

HOUSE BILL No. 1117

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9; IC 35-52-6-76.5.

Synopsis: Uniform municipal innkeeper's tax. Creates a uniform municipal innkeeper's tax that may be imposed at a flat rate that does not exceed \$5 per night and includes provisions similar to the uniform county innkeeper's tax. Makes corresponding changes to statutes concerning innkeeper's tax administration.

Effective: July 1, 2026.

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January 5, 2026, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1117

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 6-9-18.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]:

4 **Chapter 18.5. Uniform Municipal Innkeeper's Tax**

5 **Sec. 1. This chapter applies to a municipality that is not**
6 **required or authorized to impose an innkeeper's tax under any**
7 **other chapter of this article. A municipality that imposes an**
8 **innkeeper's tax under this chapter may not also impose an**
9 **innkeeper's tax under another chapter.**

10 **Sec. 2. The following definitions apply throughout this chapter:**

- 11 (1) "Fiscal body" has the meaning set forth in IC 36-1-2-6.
12 (2) "Gross retail income" has the meaning set forth in
13 IC 6-2.5-1-5.
14 (3) "Municipality" has the meaning set forth in IC 36-1-2-11.
15 (4) "Person" has the meaning set forth in IC 6-2.5-1-3.

16 **Sec. 3. (a) Subject to section 7 of this chapter, the fiscal body of**
17 **a municipality may levy a tax on every person engaged in the**



business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; or
- (7) tourist cabin;

located in the municipality.

(b) The tax does not apply to a transaction in which:

- (1) a student rents lodgings in a college or university residence hall while that student participates in a course of study for which the student receives college credit from a college or university located in the municipality; or
- (2) a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) The tax must be imposed at a flat rate amount per night and may not exceed the rate of five dollars (\$5) per night. The tax is in addition to:

- (1) the state gross retail tax imposed under IC 6-2.5; and
- (2) a county innkeeper's tax imposed in the county in which the municipality is located, if any.

(d) The fiscal body of the municipality may adopt an ordinance to require that the tax be reported on forms approved by the fiscal officer of the municipality and that the tax shall be paid monthly to the fiscal officer. If such an ordinance is adopted, the tax shall be paid to the fiscal officer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(e) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this section except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the fiscal officer of the municipality. If the tax is paid to the department of state revenue, the return to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the



department of state revenue may, by rule, determine.

(f) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the fiscal officer of the municipality upon warrants issued by the state comptroller.

Sec. 4. (a) If a tax is imposed under section 3 of this chapter, the municipal fiscal officer shall establish a convention, visitor, and tourism promotion fund. The municipal fiscal officer shall deposit into the fund all amounts received from a tax imposed under section 3 of this chapter.

(b) Money in a convention, visitor, and tourism promotion fund may be expended, after appropriation by the municipal fiscal body, only for the following purposes:

(1) To promote and encourage conventions, visitors, and tourism within the municipality, including expenditures for advertising, promotional activities, trade shows, special events, and recreation.

(2) To create new parks and amenities, and to expand and enhance existing parks and amenities.

(3) To pay the costs of municipal services related to conventions, trade shows, and other special events. However, money may not be used for salaries or operating expenses related to an event.

Sec. 5. All money deposited in the convention, visitor, and tourism promotion fund shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money deposited in the convention, visitor, and tourism promotion fund is subject to audit and supervision by the state board of accounts.

Sec. 6. (a) A person who knowingly:

(1) approves the transfer of money to any person or corporation not qualified under law for that transfer; or

(2) approves a transfer for a purpose not permitted under law;

commits a Level 6 felony.

(b) A person who receives a transfer of money under this chapter and knowingly uses that money for any purpose not permitted under this chapter commits a Level 6 felony.

Sec. 7. A tax imposed by a municipality under this chapter terminates on January 1 of the calendar year that begins twenty-two (22) years after the effective date specified in the ordinance.



SECTION 2. IC 6-9-29-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. This chapter applies to all counties **and municipalities** imposing an innkeeper's tax under this article.

SECTION 3. IC 6-9-29-1.5, AS AMENDED BY P.L.137-2022, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.5. (a) Unless otherwise provided in this article, a county fiscal body **or a municipal fiscal body** that adopts an ordinance to impose, rescind, or increase or decrease the rate of a county innkeeper's tax **or a municipal innkeeper's tax**, or to make a change between collection of the tax by the county treasurer **or the municipal fiscal officer**, or the department of state revenue, must specify the effective date of the ordinance to provide that the ordinance takes effect:

- (1) at least thirty (30) days after the adoption of the ordinance;
- and
- (2) on the first day of a month.

(b) If a county fiscal body **or a municipal fiscal body** adopts an ordinance described in subsection (a), it must immediately send a certified copy of the ordinance to the commissioner of the department of state revenue. Notwithstanding subsection (a), if the department of state revenue collects the revenue from the county innkeeper's tax **or the municipal innkeeper's tax**, the department of state revenue shall begin collecting the tax as provided in the ordinance for periods beginning on or after the later of:

- (1) the first day of the month that is not less than thirty (30) days after the ordinance is sent to the commissioner of the department of state revenue; or
- (2) the effective date specified in the ordinance.

The department shall collect the tax at the rate in the ordinance unless the rate is not authorized under this article.

(c) If an ordinance does not specify an effective date, the ordinance shall be considered effective on the earliest date allowable under this section.

SECTION 4. IC 6-9-29-3, AS AMENDED BY P.L.175-2018, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) If an ordinance has been adopted requiring the payment of the innkeeper's tax to the county treasurer **or the municipal fiscal officer** instead of the department of state revenue, the county treasurer **or the municipal fiscal officer** has the same rights and powers with respect to collecting and refunding the county innkeeper's tax **or the municipal innkeeper's tax** as the department of



1 state revenue.

2 (b) The department of state revenue shall prescribe a standard return
3 form to be used by a taxpayer with remittance of the innkeeper's tax:

4 (1) to the department of state revenue, if the taxpayer files a
5 separate return for the innkeeper's tax; ~~or~~

6 (2) to the county treasurer, if an ordinance has been adopted
7 requiring the payment of the innkeeper's tax to the county
8 treasurer instead of the department of state revenue; ~~or~~

9 **(3) to the municipal fiscal officer, if an ordinance has been**
10 **adopted requiring the payment of the innkeeper's tax to the**
11 **municipal fiscal officer instead of the department of state**
12 **revenue.**

13 SECTION 5. IC 6-9-29-4 IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: Sec. 4. Upon a request by a county
15 auditor or treasurer, ~~or a municipal fiscal officer~~, the department of
16 state revenue shall provide summary data regarding innkeeper's tax
17 collections for the county ~~or the municipality~~. This data may not
18 include any confidential information. The department shall provide the
19 summary data within ten (10) business days after the request is made.

20 SECTION 6. IC 35-52-6-76.5 IS ADDED TO THE INDIANA
21 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2026]: **Sec. 76.5. IC 6-9-18.5-6 defines crimes**
23 **concerning innkeeper's taxes.**

