

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6070

BILL NUMBER: HB 1353

NOTE PREPARED: Nov 3, 2025

BILL AMENDED:

SUBJECT: Bedford Food and Beverage Tax.

FIRST AUTHOR: Rep. May

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes the city of Bedford to impose a food and beverage tax.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The city of Bedford's food and beverage tax would be collected and remitted to the Department of State Revenue (DOR) in the same manner as the state sales tax. The DOR should be able to implement the bill's requirements within existing levels of staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: The city of Bedford could potentially incur a one-time increase in costs if it holds additional public hearings to discuss a proposed ordinance to impose a food and beverage tax.

If the city imposes a food and beverage tax, the fiscal officer would establish a food and beverage tax receipts fund. All revenue from the city's tax would be deposited in this fund. Money in the fund may only be used for the following purposes:

- Police and law enforcement, firefighting and fire prevention, emergency medical services and ambulance services, and other public safety purposes.
- The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for the purposes listed above.

Explanation of Local Revenues: The bill authorizes the city of Bedford to impose up to a 1% food and beverage tax rate. If the city adopts an ordinance to impose the tax in July 2026, the tax could go into effect as early as September 1, 2026. The following table shows the estimated potential revenue for CY 2026 through CY 2028.

Estimated Potential Bedford Food and Beverage Tax Revenue, 1%		
CY 2026	CY 2027	CY 2028
\$188,000	\$761,000	\$749,000

Additional Information - These estimates are based on data for the food services industry in Lawrence County and revenue of counties that currently collect food and beverage taxes. A portion of the county total was allocated to Bedford based on the city's estimated share of the food and beverage industry in the county. The tax will expire on July 1, 2048.

State Agencies Affected: Department of State Revenue.

Local Agencies Affected: City of Bedford.

Information Sources: U.S. Census Bureau; 2017 Economic Census. Legislative Services Agency, Indiana, Handbook of Taxes, Revenues, and Appropriations, FY 2024. OFMA Quarterly Census of Employment and Wages Data.

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