisition, improvement, renovation, equipping, and operation of the courthouse facilities and related facilities.

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

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

(1) constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities;

(2) repaying any bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities; and

(3) economic development projects described in the county's capital improvement plan.

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

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

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

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

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

As added by P.L.224-2003, SEC.257. Amended by P.L.97-2004, SEC.34; P.L.224-2007, SEC.92; P.L.77-2011, SEC.31; P.L.137-2012, SEC.106; P.L.261-2013, SEC.32.

IC 6-3.5-7-27.5

Perry County; additional rate

Sec. 27.5. (a) This section applies to Perry County.

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

(1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business; and

(2) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of county economic development income tax revenue under this section is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of the economic development income tax revenues under this section for the purposes described in subsection (c) promotes that purpose.

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

(1) finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(d) In addition to the rates permitted under section 5 of this

chapter, the county council may impose the county economic development income tax at a rate not to exceed five-tenths percent (0.5%) on the adjusted gross income of county taxpayers. The ordinance imposing the additional tax must include the determination described in subsection (c). The tax imposed under this section may be imposed only until the later of the year in which the financing on, acquisition, improvement, renovation, remodeling, and equipping described in subsection (c) are completed or the year in which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b)(1) is fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (c)(2) may not exceed twenty-five (25) years.

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

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

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

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

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

(3) may be pledged to the repayment of bonds issued or leases entered into for the purposes described in subsection (c).

(h) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section after:

(1) the redemption of bonds issued; or

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

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

As added by P.L.199-2011, SEC.4.

IC 6-3.5-7-27.6

Starke County; tax rate; county jail and related buildings

Sec. 27.6. (a) This section applies to Starke County.

(b) Starke County possesses unique governmental and economic development challenges due to:

(1) the county's predominantly rural geography, demography, and economy;

(2) the county's relatively low tax base and relatively high property tax rates;

(3) the current maximum capacity of the county jail, which was constructed in 1976; and

(4) pending federal class action litigation seeking a mandate to address capacity and living conditions in the county jail.

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

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

(1) finance, construct, acquire, and equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

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

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

(1) makes the determination described in subsection (c); or

(2) makes both the determination described in subsection (c) and the determination described in subsection (d).

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

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

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

(g) If the county council makes both the determination under

subsection (c) and the determination under subsection (d), the county council may adopt a tax rate under subsection (e). The tax rate may not exceed the lesser of:

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

(2) the tax rate that is necessary to:

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

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

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

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

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

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

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

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

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

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

(3) may be pledged to the repayment of bonds issued or leases entered into for the purposes described in subsection (c).

As added by P.L.137-2012, SEC.107.

IC 6-3.5-7-28

Additional tax rate for regional development authorities

Sec. 28. (a) This section applies only to a county that is a member of a regional development authority under IC 36-7.6.

(b) In addition to the rates permitted by section 5 of this chapter, the entity that imposed the county economic development income tax under section 5 of this chapter (or, in the case of a county that has not imposed the county economic development income tax, the entity that may impose the county economic development income tax under section 5(a)(3) of this chapter) may by ordinance impose an additional county economic development income tax at a rate of:

(1) in the case of a county described in IC 36-7.6-4-2(b)(2),

twenty-five thousandths of one percent (0.025%); or

(2) in the case of any other county to which this section applies, five-hundredths of one percent (0.05%);

on the adjusted gross income of county taxpayers.

(c) If an additional county economic development income tax is imposed under this section, the county treasurer shall establish a county regional development authority fund. Notwithstanding any other provision of this chapter, the county economic development income tax revenues derived from the additional county economic development income tax imposed under this section must be deposited in the county regional development authority fund before any certified distributions are made under section 12 of this chapter.

(d) County economic development income tax revenues derived from the additional county economic development income tax imposed under this section and deposited in the county regional development authority fund:

(1) shall, not more than thirty (30) days after being deposited in the county regional development authority fund, be transferred as provided in IC 36-7.6-4-2 to the development fund of the regional development authority for which the county is a member; and

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

As added by P.L.232-2007, SEC.5. Amended by P.L.77-2011, SEC.32; P.L.172-2011, SEC.79; P.L.137-2012, SEC.108.

IC 6-3.5-7-29

Applicability of tax rate in a township opting-in to a public transportation project

Sec. 29. Notwithstanding any other law, if an additional tax rate imposed under sections 5(o) and 26(m) of this chapter is required by IC 8-25-6-10, the additional tax rate applies only to the county taxpayers who reside in a township in which the voters approve a local public question held under IC 8-25-6.

As added by P.L.153-2014, SEC.15.

IC 6-3.5-8
Repealed

(Repealed by P.L.146-2008, SEC.804.)

IC 6-3.5-8.5
Repealed

(Repealed by P.L.156-1995, SEC.9.)

IC 6-3.5-9

Chapter 9. Local Option Hiring Incentive

IC 6-3.5-9-1

Application

Sec. 1. This chapter applies to a city or county that receives a certified distribution of a tax imposed under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-2

"Fiscal body"

Sec. 2. As used in this chapter, "fiscal body" has the meaning set forth in IC 36-1-2-6.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-3

"IEDC"

Sec. 3. As used in this chapter, "IEDC" refers to the Indiana economic development corporation established by IC 5-28-3-1.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-4

"New employee"

Sec. 4. As used in this chapter, "new employee" has the meaning set forth in IC 6-3.1-13-6, except that as applied to a project that is the subject of a hiring incentive agreement under this chapter, the phrase "tax credit agreement" in the definition of "new employee" under IC 6-3.1-13-6 is construed as a hiring incentive agreement under this chapter.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-5

"Person"

Sec. 5. As used in this chapter, "person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-6

"Qualified employee"

Sec. 6. As used in this chapter, "qualified employee" means a new employee who resides in the county in which a taxpayer's job creation project is located.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-7

"Qualified unit"

Sec. 7. As used in this chapter, "qualified unit" means a city or county described in section 1 of this chapter.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-8
"Taxpayer"

Sec. 8. As used in this chapter, "taxpayer" means a person that enters an agreement with a qualified unit to receive a hiring incentive.
As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-9
Local option hiring incentives authorized

Sec. 9. (a) A qualified unit may offer hiring incentives under this chapter to foster job creation in the qualified unit.

(b) The hiring incentive shall be claimed for the calendar years specified in the taxpayer's hiring incentive agreement.
As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-10
Authority to apply for a hiring incentive

Sec. 10. A person that proposes a project to create new jobs in a qualified unit may apply, as provided in section 11 of this chapter, to the qualified unit to enter into an agreement for a hiring incentive under this chapter.
As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-11
Qualified units authorized to enter agreements to provide hiring incentives

Sec. 11. This section applies to an application proposing a project to create new jobs in a qualified unit. After receipt of an application, the qualified unit may enter into an agreement with the applicant for a hiring incentive under this chapter if the fiscal body of the qualified unit approves the agreement after finding that all of the following conditions exist:

(1) The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in the qualified unit.

(2) The applicant's project is economically sound and will benefit the people of the qualified unit by increasing opportunities for employment in the qualified unit and strengthening the economy of Indiana.

(3) Receiving the hiring incentive is a major factor in the applicant's decision to go forward with the project and not receiving the hiring incentive will result in the applicant not creating new jobs in the qualified unit.

(4) The hiring incentive is not prohibited by section 12 of this chapter.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-12
Relocated Indiana jobs ineligible for the hiring incentive

Sec. 12. A person is not entitled to claim a hiring incentive provided by this chapter for any jobs that the person relocates from one (1) site in Indiana to another site in Indiana. Determinations under this section shall be made by the qualified unit providing the hiring incentive.
As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-13
Qualified unit's discretion to determine amount and duration of hiring incentives

Sec. 13. (a) Subject to subsection (c), the qualified unit shall determine the amount and duration of a hiring incentive awarded under this chapter. The duration of the hiring incentive may not exceed ten (10) calendar years.

(b) The hiring incentive may be stated as a percentage of the aggregate annual local option income taxes withheld and remitted on behalf of the qualified employees employed by the taxpayer and may include a fixed dollar limitation.

(c) The amount of a hiring incentive paid to a taxpayer in a particular calendar year may not exceed the aggregate amount of local option income taxes withheld and remitted during that calendar year on behalf of the taxpayer's qualified employees.

(d) A hiring incentive may be paid to a taxpayer in installments as set forth in the hiring incentive agreement.
As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-14
Required terms of hiring incentive agreements

Sec. 14. A qualified unit shall enter into an agreement with an applicant that is awarded a hiring incentive under this chapter. The agreement must include all of the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The duration of the hiring incentive and the first calendar year for which the hiring incentive may be claimed.

(3) The hiring incentive amount that will be allowed for each calendar year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) years following the last calendar year in which the applicant claims the hiring incentive.

(5) A statement that a taxpayer is subject to an assessment under section 16 of this chapter for noncompliance with the agreement.

(6) A specific method for determining the number of new employees employed during a calendar year who are performing jobs not previously performed by an employee.

(7) A requirement that the taxpayer shall annually report to the qualified unit, subject to the protections under IC 5-14-3-4(a)(5) and IC 5-14-3-4(a)(6):

(A) the number of new employees who are performing jobs

not previously performed by an employee;

(B) the new income tax revenue withheld in connection with the new employees; and

(C) any other information the qualified unit needs to perform the qualified unit's duties under this chapter.

(8) A requirement that the qualified unit is authorized to verify with the appropriate state agencies, including the IEDC, the amounts reported under subdivision (7), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(9) Any other performance conditions that the qualified unit determines are appropriate.

As added by P.L.173-2011, SEC.10. Amended by P.L.6-2012, SEC.55.

IC 6-3.5-9-15

Hiring incentives paid from distributions of county income taxes

Sec. 15. A qualified unit shall pay hiring incentives provided under this chapter from revenues received by the qualified unit under:

(1) IC 6-3.5-1.1-15;

(2) IC 6-3.5-6-19;

(3) IC 6-3.5-7-13.1; or

(4) any combination of the sources listed in subdivisions (1) through (3).

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-16

Effect of noncompliance with hiring incentive agreement

Sec. 16. If the qualified unit determines that a taxpayer who has claimed a hiring incentive under this chapter is not entitled to the hiring incentive because of the taxpayer's noncompliance with the requirements of the hiring incentive agreement or all of the provisions of this chapter, the qualified unit shall, after giving the taxpayer an opportunity to explain the noncompliance, pursue existing remedies under law for an amount that may not exceed the sum of any previously allowed hiring incentives under this chapter, together with interest and penalties required or permitted by law.

As added by P.L.173-2011, SEC.10.

IC 6-3.5-9-17

Reports

Sec. 17. (a) The qualified unit shall submit an annual report to the IEDC before July 1. The report must be in an electronic format prescribed by the IEDC and must contain the following information concerning a program established under this chapter:

(1) The number of taxpayers receiving hiring incentives in that particular year.

(2) The location of each business receiving hiring incentives as of the date of the report.

(3) A summary of the local incentives provided under this

chapter to each taxpayer receiving hiring incentives as of the date of the report.

(4) The number of jobs created and the average salary paid by taxpayers receiving hiring incentives as of the date of the report.

(b) The IEDC shall compile an annual report based on the information received under subsection (a). The IEDC shall submit the annual report to the legislative council before November 1. The report must be in an electronic format under IC 5-14-6 and must contain the information specified in subsection (a)(1) through (a)(4), aggregated or otherwise protected as necessary to maintain the confidentiality of any confidential information submitted upon request by each taxpayer under this chapter.

As added by P.L.173-2011, SEC.10.