

PROPOSED AMENDMENT

HB 1454 # 60

DIGEST

Various changes. Provides that the term of any judgment funding bond with regard to either: (1) the city of Hobart; or (2) the Merrillville Community School Corporation; issued for the purpose of paying a property tax judgment rendered against Lake County for assessment year 2011, 2012, 2013, or 2014 shall be 25 years. Adds taxing districts and special taxing districts to the list of entities for which bonds may be sold: (1) at a public sale; or (2) alternatively, at a negotiated sale after June 30, 2018, and before July 1, 2025. Extends the sunset date to 2025 for the sale of bonds at a negotiated sale in certain statutes providing for a negotiated sale of bonds. Adds nonprofit building corporations created by a municipal corporation to a provision concerning the purchase of municipal securities by the treasurer of state (treasurer). Provides that a security purchased by the treasurer from the Indiana bond bank must have a stated final maturity of not more than 25 years after the date of purchase. Removes language in SECTION 4 of the bill providing that, in an assessment appeal, the township or county assessor has the burden of proving the validity of any change to the parcel characteristics. Adds a provision from the House passed budget bill providing that specified expenses are eligible to be funded by the fund established under the regional economic acceleration and development initiative. Adds language from SECTIONS 1 and 2 of the Senate passed SB 274, with a modification to SECTION 1 of that bill to provide that tangible property is exempt from property taxation if it is: (1) owned by a nonprofit entity; and (2) used by a nonprofit entity for a charitable purpose in the operation of a residential facility for the aged that is either: (A) registered as a continuing care retirement community; or (B) licensed as a health care facility; or both. Provides that a determination of an appealed assessed value: (1) by a county or township official resulting from an informal meeting; (2) by a county board resulting from an appeal hearing; or (3) by the Indiana board resulting from an appeal hearing; may be less than or equal to the original appealed assessed value at issue, but may not exceed the original appealed assessed value at issue. Provides that the maximum levy increase for a school corporation that has under its jurisdiction any territory located in Dearborn County in SECTION 16 of the bill does not take effect until the expiration of the Dearborn County supplemental county property tax levy and makes corresponding changes. Provides that a qualified taxing unit located in Lake County that has experienced a property tax revenue shortfall in one or more tax years: (1) resulting from erroneous assessed valuation figures; and (2) which was, or will be, at least \$5,000,000, or 20% of its net tax levy, as a result of the erroneous assessed valuation amount; may apply to the treasurer of state for a loan from the counter-cyclical revenue and economic stabilization fund. Describes procedures, limitations, and uses for such loans. Prescribes a formula for determining a population growth of 150% for purposes of the exclusion from maximum ad valorem property tax levy limits for municipalities that meet specified criteria. Makes changes to statutes concerning maximum property tax levies for: (1) Sugar Creek Township Fire Protection District; and (2) Otter Creek Township. Amends an exclusion from the definition of "controlled project" for projects required by a court order. Provides that: (1) controlled environment agriculture property; and (2) health care property; are subject to a 2% circuit breaker credit. Defines "controlled environment agriculture property" and "health care property". Requires the land of controlled environment agriculture property to be classified and assessed as agricultural and the improvements to be classified and assessed as an agricultural greenhouse for property tax assessment. Extends through 2026 the authority for certain school corporations to allocate circuit breaker credits proportionately but provides that a school corporation is not eligible to allocate credits proportionately if the school corporation issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (1) to refinance or renew prior bond or lease rental obligations

existing before January 1, 2024, but only if the refinancing or renewal is for a lower interest rate; or (2) indebtedness that is approved in a local public question or referendum. Amends provisions excluding the part of a participating unit's proceeds of property taxes imposed in certain tax increment finance areas for an assessment date with respect to which the allocation and distribution is made that are attributable to property taxes imposed to meet the participating unit's obligations to a fire protection territory. Allows a nonprofit agricultural organization (organization) that offers health coverage to make an election to pay adjusted gross income tax in lieu of the tax imposed on such an organization under current law and makes corresponding changes. Incorporates the amendments made to that provision by SEA 2 to resolve the conflict. Adds the contents of SB 86 as introduced, which provides as follows: (1) Imposes a tax on the distribution of cigars at a rate of 24% of the wholesale price of a cigar for cigars having a wholesale price not exceeding \$3. (2) Imposes a tax on the distribution of cigars at a rate of \$0.72 per cigar for cigars having a wholesale price exceeding \$3 per cigar. Makes changes to a local income tax provision amended by SECTION 32 of the House passed HB 1454. Removes language expiring the Dearborn County supplemental county property tax levy on January 1, 2024, and replaces it with language expiring it on the later of: (1) January 1, 2045; or (2) the date on which all bonds or lease agreements outstanding on July 1, 2023, for which a pledge of tax revenue is completely paid. Requires the county fiscal officer to provide to the department of local government finance a list of each bond or lease agreement outstanding on July 1, 2023, and the date on which each will be completely paid. Requires the department of local government finance to publish the information on the gateway website. Amends the Indiana statute governing video service franchises to provide that a local unit to which a video service provider (provider) pays a franchise fee under the statute may not assess with respect to the provider any permit fee, encroachment fee, degradation fee, or other fee that could otherwise be imposed on the provider for the provider's occupation of or work within the public right-of-way. Provides that this prohibition does not restrict the right of the unit to impose on the provider any ad valorem taxes or other taxes of general applicability that the unit lawfully imposes on other businesses owning property or operating within the unit. Provides (beginning on or after January 1, 2024) that the legislative body of a town that has a mayor as a result of a reorganization may hire or contract with competent attorneys and legal research assistants on terms it considers appropriate. Repeals a statute requiring the county recorder to provide to the county auditor a list of recorded mortgage releases. Makes changes to various definitions in the Indiana Code chapter concerning rail transit development districts and makes a corresponding change to the local income tax increment fund. Changes the dates on which the department of state revenue (department) determines base period amounts and increment revenue for purpose of the Indiana Code chapter concerning rail transit development districts and allows the department (if necessary) to redetermine base period amounts and increment revenue. Allows the county legislative body of a county in which a fire protection district includes all of the incorporated and unincorporated area of the county to adopt an ordinance to establish a nine member fire protection district governing board (governing board). Provides that on the date set forth in the ordinance establishing the governing board: (1) the governing board has the powers and duties of the board of fire trustees; and (2) the board of fire trustees acts solely as an advisory body to the governing board. Makes certain changes and technical corrections to provisions contained in SEA 2 (P.L.1-2023) (Taxation of pass through entities). Makes conforming changes.

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- 1 Page 1, between the enacting clause and line 1, begin a new
 - 2 paragraph and insert:
 - 3 "SECTION 1. IC 5-1-8-1 IS AMENDED TO READ AS FOLLOWS
 - 4 [EFFECTIVE JULY 1, 2023]: Sec. 1. **(a)** The county council may, in
 - 5 its discretion, authorize the issuance and sale of judgment funding
 - 6 bonds of the county for the purpose of procuring funds to pay any
 - 7 judgment taken against the county. Such bonds shall be authorized,
 - 8 issued and sold pursuant to statutes governing the issuance of

1 refunding bonds of the county, and the amount thereof shall not exceed
 2 the face of the judgment or judgments being funded, plus the accrued
 3 interest thereon, together with the costs taxed by the court.

4 **(b) The term of any judgment funding bond under subsection**
 5 **(a) with regard to either:**

6 **(1) the city of Hobart; or**

7 **(2) the Merrillville Community School Corporation;**

8 **issued for the purpose of paying a property tax judgment rendered**
 9 **against Lake County for assessment year 2011, 2012, 2013, or 2014**
 10 **shall be twenty-five (25) years."**

11 Page 2, line 2, strike "and".

12 Page 2, between lines 2 and 3, begin a new line double block
 13 indented and insert:

14 **"(E) taxing districts;**

15 **(F) special taxing districts; and"**.

16 Page 2, line 3, strike "(E)" and insert "(G)".

17 Page 2, between lines 13 and 14, begin a new paragraph and insert:

18 "SECTION 2. IC 5-1-11-6, AS AMENDED BY P.L.38-2021,
 19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2023]: Sec. 6. (a) In cases where other statutes authorize the
 21 issuance and exchange of new bonds for the purpose of refunding or
 22 redeeming outstanding bonds for the payment of which no funds are
 23 available, it shall be the duty of the officers charged with issuance and
 24 exchange of the new bonds to cause the bonds to be offered:

25 (1) at a public sale as provided in this chapter; or

26 (2) alternatively, at a negotiated sale after June 30, 2018, and
 27 before July 1, ~~2023~~, **2025**, in the case of:

28 (A) counties;

29 (B) townships;

30 (C) cities;

31 (D) towns; ~~and~~

32 **(E) taxing districts;**

33 **(F) special taxing districts; and**

34 ~~(E)~~ **(G)** school corporations.

35 (b) In cases where it is necessary to provide for the refunding of
 36 bonds or interest coupons maturing at various times over a period not
 37 exceeding six (6) months, the bodies and officials charged with the
 38 duty of issuing and selling the refunding bonds may, for the purpose of
 39 reducing the cost of issuance of the bonds, issue and sell one (1) issue
 40 of bonds in an amount sufficient to provide for the refunding of all of

the bonds and interest coupons required to be refunded during the six (6) month period.

SECTION 3. IC 5-1-14-10, AS AMENDED BY P.L.229-2011, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. (a) If an issuer has issued obligations under a statute that establishes a maximum term or repayment period for the obligations, notwithstanding that statute, the issuer may continue to make payments of principal, interest, or both, on the obligations after the expiration of the term or period if principal or interest owed to owners of the obligations remains unpaid.

(b) This section does not authorize the use of revenues or funds to make payments of principal and interest other than those revenues or funds that were pledged for the payments before the expiration of the term or period.

(c) Except as otherwise provided by this section, IC 5-1-5-2.5, **IC 5-1-8-1(b)**, IC 16-22-8-43, IC 36-7-12-27, IC 36-7-14-25.1, or IC 36-9-13-30 (but only with respect to any bonds issued under IC 36-9-13-30 that are secured by a lease entered into by a political subdivision organized and existing under IC 16-22-8), the maximum term or repayment period for obligations issued after June 30, 2008, that are wholly or partially payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes; or

(3) twenty (20) years, for obligations that are not described in subdivision (1) or (2), and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.

SECTION 4. IC 5-13-9-2, AS AMENDED BY P.L.104-2022, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. (a) Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

- 1 (A) The United States Treasury.
- 2 (B) A federal agency.
- 3 (C) A federal instrumentality.
- 4 (D) A federal government sponsored enterprise.
- 5 (2) Securities fully guaranteed and issued by any of the following:
- 6 (A) A federal agency.
- 7 (B) A federal instrumentality.
- 8 (C) A federal government sponsored enterprise.
- 9 (3) Municipal securities issued by an Indiana local governmental
- 10 entity, a quasi-governmental entity related to the state, ~~or~~ a unit of
- 11 government, municipal corporation, or special taxing district in
- 12 Indiana, **or a nonprofit building corporation created by a**
- 13 **municipal corporation**, if the issuer has not defaulted on any of
- 14 the issuer's obligations within the twenty (20) years preceding the
- 15 date of the purchase. A security purchased by the treasurer of
- 16 state under this subdivision must have a stated final maturity of
- 17 not more than ten (10) years after the date of purchase. **However,**
- 18 **a security purchased by the treasurer of state from the**
- 19 **Indiana bond bank under this subdivision must have a stated**
- 20 **final maturity of not more than twenty-five (25) years after**
- 21 **the date of purchase.**
- 22 (b) If an investment under subsection (a) is made at a cost in excess
- 23 of the par value of the securities purchased, any premium paid for the
- 24 securities shall be deducted from the first interest received and returned
- 25 to the fund from which the investment was purchased, and only the net
- 26 amount is considered interest income.
- 27 (c) The officer making the investment may sell any securities
- 28 acquired and may do anything necessary to protect the interests of the
- 29 funds invested, including the exercise of exchange privileges which
- 30 may be granted with respect to maturing securities in cases where the
- 31 new securities offered in exchange meet the requirements for initial
- 32 investment.
- 33 (d) The investing officers of the political subdivisions are the legal
- 34 custodians of securities under this chapter. They shall accept
- 35 safekeeping receipts or other reporting for securities from:
- 36 (1) a duly designated depository as prescribed in this article; or
- 37 (2) a financial institution located either in or out of Indiana having
- 38 custody of securities with a combined capital and surplus of at
- 39 least ten million dollars (\$10,000,000) according to the last
- 40 statement of condition filed by the financial institution with its

1 governmental supervisory body.

2 (e) The state board of accounts may rely on safekeeping receipts or
3 other reporting from any depository or financial institution.

4 (f) In addition to any other investments allowed under this chapter,
5 an officer of a conservancy district located in a city having a population
6 of more than five thousand (5,000) and less than five thousand one
7 hundred thirty (5,130) may also invest in:

8 (1) municipal securities; and

9 (2) equity securities;

10 having a stated final maturity of any number of years or having no
11 stated final maturity. The total investments outstanding under this
12 subsection may not exceed twenty-five percent (25%) of the total
13 portfolio of funds invested by the officer of a conservancy district.
14 However, an investment that complies with this subsection when the
15 investment is made remains legal even if a subsequent decrease in the
16 total portfolio invested by the officer of a conservancy district causes
17 the percentage of investments outstanding under this subsection to
18 exceed twenty-five percent (25%).

19 (g) In addition to any other investments allowed under this chapter,
20 the clerk-treasurer of a town with a population of more than ten
21 thousand (10,000) and less than twenty thousand (20,000) located in a
22 county having a population of more than one hundred seventy-four
23 thousand (174,000) and less than one hundred eighty thousand
24 (180,000) may also invest money in a host community agreement
25 future fund established by ordinance of the town in:

26 (1) municipal securities; and

27 (2) equity securities;

28 having a stated final maturity of any number of years or having no
29 stated final maturity. The total investments outstanding under this
30 subsection may not exceed twenty-five percent (25%) of the total
31 portfolio of funds invested by the clerk-treasurer of a town. However,
32 an investment that complies with this subsection when the investment
33 is made remains legal even if a subsequent decrease in the total
34 portfolio invested by the clerk-treasurer of a town causes the
35 percentage of investments outstanding under this subsection to exceed
36 twenty-five percent (25%)."

37 Page 2, between lines 39 through 40, begin a new paragraph and
38 insert:

39 "SECTION 5. IC 5-28-41-17 IS ADDED TO THE INDIANA CODE
40 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

1, 2023]: **Sec. 17. In addition to the purposes described in section 7 of this chapter, the following expenses are eligible to be funded by the fund:**

(1) **Costs associated with increasing housing and associated infrastructure, including strategies that lead to permanent housing for individuals experiencing homelessness.**

(2) **Costs related to programs to support community mental health and public health.**

(3) **Costs related to providing broadband services, but only if:**

(A) **all other funding sources for the provision of broadband have been exhausted; and**

(B) **the projects funded in whole or in part by a grant or loan from the fund satisfy the criteria and requirements described in IC 4-4-38.5.**

(4) **Costs related to improving the quality of life in the region."**

Page 4, delete lines 39 through 40.

Page 10, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 10. IC 6-1.1-8.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]:

Chapter 8.1. Controlled Environment Agriculture Property

Sec. 1. This section applies to assessment dates after December 31, 2022.

Sec. 2. As used in this chapter, "controlled environment agriculture property" has the meaning set forth in IC 6-1.1-20.6-1.3.

Sec. 3. Land of controlled environment agricultural property shall be classified and assessed as agricultural, and the improvements shall be classified and assessed as an agricultural greenhouse.

SECTION 11. IC 6-1.1-10-16, AS AMENDED BY P.L.85-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: **Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.**

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

1 (c) A tract of land, including the campus and athletic grounds of an
2 educational institution, is exempt from property taxation if:

3 (1) a building that is exempt under subsection (a) or (b) is situated
4 on it;

5 (2) a parking lot or structure that serves a building referred to in
6 subdivision (1) is situated on it; or

7 (3) the tract:

8 (A) is owned by a nonprofit entity established for the purpose
9 of retaining and preserving land and water for their natural
10 characteristics;

11 (B) does not exceed five hundred (500) acres; and

12 (C) is not used by the nonprofit entity to make a profit.

13 (d) A tract of land is exempt from property taxation if:

14 (1) it is purchased for the purpose of erecting a building that is to
15 be owned, occupied, and used in such a manner that the building
16 will be exempt under subsection (a) or (b); and

17 (2) not more than four (4) years after the property is purchased,
18 and for each year after the four (4) year period, the owner
19 demonstrates substantial progress and active pursuit towards the
20 erection of the intended building and use of the tract for the
21 exempt purpose. To establish substantial progress and active
22 pursuit under this subdivision, the owner must prove the existence
23 of factors such as the following:

24 (A) Organization of and activity by a building committee or
25 other oversight group.

26 (B) Completion and filing of building plans with the
27 appropriate local government authority.

28 (C) Cash reserves dedicated to the project of a sufficient
29 amount to lead a reasonable individual to believe the actual
30 construction can and will begin within four (4) years.

31 (D) The breaking of ground and the beginning of actual
32 construction.

33 (E) Any other factor that would lead a reasonable individual to
34 believe that construction of the building is an active plan and
35 that the building is capable of being completed within eight (8)
36 years considering the circumstances of the owner.

37 If the owner of the property sells, leases, or otherwise transfers a tract
38 of land that is exempt under this subsection, the owner is liable for the
39 property taxes that were not imposed upon the tract of land during the
40 period beginning January 1 of the fourth year following the purchase

1 of the property and ending on December 31 of the year of the sale,
 2 lease, or transfer. The county auditor of the county in which the tract
 3 of land is located may establish an installment plan for the repayment
 4 of taxes due under this subsection. The plan established by the county
 5 auditor may allow the repayment of the taxes over a period of years
 6 equal to the number of years for which property taxes must be repaid
 7 under this subsection.

8 (e) Personal property is exempt from property taxation if it is owned
 9 and used in such a manner that it would be exempt under subsection (a)
 10 or (b) if it were a building.

11 (f) A hospital's property that is exempt from property taxation under
 12 subsection (a), (b), or (e) shall remain exempt from property taxation
 13 even if the property is used in part to furnish goods or services to
 14 another hospital whose property qualifies for exemption under this
 15 section.

16 (g) Property owned by a shared hospital services organization that
 17 is exempt from federal income taxation under Section 501(c)(3) or
 18 501(e) of the Internal Revenue Code is exempt from property taxation
 19 if it is owned, occupied, and used exclusively to furnish goods or
 20 services to a hospital whose property is exempt from property taxation
 21 under subsection (a), (b), or (e).

22 (h) This section does not exempt from property tax an office or a
 23 practice of a physician or group of physicians that is owned by a
 24 hospital licensed under IC 16-21-2 or other property that is not
 25 substantially related to or supportive of the inpatient facility of the
 26 hospital unless the office, practice, or other property:

- 27 (1) provides or supports the provision of charity care (as defined
- 28 in IC 16-18-2-52.5), including providing funds or other financial
- 29 support for health care services for individuals who are indigent
- 30 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- 31 (2) provides or supports the provision of community benefits (as
- 32 defined in IC 16-21-9-1), including research, education, or
- 33 government sponsored indigent health care (as defined in
- 34 IC 16-21-9-2).

35 However, participation in the Medicaid or Medicare program alone
 36 does not entitle an office, practice, or other property described in this
 37 subsection to an exemption under this section.

38 (i) A tract of land or a tract of land plus all or part of a structure on
 39 the land is exempt from property taxation if:

- 40 (1) the tract is acquired for the purpose of erecting, renovating, or

improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres; and

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner.

(k) When property that is exempt in any year under subsection (i) is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(l) If property is granted an exemption in any year under subsection (i) and the owner:

(1) fails to transfer the tangible property within eight (8) years after the assessment date for which the exemption is initially granted; or

(2) transfers the tangible property to a person who:

(A) is not a low income individual; or

(B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1) or (2) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

(1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%) per year.

(n) The liability imposed by subsection (m) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (m) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(o) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

(p) A for-profit provider of early childhood education services to children who are at least four (4) but less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied. A for-profit provider of early childhood education services that provides the services only to children younger than four (4) years of age may not receive the exemption provided by this section for property used for educational purposes.

(q) Tangible property is exempt from property taxation if it is:

(1) owned by a nonprofit entity; and

(2) used by a nonprofit entity for a charitable purpose in the operation of a residential facility for the aged that is either:

(A) registered as a continuing care retirement community under IC 23-2-4; or

(B) licensed as a health care facility under IC 16-28;

or both.

SECTION 12. IC 6-1.1-10-18.5, AS AMENDED BY P.L.197-2011, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 18.5. (a) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-2 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including funds or other financial support for health care services for individuals who are indigent (as defined

1 in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or

2 (2) provides or supports the provision of community benefits (as
3 defined in IC 16-21-9-1), including research, education, or
4 government sponsored indigent health care (as defined in
5 IC 16-21-9-2).

6 However, participation in the Medicaid or Medicare program, alone,
7 does not entitle an office, a practice, or other property described in this
8 subsection to an exemption under this section.

9 (b) Tangible property is exempt from property taxation if it is:

10 (1) owned **or leased** by an Indiana nonprofit corporation; and

11 (2) used by that corporation **or leased by that corporation to**
12 **another nonprofit corporation** in the operation of a hospital
13 licensed under IC 16-21, a health facility licensed under IC 16-28,
14 ~~or in the operation of~~ a residential facility for the aged and
15 licensed under IC 16-28, **a continuing care retirement**
16 **community registered under IC 23-2-4**, or ~~in the operation of~~
17 a Christian Science home or sanatorium.

18 (c) Property referred to in this section shall be assessed to the extent
19 required under IC 6-1.1-11-9."

20 Page 21, between lines 22 and 23, begin a new paragraph and insert:

21 "SECTION 14. IC 6-1.1-15-1.2, AS AMENDED BY P.L.121-2019,
22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2023]: Sec. 1.2. (a) A county or township official who
24 receives a written notice under section 1.1 of this chapter shall
25 schedule, at a time during business hours that is convenient to the
26 taxpayer, a preliminary informal meeting with the taxpayer in order to
27 resolve the appeal. If the taxpayer raises a claim regarding a matter that
28 is in the discretion of the county auditor, the informal meeting must
29 include the county auditor. At the preliminary informal meeting, in
30 order to facilitate understanding and the resolution of disputed issues,
31 a county or township official, the county auditor, if the matter is in the
32 discretion of the county auditor, and the taxpayer shall exchange the
33 information that each party is relying on at the time of the preliminary
34 informal meeting to support the party's respective position on each
35 disputed issue concerning the assessment or deduction. If additional
36 information is obtained by the county or township official, the county
37 auditor, or the taxpayer after the preliminary informal meeting and
38 before the hearing held by the county board, the party obtaining the
39 information shall provide the information to the other party. If the
40 county or township official, the county auditor, or the taxpayer obtains

1 additional information and provides the information to the other party
2 for the first time at the hearing held by the county board, the county
3 board, unless waived by the receiving party, shall continue the hearing
4 until a future hearing date of the county board so that the receiving
5 party has an opportunity to review all the information that the offering
6 party is relying on to support the offering party's positions on the
7 disputed issues concerning the assessment or deduction.

8 (b) The official shall report on a form prescribed by the department
9 of local government finance the results of the informal meeting. If the
10 taxpayer and the official agree on the resolution of all issues in the
11 appeal, the report shall state the agreed resolution of the matter and be
12 signed by the official and the taxpayer. If an informal meeting is not
13 held, or the informal meeting is unsuccessful, the official shall report
14 those facts on the form. The official shall forward the report on the
15 informal meeting to the county board.

16 (c) If the county board receives a report on the informal meeting
17 indicating an agreed resolution of the matter, the county board shall
18 vote to accept or deny the agreed resolution. If the county board accepts
19 the agreed resolution, the county board shall issue a notification of final
20 assessment determination adopting the agreed resolution and vacating
21 the hearing if scheduled.

22 (d) The county board, upon receipt of a written notice under section
23 1.1 of this chapter, shall hold a hearing on the appeal not later than one
24 hundred eighty (180) days after the filing date of the written notice.
25 The county board shall, by mail, give at least thirty (30) days notice of
26 the date, time, and place fixed for the hearing to the taxpayer, the
27 county or township official with whom the taxpayer filed the written
28 notice, and the county auditor. If the county board has notice that the
29 taxpayer is represented by a third person, any hearing notice shall be
30 mailed to the representative.

31 (e) If good cause is shown, the county board shall grant a request for
32 continuance filed in writing at least ten (10) days before the hearing,
33 and reschedule the hearing under subsection (d).

34 (f) A taxpayer may withdraw an appeal by filing a written request
35 at least ten (10) days before the hearing. The county board shall issue
36 a notification of final assessment determination indicating the
37 withdrawal and no change in the assessment. A withdrawal waives a
38 taxpayer's right to appeal to the Indiana board.

39 (g) The county board shall determine an appeal without a hearing if
40 requested by the taxpayer in writing at least twenty (20) days before the

1 hearing.

2 (h) If a taxpayer appeals the assessment of tangible property under
3 section 1.1 of this chapter, the taxpayer is not required to have an
4 appraisal of the property in order to initiate the appeal or prosecute the
5 appeal.

6 (i) At a hearing under subsection (d), the taxpayer shall have the
7 opportunity to present testimony and evidence regarding the matters on
8 appeal. If the matters on appeal are in the discretion of the county
9 auditor, the county auditor or the county auditor's representative shall
10 attend the hearing. A county or township official, or the county auditor
11 or the county auditor's representative, shall have an opportunity to
12 present testimony and evidence regarding the matters on appeal. The
13 county board may adjourn and continue the hearing to a later date in
14 order to make a physical inspection or consider the evidence presented.

15 (j) The county board shall determine the assessment by motion and
16 majority vote. A county board may, based on the evidence before it,
17 increase an assessment. The county board shall issue a written
18 decision. Written notice of the decision shall be given to the township
19 official, county official, county auditor, and the taxpayer.

20 (k) If more than one hundred eighty (180) days have passed since
21 the date the notice of appeal was filed, and the county board has not
22 issued a determination, a taxpayer may initiate any appeal with the
23 Indiana board of tax review under section 3 of this chapter.

24 (l) The county assessor may assess a penalty of fifty dollars (\$50)
25 against the taxpayer if the taxpayer or representative fails to appear at
26 a hearing under subsection (d) and, under subsection (e), the taxpayer's
27 request for continuance is denied, or the taxpayer's request for
28 continuance, request for the board to take action without a hearing, or
29 withdrawal is not timely filed. A taxpayer may appeal the assessment
30 of the penalty to the Indiana board or directly to the tax court. The
31 penalty may not be added as an amount owed on the property tax
32 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

33 **(m) Notwithstanding any other law, a determination of an**
34 **appealed assessed value by a county or township official resulting**
35 **from an informal meeting under subsection (a), or by a county**
36 **board resulting from an appeal hearing under subsection (d), may**
37 **be less than or equal to the original appealed assessed value at**
38 **issue, but may not exceed the original appealed assessed value at**
39 **issue.**

40 SECTION 15. IC 6-1.1-15-4, AS AMENDED BY P.L.156-2020,

1 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 4. (a) After receiving a petition for review which
3 is filed under section 3 of this chapter, the Indiana board shall conduct
4 a hearing at its earliest opportunity. The Indiana board may correct any
5 errors related to a claim under section 1.1 of this chapter that is within
6 the jurisdiction of the Indiana board under IC 6-1.5-4-1.

7 (b) If the Indiana board conducts a site inspection of the property as
8 part of its review of the petition, the Indiana board shall give notice to
9 all parties of the date and time of the site inspection. The Indiana board
10 is not required to assess the property in question. The Indiana board
11 shall give notice of the date fixed for the hearing, by mail, to the parties
12 or a party's representative. The Indiana board shall give these notices
13 at least thirty (30) days before the day fixed for the hearing unless the
14 parties agree to a shorter period. With respect to a petition for review
15 filed by a county assessor, the county board that made the
16 determination under review under this section may file an amicus
17 curiae brief in the review proceeding under this section. The expenses
18 incurred by the county board in filing the amicus curiae brief shall be
19 paid from the property reassessment fund under IC 6-1.1-4-27.5 of the
20 county in which the property is located. The executive of a taxing unit
21 may file an amicus curiae brief in the review proceeding under this
22 section if the property that is the subject of the appeal is subject to
23 assessment by that taxing unit.

24 (c) If a petition for review does not comply with the Indiana board's
25 instructions for completing the form prescribed under section 3 of this
26 chapter, the Indiana board shall return the petition to the petitioner and
27 include a notice describing the defect in the petition. The petitioner
28 then has thirty (30) days from the date on the notice to cure the defect
29 and file a corrected petition. The Indiana board shall deny a corrected
30 petition for review if it does not substantially comply with the Indiana
31 board's instructions for completing the form prescribed under section
32 3 of this chapter.

33 (d) After the hearing, the Indiana board shall give the parties and
34 any entity that filed an amicus curiae brief, or their representatives:

- 35 (1) notice, by mail, of its final determination; and
36 (2) for parties entitled to appeal the final determination, notice of
37 the procedures they must follow in order to obtain court review
38 under section 5 of this chapter.

39 (e) The Indiana board shall conduct a hearing not later than one (1)
40 year after a petition in proper form is filed with the Indiana board.

(f) The Indiana board shall issue a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
 - (2) the date set in an extension order issued by the Indiana board.
- The board may not extend the date by more than one hundred eighty (180) days.

(g) The time periods described in subsections (e) and (f) do not include any period of time that is attributable to a party's:

- (1) request for a continuance, stay, extension, or summary disposition;
- (2) consent to a case management order, stipulated record, or proposed hearing date;
- (3) failure to comply with the board's orders or rules; or
- (4) waiver of a deadline.

(h) If the Indiana board fails to take action required under subsection (e) or (f), the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to hear the matter and issue a final determination; or
- (2) petition for judicial review under section 5 of this chapter.

(i) This subsection applies when the board has not held a hearing. A person may not seek judicial review under subsection (h)(2) until:

- (1) the person requests a hearing in writing; and
- (2) sixty (60) days have passed after the person requests a hearing under subdivision (1) and the matter has not been heard or otherwise extended under subsection (g).

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county board in support of those issues only if all parties participating in the hearing required under subsection (a) agree to the limitation. A party participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county board.

(l) The Indiana board may require the parties to the appeal:

(1) to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to all other parties to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

(o) If a party to a proceeding, or a party's authorized representative, elects to receive any notice under this section by electronic mail, the notice is considered effective in the same manner as if the notice had been sent by United States mail, with postage prepaid, to the party's or representative's mailing address of record.

(p) At a hearing under this section, the Indiana board shall admit into evidence an appraisal report, prepared by an appraiser, unless the appraisal report is ruled inadmissible on grounds besides a hearsay objection. This exception to the hearsay rule shall not be construed to limit the discretion of the Indiana board, as trier of fact, to review the probative value of an appraisal report.

(q) Notwithstanding any other law, a determination of an appealed assessed value by the Indiana board resulting from an appeal hearing under this section may be less than or equal to the original appealed assessed value at issue, but may not exceed the original appealed assessed value at issue."

Page 24, delete lines 5 through 42, begin a new paragraph and

1 insert:

2 "SECTION 16. IC 6-1.1-18-34 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2023]: Sec. 34. (a) Except as otherwise
5 provided in this section, this section:

6 (1) does not apply until the expiration of IC 20-45-8 under
7 IC 20-45-8-29(a); and

8 (2) upon the expiration of IC 20-45-8 under IC 20-45-8-29(a)
9 applies only to a school corporation that has under its
10 jurisdiction any territory located in Dearborn County.

11 (b) Subject to subsection (c), the superintendent of a school
12 corporation may, after approval by the governing body of the
13 school corporation, and before September 1 of the year
14 immediately preceding the expiration of IC 20-45-8, submit a
15 petition to the department of local government finance requesting
16 an increase in the school corporation's maximum permissible ad
17 valorem property tax levy under IC 20-46-8-1 for its operations
18 fund for property taxes first due and payable in the year after the
19 expiration of IC 20-45-8.

20 (c) Before the governing body of the school corporation may
21 approve a petition under subsection (b), the governing body of the
22 school corporation must hold a public hearing on the petition. The
23 governing body of the school corporation shall give notice of the
24 public hearing under IC 5-3-1. At the public hearing, the governing
25 body of the school corporation shall make available to the public
26 the following:

27 (1) A fiscal plan describing the need for the increase to the
28 levy and the expenditures for which the revenue generated
29 from the increase to the levy will be used.

30 (2) A statement that the proposed increase will be a
31 permanent increase to the school corporation's maximum
32 permissible ad valorem property tax levy under IC 20-46-8-1
33 for its operations fund.

34 (3) The estimated effect of the proposed increase on
35 taxpayers.

36 (4) The anticipated property tax rates and levies for property
37 taxes first due and payable in the year after the expiration of
38 IC 20-45-8.

39 After the governing body of the school corporation approves the
40 petition, the school corporation shall immediately notify the other

1 civil taxing units and school corporations in the county that are
 2 located in a taxing district where the school corporation is also
 3 located.

4 (d) If the superintendent of a school corporation submits a
 5 petition under subsection (b), the department of local government
 6 finance shall increase the school corporation's maximum
 7 permissible ad valorem property tax levy under IC 20-46-8-1 for
 8 the operations fund for property taxes first due and payable in the
 9 year after the expiration of IC 20-45-8 by the amount of the
 10 distribution that the school corporation received in the year
 11 immediately preceding the expiration of IC 20-45-8, as determined
 12 by the department of local government finance.

13 (e) The school corporation's maximum permissible ad valorem
 14 property tax levy for property taxes first due and payable in the
 15 year after the expiration of IC 20-45-8, as adjusted under this
 16 section, shall be used in the determination of the school
 17 corporation's maximum permissible ad valorem property tax levy
 18 under IC 6-1.1-18.5 for property taxes first due and payable in the
 19 year following the year after the expiration of IC 20-45-8 and
 20 thereafter."

21 Page 25, delete lines 1 through 13.

22 Page 25, between lines 41 and 42, begin a new paragraph and insert:

23 "SECTION 18. IC 6-1.1-18.5-21, AS AMENDED BY
 24 P.L.182-2009(ss), SECTION 138, IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 21. (a) A civil taxing
 26 unit may determine that the ad valorem property tax levy limits
 27 imposed by section 3 of this chapter do not apply to all or part of the ad
 28 valorem property taxes imposed to repay a loan under either or both of
 29 the following:

30 (1) IC 6-1.1-21.3.

31 (2) IC 6-1.1-21.9.

32 (b) This subsection applies to a civil taxing unit or school
 33 corporation located in Lake County that has received or is
 34 receiving a loan under IC 6-1.1-22.1. The ad valorem property tax
 35 levy limits imposed in section 3 of this chapter do not apply to all
 36 or part of the ad valorem property taxes imposed to repay a loan
 37 under IC 6-1.1-22.1 for the ensuing calendar year if:

38 (1) the civil taxing unit or school corporation provides to the
 39 department the information the department considers
 40 necessary to determine the amount of ad valorem property

1 **taxes imposed to repay the loan in the ensuing calendar year;**
 2 **and**
 3 **(2) the information described in subdivision (1) is provided to**
 4 **the department not later than December 1 of the year**
 5 **preceding the ensuing calendar year.**

6 SECTION 19. IC 6-1.1-18.5-25, AS AMENDED BY P.L.159-2020,
 7 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2023]: Sec. 25. (a) The ad valorem property tax levy limits
 9 imposed under section 3 of this chapter do not apply to a municipality
 10 in a year if all the following apply:

11 (1) The percentage growth in the municipality's assessed value for
 12 the preceding year compared to the year before the preceding year
 13 is at least two (2) times the maximum levy growth quotient
 14 determined under section 2 of this chapter for the preceding year.
 15 (2) The municipality's population increased by at least one
 16 hundred fifty percent (150%) between the last two (2) decennial
 17 censuses. **The computation of an increase of one hundred fifty**
 18 **percent (150%) under this subdivision shall be determined**
 19 **according to the last STEP of the following STEPS:**

20 **STEP ONE: Determine the municipality's population as**
 21 **tabulated following the first decennial census.**

22 **STEP TWO: Determine municipality's population as**
 23 **tabulated following the second decennial census.**

24 **STEP THREE: Multiply the amount determined under**
 25 **STEP ONE by a factor of two and five-tenths (2.5).**

26 **STEP FOUR: Determine whether the population**
 27 **determined under STEP TWO is greater than or equal to**
 28 **the STEP THREE product.**

29 (b) A municipality that meets all the requirements under subsection
 30 (a) may increase its ad valorem property tax levy in excess of the limits
 31 imposed under section 3 of this chapter by a percentage equal to the
 32 lesser of:

33 (1) the percentage growth in the municipality's assessed value for
 34 the preceding year compared to the year before the preceding
 35 year; or

36 (2) six percent (6%).

37 (c) A municipality's maximum levy growth that results from either
 38 annexation or the pass through of assessed value from a tax increment
 39 financing district may not be included for the purposes of determining
 40 a municipality's maximum levy growth under this section.

(d) This section applies to property tax levies imposed after December 31, 2016.

SECTION 20. IC 6-1.1-18.5-28, AS ADDED BY P.L.174-2022, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) This section applies only to the Sugar Creek Township Fire Protection District in Vigo County.

(b) Subject to subsection (c), the executive of a district described in subsection (a) may, after approval by the fiscal body of the district, and before August 1, ~~2022~~, **2023**, submit a petition to the department of local government finance requesting an increase in the district's maximum permissible ad valorem property tax levy for property taxes first due and payable in ~~2023~~. **2024**.

(c) Before the fiscal body of the district may approve a petition under subsection (b), the fiscal body of the district shall hold a public hearing on the petition. The fiscal body shall give notice of the public hearing under IC 5-3-1. At the public hearing, the fiscal body shall make available to the public the following:

(1) A fiscal plan describing the need for the increase to the levy and the expenditures for which the revenue generated from the increase to the levy will be used.

(2) A statement that the proposed increase will be a permanent increase to the district's maximum permissible ad valorem property tax levy.

(3) The estimated effect of the proposed increase on taxpayers. After the fiscal body approves the petition, the district shall immediately notify the other civil taxing units and school corporations in the county that are located in a taxing district where the district is also located.

(d) If the executive of the district submits a petition under subsection (b), the department of local government finance shall increase the maximum permissible ad valorem property tax levy for property taxes first due and payable in ~~2023~~ **2024** by not more than one hundred ~~fifty~~ thousand dollars (~~\$100,000~~). (**\$150,000**).

(e) The district's maximum permissible ad valorem property tax levy for property taxes first due and payable in ~~2023~~, **2024**, as adjusted under this section, shall be used in the determination of the district's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for property taxed first due and payable in ~~2024~~ **2025** and thereafter.

(f) This section expires June 30, ~~2026~~. **2028**.

SECTION 21. IC 6-1.1-18.5-29, AS ADDED BY P.L.174-2022, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) This section applies only to the Otter Creek Township in Vigo County.

(b) Subject to subsection (c), the executive of a township described in subsection (a) may, after approval by the fiscal body of the township, and before August 1, ~~2022~~, **2023**, submit a petition to the department of local government finance requesting an increase in the township's maximum permissible ad valorem property tax levy for property taxes first due and payable in ~~2023~~: **2024**.

(c) Before the fiscal body of the township may approve a petition under subsection (b), the fiscal body of the township shall hold a public hearing on the petition. The fiscal body shall give notice of the public hearing under IC 5-3-1. At the public hearing, the fiscal body shall make available to the public the following:

(1) A fiscal plan describing the need for the increase to the levy and the expenditures for which the revenue generated from the increase to the levy will be used.

(2) A statement that the proposed increase will be a permanent increase to the township's maximum permissible ad valorem property tax levy.

(3) The estimated effect of the proposed increase on taxpayers.

After the fiscal body approves the petition, the township shall immediately notify the other civil taxing units and school corporations in the county that are located in a taxing district where the township is also located.

(d) If the executive of the township submits a petition under subsection (b), the department of local government finance shall increase the maximum permissible ad valorem property tax levy for property taxes first due and payable in 2023 by not more than ~~seventy-five~~ **one hundred** thousand dollars (~~\$75,000~~): **(\$100,000)**.

(e) The township's maximum permissible ad valorem property tax levy for property taxes first due and payable in ~~2023~~: **2024**, as adjusted under this section, shall be used in the determination of the township's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for property taxes first due and payable in ~~2024~~ **2025** and thereafter.

(f) This section expires June 30, ~~2026~~: **2028**.

SECTION 22. IC 6-1.1-20-1.1, AS AMENDED BY P.L.32-2021, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2023]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will not cost the political subdivision more than the lesser of the following:

(A) An amount equal to the following:

(i) In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, two million dollars (\$2,000,000).

(ii) In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, five million dollars (\$5,000,000).

(iii) In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the amount determined under this clause for the preceding calendar year.

The department of local government finance shall publish the threshold determined under item (iii) in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(B) An amount equal to the following:

(i) One percent (1%) of the total gross assessed value of property within the political subdivision on the last

- 1 assessment date, if that total gross assessed value is more
- 2 than one hundred million dollars (\$100,000,000).
- 3 (ii) One million dollars (\$1,000,000), if the total gross
- 4 assessed value of property within the political subdivision
- 5 on the last assessment date is not more than one hundred
- 6 million dollars (\$100,000,000).
- 7 (3) A project that is being refinanced for the purpose of providing
- 8 gross or net present value savings to taxpayers.
- 9 (4) A project for which bonds were issued or leases were entered
- 10 into before January 1, 1996, or where the state board of tax
- 11 commissioners has approved the issuance of bonds or the
- 12 execution of leases before January 1, 1996.
- 13 (5) A project that:
- 14 (A) is required by a court order holding that a federal law
- 15 mandates the project; or
- 16 (B) is in response to a court order holding that:
- 17 (i) a federal law has been violated; and
- 18 (ii) the project is to address the deficiency or violation.
- 19 (6) A project that is in response to:
- 20 (A) a natural disaster;
- 21 (B) an accident; or
- 22 (C) an emergency;
- 23 in the political subdivision that makes a building or facility
- 24 unavailable for its intended use.
- 25 (7) A project that was not a controlled project under this section
- 26 as in effect on June 30, 2008, and for which:
- 27 (A) the bonds or lease for the project were issued or entered
- 28 into before July 1, 2008; or
- 29 (B) the issuance of the bonds or the execution of the lease for
- 30 the project was approved by the department of local
- 31 government finance before July 1, 2008.
- 32 (8) A project of the Little Calumet River basin development
- 33 commission for which bonds are payable from special
- 34 assessments collected under IC 14-13-2-18.6.
- 35 (9) A project for engineering, land and right-of-way acquisition,
- 36 construction, resurfacing, maintenance, restoration, and
- 37 rehabilitation exclusively for or of:
- 38 (A) local road and street systems, including bridges that are
- 39 designated as being in a local road and street system;
- 40 (B) arterial road and street systems, including bridges that are

designated as being in an arterial road and street system; or
 (C) any combination of local and arterial road and street
 systems, including designated bridges.

SECTION 23. IC 6-1.1-20.6-1.3 IS ADDED TO THE INDIANA
 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: **Sec. 1.3. As
 used in this chapter, "controlled environment agriculture
 property" means land and improvements of an agricultural
 greenhouse that is used to produce fresh vegetables, fruits, or other
 agricultural produce grown indoors under climate-controlled
 conditions, year-round, and for commercial purposes.**

SECTION 24. IC 6-1.1-20.6-1.7 IS ADDED TO THE INDIANA
 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: **Sec. 1.7. As
 used in this chapter, "health care property" means property that
 is:**

(1) a hospital licensed under IC 16-21; or

(2) long term care property.

SECTION 25. IC 6-1.1-20.6-7.5, AS AMENDED BY P.L.205-2013,
 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JANUARY 1, 2023 (RETROACTIVE)]: **Sec. 7.5. (a) A person is
 entitled to a credit against the person's property tax liability for
 property taxes first due and payable after 2009. The amount of the
 credit is the amount by which the person's property tax liability
 attributable to the person's:**

(1) homestead exceeds one percent (1%);

(2) residential property exceeds two percent (2%);

(3) ~~long term~~ health care property exceeds two percent (2%);

(4) agricultural land exceeds two percent (2%);

**(5) controlled environment agriculture property exceeds two
 percent (2%);**

~~(5)~~ (6) nonresidential real property exceeds three percent (3%); or

~~(6)~~ (7) personal property exceeds three percent (3%);

**of the gross assessed value of the property that is the basis for
 determination of property taxes for that calendar year.**

**(b) This subsection applies to property taxes first due and payable
 after 2009. Property taxes imposed after being approved by the voters
 in a referendum or local public question shall not be considered for
 purposes of calculating a person's credit under this section.**

(c) This subsection applies to property taxes first due and payable

after 2009. As used in this subsection, "eligible county" means only a county for which the general assembly determines in 2008 that limits to property tax liability under this chapter are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). Property taxes imposed in an eligible county:

(1) to pay debt service:

(A) on bonds issued before July 1, 2008; or

(B) on bonds that:

(i) are issued to refund bonds originally issued before July 1, 2008; and

(ii) have a maturity date that is not later than the maturity date of the bonds refunded;

(2) to make lease payments on leases entered into before July 1, 2008, to secure bonds;

(3) to make lease payments on leases:

(A) that are amended to refund bonds secured by leases entered into before July 1, 2008; and

(B) that have a term that is not longer than the term of the leases amended; or

(4) to make lease payments on leases:

(A) that secure bonds:

(i) issued to refund bonds originally issued before July 1, 2008; and

(ii) that have a maturity date that is not later than the maturity date of the bonds refunded; and

(B) that have a term that ends not later than the maturity date of the bonds refunded;

shall not be considered for purposes of calculating a person's credit under this section.

SECTION 26. IC 6-1.1-20.6-9.9, AS AMENDED BY P.L.238-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9.9. (a) **This subsection applies to credits allocated before January 1, 2024. If:**

(1) a school corporation after July 1, 2016, issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than:

(A) to refinance or renew prior bond or lease rental obligations

1 existing before January 1, 2017; or
 2 (B) indebtedness that is approved in a local public question or
 3 referendum under IC 6-1.1-20 or any other law; and
 4 (2) the school corporation's:
 5 (A) total debt service levy is greater than the school
 6 corporation's total debt service levy in 2016; and
 7 (B) total debt service tax rate is greater than the school
 8 corporation's total debt service tax rate in 2016;
 9 the school corporation is not eligible to allocate credits proportionately
 10 under this section.

11 **(b) This subsection applies to credits allocated after December**
 12 **31, 2023. A school corporation is not eligible to allocate credits**
 13 **proportionately under this section, if a school corporation after**
 14 **July 1, 2023, issues new bonds or enters into a new lease rental**
 15 **agreement for which the school corporation is imposing or will**
 16 **impose a debt service levy other than:**

17 **(1) to refinance or renew prior bond or lease rental**
 18 **obligations existing before January 1, 2024, but only if the**
 19 **refinancing or renewal is for a lower interest rate; or**
 20 **(2) indebtedness that is approved in a local public question or**
 21 **referendum under IC 6-1.1-20 or any other law.**

22 ~~(b)~~ **(c)** Subject to subsection (a) **(before January 1, 2024) and**
 23 **subsection (b) (after December 31, 2023),** a school corporation is
 24 eligible to allocate credits proportionately under this section for 2019,
 25 2020, 2021, 2022, ~~or~~ 2023, **2024, 2025, or 2026** if the school
 26 corporation's percentage computed under this subsection is at least ten
 27 percent (10%) for its operations fund levy as certified by the
 28 department of local government finance. A school corporation shall
 29 compute its percentage under this subsection as determined under the
 30 following formula:

31 STEP ONE: Determine the amount of credits granted under this
 32 chapter against the school corporation's levy for the school
 33 corporation's operations fund.

34 STEP TWO: Determine the amount of the school corporation's
 35 levy that is attributable to new debt incurred after June 30, 2019,
 36 but is not attributable to the debt service levy described in
 37 subsection (a)(1)(B) **(before January 1, 2024) or subsection**
 38 **(b)(2) (after December 31, 2023).**

39 STEP THREE: Determine the result of the school corporation's
 40 total levy minus any referendum levy.

- 1 STEP FOUR: Subtract the STEP TWO amount from the STEP
- 2 THREE amount.
- 3 STEP FIVE: Divide the STEP FOUR amount by the STEP
- 4 THREE amount expressed as a percentage.
- 5 STEP SIX: Multiply the STEP ONE amount by the STEP FIVE
- 6 percentage.
- 7 STEP SEVEN: Determine the school corporation's levy for the
- 8 school corporation's operations fund.
- 9 STEP EIGHT: Divide the STEP SIX amount by the STEP SEVEN
- 10 amount expressed as a percentage.
- 11 The computation must be made by taking into account the requirements
- 12 of section 9.8 of this chapter regarding protected taxes and the impact
- 13 of credits granted under this chapter on the revenue to be distributed to
- 14 the school corporation's operations fund for the particular year.
- 15 ~~(c)~~ (d) A school corporation that desires to be an eligible school
- 16 corporation under this section must, before May 1 of the year for which
- 17 it wants a determination, submit a written request for a certification by
- 18 the department of local government finance that the computation of the
- 19 school corporation's percentage under subsection ~~(b)~~ (c) is correct. The
- 20 department of local government finance shall, not later than June 1 of
- 21 that year, determine whether the percentage computed by the school
- 22 corporation under subsection ~~(b)~~ (c) is accurate and certify whether the
- 23 school corporation is eligible under this section.
- 24 ~~(d)~~ (e) For a school corporation that is certified as eligible under this
- 25 section, the school corporation may allocate the effect of the credits
- 26 granted under this chapter proportionately among all the school
- 27 corporation's property tax funds that are not exempt under section
- 28 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and
- 29 without taking into account the requirements of section 9.8 of this
- 30 chapter regarding protected taxes as determined under the following
- 31 formula:
- 32 STEP ONE: Determine the product of:
- 33 (A) the percentage determined under STEP EIGHT of
- 34 subsection ~~(b)~~; (c); multiplied by
- 35 (B) five (5).
- 36 STEP TWO: Determine the lesser of the STEP ONE percentage
- 37 or one hundred percent (100%).
- 38 STEP THREE: Determine the product of:
- 39 (A) the amount determined under STEP SIX of subsection ~~(b)~~;
- 40 (c); multiplied by

1 (B) the STEP TWO percentage.

2 The school corporation may allocate the amount of credits determined
3 under STEP THREE proportionately under this section. The
4 department of local government finance shall include in its certification
5 of an eligible school corporation under subsection ~~(e)~~ (d) the amount
6 of credits that the school corporation may allocate proportionately as
7 determined under this subsection.

8 ~~(e)~~ (f) This section expires January 1, ~~2024~~ **2027**.

9 SECTION 27. IC 6-1.1-21.3-3, AS ADDED BY P.L.182-2009(ss),
10 SECTION 156, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) The board, after review by the
12 budget committee, shall determine the terms of a loan made under this
13 chapter, subject to the following:

14 (1) The loan must be repaid not later than ten (10) years after the
15 date on which the loan is made.

16 (2) The terms of the loan must allow for prepayment of the loan
17 without penalty.

18 (3) The maximum amount of the loan that a qualified taxing unit
19 may receive with respect to a default described in section 1(c)(3)
20 of this chapter on one (1) or more payments of property taxes first
21 due and payable in a calendar year is the amount, as determined
22 by the board, of revenue shortfall for the qualified taxing unit that
23 results from the default for that calendar year.

24 (b) The board may disburse in installments the proceeds of a loan
25 made under this chapter.

26 (c) A qualified taxing unit may repay a loan made under this chapter
27 from any of the following:

28 (1) Property tax revenues of the qualified taxing unit that are
29 subject to the levy limitations imposed by IC 6-1.1-18.5.

30 (2) Property tax revenues of the qualified taxing unit that are not
31 subject to levy limitations as provided in ~~IC 6-1.1-18.5-21~~.
32 **IC 6-1.1-18.5-21(a).**

33 (3) The qualified taxing unit's debt service fund.

34 (4) Any other source of revenues (other than property taxes) that
35 is legally available to the qualified taxing unit.

36 The payment of any installment on a loan made under this chapter
37 constitutes a first charge against the property tax revenues described in
38 subdivision (1) or (2) that are collected by the qualified taxing unit
39 during the calendar year the installment is due and payable.

40 (d) The obligation to repay a loan made under this chapter is not a

basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 20-44-3.

(e) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

SECTION 28. IC 6-1.1-21.9-3, AS AMENDED BY P.L.1-2009, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) The board, not later than December 31, 2009, and after review by the budget committee, shall determine the terms of a loan made under this chapter, subject to the following:

(1) The board may not charge interest on the loan.

(2) The loan must be repaid not later than ten (10) years after the date on which the loan was made.

(3) The terms of the loan must allow for prepayment of the loan without penalty.

(4) The maximum amount of the loan that a qualifying taxing unit may receive with respect to a default described in section 1(c)(3) of this chapter on one (1) or more payments of property taxes first due and payable in a calendar year is the amount, as determined by the board, of revenue shortfall for the qualifying taxing unit that results from the default for that calendar year.

(5) The total amount of all loans under this chapter for all calendar years may not exceed thirteen million dollars (\$13,000,000).

(b) The board may disburse in installments the proceeds of a loan made under this chapter.

(c) A qualified taxing unit may repay a loan made under this chapter from any of the following:

(1) Property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or (before January 1, 2009) IC 6-1.1-19.

(2) Property tax revenues of the qualified taxing unit that are not subject to levy limitations as provided in ~~IC 6-1.1-18.5-21~~ **IC 6-1.1-18.5-21(a)** or (before January 1, 2009) IC 6-1.1-19-13.

(3) The qualified taxing unit's debt service fund.

(4) Any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment on a loan made under this chapter constitutes a first charge against the property tax revenues described in subdivision (1) or (2) that are collected by the qualified taxing unit

during the calendar year the installment is due and payable.

(d) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or (before January 1, 2009) IC 6-1.1-19.

(e) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

SECTION 29. IC 6-1.1-22.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 22.1. Loans to Qualified Taxing Units in Lake County

Sec. 1. As used in this chapter, "board" refers to the state board of finance.

Sec. 2. As used in this chapter, "qualified taxing unit" means a city, township, or school corporation located in Lake County that experienced a property tax revenue shortfall in one (1) or more tax years:

(1) that resulted from erroneous assessed valuation figures being provided to the city, township, or school corporation; and

(2) for which the aggregate property tax revenue shortfall the city, township, or school corporation experienced, or will experience, is at least:

(A) five million dollars (\$5,000,000); or

(B) twenty percent (20%) of its net tax levy;

in any single tax year as a result of the erroneous assessed valuation figures referred to in subdivision (1).

Sec. 3. A qualified taxing unit, subject to the approval of the fiscal body of the qualified taxing unit, may apply to the treasurer of state for a loan from the counter-cyclical revenue and economic stabilization fund.

Sec. 4. Subject to this chapter, the treasurer of state, after review by the budget committee, shall determine the terms of any loan made under this chapter.

Sec. 5. The treasurer of state may:

(1) impose interest on a loan under this chapter at a rate determined by the treasurer of state; or

(2) determine that no interest is required to be charged on a loan under this chapter.

Sec. 6. (a) The total amount of all loans under this chapter for

all calendar years may not exceed the total amount of property tax revenue shortfall for all qualified taxing units that resulted from erroneous assessed valuation amounts being provided to the qualified taxing units, as determined by the treasurer of state.

(b) The amount of loans provided under this chapter to a qualified taxing unit may not exceed the remainder of:

(1) two percent (2%) of the true tax value of property in the qualified taxing unit as of the date of the loan; minus

(2) the amount of any loans previously received by the qualified taxing unit under this chapter, together with the amount of any other indebtedness of the qualified taxing unit regardless of the nature of the indebtedness, other than items payable out of current expenses.

(c) The qualified taxing unit may use the proceeds of a loan under this chapter to refund any bonds of the qualified taxing unit previously issued to offset the qualified taxing unit's property tax revenue shortfall.

Sec. 7. If a qualified taxing unit receives a loan under this chapter, the qualified taxing unit must repay the loan within twenty-five (25) years after the date on which the loan is made. No penalty may be imposed for repaying a loan under this chapter before the term of the loan expires.

Sec. 8. The treasurer of state may disburse in installments the proceeds of a loan made under this chapter.

Sec. 9. A qualified taxing unit may repay a loan under this chapter from any source or sources of revenue.

Sec. 10. An obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy.

Sec. 11. When the treasurer of state receives a payment with respect to a loan under this chapter, the state treasurer shall deposit the amount received in the counter-cyclical revenue and economic stabilization fund.

Sec. 12. The proceeds of a loan under this chapter received by an eligible taxing unit are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating levy excess.

Sec. 13. Notes associated with loans under this chapter, and the authorization, issuance, sale, and delivery of the notes, are not

1 subject to any general statute concerning obligations issued by the
 2 local governmental entity borrower. This chapter contains full and
 3 complete authority for the making of a loan under this chapter, the
 4 authorization, issuance, sale, and delivery of a note associated with
 5 a loan made under this chapter, and repayment of the loan by the
 6 borrower. No law, procedure, proceeding, publication, notice,
 7 consent, approval, order, or act by any officer, department, agency,
 8 or instrument of the state, or of any political subdivision, is
 9 required to make a loan under this chapter, issue a note associated
 10 with a loan under this chapter, or repay a loan, except as
 11 prescribed under this chapter.

12 Sec. 14. Upon the failure of a qualified taxing unit to make any
 13 of the qualified taxing unit's payments on a loan granted under this
 14 chapter when due, the treasurer of state, upon being notified of the
 15 failure by the board, may pay the unpaid amount that is due from
 16 the funds held by the state that would otherwise be distributable to
 17 the qualified taxing unit.

18 Sec. 15. A loan under this chapter is not bonded indebtedness
 19 for purposes of IC 6-1.1-18.5 or IC 6-1.1-20."

20 Page 34, delete lines 20 through 34.

21 Page 38, between lines 9 and 10, begin a new paragraph and insert:

22 "SECTION 32. IC 6-1.1-39-1, AS AMENDED BY P.L.95-2022,
 23 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 1. (a) This chapter
 25 applies to all counties, cities, and towns (referred to in this chapter as
 26 units).

27 (b) Notwithstanding any other law: ~~for economic development~~
 28 ~~districts established:~~

29 (1) **for economic development districts established** after
 30 January 1, 1992, this chapter does not apply to fire protection
 31 districts established under IC 36-8-11; and

32 (2) ~~after December 31, 2021;~~ this chapter does not apply to the
 33 part of a participating unit's proceeds of property taxes imposed
 34 for an assessment date with respect to which the allocation and
 35 distribution is made that are attributable to property taxes
 36 imposed to meet the participating unit's obligations to a fire
 37 protection territory established under IC 36-8-19 **after December**
 38 **31, 2022.**

39 SECTION 33. IC 6-3-1-3.5, AS AMENDED BY P.L.1-2023,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2022 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

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

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

(2) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

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

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

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code (as effective January 1, 2017);

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

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

(5) Subtract:

(A) One thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).

(B) One thousand five hundred dollars (\$1,500) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual:

(i) who is less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age;

(ii) for whom the taxpayer is the legal guardian; and

(iii) for whom the taxpayer does not claim an exemption under clause (A).

(C) Five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the federal adjusted gross income of the taxpayer, or the

1 taxpayer and the taxpayer's spouse in the case of a joint return,
2 is less than forty thousand dollars (\$40,000). In the case of a
3 married individual filing a separate return, the qualifying
4 income amount in this clause is equal to twenty thousand
5 dollars (\$20,000).

6 (D) Three thousand dollars (\$3,000) for each exemption
7 allowed under Section 151(c) of the Internal Revenue Code (as
8 effective January 1, 2017) for an individual who is:

9 (i) an adopted child of the taxpayer; and

10 (ii) less than nineteen (19) years of age or is a full-time
11 student who is less than twenty-four (24) years of age.

12 This amount is in addition to any amount subtracted under
13 clause (A) or (B).

14 This amount is in addition to the amount subtracted under
15 subdivision (4).

16 (6) Subtract any amounts included in federal adjusted gross
17 income under Section 111 of the Internal Revenue Code as a
18 recovery of items previously deducted as an itemized deduction
19 from adjusted gross income.

20 (7) Subtract any amounts included in federal adjusted gross
21 income under the Internal Revenue Code which amounts were
22 received by the individual as supplemental railroad retirement
23 annuities under 45 U.S.C. 231 and which are not deductible under
24 subdivision (1).

25 (8) Subtract an amount equal to the amount of federal Social
26 Security and Railroad Retirement benefits included in a taxpayer's
27 federal gross income by Section 86 of the Internal Revenue Code.

28 (9) In the case of a nonresident taxpayer or a resident taxpayer
29 residing in Indiana for a period of less than the taxpayer's entire
30 taxable year, the total amount of the deductions allowed pursuant
31 to subdivisions (3), (4), and (5) shall be reduced to an amount
32 which bears the same ratio to the total as the taxpayer's income
33 taxable in Indiana bears to the taxpayer's total income.

34 (10) In the case of an individual who is a recipient of assistance
35 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
36 subtract an amount equal to that portion of the individual's
37 adjusted gross income with respect to which the individual is not
38 allowed under federal law to retain an amount to pay state and
39 local income taxes.

40 (11) In the case of an eligible individual, subtract the amount of

1 a Holocaust victim's settlement payment included in the
2 individual's federal adjusted gross income.

3 (12) Subtract an amount equal to the portion of any premiums
4 paid during the taxable year by the taxpayer for a qualified long
5 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
6 or the taxpayer's spouse if the taxpayer and the taxpayer's spouse
7 file a joint income tax return or the taxpayer is otherwise entitled
8 to a deduction under this subdivision for the taxpayer's spouse, or
9 both.

10 (13) Subtract an amount equal to the lesser of:

11 (A) two thousand five hundred dollars (\$2,500), or one
12 thousand two hundred fifty dollars (\$1,250) in the case of a
13 married individual filing a separate return; or

14 (B) the amount of property taxes that are paid during the
15 taxable year in Indiana by the individual on the individual's
16 principal place of residence.

17 (14) Subtract an amount equal to the amount of a September 11
18 terrorist attack settlement payment included in the individual's
19 federal adjusted gross income.

20 (15) Add or subtract the amount necessary to make the adjusted
21 gross income of any taxpayer that owns property for which bonus
22 depreciation was allowed in the current taxable year or in an
23 earlier taxable year equal to the amount of adjusted gross income
24 that would have been computed had an election not been made
25 under Section 168(k) of the Internal Revenue Code to apply bonus
26 depreciation to the property in the year that it was placed in
27 service.

28 (16) Add an amount equal to any deduction allowed under
29 Section 172 of the Internal Revenue Code (concerning net
30 operating losses).

31 (17) Add or subtract the amount necessary to make the adjusted
32 gross income of any taxpayer that placed Section 179 property (as
33 defined in Section 179 of the Internal Revenue Code) in service
34 in the current taxable year or in an earlier taxable year equal to
35 the amount of adjusted gross income that would have been
36 computed had an election for federal income tax purposes not
37 been made for the year in which the property was placed in
38 service to take deductions under Section 179 of the Internal
39 Revenue Code in a total amount exceeding the sum of:

40 (A) twenty-five thousand dollars (\$25,000) to the extent

deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(18) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(19) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(20) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(21) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(22) Subtract an amount as described in Section 1341(a)(2) of the Internal Revenue Code to the extent, if any, that the amount was previously included in the taxpayer's adjusted gross income for a prior taxable year.

(23) For taxable years beginning after December 25, 2016, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code.

(24) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(25) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(26) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount of the deduction claimed under Section 62(a)(22) of the Internal Revenue Code.

(27) For taxable years beginning after December 31, 2019, for payments made by an employer under an education assistance program after March 27, 2020:

(A) add the amount of payments by an employer that are excluded from the taxpayer's federal gross income under Section 127(c)(1)(B) of the Internal Revenue Code; and

(B) deduct the interest allowable under Section 221 of the Internal Revenue Code, if the disallowance under Section 221(e)(1) of the Internal Revenue Code did not apply to the payments described in clause (A). For purposes of applying

- 1 Section 221(b) of the Internal Revenue Code to the amount
 2 allowable under this clause, the amount under clause (A) shall
 3 not be added to adjusted gross income.
- 4 (28) Add an amount equal to the remainder of:
- 5 (A) the amount allowable as a deduction under Section 274(n)
 6 of the Internal Revenue Code; minus
- 7 (B) the amount otherwise allowable as a deduction under
 8 Section 274(n) of the Internal Revenue Code, if Section
 9 274(n)(2)(D) of the Internal Revenue Code was not in effect
 10 for amounts paid or incurred after December 31, 2020.
- 11 (29) For taxable years beginning after December 31, 2017, and
 12 before January 1, 2021, add an amount equal to the excess
 13 business loss of the taxpayer as defined in Section 461(l)(3) of the
 14 Internal Revenue Code. In addition:
- 15 (A) If a taxpayer has an excess business loss under this
 16 subdivision and also has modifications under subdivisions (15)
 17 and (17) for property placed in service during the taxable year,
 18 the taxpayer shall treat a portion of the taxable year
 19 modifications for that property as occurring in the taxable year
 20 the property is placed in service and a portion of the
 21 modifications as occurring in the immediately following
 22 taxable year.
- 23 (B) The portion of the modifications under subdivisions (15)
 24 and (17) for property placed in service during the taxable year
 25 treated as occurring in the taxable year in which the property
 26 is placed in service equals:
- 27 (i) the modification for the property otherwise determined
 28 under this section; minus
- 29 (ii) the excess business loss disallowed under this
 30 subdivision;
- 31 but not less than zero (0).
- 32 (C) The portion of the modifications under subdivisions (15)
 33 and (17) for property placed in service during the taxable year
 34 treated as occurring in the taxable year immediately following
 35 the taxable year in which the property is placed in service
 36 equals the modification for the property otherwise determined
 37 under this section minus the amount in clause (B).
- 38 (D) Any reallocation of modifications between taxable years
 39 under clauses (B) and (C) shall be first allocated to the
 40 modification under subdivision (15), then to the modification

- 1 under subdivision (17).
- 2 (30) Add an amount equal to the amount excluded from federal
- 3 gross income under Section 108(f)(5) of the Internal Revenue
- 4 Code. For purposes of this subdivision:
- 5 (A) if an amount excluded under Section 108(f)(5) of the
- 6 Internal Revenue Code would be excludible under Section
- 7 108(a)(1)(B) of the Internal Revenue Code, the exclusion
- 8 under Section 108(a)(1)(B) of the Internal Revenue Code shall
- 9 take precedence; and
- 10 (B) if an amount would have been excludible under Section
- 11 108(f)(5) of the Internal Revenue Code as in effect on January
- 12 1, 2020, the amount is not required to be added back under this
- 13 subdivision.
- 14 (31) For taxable years ending after March 12, 2020, subtract an
- 15 amount equal to the deduction disallowed pursuant to:
- 16 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 17 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 18 and Disaster Relief Tax Act (Division EE of Public Law
- 19 116-260); and
- 20 (B) Section 3134(e) of the Internal Revenue Code.
- 21 (32) Subtract the amount of an annual grant amount distributed to
- 22 a taxpayer's Indiana education scholarship account under
- 23 IC 20-51.4-4-2 that is used for a qualified expense (as defined in
- 24 IC 20-51.4-2-9) or to an Indiana enrichment scholarship account
- 25 under IC 20-52 that is used for qualified expenses (as defined in
- 26 IC 20-52-2-6), to the extent the distribution used for the qualified
- 27 expense is included in the taxpayer's federal adjusted gross
- 28 income under the Internal Revenue Code.
- 29 (33) For taxable years beginning after December 31, 2019, and
- 30 before January 1, 2021, add an amount equal to the amount of
- 31 unemployment compensation excluded from federal gross income
- 32 under Section 85(c) of the Internal Revenue Code.
- 33 (34) For taxable years beginning after December 31, 2022,
- 34 subtract an amount equal to the deduction disallowed under
- 35 Section 280C(h) of the Internal Revenue Code.
- 36 (35) Subtract any other amounts the taxpayer is entitled to deduct
- 37 under IC 6-3-2.
- 38 (b) In the case of corporations, the same as "taxable income" (as
- 39 defined in Section 63 of the Internal Revenue Code) adjusted as
- 40 follows:

- 1 (1) Subtract income that is exempt from taxation under this article
- 2 by the Constitution and statutes of the United States.
- 3 (2) Add an amount equal to any deduction or deductions allowed
- 4 or allowable pursuant to Section 170 of the Internal Revenue
- 5 Code (concerning charitable contributions).
- 6 (3) Except as provided in subsection (c), add an amount equal to
- 7 any deduction or deductions allowed or allowable pursuant to
- 8 Section 63 of the Internal Revenue Code for taxes based on or
- 9 measured by income and levied at the state level by any state of
- 10 the United States.
- 11 (4) Subtract an amount equal to the amount included in the
- 12 corporation's taxable income under Section 78 of the Internal
- 13 Revenue Code (concerning foreign tax credits).
- 14 (5) Add or subtract the amount necessary to make the adjusted
- 15 gross income of any taxpayer that owns property for which bonus
- 16 depreciation was allowed in the current taxable year or in an
- 17 earlier taxable year equal to the amount of adjusted gross income
- 18 that would have been computed had an election not been made
- 19 under Section 168(k) of the Internal Revenue Code to apply bonus
- 20 depreciation to the property in the year that it was placed in
- 21 service.
- 22 (6) Add an amount equal to any deduction allowed under Section
- 23 172 of the Internal Revenue Code (concerning net operating
- 24 losses).
- 25 (7) Add or subtract the amount necessary to make the adjusted
- 26 gross income of any taxpayer that placed Section 179 property (as
- 27 defined in Section 179 of the Internal Revenue Code) in service
- 28 in the current taxable year or in an earlier taxable year equal to
- 29 the amount of adjusted gross income that would have been
- 30 computed had an election for federal income tax purposes not
- 31 been made for the year in which the property was placed in
- 32 service to take deductions under Section 179 of the Internal
- 33 Revenue Code in a total amount exceeding the sum of:
- 34 (A) twenty-five thousand dollars (\$25,000) to the extent
- 35 deductions under Section 179 of the Internal Revenue Code
- 36 were not elected as provided in clause (B); and
- 37 (B) for taxable years beginning after December 31, 2017, the
- 38 deductions elected under Section 179 of the Internal Revenue
- 39 Code on property acquired in an exchange if:
- 40 (i) the exchange would have been eligible for

1 nonrecognition of gain or loss under Section 1031 of the
 2 Internal Revenue Code in effect on January 1, 2017;
 3 (ii) the exchange is not eligible for nonrecognition of gain or
 4 loss under Section 1031 of the Internal Revenue Code; and
 5 (iii) the taxpayer made an election to take deductions under
 6 Section 179 of the Internal Revenue Code with regard to the
 7 acquired property in the year that the property was placed
 8 into service.

9 The amount of deductions allowable for an item of property
 10 under this clause may not exceed the amount of adjusted gross
 11 income realized on the property that would have been deferred
 12 under the Internal Revenue Code in effect on January 1, 2017.

13 (8) Add to the extent required by IC 6-3-2-20:

14 (A) the amount of intangible expenses (as defined in
 15 IC 6-3-2-20) for the taxable year that reduced the corporation's
 16 taxable income (as defined in Section 63 of the Internal
 17 Revenue Code) for federal income tax purposes; and

18 (B) any directly related interest expenses (as defined in
 19 IC 6-3-2-20) that reduced the corporation's adjusted gross
 20 income (determined without regard to this subdivision). For
 21 purposes of this clause, any directly related interest expense
 22 that constitutes business interest within the meaning of Section
 23 163(j) of the Internal Revenue Code shall be considered to
 24 have reduced the taxpayer's federal taxable income only in the
 25 first taxable year in which the deduction otherwise would have
 26 been allowable under Section 163 of the Internal Revenue
 27 Code if the limitation under Section 163(j)(1) of the Internal
 28 Revenue Code did not exist.

29 (9) Add an amount equal to any deduction for dividends paid (as
 30 defined in Section 561 of the Internal Revenue Code) to
 31 shareholders of a captive real estate investment trust (as defined
 32 in section 34.5 of this chapter).

33 (10) Subtract income that is:

34 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 35 derived from patents); and

36 (B) included in the corporation's taxable income under the
 37 Internal Revenue Code.

38 (11) Add an amount equal to any income not included in gross
 39 income as a result of the deferral of income arising from business
 40 indebtedness discharged in connection with the reacquisition after

December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(12) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(13) For taxable years beginning after December 25, 2016:

(A) for a corporation other than a real estate investment trust, add:

(i) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(ii) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(B) for a real estate investment trust, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code, but only to the extent that the taxpayer included income pursuant to Section 965 of the Internal Revenue Code in its taxable income for federal income tax purposes or is required to add back dividends paid under subdivision (9).

(14) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(15) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(16) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(17) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(18) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(19) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(20) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:

1 (1) For taxable years beginning after December 31, 2018, and
2 before January 1, 2020, a taxpayer is required to add back under
3 this section eighty-seven and five-tenths percent (87.5%) of any
4 deduction allowed on the taxpayer's federal income tax return for
5 wagering taxes.

6 (2) For taxable years beginning after December 31, 2019, and
7 before January 1, 2021, a taxpayer is required to add back under
8 this section seventy-five percent (75%) of any deduction allowed
9 on the taxpayer's federal income tax return for wagering taxes.

10 (3) For taxable years beginning after December 31, 2020, and
11 before January 1, 2022, a taxpayer is required to add back under
12 this section sixty-two and five-tenths percent (62.5%) of any
13 deduction allowed on the taxpayer's federal income tax return for
14 wagering taxes.

15 (4) For taxable years beginning after December 31, 2021, and
16 before January 1, 2023, a taxpayer is required to add back under
17 this section fifty percent (50%) of any deduction allowed on the
18 taxpayer's federal income tax return for wagering taxes.

19 (5) For taxable years beginning after December 31, 2022, and
20 before January 1, 2024, a taxpayer is required to add back under
21 this section thirty-seven and five-tenths percent (37.5%) of any
22 deduction allowed on the taxpayer's federal income tax return for
23 wagering taxes.

24 (6) For taxable years beginning after December 31, 2023, and
25 before January 1, 2025, a taxpayer is required to add back under
26 this section twenty-five percent (25%) of any deduction allowed
27 on the taxpayer's federal income tax return for wagering taxes.

28 (7) For taxable years beginning after December 31, 2024, and
29 before January 1, 2026, a taxpayer is required to add back under
30 this section twelve and five-tenths percent (12.5%) of any
31 deduction allowed on the taxpayer's federal income tax return for
32 wagering taxes.

33 (8) For taxable years beginning after December 31, 2025, a
34 taxpayer is not required to add back under this section any amount
35 of a deduction allowed on the taxpayer's federal income tax return
36 for wagering taxes.

37 (d) In the case of life insurance companies (as defined in Section
38 816(a) of the Internal Revenue Code) that are organized under Indiana
39 law, the same as "life insurance company taxable income" (as defined
40 in Section 801 of the Internal Revenue Code), adjusted as follows:

- 1 (1) Subtract income that is exempt from taxation under this article
- 2 by the Constitution and statutes of the United States.
- 3 (2) Add an amount equal to any deduction allowed or allowable
- 4 under Section 170 of the Internal Revenue Code (concerning
- 5 charitable contributions).
- 6 (3) Add an amount equal to a deduction allowed or allowable
- 7 under Section 805 or Section 832(c) of the Internal Revenue Code
- 8 for taxes based on or measured by income and levied at the state
- 9 level by any state.
- 10 (4) Subtract an amount equal to the amount included in the
- 11 company's taxable income under Section 78 of the Internal
- 12 Revenue Code (concerning foreign tax credits).
- 13 (5) Add or subtract the amount necessary to make the adjusted
- 14 gross income of any taxpayer that owns property for which bonus
- 15 depreciation was allowed in the current taxable year or in an
- 16 earlier taxable year equal to the amount of adjusted gross income
- 17 that would have been computed had an election not been made
- 18 under Section 168(k) of the Internal Revenue Code to apply bonus
- 19 depreciation to the property in the year that it was placed in
- 20 service.
- 21 (6) Add an amount equal to any deduction allowed under Section
- 22 172 of the Internal Revenue Code (concerning net operating
- 23 losses).
- 24 (7) Add or subtract the amount necessary to make the adjusted
- 25 gross income of any taxpayer that placed Section 179 property (as
- 26 defined in Section 179 of the Internal Revenue Code) in service
- 27 in the current taxable year or in an earlier taxable year equal to
- 28 the amount of adjusted gross income that would have been
- 29 computed had an election for federal income tax purposes not
- 30 been made for the year in which the property was placed in
- 31 service to take deductions under Section 179 of the Internal
- 32 Revenue Code in a total amount exceeding the sum of:
- 33 (A) twenty-five thousand dollars (\$25,000) to the extent
- 34 deductions under Section 179 of the Internal Revenue Code
- 35 were not elected as provided in clause (B); and
- 36 (B) for taxable years beginning after December 31, 2017, the
- 37 deductions elected under Section 179 of the Internal Revenue
- 38 Code on property acquired in an exchange if:
- 39 (i) the exchange would have been eligible for
- 40 nonrecognition of gain or loss under Section 1031 of the

- 1 Internal Revenue Code in effect on January 1, 2017;
- 2 (ii) the exchange is not eligible for nonrecognition of gain or
- 3 loss under Section 1031 of the Internal Revenue Code; and
- 4 (iii) the taxpayer made an election to take deductions under
- 5 Section 179 of the Internal Revenue Code with regard to the
- 6 acquired property in the year that the property was placed
- 7 into service.
- 8 The amount of deductions allowable for an item of property
- 9 under this clause may not exceed the amount of adjusted gross
- 10 income realized on the property that would have been deferred
- 11 under the Internal Revenue Code in effect on January 1, 2017.
- 12 (8) Subtract income that is:
- 13 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
- 14 derived from patents); and
- 15 (B) included in the insurance company's taxable income under
- 16 the Internal Revenue Code.
- 17 (9) Add an amount equal to any income not included in gross
- 18 income as a result of the deferral of income arising from business
- 19 indebtedness discharged in connection with the reacquisition after
- 20 December 31, 2008, and before January 1, 2011, of an applicable
- 21 debt instrument, as provided in Section 108(i) of the Internal
- 22 Revenue Code. Subtract from the adjusted gross income of any
- 23 taxpayer that added an amount to adjusted gross income in a
- 24 previous year the amount necessary to offset the amount included
- 25 in federal gross income as a result of the deferral of income
- 26 arising from business indebtedness discharged in connection with
- 27 the reacquisition after December 31, 2008, and before January 1,
- 28 2011, of an applicable debt instrument, as provided in Section
- 29 108(i) of the Internal Revenue Code.
- 30 (10) Add an amount equal to any exempt insurance income under
- 31 Section 953(e) of the Internal Revenue Code that is active
- 32 financing income under Subpart F of Subtitle A, Chapter 1,
- 33 Subchapter N of the Internal Revenue Code.
- 34 (11) Add the amount excluded from federal gross income under
- 35 Section 103 of the Internal Revenue Code for interest received on
- 36 an obligation of a state other than Indiana, or a political
- 37 subdivision of such a state, that is acquired by the taxpayer after
- 38 December 31, 2011.
- 39 (12) For taxable years beginning after December 25, 2016, add:
- 40 (A) an amount equal to the amount reported by the taxpayer on

- 1 IRC 965 Transition Tax Statement, line 1; or
- 2 (B) if the taxpayer deducted an amount under Section 965(c)
- 3 of the Internal Revenue Code in determining the taxpayer's
- 4 taxable income for purposes of the federal income tax, the
- 5 amount deducted under Section 965(c) of the Internal Revenue
- 6 Code.
- 7 (13) Add an amount equal to the deduction that was claimed by
- 8 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
- 9 Internal Revenue Code (attributable to global intangible
- 10 low-taxed income). The taxpayer shall separately specify the
- 11 amount of the reduction under Section 250(a)(1)(B)(i) of the
- 12 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
- 13 Internal Revenue Code.
- 14 (14) Subtract any interest expense paid or accrued in the current
- 15 taxable year but not deducted as a result of the limitation imposed
- 16 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 17 interest expense paid or accrued in a previous taxable year but
- 18 allowed as a deduction under Section 163 of the Internal Revenue
- 19 Code in the current taxable year. For purposes of this subdivision,
- 20 an interest expense is considered paid or accrued only in the first
- 21 taxable year the deduction would have been allowable under
- 22 Section 163 of the Internal Revenue Code if the limitation under
- 23 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 24 (15) Subtract the amount that would have been excluded from
- 25 gross income but for the enactment of Section 118(b)(2) of the
- 26 Internal Revenue Code for taxable years ending after December
- 27 22, 2017.
- 28 (16) Add an amount equal to the remainder of:
- 29 (A) the amount allowable as a deduction under Section 274(n)
- 30 of the Internal Revenue Code; minus
- 31 (B) the amount otherwise allowable as a deduction under
- 32 Section 274(n) of the Internal Revenue Code, if Section
- 33 274(n)(2)(D) of the Internal Revenue Code was not in effect
- 34 for amounts paid or incurred after December 31, 2020.
- 35 (17) For taxable years ending after March 12, 2020, subtract an
- 36 amount equal to the deduction disallowed pursuant to:
- 37 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 38 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 39 and Disaster Relief Tax Act (Division EE of Public Law
- 40 116-260); and

- 1 (B) Section 3134(e) of the Internal Revenue Code.
- 2 (18) For taxable years beginning after December 31, 2022,
- 3 subtract an amount equal to the deduction disallowed under
- 4 Section 280C(h) of the Internal Revenue Code.
- 5 (19) Add or subtract any other amounts the taxpayer is:
- 6 (A) required to add or subtract; or
- 7 (B) entitled to deduct;
- 8 under IC 6-3-2.
- 9 (e) In the case of insurance companies subject to tax under Section
- 10 831 of the Internal Revenue Code and organized under Indiana law, the
- 11 same as "taxable income" (as defined in Section 832 of the Internal
- 12 Revenue Code), adjusted as follows:
- 13 (1) Subtract income that is exempt from taxation under this article
- 14 by the Constitution and statutes of the United States.
- 15 (2) Add an amount equal to any deduction allowed or allowable
- 16 under Section 170 of the Internal Revenue Code (concerning
- 17 charitable contributions).
- 18 (3) Add an amount equal to a deduction allowed or allowable
- 19 under Section 805 or Section 832(c) of the Internal Revenue Code
- 20 for taxes based on or measured by income and levied at the state
- 21 level by any state.
- 22 (4) Subtract an amount equal to the amount included in the
- 23 company's taxable income under Section 78 of the Internal
- 24 Revenue Code (concerning foreign tax credits).
- 25 (5) Add or subtract the amount necessary to make the adjusted
- 26 gross income of any taxpayer that owns property for which bonus
- 27 depreciation was allowed in the current taxable year or in an
- 28 earlier taxable year equal to the amount of adjusted gross income
- 29 that would have been computed had an election not been made
- 30 under Section 168(k) of the Internal Revenue Code to apply bonus
- 31 depreciation to the property in the year that it was placed in
- 32 service.
- 33 (6) Add an amount equal to any deduction allowed under Section
- 34 172 of the Internal Revenue Code (concerning net operating
- 35 losses).
- 36 (7) Add or subtract the amount necessary to make the adjusted
- 37 gross income of any taxpayer that placed Section 179 property (as
- 38 defined in Section 179 of the Internal Revenue Code) in service
- 39 in the current taxable year or in an earlier taxable year equal to
- 40 the amount of adjusted gross income that would have been

1 computed had an election for federal income tax purposes not
 2 been made for the year in which the property was placed in
 3 service to take deductions under Section 179 of the Internal
 4 Revenue Code in a total amount exceeding the sum of:

5 (A) twenty-five thousand dollars (\$25,000) to the extent
 6 deductions under Section 179 of the Internal Revenue Code
 7 were not elected as provided in clause (B); and

8 (B) for taxable years beginning after December 31, 2017, the
 9 deductions elected under Section 179 of the Internal Revenue
 10 Code on property acquired in an exchange if:

11 (i) the exchange would have been eligible for
 12 nonrecognition of gain or loss under Section 1031 of the
 13 Internal Revenue Code in effect on January 1, 2017;

14 (ii) the exchange is not eligible for nonrecognition of gain or
 15 loss under Section 1031 of the Internal Revenue Code; and

16 (iii) the taxpayer made an election to take deductions under
 17 Section 179 of the Internal Revenue Code with regard to the
 18 acquired property in the year that the property was placed
 19 into service.

20 The amount of deductions allowable for an item of property
 21 under this clause may not exceed the amount of adjusted gross
 22 income realized on the property that would have been deferred
 23 under the Internal Revenue Code in effect on January 1, 2017.

24 (8) Subtract income that is:

25 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 26 derived from patents); and

27 (B) included in the insurance company's taxable income under
 28 the Internal Revenue Code.

29 (9) Add an amount equal to any income not included in gross
 30 income as a result of the deferral of income arising from business
 31 indebtedness discharged in connection with the reacquisition after
 32 December 31, 2008, and before January 1, 2011, of an applicable
 33 debt instrument, as provided in Section 108(i) of the Internal
 34 Revenue Code. Subtract from the adjusted gross income of any
 35 taxpayer that added an amount to adjusted gross income in a
 36 previous year the amount necessary to offset the amount included
 37 in federal gross income as a result of the deferral of income
 38 arising from business indebtedness discharged in connection with
 39 the reacquisition after December 31, 2008, and before January 1,
 40 2011, of an applicable debt instrument, as provided in Section

- 1 108(i) of the Internal Revenue Code.
- 2 (10) Add an amount equal to any exempt insurance income under
- 3 Section 953(e) of the Internal Revenue Code that is active
- 4 financing income under Subpart F of Subtitle A, Chapter 1,
- 5 Subchapter N of the Internal Revenue Code.
- 6 (11) Add the amount excluded from federal gross income under
- 7 Section 103 of the Internal Revenue Code for interest received on
- 8 an obligation of a state other than Indiana, or a political
- 9 subdivision of such a state, that is acquired by the taxpayer after
- 10 December 31, 2011.
- 11 (12) For taxable years beginning after December 25, 2016, add:
- 12 (A) an amount equal to the amount reported by the taxpayer on
- 13 IRC 965 Transition Tax Statement, line 1; or
- 14 (B) if the taxpayer deducted an amount under Section 965(c)
- 15 of the Internal Revenue Code in determining the taxpayer's
- 16 taxable income for purposes of the federal income tax, the
- 17 amount deducted under Section 965(c) of the Internal Revenue
- 18 Code.
- 19 (13) Add an amount equal to the deduction that was claimed by
- 20 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
- 21 Internal Revenue Code (attributable to global intangible
- 22 low-taxed income). The taxpayer shall separately specify the
- 23 amount of the reduction under Section 250(a)(1)(B)(i) of the
- 24 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
- 25 Internal Revenue Code.
- 26 (14) Subtract any interest expense paid or accrued in the current
- 27 taxable year but not deducted as a result of the limitation imposed
- 28 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 29 interest expense paid or accrued in a previous taxable year but
- 30 allowed as a deduction under Section 163 of the Internal Revenue
- 31 Code in the current taxable year. For purposes of this subdivision,
- 32 an interest expense is considered paid or accrued only in the first
- 33 taxable year the deduction would have been allowable under
- 34 Section 163 of the Internal Revenue Code if the limitation under
- 35 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 36 (15) Subtract the amount that would have been excluded from
- 37 gross income but for the enactment of Section 118(b)(2) of the
- 38 Internal Revenue Code for taxable years ending after December
- 39 22, 2017.
- 40 (16) Add an amount equal to the remainder of:

- 1 (A) the amount allowable as a deduction under Section 274(n)
- 2 of the Internal Revenue Code; minus
- 3 (B) the amount otherwise allowable as a deduction under
- 4 Section 274(n) of the Internal Revenue Code, if Section
- 5 274(n)(2)(D) of the Internal Revenue Code was not in effect
- 6 for amounts paid or incurred after December 31, 2020.
- 7 (17) For taxable years ending after March 12, 2020, subtract an
- 8 amount equal to the deduction disallowed pursuant to:
- 9 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 10 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 11 and Disaster Relief Tax Act (Division EE of Public Law
- 12 116-260); and
- 13 (B) Section 3134(e) of the Internal Revenue Code.
- 14 (18) For taxable years beginning after December 31, 2022,
- 15 subtract an amount equal to the deduction disallowed under
- 16 Section 280C(h) of the Internal Revenue Code.
- 17 (19) Add or subtract any other amounts the taxpayer is:
- 18 (A) required to add or subtract; or
- 19 (B) entitled to deduct;
- 20 under IC 6-3-2.
- 21 (f) In the case of trusts and estates, "taxable income" (as defined for
- 22 trusts and estates in Section 641(b) of the Internal Revenue Code)
- 23 adjusted as follows:
- 24 (1) Subtract income that is exempt from taxation under this article
- 25 by the Constitution and statutes of the United States.
- 26 (2) Subtract an amount equal to the amount of a September 11
- 27 terrorist attack settlement payment included in the federal
- 28 adjusted gross income of the estate of a victim of the September
- 29 11 terrorist attack or a trust to the extent the trust benefits a victim
- 30 of the September 11 terrorist attack.
- 31 (3) Add or subtract the amount necessary to make the adjusted
- 32 gross income of any taxpayer that owns property for which bonus
- 33 depreciation was allowed in the current taxable year or in an
- 34 earlier taxable year equal to the amount of adjusted gross income
- 35 that would have been computed had an election not been made
- 36 under Section 168(k) of the Internal Revenue Code to apply bonus
- 37 depreciation to the property in the year that it was placed in
- 38 service.
- 39 (4) Add an amount equal to any deduction allowed under Section
- 40 172 of the Internal Revenue Code (concerning net operating

1 losses).

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

11 (A) twenty-five thousand dollars (\$25,000) to the extent
12 deductions under Section 179 of the Internal Revenue Code
13 were not elected as provided in clause (B); and

14 (B) for taxable years beginning after December 31, 2017, the
15 deductions elected under Section 179 of the Internal Revenue
16 Code on property acquired in an exchange if:

17 (i) the exchange would have been eligible for
18 nonrecognition of gain or loss under Section 1031 of the
19 Internal Revenue Code in effect on January 1, 2017;

20 (ii) the exchange is not eligible for nonrecognition of gain or
21 loss under Section 1031 of the Internal Revenue Code; and

22 (iii) the taxpayer made an election to take deductions under
23 Section 179 of the Internal Revenue Code with regard to the
24 acquired property in the year that the property was placed
25 into service.

26 The amount of deductions allowable for an item of property
27 under this clause may not exceed the amount of adjusted gross
28 income realized on the property that would have been deferred
29 under the Internal Revenue Code in effect on January 1, 2017.

30 (6) Subtract income that is:

31 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
32 derived from patents); and

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

35 (7) Add an amount equal to any income not included in gross
36 income as a result of the deferral of income arising from business
37 indebtedness discharged in connection with the reacquisition after
38 December 31, 2008, and before January 1, 2011, of an applicable
39 debt instrument, as provided in Section 108(i) of the Internal
40 Revenue Code. Subtract from the adjusted gross income of any

taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(8) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(9) For taxable years beginning after December 25, 2016, add an amount equal to:

(A) the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1;

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(C) with regard to any amounts of income under Section 965 of the Internal Revenue Code distributed by the taxpayer, the deduction under Section 965(c) of the Internal Revenue Code attributable to such distributed amounts and not reported to the beneficiary.

For purposes of this article, the amount required to be added back under clause (B) is not considered to be distributed or distributable to a beneficiary of the estate or trust for purposes of Sections 651 and 661 of the Internal Revenue Code.

(10) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

1 (11) Add an amount equal to the deduction for qualified business
2 income that was claimed by the taxpayer for the taxable year
3 under Section 199A of the Internal Revenue Code.

4 (12) Subtract the amount that would have been excluded from
5 gross income but for the enactment of Section 118(b)(2) of the
6 Internal Revenue Code for taxable years ending after December
7 22, 2017.

8 (13) Add an amount equal to the remainder of:

9 (A) the amount allowable as a deduction under Section 274(n)
10 of the Internal Revenue Code; minus

11 (B) the amount otherwise allowable as a deduction under
12 Section 274(n) of the Internal Revenue Code, if Section
13 274(n)(2)(D) of the Internal Revenue Code was not in effect
14 for amounts paid or incurred after December 31, 2020.

15 (14) For taxable years beginning after December 31, 2017, and
16 before January 1, 2021, add an amount equal to the excess
17 business loss of the taxpayer as defined in Section 461(l)(3) of the
18 Internal Revenue Code. In addition:

19 (A) If a taxpayer has an excess business loss under this
20 subdivision and also has modifications under subdivisions (3)
21 and (5) for property placed in service during the taxable year,
22 the taxpayer shall treat a portion of the taxable year
23 modifications for that property as occurring in the taxable year
24 the property is placed in service and a portion of the
25 modifications as occurring in the immediately following
26 taxable year.

27 (B) The portion of the modifications under subdivisions (3)
28 and (5) for property placed in service during the taxable year
29 treated as occurring in the taxable year in which the property
30 is placed in service equals:

31 (i) the modification for the property otherwise determined
32 under this section; minus

33 (ii) the excess business loss disallowed under this
34 subdivision;

35 but not less than zero (0).

36 (C) The portion of the modifications under subdivisions (3)
37 and (5) for property placed in service during the taxable year
38 treated as occurring in the taxable year immediately following
39 the taxable year in which the property is placed in service
40 equals the modification for the property otherwise determined

- 1 under this section minus the amount in clause (B).
 2 (D) Any reallocation of modifications between taxable years
 3 under clauses (B) and (C) shall be first allocated to the
 4 modification under subdivision (3), then to the modification
 5 under subdivision (5).
 6 (15) For taxable years ending after March 12, 2020, subtract an
 7 amount equal to the deduction disallowed pursuant to:
 8 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 9 as modified by Sections 206 and 207 of the Taxpayer Certainty
 10 and Disaster Relief Tax Act (Division EE of Public Law
 11 116-260); and
 12 (B) Section 3134(e) of the Internal Revenue Code.
 13 (16) For taxable years beginning after December 31, 2022,
 14 subtract an amount equal to the deduction disallowed under
 15 Section 280C(h) of the Internal Revenue Code.
 16 (17) Except as provided in subsection (c), for taxable years
 17 beginning after December 31, 2022, add an amount equal to any
 18 deduction or deductions allowed or allowable in determining
 19 taxable income under Section 641(b) of the Internal Revenue
 20 Code for taxes based on or measured by income and levied at the
 21 state level by any state of the United States.
 22 (18) Add or subtract any other amounts the taxpayer is:
 23 (A) required to add or subtract; or
 24 (B) entitled to deduct;
 25 under IC 6-3-2.
 26 (g) For purposes of IC 6-3-2.1, IC 6-3-4-12, IC 6-3-4-13, and
 27 IC 6-3-4-15 for taxable years beginning after December 31, 2022,
 28 "adjusted gross income" of a pass through entity means the aggregate
 29 of items of ordinary income and loss in the case of a partnership or a
 30 corporation described in IC 6-3-2-2.8(2), or aggregate distributable net
 31 income of a trust or estate as defined in Section 643 of the Internal
 32 Revenue Code; **distributions subject to tax for state and federal**
 33 **income tax for beneficiaries in the case of a trust or estate,**
 34 whichever is applicable, for the taxable year modified as follows:
 35 (1) Add the separately stated items of income and gains, or the
 36 equivalent items that must be considered separately by a
 37 beneficiary, as determined for federal purposes, attributed to the
 38 partners, shareholders, or beneficiaries of the pass through entity,
 39 determined without regard to whether the owner is permitted to
 40 exclude all or part of the income or gain or deduct any amount

1 against the income or gain.

2 (2) Subtract the separately stated items of deductions or losses or
3 items that must be considered separately by beneficiaries, as
4 determined for federal purposes, attributed to partners,
5 shareholders, or beneficiaries of the pass through entity and that
6 are deductible by an individual in determining adjusted gross
7 income as defined under Section 62 of the Internal Revenue
8 Code:

9 (A) limited as if the partners, shareholders, and beneficiaries
10 deducted the maximum allowable loss or deduction allowable
11 for the taxable year prior to any amount deductible from the
12 pass through entity; but

13 (B) not considering any disallowance of deductions resulting
14 from federal basis limitations for the partner, shareholder, or
15 beneficiary.

16 (3) Add or subtract any modifications to adjusted gross income
17 that would be required both for individuals under subsection (a)
18 and corporations under subsection (b) to the extent otherwise
19 provided in those subsections, including amounts that are
20 allowable for which such modifications are necessary to account
21 for separately stated items in subdivision (1) or (2).

22 (h) Subsections (a)(35), (b)(20), (d)(19), (e)(19), or (f)(18) may not
23 be construed to require an add back or allow a deduction or exemption
24 more than once for a particular add back, deduction, or exemption.

25 (i) For taxable years beginning after December 25, 2016, if:

26 (1) a taxpayer is a shareholder, either directly or indirectly, in a
27 corporation that is an E&P deficit foreign corporation as defined
28 in Section 965(b)(3)(B) of the Internal Revenue Code, and the
29 earnings and profit deficit, or a portion of the earnings and profit
30 deficit, of the E&P deficit foreign corporation is permitted to
31 reduce the federal adjusted gross income or federal taxable
32 income of the taxpayer, the deficit, or the portion of the deficit,
33 shall also reduce the amount taxable under this section to the
34 extent permitted under the Internal Revenue Code, however, in no
35 case shall this permit a reduction in the amount taxable under
36 Section 965 of the Internal Revenue Code for purposes of this
37 section to be less than zero (0); and

38 (2) the Internal Revenue Service issues guidance that such an
39 income or deduction is not reported directly on a federal tax
40 return or is to be reported in a manner different than specified in

1 this section, this section shall be construed as if federal adjusted
2 gross income or federal taxable income included the income or
3 deduction.

4 (j) If a partner is required to include an item of income, a deduction,
5 or another tax attribute in the partner's adjusted gross income tax return
6 pursuant to IC 6-3-4.5, such item shall be considered to be includible
7 in the partner's federal adjusted gross income or federal taxable
8 income, regardless of whether such item is actually required to be
9 reported by the partner for federal income tax purposes. For purposes
10 of this subsection:

- 11 (1) items for which a valid election is made under IC 6-3-4.5-6,
12 IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included
13 in the partner's adjusted gross income or taxable income; and
- 14 (2) items for which the partnership did not make an election under
15 IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the
16 partnership is required to remit tax pursuant to IC 6-3-4.5-18,
17 shall be included in the partner's adjusted gross income or taxable
18 income.

19 SECTION 34. IC 6-3-2-2.8, AS AMENDED BY P.L.1-2023,
20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2023]: Sec. 2.8. Notwithstanding any provision of IC 6-3-1
22 through IC 6-3-7, there shall be no tax on the adjusted gross income of
23 the following:

- 24 (1) Any organization described in Section 501(a) of the Internal
25 Revenue Code, except that any income of such organization
26 which is subject to income tax under the Internal Revenue Code
27 shall be subject to the tax under IC 6-3-1 through IC 6-3-7.
- 28 (2) Any corporation which is exempt from income tax under
29 Section 1363 of the Internal Revenue Code and which complies
30 with the requirements of IC 6-3-4-13. However, income of a
31 corporation described under this subdivision that is subject to
32 income tax under the Internal Revenue Code is subject to the tax
33 under IC 6-3-1 through IC 6-3-7. A corporation will not lose its
34 exemption under this section because it fails to comply with
35 IC 6-3-4-13 but it will be subject to the penalties provided by
36 IC 6-8.1-10. Any corporation that is exempt from income tax
37 under Section 1363 of the Internal Revenue Code and that makes
38 an election under IC 6-3-2.1 for a taxable year shall be subject to
39 tax as provided in IC 6-3-2.1 for the taxable year of the election.
- 40 (3) Banks and trust companies, national banking associations,

savings banks, building and loan associations, and savings and loan associations.

(4) Insurance companies **or organizations offering nonprofit agricultural organization coverage** subject to tax under any of the following:

(A) IC 27-1-18-2, including a domestic insurance company that elects to be taxed under IC 27-1-18-2.

(B) IC 27-1-2-2.3.

(C) IC 6-8-15, unless a nonprofit agricultural organization files a notice of election with the commissioner of the department of state revenue as set forth in IC 6-8-15-5(b) stating that the nonprofit agricultural organization elects to submit to the tax imposed under IC 6-3-1 through IC 6-3-7.

(5) International banking facilities (as defined in Regulation D of the Board of Governors of the Federal Reserve System (12 CFR 204)).

SECTION 35. IC 6-3-2.1-4, AS ADDED BY P.L. 1-2023, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)]: Sec. 4. (a) A tax shall be imposed on the adjusted gross income of an electing entity for the taxable year of the election. The adjusted gross income of the electing entity shall be the aggregate of the direct owners' share of the electing entity's adjusted gross income. For purposes of this section:

(1) the electing entity shall determine each nonresident direct owner's share after allocation and apportionment pursuant to IC 6-3-2-2; and

(2) the electing entity shall determine the resident direct owner's share either before allocation and apportionment pursuant to IC 6-3-2-2 or after allocation and apportionment pursuant to IC 6-3-2-2. The electing entity must use the same method for all resident direct owners.

(b) The tax rate shall be the tax rate specified in IC 6-3-2-1(b) as of the last day of the electing entity's taxable year, and the tax shall be due on the same date as the entity return for the taxable year is due under this article, without regard to extensions.

(c) On its return for the taxable year, the electing entity shall attach a schedule showing the calculation of the tax and the credit for each **entity direct** owner, and remit the tax with the return, taking into account prior estimated tax payments and other tax payments by the

electing entity, along with other payments that are credited to the electing entity as tax paid under this chapter or as tax withheld under IC 6-3-4 or IC 6-5.5-2-8. The department may prescribe the form for providing the information required by this section.

(d) If a pass through entity makes estimated tax payments, makes other tax payments, or has other payments that are credited to the electing entity as tax paid under this chapter or a tax withheld under IC 6-3-4 or IC 6-5.5-2-8, and the pass through entity does not make the election under section 3 of this chapter, the pass through entity:

(1) may treat pass through entity tax remitted on its behalf under this chapter as pass through entity tax to its direct owners, provided that:

(A) the tax is designated on a schedule similar to the schedule required under subsection (c) and is reported to the direct owners in the manner provided in section 5 of this chapter; and

(B) the pass through entity credits an amount to a direct owner no greater than the tax that otherwise would be due under this chapter on their share of the adjusted gross income from the pass through entity or the direct owner's portion (as determined under subsection (a)) of the pass through entity tax passed through to the pass through entity, whichever is greater (for purposes of this clause, a trust or estate shall compute the tax in the same manner as an electing entity);

(2) shall treat any payment other than a payment designated under subdivision (1) as a withholding tax payment under IC 6-3-4-12, IC 6-3-4-13, IC 6-3-4-15, or IC 6-5.5-2-8 to the extent the pass through entity otherwise has not remitted or been credited with such withholding; and

(3) may request a refund of any payment in excess of the amounts credited or designated under subdivision (1) or (2).

(e) If a pass through entity elects to be subject to tax under this chapter and the pass through entity determines that its tax is less than the pass through entity tax that is paid on its behalf, the pass through entity may treat the tax paid on its behalf in a manner similar to subsection (d)(1)(B)."

Page 38, line 36, after "ordinance." insert "**The county adopting body must provide confirmation to the department of state revenue and the department of local government finance that direct notice was provided to the affected local taxing units within fifteen (15) days of the passage of the ordinance.**

1 **(f) If a county adopting body fails to meet the notice**
 2 **requirements as outlined in subsection (e), the allocation of local**
 3 **income tax revenue will remain unchanged for the underlying local**
 4 **taxing unit and the ordinance changing an allocation of local**
 5 **income tax revenue is void."**

6 Page 39, between lines 16 and 17, begin a new paragraph and insert:

7 "SECTION 34. IC 6-3.6-5-6, AS AMENDED BY P.L.174-2022,
 8 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 6. (a) This section
 10 applies to all counties.

11 (b) The adopting body may impose a tax rate under this chapter that
 12 does not exceed one and twenty-five hundredths percent (1.25%) on the
 13 adjusted gross income of local taxpayers in the county served by the
 14 adopting body.

15 (c) Revenues from a tax under this section may be used only for the
 16 purpose of funding a property tax credit applied on a percentage basis
 17 to reduce the property tax liability of taxpayers with tangible property
 18 located in the county as authorized under this section. Property taxes
 19 imposed due to a referendum in which a majority of the voters in the
 20 taxing unit imposing the property taxes approved the property taxes are
 21 not eligible for a credit under this section.

22 (d) The adopting body shall specify by ordinance how the revenue
 23 from the tax shall be applied under subdivisions (1) through (4) to
 24 provide property tax credits in subsequent years. The allocation must
 25 be specified as a percentage of property tax relief revenue for taxpayers
 26 within each property category. The ordinance must be adopted as
 27 provided in IC 6-3.6-3 and takes effect and applies to property taxes as
 28 specified in IC 6-3.6-3-3. The ordinance continues to apply thereafter
 29 until it is rescinded or modified. The property tax credits may be
 30 allocated to all property categories or among any combination of the
 31 following categories:

32 (1) For homesteads eligible for a credit under IC 6-1.1-20.6-7.5
 33 that limits the taxpayer's property tax liability for the property to
 34 one percent (1%).

35 (2) For residential property, ~~long term health~~ care property,
 36 agricultural land, and other tangible property (if any) eligible for
 37 a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property
 38 tax liability for the property to two percent (2%).

39 (3) For residential property, as defined in IC 6-1.1-20.6-4.

40 (4) For nonresidential real property, personal property, and other

tangible property (if any) eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to three percent (3%).

(e) Within a category described in subsection (d) for which an ordinance grants property tax credits, the property tax credit rate must be a uniform percentage for all qualifying taxpayers with property in that category in the county. The credit percentage may be, but does not have to be, uniform for all categories of property listed in subsection (d).

(f) The county auditor shall allocate the amount of revenue applied as tax credits under this section to the taxing units that imposed the eligible property taxes against which the credits are applied.

(g) If the adopting body adopts an ordinance to reduce or eliminate the property tax relief credits that are in effect in the county under this chapter, the county auditor shall give notice of the adoption of the ordinance in accordance with IC 5-3-1 not later than thirty (30) days after the date on which the ordinance is adopted."

Page 39, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 35. IC 6-5.5-2-7, AS AMENDED BY P.L.129-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. Notwithstanding any other provision of this article, there is no tax imposed on the adjusted gross income or apportioned income of the following:

(1) Insurance companies **or organizations offering nonprofit agricultural organization coverage** subject to the tax under any of the following:

(A) IC 27-1-18-2.

(B) IC 27-1-2-2.3.

(C) IC 6-3.

(D) IC 6-8-15.

(2) International banking facilities (as defined in Regulation D of the Board of Governors of the Federal Reserve System).

(3) Any corporation that is exempt from income tax under Section 1363 of the Internal Revenue Code.

(4) Any corporation exempt from federal income taxation under the Internal Revenue Code, except for the corporation's unrelated business income. However, this exemption does not apply to a corporation exempt from federal income taxation under Section 501(c)(14) of the Internal Revenue Code.

SECTION 36. IC 6-7-2-7, AS AMENDED BY P.L.137-2022,

SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 7. (a) A tax is imposed on the distribution of tobacco products in Indiana at the ~~rate of:~~ **following rates:**

(1) Twenty-four percent (24%) of the wholesale price of tobacco products other than moist snuff. ~~or~~

(2) For moist snuff, forty cents (\$0.40) per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce. If the tax calculated for a fractional part of an ounce carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(3) For cigars:

(A) twenty-four percent (24%) of the wholesale price of a cigar for cigars having a wholesale price not exceeding three dollars (\$3) per cigar; or

(B) seventy-two cents (\$0.72) per cigar for cigars having a wholesale price exceeding three dollars (\$3) per cigar.

(b) A tax is imposed on the distribution of alternative nicotine products in Indiana at a rate of forty cents (\$0.40) per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce, calculated based upon the product weight as listed by the manufacturer. If the tax calculated for a fractional part of an ounce carried to the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(c) The distributor of the tobacco products or alternative nicotine products is liable for the tax imposed under subsections (a) or (b). The tax is imposed at the time the distributor:

(1) brings or causes tobacco products or alternative nicotine products to be brought into Indiana for distribution;

(2) manufactures tobacco products or alternative nicotine products in Indiana for distribution;

(3) transports tobacco products or alternative nicotine products to retail dealers in Indiana for resale by those retail dealers; or

(4) first receives the tobacco products or alternative nicotine products in Indiana in the case of a distributor or distributor transactions.

(d) The Indiana general assembly finds that the tax rate on smokeless tobacco should reflect the relative risk between such products and cigarettes.

(e) A consumer who purchases untaxed tobacco products or

1 alternative nicotine products from a distributor or retailer is liable for
2 the tax imposed under subsections (a) or (b).

3 SECTION 37. IC 6-8-15-5, AS ADDED BY P.L.154-2020,
4 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2023]: Sec. 5. **(a) Except as provided in subsection (b),** if an
6 organization provides nonprofit agricultural organization coverage in
7 Indiana, the organization is subject to a nonprofit agricultural
8 organization health coverage tax under this chapter.

9 **(b) A nonprofit agricultural organization may elect to be taxed**
10 **under IC 6-3-1 through IC 6-3-7 for a calendar year in lieu of the**
11 **nonprofit agricultural organization health coverage tax imposed**
12 **under this chapter. A nonprofit agricultural organization that**
13 **wishes to make an election under this subsection must file a notice**
14 **of election with the commissioner of the department of state**
15 **revenue on or before November 30 of the year immediately**
16 **preceding the calendar year for which the election is made. An**
17 **election filed with the commissioner of the department of state**
18 **revenue under this subsection must state that the nonprofit**
19 **agricultural organization elects to submit to the tax imposed under**
20 **IC 6-3-1 through IC 6-3-7 for the year."**

21 Page 40, between lines 19 and 20, begin a new paragraph and insert:
22 "SECTION 36. IC 8-1-34-16, AS AMENDED BY P.L.71-2022,
23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 16. (a) Except as provided in section 21 of
25 this chapter, after June 30, 2006:

26 (1) the commission is the sole franchising authority (as defined in
27 47 U.S.C. 522(10)) for the provision of video service in Indiana;
28 and

29 (2) a unit may not:

30 (A) require a provider to obtain a separate franchise;

31 (B) impose any fee **(including any fee described in section**
32 **17(e) of this chapter)**, gross receipt tax, licensing
33 requirement, rate regulation, or build-out requirement on a
34 provider;

35 (C) regulate a holder or provider; or

36 (D) establish, fund, or otherwise designate an agency, a board,
37 or another subordinate entity to monitor, supervise, evaluate,
38 or regulate the holder or provider;

39 except as authorized by this chapter.

40 (b) Except as provided in section 21 of this chapter, a person who

1 seeks to provide video service in Indiana after June 30, 2006, shall file
 2 with the commission an application for a franchise. The application
 3 shall be made on a form prescribed by the commission and must
 4 include the following:

5 (1) A sworn affidavit, signed by an officer or another person
 6 authorized to bind the applicant, that affirms the following:

7 (A) That the applicant has filed or will timely file with the
 8 Federal Communications Commission all forms required by
 9 the Federal Communications Commission before offering
 10 video service in Indiana.

11 (B) That the applicant agrees to comply with all federal and
 12 state statutes, rules, and regulations applicable to the operation
 13 of the applicant's video service system.

14 (C) That the applicant agrees to:

15 (i) comply with any local ordinance or regulation governing
 16 the use of public rights-of-way in the delivery of video
 17 service; and

18 (ii) recognize the police powers of a unit to enforce the
 19 ordinance or regulation.

20 (D) If the applicant will terminate an existing local franchise
 21 under section 21 of this chapter, that the applicant agrees to
 22 perform any obligations owed to any private person, as
 23 required by section 22 of this chapter.

24 (2) The applicant's legal name and any name under which the
 25 applicant does or will do business in Indiana, as authorized by the
 26 secretary of state.

27 (3) The address and telephone number of the applicant's principal
 28 place of business, along with contact information for the person
 29 responsible for ongoing communications with the commission.

30 (4) The names and titles of the applicant's principal officers.

31 (5) The legal name, address, and telephone number of the
 32 applicant's parent company, if any.

33 (6) A description of each service area in Indiana to be served by
 34 the applicant. A service area described under this subdivision may
 35 include an unincorporated area in Indiana.

36 (7) The expected date for the deployment of video service in each
 37 of the areas identified in subdivision (6).

38 (8) A list of other states in which the applicant provides video
 39 service.

40 (9) If the applicant will terminate an existing local franchise under

section 21(b) of this chapter, a copy of the written notice sent to the municipality under section 21(c) of this chapter.

(10) Any other information the commission considers necessary to:

(A) monitor the provision of video service to Indiana customers; and

(B) prepare the commission's annual report under IC 8-1-1-14(c)(4).

(c) This section does not empower the commission to require:

(1) an applicant to disclose confidential and proprietary business plans and other confidential information without adequate protection of the information; or

(2) a provider to disclose more frequently than in each odd numbered year information regarding the areas in which an applicant has deployed, or plans to deploy, video services.

The commission shall exercise all necessary caution to avoid disclosure of confidential information supplied under this section.

(d) The commission may charge a fee for filing an application under this section. Any fee charged by the commission under this subsection may not exceed the commission's actual costs to process and review the application under section 17 of this chapter.

(e) Nothing in this title may be construed to require an applicant or a provider to disclose information that identifies by census block, street address, or other similar level of specificity the areas in which the applicant or provider has deployed, or plans to deploy, video service in Indiana. The commission may not disclose, publish, or report by census block, street address, or other similar level of specificity any information identifying the areas in Indiana in which an applicant or a provider has deployed, or plans to deploy, video service.

(f) Nothing in this title may be construed to require an applicant or provider to provide the commission with information describing the applicant's or provider's programming, including the applicant's or provider's channel lineups or channel guides.

SECTION 37. IC 8-1-34-17, AS AMENDED BY P.L.86-2018, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Not later than fifteen (15) business days after the commission receives an application under section 16 of this chapter, the commission shall determine whether the application is complete and properly verified. If the commission determines that the application is incomplete or is not properly verified,

the commission shall notify the applicant of the deficiency and allow the applicant to resubmit the application after correcting the deficiency. If the commission determines that the application is complete and properly verified, the commission shall issue the applicant a certificate of franchise authority. A certificate issued under this section must contain:

(1) a grant of authority to provide the video service requested in the application;

(2) a grant of authority to use and occupy public rights-of-way in the delivery of the video service, subject to:

(A) state and local laws and regulations governing the use and occupancy of public rights-of-way; and

(B) the police powers of local units to enforce local ordinances and regulations governing the use and occupancy of public rights-of-way; and

(3) a statement that the authority granted under subdivisions (1) and (2) is subject to the holder's lawful provision and operation of the video service.

(b) Except as provided in subsection (c) and sections 16(d) and 28 of this chapter, the commission may not require a provider to:

(1) satisfy any build-out requirements;

(2) deploy, or make investments in, any infrastructure, facilities, or equipment; or

(3) pay an application fee, a document fee, a state franchise fee, a service charge, or any fee other than the franchise fee paid to a local unit under section 24 of this chapter;

as a condition of receiving or holding a certificate under this chapter.

(c) This section does not limit the commission's right to enforce any obligation described in subsection (b) that a provider is subject to under the terms of a settlement agreement approved by the commission before July 29, 2004.

(d) The general assembly, a state agency, or a unit may not adopt a law, rule, ordinance, or regulation governing the use and occupancy of public rights-of-way that:

(1) discriminates against any provider, or is unduly burdensome with respect to any provider, based on the particular facilities or technology used by the provider to deliver video service; ~~or~~

(2) allows a video service system owned or operated by a unit to use or occupy public rights-of-way on terms or conditions more favorable or less burdensome than those that apply to other

providers; or

(3) imposes on a provider any fee prohibited under subsection (e).

A law, a rule, an ordinance, or a regulation that violates this subsection is void.

(e) A unit to which a provider pays a franchise fee under this chapter, regardless of whether the provider provides video service within the unit under:

(1) a certificate issued under this chapter; or

(2) an unexpired local franchise under section 21(b)(1) of this chapter;

may not assess with respect to the provider any permit fee, encroachment fee, degradation fee, or other fee that could otherwise be imposed on the provider for the provider's occupation of or work within the public right-of-way, subject to the provider's compliance with 47 U.S.C. 541(a)(2). However, this subsection does not restrict the right of the unit to impose on the provider any ad valorem taxes or other taxes of general applicability that the unit lawfully imposes on other businesses owning property or operating within the unit.

SECTION 38. IC 14-27-6-40, AS AMENDED BY P.L.38-2021, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 40. The provisions of IC 5-1 and IC 6-1.1-20 relating to the following apply to proceedings under this chapter:

(1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.

(2) The giving of notice of determination to issue bonds.

(3) The giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation.

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) The sale of bonds at:

(A) a public sale for not less than the par value; or

- 1 (B) alternatively, a negotiated sale after June 30, 2018, and
- 2 before July 1, ~~2023~~: **2025**".
- 3 Page 40, delete lines 20 through 42.
- 4 Delete pages 41 through 43.
- 5 Page 44, delete lines 1 through 5.
- 6 Page 44, line 8, after "29." insert **"(a)"**.
- 7 Page 44, line 8, delete "January" and insert **"on the later of:**
- 8 **(1) January 1, 2045; or**
- 9 **(2) the date on which all bonds or lease agreements**
- 10 **outstanding on July 1, 2023, for which a pledge of tax revenue**
- 11 **is made under this chapter are completely paid.**
- 12 **(b) Not later than December 31, 2023, the fiscal officer of the**
- 13 **county shall provide to the department of local government**
- 14 **finance:**
- 15 **(1) a list of each bond or lease agreement outstanding on July**
- 16 **1, 2023, for which a pledge of tax revenue is made under this**
- 17 **chapter; and**
- 18 **(2) the date on which each bond or lease agreement identified**
- 19 **in subdivision (1) will be completely paid.**
- 20 **The department of local government finance shall publish the**
- 21 **information received under this subsection on the department's**
- 22 **interactive and searchable website containing local government**
- 23 **information (the Indiana gateway for governmental units)".**
- 24 Page 44, delete line 9.
- 25 Page 44, delete lines 14 through 15, begin a new paragraph and
- 26 insert:
- 27 **"Sec. 1. This chapter does not apply to a qualified school**
- 28 **corporation until the expiration of IC 20-45-8 under**
- 29 **IC 20-45-8-29(a)".**
- 30 Page 44, delete line 23.
- 31 Page 44, line 24, delete "The" and insert **"the year preceding the**
- 32 **expiration of IC 20-45-8 under IC 20-45-8-29(a). The"**.
- 33 Page 47, line 18, delete "Sec. 11. (a) This section applies to a" and
- 34 insert: **"Sec. 11. (a) This chapter does not apply to a qualified school**
- 35 **corporation until the expiration of IC 20-45-8 under**
- 36 **IC 20-45-8-29(a)".**
- 37 Page 47, delete lines 19 through 20.
- 38 Page 50, between lines 13 and 14, begin a new paragraph and insert:
- 39 **"SECTION 42. IC 20-48-1-4, AS AMENDED BY P.L.38-2021,**
- 40 **SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**

JULY 1, 2023]: Sec. 4. (a) Bonds issued by a school corporation shall be sold:

(1) at a public sale; or

(2) alternatively, at a negotiated sale after June 30, 2018, and before July 1, ~~2023~~; **2025**.

(b) If the bonds are sold at a public sale, the bonds must be sold at:

(1) not less than par value;

(2) a public sale as provided by IC 5-1-11; and

(3) any rate or rates of interest determined by the bidding.

(c) This subsection does not apply to bonds for which a school corporation:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds after June 30, 2008.

If the net interest cost exceeds eight percent (8%) per year, the bonds must not be issued until the issuance is approved by the department of local government finance."

Page 54, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 45. IC 36-1.5-4-38.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 38.5. (a) This section applies on or after January 1, 2024, and only to the legislative body of a town that has a mayor as a result of a reorganization under this article.**

(b) The town legislative body may hire or contract with competent attorneys and legal research assistants on terms it considers appropriate.

(c) Employment of an attorney under this section does not affect an executive department of law of the town.

(d) Appropriations for salaries of attorneys and legal research assistants employed under this section may not exceed the appropriations for similar salaries in the budget of an executive department of law."

Page 56, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 46. IC 36-2-11-24 IS REPEALED [EFFECTIVE JULY 1, 2023]. ~~Sec. 24. The county recorder shall, on or before the 20th day of each month, furnish the county auditor a list of the mortgage releases recorded during the prior month. The list shall set forth the full name~~

1 ~~of the mortgagor, the book and page numbers of the original mortgage,~~
 2 ~~the amount being released, and the date of the release.~~

3 SECTION 47. IC 36-3-5-8, AS AMENDED BY P.L.38-2021,
 4 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2023]: Sec. 8. (a) This section applies whenever a special
 6 taxing district of the consolidated city has the power to issue bonds,
 7 notes, or warrants.

8 (b) Before any bonds, notes, or warrants of a special taxing district
 9 may be issued, the issue must be approved by resolution of the
 10 legislative body of the consolidated city.

11 (c) Any bonds of a special taxing district must be issued in the
 12 manner prescribed by statute for that district, and the board of the
 13 department having jurisdiction over the district shall:

- 14 (1) hold all required hearings;
- 15 (2) adopt all necessary resolutions; and
- 16 (3) appropriate the proceeds of the bonds;

17 in that manner. However, the legislative body shall levy each year the
 18 special tax required to pay the principal of and interest on the bonds
 19 and any bank paying charges.

20 (d) Notwithstanding any other statute, bonds of a special taxing
 21 district may:

- 22 (1) be dated;
- 23 (2) be issued in any denomination;
- 24 (3) except as otherwise provided by IC 5-1-14-10, mature at any
- 25 time or times not exceeding fifty (50) years after their date; and
- 26 (4) be payable at any bank or banks;

27 as determined by the board. If the bonds are sold at a public sale, the
 28 interest rate or rates that the bonds will bear must be determined by
 29 bidding, notwithstanding IC 5-1-11-3.

30 (e) Bonds of a special taxing district are subject to the provisions of
 31 IC 5-1 and IC 6-1.1-20 relating to the following:

- 32 (1) The filing of a petition requesting the issuance of bonds and
- 33 giving notice of the petition.
- 34 (2) The giving of notice of a hearing on the appropriation of the
- 35 proceeds of bonds.
- 36 (3) The right of taxpayers to appear and be heard on the proposed
- 37 appropriation.
- 38 (4) The approval of the appropriation by the department of local
- 39 government finance.
- 40 (5) The right of:

1 (A) taxpayers and voters to remonstrate against the issuance of
 2 bonds in the case of a proposed bond issue described by
 3 IC 6-1.1-20-3.1(a); or

4 (B) voters to vote on the issuance of bonds in the case of a
 5 proposed bond issue described by IC 6-1.1-20-3.5(a).

6 (6) The sale of bonds at a public sale or at a negotiated sale after
 7 June 30, 2018, and before July 1, ~~2023~~: **2025**.

8 (7) The maximum term or repayment period provided by
 9 IC 5-1-14-10."

10 Page 57, between lines 27 and 28, begin a new paragraph and insert:

11 "SECTION 48. IC 36-7-14-1.7, AS ADDED BY P.L.95-2022,
 12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 1.7. Notwithstanding any
 14 other law, ~~for~~:

15 ~~(1) areas needing redevelopment;~~

16 ~~(2) redevelopment project areas;~~

17 ~~(3) urban renewal project areas; or~~

18 ~~(4) economic development areas;~~

19 ~~established after December 31, 2021~~; this chapter does not apply to the
 20 part of a participating unit's proceeds of property taxes imposed for an
 21 assessment date with respect to which the allocation and distribution
 22 is made that are attributable to property taxes imposed to meet the
 23 participating unit's obligations to a fire protection territory established
 24 under IC 36-8-19 **after December 31, 2022**."

25 Page 58, between lines 36 and 37, begin a new paragraph and insert:

26 "SECTION 49. IC 36-7-18-31, AS AMENDED BY P.L.38-2021,
 27 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2023]: Sec. 31. (a) Issues of bonds, notes, or warrants of a
 29 housing authority must be approved by the fiscal body of the unit after
 30 a public hearing, with notice of the time, place, and purpose of the
 31 hearing given by publication in accordance with IC 5-3-1. The bonds,
 32 notes, or warrants must then be authorized by resolution of the
 33 authority.

34 (b) After the bonds, notes, or warrants have been approved under
 35 subsection (a), they may be issued in one (1) or more series, with the:

36 (1) dates;

37 (2) maturities;

38 (3) denominations;

39 (4) form, either coupon or registered;

40 (5) conversion or registration privileges;

1 (6) rank or priority;
 2 (7) manner of execution;
 3 (8) medium of payment;
 4 (9) places of payment; and
 5 (10) terms of redemption, with or without premium;
 6 provided by the resolution or its trust indenture or mortgage.

7 (c) The bonds, notes, or warrants shall be sold at a public sale under
 8 IC 5-1-11, for not less than par value, after notice published in
 9 accordance with IC 5-3-1. However, they may be sold at not less than
 10 par value to the federal government:

- 11 (1) at private sale without any public advertisement; or
 12 (2) alternatively, at a negotiated sale after July 1, 2018, and before
 13 June 30, 2023: **2025**.

14 (d) If any of the commissioners or officers of the housing authority
 15 whose signatures appear on any bonds, notes, or warrants or coupons
 16 cease to be commissioners or officers before the delivery, exchange, or
 17 substitution of the bonds, notes, or warrants, their signatures remain
 18 valid and sufficient for all purposes, as if they had remained in office
 19 until the delivery, exchange, or substitution.

20 (e) Subject to provision for registration and notwithstanding any
 21 other law, any bonds, notes, or warrants issued under this chapter are
 22 fully negotiable.

23 (f) In any proceedings involving the validity or enforceability of any
 24 bond, note, or warrant of a housing authority or of its security, if the
 25 instrument states that it has been issued by the authority to aid in
 26 financing a housing project to provide dwelling accommodations for
 27 persons of low income, it shall be conclusively presumed to have been
 28 issued for that purpose and the project shall be conclusively presumed
 29 to have been planned, located, and constructed in accordance with this
 30 chapter.

31 SECTION 50. IC 36-7.5-4.5-7, AS ADDED BY P.L.248-2017,
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2023]: Sec. 7. As used in this chapter, "gross retail tax base
 34 period amount" means the aggregate amount of state gross retail taxes
 35 remitted under IC 6-2.5 by retail merchants for the calendar year ~~that~~
 36 ~~precedes the date on in~~ which the district was established under this
 37 chapter as determined by the department.

38 SECTION 51. IC 36-7.5-4.5-9, AS ADDED BY P.L.248-2017,
 39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2023]: Sec. 9. **(a)** As used in this chapter, "local income tax

base period amount" means the total amount of local income tax (IC 6-3.6) paid by:

- (1) employees employed within a district with respect to wages and salary earned for work in the district; **and**
- (2) residents living within the district;**

for the calendar year ~~that precedes the date on~~ **in** which the district was established under this chapter as determined by the department.

(b) If an individual is a resident of one (1) district and is employed within another district during a calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

SECTION 52. IC 36-7.5-4.5-10, AS ADDED BY P.L.248-2017, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. **(a)** As used in this chapter, "local income tax increment revenue" means the remainder of:

- (1) the total amount of local income tax (IC 6-3.6) paid by:
 - (A)** employees employed in the district with respect to wages and salary earned for work in the territory comprising the district for a particular calendar year; ~~minus~~ **and**
 - (B) residents living within the district;**
- minus;**

(2) the local income tax base period amount;
as determined by the department.

(b) If an individual is a resident of one (1) district and is employed within another district during a calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

SECTION 53. IC 36-7.5-4.5-13, AS ADDED BY P.L.248-2017, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 13. **(a)** As used in this chapter, "state income tax base period amount" means the aggregate amount of state adjusted gross income taxes paid or remitted by or on behalf of:

- (1) employees employed within a district during the calendar year that precedes the date on which the district was established under this chapter with respect to wages and salary earned for work in the territory comprising the district, as determined by the department, with respect to wages and salary earned for work in the district; and**
- (2) residents living within the district;**

for the calendar year in which the district was established under

1 this chapter, as determined by the department.

2 (b) If an individual is a resident of one (1) district and is
3 employed within another district during a calendar year, the state
4 income tax for the individual shall be attributed to the district in
5 which the individual resides.

6 SECTION 54. IC 36-7.5-4.5-14, AS ADDED BY P.L.248-2017,
7 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2023]: Sec. 14. (a) As used in this chapter, "state income tax
9 increment revenue" means the remainder of:

10 (1) the aggregate amount of state adjusted gross income taxes
11 paid or remitted during for a calendar year with respect to:

12 (A) wages and salary earned for work in the territory
13 comprising a district; minus and

14 (B) income earned by residents living within the district;
15 minus;

16 (2) the state income tax base period amount.

17 (b) If an individual is a resident of one (1) district and is
18 employed within another district during a calendar year, the state
19 income tax for the individual shall be attributed to the district in
20 which the individual resides.

21 SECTION 55. IC 36-7.5-4.5-27, AS ADDED BY P.L.248-2017,
22 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2023]: Sec. 27. (a) If a district is established, the treasurer of
24 state shall establish a local income tax increment fund and an account
25 for each district established under this chapter for deposit of local
26 income tax increment revenue for that district.

27 (b) The funds shall be administered by the treasurer of state. Money
28 in a fund does not revert to the state general fund at the end of a state
29 fiscal year.

30 (c) The total amount of local income tax (IC 6-3.6) paid by:

31 (1) employees employed in a district with respect to wages earned
32 for work performed in the district; and

33 (2) residents living in the district;

34 shall be deposited in the district's account within the local income tax
35 increment fund. If an individual is a resident of one (1) district and
36 is employed within another district during a calendar year, the
37 local income tax for the individual shall be attributed to the district
38 in which the individual resides. For each district, the budget agency
39 shall determine and transfer to the appropriate county account under
40 IC 6-3.6-9 an amount equal to the local income tax base period amount

1 for the district.

2 (d) The budget agency shall determine and transfer any amount of
3 the local income tax increment revenue that will not be disbursed to the
4 development authority or redevelopment commission to the appropriate
5 county account under IC 6-3.6-9.

6 SECTION 56. IC 36-7.5-4.5-28, AS ADDED BY P.L.248-2017,
7 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2023]: Sec. 28. (a) Not later than ~~sixty (60) days after~~
9 ~~receiving a copy of the resolution establishing a district, the later of~~
10 **November 30 of the year following the establishment of a district**
11 **under this chapter or November 30, 2024, except as provided in**
12 **subsection (g),** the department shall determine the following for that
13 district:

14 (1) The state income tax base period amount.

15 (2) The gross retail tax base period amount.

16 (3) The local income tax base period amount.

17 (b) Before ~~October~~ **December 1** of each year, beginning ~~in 2018,~~
18 **two years after the establishment of the district under this chapter,**
19 the department shall determine the following for each district for the
20 preceding calendar year:

21 (1) The state income tax increment revenue.

22 (2) The gross retail tax increment revenue.

23 (3) The local income tax increment revenue.

24 (c) The department shall notify the budget agency and the
25 development authority of each base period amount and annually each
26 increment revenue amount.

27 (d) Before ~~November 1~~ **December 15** of each calendar year, the
28 department shall determine and certify to the Indiana finance authority
29 and the development authority the following:

30 (1) The state income tax increment revenue.

31 (2) The gross retail tax increment revenue.

32 (3) The local income tax increment revenue for each district.

33 (4) The extent to which the sum of the state income tax increment
34 revenue and gross retail tax increment revenue certified under this
35 subsection for all districts exceeds the sum of the amounts
36 previously appropriated by the general assembly to the
37 development authority for rail projects (including any amounts
38 appropriated for debt service payments made by the Indiana
39 finance authority for a rail project).

40 (e) Beginning in the following calendar year, the auditor of state

shall distribute from a district's account within the local income tax increment fund to the development authority or redevelopment commission, in the case of a district located in a cash participant county, on or before ~~the twentieth day of each month one-twelfth (1/12)~~ **of March 1** the lesser of:

- (1) the amount of local income tax increment revenue specified by the development authority or redevelopment commission; or
- (2) the certified local income tax increment revenue amount for that district.

(f) The development authority or redevelopment commission shall deposit the local income tax increment revenue it receives in the appropriate district account in the south shore improvement and development fund.

(g) If the department determines that an amount determined under section 7, 8, 9, 10, 13, or 14 of this chapter is in error, the department shall redetermine any erroneous amounts and notify the budget agency and development authority of any redetermination. In addition, if the department determines that the redetermination of an amount affects incremental tax amounts determined under subsection (b), the department shall recompute the incremental tax amounts and make any necessary adjustments to distributions or computations to reflect any redetermination.

SECTION 57. IC 36-8-11-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 12. **(a) This section does not apply to the appointment of a governing board under section 12.5 of this chapter.**

~~(a)~~ **(b)** Within thirty (30) days after the ordinance or resolution establishing the district becomes final, the county legislative body shall appoint a board of fire trustees. The trustees must be qualified by knowledge and experience in matters pertaining to fire protection and related activities in the district. A person who:

- (1) is a party to a contract with the district; or
- (2) is a member, an employee, a director, or a shareholder of any corporation or association that has a contract with the district;

may not be appointed or serve as a trustee. The legislative body shall appoint one (1) trustee from each township or part of a township contained in the district and one (1) trustee from each municipality contained in the district. If the number of trustees selected by this method is an even number, the legislative body shall appoint one (1) additional trustee so that the number of trustees is always an odd

number. If the requirements of this section do not provide at least three (3) trustees, the legislative body shall make additional appointments so that there is a minimum of three (3) trustees.

~~(b)~~ (c) The original trustees shall be appointed as follows:

- (1) One (1) for a term of one (1) year.
- (2) One (1) for a term of two (2) years.
- (3) One (1) for a term of three (3) years.
- (4) All others for a term of four (4) years.

The terms expire on the first Monday of January of the year their appointments expire. As the terms expire, each new appointment is for a term of four (4) years.

~~(c)~~ (d) If a vacancy occurs on the board, the county legislative body shall appoint a trustee with the qualifications specified in subsection ~~(a)~~ (b) for the unexpired term.

SECTION 58. IC 36-8-11-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 12.5. (a) This section applies only to a county for which a fire protection district includes all of the incorporated and unincorporated area of the county.**

(b) The county legislative body may adopt an ordinance to establish a nine (9) member governing board for the fire protection district. The ordinance must provide that the governing board consists of the following:

(1) Eight (8) governing board members appointed by the county legislative body who meet the following requirements:

(A) Each governing board member must be an active member of the board of fire trustees at the time of appointment to the governing board. Upon appointment to the governing board, the individual ceases to be a member of the board of fire trustees.

(B) Two (2) governing board members must reside in each of the following four (4) geographic areas of the county that contain as nearly as possible, equal area in square miles:

- (i) Northwest.**
- (ii) Northeast.**
- (iii) Southwest.**
- (iv) Southeast.**

(2) One (1) governing board member who is a member of the county executive and serves on the board by virtue of their

office. Notwithstanding section 14(c) of this chapter, the member may not receive any compensation for serving on the governing board but may be compensated for expenses.

(c) Beginning on the date specified in the ordinance establishing the governing board, the following occurs:

(1) Only the governing board shall have the powers and duties of a board of fire trustees that are set forth in section 15 of this chapter or in any other statute. Unless expressly provided otherwise, any reference in this chapter or other statute to a board of fire trustees or a member of the board of fire trustees is a reference to the governing board or a member of the governing board.

(2) The board of fire trustees:

(A) continues in existence solely as an advisory body to the governing board; and

(B) does not have any of the powers and duties of a board of fire trustees that are set forth in section 15 of this chapter or in any other statute.

Sections 12, 13, and 14 of this chapter continue to apply to the administration of the board of fire trustees.

(d) Except as provided in subsection (e), the term of a member appointed to the governing board is four (4) years. The terms expire on the first Monday of January of the year their appointments expire.

(e) The county legislative body may provide, in the ordinance establishing the governing board, for the staggering of the terms of the original governing board members appointed under subsection (b)(1).

(f) If a vacancy occurs on the governing board, the county legislative body shall appoint a member with the qualifications set forth in this section for the unexpired term.

SECTION 59. IC 36-8-11-15, AS AMENDED BY P.L.127-2017, SECTION 270, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) The board:

(1) has the same powers and duties as a township executive with respect to fire protection functions, including those duties and powers prescribed by IC 36-8-13, although all cooperative and joint actions permitted by that chapter must be undertaken according to this chapter;

(2) has the same powers and duties as a township executive

relative to contracting with volunteer firefighting companies, as prescribed by IC 36-8-12 and IC 36-8-13;

(3) shall appoint, fix the compensation, and prescribe the duties of a fiscal officer, secretarial staff, persons performing special and temporary services or providing legal counsel, and other personnel considered necessary for the proper functioning of the district; however, a person appointed as fiscal officer must be bonded by good and sufficient sureties in an amount ordered by the county legislative body to protect the district from financial loss;

(4) shall exercise general supervision of and make regulations for the administration of the district's affairs;

(5) shall prescribe uniform rules pertaining to investigations and hearings;

(6) shall supervise the fiscal affairs and responsibilities of the district;

(7) may delegate to employees of the district the authority to perform ministerial acts, except in cases in which final action of the board is necessary;

(8) shall keep accurate and complete records of all departmental proceedings, record and file all bonds and contracts, and assume responsibility for the custody and preservation of all papers and documents of the district;

(9) shall make an annual report to the executive and the fiscal body of the county that at least lists the financial transactions of the district and a statement of the progress in accomplishing the purposes for which the district has been established;

(10) shall adopt a seal and certify all official acts;

(11) may sue and be sued collectively by its legal name:

(A) ("Board of Fire Trustees, _____ Fire Protection District"); or

(B) ("Governing Board of _____ Fire Protection District"), if a governing board for the district is appointed under section 12.5 of this chapter;

with service of process made on the chair of the board, but costs may not be taxed against the members individually in an action;

(12) may invoke any legal, equitable, or special remedy for the enforcement of this chapter or of proper action of the board taken in a court;

(13) shall prepare and submit to the fiscal body of the county an

1 annual budget for operation and maintenance expenses and for the
 2 retirement of obligations of the district, subject to review and
 3 approval by the fiscal body;

4 (14) may, if advisable, establish one (1) or more advisory
 5 committees, **however in a county that adopts an ordinance**
 6 **under section 12.5 of this chapter, the board of fire trustees**
 7 **shall be an advisory body to the governing board;**

8 (15) may enter into agreements with and accept money from a
 9 federal or state agency and enter into agreements with a
 10 municipality located within or outside the district, whether or not
 11 the municipality is a part of the district, for a purpose compatible
 12 with the purposes for which the district exists and with the
 13 interests of the municipality;

14 (16) may accept gifts of money or other property to be used for
 15 the purposes for which the district is established;

16 (17) may levy taxes at a uniform rate on the real and personal
 17 property within the district;

18 (18) may issue bonds and tax anticipation warrants;

19 (19) may incur other debts and liabilities;

20 (20) may purchase or rent property;

21 (21) may sell services or property that are produced incident to
 22 the operations of the district making a fair and reasonable charge
 23 for it;

24 (22) may make contracts or otherwise enter into agreements with
 25 public or private persons and federal or state agencies for
 26 construction, maintenance, or operations of or in part of the
 27 district;

28 (23) may receive and disburse money; and

29 (24) may impose a false alarm fee or service charge under
 30 IC 36-8-13-4.

31 (b) Powers granted by this chapter may be used only to accomplish
 32 the purpose or purposes as stated in the ordinance or resolution
 33 establishing the district. However, an act of the board necessary and
 34 proper to accomplish the purposes for which the district is established
 35 is not invalid because it incidentally accomplishes a purpose other than
 36 one for which the district is established."

37 Page 68, line 41, delete "IC 36-8-19-17" and insert "IC
 38 36-8-19-16.5".

39 Page 69, line 1, delete "17." and insert "**16.5**".

40 Page 69, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 58. IC 36-10-3-24, AS AMENDED BY P.L.38-2021, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 24. (a) In order to raise money to pay for land to be acquired for any of the purposes named in this chapter, to pay for an improvement authorized by this chapter, or both, and in anticipation of the special benefit tax to be levied as provided in this chapter, the board shall cause to be issued, in the name of the unit, the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the board under section 23 of this chapter is confirmed whereby different parcels of land are to be acquired, or more than one (1) contract for work is let by the board at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars (\$1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the board shall certify a copy of the resolution to the unit's fiscal officer. The fiscal officer shall prepare the bonds, and the unit's executive shall execute them, attested by the fiscal officer.

(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

- (1) the filing of a petition requesting the issuance of bonds;
- (2) the right of:
 - (A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or
 - (B) voters to vote on the issuance of bonds in the case of a

- 1 proposed bond issue described by IC 6-1.1-20-3.5(a);
 2 (3) the appropriation of the proceeds of the bonds and approval by
 3 the department of local government finance; and
 4 (4) the sale of bonds at:
 5 (A) a public sale for not less than their par value; or
 6 (B) a negotiated sale after June 30, 2018, and before July 1,
 7 ~~2023~~ **2025**.

8 (d) The board may not have bonds of the district issued under this
 9 section that are payable by special taxation when the total issue for that
 10 purpose, including the bonds already issued or to be issued, exceeds
 11 two percent (2%) of the adjusted value of the taxable property in the
 12 district as determined under IC 36-1-15. All bonds or obligations
 13 issued in violation of this subsection are void. The bonds are not
 14 obligations or indebtedness of the unit, but constitute an indebtedness
 15 of the district as a special taxing district. The bonds and interest are
 16 payable only out of a special tax levied upon all the property of the
 17 district as prescribed by this chapter. The bonds must recite the terms
 18 upon their face, together with the purposes for which they are issued.

19 SECTION 59. IC 36-10-8-16, AS AMENDED BY P.L.38-2021,
 20 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) A capital improvement may
 22 be financed in whole or in part by the issuance of general obligation
 23 bonds of the county or, if the board was created under IC 18-7-18
 24 (before its repeal on February 24, 1982), also of the city, if the board
 25 determines that the estimated annual net income of the capital
 26 improvement, plus the estimated annual tax revenues to be derived
 27 from any tax revenues made available for this purpose, will not be
 28 sufficient to satisfy and pay the principal of and interest on all bonds
 29 issued under this chapter, including the bonds then proposed to be
 30 issued.

31 (b) If the board desires to finance a capital improvement in whole
 32 or in part as provided in this section, it shall have prepared a resolution
 33 to be adopted by the county executive authorizing the issuance of
 34 general obligation bonds, or, if the board was created under IC 18-7-18
 35 (before its repeal on February 24, 1982), by the fiscal body of the city
 36 authorizing the issuance of general obligation bonds. The resolution
 37 must set forth an itemization of the funds and assets received by the
 38 board, together with the board's valuation and certification of the cost.
 39 The resolution must state the date or dates on which the principal of the
 40 bonds is payable, the maximum interest rate to be paid, and the other

terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the proper officers, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section and sold at a public sale may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the department of local government finance; and

(7) the sale of bonds at a public sale or at a negotiated sale after June 30, 2018, and before July 1, ~~2023~~; **2025**;

apply to the issuance of bonds under this section.

SECTION 60. IC 36-10-9-15, AS AMENDED BY P.L.38-2021, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation

1 bonds of the county.

2 (b) If the board desires to finance a capital improvement in whole
3 or in part as provided in this section, it shall have prepared a resolution
4 to be adopted by the board of commissioners of the county authorizing
5 the issuance of general obligation bonds. The resolution must state the
6 date or dates on which the principal of the bonds is payable, the
7 maximum interest rate to be paid, and the other terms upon which the
8 bonds shall be issued. The board shall submit the proposed resolution
9 to the city-county legislative body for approval under IC 36-3-6-9,
10 together with a certificate to the effect that the issuance of bonds in
11 accordance with the resolution will be in compliance with this section.
12 The certificate must also state the estimated annual net income of the
13 capital improvement to be financed by the bonds, the estimated annual
14 tax revenues, and the maximum amount payable in any year as
15 principal and interest on the bonds issued under this chapter, including
16 the bonds proposed to be issued, at the maximum interest rate set forth
17 in the resolution. The bonds issued may mature over a period not
18 exceeding forty (40) years from the date of issue.

19 (c) If the city-county legislative body approves the issuance of
20 bonds under IC 36-3-6-9, the board shall submit the resolution to the
21 executive of the consolidated city, who shall review the resolution. If
22 the executive approves the resolution, the board shall take all action
23 necessary to issue the bonds in accordance with the resolution. An
24 action to contest the validity of bonds issued under this section and sold
25 at a public sale may not be brought after the fifteenth day following the
26 receipt of bids for the bonds.

27 (d) The provisions of all general statutes relating to:

28 (1) the filing of a petition requesting the issuance of bonds and
29 giving notice;

30 (2) the right of:

31 (A) taxpayers and voters to remonstrate against the issuance of
32 bonds in the case of a proposed bond issue described by
33 IC 6-1.1-20-3.1(a); or

34 (B) voters to vote on the issuance of bonds in the case of a
35 proposed bond issue described by IC 6-1.1-20-3.5(a);

36 (3) the giving of notice of the determination to issue bonds;

37 (4) the giving of notice of a hearing on the appropriation of the
38 proceeds of bonds;

39 (5) the right of taxpayers to appear and be heard on the proposed
40 appropriation;

(6) the approval of the appropriation by the department of local government finance; and

(7) the sale of bonds at a public sale for not less than par value or at a negotiated sale after June 30, 2018, and before July 1, ~~2023~~;

2025;

are applicable to the issuance of bonds under this section.

SECTION 61. IC 36-10-10-20, AS AMENDED BY P.L.38-2021, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 20. (a) The bonds shall be executed by the president of the board, and the corporate seal of the authority shall be affixed and attested by the secretary of the board. The interest coupons attached to the bonds shall be executed by placing the facsimile signature of the treasurer on them. The bonds shall be sold by the board:

(1) at a public sale for not less than the par value; or

(2) alternatively, at a negotiated sale after June 30, 2018, and before July 1, ~~2023~~; **2025.**

Notice of sale shall be published in accordance with IC 5-3-1.

(b) If the bonds are sold at a public sale, the board shall award the bonds to the highest bidder as determined by computing the total interest on the bonds from the date of issue to the dates of maturity and deducting the premium bid, if any, unless the board determines that no acceptable bid has been received. In that case the sale may be continued from day to day, not to exceed thirty (30) days. A bid may not be accepted that is lower than the highest bid received at the time fixed for sale in the bond sale notice.

(c) Any premium received from the sale of the bonds shall be used solely for the payment of principal and interest on the bonds. The board may also issue refunding bonds under IC 5-1-5.

SECTION 62. IC 36-10-11-21, AS AMENDED BY P.L.38-2021, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 21. (a) The bonds shall be executed by the president of the board, and the corporate seal of the authority shall be affixed and attested by the secretary of the board. The interest coupons attached to the bonds shall be executed by placing the facsimile signature of the treasurer on them. The bonds shall be sold by the board:

(1) at public sale for not less than the par value; or

(2) alternatively, at a negotiated sale after June 30, 2018, and before July 1, ~~2023~~; **2025.**

1 Notice of sale shall be published in accordance with IC 5-3-1.

2 (b) If the bonds are sold at a public sale, the board shall award the
3 bonds to the highest bidder as determined by computing the total
4 interest on the bonds from the date of issue to the dates of maturity and
5 deducting the premium bid, if any. If the bonds are not sold on the date
6 fixed for the sale, the sale may be continued from day to day until a
7 satisfactory bid has been received.

8 (c) Any premium received from the sale of the bonds shall be used
9 solely for the payment of principal and interest on the bonds.

10 (d) Before the preparation of definitive bonds, temporary bonds may
11 under like restrictions be issued with or without coupons, exchangeable
12 for definitive bonds upon the issuance of the latter. The total amount
13 of bonds issued by the authority under this section, when added to any
14 loan or loans negotiated under section 22 of this chapter, may not
15 exceed three million dollars (\$3,000,000)."

16 Page 69, delete lines 40 through 42, begin a new paragraph and
17 insert:

18 "SECTION 63. P.L.1-2023, SECTION 21, IS AMENDED TO
19 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022
20 (RETROACTIVE)]: SECTION 21. (a) This SECTION applies to the
21 election and imposition of the pass through entity tax pursuant to
22 IC 6-3-2.1, as added by this act, for tax years ending before January 1,
23 2023.

24 (b) For the applicable period, the tax shall be paid and filed in
25 conjunction with and consistent with the filing of a composite tax
26 return pursuant to IC 6-3-4-12 or IC 6-3-4-13.

27 (c) Notwithstanding any other provision, no estimated payments
28 shall be due for the applicable period other than any such payment that
29 is currently required for purposes of withholding tax pursuant to
30 IC 6-3-4-12 or IC 6-3-4-13.

31 (d) All provisions of IC 6-3-2.1, as added by this act, shall apply to
32 the applicable period unless any such provision is inconsistent with the
33 provisions and procedures applicable to the filing of composite returns
34 pursuant to IC 6-3-4-12 or IC 6-3-4-13.

35 ~~(e) A pass through entity that elects to pay the tax imposed by~~
36 ~~IC 6-3-2.1, as added by this act, for the applicable period will not be~~
37 ~~subject to an underpayment penalty pursuant to IC 6-8.1-10-2.1(a)(2)~~
38 ~~for failure to pay any tax due pursuant to IC 6-3-2.1, as added by this~~
39 ~~act, for any such tax not remitted as of the due date of the return,~~
40 ~~including extensions. This provision does not waive any interest due on~~

1 such amounts pursuant to ~~IC 6-8.1-10-1.~~

2 (f) (e) Notwithstanding any provision to the contrary in
3 IC 6-8.1-10-1 or IC 6-8.1-10-2.1, if the tax under IC 6-3-2.1, as added
4 by this act, is due before August 31, 2024, interest and penalty for late
5 payment of the tax shall be waived for the period from the due date to
6 August 30, 2024. Interest and penalty shall be due on any amounts
7 unpaid after August 30, 2024, in the manner otherwise provided by
8 law."

9 Page 70, delete lines 1 through 13.

10 Page 70, between lines 17 and 18, begin a new paragraph and insert:

11 "SECTION 64. [EFFECTIVE UPON PASSAGE] (a)
12 **IC 6-1.1-20.6-7.5(a)(3) and IC 6-3.6-5-6(d)(2), both as amended by**
13 **this act, and IC 6-1.1-20.6-7.5(a)(5), as added by this act, apply to**
14 **property taxes first due and payable after December 31, 2022.**

15 (b) This SECTION expires July 1, 2026.

16 SECTION 65. [EFFECTIVE JANUARY 1, 2024] (a) **IC 6-7-2-7,**
17 **as amended by this act, applies to taxable years beginning after**
18 **December 31, 2023.**

19 (b) This SECTION expires July 1, 2026.

20 SECTION 66. [EFFECTIVE JULY 1, 2023] (a) **The legislative**
21 **services agency shall prepare legislation for introduction in the**
22 **2024 regular session of the general assembly to make any necessary**
23 **amendments to the Indiana Code to conform to the amendments to**
24 **IC 36-8-11 made by this act.**

25 (b) This SECTION expires July 1, 2024.

26 SECTION 67. [EFFECTIVE JANUARY 1, 2019
27 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
28 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
29 **provision.**

30 (b) **This SECTION applies to assessment dates after December**
31 **31, 2018, and before January 1, 2024.**

32 (c) **As used in this SECTION, "eligible property" means any**
33 **tangible property:**

34 (1) **that is owned and used by:**

35 (A) **a nonprofit entity; or**

36 (B) **a hospital licensed under IC 16-21;**

37 **for one (1) or more of the purposes described in**
38 **IC 6-1.1-10-16(q), as added by this act, or IC 6-1.1-10-18.5, as**
39 **amended by this act;**

1 (2) on which property taxes were imposed for the 2019, 2020,
2 2021, 2022, and 2023 assessment dates; and

3 (3) that would have been eligible for an exemption under
4 IC 6-1.1-10-16(q), as added by this act, or IC 6-1.1-10-18.5, as
5 amended by this act, for the 2019, 2020, 2021, 2022, and 2023
6 assessment dates if an exemption application had been
7 properly and timely filed under IC 6-1.1 for the property.

8 (d) Before September 1, 2023, the owner of eligible property
9 may file a property tax exemption application and supporting
10 documents claiming a property tax exemption under this
11 SECTION for the eligible property for the 2019, 2020, 2021, 2022,
12 and 2023 assessment dates.

13 (e) A property tax exemption application filed as provided in
14 subsection (d) is considered to have been properly and timely filed
15 for each assessment date.

16 (f) The following apply if the owner of eligible property files a
17 property tax exemption application as provided in subsection (d):

18 (1) The property tax exemption for the eligible property shall
19 be allowed and granted for the applicable assessment date by
20 the county assessor and county auditor of the county in which
21 the eligible property is located.

22 (2) The owner of the eligible property is not required to pay
23 any property taxes, penalties, or interest with respect to the
24 eligible property for the applicable assessment date.

25 (g) The exemption allowed by this SECTION shall be applied
26 without the need for any further ruling or action by the county
27 assessor, the county auditor, or the county property tax assessment
28 board of appeals of the county in which the eligible property is
29 located or by the Indiana board of tax review.

30 (h) To the extent the owner of the eligible property has paid any
31 property taxes, penalties, or interest with respect to the eligible
32 property for an applicable date and to the extent that the eligible
33 property is exempt from taxation as provided in this SECTION,
34 the owner of the eligible property is entitled to a refund of the
35 amounts paid. The owner is not entitled to any interest on the
36 refund under IC 6-1.1 or any other law to the extent interest has
37 not been paid by or on behalf of the owner. Notwithstanding the
38 filing deadlines for a claim under IC 6-1.1-26, any claim for a
39 refund filed by the owner of eligible property under this SECTION
40 before September 1, 2023, is considered timely filed. The county

- 1 **auditor shall pay the refund due under this SECTION in one (1)**
- 2 **installment.**
- 3 **(i) This SECTION expires June 30, 2024."**
- 4 Renumber all SECTIONS consecutively.
(Reference is to HB 1454 as printed February 9, 2023.)