

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in **this style** or **type** or in **this style type**.

## SENATE BILL No. 242

Proposed Changes to introduced printing by AM024206

### DIGEST OF PROPOSED AMENDMENT

Orange County food and beverage tax. Clarifies the imposition and collection of the Orange County food and beverage tax.

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

4 SECTION 2. IC 6-9-29-1.5, AS AMENDED BY P.L.137-2022,  
5 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2026]: Sec. 1.5. (a) Unless otherwise provided in this article,  
7 a county fiscal body **or a city fiscal body** that adopts an ordinance to  
8 impose, rescind, or increase or decrease the rate of a county innkeeper's  
9 tax **or a city innkeeper's tax**, or to make a change between collection  
10 of the tax by the county treasurer **or the city fiscal officer**, or the  
11 department of state revenue, must specify the effective date of the  
12 ordinance to provide that the ordinance takes effect:

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

16 (b) If a county fiscal body **or a city fiscal body** adopts an  
17 ordinance described in subsection (a), it must immediately send a  
18 certified copy of the ordinance to the commissioner of the department  
19 of state revenue. Notwithstanding subsection (a), if the department of  
20 state revenue collects the revenue from the county innkeeper's tax **or**

2026

IN 242—LS 7075/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1       **the city innkeeper's tax**, the department of state revenue shall begin  
 2       collecting the tax as provided in the ordinance for periods beginning on  
 3       or after the later of:

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

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

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

13      SECTION 3. IC 6-9-29-4 IS AMENDED TO READ AS  
 14       FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. Upon a request by  
 15       a county auditor or treasurer, **or a city fiscal officer**, the department of  
 16       state revenue shall provide summary data regarding innkeeper's tax  
 17       collections for the county **or the city**. This data may not include any  
 18       confidential information. The department shall provide the summary  
 19       data within ten (10) business days after the request is made.

20      [ SECTION 4. IC 6-9-45.5-13 IS REPEALED [EFFECTIVE JULY  
 21       1, 2025 (RETROACTIVE)]. See. 13. (a) As used in this section,  
 22       "another food and beverage tax" refers to an excise tax that is imposed  
 23       under any law other than this chapter and that is levied in all or any  
 24       part of Orange County on a transaction in which food or beverage is  
 25       furnished, prepared, or served:

26           (1) for consumption at a location; or on equipment, provided by  
 27           a retail merchant;

28           (2) in the area in which the food and beverage tax is imposed;  
 29           and

30           (3) by a retail merchant for consideration.

31           (b) Notwithstanding any other law, another food and beverage tax  
 32       does not apply to transactions described in section 9 of this chapter.

33      1 SECTION ~~4~~<sup>5</sup> IC 6-9-56.5 IS ADDED TO THE INDIANA  
 34       CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
 35       [EFFECTIVE JULY 1, 2026]:

36       **Chapter 56.5. Carmel Innkeeper's Tax**

37       **Sec. 1. This chapter applies to the city of Carmel.**

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

40           **(1) "Fiscal body" has the meaning set forth in IC 36-1-2-6.**

41           **(2) "Person" has the meaning set forth in IC 6-2.5-1-3.**

42       **Sec. 3. (a) Subject to section 7 of this chapter, the fiscal body**



1 of the city may levy a tax on every person engaged in the business  
 2 of renting or furnishing, for periods of less than thirty (30) days,  
 3 any room or rooms, lodgings, or accommodations in any:

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

11 located in the city.

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

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

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

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

25 (d) The tax shall be imposed, paid, and collected in exactly the  
 26 same manner as the state gross retail tax is imposed, paid, and  
 27 collected under IC 6-2.5.

28 (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
 29 liabilities, procedures, penalties, definitions, exemptions, and  
 30 administration are applicable to the imposition and administration  
 31 of the tax imposed under this section except to the extent those  
 32 provisions are in conflict or inconsistent with the specific  
 33 provisions of this chapter. The return to be filed for the payment  
 34 of the tax under this section may be either a separate return or  
 35 may be combined with the return filed for the payment of the state  
 36 gross retail tax as the department of state revenue may, by rule,  
 37 determine.

38 (f) The amounts received from the tax imposed under this  
 39 section shall be paid monthly by the treasurer of state to the fiscal  
 40 officer of the city upon warrants issued by the state comptroller.

41 Sec. 4. (a) If a tax is imposed under section 3 of this chapter,  
 42 the city fiscal officer shall establish a convention, visitor, and



1 tourism promotion fund. The city fiscal officer shall deposit into  
 2 the fund all amounts received from a tax imposed under section 3  
 3 of this chapter.

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

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

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

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

17 The city fiscal body may issue bonds, enter into leases, or incur  
 18 other obligations for the purposes set forth in subdivisions (1)  
 19 through (3).

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

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

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

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

31 commits a Level 6 felony.

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

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

38 SECTION ~~63.5~~<sup>63.5</sup> IC 6-9-63.5 IS ADDED TO THE INDIANA  
 39 CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2026]:

41 **Chapter 63.5. New Haven Innkeeper's Tax**

42 **Sec. 1. This chapter applies to the city of New Haven.**

2026

IN 242—LS 7075/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1                   Sec. 2. The following definitions apply throughout this  
 2 chapter:

3                   (1) "Fiscal body" has the meaning set forth in IC 36-1-2-6.  
 4                   (2) "Person" has the meaning set forth in IC 6-2.5-1-3.

5                   Sec. 3. (a) Subject to section 7 of this chapter, the fiscal body  
 6 of the city may levy a tax on every person engaged in the business  
 7 of renting or furnishing, for periods of less than thirty (30) days,  
 8 any room or rooms, lodgings, or accommodations in any:

9                   (1) hotel;  
 10                  (2) motel;  
 11                  (3) boat motel;  
 12                  (4) inn;  
 13                  (5) college or university memorial union;  
 14                  (6) college or university residence hall or dormitory; or  
 15                  (7) tourist cabin;

16                  located in the city.

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

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

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

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

30                  (d) The tax shall be imposed, paid, and collected in exactly the  
 31                  same manner as the state gross retail tax is imposed, paid, and  
 32                  collected under IC 6-2.5.

33                  (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
 34                  liabilities, procedures, penalties, definitions, exemptions, and  
 35                  administration are applicable to the imposition and administration  
 36                  of the tax imposed under this section except to the extent those  
 37                  provisions are in conflict or inconsistent with the specific  
 38                  provisions of this chapter. The return to be filed for the payment  
 39                  of the tax under this section may be either a separate return or  
 40                  may be combined with the return filed for the payment of the state  
 41                  gross retail tax as the department of state revenue may, by rule,  
 42                  determine.



(f) 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 city upon warrants issued by the state comptroller.

**Sec. 4. (a) If a tax is imposed under section 3 of this chapter, the city fiscal officer shall establish a convention, visitor, and tourism promotion fund. The city 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 city fiscal body, only for the following purposes:**

**(1) To promote and encourage conventions, visitors, and tourism within the city, 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 city 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.

The city fiscal body may issue bonds, enter into leases, or incur other obligations for the purposes set forth in subdivisions (1) through (3).

**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 city 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.**



1 SECTION ~~46~~[7]. IC 35-52-6-83.5 IS ADDED TO THE  
2 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2026]: **Sec. 83.5. IC 6-9-56.5-6 defines crimes**  
4 **concerning innkeeper's taxes.**

5 SECTION ~~47~~[8]. IC 35-52-6-85.2 IS ADDED TO THE  
6 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE JULY 1, 2026]: **Sec. 85.2. IC 6-9-63.5-6 defines crimes**  
8 **concerning innkeeper's taxes.**

9 [SECTION 9. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] For  
10 purposes of IC 6-9-47.5:

11 (1) the imposition and collection of tax after June 30, 2025,  
12 under that chapter with regard to a taxpayer that also is  
13 subject to a tax under IC 6-9-45.5 is permitted as if  
14 IC 6-9-45.5-13 had been repealed by P.L.230-2025; and  
15 (2) no refund shall be permitted for the tax imposed under  
16 IC 6-9-47.5 after June 30, 2025, based on the imposition of  
17 tax under IC 6-9-45.5 on the same transaction.

18 SECTION 10. An emergency is declared for this act.]

M

a

r

k

u

p

2026

IN 242—LS 7075/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY