



**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 3**

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. **(This conference committee report is the same as the version of the bill passed out of the House Ways and Means committee (April 6, 2023), except that it changes the date from January 1, 2024, to May 1, 2024, on which the initially appointed vice chairperson serves as chairperson and the initially appointed chairperson instead serves as vice chairperson.)**

Effective: Upon passage.



Adopted	Rejected
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CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 3 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

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

- 1 **(8) One (1) member of the house ways and means committee**
 2 **who is a member of the minority party of the house, appointed**
 3 **by the minority leader of the house of representatives.**
 4 **(9) The director of the office of management and budget.**
 5 **(10) The director of the budget agency.**
 6 **(11) The public finance director of the Indiana finance**
 7 **authority.**
 8 **(12) One (1) member who is an economist employed at a state**
 9 **educational institution (as defined in IC 21-7-13-32),**
 10 **appointed jointly by the president pro tempore of the senate**
 11 **and the speaker of the house of representatives.**
- 12 **(d) If a vacancy occurs, the appointing authority that appointed**
 13 **the member whose position is vacant shall appoint an individual to**
 14 **fill the vacancy.**
- 15 **(e) Not later than July 1, 2023, the:**
- 16 **(1) chairperson of the legislative council shall select a member**
 17 **of the task force to serve as the chairperson of the task force;**
 18 **and**
 19 **(2) vice chairperson of the legislative council shall select a**
 20 **member of the task force to serve as the vice chairperson of**
 21 **the task force.**
- 22 **The members selected under subdivisions (1) and (2) shall serve as**
 23 **chairperson and vice chairperson until May 1, 2024. Beginning**
 24 **May 1, 2024, the member initially appointed under subdivision (2)**
 25 **shall instead serve as the chairperson of the task force, and the**
 26 **member initially appointed under subdivision (1) shall instead**
 27 **serve as the vice chairperson of the task force.**
- 28 **(f) The following apply to the mileage, per diem, and travel**
 29 **expenses for members of the task force:**
- 30 **(1) Each member of the task force who is a state employee is**
 31 **entitled to reimbursement for traveling expenses as provided**
 32 **under IC 4-13-1-4 and other expenses actually incurred in**
 33 **connection with the member's duties as provided in the state**
 34 **policies and procedures established by the Indiana**
 35 **department of administration and approved by the budget**
 36 **agency.**
- 37 **(2) Each member of the task force who is a member of the**
 38 **general assembly or who is not a state employee is entitled to**
 39 **receive the same per diem, mileage, and travel allowances**
 40 **paid to individuals who serve as legislative and lay members,**
 41 **respectively, of interim study committees established by the**
 42 **legislative council.**
- 43 **(g) The task force shall review the following:**
- 44 **(1) The state's near term and long term financial outlook and**
 45 **overall fiscal position.**
 46 **(2) The state's appropriation backed debt obligations.**
 47 **(3) The funded status of pension funds managed by the state,**
 48 **including methods to reduce the unfunded actuarial accrued**
 49 **liability of the pre-1996 account within the Indiana state**
 50 **teachers' retirement fund.**
 51 **(4) The individual income tax, including methods to reduce or**

- 1 eliminate the individual income tax.
- 2 **(5) The corporate income tax.**
- 3 **(6) The state gross retail and use tax, including a review of the**
- 4 **state gross retail tax base.**
- 5 **(7) The property tax, including methods to reduce or**
- 6 **eliminate the tax on homestead properties and reduce or**
- 7 **eliminate the tax on business personal property.**
- 8 **(8) Local option taxes, including the local income tax, food**
- 9 **and beverage taxes, and innkeeper's taxes.**
- 10 **(h) The legislative services agency shall provide staff support to**
- 11 **the task force.**
- 12 **(i) The meetings of the task force must be held in public as**
- 13 **provided under IC 5-14-1.5. However, the task force is permitted**
- 14 **to meet in executive session as determined necessary by the**
- 15 **chairperson of the task force.**
- 16 **(j) The task force shall meet at least four (4) times in calendar**
- 17 **year 2023, and at least four (4) times in calendar year 2024 at the**
- 18 **call of the chairperson.**
- 19 **(k) On or before December 1, 2024, the task force shall prepare**
- 20 **and submit a report to the legislative council, in an electronic**
- 21 **format under IC 5-14-6, that sets forth the topics reviewed by the**
- 22 **task force and the task force's findings and recommendations.**
- 23 **(l) This SECTION expires June 30, 2025.**
- 24 **SECTION 2. An emergency is declared for this act.**
 (Reference is to ESB 3 as reprinted April 14, 2023.)

Conference Committee Report
on
Engrossed Senate Bill 3

Signed by:

Senator Holdman
Chairperson

Representative Thompson

Senator Randolph Lonnie M

Representative Porter

Senate Conferees

House Conferees