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SENATE BILL No. 3

Proposed Changes to February 24, 2023 printing by AM000305

DIGEST OF PROPOSED AMENDMENT

State and local tax review task force. Provides that the member of the state and local tax review task force (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. Makes changes to the review topics. Deletes the appropriation.

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,**
- 16 **appointed by the speaker of the house of representatives.**
- 17 **(7) The ranking minority member of the house ways and**
- 18 **means committee.**

SB 3—LS 7167/DI 120



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1 (8) One (1) member of the house ways and means committee
 2 who is a member of the minority party of the house,
 3 appointed by the minority leader of the house of
 4 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
 12 senate [and the speaker of the house of representatives].

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

16 (e) ~~<The>~~ [Not later than July 1, 2023, the:

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

20 (2) vice] chairperson of the legislative council shall select [a
 21 member of] the [task force to serve as the vice] chairperson
 22 of the task force ~~<before July 1, 2023. The individual selected~~
 23 ~~to>~~].

24 The members selected under subdivisions (1) and (2) shall serve as
 25 chairperson and vice chairperson until January 1, 2024. Beginning
 26 January 1, 2024, the member initially appointed under subdivision
 27 (2) shall instead] serve as the chairperson of the task force ~~<under~~
 28 ~~this subsection shall serve as the task force's chairperson for the~~
 29 ~~duration>~~], and the member initially appointed under subdivision
 30 (1) shall instead serve as the vice chairperson] of the task force. [

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

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

40 (2) Each member of the task force who is a member of the
 41 general assembly or who is not a state employee is entitled to
 42 receive the same per diem, mileage, and travel allowances

SB 3—LS 7167/DI 120



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1 paid to individuals who serve as legislative and lay members,
2 respectively, of interim study committees established by the
3 legislative council.

4 (g) The task force shall review the following:

5 ~~<(1) Paying down the unfunded>~~ [(1) The state's near term and
6 long term financial outlook and overall fiscal position.

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

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

12 ~~(~~2~~) [4] <State appropriation backed debt obligations~~
13 ~~and~~ [The individual income tax, including] methods to
14 reduce ~~<those debt obligations>~~.

15 ~~— (3) Methods that can be used to~~ [or] eliminate the individual
16 ~~<state income>~~ [income tax.

17 (5) The corporate income tax.

18 (6) The state gross retail and use] tax, including ~~<potential~~
19 ~~replacement revenue sources.~~

20 ~~— (4) Application of the sales tax, corporate tax, and~~ [a review
21 of the state gross retail tax base.

22 (7) The] property tax, including ~~<the elimination of~~
23 ~~property>~~ [methods to reduce or eliminate the] tax ~~<es>~~ on ~~<~~
24 ~~all~~ homestead properties] and reduce or eliminate the tax
25 on business personal property].

26 ~~(~~5~~) [8] <Government efficiency at the state and local level.~~

27 ~~— (6) The state's financial position and reserve fund~~
28 ~~balances>~~ [Local option taxes, including the local income tax,
29 food and beverage taxes, and innkeeper's taxes].

30 (h) The legislative services agency shall provide staff support
31 to the task force.

32 (i) The meetings of the task force must be held in public as
33 provided under IC 5-14-1.5. However, the task force is permitted
34 to meet in executive session as determined necessary by the
35 chairperson of the task force.

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

39 ~~(k) The task force may, by vote, create subcommittees and~~
40 ~~must specify membership of the subcommittee at the time of~~
41 ~~creation. The members of a subcommittee are not required to be~~
42 ~~members of the task force. The meetings of a subcommittee must~~

SB 3—LS 7167/DI 120



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1 ~~be held in public as provided under IC 5-14-1.5. A subcommittee~~
 2 ~~may take public testimony and may make recommendations to the~~
 3 ~~task force on topics assigned to the subcommittee.~~
 4 ~~—(1) On or before December 1, 2024, the task force shall~~
 5 ~~prepare and submit a report to the legislative council, in an~~
 6 ~~electronic format under IC 5-14-6, that sets forth the topics~~
 7 ~~reviewed by the task force and the task force's findings and~~
 8 ~~recommendations.~~
 9 ~~(1) This SECTION expires June 30, 2025.~~
 10 ~~< SECTION 2. [EFFECTIVE JULY 1, 2023] (a) There is~~
 11 ~~appropriated to the legislative council created by IC 2-5-1.1-1 from~~
 12 ~~the state general fund two hundred thousand dollars (\$200,000) for~~
 13 ~~the biennium beginning July 1, 2023, and ending June 30, 2025, for~~
 14 ~~the use of the state and local tax review task force, as added by this~~
 15 ~~act. The amount appropriated by this SECTION is allocated as~~
 16 ~~follows:~~
 17 ~~—(1) One hundred thousand dollars (\$100,000) for the state~~
 18 ~~fiscal year beginning July 1, 2023, and ending June 30, 2024.~~
 19 ~~—(2) One hundred thousand dollars (\$100,000) for the state~~
 20 ~~fiscal year beginning July 1, 2024, and ending June 30, 2025.~~
 21 ~~Amounts appropriated by this SECTION must be used to pay the~~
 22 ~~state and local tax review task force's expenses.~~
 23 ~~—(b) This SECTION expires July 1, 2025.~~
 24 ~~> SECTION <=> [2]. An emergency is declared for this act.~~

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