

# PROPOSED AMENDMENT

## HB 1246 # 4

### DIGEST

Local income tax rate. Provides that, in the case of counties that provide emergency medical services for all local units in the county and pay 100% of the costs to provide those services, the fiscal body of the county may adopt an ordinance to impose a local income tax (LIT) rate for emergency medical services in the county. Provides that the tax rate may not exceed 0.1%. Provides that the LIT revenue shall be distributed directly to the county before the remainder of the expenditure rate revenue is distributed and must be deposited in a dedicated fund to be used only for paying for operating costs incurred by the county for emergency medical services that are provided throughout the county. Provides that the tax rate may not be in effect for more than 25 years.

---

- 1       Page 5, between lines 14 and 15, begin a new paragraph and insert:  
2       "SECTION 4. IC 6-3.6-6-2.8 IS ADDED TO THE INDIANA CODE  
3       AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
4       1, 2022]: **Sec. 2.8. (a) As used in this section, "emergency medical  
5       services" has the meaning set forth in IC 16-18-2-110.**  
6       **(b) This section applies only to counties that:**  
7               **(1) provide emergency medical services for all local units in  
8               the county; and**  
9               **(2) pay one hundred percent (100%) of the costs to provide  
10              those services.**  
11       **(c) The fiscal body of a county described in subsection (b) may  
12       adopt an ordinance to impose a tax rate for emergency medical  
13       services in the county. The tax rate must be in increments of  
14       one-hundredth of one percent (0.01%) and may not exceed  
15       one-tenth of one percent (0.1%). The tax rate may not be in effect  
16       for more than twenty-five (25) years. If a county fiscal body adopts  
17       an ordinance under this section, but subsequently ceases to meet  
18       the applicability provision under subsection (b), the tax rate  
19       imposed under the ordinance shall expire on December 31 of the  
20       year in which the county ceases to be eligible to enact the  
21       ordinance.**  
22       **(d) The revenue generated by a tax rate imposed under this  
23       section must be distributed directly to the county before the**

1 remainder of the expenditure rate revenue is distributed. The  
 2 revenue shall be maintained in a separate dedicated county fund  
 3 and used by the county only for paying for operating costs incurred  
 4 by the county for emergency medical services that are provided  
 5 throughout the county.

6 SECTION 5. IC 6-3.6-6-3, AS AMENDED BY P.L.184-2018,  
 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2022]: Sec. 3. (a) Revenue raised from a tax imposed under  
 9 this chapter shall be treated as follows:

10 (1) To make the following distributions:

11 (A) If an ordinance described in section 2.5 of this chapter is  
 12 in effect in a county, to make a distribution to the county equal  
 13 to the amount of revenue generated by the rate imposed under  
 14 section 2.5 of this chapter.

15 (B) If an ordinance described in section 2.7 of this chapter is  
 16 in effect in a county, to make a distribution to the county equal  
 17 to the amount of revenue generated by the rate imposed under  
 18 section 2.7 of this chapter.

19 **(C) If an ordinance described in section 2.8 of this chapter**  
 20 **is in effect in a county, to make a distribution to the county**  
 21 **equal to the amount of revenue generated by the rate**  
 22 **imposed under section 2.8 of this chapter.**

23 (2) After making the distributions described in subdivision (1), if  
 24 any, to make distributions to school corporations and civil taxing  
 25 units in counties that formerly imposed a tax under IC 6-3.5-1.1  
 26 (repealed). The revenue categorized from the next twenty-five  
 27 hundredths percent (0.25%) of the rate for a former tax adopted  
 28 under IC 6-3.5-1.1 (repealed) shall be allocated to school  
 29 corporations and civil taxing units. The amount of the allocation  
 30 to a school corporation or civil taxing unit shall be determined  
 31 using the allocation amounts for civil taxing units and school  
 32 corporations in the county.

33 (3) After making the distributions described in subdivisions (1)  
 34 and (2), the remaining revenue shall be treated as additional  
 35 revenue (referred to as "additional revenue" in this chapter).  
 36 Additional revenue may not be considered by the department of  
 37 local government finance in determining:

38 (A) any taxing unit's maximum permissible property tax levy  
 39 limit under IC 6-1.1-18.5; or

40 (B) the approved property tax rate for any fund.

(b) In the case of a civil taxing unit that has pledged the tax from additional revenue for the payment of bonds, leases, or other obligations as reported by the civil taxing unit under IC 5-1-18, the adopting body may not, under section 4 of this chapter, reduce the proportional allocation of the additional revenue that was allocated in the preceding year if the reduction for that year would result in an amount less than the amount necessary for the payment of bonds, leases, or other obligations payable or required to be deposited in a sinking fund or other reserve in that year for the bonds, leases, or other obligations for which the tax from additional revenue has been pledged. To inform an adopting body with regard to allocations that affect the payment of bonds, leases, or other obligations, a taxing unit may provide the adopting body with information regarding any outstanding bonds, leases, or other obligations that are secured by additional revenue. The information must be provided before the date of the public hearing at which the adopting body may change the allocation of additional revenue under section 4 of this chapter."

Renumber all SECTIONS consecutively.

(Reference is to HB 1246 as printed January 24, 2022.)