



April 6, 2023

ENGROSSED SENATE BILL No. 3

DIGEST OF SB 3 (Updated April 5, 2023 7:25 pm - DI 134)

Citations Affected: Noncode.

Synopsis: State and local tax review task force. Establishes the state and local tax review task force (task force). Specifies the membership of the task force and the topics the task force is required to review. Provides that the member of the task force who is an economist is appointed jointly by the president pro tempore of the senate and the speaker of the house of representatives. Provides for the selection of the chairperson and vice chairperson of the task force.

Effective: Upon passage.

**Holdman, Baldwin, Garten,
Randolph Lonnie M**

(HOUSE SPONSORS — THOMPSON, HEINE, LEHMAN, PRESCOTT)

January 9, 2023, read first time and referred to Committee on Tax and Fiscal Policy.
February 14, 2023, amended, reported favorably — Do Pass.
February 23, 2023, read second time, amended, ordered engrossed.
February 24, 2023, engrossed.
February 27, 2023, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

March 6, 2023, read first time and referred to Committee on Ways and Means.
April 6, 2023, amended, reported — Do Pass.

ES 3—LS 7167/DI 120



April 6, 2023

First Regular Session of the 123rd General Assembly (2023)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 3

A BILL FOR AN ACT concerning taxation and to make an appropriation.

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

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
2 **SECTION, "task force" refers to the state and local tax review task**
3 **force established by subsection (b).**
4 **(b) The state and local tax review task force is established.**
5 **(c) The task force consists of the following members:**
6 **(1) The chairperson of the senate tax and fiscal policy**
7 **committee.**
8 **(2) The ranking minority member of the senate tax and fiscal**
9 **policy committee.**
10 **(3) The chairperson of the senate appropriations committee.**
11 **(4) The ranking minority member of the senate**
12 **appropriations committee.**
13 **(5) The chairperson of the house ways and means committee.**
14 **(6) One (1) member of the house ways and means committee**
15 **who is a member of the majority party of the house, appointed**
16 **by the speaker of the house of representatives.**
17 **(7) The ranking minority member of the house ways and**

ES 3—LS 7167/DI 120



- 1 means committee.
- 2 (8) One (1) member of the house ways and means committee
- 3 who is a member of the minority party of the house, appointed
- 4 by the minority leader of the house of representatives.
- 5 (9) The director of the office of management and budget.
- 6 (10) The director of the budget agency.
- 7 (11) The public finance director of the Indiana finance
- 8 authority.
- 9 (12) One (1) member who is an economist employed at a state
- 10 educational institution (as defined in IC 21-7-13-32),
- 11 appointed jointly by the president pro tempore of the senate
- 12 and the speaker of the house of representatives.
- 13 (d) If a vacancy occurs, the appointing authority that appointed
- 14 the member whose position is vacant shall appoint an individual to
- 15 fill the vacancy.
- 16 (e) Not later than July 1, 2023, the:
- 17 (1) chairperson of the legislative council shall select a member
- 18 of the task force to serve as the chairperson of the task force;
- 19 and
- 20 (2) vice chairperson of the legislative council shall select a
- 21 member of the task force to serve as the vice chairperson of
- 22 the task force.
- 23 The members selected under subdivisions (1) and (2) shall serve as
- 24 chairperson and vice chairperson until January 1, 2024. Beginning
- 25 January 1, 2024, the member initially appointed under subdivision
- 26 (2) shall instead serve as the chairperson of the task force, and the
- 27 member initially appointed under subdivision (1) shall instead
- 28 serve as the vice chairperson of the task force.
- 29 (f) The following apply to the mileage, per diem, and travel
- 30 expenses for members of the task force:
- 31 (1) Each member of the task force who is a state employee is
- 32 entitled to reimbursement for traveling expenses as provided
- 33 under IC 4-13-1-4 and other expenses actually incurred in
- 34 connection with the member's duties as provided in the state
- 35 policies and procedures established by the Indiana
- 36 department of administration and approved by the budget
- 37 agency.
- 38 (2) Each member of the task force who is a member of the
- 39 general assembly or who is not a state employee is entitled to
- 40 receive the same per diem, mileage, and travel allowances
- 41 paid to individuals who serve as legislative and lay members,
- 42 respectively, of interim study committees established by the



- 1 legislative council.
- 2 **(g) The task force shall review the following:**
- 3 **(1) The state's near term and long term financial outlook and**
- 4 **overall fiscal position.**
- 5 **(2) The state's appropriation backed debt obligations.**
- 6 **(3) The funded status of pension funds managed by the state,**
- 7 **including methods to reduce the unfunded actuarial accrued**
- 8 **liability of the pre-1996 account within the Indiana state**
- 9 **teachers' retirement fund.**
- 10 **(4) The individual income tax, including methods to reduce or**
- 11 **eliminate the individual income tax.**
- 12 **(5) The corporate income tax.**
- 13 **(6) The state gross retail and use tax, including a review of the**
- 14 **state gross retail tax base.**
- 15 **(7) The property tax, including methods to reduce or**
- 16 **eliminate the tax on homestead properties and reduce or**
- 17 **eliminate the tax on business personal property.**
- 18 **(8) Local option taxes, including the local income tax, food**
- 19 **and beverage taxes, and innkeeper's taxes.**
- 20 **(h) The legislative services agency shall provide staff support to**
- 21 **the task force.**
- 22 **(i) The meetings of the task force must be held in public as**
- 23 **provided under IC 5-14-1.5. However, the task force is permitted**
- 24 **to meet in executive session as determined necessary by the**
- 25 **chairperson of the task force.**
- 26 **(j) The task force shall meet at least four (4) times in calendar**
- 27 **year 2023, and at least four (4) times in calendar year 2024 at the**
- 28 **call of the chairperson.**
- 29 **(k) On or before December 1, 2024, the task force shall prepare**
- 30 **and submit a report to the legislative council, in an electronic**
- 31 **format under IC 5-14-6, that sets forth the topics reviewed by the**
- 32 **task force and the task force's findings and recommendations.**
- 33 **(l) This SECTION expires June 30, 2025.**
- 34 **SECTION 2. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 3, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning taxation and to make an appropriation.

Page 1, line 2, delete ""commission"" and insert ""**task force**"".

Page 1, line 3, delete "commission" and insert "**task force**".

Page 1, line 4, delete "commission" and insert "**task force**".

Page 1, line 5, delete "commission" and insert "**task force**".

Page 2, delete lines 8 through 13.

Page 2, line 14, delete "(14)" and insert "(12)".

Page 2, delete lines 17 through 18, begin a new paragraph and insert:

"(d) If a vacancy occurs, the appointing authority that appointed the member whose position is vacant shall appoint an individual to fill the vacancy.

(e) The chairperson of the legislative council shall select the chairperson of the task force before July 1, 2023. The individual selected to serve as the chairperson of the task force under this subsection shall serve as the task force's chairperson for the duration of the task force.

(f) Each member of the task force who is not a state employee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council. The expenses described in this subsection must be paid from money appropriated to the legislative council for the use of the task force."

Page 2, line 19, delete "(e)" and insert "(g)".

Page 2, line 19, delete "commission" and insert "**task force**".

Page 2, between lines 26 and 27, begin a new line block indented and insert:

"(5) Elimination of property taxes on homestead properties."

Page 2, line 27, delete "(5)" and insert "(6)".

Page 2, line 28, delete "(6)" and insert "(7)".

Page 2, line 29, delete "(f)" and insert "(h)".

Page 2, line 30, delete "commission." and insert "**task force.**".

Page 2, line 31, delete "(g)" and insert "(i)".



Page 2, line 31, delete "commission" and insert "**task force**".

Page 2, line 32, delete "commission" and insert "**task force**".

Page 2, line 34, delete "commission." and insert "**task force.**".

Page 2, delete lines 35 through 36, begin a new paragraph and insert:

"(j) The task force shall meet at least four (4) times in calendar year 2023, and at least four (4) times in calendar year 2024 at the call of the chairperson."

Page 2, line 37, delete "(i)" and insert "(k)".

Page 2, line 37, delete "commission" and insert "**task force**".

Page 2, line 40, delete "commission." and insert "**task force.**".

Page 3, line 1, delete "commission" and insert "**task force**".

Page 3, line 2, delete "(j)" and insert "(I)".

Page 3, line 2, delete "commission" and insert "**task force**".

Page 3, line 5, delete "by the commission and the commission's" and insert "**by the task force and the task force's**".

Page 3, line 7, delete "(k)" and insert "(m)".

Page 3, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE JULY 1, 2023] (a) There is appropriated to the legislative council created by IC 2-5-1.1-1 from the state general fund two hundred thousand dollars (\$200,000) for the biennium beginning July 1, 2023, and ending June 30, 2025, for the use of the state and local tax review task force, as added by this act. The amount appropriated by this SECTION is allocated as follows:

(1) One hundred thousand dollars (\$100,000) for the state fiscal year beginning July 1, 2023, and ending June 30, 2024.

(2) One hundred thousand dollars (\$100,000) for the state fiscal year beginning July 1, 2024, and ending June 30, 2025.

Amounts appropriated by this SECTION must be used to pay the state and local tax review task force's expenses.

(b) This SECTION expires July 1, 2025."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 3 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.



SENATE MOTION

Madam President: I move that Senate Bill 3 be amended to read as follows:

Page 2, delete lines 20 through 26, begin a new paragraph and insert:

"(f) The following apply to the mileage, per diem, and travel expenses for members of the task force:

(1) Each member of the task force who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(2) Each member of the task force who is a member of the general assembly or who is not a state employee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council."

(Reference is to SB 3 as printed February 15, 2023.)

HOLDMAN

 SENATE MOTION

Madam President: I move that Senate Bill 3 be amended to read as follows:

Page 2, delete line 34.

Page 2, delete line 35, begin a new line block indented and insert:

"(4) Application of the sales tax, corporate tax, and property tax, including the elimination of property taxes on all homestead properties."

Page 2, line 36, delete "(6)" and insert "**(5)**".

Page 2, line 37, delete "(7)" and insert "**(6)**".

(Reference is to SB 3 as printed February 15, 2023.)

HOLDMAN



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 3, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 11, after "appointed" insert **"jointly"**.

Page 2, line 11, delete "senate." and insert **"senate and the speaker of the house of representatives."**

Page 2, delete lines 15 through 19, begin a new paragraph and insert:

"(e) Not later than July 1, 2023, the:

(1) chairperson of the legislative council shall select a member of the task force to serve as the chairperson of the task force; and

(2) vice chairperson of the legislative council shall select a member of the task force to serve as the vice chairperson of the task force.

The members selected under subdivisions (1) and (2) shall serve as chairperson and vice chairperson until January 1, 2024. Beginning January 1, 2024, the member initially appointed under subdivision (2) shall instead serve as the chairperson of the task force, and the member initially appointed under subdivision (1) shall instead serve as the vice chairperson of the task force."

Page 2, delete lines 36 through 42, begin a new line block indented and insert:

"(1) The state's near term and long term financial outlook and overall fiscal position.

(2) The state's appropriation backed debt obligations.

(3) The funded status of pension funds managed by the state, including methods to reduce the unfunded actuarial accrued liability of the pre-1996 account within the Indiana state teachers' retirement fund.

(4) The individual income tax, including methods to reduce or eliminate the individual income tax.

(5) The corporate income tax.

(6) The state gross retail and use tax, including a review of the state gross retail tax base.

(7) The property tax, including methods to reduce or eliminate the tax on homestead properties and reduce or eliminate the tax on business personal property.

(8) Local option taxes, including the local income tax, food and beverage taxes, and innkeeper's taxes."



Page 3, delete lines 1 through 4.

Page 3, delete lines 14 through 20.

Page 3, line 21, delete "(l)" and insert "**(k)**".

Page 3, line 25, delete "(m)" and insert "**(l)**".

Page 3, delete lines 26 through 39.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 3 as reprinted February 24, 2023.)

THOMPSON

Committee Vote: yeas 20, nays 0.

