

HOUSE BILL No. 1134

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6-6-21.3; IC 6-5.5-8-2; IC 6-6-5-10; IC 6-6-5.5-19.

Synopsis: Local income tax. Provides that, for the purpose of distributing the local income tax (LIT), if two or more school corporations or civil taxing units merge or consolidate to form a single school corporation or civil taxing unit, the school corporation or civil taxing unit is entitled to the combined pro rata distribution of the LIT revenue allocated to each applicable school corporation or civil taxing unit in existence on January 1 of the immediately preceding calendar year prior to the merger or consolidation. Provides that the department of local government finance shall make certain adjustments pertaining to the distribution of LIT for Floyd County in 2025, which provide that the Highlander Fire Protection District (district) shall receive an amount equal to the combined distribution that would have been distributed to the Greenville Fire Protection District (FPD) and the Lafayette Fire Protection District (FPD) in 2024, but for their elimination resulting from the merger to establish the district. Requires corresponding adjustments in 2025 to reduce the distribution for each applicable civil taxing unit and school corporation in Floyd County, excluding the district, by an amount that equals the proportionate share of the amount of LIT received in 2024 of the combined distribution that would have been distributed to the Greenville FPD and the Lafayette FPD in 2024, but for their elimination. Provides, for purposes of calculating distributions of the financial institutions tax to local taxing units, how to calculate distributions for a taxing unit that did not receive distributions in 2012 because the unit was subsequently established from the merger or consolidation of two or more taxing units that received distributions from the financial institutions tax fund
(Continued next page)

Effective: July 1, 2024; January 1, 2025.

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January 8, 2024, read first time and referred to Committee on Ways and Means.



Digest Continued

in 2012. Provides, for purposes of calculating qualified distributions of the commercial motor vehicle excise tax to local taxing units, how to calculate base revenue distributions for a taxing unit that did not receive a base revenue distribution in 2001 because the taxing unit was subsequently established from the merger or consolidation of two or more taxing units that received base revenue distributions in 2001. Provides that, for purposes of determining the apportionment or distribution of the motor vehicle excise tax, that the county auditor may make adjustments to reflect the merger or consolidation of two or more taxing units. Makes technical corrections.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1134



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 6-3.6-6-21.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2024]: **Sec. 21.3. (a) This section:**
4 **(1) does not apply to:**
5 **(A) distributions made under this chapter to a civil taxing**
6 **unit for fire protection services within a fire protection**
7 **territory established under IC 36-8-19; or**
8 **(B) distributions of revenue under section 9 of this chapter;**
9 **and**
10 **(2) applies only to the following:**
11 **(A) Any allocation or distribution of revenue under section**
12 **3(a)(2) of this chapter that is made on the basis of property**
13 **tax levies in counties that formerly imposed a tax under**
14 **IC 6-3.5-1.1 (before its repeal on January 1, 2017).**
15 **(B) Any allocation or distribution of revenue under section**



- 1 **3(a)(3) of this chapter that is made on the basis of property**
 2 **tax levies in counties that formerly imposed a tax under**
 3 **IC 6-3.5-6 (before its repeal on January 1, 2017).**
 4 **(b) Subject to subsection (a), if two (2) or more:**
 5 **(1) school corporations; or**
 6 **(2) civil taxing units;**
 7 **of an adopting county merge or consolidate to form a single school**
 8 **corporation or civil taxing unit, the school corporation or civil**
 9 **taxing unit that is in existence on January 1 of the current year is**
 10 **entitled to the combined pro rata distribution of the revenue under**
 11 **section 3(a)(2) or 3(a)(3) of this chapter (as appropriate) allocated**
 12 **to each applicable school corporation or civil taxing unit in**
 13 **existence on January 1 of the immediately preceding calendar year**
 14 **prior to the merger or consolidation.**
 15 **(c) The department of local government finance shall make**
 16 **adjustments to civil taxing units in accordance with**
 17 **IC 6-1.1-18.5-7.**
 18 SECTION 2. IC 6-5.5-8-2, AS AMENDED BY THE TECHNICAL
 19 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
 20 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 21 2025]: Sec. 2. (a) On or before December 1 and June 1 of each year the
 22 ~~auditor~~ of state **comptroller** shall transfer from the financial
 23 institutions tax fund to each county auditor for distribution to the taxing
 24 units (as defined in IC 6-1.1-1-21) in the county, an amount equal to
 25 fifty percent (50%) of the sum of the distributions under this section for
 26 all the taxing units of the county for the state fiscal year. The amount
 27 of a taxing unit's distribution for the state fiscal year is equal to the
 28 result of:
 29 (1) an amount equal to forty percent (40%) of the total financial
 30 institutions tax revenue collected during the preceding state fiscal
 31 year; multiplied by
 32 (2) a fraction equal to:
 33 (A) the amount of the guaranteed distributions received by the
 34 taxing unit under this chapter during calendar year 2012
 35 (based on the best information available to the department);
 36 divided by
 37 (B) the total amount of all guaranteed distributions received by
 38 all taxing units under this chapter during calendar year 2012
 39 (based on the best information available to the department).
 40 (b) The county auditor shall distribute the distributions received
 41 under subsection (a) to the taxing units in the county at the same time
 42 that the county auditor makes the semiannual distribution of real



1 property taxes to the taxing units.

2 (c) The distributions received under subsection (a) may be used for
3 any legal purpose.

4 **(d) This subsection applies to a taxing unit that did not receive**
5 **a guaranteed distribution under this chapter during calendar year**
6 **2012 because the taxing unit was subsequently established as a**
7 **result of a merger or consolidation of two (2) or more taxing units**
8 **that received a guaranteed distribution under this chapter during**
9 **calendar year 2012. The amount of the guaranteed distribution**
10 **used in the numerator of the fraction described in subsection (a)(2)**
11 **equals the combined guaranteed distributions received during**
12 **calendar year 2012 by each taxing unit that was subsequently**
13 **merged or consolidated into the current taxing unit.**

14 SECTION 3. IC 6-6-5-10, AS AMENDED BY THE TECHNICAL
15 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
16 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:
17 Sec. 10. (a) The bureau shall establish procedures necessary for the
18 collection of the tax imposed by this chapter and for the proper
19 accounting for the same. The necessary forms and records shall be
20 subject to approval by the state board of accounts.

21 (b) The county treasurer, upon receiving the excise tax collections,
22 shall receipt such collections into a separate account for settlement
23 thereof at the same time as property taxes are accounted for and settled
24 in June and December of each year, with the right and duty of the
25 treasurer and auditor to make advances prior to the time of final
26 settlement of such property taxes in the same manner as provided in
27 IC 5-13-6-3.

28 (c) As used in this subsection, "taxing district" has the meaning set
29 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in
30 IC 6-1.1-1-21, and "tuition support levy" refers to a school
31 corporation's tuition support property tax levy under IC 20-45-3-11
32 (repealed) for the school corporation's general fund. The county auditor
33 shall determine the total amount of excise taxes collected for each
34 taxing district in the county and the amount so collected (and the
35 distributions received under section 9.5 of this chapter) shall be
36 apportioned and distributed among the respective funds of the taxing
37 units in the same manner and at the same time as property taxes are
38 apportioned and distributed (subject to adjustment as provided in
39 IC 36-8-19-7.5). **In the event a taxing unit merges or consolidates**
40 **with one (1) or more taxing units in the county, the county auditor**
41 **shall include adjustments to the current taxing unit's**
42 **apportionment and distributions, if necessary, so that the**



1 **apportionment and distributions accurately reflect the merger or**
 2 **consolidation of the taxing units.** However, for purposes of
 3 determining distributions under this section for 2009 and each year
 4 thereafter, a state welfare and tuition support allocation shall be
 5 deducted from the total amount available for apportionment and
 6 distribution to taxing units under this section before any apportionment
 7 and distribution is made. The county auditor shall remit the state
 8 welfare and tuition support allocation to the treasurer of state for
 9 deposit, as directed by the budget agency. The amount of the state
 10 welfare and tuition support allocation for a county for a particular year
 11 is equal to the result determined under STEP FOUR of the following
 12 formula:

13 STEP ONE: Determine the result of the following:

14 (A) Separately for 1997, 1998, and 1999 for each taxing
 15 district in the county, determine the result of:

16 (i) the amount appropriated in the year by the county from
 17 the county's county welfare fund and county welfare
 18 administration fund; divided by

19 (ii) the total amounts appropriated by all taxing units in the
 20 county for the same year.

21 (B) Determine the sum of the clause (A) amounts.

22 (C) Divide the clause (B) amount by three (3).

23 (D) Determine the result of:

24 (i) the amount of excise taxes allocated to the taxing district
 25 that would otherwise be available for distribution to taxing
 26 units in the taxing district; multiplied by

27 (ii) the clause (C) amount.

28 STEP TWO: Determine the result of the following:

29 (A) Separately for 2006, 2007, and 2008 for each taxing
 30 district in the county, determine the result of:

31 (i) the tax rate imposed in the taxing district for the county's
 32 county medical assistance to wards fund, family and
 33 children's fund, children's psychiatric residential treatment
 34 services fund, county hospital care for the indigent fund,
 35 children with special health care needs county fund, plus, in
 36 the case of Marion County, the tax rate imposed by the
 37 health and hospital corporation that was necessary to raise
 38 thirty-five million dollars (\$35,000,000) from all taxing
 39 districts in the county; divided by

40 (ii) the aggregate tax rate imposed in the taxing district for
 41 the same year.

42 (B) Determine the sum of the clause (A) amounts.



- 1 (C) Divide the clause (B) amount by three (3).
 2 (D) Determine the result of:
 3 (i) the amount of excise taxes allocated to the taxing district
 4 that would otherwise be available for distribution to taxing
 5 units in the taxing district after subtracting the STEP ONE
 6 (D) amount for the same taxing district; multiplied by
 7 (ii) the clause (C) amount.
 8 (E) Determine the sum of the clause (D) amounts for all taxing
 9 districts in the county.
 10 STEP THREE: Determine the result of the following:
 11 (A) Separately for 2006, 2007, and 2008 for each taxing
 12 district in the county, determine the result of:
 13 (i) the tuition support levy tax rate imposed in the taxing
 14 district plus the tax rate imposed by the school corporation
 15 for the school corporation's special education preschool fund
 16 in the district; divided by
 17 (ii) the aggregate tax rate imposed in the taxing district for
 18 the same year.
 19 (B) Determine the sum of the clause (A) amounts.
 20 (C) Divide the clause (B) amount by three (3).
 21 (D) Determine the result of:
 22 (i) the amount of excise taxes allocated to the taxing district
 23 that would otherwise be available for distribution to taxing
 24 units in the taxing district after subtracting the STEP ONE
 25 (D) amount for the same taxing district; multiplied by
 26 (ii) the clause (C) amount.
 27 (E) Determine the sum of the clause (D) amounts for all taxing
 28 districts in the county.
 29 STEP FOUR: Determine the sum of the STEP ONE, STEP TWO,
 30 and STEP THREE amounts for the county.
 31 If the boundaries of a taxing district change after the years for which a
 32 ratio is calculated under STEP ONE, STEP TWO, or STEP THREE,
 33 the ~~auditor~~ of state **comptroller** shall establish a ratio for the new
 34 taxing district that reflects the tax rates imposed in the predecessor
 35 taxing districts. If a new taxing district is established after the years for
 36 which a ratio is calculated under STEP ONE, STEP TWO, or STEP
 37 THREE, the ~~auditor~~ of state **comptroller** shall establish a ratio for the
 38 new taxing district and adjust the ratio for other taxing districts in the
 39 county.
 40 (d) Such determination shall be made from copies of vehicle
 41 registration forms furnished by the bureau of motor vehicles. Prior to
 42 such determination, the county assessor of each county shall, from



1 copies of registration forms, cause information pertaining to legal
 2 residence of persons owning taxable vehicles to be verified from the
 3 assessor's records, to the extent such verification can be so made. The
 4 assessor shall further identify and verify from the assessor's records the
 5 several taxing units within which such persons reside.

6 (e) Such verifications shall be done by not later than thirty (30) days
 7 after receipt of vehicle registration forms by the county assessor, and
 8 the assessor shall certify such information to the county auditor for the
 9 auditor's use as soon as it is checked and completed.

10 SECTION 4. IC 6-6-5.5-19, AS AMENDED BY THE TECHNICAL
 11 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
 12 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:
 13 Sec. 19. (a) As used in this section, "assessed value" means an amount
 14 equal to the true tax value of commercial vehicles that:

15 (1) are subject to the commercial vehicle excise tax under this
 16 chapter; and

17 (2) would have been subject to assessment as personal property
 18 on March 1, 2000, under the law in effect before January 1, 2000.

19 (b) For calendar year 2001, a taxing unit's base revenue shall be
 20 determined as provided in subsection (f). For calendar years that begin
 21 after December 31, 2001, and before January 1, 2009, a taxing unit's
 22 base revenue shall be determined by multiplying the previous year's
 23 base revenue by one hundred five percent (105%). For calendar years
 24 that begin after December 31, 2008, a taxing unit's base revenue is
 25 equal to:

26 (1) the amount of commercial vehicle excise tax collected during
 27 the previous state fiscal year; multiplied by

28 (2) the taxing unit's percentage as determined in subsection (f) for
 29 calendar year 2001.

30 (c) The amount of commercial vehicle excise tax distributed to the
 31 taxing units of Indiana from the commercial vehicle excise tax fund
 32 shall be determined in the manner provided in this section.

33 (d) On or before July 1, 2000, each county assessor shall certify to
 34 the county auditor the assessed value of commercial vehicles in every
 35 taxing district.

36 (e) On or before August 1, 2000, the county auditor shall certify the
 37 following to the department of local government finance:

38 (1) The total assessed value of commercial vehicles in the county.

39 (2) The total assessed value of commercial vehicles in each taxing
 40 district of the county.

41 (f) The department of local government finance shall determine
 42 each taxing unit's base revenue by applying the current tax rate for each



1 taxing district to the certified assessed value from each taxing district.
 2 The department of local government finance shall also determine the
 3 following:

4 (1) The total amount of base revenue to be distributed from the
 5 commercial vehicle excise tax fund in 2001 to all taxing units in
 6 Indiana.

7 (2) The total amount of base revenue to be distributed from the
 8 commercial vehicle excise tax fund in 2001 to all taxing units in
 9 each county.

10 (3) Each county's total distribution percentage. A county's total
 11 distribution percentage shall be determined by dividing the total
 12 amount of base revenue to be distributed in 2001 to all taxing
 13 units in the county by the total base revenue to be distributed
 14 statewide.

15 (4) Each taxing unit's distribution percentage. A taxing unit's
 16 distribution percentage shall be determined by dividing each
 17 taxing unit's base revenue by the total amount of base revenue to
 18 be distributed in 2001 to all taxing units in the county. **However,**
 19 **in the event a taxing unit subsequently merges or consolidates**
 20 **with another taxing unit in the county, the amount of the base**
 21 **revenue used to calculate the distribution percentage of the**
 22 **taxing unit resulting from the consolidation or merger under**
 23 **this subdivision is the combined base revenue distributed in**
 24 **2001 to each taxing unit that was subsequently merged or**
 25 **consolidated to establish the currently existing taxing unit.**

26 (g) The department of local government finance shall certify each
 27 taxing unit's base revenue and distribution percentage for calendar year
 28 2001 to the auditor of state on or before September 1, 2000.

29 (h) The ~~auditor of state~~ **comptroller** shall keep permanent records
 30 of each taxing unit's base revenue and distribution percentage for
 31 calendar year 2001 for purposes of determining the amount of money
 32 each taxing unit in Indiana is entitled to receive in calendar years that
 33 begin after December 31, 2001.

34 SECTION 5. [EFFECTIVE JULY 1, 2024] (a) **The definitions used**
 35 **in IC 6-3.6-2 apply throughout this SECTION.**

36 (b) **As used in this SECTION, "district" refers to the**
 37 **Highlander Fire Protection District located in Floyd County**
 38 **established by an ordinance adopted by the Floyd County**
 39 **commissioners on December 30, 2022.**

40 (c) **As used in this SECTION, "Greenville FPD" refers to the**
 41 **Greenville Township Fire Protection District located in Floyd**
 42 **County as it existed prior to its merger with the Lafayette FPD.**



- 1 (d) As used in this SECTION, "Lafayette FPD" refers to the
- 2 Lafayette Township Fire Protection District located in Floyd
- 3 County as it existed prior to its merger with the Greenville FPD.
- 4 (e) Notwithstanding IC 6-3.6-6, as amended by this act, and
- 5 IC 6-3.6-9-15, the department of local government finance shall
- 6 include with its certified distribution under IC 6-3.6-9-5 for Floyd
- 7 County in 2025 and for the calculations of any potential
- 8 supplemental distribution under IC 6-3.6-9-15 for 2026 the
- 9 following adjustments:
- 10 (1) An amount equal to the combined distribution that would
- 11 have been distributed to the Greenville FPD and the Lafayette
- 12 FPD in 2024, but for their elimination resulting from the
- 13 merger to establish the district, shall be added to the
- 14 distribution to the district.
- 15 (2) The distribution for each applicable civil taxing unit and
- 16 school corporation in Floyd County, excluding the district,
- 17 shall be reduced by an amount in accordance with
- 18 IC 6-3.6-9-6 that equals the proportionate share of the
- 19 amount of local income tax received in 2024 under IC 6-3.6-6,
- 20 before its amendment by this act, of the combined distribution
- 21 that would have been distributed to the Greenville FPD and
- 22 the Lafayette FPD in 2024, but for their elimination resulting
- 23 from the merger to establish the district.
- 24 (f) Notwithstanding IC 6-1.1-18.5, the department of local
- 25 government finance shall make a one (1) time temporary
- 26 adjustment to the maximum levies in accordance with the
- 27 adjustments described in subsection (e) that may not be included
- 28 in the calculation of a maximum levy in a subsequent year of the
- 29 applicable taxing units.
- 30 (g) This SECTION expires January 1, 2027.

