

PROPOSED AMENDMENT

HB 1210 # 84

DIGEST

Tax matters. Reinstates excess tax levy appeals resulting from a consolidation that was repealed in SEA 1 in the 2025 session. Specifies that an included town that is part of the consolidated city under the UNIGOV statute is not a separate municipality for purposes of the local income tax (LIT) provisions enacted in SEA 1 in the 2025 session. Requires the budget agency, before January 1, 2029, to transfer a specified LIT amount from the trust account maintained for each county under current law to the state and local trust established in SEA 1 in the 2025 session. Specifies the allocation and distribution of LIT revenue with the transition to the provisions enacted in SEA 1 in the 2025 session. Reinstates a provision that was repealed in SEA 1 in the 2025 session that requires the budget agency, before August 2 of each calendar year, to provide certain estimated information to the counties.

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- 1 Page 67, between lines 16 and 17, begin a new paragraph and insert:
2 "SECTION 51. IC 6-1.1-18.5-12, AS AMENDED BY P.L.68-2025,
3 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 12. (a) Any civil taxing unit that incurs
5 increased costs resulting from annexation, **consolidation**, a natural
6 disaster, an accident, or another unanticipated emergency, and
7 determines that it cannot carry out its governmental functions for an
8 ensuing calendar year under the levy limitations imposed by section 3
9 or 25 of this chapter, as applicable, may, subject to subsections (h) and
10 (i):
11 (1) before October 20 of the calendar year immediately preceding
12 the ensuing calendar year; or
13 (2) in the case of a request described in section 16 of this chapter,
14 before December 31 of the calendar year immediately preceding
15 the ensuing calendar year;
16 appeal to the department of local government finance for relief from
17 those levy limitations. In the appeal the civil taxing unit must state that
18 it will be unable to carry out the governmental functions committed to
19 it by law unless it is given the authority that it is petitioning for. The
20 civil taxing unit must support these allegations by reasonably detailed
21 statements of fact.
22 (b) The department of local government finance shall immediately

1 proceed to the examination and consideration of the merits of the civil
2 taxing unit's appeal.

3 (c) In considering an appeal, the department of local government
4 finance has the power to conduct hearings, require any officer or
5 member of the appealing civil taxing unit to appear before it, or require
6 any officer or member of the appealing civil taxing unit to provide the
7 department with any relevant records or books.

8 (d) If an officer or member:

9 (1) fails to appear at a hearing after having been given written
10 notice requiring that person's attendance; or

11 (2) fails to produce the books and records that the department by
12 written notice required the officer or member to produce;

13 then the department may file an affidavit in the circuit court, superior
14 court, or probate court in the jurisdiction in which the officer or
15 member may be found setting forth the facts of the failure.

16 (e) Upon the filing of an affidavit under subsection (d), the court
17 shall promptly issue a summons, and the sheriff of the county within
18 which the court is sitting shall serve the summons. The summons must
19 command the officer or member to appear before the department to
20 provide information to the department or to produce books and records
21 for the department's use, as the case may be. Disobedience of the
22 summons constitutes, and is punishable as, a contempt of the court that
23 issued the summons.

24 (f) All expenses incident to the filing of an affidavit under
25 subsection (d) and the issuance and service of a summons shall be
26 charged to the officer or member against whom the summons is issued,
27 unless the court finds that the officer or member was acting in good
28 faith and with reasonable cause. If the court finds that the officer or
29 member was acting in good faith and with reasonable cause or if an
30 affidavit is filed and no summons is issued, the expenses shall be
31 charged against the county in which the affidavit was filed and shall be
32 allowed by the proper fiscal officers of that county.

33 (g) The fiscal officer of a civil taxing unit that appeals under section
34 16 of this chapter for relief from levy limitations shall immediately file
35 a copy of the appeal petition with the county auditor and the county
36 treasurer of the county in which the unit is located.

37 (h) This subsection applies to a civil taxing unit whose budget for
38 the upcoming year is subject to review by a fiscal body under:

39 (1) IC 6-1.1-17-20;

40 (2) IC 6-1.1-17-20.3; or

1 (3) IC 6-1.1-17-20.4.

2 A civil taxing unit described in this subsection may not submit an
3 appeal under this section unless the civil taxing unit receives approval
4 from the appropriate fiscal body to submit the appeal.

5 (i) A participating unit of a fire protection territory may not submit
6 an appeal under this section unless each participating unit of the fire
7 protection territory has adopted a resolution approving submission of
8 the appeal.

9 SECTION 52. IC 6-1.1-18.5-13, AS AMENDED BY P.L.68-2025,
10 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]: Sec. 13. With respect to an appeal filed under
12 section 12 of this chapter, the department may find that a civil taxing
13 unit should receive the following relief:

14 (1) Permission to the civil taxing unit to increase its levy in excess
15 of the limitations established under section 3 or 25 of this chapter,
16 as applicable, if in the judgment of the department the increase is
17 reasonably necessary due to increased costs of the civil taxing
18 unit resulting from annexation **or consolidation**. If those
19 increased costs are incurred by the civil taxing unit in that
20 calendar year and more than one (1) immediately succeeding
21 calendar year, the unit may appeal under section 12 of this chapter
22 for permission to increase its levy under this subdivision based on
23 those increased costs in any of the following:

24 (A) The first calendar year in which those costs are incurred.
25 (B) One (1) or more of the immediately succeeding four (4)
26 calendar years.

27 (2) Permission to a civil taxing unit to increase its levy in excess
28 of the limitations established under section 3 or 25 of this chapter,
29 as applicable, if the department determines that the civil taxing
30 unit cannot carry out its governmental functions for an ensuing
31 calendar year under the levy limitations imposed by section 3 or
32 25 of this chapter, as applicable, due to a natural disaster, an
33 accident, or another unanticipated emergency."

34 Page 116, line 13, after "chapter." insert "**In addition, in the case**
35 **of a consolidated city, an included town that is part of the**
36 **consolidated city under IC 36-3-1 is not a separate municipality for**
37 **purposes of this chapter.**".

38 Page 125, between lines 31 and 32, begin a new paragraph and
39 insert:

40 "**(c) Before January 1, 2029, the budget agency shall make a**

1 transfer from the trust account maintained for each county under
 2 this section to the state and local trust account. The budget agency
 3 shall determine the greater of zero (0) or the result of the
 4 difference between:

5 (1) each county's trust account balance as of December 31,
 6 2027; minus

7 (2) each county's certified distribution amounts for 2029;
 8 and transfer the sum of those amounts for all counties to the state
 9 and local trust account."

10 Page 125, line 32, strike "(c)" and insert "(d)".

11 Page 125, between lines 32 and 33, begin a new paragraph and
 12 insert:

13 "SECTION 110. IC 6-3.6-9-4, AS AMENDED BY P.L.68-2025,
 14 SECTION 156, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2028]: Sec. 4. (a) Revenue derived from the
 16 imposition of the tax shall, in the manner prescribed by this chapter, be
 17 distributed to the county that imposed it. The amount that is to be
 18 distributed to a county during an ensuing calendar year equals the
 19 amount of tax revenue that the budget agency determines has been:

20 (1) attributed to that county for a taxable year ending in a calendar
 21 year preceding the calendar year in which the determination is
 22 made; and

23 (2) reported on an annual return or amended return filed by or for
 24 a county taxpayer and processed by the department in the state
 25 fiscal year ending before July 1, or for a federal income tax
 26 deadline set after July 1, a date set by the department for a period
 27 of not more than sixty (60) days beyond the federal deadline, of
 28 the calendar year in which the determination is made;

29 without adjustment based on the enactment of a tax rate change under
 30 IC 6-3.6-6-2 or IC 6-3.6-6-22 in the first preceding calendar year it
 31 becomes effective.

32 (b) Beginning in calendar year 2031, and each calendar year
 33 thereafter, the amount distributed under subsection (a) shall be
 34 adjusted based on the enactment of a tax rate change under
 35 IC 6-3.6-6-2 or IC 6-3.6-6-22 and the certified distributions under
 36 section 5 of this chapter shall be allocated to the county, each
 37 municipality, each district, territory, or department providing fire
 38 protection and each emergency medical services as described in
 39 IC 6-3.6-6-4.3, and each nonmunicipal civil taxing unit as defined
 40 in IC 6-3.6-6-0.5 in the manner prescribed by this chapter."

1 Page 125, delete lines 33 through 42.

2 Page 126, delete lines 1 through 7, begin a new paragraph and
3 insert:

4 "SECTION 111. IC 6-3.6-9-5, AS AMENDED BY P.L.68-2025,
5 SECTION 158, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2028]: Sec. 5. **(a) Before August 2 of each**
7 **calendar year, the budget agency shall provide to the department**
8 **of local government finance and the county auditor of each**
9 **adopting county, and the fiscal officer of each municipality**
10 **beginning after December 31, 2030, an estimate of the amount**
11 **determined under section 4 of this chapter that will be distributed**
12 **to the county or municipality beginning after December 31, 2030,**
13 **based on known tax rates. Subject to subsection (c), not later than**
14 **fifteen (15) days after receiving the estimate of the certified**
15 **distribution, the department of local government finance shall**
16 **determine for each taxing unit and notify the county auditor of the**
17 **estimated amount of property tax credits, school distributions,**
18 **public safety revenue, economic development revenue, certified**
19 **shares, and special purpose revenue that will be distributed to the**
20 **taxing unit under this chapter during the ensuing calendar year.**
21 **Not later than thirty (30) days after receiving the department's**
22 **estimate, the county auditor shall notify each taxing unit of the**
23 **amounts estimated for the taxing unit.**

24 ~~(a)~~ **(b)** Before October 1 of each calendar year, the budget agency
25 shall certify to the department of local government finance and the
26 county auditor of each adopting county the amount determined under
27 sections 4 and 4.1 of this chapter. The amount certified is the county's
28 certified distribution for the immediately succeeding calendar year. The
29 amount certified shall be adjusted, as necessary, under sections 6 and
30 7 of this chapter. Subject to subsection ~~(b)~~; **(c)**, not later than thirty (30)
31 days after receiving the amount of the certified distribution, the
32 department of local government finance shall determine for each taxing
33 unit and notify the county auditor of the certified amount that will be
34 distributed to the taxing unit under this chapter during the ensuing
35 calendar year. Not later than thirty (30) days after receiving the
36 department's estimate, the county auditor shall notify each taxing unit
37 of the certified amounts for the taxing unit."

38 Page 126, line 8, strike "(b)" and insert "**(c)**".

39 Page 126, line 40, delete "(c)" and insert "**(d)**".

40 Page 269, line 26, delete "." and insert "**and as amended by this**

- 1 **act."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to HB 1210 as reprinted January 30, 2026.)