
SENATE BILL No. 3

AM000307 has been incorporated into February 24, 2023 printing.

Synopsis: State and local tax review task force.

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SB 3—LS 7167/DI 120



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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.

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

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- 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,**
- 4 **appointed by the minority leader of the house of**
- 5 **representatives.**
- 6 **(9) The director of the office of management and budget.**
- 7 **(10) The director of the budget agency.**
- 8 **(11) The public finance director of the Indiana finance**
- 9 **authority.**
- 10 **(12) One (1) member who is an economist employed at a state**
- 11 **educational institution (as defined in IC 21-7-13-32),**
- 12 **appointed by the president pro tempore of the senate.**
- 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 chairperson of the legislative council shall select the**
- 17 **chairperson of the task force before July 1, 2023. The individual**
- 18 **selected to serve as the chairperson of the task force under this**
- 19 **subsection shall serve as the task force's chairperson for the**
- 20 **duration of the task force.**
- 21 **(f) The following apply to the mileage, per diem, and travel**
- 22 **expenses for members of the task force:**
- 23 **(1) Each member of the task force who is a state employee is**
- 24 **entitled to reimbursement for traveling expenses as provided**
- 25 **under IC 4-13-1-4 and other expenses actually incurred in**
- 26 **connection with the member's duties as provided in the state**
- 27 **policies and procedures established by the Indiana**
- 28 **department of administration and approved by the budget**
- 29 **agency.**
- 30 **(2) Each member of the task force who is a member of the**
- 31 **general assembly or who is not a state employee is entitled to**
- 32 **receive the same per diem, mileage, and travel allowances**
- 33 **paid to individuals who serve as legislative and lay members,**
- 34 **respectively, of interim study committees established by the**
- 35 **legislative council.**
- 36 **(g) The task force shall review the following:**
- 37 **(1) Paying down the unfunded liability of the pre-1996**
- 38 **account within the Indiana state teachers' retirement fund.**
- 39 **(2) State appropriation backed debt obligations and methods**
- 40 **to reduce those debt obligations.**
- 41 **(3) Methods that can be used to eliminate the individual state**
- 42 **income tax, including potential replacement revenue sources.**

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- 1 **(4) Application of the sales tax, corporate tax, and property**
- 2 **tax, including the elimination of property taxes on all**
- 3 **homestead properties.**
- 4 **(5) Government efficiency at the state and local level.**
- 5 **(6) The state's financial position and reserve fund balances.**
- 6 **(h) The legislative services agency shall provide staff support**
- 7 **to the task force.**
- 8 **(i) The meetings of the task force must be held in public as**
- 9 **provided under IC 5-14-1.5. However, the task force is permitted**
- 10 **to meet in executive session as determined necessary by the**
- 11 **chairperson of the task force.**
- 12 **(j) The task force shall meet at least four (4) times in calendar**
- 13 **year 2023, and at least four (4) times in calendar year 2024 at the**
- 14 **call of the chairperson.**
- 15 **(k) The task force may, by vote, create subcommittees and**
- 16 **must specify membership of the subcommittee at the time of**
- 17 **creation. The members of a subcommittee are not required to be**
- 18 **members of the task force. The meetings of a subcommittee must**
- 19 **be held in public as provided under IC 5-14-1.5. A subcommittee**
- 20 **may take public testimony and may make recommendations to the**
- 21 **task force on topics assigned to the subcommittee.**
- 22 **(l) On or before December 1, 2024, the task force shall prepare**
- 23 **and submit a report to the legislative council, in an electronic**
- 24 **format under IC 5-14-6, that sets forth the topics reviewed by the**
- 25 **task force and the task force's findings and recommendations.**
- 26 **(m) This SECTION expires June 30, 2025.**
- 27 **SECTION 2. [EFFECTIVE JULY 1, 2023] (a) There is**
- 28 **appropriated to the legislative council created by IC 2-5-1.1-1 from**
- 29 **the state general fund two hundred thousand dollars (\$200,000) for**
- 30 **the biennium beginning July 1, 2023, and ending June 30, 2025, for**
- 31 **the use of the state and local tax review task force, as added by this**
- 32 **act. The amount appropriated by this SECTION is allocated as**
- 33 **follows:**
- 34 **(1) One hundred thousand dollars (\$100,000) for the state**
- 35 **fiscal year beginning July 1, 2023, and ending June 30, 2024.**
- 36 **(2) One hundred thousand dollars (\$100,000) for the state**
- 37 **fiscal year beginning July 1, 2024, and ending June 30, 2025.**
- 38 **Amounts appropriated by this SECTION must be used to pay the**
- 39 **state and local tax review task force's expenses.**
- 40 **(b) This SECTION expires July 1, 2025.**
- 41 **SECTION 3. [EFFECTIVE JULY 1, 2023] (a) If the overall**
- 42 **impact to state revenue that is attributable to changes made to the**

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1 **Indiana Code in P.L.1-2023 is anticipated to exceed one hundred**
2 **million dollars (\$100,000,000), regardless of whether the overall**
3 **impact is a positive impact or a negative impact, not later than**
4 **December 1, 2023, the department of state revenue shall prepare**
5 **a report detailing the overall impact to state revenue and provide**
6 **the report to the budget committee.**

7 **(b) This SECTION expires July 1, 2024.**

8 **SECTION 4. An emergency is declared for this act.**

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