

# HOUSE BILL No. 1288

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 3-8-1-23; IC 3-10-2-13; IC 3-11-2-12; IC 3-13-10-3; IC 6-1.1; IC 6-1.2; IC 6-2.5; IC 6-3.6; IC 6-8.1-3-30; IC 8-22-3.5-0.5; IC 20-26-7.1-1; IC 20-46; IC 36-2-15; IC 36-6-5; IC 36-7; IC 36-7.5-4.5-0.2.

**Synopsis:** Local government finance. Abolishes the assessment of tangible property after December 31, 2026, and the imposition of property taxes after December 31, 2027. Provides that a political subdivision may not issue any new bonds, notes, or warrants, or enter into any leases or obligations to be paid from property tax revenue, or that include a pledge to levy property taxes if other funds are insufficient. Provides that: (1) no property tax increment financing district or allocation area may be established, amended, or renewed; and (2) no bonds, leases, or other obligations may be issued, entered into, or extended for a property tax increment financing district or allocation area. Provides that a school corporation may impose an annual fee to replace the loss of revenue previously collected by the school corporation from the imposition of an operating referendum tax levy or school safety referendum tax levy. Prescribes procedures for the fixing and reviewing of a political subdivision's budget. Prohibits the imposition of new levies for controlled projects, operating referenda, and school safety referenda. Abolishes the offices of county assessor and township assessor. Extends the sales and use tax application to transactions involving services, except for health care or mental health (Continued next page)

**Effective:** Upon passage; July 1, 2026; July 1, 2027; January 1, 2028.

---

---

**Prescott, Haggard, Lucas, Payne**

---

---

January 6, 2026, read first time and referred to Committee on Ways and Means.

---

---



services (including insurance premiums for policies covering these services) and services provided for charitable tax exempt purposes. Establishes the local revenue sharing fund (fund) into which revenue from the portion of revenue from the extended sales and use tax is to be deposited. Requires the state comptroller to distribute to taxing units the portion of all the state sales and use tax revenue attributable to services from the fund. Continually appropriates money from the fund. Requires the legislative services agency to prepare legislation for introduction in the 2027 regular session of the general assembly to make appropriate required changes in statutes. Makes corresponding changes.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1288

---

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 3-8-1-23, AS AMENDED BY P.L.167-2015,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 23. **This section does not apply to elections in**  
4 **2027 and thereafter.** A candidate for the office of county assessor  
5 must satisfy the following:  
6 (1) The candidate must have resided in the county for at least one  
7 (1) year before the election, as provided in Article 6, Section 4 of  
8 the Constitution of the State of Indiana.  
9 (2) The candidate must own real property located in the county  
10 upon taking office.  
11 SECTION 2. IC 3-10-2-13, AS AMENDED BY P.L.278-2019,  
12 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2026]: Sec. 13. The following public officials shall be elected  
14 at the general election before their terms of office expire and every four  
15 (4) years thereafter:



- 1 (1) Clerk of the circuit court.
- 2 (2) County auditor.
- 3 (3) County recorder.
- 4 (4) County treasurer.
- 5 (5) County sheriff.
- 6 (6) County coroner.
- 7 (7) County surveyor.
- 8 (8) County assessor. **This subdivision does not apply to**
- 9 **elections in 2027 and thereafter.**
- 10 (9) County commissioner.
- 11 (10) County council member.
- 12 (11) Township trustee.
- 13 (12) Township board member.
- 14 (13) Township assessor (only in a township referred to in
- 15 IC 36-6-5-1(d)). **This subdivision does not apply to elections in**
- 16 **2027 and thereafter.**
- 17 (14) Judge of a small claims court.
- 18 (15) Constable of a small claims court.

19 SECTION 3. IC 3-11-2-12, AS AMENDED BY P.L.40-2025,  
 20 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2026]: Sec. 12. (a) The following offices shall be placed on  
 22 the general election ballot in the following order after the public  
 23 questions described in section 10(a) of this chapter:

- 24 (1) Federal and state offices:
  - 25 (A) President and Vice President of the United States.
  - 26 (B) United States Senator.
  - 27 (C) Governor and lieutenant governor.
  - 28 (D) Secretary of state.
  - 29 (E) State comptroller (auditor of state).
  - 30 (F) Treasurer of state.
  - 31 (G) Attorney general.
  - 32 (H) United States Representative. If an election to fill a
  - 33 vacancy in an office of United States Representative under
  - 34 IC 3-10-8 is held on the same day as the election for the next
  - 35 term of the same office, the ballot shall list the election to fill
  - 36 the vacancy in the office immediately after the election for the
  - 37 next term of the office.
- 38 (2) Legislative offices:
  - 39 (A) State senator.
  - 40 (B) State representative.
- 41 (3) Circuit offices and county judicial offices:
  - 42 (A) Judge of the circuit court, and unless otherwise specified



- 1 under IC 33, with each division separate if there is more than  
 2 one (1) judge of the circuit court.  
 3 (B) Judge of the superior court, and unless otherwise specified  
 4 under IC 33, with each division separate if there is more than  
 5 one (1) judge of the superior court.  
 6 (C) Judge of the probate court.  
 7 (D) Prosecuting attorney.  
 8 (E) Clerk of the circuit court.  
 9 (4) County offices:  
 10 (A) County auditor.  
 11 (B) County recorder.  
 12 (C) County treasurer.  
 13 (D) County sheriff.  
 14 (E) County coroner.  
 15 (F) County surveyor.  
 16 (G) County assessor. **This clause does not apply to elections**  
 17 **in 2027 and thereafter.**  
 18 (H) County commissioner.  
 19 (I) County council member.  
 20 (5) Township offices:  
 21 (A) Township assessor (only in a township referred to in  
 22 IC 36-6-5-1(d)). **This clause does not apply to elections in**  
 23 **2027 and thereafter.**  
 24 (B) Township trustee.  
 25 (C) Township board member.  
 26 (D) Judge of the small claims court.  
 27 (E) Constable of the small claims court.  
 28 (6) City offices:  
 29 (A) Mayor.  
 30 (B) Clerk or clerk-treasurer.  
 31 (C) Judge of the city court.  
 32 (D) City-county council member or common council member.  
 33 (7) Town offices:  
 34 (A) Clerk-treasurer.  
 35 (B) Judge of the town court.  
 36 (C) Town council member.  
 37 (b) If a major political party does not nominate a candidate for an  
 38 office on a general, municipal, or special election ballot then the county  
 39 election board may print "NO CANDIDATE FILED" in the place on  
 40 the ballot where the name of the major political party's nominee would  
 41 be printed.  
 42 SECTION 4. IC 3-13-10-3 IS REPEALED [EFFECTIVE JULY 1,



2026]. Sec. 3: (a) This section applies to a vacancy in the office of township assessor not covered by section 1 of this chapter.

(b) A vacancy shall be filled by the county assessor, subject to the approval of the department of local government finance. Except as provided in subsection (c), the county assessor shall make the appointment not later than thirty (30) days after the vacancy occurs. If the vacancy occurred because the elected township assessor failed to qualify or was removed, the person who is appointed must be of the same political party as the elected township assessor.

(c) If a vacancy exists because of the death of the township assessor, the county assessor shall make the appointment required by subsection (b) not later than thirty (30) days after the county assessor receives notice of the death under IC 5-8-6. The county assessor may not fill the vacancy as required by subsection (b) until the county assessor receives notice of the death under IC 5-8-6.

SECTION 5. IC 6-1.1-1-24 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 24: If a transfer from a township assessor to the county assessor of the assessment duties prescribed by this article occurs as described in IC 36-2-15-5(c), a reference to the township assessor in this article is considered to be a reference to the county assessor.

SECTION 6. IC 6-1.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as otherwise provided by law, **Before January 1, 2027, and subject to subsection (b),** all tangible property which is within the jurisdiction of this state on the assessment date of a year is subject to assessment and taxation for that year. **Notwithstanding any other law, tangible property which is within the jurisdiction of this state may not be assessed after December 31, 2026, and property taxes on tangible property may not be first imposed or first due after December 31, 2027.**

(b) Nothing in this section may be construed as limiting or otherwise affecting:

(1) the collection of any property taxes or penalties imposed;  
or

(2) any property tax exemptions or property tax deductions allowed;

**under this article or any other law before January 1, 2028.**

SECTION 7. IC 6-1.1-2-1.5, AS ADDED BY P.L.111-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.5. (a) Except as provided in subsection (b), the annual assessment date for tangible property is:

(1) March 1 in a year ending before January 1, 2016; and



(2) January 1 in a year beginning after December 31, 2015, **and ending before January 1, 2027.**

(b) This subsection applies to mobile homes (including manufactured homes) subject to assessment under IC 6-1.1-7. Mobile homes are assessed in the year following the year containing the related assessment date for other property. The annual assessment date for mobile homes is:

(1) January 15 in a year ending before January 1, 2017; and

(2) January 1 in a year beginning after December 31, 2016, **and ending before January 1, 2027.**

SECTION 8. IC 6-1.1-2-3 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. ~~Sec. 3: The total tax rate to be imposed on each one hundred dollars (\$100) of the assessed value of property shall be determined in the manner provided by law. Property tax revenues shall be used for state expenditures and for the support of the political subdivisions of this state.~~

SECTION 9. IC 6-1.1-3-1, AS AMENDED BY P.L.249-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) **Before January 1, 2027, and** except as provided in subsection (c), personal property which is owned by a person who is a resident of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the assessment is made.

(b) **Before January 1, 2027, and** except as provided in subsection (c), personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) **Before January 1, 2027,** personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

(1) regularly used or permanently located where it is situated; or

(2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the county in which the owner resides. If such evidence is not filed within forty-five (45) days after the filing deadline, the county assessor for the area where the owner resides shall determine if the owner filed a personal property return in the township or county where the property is situated. If such a return was filed, the



property shall be assessed where it is situated. If such a return was not filed, the county assessor for the area where the owner resides shall notify the assessor of the township or county where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who is required by the department of local government finance to file a summary of the taxpayer's business tangible personal property returns.

SECTION 10. IC 6-1.1-15-1.1, AS AMENDED BY P.L.9-2024, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) A taxpayer may appeal an assessment of a taxpayer's tangible property by filing a notice in writing with, **before May 10, 2026**, the township assessor, or the county assessor if the township is not served by a township assessor, **and after May 9, 2026, with the county auditor**. Except as provided in subsections (e) and (h), an appeal under this section may raise any claim of an error related to the following:

- (1) The assessed value of the property.
- (2) The assessment was against the wrong person.
- (3) The approval denial or omission of a deduction, credit, exemption, abatement, or tax cap.
- (4) A clerical, mathematical, or typographical mistake.
- (5) The description of the real property.
- (6) The legality or constitutionality of a property tax or assessment.

A written notice under this section must be made on a form designated by the department of local government finance. A taxpayer must file a separate petition for each parcel.

(b) A taxpayer may appeal an error in the assessed value of the property under subsection (a)(1) any time after the official's action, but not later than the following:

- (1) For assessments before January 1, 2019, the earlier of:
  - (A) forty-five (45) days after the date on which the notice of assessment is mailed by the county; or
  - (B) forty-five (45) days after the date on which the tax statement is mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.
- (2) For assessments of real property, after December 31, 2018, the earlier of:
  - (A) June 15 of the assessment year, if the notice of assessment is mailed by the county before May 1 of the assessment year; or



1 (B) June 15 of the year in which the tax statement is mailed by  
 2 the county treasurer, if the notice of assessment is mailed by  
 3 the county on or after May 1 of the assessment year.

4 (3) For assessments of personal property, forty-five (45) days after  
 5 the date on which the county mails the notice under  
 6 IC 6-1.1-3-20.

7 A taxpayer may appeal an error in the assessment under subsection  
 8 (a)(2), (a)(3), (a)(4), (a)(5), or (a)(6) not later than three (3) years after  
 9 the taxes were first due.

10 (c) Except as provided in subsection (d), an appeal under this  
 11 section applies only to the tax year corresponding to the tax statement  
 12 or other notice of action.

13 (d) An appeal under this section applies to a prior tax year if a  
 14 county official took action regarding a prior tax year, and such action  
 15 is reflected for the first time in the tax statement. A taxpayer who has  
 16 timely filed a written notice of appeal under this section may be  
 17 required to file a petition for each tax year, and each petition filed later  
 18 must be considered timely.

19 (e) A taxpayer may not appeal under this section any claim of error  
 20 related to the following:

21 (1) The denial of a deduction, exemption, abatement, or credit if  
 22 the authority to approve or deny is not vested in the county board,  
 23 county auditor, county assessor, or township assessor.

24 (2) The calculation of interest and penalties.

25 (3) A matter under subsection (a) if a separate appeal or review  
 26 process is statutorily prescribed.

27 However, a claim may be raised under this section regarding the  
 28 omission or application of a deduction approved by an authority other  
 29 than the county board, county auditor, county assessor, or township  
 30 assessor.

31 (f) The filing of a written notice under this section constitutes a  
 32 request by the taxpayer for a preliminary informal meeting with:

33 **(1) in the case of a notice filed before May 10, 2026, the**  
 34 **township assessor, or the county assessor if the township is not**  
 35 **served by a township assessor; and**

36 **(2) in the case of a notice filed after May 9, 2026, the county**  
 37 **auditor.**

38 (g) A county or township official, **or county auditor, as applicable,**  
 39 who receives a written notice under this section shall forward the  
 40 notice to:

41 (1) the county board; and

42 **(2) in the case of a notice filed with a county or township**



1 **official before May 10, 2026**, the county auditor. ~~if the taxpayer~~  
 2 ~~raises a claim regarding a matter that is in the discretion of the~~  
 3 ~~county auditor.~~

4 (h) A taxpayer may not raise any claim in an appeal under this  
 5 section related to the legality or constitutionality of:

- 6 (1) a user fee (as defined in IC 33-23-1-10.5);  
 7 (2) any other charge, fee, or rate imposed by a political  
 8 subdivision under any other law; or  
 9 (3) any tax imposed by a political subdivision other than a  
 10 property tax.

11 (i) This subsection applies only to an appeal based on a claim of  
 12 error in the determination of property that is or is not eligible for a  
 13 standard homestead deduction under IC 6-1.1-12-37 and only for an  
 14 assessment date occurring before January 1, 2024. A taxpayer may  
 15 appeal an error in the assessment of property as described in this  
 16 subsection any time after the official's action, but not later than one (1)  
 17 year after the date on which the property that is the subject of the  
 18 appeal was assessed.

19 SECTION 11. IC 6-1.1-15-1.2, AS AMENDED BY P.L.9-2024,  
 20 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) A county or township  
 22 official, **or county auditor, as applicable**, who receives a written  
 23 notice under section 1.1 of this chapter shall schedule, at a time during  
 24 business hours that is convenient to the taxpayer, a preliminary  
 25 informal meeting with the taxpayer in order to resolve the appeal. ~~If the~~  
 26 ~~taxpayer raises a claim regarding a matter that is in the discretion of the~~  
 27 ~~county auditor, the~~ **An informal meeting held after May 9, 2026**, must  
 28 include the county auditor, **if the county auditor did not receive the**  
 29 **written notice under section 1.1 of this chapter.** At the preliminary  
 30 informal meeting, in order to facilitate understanding and the resolution  
 31 of disputed issues:

- 32 (1) a county or township official;  
 33 (2) the county auditor; ~~if the matter is in the discretion of the~~  
 34 ~~county auditor~~; and  
 35 (3) the taxpayer;

36 shall exchange the information that each party is relying on at the time  
 37 of the preliminary informal meeting to support the party's respective  
 38 position on each disputed issue concerning the assessment or  
 39 deduction. If additional information is obtained by the county or  
 40 township official, the county auditor, or the taxpayer after the  
 41 preliminary informal meeting and before the hearing held by the county  
 42 board, the party obtaining the information shall provide the information



1 to the other party. If the county or township official, the county auditor,  
 2 or the taxpayer obtains additional information and provides the  
 3 information to the other party for the first time at the hearing held by  
 4 the county board, the county board, unless waived by the receiving  
 5 party, shall continue the hearing until a future hearing date of the  
 6 county board so that the receiving party has an opportunity to review  
 7 all the information that the offering party is relying on to support the  
 8 offering party's positions on the disputed issues concerning the  
 9 assessment or deduction.

10 (b) The official **or county auditor, as applicable**, shall report on a  
 11 form prescribed by the department of local government finance the  
 12 results of the informal meeting. If the taxpayer and the official **or**  
 13 **county auditor, as applicable**, agree on the resolution of all issues in  
 14 the appeal, the report shall state the agreed resolution of the matter and  
 15 be signed by the official **or county auditor, as applicable**, and the  
 16 taxpayer. If an informal meeting is not held, or the informal meeting is  
 17 unsuccessful, the official **or county auditor, as applicable**, shall  
 18 report those facts on the form. The official **or county auditor, as**  
 19 **applicable**, shall forward the report on the informal meeting to the  
 20 county board.

21 (c) If the county board receives a report on the informal meeting  
 22 indicating an agreed resolution of the matter, the county board shall  
 23 vote to accept or deny the agreed resolution. If the county board accepts  
 24 the agreed resolution, the county board shall issue a notification of final  
 25 assessment determination adopting the agreed resolution and vacating  
 26 the hearing if scheduled.

27 (d) The county board, upon receipt of a written notice under section  
 28 1.1 of this chapter, shall hold a hearing on the appeal not later than one  
 29 hundred eighty (180) days after the filing date of the written notice.  
 30 The county board shall, by mail, give at least thirty (30) days notice of  
 31 the date, time, and place fixed for the hearing to the taxpayer, the  
 32 county or township official with whom the taxpayer filed the written  
 33 notice, and the county auditor. If the county board has notice that the  
 34 taxpayer is represented by a third person, any hearing notice shall be  
 35 mailed to the representative.

36 (e) If good cause is shown, the county board shall grant a request for  
 37 continuance filed in writing at least ten (10) days before the hearing,  
 38 and reschedule the hearing under subsection (d).

39 (f) A taxpayer may withdraw an appeal by filing a written request  
 40 at least ten (10) days before the hearing. The county board shall issue  
 41 a notification of final assessment determination indicating the  
 42 withdrawal and no change in the assessment. A withdrawal waives a



1 taxpayer's right to appeal to the Indiana board.

2 (g) The county board shall determine an appeal without a hearing if  
3 requested by the taxpayer in writing at least twenty (20) days before the  
4 hearing.

5 (h) If a taxpayer appeals the assessment of tangible property under  
6 section 1.1 of this chapter, the taxpayer is not required to have an  
7 appraisal of the property in order to initiate the appeal or prosecute the  
8 appeal. If the taxpayer presents an appraisal to the county board that:

- 9 (1) is prepared by a certified appraiser in compliance with the  
10 Uniform Standards of Professional Appraisal Practice to  
11 determine the market value in use;  
12 (2) is addressed to the property owner or the assessor's office;  
13 (3) is commissioned for the purpose of the assessment appeal; and  
14 (4) has an effective date that is the same date as the date of the  
15 assessment that is the subject of the appeal;

16 the value of the property contained in the appraisal is presumed to be  
17 correct. If the county board disagrees with the taxpayer's appraisal, the  
18 county board may seek review of the appraisal by a third party  
19 independent certified appraiser or obtain an independent appraisal  
20 report conducted by a certified appraiser in compliance with the  
21 Uniform Standards of Professional Appraisal Practice. If the county  
22 board's appraisal differs from the taxpayer's appraisal, the county board  
23 shall weigh the evidence and determine the true tax value of the  
24 property based on the totality of the probative evidence before the  
25 county board. The county board's determination of the property's true  
26 tax value may be higher or lower than the assessment but may not be  
27 lower than the lowest appraisal presented to or obtained by the county  
28 board, or higher than the highest appraisal presented to or obtained by  
29 the county board. After the assignment of value, the parties shall retain  
30 their rights to appeal the assessment or assessments to the Indiana  
31 board, which must hear the appeal de novo.

32 (i) At a hearing under subsection (d), the taxpayer shall have the  
33 opportunity to present testimony and evidence regarding the matters on  
34 appeal. ~~If the matters on appeal are in the discretion of the county~~  
35 ~~auditor,~~ The county auditor or the county auditor's representative shall  
36 attend the hearing. A county or township official, or the county auditor  
37 or the county auditor's representative, shall have an opportunity to  
38 present testimony and evidence regarding the matters on appeal. The  
39 county board may adjourn and continue the hearing to a later date in  
40 order to make a physical inspection or consider the evidence presented.

41 (j) The county board shall determine the assessment by motion and  
42 majority vote. Except as provided in subsection (m), a county board



1 may, based on the evidence before it, increase an assessment. The  
 2 county board shall issue a written decision. Written notice of the  
 3 decision shall be given to the township official, county official, county  
 4 auditor, and ~~the~~ taxpayer.

5 (k) If more than one hundred eighty (180) days have passed since  
 6 the date the notice of appeal was filed, and the county board has not  
 7 issued a determination, a taxpayer may initiate any appeal with the  
 8 Indiana board of tax review under section 3 of this chapter.

9 (l) The county assessor **or county auditor, as applicable**, may  
 10 assess a penalty of fifty dollars (\$50) against the taxpayer if the  
 11 taxpayer or representative fails to appear at a hearing under subsection  
 12 (d) and, under subsection (e), the taxpayer's request for continuance is  
 13 denied, or the taxpayer's request for continuance, request for the board  
 14 to take action without a hearing, or withdrawal is not timely filed. A  
 15 taxpayer may appeal the assessment of the penalty to the Indiana board  
 16 or directly to the tax court. The penalty may not be added as an amount  
 17 owed on the property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

18 (m) The determination of an appealed assessed value of tangible  
 19 property by a county or township official, **or county auditor, as**  
 20 **applicable**, resulting from an informal meeting under subsection (a),  
 21 or by a county board resulting from an appeal hearing under subsection  
 22 (d), may be less than or equal to the tangible property's original  
 23 appealed assessed value at issue, but may not exceed the original  
 24 appealed assessed value at issue. However, an increase in assessed  
 25 value that is attributable to substantial renovation, new improvements,  
 26 zoning change, or use change is excluded from the limitation under this  
 27 subsection.

28 SECTION 12. IC 6-1.1-15-3, AS AMENDED BY P.L.230-2025,  
 29 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 UPON PASSAGE]: Sec. 3. (a) A taxpayer may obtain a review by the  
 31 Indiana board of:

- 32 (1) a county board's action with respect to a claim under section  
 33 1.1 of this chapter; or  
 34 (2) a denial by the county auditor, the county assessor, or the  
 35 county treasurer of a claim for refund under IC 6-1.1-9-10(c)(2)  
 36 that is appealed to the Indiana board as authorized in  
 37 IC 6-1.1-26-2.1(d)(2).

38 (b) The county assessor **(before the abolishment of the office) and**  
 39 **the county auditor is the party are parties** to a review under  
 40 subsection (a)(1) to defend the determination of the county board. ~~The~~  
 41 ~~county auditor may appear as an additional party to the review if the~~  
 42 ~~determination concerns a matter that is in the discretion of the county~~



1 ~~auditor.~~ At the time the notice of that determination is given to the  
 2 taxpayer, the taxpayer shall also be informed in writing of:

- 3 (1) the taxpayer's opportunity for review under subsection (a)(1);  
 4 and  
 5 (2) the procedures the taxpayer must follow in order to obtain  
 6 review under this section.

7 (c) A county assessor **or county auditor** who dissents from the  
 8 determination of the county board may obtain a review by the Indiana  
 9 board. ~~A county auditor who dissents from the determination of the~~  
 10 ~~county board concerning a matter that is in the discretion of the county~~  
 11 ~~auditor may obtain a review by the Indiana board.~~

12 (d) In order to obtain a review by the Indiana board under  
 13 subsection (a)(1), the party must, not later than forty-five (45) days  
 14 after the date of the notice given to the party or parties of the  
 15 determination of the county board:

- 16 (1) file a petition for review with the Indiana board; and  
 17 (2) serve a copy of the petition on the other party.

18 (e) The Indiana board shall prescribe the form of the petition for  
 19 review under this chapter. The Indiana board shall issue instructions for  
 20 completion of the form. The form and the instructions must be clear,  
 21 simple, and understandable to the average individual. A petition for  
 22 review of such a determination must be made on the form prescribed  
 23 by the Indiana board. The form must require the petitioner to specify  
 24 the reasons why the petitioner believes that the determination by the  
 25 county board is erroneous.

26 (f) If the action for which a taxpayer seeks review under this section  
 27 is the assessment of tangible property, the taxpayer is not required to  
 28 have an appraisal of the property in order to do the following:

- 29 (1) Initiate the review.  
 30 (2) Prosecute the review.

31 (g) If an owner petitions the Indiana board under IC 6-1.1-11-7(d),  
 32 the Indiana board is authorized to approve or disapprove an exemption  
 33 application:

- 34 (1) previously submitted to a county board under IC 6-1.1-11-6;  
 35 and  
 36 (2) that is not approved or disapproved by the county board within  
 37 one hundred eighty (180) days after the owner filed the  
 38 application for exemption under IC 6-1.1-11.

39 The county assessor **(before the abolishment of the office) and after**  
 40 **May 9, 2026, the county auditor, is a party are parties** to a petition  
 41 to the Indiana board under IC 6-1.1-11-7(d).

42 (h) This subsection applies only to the review by the Indiana board



1 of a denial of a refund claim described in subsection (a)(2). The county  
 2 assessor **(before the abolishment of the office) and after May 9,**  
 3 **2026, the county auditor, is the party are parties** to a review under  
 4 subsection (a)(2) to defend the denial of the refund under  
 5 IC 6-1.1-26-2.1. In order to obtain a review by the Indiana board under  
 6 subsection (a)(2), the taxpayer must, within forty-five (45) days of the  
 7 notice of denial under IC 6-1.1-26-2.1(d):

8 (1) file a petition for review with the Indiana board; and

9 (2) serve a copy of the petition on the county auditor.

10 SECTION 13. IC 6-1.1-15-4, AS AMENDED BY P.L.230-2025,  
 11 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review  
 13 which is filed under section 3 of this chapter, the Indiana board shall  
 14 conduct a hearing at its earliest opportunity. The Indiana board may  
 15 correct any errors related to a claim under section 1.1 of this chapter  
 16 that is within the jurisdiction of the Indiana board under IC 6-1.5-4-1.

17 (b) If the Indiana board conducts a site inspection of the property as  
 18 part of its review of the petition, the Indiana board shall give notice to  
 19 all parties of the date and time of the site inspection. The Indiana board  
 20 is not required to assess the property in question. The Indiana board  
 21 shall give notice of the date fixed for the hearing, by mail, to the parties  
 22 or a party's representative. The Indiana board shall give these notices  
 23 at least thirty (30) days before the day fixed for the hearing unless the  
 24 parties agree to a shorter period. With respect to a petition for review  
 25 filed by a county assessor **or county auditor**, the county board that  
 26 made the determination under review under this section may file an  
 27 amicus curiae brief in the review proceeding under this section. The  
 28 expenses incurred by the county board in filing the amicus curiae brief  
 29 shall be paid from the property reassessment fund under  
 30 IC 6-1.1-4-27.5 of the county in which the property is located. The  
 31 executive of a taxing unit may file an amicus curiae brief in the review  
 32 proceeding under this section if the property that is the subject of the  
 33 appeal is subject to assessment by that taxing unit.

34 (c) If a petition for review does not comply with the Indiana board's  
 35 instructions for completing the form prescribed under section 3 of this  
 36 chapter, the Indiana board shall serve a notice describing the defect in  
 37 the petition. The petitioner then has thirty (30) days from the date on  
 38 the notice to cure the defect and file a corrected petition. The Indiana  
 39 board shall deny a corrected petition for review if it does not  
 40 substantially comply with the Indiana board's instructions for  
 41 completing the form prescribed under section 3 of this chapter.

42 (d) After the hearing, the Indiana board shall give the parties and



any entity that filed an amicus curiae brief, or their representatives:

- (1) notice of its final determination; and
- (2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) The Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board.

(f) The Indiana board shall issue a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board. The board may not extend the date by more than one hundred eighty (180) days.

(g) The time periods described in subsections (e) and (f) do not include any period of time that is attributable to a party's:

- (1) request for a continuance, stay, extension, or summary disposition;
- (2) consent to a case management order, stipulated record, or proposed hearing date;
- (3) failure to comply with the board's orders or rules; or
- (4) waiver of a deadline.

(h) If the Indiana board fails to take action required under subsection (e) or (f), the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to hear the matter and issue a final determination; or
- (2) petition for judicial review under section 5 of this chapter.

(i) This subsection applies when the board has not held a hearing. A person may not seek judicial review under subsection (h)(2) until:

- (1) the person requests a hearing in writing; and
- (2) sixty (60) days have passed after the person requests a hearing under subdivision (1) and the matter has not been heard or otherwise extended under subsection (g).

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county board in support of those issues only if all parties



1 participating in the hearing required under subsection (a) agree to the  
 2 limitation. A party participating in the hearing required under  
 3 subsection (a) is entitled to introduce evidence that is otherwise proper  
 4 and admissible without regard to whether that evidence has previously  
 5 been introduced at a hearing before the county board.

6 (l) The Indiana board may require the parties to the appeal:

7 (1) to file not more than five (5) business days before the date of  
 8 the hearing required under subsection (a) documentary evidence  
 9 or summaries of statements of testimonial evidence; and

10 (2) to file not more than fifteen (15) business days before the date  
 11 of the hearing required under subsection (a) lists of witnesses and  
 12 exhibits to be introduced at the hearing.

13 (m) A party to a proceeding before the Indiana board shall provide  
 14 to all other parties to the proceeding the information described in  
 15 subsection (l) if the other party requests the information in writing at  
 16 least ten (10) days before the deadline for filing of the information  
 17 under subsection (l).

18 (n) The Indiana board may base its final determination on a  
 19 stipulation between the respondent and the petitioner. If the final  
 20 determination is based on a stipulated assessed valuation of tangible  
 21 property, the Indiana board may order the placement of a notation on  
 22 the permanent assessment record of the tangible property that the  
 23 assessed valuation was determined by stipulation. The Indiana board  
 24 may:

25 (1) order that a final determination under this subsection has no  
 26 precedential value; or

27 (2) specify a limited precedential value of a final determination  
 28 under this subsection.

29 (o) If a party to a proceeding, or a party's authorized representative,  
 30 elects to receive any notice under this section electronically, the notice  
 31 is considered effective in the same manner as if the notice had been  
 32 sent by United States mail, with postage prepaid, to the party's or  
 33 representative's mailing address of record.

34 (p) At a hearing under this section, the Indiana board shall admit  
 35 into evidence an appraisal report, prepared by an appraiser, unless the  
 36 appraisal report is ruled inadmissible on grounds besides a hearsay  
 37 objection. This exception to the hearsay rule shall not be construed to  
 38 limit the discretion of the Indiana board, as trier of fact, to review the  
 39 probative value of an appraisal report.

40 SECTION 14. IC 6-1.1-15-5, AS AMENDED BY P.L.156-2020,  
 41 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 UPON PASSAGE]: Sec. 5. (a) Not later than fifteen (15) days after the



1 Indiana board gives notice of its final determination under section 4 of  
 2 this chapter to the party or the maximum allowable time for the  
 3 issuance of a final determination by the Indiana board under section 4  
 4 of this chapter expires, a party to the proceeding may request a  
 5 rehearing before the Indiana board. The Indiana board may conduct a  
 6 rehearing and affirm or modify its final determination, giving the same  
 7 notices after the rehearing as are required by section 4 of this chapter.  
 8 The Indiana board has fifteen (15) days after receiving a petition for a  
 9 rehearing to determine whether to grant a rehearing. Failure to grant a  
 10 rehearing not later than fifteen (15) days after receiving the petition  
 11 shall be treated as a final determination to deny the petition. A petition  
 12 for a rehearing does not toll the time in which to file a petition for  
 13 judicial review unless the petition for rehearing is granted. If the  
 14 Indiana board determines to rehear a final determination, the Indiana  
 15 board:

16 (1) may conduct the additional hearings that the Indiana board  
 17 determines necessary or review the written record without  
 18 additional hearings; and

19 (2) shall issue a final determination not later than ninety (90) days  
 20 after notifying the parties that the Indiana board will rehear the  
 21 final determination.

22 If the Indiana board fails to make a final determination within the time  
 23 allowed under subdivision (2), the entity that initiated the petition for  
 24 rehearing may take no action and wait for the Indiana board to make a  
 25 final determination or petition for judicial review under subsection (g).

26 (b) A party may petition for judicial review of the final  
 27 determination of the Indiana board. In order to obtain judicial review  
 28 under this section, a party must:

29 (1) file a petition with the Indiana tax court;

30 (2) serve a copy of the petition on:

31 (A) the parties to the review by the Indiana board;

32 (B) the attorney general; and

33 (C) any entity that filed an amicus curiae brief with the Indiana  
 34 board; and

35 (3) file a written notice of appeal with the Indiana board  
 36 informing the Indiana board of the party's intent to obtain judicial  
 37 review.

38 Petitions for judicial review may be consolidated at the request of the  
 39 appellants if it can be done in the interest of justice. The department of  
 40 local government finance may intervene in an action taken under this  
 41 subsection if the interpretation of a rule of the department is at issue in  
 42 the action. The county assessor (**before the abolishment of the office**)



1 **and after May 9, 2026, the county auditor, is a party are parties** to  
 2 the review under this section.

3 (c) Except as provided in subsection (g), to initiate a proceeding for  
 4 judicial review under this section, a party must take the action required  
 5 by subsection (b) not later than:

6 (1) forty-five (45) days after the Indiana board gives the person  
 7 notice of its final determination, unless a rehearing is conducted  
 8 under subsection (a); or

9 (2) forty-five (45) days after the Indiana board gives the person  
 10 notice under subsection (a) of its final determination, if a  
 11 rehearing is conducted under subsection (a) or the maximum time  
 12 elapses for the Indiana board to make a determination under this  
 13 section.

14 (d) The failure of the Indiana board to conduct a hearing within the  
 15 period prescribed in section 4(e) of this chapter does not constitute  
 16 notice to the party of an Indiana board final determination.

17 (e) The county assessor **or county auditor** may petition for judicial  
 18 review to the tax court in the manner prescribed in this section. ~~If the~~  
 19 ~~county auditor appeared before the Indiana board concerning the~~  
 20 ~~matter, the county auditor may petition for judicial review to the tax~~  
 21 ~~court in the manner prescribed in this section.~~

22 (f) The county assessor **or county auditor** may not be represented  
 23 by the attorney general in a judicial review initiated under subsection  
 24 (b) by the county assessor **or county auditor**.

25 (g) If the maximum time elapses for the Indiana board to give notice  
 26 of its final determination under subsection (a) or section 4 of this  
 27 chapter, a party may initiate a proceeding for judicial review by taking  
 28 the action required by subsection (b) at any time after the maximum  
 29 time elapses. If:

- 30 (1) a judicial proceeding is initiated under this subsection; and  
 31 (2) the Indiana board has not issued a determination;

32 the tax court shall determine the matter de novo.

33 SECTION 15. IC 6-1.1-15-19, AS ADDED BY P.L.244-2015,  
 34 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 UPON PASSAGE]: Sec. 19. (a) **Before July 1, 2026**, a county  
 36 assessor, **and after June 30, 2026, a county auditor**, shall quarterly  
 37 send a notice to the fiscal officer of each taxing unit affected by an  
 38 appeal prosecuted under this chapter, including the fiscal officer of an  
 39 affected redevelopment commission established under IC 36-7. The  
 40 notice must include the following information:

- 41 (1) The date on which a notice for review was filed.  
 42 (2) The name and address of the taxpayer who filed the notice for



review.

(3) The assessed value for the assessment date the year before the appeal, and the assessed value on the most recent assessment date.

(4) The status of the taxpayer's appeal.

(b) Each township assessor (if any) shall furnish to the county assessor all requested information necessary for purposes of providing the quarterly notices under this section. **This subsection expires July 1, 2026.**

(c) A notice required by this section may be provided to the appropriate fiscal officer in an electronic format.

SECTION 16. IC 6-1.1-17-0.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 0.2. This chapter applies only in calendar years before January 1, 2027.**

SECTION 17. IC 6-1.1-20-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. (a) Notwithstanding any other law, after May 9, 2026, a political subdivision may not issue any bonds, notes, or warrants, or enter into any leases or obligations to be paid from property tax revenue, or that include a pledge to levy property taxes if other funds are insufficient.**

**(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.**

SECTION 18. IC 6-1.1-39-0.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.2. (a) Notwithstanding any other law:**

**(1) no economic development district or allocation area may be established, amended, or renewed; and**

**(2) no bonds, leases, or other obligations may be issued, entered into, or extended for an economic development district or allocation area;**

**under this chapter after May 9, 2026.**

**(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.**

SECTION 19. IC 6-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

## **ARTICLE 1.2. PROPERTY TAX REVENUE REPLACEMENT**

### **Chapter 1. General Applicability and Definitions**

#### **Sec. 1. The definitions and rules of construction contained in**



1 IC 6-1.1-1 apply throughout this article unless the context clearly  
2 requires otherwise.

3 Sec. 2. The definitions contained in this chapter apply  
4 throughout this article unless the context clearly requires  
5 otherwise.

6 Sec. 3. "ADM" has the meaning set forth in IC 20-43-1-6.

7 Sec. 4. "Allocation area" refers to an area that is established  
8 under the authority of any of the following statutes and in which,  
9 before January 1, 2028, property tax revenues are collected:

10 (1) IC 6-1.1-39.

11 (2) IC 8-22-3.5.

12 (3) IC 36-7-13.

13 (4) IC 36-7-14.

14 (5) IC 36-7-14.5.

15 (6) IC 36-7-15.1.

16 (7) IC 36-7-30.

17 (8) IC 36-7-30.5.

18 (9) IC 36-7-32.

19 (10) IC 36-7.5-4.5.

20 (11) Any other provision that authorizes the establishment of  
21 an allocation area in which, before January 1, 2028, property  
22 tax revenues are collected.

23 Sec. 5. "Fund" refers to the local revenue sharing fund  
24 established by IC 6-1.2-3-2.

25 Sec. 6. "Governing body" means the following:

26 (1) For an allocation area created under IC 6-1.1-39, the fiscal  
27 body (as defined in IC 36-1-2-6) of the county.

28 (2) For an allocation area created under IC 8-22-3.5, the  
29 commission (as defined in IC 8-22-3.5-2).

30 (3) For an allocation area created under IC 36-7-13, the  
31 county, city, or town.

32 (4) For an allocation area created under IC 36-7-14, the  
33 redevelopment commission.

34 (5) For an allocation area created under IC 36-7-14.5, the  
35 redevelopment authority.

36 (6) For an allocation area created under IC 36-7-15.1, the  
37 metropolitan development commission.

38 (7) For an allocation area created under IC 36-7-30, the  
39 military base reuse authority.

40 (8) For an allocation area created under IC 36-7-30.5, the  
41 military base development authority.

42 (9) For an allocation area created under IC 36-7-32, the



redevelopment commission.

(10) For an allocation area created under IC 36-7.5-4.5, the development authority.

Sec. 7. "Municipality" has the meaning set forth in IC 36-1-2-11.

Sec. 8. "Obligation" means an obligation to repay:

(1) the principal and interest on bonds;

(2) lease rentals on leases; or

(3) any other contractual obligation;

payable from property tax increment revenues. The term includes a guarantee of repayment from property tax increment revenues if other revenues are insufficient to make a payment.

## Chapter 2. Abolishment of Property Tax

Sec. 1. (a) Notwithstanding IC 6-1.1 or any other law to the contrary, but subject to subsection (b), tangible property may not be assessed after December 31, 2026, and property taxes on tangible property may not be first imposed or first due after December 31, 2027.

(b) Nothing in this article may be construed as limiting or otherwise affecting:

(1) the collection of any property taxes or penalties imposed;

or

(2) any property tax exemptions or property tax deductions allowed;

under IC 6-1.1 or any other law before January 1, 2028.

Sec. 2. If a provision of this article conflicts with any other law, including IC 6-1.1, the provision in this article controls. A provision contained in IC 6-1.1 is not applicable after the abolishment of the imposition of property tax if the context clearly renders the provision inapplicable.

Sec. 3. This article does not prohibit the assessment and levying of a fee or payment otherwise authorized by law or the imposing of a special assessment (including a ditch or drainage assessment, Barrett Law assessment, improvement assessment, sewer assessment, or sewage assessment) otherwise authorized by law to be imposed on property to be benefited by an improvement.

Sec. 4. A pledge of property tax made before May 10, 2026, for the payment of bonds, leases, or other expenditures shall be treated as a pledge of the distributions from the fund under this article for the same purpose. Notwithstanding the abolishment of the imposition of property tax and the enactment of this article, any pledge of revenues received from a tax imposed under IC 6-1.1 prior to the abolishment of the imposition of property tax to the



1 payment, in whole or in part, of:

- 2 (1) the principal of and interest on bonds;
- 3 (2) lease rentals due under a lease; and
- 4 (3) the payment of any other obligation;

5 is binding and enforceable and remains in full force and effect as  
6 long as the principal of and interest on any bonds, the lease rentals  
7 due under any lease, or the payment of any obligation remains  
8 unpaid. The enactment of this article does not affect any rights,  
9 duties, obligations, proceedings, or liabilities accrued before  
10 enactment of this article. Those rights, duties, obligations,  
11 proceedings, or liabilities continue and shall be imposed and  
12 enforced under prior law as if this article had not been enacted and  
13 the imposition of property tax had not been abolished.

14 Sec. 5. For purposes of limitations on indebtedness of political  
15 or municipal corporations imposed by Article 13, Section 1 of the  
16 Constitution of the State of Indiana, to determine a taxing unit's  
17 value of taxable property after the abolishment of the imposition  
18 of property tax under this article, the most recent assessed value of  
19 taxable property for the entire territory must be used to determine  
20 the debt limit.

### 21 Chapter 3. Local Revenue Sharing Fund

22 Sec. 1. Not later than December 1, 2027, and each December 1  
23 thereafter, each governing body shall file with the department of  
24 local government finance and, if applicable, with the authorizing  
25 unit's executive and fiscal body, a certified report setting out the  
26 amount per month needed to:

- 27 (1) make all payments that are due in the next calendar year  
28 on obligations incurred before May 10, 2026, and payable  
29 from property tax revenues in allocation areas; plus
- 30 (2) maintain any revenue to obligation payment ratio required  
31 by an agreement on which any of the obligations are based.

32 The report must be filed in the manner prescribed by the  
33 department of local government finance.

34 Sec. 2. (a) The local revenue sharing fund is established. The  
35 purpose of the fund is to allocate and distribute to taxing units the  
36 portion of all the state gross retail and use tax revenue attributable  
37 to services for use as set forth in section 4 of this chapter. The fund  
38 shall be administered by the department.

39 (b) The fund consists of the following:

- 40 (1) Appropriations to the fund.
- 41 (2) Amounts deposited in the fund under IC 6-2.5-10-1(e).
- 42 (3) Interest and other earnings derived from investment of



money in the fund.

(c) Money in the fund is continuously appropriated for the purposes of this chapter.

(d) The money in the fund may not be used for the costs of administering this chapter.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**Sec. 3.** This section applies after December 31, 2027. Before the last day of each month, the state comptroller shall allocate and the treasurer of state shall distribute money in the fund to the fiscal officer of each taxing unit according to the following:

(1) The state comptroller shall first deposit in the local revenue sharing reserve account established by IC 6-1.2-6-1 an amount equal to ten percent (10%) of the amount in the fund. However, if the treasurer of state determines under IC 6-1.2-6-3 that the balance of the local revenue sharing reserve account is sufficient to make an aggregate monthly distribution for each of the next twelve (12) months, the state comptroller shall not make a deposit under this subdivision in a month until the treasurer of state determines the balance of the local revenue sharing reserve account is no longer sufficient to make an aggregate monthly distribution for each of the next twelve (12) months.

(2) After making the deposit under subdivision (1), the state comptroller shall distribute an amount equal to forty-five percent (45%) of the remaining amount in the fund according to the following formula:

**STEP ONE:** In collaboration with the department of education, determine the:

- (i) number of students who received a choice scholarship and not more than fifty percent (50%) virtual instruction in the current school year; and
- (ii) number of students in item (i) who attended each eligible school in the current school year.

**STEP TWO:** Add the:

- (i) total statewide current ADM of students who receive not more than fifty percent (50%) virtual instruction for all school corporations;
- (ii) total statewide current ADM of students who receive not more than fifty percent (50%) virtual instruction for all charter schools; plus
- (iii) number of students who received a choice



scholarship and not more than fifty percent (50%) virtual instruction in the current school year.

**STEP THREE: Determine the:**

(i) amount that is equal to forty-five percent (45%) of the amount remaining in the fund; divided by

(ii) STEP TWO result;

to determine per student funding.

**STEP FOUR: Distribute to each school corporation, charter school, and eligible school:**

(i) the STEP THREE result; multiplied by

(ii) the current ADM of students who receive not more than fifty percent (50%) virtual instruction for the school corporation, the current ADM of students who receive not more than fifty percent (50%) virtual instruction for the charter school, or the number of students who received a choice scholarship, did receive not more than fifty percent (50%) virtual instruction, and attended the eligible school in the current school year, as applicable.

(3) After making the distributions under subdivisions (1) and (2), the state comptroller shall next distribute to each governing body the amount needed for the subsequent month as provided in the governing body's report for the calendar year submitted under section 1 of this chapter.

(4) This subdivision does not apply to school corporations. After making the distributions under subdivisions (1), (2), and (3), the state comptroller shall distribute the remaining money in the fund to taxing units according to the following:

**STEP ONE: Determine, for each type of taxing unit the amount of that particular type of taxing unit's statewide average net levy for calendar years 2023, 2024, 2025, 2026, and 2027.**

**STEP TWO: Determine the sum of all five (5) year average net levy results determined under STEP ONE for all types of taxing units.**

**STEP THREE: For each type of taxing unit, determine:**

(i) the STEP ONE result for the type of taxing unit; divided by

(ii) the STEP TWO result.

**STEP FOUR: To determine the aggregate allocation amount for each type of taxing unit, multiply:**

(i) the STEP THREE result for the type of taxing unit;



by

(ii) the amount of money remaining in the fund after the distributions under subdivisions (1), (2), and (3).

**STEP FIVE: Of the aggregate allocation amount determined for counties under STEP FOUR, distribute:**

(i) seventy-five percent (75%) of the aggregate allocation amount among the counties proportionately based on the population of a particular county compared to all counties; and

(ii) twenty-five percent (25%) of the aggregate allocation amount among the counties proportionately based on the total miles of county roads in a particular county compared to all counties.

**STEP SIX: Of the aggregate allocation amount determined for municipalities under STEP FOUR, distribute:**

(i) seventy-five percent (75%) of the aggregate allocation amount among the municipalities proportionately based on the population of a particular municipality compared to all municipalities; and

(ii) twenty-five percent (25%) of the aggregate allocation amount among the municipalities proportionately based on the total miles of municipality roads in a particular municipality compared to all municipalities.

**STEP SEVEN: Of the aggregate allocation amount determined under STEP FOUR for libraries, distribute a proportionate amount to each library based on the population of the particular library compared to all libraries.**

**STEP EIGHT: Of the aggregate allocation amount determined under STEP FOUR for townships and fire protection territories for which a township is the provider unit, distribute a proportionate amount to the county auditor in which the township is located based on the population of the particular township compared to all townships. The county council in the county in which the township is located shall determine how to allocate the money among the townships in the county. In determining how to allocate the money, the county council may consider whether one (1) or more townships located in the county will merge with any other township in the county.**

**STEP NINE: For all other taxing unit types, respectively, distribute a proportionate amount to each taxing unit type**



1 based on the particular taxing unit type's average net levy  
 2 for calendar years 2023, 2024, 2025, 2026, and 2027  
 3 compared to the average net levy for 2023, 2024, 2025,  
 4 2026, and 2027 of all taxing units by type set to receive a  
 5 distribution under this subdivision.

6 If the state comptroller determines that the balance of the fund is  
 7 insufficient in any month to make an aggregate distribution under  
 8 this section that is equal to the aggregate distribution in the  
 9 previous month, money in the local revenue sharing reserve  
 10 account established by IC 6-1.2-6-1 shall be used to make up any  
 11 shortfall amount.

12 Sec. 4. (a) Money distributed under section 3(2) and 3(4) of this  
 13 chapter must first be used by the respective taxing unit for the  
 14 payment of any outstanding bonds, leases, or other expenditures  
 15 for which any property tax revenues were pledged prior to the  
 16 abolishment of the imposition of property tax under this article.

17 (b) After a taxing unit makes any required payments described  
 18 in subsection (a), money distributed under section 3(2) and 3(4) of  
 19 this chapter may be used for any legal purposes of the taxing unit.

20 Sec. 5. (a) Taxing units are required to fully fund the payment  
 21 of their debt obligations in an amount sufficient to pay any debt  
 22 service or lease rentals on outstanding obligations, regardless of  
 23 any reduction in property tax collections due to the abolishment of  
 24 the imposition of property tax under this article.

25 (b) Upon the failure of a taxing unit to pay any of the taxing  
 26 unit's debt service obligations during a calendar year when due,  
 27 the treasurer of state, upon being notified of the failure by a  
 28 claimant, shall pay the unpaid debt service obligations that are due  
 29 from money in the possession of the state that would otherwise be  
 30 available for distribution to the taxing unit under any other law,  
 31 deducting the payment from the amount distributed. A deduction  
 32 under this subsection must be made:

33 (1) first from local income tax distributions under IC 6-3.6;  
 34 and

35 (2) second from any other undistributed funds of the taxing  
 36 unit in the possession of the state.

37 (c) If a taxing unit or governing body receives insufficient funds  
 38 from distributions under section 3 of this chapter and any  
 39 interception under subsection (b) to make a required payment on  
 40 any outstanding bonds, leases, or other expenditures for which any  
 41 property tax revenues were pledged prior to the abolishment of the  
 42 imposition of property tax under this article, the state comptroller



1 shall supplement the taxing unit's or governing body's distribution  
 2 using money from the state general fund in an amount that, when  
 3 combined with the distribution from the fund to the taxing unit or  
 4 governing body, does not exceed the amount needed to make the  
 5 required payment.

6 (d) This section shall be interpreted liberally so that the state  
 7 shall, to the extent legally valid, ensure that the debt service  
 8 obligations of each political subdivision are paid when due.  
 9 However, this section does not create a debt of the state.

#### 10 Chapter 4. School Corporation Referenda Funding

##### 11 Sec. 1. This chapter applies only:

12 (1) to a school corporation that imposed:

13 (A) a controlled project referendum tax levy under  
 14 IC 6-1.1-20;

15 (B) an operating referendum tax levy under IC 20-46-1; or

16 (C) a school safety referendum tax levy under IC 20-46-9;  
 17 that was approved by the voters of the school corporation  
 18 before May 10, 2026; and

19 (2) beginning in calendar year 2028, and in each calendar year  
 20 thereafter, until the expiration of the tax levy described in  
 21 subdivision (1) as set out when approved by the voters of the  
 22 school corporation.

23 Sec. 2. Each owner of a parcel located in a school corporation's  
 24 territory is liable for an annual fee to replace the loss of revenue  
 25 previously collected by the school corporation from the imposition  
 26 of a controlled project referendum tax levy, an operating  
 27 referendum tax levy, or a school safety referendum tax levy prior  
 28 to the abolishment of the imposition of property tax under this  
 29 article.

30 Sec. 3. (a) The county treasurer shall mail to the owner of each  
 31 parcel located in a school corporation's territory a statement in the  
 32 form required under subsection (b).

33 (b) The department of local government finance shall prescribe  
 34 a form, subject to the approval of the state board of accounts, for  
 35 the statement under subsection (a) that includes at least the  
 36 following:

37 (1) The total amount owed for the parcel for the year.

38 (2) Information designed to show the manner in which the fee  
 39 is to be used.

40 (c) The county treasurer shall mail or transmit the statement  
 41 one (1) time each year on or before April 15. The statement must  
 42 contain the dates on which the first and second installments are



1 due and denote the amount of money to be paid for each  
2 installment.

3 (d) All payments under this chapter shall be made to the county  
4 treasurer. The county treasurer, when authorized by the board of  
5 county commissioners, may open temporary offices for the  
6 collection of fees in cities and towns in the county other than the  
7 county seat.

8 (e) The school corporation, county treasurer, and county  
9 auditor shall cooperate to generate the information to be included  
10 in the statement under subsection (b).

11 (f) The information to be included in the statement under  
12 subsection (b) must be simply and clearly presented and  
13 understandable to the average individual.

14 **Sec. 4. An annual fee due under this chapter is due in two (2)**  
15 **equal installments on May 10 and November 10 of the calendar**  
16 **year in the total amount determined in STEP THREE of the**  
17 **following formula:**

18 **STEP ONE: Determine the total amount received by the**  
19 **school corporation from property tax revenue for the**  
20 **controlled project referendum, operating referendum, or**  
21 **school safety referendum, or referenda, as applicable, in**  
22 **calendar year 2027.**

23 **STEP TWO: Multiply the STEP ONE result by the net**  
24 **assessed value for property taxes first due and payable in**  
25 **2027 for each property.**

26 **STEP THREE: Divide the STEP TWO result by the net**  
27 **assessed value for property taxes first due and payable in**  
28 **2027 of all tangible property.**

29 **Chapter 5. Procedures for Fixing and Reviewing Budgets**

30 **Sec. 1. This chapter applies in calendar year 2027 and each**  
31 **calendar year thereafter.**

32 **Sec. 2. Before June 15 of each year, the fiscal officer of each**  
33 **political subdivision shall provide the department of local**  
34 **government finance with an estimate of the total amount of the**  
35 **political subdivision's debt service obligations (as defined in**  
36 **IC 6-1.1-20.6-9.8) that will be due in the last six (6) months of the**  
37 **current year and in the ensuing year.**

38 **Sec. 3. (a) When formulating an annual budget estimate, the**  
39 **proper officers of a political subdivision shall prepare an estimate**  
40 **of the amount of revenue which the political subdivision will**  
41 **receive from the state for and during the budget year for which the**  
42 **budget is being formulated. However, this section does not apply**



to funds to be received from the state or the federal government for:

- (1) township assistance;
- (2) unemployment relief;
- (3) old age pensions; or
- (4) other funds which may at any time be made available under "The Economic Security Act" or under any other federal act which provides for civil and public works projects.

(b) When formulating an annual budget estimate, the proper officers of a political subdivision shall prepare an estimate of the amount of revenue that the political subdivision will receive under a development agreement (as defined in IC 36-1-8-9.5) for and during the budget year for which the budget is being formulated.

Sec. 4. (a) The proper officers of a political subdivision shall formulate its estimated budget and expected revenue on the form prescribed by the department of local government finance and approved by the state board of accounts. In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the distributions from the fund that will be collected by the political subdivision during the ensuing year, after taking into account the estimate of miscellaneous revenue that the political subdivision will receive in the ensuing year, and after taking into account all payments for debt service obligations that are to be made by the political subdivision during the ensuing year. The political subdivision shall submit the following information to the department's computer gateway:

- (1) The estimated budget, including estimated expenditures and revenue from all sources.
- (2) The time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on the items described in subdivision (1).
- (3) The time and place at which the political subdivision or appropriate fiscal body will meet to fix the budget under section 5 of this chapter.
- (4) The date, time, and place of the final adoption of the budget under section 5 of this chapter.

Except as provided in section 9(b) of this chapter, the political subdivision or appropriate fiscal body shall submit this information to the department's computer gateway at least ten (10) days before the public hearing required by this subsection in the manner prescribed by the department. If the date, time, or place of



1 the final adoption subsequently changes, the political subdivision  
 2 shall update the information submitted to the department's  
 3 computer gateway. The department shall make this information  
 4 available to taxpayers, at least ten (10) days before the public  
 5 hearing, through its computer gateway and provide a telephone  
 6 number through which taxpayers may request mailed copies of a  
 7 political subdivision's information under this subsection. The  
 8 department's computer gateway must allow a taxpayer to search  
 9 for the information under this subsection by the taxpayer's  
 10 address. The department shall review only the submission to the  
 11 department's computer gateway for compliance with this section.

12 (b) The board of directors of a solid waste management district  
 13 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
 14 conduct the public hearing required under subsection (a):

- 15 (1) in any county of the solid waste management district; and
- 16 (2) in accordance with the annual notice of meetings published
- 17 under IC 13-21-5-2.

18 (c) If a political subdivision or appropriate fiscal body timely  
 19 submits the information under subsection (a) but subsequently  
 20 discovers the information contains an error, the political  
 21 subdivision or appropriate fiscal body may submit amended  
 22 information to the department's computer gateway. However,  
 23 submission of an amendment to information described in  
 24 subsection (a)(1) must occur at least ten (10) days before the public  
 25 hearing held under subsection (a), and submission of an  
 26 amendment to information described in subsection (a)(3) must  
 27 occur at least twenty-four (24) hours before the time in which the  
 28 meeting to fix the budget, tax rate, and levy was originally  
 29 advertised to commence.

30 Sec. 5. (a) Not later than November 1 each year, the officers of  
 31 political subdivisions shall meet each year to fix the budget of their  
 32 respective political subdivisions for the ensuing budget year.  
 33 Except in a consolidated city and county and in a second class city,  
 34 the public hearing required by section 4 of this chapter must be  
 35 completed at least ten (10) days before the proper officers of the  
 36 political subdivision meet to fix the budget. In a consolidated city  
 37 and county and in a second class city, that public hearing, by any  
 38 committee or by the entire fiscal body, may be held at any time  
 39 after introduction of the budget.

40 (b) Ten (10) or more taxpayers may object to a budget of a  
 41 political subdivision fixed under subsection (a) by filing an  
 42 objection petition with the proper officers of the political



subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) A political subdivision shall file the budget adopted by the political subdivision with the department of local government finance not later than five (5) business days after the budget is adopted under subsection (a). The filing with the department of local government finance must be in a manner prescribed by the department.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the department of local government finance within five (5) business days after the ordinances are signed by the executive, or within five (5) business days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations are continued for the ensuing budget year.

(g) When fixing a budget under subsection (a), the political subdivision shall indicate on its adopting document, in the manner prescribed by the department, whether the political subdivision intends to issue debt after December 1 of the year preceding the budget year.

**Sec. 6. If an ordinance to fix a city budget is:**

(1) vetoed by the city executive under IC 36-4-6-16(a)(2); or

(2) considered vetoed under IC 36-4-6-16(b);

and the veto is effective on a date later than October 1, the city's legislative body has thirty (30) days from the effective date of the veto to override the veto in accordance with IC 36-4-6-16(c) to fix the budget for the ensuing budget year.

**Sec. 7. A school corporation shall specify in its proposed budget the anticipated amount that will be transferred from the total revenue deposited in the school corporation's education fund to its operations fund during the next calendar year. At its public hearing to adopt a budget under this chapter, the school corporation shall acknowledge whether the school corporation's**



1 anticipated transfer amount will be more than fifteen percent  
 2 (15%) of the total revenue deposited in the school corporation's  
 3 education fund to its operations fund during the next calendar  
 4 year.

5 Sec. 8. (a) Not later than March 2 of each year, the executive of  
 6 a political subdivision shall submit a statement to the department  
 7 of local government finance attesting that the political subdivision  
 8 uploaded any contract entered into during the immediately  
 9 preceding year related to the provision of fire services or  
 10 emergency medical services to the Indiana transparency website as  
 11 required by IC 5-14-3.8-3.5(d).

12 (b) The department of local government finance may not  
 13 approve the budget of a political subdivision or a supplemental  
 14 appropriation for a political subdivision until the political  
 15 subdivision files the attestation under subsection (a).

16 Sec. 9. (a) Each school corporation may elect to adopt a budget  
 17 under this section that applies from July 1 of the year through June  
 18 30 of the following year. In the initial budget adopted by a school  
 19 corporation under this section, the first six (6) months of that  
 20 initial budget must be consistent with the last six (6) months of the  
 21 budget adopted by the school corporation for the calendar year in  
 22 which the school corporation elects by resolution to begin adopting  
 23 budgets that correspond to the state fiscal year. A corporation shall  
 24 submit a copy of the resolution to the department of local  
 25 government finance and the department of education not more  
 26 than thirty (30) days after the date the governing body adopts the  
 27 resolution.

28 (b) Before April 1 of each year, the officers of the school  
 29 corporation shall meet to fix the budget for the school corporation  
 30 for the ensuing budget year, with notice given by the same officers.  
 31 The school corporation shall submit the information described in  
 32 section 4(a) of this chapter to the department's computer gateway  
 33 at least ten (10) days before the meeting required by this subsection  
 34 in the manner prescribed by the department. The department shall  
 35 make this information available to taxpayers at least ten (10) days  
 36 before the public hearing through its computer gateway, and  
 37 provide a telephone number through which taxpayers may request  
 38 mailed copies of a political subdivision's information under this  
 39 subsection. However, if a resolution adopted under subsection (d)  
 40 is in effect, the officers shall meet to fix the budget for the ensuing  
 41 budget year before November 1. A school corporation that adopts  
 42 a resolution under subsection (d) shall submit the information



described in section 4(a) of this chapter in the manner prescribed by that section.

(c) A school corporation that adopts a budget as provided in this section shall file the budget adopted by the school corporation with the department of local government finance not later than five (5) business days after the budget is adopted under subsection (b). The filing with the department of local government finance must be in a manner prescribed by the department.

(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

**Sec. 10.** If the boundaries of a political subdivision cross one (1) or more county lines, the budget, tax levy, and tax rate fixed by the political subdivision shall be filed with the county auditor of each affected county in the manner prescribed in section 5 or 9 of this chapter.

#### **Chapter 6. Local Revenue Sharing Reserve Account**

**Sec. 1. (a)** The local revenue sharing reserve account is established for the purpose of ensuring sufficient distributions of revenue from the fund in times of economic downturn.

**(b)** The treasurer of state shall administer the account.

**(c)** The account consists of:



1 (1) deposits in the account under IC 6-1.2-3-3; and

2 (2) interest earned on the balance of the account.

3 (d) Money in the account at the end of a state fiscal year does  
4 not revert to the state general fund.

5 (e) The treasurer of state shall invest the money in the account  
6 not currently needed to meet the obligations of the account in the  
7 same manner as other public money may be invested. Interest that  
8 accrues from these investments shall be deposited in the account.

9 Sec. 2. (a) Each month, the state comptroller shall inform the  
10 state treasurer of the total amount of money distributed under  
11 IC 6-1.2-3-3(2) through IC 6-1.2-3-3(4) in the previous month.

12 (b) The treasurer of state shall determine whether the balance  
13 of the account is sufficient to make an aggregate monthly  
14 distribution under IC 6-1.2-3-3(2) through IC 6-1.2-3-3(4) for:

15 (1) each of the next six (6) months; and

16 (2) each of the next twelve (12) months;

17 in the amount reported by the state comptroller under subsection  
18 (a).

19 Sec. 3. (a) If at any time the treasurer of state determines that  
20 the balance of the account is sufficient to make an aggregate  
21 monthly distribution for each of the next twelve (12) months in the  
22 amount reported by the state comptroller under section 2 of this  
23 chapter, the treasurer of state shall inform the state comptroller  
24 and the state department of revenue.

25 (b) After making a determination described in subsection (a), if  
26 the treasurer of state subsequently determines that the balance of  
27 the account is no longer sufficient to make an aggregate monthly  
28 distribution under IC 6-1.2-3-3(2) through IC 6-1.2-3-3(4) for:

29 (1) each of the next six (6) months; or

30 (2) each of the next twelve (12) months;

31 the treasurer of state shall inform the state comptroller and the  
32 department of state revenue.

33 SECTION 20. IC 6-2.5-1-1, AS AMENDED BY P.L.146-2020,  
34 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2027]: Sec. 1. (a) Except as provided in subsection (b) or (c),  
36 "unitary transaction" includes all items of personal property and  
37 services which are furnished under a single order or agreement and for  
38 which a total combined charge or price is calculated.

39 (b) "Unitary transaction" does not include a transaction that meets  
40 ~~one (1) of the exceptions~~ **exception** in section ~~11-5(d)~~ **11.5(c)** of this  
41 chapter.

42 (c) "Unitary transaction" as it applies to the furnishing of public



1 utility commodities or services means the public utility commodities  
 2 and services which are invoiced in a single bill or statement for  
 3 payment by the consumer.

4 SECTION 21. IC 6-2.5-1-5, AS AMENDED BY P.L.205-2025,  
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2027]: Sec. 5. (a) Except as provided in subsection (b), "gross  
 7 retail income" means the total amount of consideration, including cash,  
 8 credit, property, and services, for which tangible personal property **or**  
 9 **a service** is sold, leased, or rented, valued in money, whether received  
 10 in money or otherwise, without any deduction for:

- 11 (1) the seller's cost of the property sold;
- 12 (2) the cost of materials used, labor or service cost, interest,  
 13 losses, all costs of transportation to the seller, all taxes imposed  
 14 on the seller, and any other expense of the seller;
- 15 (3) charges by the seller for any services necessary to complete  
 16 the sale; ~~other than delivery and installation charges;~~
- 17 (4) delivery charges; or
- 18 (5) consideration received by the seller from a third party if:  
 19 (A) the seller actually receives consideration from a party  
 20 other than the purchaser and the consideration is directly  
 21 related to a price reduction or discount on the sale;  
 22 (B) the seller has an obligation to pass the price reduction or  
 23 discount through to the purchaser;  
 24 (C) the amount of the consideration attributable to the sale is  
 25 fixed and determinable by the seller at the time of the sale of  
 26 the item to the purchaser; and  
 27 (D) the price reduction or discount is identified as a third party  
 28 price reduction or discount on the invoice received by the  
 29 purchaser or on a coupon, certificate, or other documentation  
 30 presented by the purchaser.

31 For purposes of subdivision (4), delivery charges are charges by the  
 32 seller for preparation and delivery of the property to a location  
 33 designated by the purchaser of property, including but not limited to  
 34 transportation, shipping, postage charges that are not separately stated  
 35 on the invoice, bill of sale, or similar document, handling, crating, and  
 36 packing. Delivery charges do not include postage charges that are  
 37 separately stated on the invoice, bill of sale, or similar document.

38 (b) "Gross retail income" does not include that part of the gross  
 39 receipts attributable to:

- 40 (1) the value of any tangible personal property received in a like  
 41 kind exchange in the retail transaction, if the value of the property  
 42 given in exchange is separately stated on the invoice, bill of sale,



or similar document given to the purchaser;  
 (2) the receipts received in a retail transaction which constitute interest ~~or~~ finance charges ~~or insurance premiums~~ on either a promissory note or an installment sales contract;  
 (3) discounts, including cash, terms, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;  
 (4) interest, financing, and carrying charges from credit extended on the sale of personal property ~~or services~~ if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;  
 (5) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser, including an excise tax imposed under IC 6-6-15;  
~~(6) installation charges that are separately stated on the invoice, bill of sale, or similar document given to the purchaser;~~  
~~(7) (6) telecommunications nonrecurring charges; or~~  
~~(8) (7) postage charges that are separately stated on the invoice, bill of sale, or similar document. or~~  
~~(9) charges for serving or delivering food and food ingredients furnished, prepared, or served for consumption at a location, or on equipment, provided by the retail merchant, to the extent that the charges for the serving or delivery are stated separately from the price of the food and food ingredients when the purchaser pays the charges.~~  
 (c) Notwithstanding subsection (b)(5):  
 (1) in the case of retail sales of special fuel (as defined in IC 6-6-2.5-22) or kerosene (as defined in IC 16-44-2-2), the gross retail income is the total sales price of the special fuel or kerosene minus the part of that price attributable to tax imposed under IC 6-6-2.5 (in the case of special fuel) or Section 4041 or Section 4081 of the Internal Revenue Code (in the case of either special fuel or kerosene);  
 (2) in the case of retail sales of cigarettes (as defined in IC 6-7-1-2), the gross retail income is the total sales price of the cigarettes including the tax imposed under IC 6-7-1; and  
 (3) in the case of retail sales of consumable material (as defined in IC 6-7-4-2), vapor products (as defined in IC 6-7-4-8), and closed system cartridges (as defined in IC 6-7-2-0.5) under the closed system cartridge tax, the gross retail income received from selling at retail is the total sales price of the consumable material



(as defined in IC 6-7-4-2), vapor products (as defined in IC 6-7-4-8), and closed system cartridges (as defined in IC 6-7-2-0.5) including the tax imposed under IC 6-7-4 and IC 6-7-2-7.5.

(d) Gross retail income is only taxable under this article to the extent that the income represents

~~(1) the price of the property transferred without the rendition of any or the services and~~

~~(2) except as provided in subsection (b); any bona fide charges which are made for preparation, fabrication, alteration, modification, finishing, completion, delivery, or other service performed in respect to the property transferred before its transfer and which are separately stated on the transferor's records. For purposes of this subdivision, a transfer is considered to have occurred after the delivery of the property to the purchaser; performed by the seller, or both.~~

(e) A public utility's or a power subsidiary's gross retail income includes all gross retail income received by the public utility or power subsidiary, including any minimum charge, flat charge, membership fee, or any other form of charge or billing.

SECTION 22. IC 6-2.5-1-11.5, AS AMENDED BY P.L.146-2020, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 11.5. ~~(a) This section applies to retail transactions occurring after December 31, 2007:~~

~~(b)~~ **(a)** "Bundled transaction" means a retail sale of two (2) or more products **or services**, except real property and services to real property, that are:

- (1) distinct;
- (2) identifiable; and
- (3) sold for one (1) nonitemized price.

~~(c)~~ **(b)** The term does not include a retail sale in which the sales price of a product **or a service** varies, or is negotiable, based on other products **or services** that the purchaser selects for inclusion in the transaction.

~~(d)~~ **(c)** The term does not include a retail sale that:

~~(1) is comprised of:~~

~~(A) a service that is the true object of the transaction; and~~

~~(B) tangible personal property that:~~

~~(i) is essential to the use of the service; and~~

~~(ii) is provided exclusively in connection with the service;~~

~~(2)~~ **(1)** includes both taxable and nontaxable products **or services** in which:



1 (A) the seller's purchase price; or  
 2 (B) the sales price;  
 3 of the taxable products **or services** does not exceed ten percent  
 4 (10%) of the total purchase price or the total sales price of the  
 5 bundled products; or  
 6 ~~(3)~~ **(2)** includes both exempt tangible personal property and  
 7 taxable tangible personal property:  
 8 (A) any of which is classified as:  
 9 (i) food and food ingredients;  
 10 (ii) drugs;  
 11 (iii) durable medical equipment;  
 12 (iv) mobility enhancing equipment;  
 13 (v) over-the-counter drugs;  
 14 (vi) prosthetic devices; or  
 15 (vii) medical supplies; and  
 16 (B) for which:  
 17 (i) the seller's purchase price; or  
 18 (ii) the sales price;  
 19 of the taxable tangible personal property is fifty percent (50%)  
 20 or less of the total purchase price or the total sales price of the  
 21 bundled tangible personal property.  
 22 The determination under clause (B) must be made on the basis of  
 23 either individual item purchase prices or individual item sale  
 24 prices.

25 ~~(e)~~ **(d)** A transaction that meets one (1) of the exceptions in  
 26 subsection ~~(d)~~ **(c)** shall be excluded from the definition of unitary  
 27 transaction under section 1(a) of this chapter.

28 SECTION 23. IC 6-2.5-1-22.1 IS ADDED TO THE INDIANA  
 29 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2027]: **Sec. 22.1. "NAICS code" refers to the**  
 31 **code used to classify a particular industry in the current edition of**  
 32 **the North American Industry Classification System Manual -**  
 33 **United States, published by the National Technical Information**  
 34 **Service of the United States Department of Commerce.**

35 SECTION 24. IC 6-2.5-1-25.7 IS ADDED TO THE INDIANA  
 36 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2027]: **Sec. 25.7. (a) "Service" means any**  
 38 **activity engaged in for another person for consideration.**

39 **(b) The term does not include either of the following:**  
 40 **(1) A service rendered by an employee for the employee's**  
 41 **employer.**  
 42 **(2) A lease or rental of residential real property for a period**



1           **of more than thirty (30) days.**

2           SECTION 25. IC 6-2.5-2-1, AS AMENDED BY P.L.118-2024,  
3           SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4           JULY 1, 2027]: Sec. 1. (a) An excise tax, known as the state gross  
5           retail tax, is imposed on retail transactions made in Indiana.

6           (b) The person who acquires property **or receives a service** in a  
7           retail transaction is liable for the tax on the transaction and, except as  
8           otherwise provided in this chapter, shall pay the tax to the retail  
9           merchant as a separate added amount to the consideration in the  
10          transaction. A retail merchant that has either physical presence in  
11          Indiana as described in subsection (c) or that meets the threshold in  
12          subsection (d) shall collect the tax as agent for the state.

13          (c) A retail merchant has physical presence in Indiana when the  
14          retail merchant:

15           (1) maintains an office, place of distribution, sales location,  
16           sample location, warehouse, storage place, or other place of  
17           business which is located in Indiana and which the retail  
18           merchant maintains, occupies, or uses, either permanently or  
19           temporarily, either directly or indirectly, and either by the retail  
20           merchant or through a representative, agent, or subsidiary;

21           (2) maintains a representative, agent, salesperson, canvasser, or  
22           solicitor who, while operating in Indiana under the authority of  
23           and on behalf of the retail merchant or a subsidiary of the retail  
24           merchant, sells, delivers, installs, repairs, assembles, sets up,  
25           accepts returns of, bills, invoices, or takes orders for sales of  
26           tangible personal property or services to be used, stored, or  
27           consumed in Indiana; or

28           (3) is otherwise required to register as a retail merchant under  
29           IC 6-2.5-8-1.

30          (d) A retail merchant that does not have a physical presence in  
31          Indiana shall, as an agent for the state, collect the gross retail tax on a  
32          retail transaction made in Indiana, remit the gross retail tax as provided  
33          in this article, and comply with all applicable procedures and  
34          requirements of this article as if the retail merchant has a physical  
35          presence in Indiana, if the retail merchant's gross revenue from any  
36          combination of:

37           (1) the sale of tangible personal property that is delivered into  
38           Indiana;

39           (2) a product transferred electronically into Indiana; or

40           (3) a service delivered in Indiana;

41          exceeds one hundred thousand dollars (\$100,000) for the calendar year  
42          in which the retail transaction is made or for the calendar year



preceding the calendar year in which the retail transaction is made.

(e) A marketplace facilitator must include both transactions made on its own behalf and transactions facilitated for sellers under IC 6-2.5-4-18 for purposes of establishing the requirement to collect gross retail tax without having a physical presence in Indiana for purposes of subsection (d). In addition, except in instances where the marketplace facilitator has not met the threshold in subsection (d), the transactions of the seller made through the marketplace are not counted toward the seller for purposes of determining whether the seller has met the threshold in subsection (d).

SECTION 26. IC 6-2.5-2-2, AS AMENDED BY P.L.146-2020, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 2. (a) **Except as provided in subsection (d)**, the state gross retail tax is measured by the gross retail income received by a retail merchant in a retail unitary or bundled transaction and is imposed at seven percent (7%) of that gross retail income.

(b) If the tax computed under subsection (a) carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

(c) A seller may elect to round the tax under subsection (b) on a transaction on an item basis or an invoice basis. However, a seller may not round the tax under subsection (b) to circumvent the tax that would otherwise be imposed on a transaction using an invoice basis.

**(d) If the treasurer of state determines under IC 6-1.2-6-3 at any time that the balance of the local revenue sharing reserve account established by IC 6-1.2-6-1 is sufficient to make an aggregate monthly distribution under IC 6-1.2-3-3(2) through IC 6-1.2-3-3(4) for each of the next twelve (12) months, the state gross retail tax imposed on the gross retail income of a service is imposed at six and seventy-five hundredths percent (6.75%). However, after a decrease in the tax rate under this subsection, if the treasurer of state subsequently determines the balance of the local revenue sharing reserve account is no longer sufficient to make an aggregate monthly distribution under IC 6-1.2-3-3(2) through IC 6-1.2-3-3(4) for each of the next six (6) months, the state gross retail tax imposed on the gross retail income of a service is imposed at seven percent (7%).**

SECTION 27. IC 6-2.5-3-1, AS AMENDED BY P.L.146-2020, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. For purposes of this chapter:

(a) "Use" means **either of the following:**



(1) The exercise of any right or power of ownership over tangible personal property.

**(2) The employment of a service for its intended purpose.**

(b) "Storage" means the keeping or retention of tangible personal property in Indiana for any purpose except temporary storage.

(c) "Temporary storage" means the keeping or retention of tangible personal property in Indiana for a period of not more than one hundred eighty (180) days and only for the purpose of the subsequent use of that property solely outside Indiana.

(d) Notwithstanding any other provision of this section, tangible or intangible property that is:

(1) owned or leased by a person that has contracted with a commercial printer for printing; and

(2) located at the premises of the commercial printer;

shall not be considered to be, or to create, an office, a place of distribution, a sales location, a sample location, a warehouse, a storage place, or other place of business maintained, occupied, or used in any way by the person. A commercial printer with which a person has contracted for printing shall not be considered to be in any way a representative, an agent, a salesman, a canvasser, or a solicitor for the person.

SECTION 28. IC 6-2.5-3-2, AS AMENDED BY P.L.181-2016, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 2. (a) An excise tax, known as the use tax, is imposed on the storage, use, or consumption of tangible personal property **or the use of a service** in Indiana if the property **or service** was acquired in a retail transaction, regardless of the location of that transaction or of the retail merchant making that transaction.

(b) The use tax is also imposed on the storage, use, or consumption of a vehicle, an aircraft, or a watercraft, if the vehicle, aircraft, or watercraft:

(1) is acquired in a transaction that is an isolated or occasional sale; and

(2) is required to be titled, licensed, or registered by this state for use in Indiana.

(c) The use tax is imposed on a contractor's conversion of construction material into real property if that construction material was purchased by the contractor. However, the use tax does not apply to conversions of construction material described in this subsection, if:

(1) the state gross retail or use tax has been previously imposed on the contractor's acquisition or use of that construction material;

(2) the person for whom the construction material is being



converted could have purchased the material exempt from the state gross retail and use taxes, as evidenced by a properly issued exemption certificate, if that person had directly purchased the construction material from a retail merchant in a retail transaction; or

(3) the conversion of the construction material into real property is governed by a time and material contract as described in IC 6-2.5-4-9(b).

(d) The use tax is imposed on a person who:

(1) manufactures, fabricates, or assembles tangible personal property from materials either within or outside Indiana; and

(2) uses, stores, distributes, or consumes tangible personal property in Indiana.

(e) Notwithstanding any other provision of this section, the use tax is not imposed on the keeping, retaining, or exercising of any right or power over tangible personal property, if:

(1) the property is delivered into Indiana by or for the purchaser of the property;

(2) the property is delivered in Indiana for the sole purpose of being processed, printed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property; and

(3) the property is subsequently transported out of state for use solely outside Indiana.

(f) As used in subsection (g) and IC 6-2.5-5-42:

(1) "completion work" means the addition of tangible personal property to or reconfiguration of the interior of an aircraft, if the work requires the issuance of an airworthiness certificate from the:

(A) Federal Aviation Administration; or

(B) equivalent foreign regulatory authority;

due to the change in the type certification basis of the aircraft resulting from the addition to or reconfiguration of the interior of the aircraft;

(2) "delivery" means the physical delivery of the aircraft regardless of who holds title; and

(3) "prepurchase evaluation" means an examination of an aircraft by a potential purchaser for the purpose of obtaining information relevant to the potential purchase of the aircraft.

(g) Notwithstanding any other provision of this section, the use tax is not imposed on the keeping, retaining, or exercising of any right or power over an aircraft, if:



(1) the aircraft is or will be titled, registered, or based (as defined in IC 6-6-6.5-1(m)) in another state or country;

(2) the aircraft is delivered to Indiana by or for a nonresident owner or purchaser of the aircraft;

(3) the aircraft is delivered to Indiana for the sole purpose of being repaired, refurbished, remanufactured, or subjected to completion work or a prepurchase evaluation; and

(4) after completion of the repair, refurbishment, remanufacture, completion work, or prepurchase evaluation, the aircraft is transported to a destination outside Indiana.

(h) The amendments made to this section by P.L.153-2012 shall be interpreted to specify and not to change the general assembly's intent with respect to this section.

SECTION 29. IC 6-2.5-3-4, AS AMENDED BY P.L.137-2022, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The storage, use, and consumption of tangible personal property **or the use of a service** in Indiana is exempt from the use tax if:

(1) the property **or service** was acquired in a retail transaction and the state gross retail tax has been paid on the acquisition of that property **or service**; or

(2) the property **or service** was acquired in a transaction that is wholly or partially exempt from the state gross retail tax under any part of IC 6-2.5-5 and the property **or service** is being used, stored, or consumed for the purpose for which it was exempted.

(b) If a person issues a state gross retail or use tax exemption certificate for the acquisition of tangible personal property **or a service** and subsequently uses, stores, or consumes that property **or service** for a nonexempt purpose, then the person shall pay the use tax.

SECTION 30. IC 6-2.5-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 5. A person is entitled to a credit against the use tax imposed on the use, storage, or consumption of a particular item of tangible personal property **or the use of a service** equal to the amount, if any, of sales tax, purchase tax, or use tax paid to another state, territory, or possession of the United States for the acquisition of that property **or service**.

SECTION 31. IC 6-2.5-3-6, AS AMENDED BY P.L.146-2020, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 6. (a) For purposes of this section, "person" includes an individual who is personally liable for use tax under IC 6-2.5-9-3.

(b) The person who uses, stores, or consumes the tangible personal



property **or uses the service** acquired in a retail transaction is personally liable for the use tax.

(c) The person liable for the use tax shall pay the use tax to the department.

(d) Notwithstanding subsection (c), a person liable for the use tax imposed in respect to a vehicle, watercraft, or aircraft under section 2(b) of this chapter shall pay the tax:

(1) to the titling agency when the person applies for a title for the vehicle or the watercraft;

(2) to the registering agency when the person registers the aircraft; or

(3) to the registering agency when the person registers the watercraft because it is a United States Coast Guard documented vessel;

unless the person presents proof to the agency that the use tax or state gross retail tax has already been paid with respect to the purchase of the vehicle, watercraft, or aircraft or proof that the taxes are inapplicable because of an exemption under this article.

(e) At the time a person pays the use tax for the purchase of a vehicle to a titling agency pursuant to subsection (d), the titling agency shall compute the tax due based on the presumption that the sale price was the average selling price for that vehicle, as determined under a used vehicle buying guide to be chosen by the titling agency. However, the titling agency shall compute the tax due based on the actual sale price of the vehicle if the buyer, at the time the buyer pays the tax to the titling agency, presents documentation to the titling agency sufficient to rebut the presumption set forth in this subsection and to establish the actual selling price of the vehicle.

SECTION 32. IC 6-2.5-3-7, AS AMENDED BY P.L.211-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS[EFFECTIVE JULY 1, 2027]: Sec. 7. (a) A person who acquires tangible personal property **or a service, or both**, from a retail merchant for delivery in Indiana is presumed to have:

(1) acquired the property for storage, use, or consumption in Indiana; **and**

(2) **received the service in Indiana.**

However, the person or the retail merchant can produce evidence to rebut that presumption.

(b) A retail merchant is not required to produce evidence of nontaxability under subsection (a) if the retail merchant receives from the person who acquired the property **or service** an exemption certificate which certifies, in the form prescribed by the department,



that the acquisition is exempt from the use tax.

(c) A retail merchant that sells tangible personal property **or a service** to a person that purchases the tangible personal property **or service** for use or consumption in providing public transportation under IC 6-2.5-5-27 may verify the exemption by obtaining the person's:

- (1) name;
- (2) address; and
- (3) motor carrier number, United States Department of Transportation number, or any other identifying number authorized by the department.

The person engaged in public transportation shall provide a signature to affirm under penalties of perjury that the information provided to the retail merchant is correct and that the tangible personal property **or service** is being purchased for an exempt purpose.

SECTION 33. IC 6-2.5-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 8. (a) When a retail merchant collects the use tax from a person, ~~he~~ **the retail merchant** shall, upon request, issue a receipt to that person for the use tax collected.

(b) If the department assesses the use tax against a person for the person's storage, use, or consumption of tangible personal property **or use of a service** in Indiana, and if the person has already paid the use tax in relation to that property **or service** to a retail merchant who is registered under IC 6-2.5-6, to the department, or, in the case of a vehicle or aircraft, to the proper state agency, then the person may avoid paying the use tax to the department if ~~he~~ **the person** can produce a receipt or other written evidence showing that ~~he~~ **the person** has so made the use tax payment.

SECTION 34. IC 6-2.5-4-1, AS AMENDED BY P.L.137-2022, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. (a) A person is a retail merchant making a retail transaction when the person engages in selling at retail.

(b) A person is engaged in selling at retail when, in the ordinary course of the person's regularly conducted trade or business, the person **does either of the following:**

- (1) **The person:**
  - (A) acquires tangible personal property for the purpose of resale; and
  - ~~(2)~~ (B) transfers that property to another person for consideration.

(2) **The person performs a service for consideration.**

(c) For purposes of determining what constitutes selling at retail, it



1 does not matter whether:

- 2 (1) the property is transferred **or the service is performed** in the  
 3 same form as when it was acquired;  
 4 (2) the property is transferred **or the service is performed** alone  
 5 or in conjunction with other property or services; or  
 6 (3) the property is transferred **or the service is performed**  
 7 conditionally or otherwise.

8 (d) Notwithstanding any provision of this article, a person is not  
 9 making a retail transaction when the person:

- 10 (1) acquires tangible personal property owned by another person;  
 11 ~~(2) provides industrial processing or servicing, including~~  
 12 ~~enameling or plating, on the property; and~~  
 13 ~~(3) (2) transfers the property back to the owner to be sold by that~~  
 14 owner either in the same form or as a part of other tangible  
 15 personal property produced by that owner in the owner's business  
 16 of manufacturing, assembling, constructing, refining, or  
 17 processing.

18 SECTION 35. IC 6-2.5-4-3 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. ~~(a)~~ A person is a  
 20 retail merchant making a retail transaction when ~~he~~ **the person**  
 21 regularly and occupationally engages in the business of softening and  
 22 conditioning water.

23 ~~(b) For purposes of this section, the business of softening and~~  
 24 ~~conditioning water includes the exchange of water softening and~~  
 25 ~~conditioning tanks in the ordinary course of the business, but does not~~  
 26 ~~include the preparatory plumbing and work necessary for the first~~  
 27 ~~installation of tanks.~~

28 SECTION 36. IC 6-2.5-4-9, AS AMENDED BY P.L.181-2016,  
 29 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2027]: Sec. 9. (a) A person is a retail merchant making a retail  
 31 transaction:

- 32 (1) when the person sells tangible personal property ~~which:~~ **or**  
 33 **services;**  
 34 ~~(1) (2) when the tangible personal property~~ is to be added to a  
 35 structure or facility **or the service is used to add tangible**  
 36 **personal property to a structure or facility** by the purchaser;  
 37 and  
 38 ~~(2) (3) after its~~ **the** addition to the structure or facility, **the**  
 39 **tangible personal property** would become a part of the real  
 40 estate on which the structure or facility is located.

41 (b) A contractor is a retail merchant making a retail transaction  
 42 when the contractor:



1 (1) disposes of tangible personal property; or  
 2 (2) converts tangible personal property into real property;  
 3 under a time and material contract. As such a retail merchant, a  
 4 contractor described in this subsection shall collect, as an agent of the  
 5 state, the state gross retail tax on the resale of the construction material  
 6 and remit the state gross retail tax as provided in this article.

7 (c) Notwithstanding subsections (a) and (b), a transaction described  
 8 in subsection (a) or (b) is not a retail transaction, if the ultimate  
 9 purchaser or recipient of the property to be added to a structure or  
 10 facility would be exempt from the state gross retail and use taxes if that  
 11 purchaser or recipient had directly purchased the property from the  
 12 supplier for addition to the structure or facility.

13 SECTION 37. IC 6-2.5-4-10, AS AMENDED BY P.L.108-2019,  
 14 SECTION 111, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2027]: Sec. 10. (a) A person, other than a public  
 16 utility, is a retail merchant making a retail transaction when the person  
 17 rents or leases tangible personal property to another person. ~~other than~~  
 18 ~~for subrent or sublease.~~

19 (b) A person is a retail merchant making a retail transaction when  
 20 the person sells any tangible personal property which has been rented  
 21 or leased in the regular course of the person's rental or leasing business.

22 (c) ~~Notwithstanding subsection (a), a person is not a retail merchant~~  
 23 ~~making a retail transaction when the person rents or leases motion~~  
 24 ~~picture film, audio tape, or video tape to another person. However, this~~  
 25 ~~exclusion only applies if:~~

- 26 (1) ~~the person who pays to rent or lease the film charges~~  
 27 ~~admission to those who view the film; or~~
- 28 (2) ~~the person who pays to rent or lease the film or tape~~  
 29 ~~broadcasts the film or tape for home viewing or listening.~~

30 ~~(d)~~ (c) The sharing of passenger motor vehicles and trucks through  
 31 a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4) is  
 32 a retail transaction.

33 SECTION 38. IC 6-2.5-4-11, AS AMENDED BY P.L.2-2005,  
 34 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2027]: Sec. 11. (a) A person is a retail merchant making a  
 36 retail transaction when the person furnishes cable television or radio  
 37 service or satellite television or radio service that terminates in Indiana.

38 (b) ~~Notwithstanding subsection (a), A person is not a retail merchant~~  
 39 ~~making a retail transaction when the person provides, installs,~~  
 40 ~~constructs, services, or removes tangible personal property which is~~  
 41 ~~used in connection with the furnishing of cable television or radio~~  
 42 ~~service or satellite television or radio service.~~



SECTION 39. IC 6-2.5-4-14, AS AMENDED BY P.L.211-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 14. The department of administration and each purchasing agent for a state educational institution shall provide the department with a list of every person who desires to enter into a contract to sell tangible personal property **or services** to an agency (as defined in IC 4-13-2-1) or a state educational institution. The department shall notify the department of administration or the purchasing agent of the state educational institution if a person on the list does not have a registered retail merchant certificate or is delinquent in remitting or paying amounts due to the department under this article.

SECTION 40. IC 6-2.5-4-15, AS ADDED BY P.L.153-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 15. ~~(a) This section applies to retail transactions occurring after December 31, 2007.~~

~~(b)~~ A person is a retail merchant making a retail transaction when the person sells tangible personal property **or services** as part of a bundled transaction.

SECTION 41. IC 6-2.5-5-21, AS AMENDED BY P.L.118-2024, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 21. (a) Sales of food and food ingredients, **and delivery of food and food ingredients**, are exempt from the state gross retail tax if:

- (1) the seller meets the filing requirements under subsection (c) and is an organization described in section 25(a)(1) of this chapter;
- (2) the purchaser is a person confined to the purchaser's home because of age, sickness, or infirmity;
- (3) the seller delivers the food and food ingredients to the purchaser; and
- (4) the delivery is prescribed as medically necessary by a physician licensed to practice medicine in Indiana.

(b) Sales of food and food ingredients, **and delivery of food and food ingredients**, are exempt from the state gross retail tax if the seller is an organization described in section 25(a)(1) of this chapter, and the purchaser is a patient in a hospital operated by the seller.

(c) To obtain the exemption provided by this section, a taxpayer must follow the procedures set forth in section 25(c) of this chapter.

SECTION 42. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) Sales of tangible personal property **or the**



**rendering of services** by an organization are exempt from the state gross retail tax if either of the following apply:

(1) The organization:

(A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of this chapter, or section 25(a)(1)(D)(ix) of this chapter;

(B) makes the sale to make money to carry on a not-for-profit purpose; and

(C) did not make more than one hundred thousand dollars (\$100,000) in sales in the current calendar year or the previous calendar year.

(2) The organization:

(A) is described in section 25(a)(1)(D)(iv) through 25(a)(1)(D)(viii) of this chapter; or

(B) is a youth organization focused on agriculture.

Once sales of an organization that meets the qualifications under subdivision (1), but does not meet the qualifications under subdivision (2), exceed the amount described in subdivision (1), the organization is required to collect state gross retail tax on sales on an ongoing basis for the remainder of the calendar year and each calendar year thereafter until the organization makes less than one hundred thousand dollars (\$100,000) in sales for two (2) consecutive years.

(b) For purposes of subsection (a), the sales of an organization include sales made by all units operating under the organization's registration pursuant to section 25(c) of this chapter.

(c) If the qualifications of subsection (a) are not met, sales of tangible personal property **or services** by an organization described in section 25(a)(1) of this chapter are exempt from the state gross retail tax, if:

(1) the organization is not operated predominantly for social purposes;

(2) the property **or service** sold is designed and intended primarily either for the organization's educational, cultural, or religious purposes, or for improvement of the work skills or professional qualifications of the organization's members; and

(3) the property **or service** sold is not designed or intended primarily for use in carrying on a private or proprietary business.

(d) Sales of tangible personal property by a public library, or a charitable organization described in section 25(a)(1) of this chapter formed to support a public library, are exempt from the state gross retail tax if the property sold consists of:

(1) items in the library's circulated and publicly available



collections, including items from the library's holdings; or  
 (2) items that would typically be included in the library's  
 circulated and publicly available collections and that are donated  
 by individuals or organizations to a public library or to a  
 charitable organization described in section 25(a)(1) of this  
 chapter formed to support a public library.

The exemption provided by this subsection does not apply to any other  
 sales of tangible personal property by a public library.

(e) The exemption provided by this section does not apply to an  
 accredited college or university's sales of books, stationery,  
 haberdashery, supplies, or other property **or noneducational services.**

(f) To obtain the exemption provided by this section, a taxpayer  
 must follow the procedures set forth in section 25(c) of this chapter.

SECTION 43. IC 6-2.5-5-33 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 33. Sales of tangible  
 personal property **or services** purchased with food stamps are exempt  
 from the state gross retail tax.

SECTION 44. IC 6-2.5-5-59 IS ADDED TO THE INDIANA CODE  
 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 1, 2027]: **Sec. 59. Transactions involving the provision of an  
 educational service classified under NAICS code 61 are exempt  
 from the state gross retail tax.**

SECTION 45. IC 6-2.5-5-60 IS ADDED TO THE INDIANA CODE  
 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 1, 2027]: **Sec. 60. Transactions involving the provision of a health  
 care and social assistance service classified under NAICS code 62  
 are exempt from the state gross retail tax.**

SECTION 46. IC 6-2.5-5-61 IS ADDED TO THE INDIANA CODE  
 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 1, 2027]: **Sec. 61. Transactions involving the leasing or rental of  
 real property for at least thirty (30) consecutive days are exempt  
 from the state gross retail tax.**

SECTION 47. IC 6-2.5-5-62 IS ADDED TO THE INDIANA CODE  
 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 1, 2027]: **Sec. 62. Transactions involving labor furnished to a  
 person by the person's employee are exempt from the state gross  
 retail tax.**

SECTION 48. IC 6-2.5-6-9, AS AMENDED BY P.L.109-2015,  
 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2027]: Sec. 9. (a) In determining the amount of state gross  
 retail and use taxes which a retail merchant must remit under section  
 7 of this chapter, the retail merchant shall, subject to subsections (c)



and (d), deduct from the retail merchant's gross retail income from retail transactions made during a particular reporting period, an amount equal to the retail merchant's receivables which:

- (1) resulted from retail transactions in which the retail merchant did not collect the state gross retail or use tax from the purchaser;
- (2) resulted from retail transactions on which the retail merchant has previously paid the state gross retail or use tax liability to the department; and
- (3) were written off as an uncollectible debt for federal tax purposes under Section 166 of the Internal Revenue Code during the particular reporting period.

(b) If a retail merchant deducts a receivable under subsection (a) and subsequently collects all or part of that receivable, then the retail merchant shall, subject to subsection (d)(6), include the amount collected as part of the retail merchant's gross retail income from retail transactions for the particular reporting period in which the retail merchant makes the collection.

(c) This subsection applies only to retail transactions occurring after December 31, 2006. As used in this subsection, "affiliated group" means any combination of the following:

- (1) An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) or a relationship described in Section 267(b)(11) of the Internal Revenue Code.
- (2) Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under the rules adopted by the department.

The right to a deduction under this section is not assignable to an individual or entity that is not part of the same affiliated group as the assignor.

(d) The following provisions apply to a deduction for a receivable treated as uncollectible debt under subsection (a):

- (1) The deduction does not include interest.
- (2) The amount of the deduction shall be determined in the manner provided by Section 166 of the Internal Revenue Code for bad debts but shall be adjusted to exclude:
  - (A) financing charges or interest;
  - (B) sales or use taxes charged on the purchase price;



- 1 (C) uncollectible amounts on property that remain in the  
 2 possession of the seller **or a service that is not delivered** until  
 3 the full purchase price is paid;  
 4 (D) expenses incurred in attempting to collect any debt; and  
 5 (E) repossessed property.
- 6 (3) The deduction shall be claimed on the return for the period  
 7 during which the receivable is written off as uncollectible in the  
 8 claimant's books and records and is eligible to be deducted for  
 9 federal income tax purposes. For purposes of this subdivision, a  
 10 claimant who is not required to file federal income tax returns  
 11 may deduct an uncollectible receivable on a return filed for the  
 12 period in which the receivable is written off as uncollectible in the  
 13 claimant's books and records and would be eligible for a bad debt  
 14 deduction for federal income tax purposes if the claimant were  
 15 required to file a federal income tax return.
- 16 (4) If the amount of uncollectible receivables claimed as a  
 17 deduction by a retail merchant for a particular reporting period  
 18 exceeds the amount of the retail merchant's taxable sales for that  
 19 reporting period, the retail merchant may file a refund claim  
 20 under IC 6-8.1-9. However, the deadline for the refund claim shall  
 21 be measured from the due date of the return for the reporting  
 22 period on which the deduction for the uncollectible receivables  
 23 could first be claimed.
- 24 (5) If a retail merchant's filing responsibilities have been assumed  
 25 by a certified service provider (as defined in IC 6-2.5-11-2), the  
 26 certified service provider may claim, on behalf of the retail  
 27 merchant, any deduction or refund for uncollectible receivables  
 28 provided by this section. The certified service provider must  
 29 credit or refund the full amount of any deduction or refund  
 30 received to the retail merchant.
- 31 (6) For purposes of reporting a payment received on a previously  
 32 claimed uncollectible receivable, any payments made on a debt or  
 33 account shall be applied first proportionally to the taxable price  
 34 of the property **or service** and the state gross retail tax or use tax  
 35 thereon, and secondly to interest, service charges, and any other  
 36 charges.
- 37 (7) A retail merchant claiming a deduction for an uncollectible  
 38 receivable may allocate that receivable among the states that are  
 39 members of the streamlined sales and use tax agreement if the  
 40 books and records of the retail merchant support that allocation.
- 41 SECTION 49. IC 6-2.5-8-4 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. (a) An organization



1 exempt from the state gross retail tax under IC 6-2.5-5-21,  
 2 IC 6-2.5-5-25, or IC 6-2.5-5-26 may register with the department as a  
 3 purchaser of property **or services** in exempt transactions. An exempt  
 4 organization wishing to register must file an application listing its  
 5 principal location, but the organization is not required to pay the fee.

6 (b) Upon receiving the application, the department may issue an  
 7 exempt organization certificate containing a serial number and the  
 8 principal location of the exempt organization.

9 SECTION 50. IC 6-2.5-10-1, AS AMENDED BY P.L.201-2023,  
 10 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2027]: Sec. 1. (a) The department shall account for all state  
 12 gross retail and use taxes that it collects.

13 (b) Of all the state gross retail and use taxes that the department  
 14 collects, the department shall determine separately the parts that:

15 (1) the department collects under IC 6-2.5-3.5 (gasoline use tax);

16 **(2) the department collects under this article that are**  
 17 **attributable to a retail transaction for a service; and**

18 ~~(2) (3) the department collects under this article, less the amount~~  
 19 ~~amounts described in subdivision (1).~~ **subdivisions (1) and (2).**

20 (c) The department shall deposit the collections described in  
 21 subsection (b)(1) in the following manner:

22 (1) For state fiscal year 2017, the following:

23 (A) Fourteen and two hundred eighty-six thousandths percent  
 24 (14.286%) of the collections shall be deposited in the motor  
 25 vehicle highway account established under IC 8-14-1.

26 (B) Eighty-five and seven hundred fourteen thousandths  
 27 percent (85.714%) to the state general fund.

28 (2) For state fiscal year 2018, the following:

29 (A) Fourteen and two hundred eighty-six thousandths percent  
 30 (14.286%) of the collections shall be deposited in the motor  
 31 vehicle highway account established under IC 8-14-1.

32 (B) Fourteen and two hundred eighty-six thousandths percent  
 33 (14.286%) of the collections shall be deposited in the local  
 34 road and bridge matching grant fund established under  
 35 IC 8-23-30.

36 (C) Seventy-one and four hundred twenty-eight thousandths  
 37 percent (71.428%) to the state general fund.

38 (3) For state fiscal year 2019, the following:

39 (A) Fourteen and two hundred eighty-six thousandths percent  
 40 (14.286%) of the collections shall be deposited in the motor  
 41 vehicle highway account established under IC 8-14-1.

42 (B) Twenty-one and four hundred twenty-nine thousandths



- 1 percent (21.429%) of the collections shall be deposited in the
- 2 local road and bridge matching grant fund established under
- 3 IC 8-23-30.
- 4 (C) Sixty-four and two hundred eighty-five thousandths
- 5 percent (64.285%) shall be deposited in the state general fund.
- 6 (4) For state fiscal year 2020 and for each state fiscal year
- 7 thereafter, the following:
- 8 (A) Fourteen and two hundred eighty-six thousandths percent
- 9 (14.286%) of the collections shall be deposited in the motor
- 10 vehicle highway account established under IC 8-14-1.
- 11 (B) Twenty-one and four hundred twenty-nine thousandths
- 12 percent (21.429%) of the collections shall be deposited in the
- 13 local road and bridge matching grant fund established under
- 14 IC 8-23-30.
- 15 (C) The following shall be deposited in the state general fund:
- 16 (i) For state fiscal year 2020, fifty-three and five hundred
- 17 seventy-five thousandths percent (53.575%) shall be
- 18 deposited in the state general fund.
- 19 (ii) For state fiscal year 2021, forty-two and eight hundred
- 20 sixty-five thousandths percent (42.865%) shall be deposited
- 21 in the state general fund.
- 22 (iii) For state fiscal year 2022, thirty-two and one hundred
- 23 fifty-five thousandths percent (32.155%) shall be deposited
- 24 in the state general fund.
- 25 (iv) For state fiscal year 2023, twenty-one and four hundred
- 26 forty-five thousandths percent (21.445%) shall be deposited
- 27 in the state general fund.
- 28 (D) The following shall be deposited in the special
- 29 transportation flexibility fund established by IC 4-12-16.5-2:
- 30 (i) For state fiscal year 2020, eight and five hundred
- 31 sixty-eight thousandths percent (8.568%) of the collections
- 32 shall be deposited in the special transportation flexibility
- 33 fund established by IC 4-12-16.5-2.
- 34 (ii) For state fiscal year 2021, twelve and eight hundred
- 35 fifty-two thousandths percent (12.852%) of the collections
- 36 shall be deposited in the special transportation flexibility
- 37 fund established by IC 4-12-16.5-2.
- 38 (iii) For state fiscal year 2022, twelve and eight hundred
- 39 fifty-two thousandths percent (12.852%) of the collections
- 40 shall be deposited in the special transportation flexibility
- 41 fund established by IC 4-12-16.5-2.
- 42 (iv) For state fiscal year 2023, eight and five hundred



sixty-eight thousands percent (8.568%) of the collections shall be deposited in the special transportation flexibility fund established by IC 4-12-16.5-2.

(E) The following shall be deposited in the state highway fund:

(i) For state fiscal year 2020, two and one hundred forty-two thousandths percent (2.142%) of the collections shall be deposited in the state highway fund.

(ii) For state fiscal year 2021, eight and five hundred sixty-eight thousandths percent (8.568%) of the collections shall be deposited in the state highway fund.

(iii) For state fiscal year 2022, nineteen and two hundred seventy-eight thousandths percent (19.278%) of the collections shall be deposited in the state highway fund.

(iv) For state fiscal year 2023, thirty-four and two hundred seventy-two thousandths percent (34.272%) of the collections shall be deposited in the state highway fund.

(v) For state fiscal year 2024 and for each state fiscal year thereafter, sixty-four and two hundred eighty-five thousandths percent (64.285%) of the collections shall be deposited in the state highway fund.

(d) The department shall deposit those collections described in subsection ~~(b)(2)~~ **(b)(3)** in the following manner:

(1) Ninety-nine and eight hundred thirty-eight thousandths percent (99.838%) of the collections shall be paid into the state general fund.

(2) Thirty-one thousandths of one percent (0.031%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(3) One hundred thirty-one thousandths of one percent (0.131%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

**(e) The department shall deposit the collections described in subsection (b)(2) into the local revenue sharing fund established by IC 6-1.2-3-2.**

SECTION 51. IC 6-3.6-5-1, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. **(a) Except as provided in subsection (b),** an adopting body may impose a tax under section 6 of this chapter on the adjusted gross income of local taxpayers in the county served by the adopting body.

**(b) Notwithstanding any other law, the portion of revenue received from any tax imposed on the adjusted gross income of**



**local taxpayers for purposes of property tax relief under this chapter, IC 6-3.6-7, or any other law, may not be distributed for purposes of property tax relief under this chapter or any other law after December 31, 2027.**

SECTION 52. IC 6-3.6-6-3.1, AS ADDED BY P.L.68-2025, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) As used in this section, "homestead" has the meaning set forth in IC 6-1.1-12-37.

(b) A county fiscal body may adopt an ordinance to impose a tax rate for the purpose of funding property tax homestead credits to reduce the property tax liability of taxpayers who own homesteads that are:

- (1) located in the county; and
- (2) eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to one percent (1%).

Revenue collected from a tax rate imposed under this section may only be used to fund replacement of the county's property tax levy. Property taxes imposed due to a referendum in which a majority of the voters in the taxing unit imposing the property taxes approved the property taxes are not eligible for a credit under this section.

(c) The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed three-tenths of one percent (0.3%).

(d) A tax imposed under this section shall be treated as property taxes for all purposes. However, the department of local government finance may not reduce:

- (1) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or
- (2) the approved property tax levy or rate for any fund;

by the amount of any credits granted under this chapter.

(e) The homestead credits shall be applied to the net property taxes due on the homestead after the application of any credit granted under IC 6-1.1, including any credit granted under IC 6-1.1-20.4 and IC 6-1.1-20.6.

(f) The property tax credits must be applied uniformly to provide a homestead credit for homesteads in the county.

(g) The county auditor shall allocate the amount of revenue applied as tax credits under this section to the taxing units that imposed the eligible property taxes against which the credits are applied.

(h) The department of local government finance shall assist county fiscal bodies and county auditors in calculating credit percentages and amounts.



(i) Notwithstanding any provision to the contrary in this chapter, a tax imposed under this section:

(1) may be imposed on the adjusted gross income of taxpayers before January 1, ~~2028~~; **2027**; and

(2) terminates and may not be imposed on the adjusted gross income of taxpayers after December 31, ~~2027~~; **2026**.

(j) This section expires January 1, ~~2028~~; **2027**.

SECTION 53. IC 6-8.1-3-30 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 30. The department shall post:**

(1) **a notice received from the treasurer of state under IC 6-1.2-6-3; and**

(2) **any resulting change in the state gross retail tax rate imposed on services under IC 6-2.5-2-2(d);**

**on the department's website.**

SECTION 54. IC 8-22-3.5-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. Notwithstanding any other law:**

(1) **no airport development zone or allocation area may be established, amended, or renewed; and**

(2) **no bonds, leases, or other obligations may be issued, entered into, or extended for an airport development zone or allocation area;**

**under this chapter after May 9, 2026.**

SECTION 55. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this section, "charter school" does not include a virtual charter school or an adult high school.

(b) This chapter does not apply to the following:

(1) A school building that since July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

(2) A school corporation to which all of the following apply:

(A) The county auditor distributes revenue after May 10, 2023, as required under IC 20-46-1-21 ~~or IC 20-46-1-22~~ to each eligible charter school.

(B) If the school corporation listed in IC 20-46-9-22 receives revenue from a school safety referendum tax levy under



1 IC 20-46-9, the county auditor distributes revenue after May  
 2 10, 2023, as required under IC 20-46-9-22 to each charter  
 3 school described in IC 20-46-9-22(b).  
 4 The above subdivisions are intended to apply retroactively. No  
 5 referendums or distributed revenue prior to May 10, 2023, are  
 6 effective to provide exemption from this chapter.  
 7 (3) A school corporation to which all of the following apply:  
 8 (A) The school corporation approves a resolution after May  
 9 10, 2023, to impose an operating referendum tax levy under  
 10 IC 20-46-1 after May 10, 2023, that includes sharing the  
 11 revenue from the referendum tax levy in the amounts  
 12 described in clause (B) with each charter school that:  
 13 (i) a student who resides within the attendance area of the  
 14 school corporation attends; and  
 15 (ii) elects to participate in the referendum.  
 16 The above subdivisions are intended to apply retroactively. No  
 17 resolutions, referendums, or distributed revenue prior to May 10,  
 18 2023, are effective to provide exemption from this chapter.  
 19 (B) The amount of referendum tax levy revenue that the school  
 20 corporation is required to share with each charter school under  
 21 the resolution described in clause (A) is equal to the amount  
 22 determined applying the applicable formula under  
 23 IC 20-46-1-21. ~~or IC 20-46-1-22.~~  
 24 (C) The referendum tax levy described in clause (A) is  
 25 approved by the voters.  
 26 (D) The school corporation distributes the amounts described  
 27 in clause (B) to each charter school described in clause (A).  
 28 (E) If the school corporation receives revenue from a school  
 29 safety referendum tax levy under IC 20-46-9, the school  
 30 corporation shares the revenue from the school safety  
 31 referendum tax levy with each charter school that:  
 32 (i) a student who resides within the attendance area of the  
 33 school corporation attends; and  
 34 (ii) elects to participate in the referendum;  
 35 in an amount equal to the amount determined applying the  
 36 formula under IC 20-46-9-22(d).  
 37 (c) In order for any payment to a charter school to qualify as sharing  
 38 of proceeds from a referendum for purposes of exemption from  
 39 IC 20-26-7.1, the referendum must have been passed with prior notice  
 40 to voters of all amounts of referendum proceeds to be paid to charter  
 41 schools. Any claim of exemption based on payment of proceeds from  
 42 a referendum passed without such notice is void.



SECTION 56. IC 20-46-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Notwithstanding any other law, after May 9, 2026, the governing body of a school corporation may not adopt a resolution to impose an operating referendum levy under section 8 or 8.5 of this chapter.**

**(b) Notwithstanding any other law, after December 31, 2027, no operating referendum tax levy may imposed under this chapter.**

SECTION 57. IC 20-46-1-8, AS AMENDED BY P.L.68-2025, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a)** Subject to subsections (b), (e), and (f) and this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for any of the following purposes:

(1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.

(2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.

(b) A resolution for a referendum described in

(+) section 21 of this chapter ~~or~~

(2) ~~section 22 of this chapter;~~

shall specify that a portion of the proceeds collected from the proposed levy will be distributed to applicable charter schools in the manner described under this chapter.

(c) The governing body of the school corporation shall certify a copy of the resolution to place a referendum on the ballot to the following:

(1) The department of local government finance, including:

(A) the language for the question required by section 10 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance after March 15, 2016, section 10.1 of this chapter; and

(B) a copy of the revenue spending plan adopted under subsection (f).

The governing body of the school corporation shall also provide the county auditor's certification described in section 10(e) or 10.1(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county



auditor to the department's website. The department shall review the language for compliance with section 10 or 10.1 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after the resolution is submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

(2) The county fiscal body of each county in which the school corporation is located (for informational purposes only).

(3) The circuit court clerk of each county in which the school corporation is located.

(d) If a school safety referendum tax levy under IC 20-46-9 has been approved by the voters in a school corporation at any time in the previous three (3) years, the school corporation may not:

(1) adopt a resolution to place a referendum under this chapter on the ballot; or

(2) otherwise place a referendum under this chapter on the ballot.

(e) This subsection applies to a resolution described in section 21 or 22 of this chapter. Not later than sixty (60) days before the resolution is voted on by the governing body, the school corporation shall contact the department to determine the following:

(1) In the case of a resolution described in section 22 of this chapter, whether the school corporation is exempt from revenue sharing requirements under section 22(a)(2) of this chapter. If the school corporation is determined to be exempt, the department shall notify the school corporation, and the school corporation is not required to contact charter schools concerning participation under subsection (h); shall exclude distributions to charter schools under section 22 of this chapter, and shall exclude charter schools from the projection described in this subsection.

(2) If the school corporation is not determined to be exempt from revenue sharing requirements under subdivision (1), the number of students in kindergarten through grade 12 who:

(A) (1) have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools; and

(B) (2) receive not more than fifty percent (50%) virtual instruction.

Not later than ten (10) days after receiving the request, the department shall provide the school corporation with the requested information,



1 which shall be disaggregated for each particular charter school. Subject  
 2 to subsection (h), the resolution shall include a projection of the  
 3 amount that the school corporation expects, based on the information  
 4 provided by the department under this subsection, to be distributed to  
 5 a particular charter school under section 21 ~~or 22~~ of this chapter.

6 (f) As part of the resolution described in subsection (a), the  
 7 governing body of the school corporation shall adopt a revenue  
 8 spending plan for the proposed referendum tax levy that includes:

- 9 (1) an estimate of the amount of annual revenue expected to be  
 10 collected if a levy is imposed under this chapter;
- 11 (2) the specific purposes for which the revenue collected from a  
 12 levy imposed under this chapter will be used;
- 13 (3) an estimate of the annual dollar amounts that will be expended  
 14 for each purpose described in subdivision (2); and
- 15 (4) for a resolution for a referendum that is described in section  
 16 21 ~~or 22~~ of this chapter, the projected revenue that shall be  
 17 distributed to charter schools. The revenue spending plan shall  
 18 also take into consideration deviations in the proposed revenue  
 19 spending plan if the actual charter school distributions exceed or  
 20 are lower than the projected charter school distributions described  
 21 in subsection (e). The resolution shall include for each charter  
 22 school that elects to participate under subsection (h) information  
 23 described in subdivisions (1) through (3).

24 (g) A school corporation shall specify in its proposed budget the  
 25 school corporation's revenue spending plan adopted under subsection  
 26 (f) and annually present the revenue spending plan at its public hearing  
 27 on the proposed budget under IC 6-1.1-17-3.

28 (h) This subsection applies to a resolution described in section 21  
 29 ~~or 22~~ of this chapter. Except as provided in subsection (e), not later  
 30 than forty-five (45) days before the resolution is voted on by the  
 31 governing body, the school corporation shall contact each charter  
 32 school disclosed by the department to the school corporation under  
 33 subsection (e) to determine whether the charter school will,

- 34 (1) in the case of a resolution described in section 21 of this  
 35 chapter, elect to participate ~~or~~
- 36 (2) ~~in the case of a resolution described in section 22 of this~~  
 37 ~~chapter, elect to not participate;~~

38 in the referendum. The notice must include the total amount of the  
 39 school corporation's expected need, the corresponding estimate for that  
 40 amount divided by the number of students enrolled in the school  
 41 corporation, and the date on which the governing body of the school  
 42 corporation will vote on the resolution. Not later than thirty (30) days



1 prior to the date that the resolution is to be voted on by the governing  
 2 body, the charter school must respond in writing to the school  
 3 corporation and to the department, which may be by electronic mail,  
 4 and, in the case of the school corporation, addressed to the  
 5 superintendent of the school corporation. A charter school that elects  
 6 to not participate in the referendum may not subsequently change that  
 7 election during the term of the referendum.

8 (i) If a charter school will not participate in the referendum, the  
 9 school corporation shall exclude distributions to the charter school  
 10 under this chapter and from the projection described in subsection (e).  
 11 If a charter school will participate in the referendum, the charter  
 12 school:

13 (1) must be included in the projection described in subsection (e);  
 14 and

15 (2) shall contribute a proportionate share of the cost to conduct  
 16 the referendum based on the total combined ADM of the school  
 17 corporation and any participating charter schools.

18 (j) This subsection applies to a resolution described in section 21 ~~or~~  
 19 ~~22~~ of this chapter. At least thirty (30) days before the referendum  
 20 submitted to the voters under this chapter is voted on by the public in  
 21 a general election, the school corporation that is pursuing the  
 22 referendum and any charter school that will participate under  
 23 subsection (h) shall post a referendum disclosure statement on each  
 24 school's respective website that contains the following information:

25 (1) The salaries by position within the school corporation or  
 26 charter school listed from highest salary to lowest salary and a  
 27 link to Gateway Indiana for access to individual salaries.

28 (2) An acknowledgment that the school corporation or charter  
 29 school is not committing any crime described in IC 35-44.1-1.

30 (3) A link to the school corporation's or charter school's most  
 31 recent state board of accounts audit on the state board of accounts'  
 32 website.

33 (4) The current enrollment of the school corporation or charter  
 34 school disaggregated by student group and race.

35 (5) The school corporation's or charter school's high school  
 36 graduation rate.

37 (6) The school corporation's or charter school's annual retention  
 38 rate for teachers for the previous five (5) years.

39 (k) Not later than July 15, 2025, the department of education shall  
 40 prescribe the manner in which a projection described in subsection (e)  
 41 shall be calculated.

42 (l) A charter school that begins operations after a resolution under



1 this section or section 8.5 of this chapter is voted on by the governing  
 2 body for a particular referendum may not receive an option to elect to  
 3 participate in that referendum during the term of that referendum.

4 SECTION 58. IC 20-46-1-8.5, AS AMENDED BY P.L.68-2025,  
 5 SECTION 216, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE UPON PASSAGE]: Sec. 8.5. (a) A resolution to extend  
 7 a referendum levy must be:

8 (1) adopted by the governing body of a school corporation; and

9 (2) approved in a referendum under this chapter;

10 before December 31 of the final calendar year in which the school  
 11 corporation's previously approved referendum levy is imposed under  
 12 this chapter.

13 (b) For a resolution described in section 21 ~~or 22~~ of this chapter that  
 14 is adopted under this section, the resolution must include the projected  
 15 charter school distributions described in section 8(e) of this chapter and  
 16 indicate the distributions to applicable charter schools in accordance  
 17 with this chapter.

18 SECTION 59. IC 20-46-1-21, AS AMENDED BY P.L.68-2025,  
 19 SECTION 221, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) **Subject to section 0.5**  
 21 **of this chapter**, this section

22 ~~(1) except as provided in subdivision (2);~~ applies to revenue  
 23 received from a resolution that is approved by the governing body  
 24 to impose a referendum levy under section 8 or 8.5 of this chapter  
 25 after May 10, 2023, for a school corporation located in:

26 ~~(A) (1)~~ Lake County;

27 ~~(B) (2)~~ Marion County;

28 ~~(C) (3)~~ St. Joseph County; or

29 ~~(D) (4)~~ Vanderburgh County.

30 ~~through the full term of the referendum levy; and~~

31 ~~(2) does not apply to revenue received from a referendum levy if:~~

32 ~~(A) the governing body of the school corporation approves the~~  
 33 ~~referendum levy in a resolution adopted under section 8 or 8.5~~  
 34 ~~of this chapter; and~~

35 ~~(B) the referendum levy is imposed for the first time with~~  
 36 ~~property taxes first due and payable in a calendar year~~  
 37 ~~beginning after December 31, 2027.~~

38 (b) Subject to subsections (f) and (h), the county auditor in the  
 39 county in which the school corporation is located shall distribute an  
 40 amount of revenue as provided under subsection (e) from the revenue  
 41 collected from a tax levy imposed under this chapter by a school  
 42 corporation that is attributable to the territory of the school corporation



that is located within the boundaries of a county listed in subsection (a)(1) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school elects to participate in the referendum under section 8(h) of this chapter.

(c) The department shall provide the county auditor with data and information necessary for the county auditor to determine:

(1) which charter schools are eligible to receive a distribution under this section; and

(2) the number of students who:

(A) reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1); and

(B) receive not more than fifty percent (50%) virtual instruction.

(d) The following schools are not eligible to receive a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

(e) For the purposes of the calculations made in this subsection, each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school and receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

(A) the current ADM count for the school corporation; plus

(B) total number of all students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, and receive not more than fifty percent (50%) virtual instruction, excluding virtual charter schools or adult high schools.

STEP THREE: Determine the result of:



- 1 (A) the STEP ONE amount; divided by
- 2 (B) the STEP TWO amount.
- 3 STEP FOUR: Determine the result of:
- 4 (A) the sum of:
- 5 (i) the STEP THREE amount; plus
- 6 (ii) any amount withheld in the previous year under
- 7 subsection (i); multiplied by
- 8 (B) the amount collected by the county auditor during the most
- 9 recent installment period that is attributable to the territory of
- 10 the school corporation that is located within the boundaries of
- 11 a county listed in subsection (a).
- 12 (f) A charter school is not eligible for a distribution under this
- 13 section from property tax revenue collected from a particular
- 14 referendum levy if the charter school does not have a certified fall
- 15 ADM count in the calendar year immediately preceding the calendar
- 16 year in which the public question for the referendum appears on the
- 17 ballot.
- 18 (g) Not later than August 15, 2025, and not later than August 15 of
- 19 each calendar year thereafter, the department shall provide to each
- 20 school corporation and eligible charter school an estimate of the
- 21 amount of property tax levy revenue the school corporation and charter
- 22 school are expected to receive under this section in the subsequent
- 23 calendar year based on the most recent fall ADM count.
- 24 (h) This subsection applies beginning with distributions of property
- 25 tax revenue under this section in 2026 and thereafter. In order to
- 26 receive a distribution under this section, the governing body of a
- 27 charter school shall, not later than October 15, 2025, and not later than
- 28 October 15 of each calendar year thereafter, adopt a budget for the
- 29 current school year. Not later than ten (10) days before its adoption, the
- 30 budget must be fixed and presented to the charter board in a public
- 31 meeting in the county in which the charter school is incorporated. Not
- 32 later than November 1, 2025, and not later than November 1 of each
- 33 calendar year thereafter, the governing body of the charter school shall
- 34 submit:
- 35 (1) the budget that is adopted under this subsection;
- 36 (2) the dates on which each requirement under this subsection
- 37 were met; and
- 38 (3) a statement from the governing body of the charter school
- 39 attesting that the dates provided in subdivision (2) are true and
- 40 accurate and that the budget was properly adopted under this
- 41 subsection;
- 42 to the charter authorizer for review and to the department of local



government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(i) If a charter school does not satisfy the requirements of subsection (h) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (h). Any distribution amount withheld under this subsection shall be:

(1) added to the property tax revenue collections as described in STEP TWO of subsection (e); and

(2) distributed among the school corporation and remaining charter schools according to subsection (e);  
in the calendar year that immediately follows the calendar year in which the distribution amount was withheld.

SECTION 60. IC 20-46-1-22 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 22: (a) This section applies to revenue received from a referendum levy if both of the following apply:

(1) The:

(A) governing body of the school corporation approves the referendum levy in a resolution adopted under section 8 or 8.5 of this chapter; and

(B) resulting referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(2) The number of students who have legal settlement in the school corporation but attend a charter school; excluding virtual charter schools and adult high schools; and receive not more than fifty percent (50%) virtual instruction is at least the greater of:

(A) one hundred (100) students; or

(B) two percent (2%) of the school corporation's spring ADM count; excluding students who receive more than fifty percent (50%) virtual instruction.

(b) As used in this section, "eligible charter school" means a charter school attended by a student who:

(1) has legal settlement in a school corporation that imposes a referendum levy under this chapter; and

(2) receives not more than fifty percent (50%) virtual instruction.

However, the term does not include a virtual charter school or an adult



1 high school:

2 (c) The following schools are not eligible to receive, and may not be  
3 considered in a calculation made for purposes of, a distribution under  
4 this section:

5 (1) A virtual charter school:

6 (2) An adult high school:

7 (d) Subject to subsections (j) and (l), the county auditor in the  
8 county in which the school corporation is located shall distribute to  
9 each eligible charter school, in the manner provided under this section,  
10 an amount of revenue received from a tax levy imposed by a school  
11 corporation under this chapter unless the charter school elects to not  
12 participate in the referendum under section 8(h) of this chapter:

13 (e) For the purposes of the calculations made in this section, each  
14 eligible charter school that has entered into an agreement with a school  
15 corporation to participate as a participating innovation network charter  
16 school under IC 20-25.7-5 is considered to have an ADM that is  
17 separate from the school corporation:

18 (f) Not later than January 1, 2028, and not later than January 1 of  
19 each year thereafter, the department, in consultation with the  
20 department of local government finance, shall determine, for each  
21 school corporation, the corresponding percentages of revenue received  
22 from the tax levy that must be distributed among the school corporation  
23 and each eligible charter school according to the following formula:

24 STEP ONE: Determine, for each eligible charter school, the  
25 number of students who:

26 (A) have legal settlement within the school corporation;

27 (B) are currently included in the fall ADM count for the  
28 charter school; and

29 (C) receive not more than fifty percent (50%) virtual  
30 instruction:

31 STEP TWO: Determine the sum of:

32 (A) the aggregate of the STEP ONE results for all eligible  
33 charter schools with respect to the school corporation; plus

34 (B) the fall ADM count for the school corporation for students  
35 receiving not more than fifty percent (50%) virtual instruction:

36 STEP THREE: For each eligible charter school, determine the  
37 result of:

38 (A) the applicable STEP ONE amount; divided by

39 (B) the STEP TWO amount;

40 expressed as a percentage:

41 STEP FOUR: Determine the sum of all the amounts computed  
42 under STEP THREE and subtract the result from one hundred



percent (100%):

(g) The department shall provide to the county auditor, immediately after calculation under subsection (g):

(1) each eligible charter school and the eligible charter school's corresponding percentage calculated under STEP THREE of subsection (f); and

(2) the percentage calculated under STEP FOUR of subsection (f) for the school corporation:

(h) Subject to subsections (k) and (m); when the county auditor distributes property tax revenue; the county auditor shall distribute to the school corporation and each eligible charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the amount collected in the most recent installment period by the school corporation from the school corporation's referendum levy imposed under this chapter:

STEP TWO: To determine the distribution for the school corporation and each eligible charter school; determine the result of:

(A) the sum of:

(i) the STEP ONE result; plus

(ii) any amount withheld in the previous year under subsection (k); multiplied by

(B) the following percentage:

(i) In the case of an eligible charter school; the charter school's percentage under STEP THREE of subsection (f):

(ii) In the case of the school corporation; the school corporation's percentage under STEP FOUR of subsection (f):

(i) Not later than August 15, 2027; and not later than August 15 of each calendar year thereafter; the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and eligible charter school are expected to receive under this section in the subsequent calendar year based on the most recent fall ADM count:

(j) This subsection applies beginning with distributions of property tax revenue under this section in 2028 and thereafter. In order to receive a distribution under this section; the governing body of an eligible charter school shall; not later than October 15, 2027; and not later than October 15 of each calendar year thereafter; adopt a budget for the current school year. Not later than ten (10) days before its adoption; the budget must be fixed and presented to the charter board in a public meeting in the county in which the eligible charter school



1 is incorporated. Not later than November 1, 2027; and not later than  
 2 November 1 of each calendar year thereafter; the governing body of the  
 3 charter school shall submit:

4 (1) the budget that is adopted under this subsection;

5 (2) the dates on which each requirement under this subsection  
 6 were met; and

7 (3) a statement from the governing body of the charter school  
 8 attesting that the dates provided in subdivision (2) are true and  
 9 accurate and that the budget was properly adopted under this  
 10 subsection;

11 to the charter authorizer for review and to the department of local  
 12 government finance to be posted publicly on the computer gateway  
 13 under IC 6-1.1-17-3.

14 (k) If an eligible charter school does not satisfy the requirements of  
 15 subsection (j) to receive distributions under this section during a  
 16 calendar year; as determined by the department of local government  
 17 finance; the eligible charter school may not receive a distribution of  
 18 property tax revenue in that calendar year and the county auditor shall  
 19 withhold the eligible charter school's distribution amount. The  
 20 department of local government finance's determination of compliance  
 21 consists only of a confirmation that the adopted budget and attestation  
 22 statement are submitted not later than the applicable date under  
 23 subsection (j). Any distribution amount withheld under this subsection  
 24 shall be:

25 (1) added to the property tax revenue collections as described in  
 26 STEP TWO of subsection (h); and

27 (2) distributed among the school corporation and eligible charter  
 28 schools according to subsection (h);

29 in the calendar year that immediately follows the calendar year in  
 30 which the distribution amount was withheld.

31 (l) A charter school is not eligible for a distribution under this  
 32 section from property tax revenue collected from a particular  
 33 referendum levy if the charter school does not have a certified fall  
 34 ADM count in the calendar year immediately preceding the calendar  
 35 year in which the public question for the referendum appears on the  
 36 ballot.

37 SECTION 61. IC 20-46-1-23, AS ADDED BY P.L.230-2025,  
 38 SECTION 133, IS AMENDED TO READ AS FOLLOWS  
 39 [EFFECTIVE UPON PASSAGE]: Sec. 23. **Subject to section 0.5 of**  
 40 **this chapter, but** notwithstanding any other provision of this chapter  
 41 or any other law to the contrary, including any amendments made to  
 42 this chapter and IC 3-10-9-3 in the 2025 regular session of the general



assembly, the governing body of a school corporation that adopts a resolution to place a referendum on the ballot under section 8 of this chapter on or before June 30, 2025, is eligible to place the referendum question on the ballot in an election held in the fall of calendar year 2025.

SECTION 62. IC 20-46-7-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. Notwithstanding any other law, after December 31, 2027, a property tax levy may not be imposed under this chapter.**

SECTION 63. IC 20-46-7-4, AS AMENDED BY P.L.169-2017, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Before January 1, 2027**, the governing body of each school corporation shall establish a levy in every calendar year sufficient to pay all obligations.

(b) This subsection applies to a school corporation that consolidates under IC 20-23-6-12.5. The governing body shall establish a levy for each subunit (as defined in IC 20-23-6-0.5) in each calendar year sufficient to pay the debts and obligations that the particular subunit incurred before consolidating with one (1) or more school corporations under IC 20-23-6-12.5.

SECTION 64. IC 20-46-8-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. Notwithstanding any other law, after December 31, 2027, a property tax levy may not be imposed under this chapter.**

SECTION 65. IC 20-46-8-1, AS AMENDED BY P.L.68-2025, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **Before January 1, 2028**, a school corporation may impose an annual property tax levy for its operations fund.

(b) For property taxes first due and payable in 2019, the maximum permissible property tax levy a school corporation may impose for its operations fund (IC 20-40-18) is the following:

STEP ONE: Determine the sum of the following:

(A) The 2018 maximum permissible transportation levy determined under IC 20-46-4 (repealed January 1, 2019).

(B) The 2018 maximum permissible school bus replacement levy determined under IC 20-46-5 (repealed January 1, 2019).

(C) The 2018 amount that would be raised from a capital projects fund tax rate equal to the sum of:

(i) the maximum capital projects fund rate that the school



corporation was authorized to impose for 2018 under IC 20-46-6 (repealed January 1, 2019), after any adjustment under IC 6-1.1-18-12 (but excluding any rate imposed for qualified utility and insurance costs); plus  
(ii) the capital projects fund rate imposed for qualified utility and insurance costs in 2018.

(D) For school corporations described in IC 36-10-13-7, the 2018 levy as provided in section 6 of this chapter (repealed January 1, 2019) to provide funding for an art association.

(E) For a school corporation in a county having a population of more than two hundred fifty thousand (250,000) and less than three hundred thousand (300,000), the 2018 levy as provided in section 7 of this chapter (repealed January 1, 2019) to provide funding for a historical society.

(F) For a school corporation described in IC 36-10-14-1, the 2018 levy as provided in section 8 of this chapter (repealed January 1, 2019) to provide funding for a public playground.

STEP TWO: Determine the product of:

(A) The amount determined in STEP ONE, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to each of these levies for 2018 (regardless of whether the school corporation imposed the entire amount of that maximum permissible levy for the previous year); multiplied by

(B) the maximum levy growth quotient determined under IC 6-1.1-18.5-2.

STEP THREE: Determine the result of the following:

(A) Determine the sum of:

(i) the amount determined in STEP TWO; plus

(ii) the amount granted due to an appeal to increase the levy for transportation for 2019.

(B) Make the school bus replacement adjustment for 2019.

(c) After 2019, the maximum permissible property tax levy a school corporation may impose for its operations fund for a particular year is the following:

STEP ONE: Determine the product of:

(A) the maximum permissible property tax levy for the school corporation's operations fund for the previous year, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the previous year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy



for the previous year); multiplied by

(B) the maximum levy growth quotient determined under IC 6-1.1-18.5-2.

STEP TWO: Determine the result of the following:

(A) Determine the sum of:

(i) the amount determined in STEP ONE; plus

(ii) the amount granted due to an appeal to increase the maximum permissible operations fund levy for the year under section 3 of this chapter for transportation (before its expiration).

(B) Make the school bus replacement adjustment permitted by section 3 of this chapter.

SECTION 66. IC 20-46-8-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 12. (a) This section applies to revenue collected after December 31, 2027, from a tax levy imposed under this chapter only if the number of students who have legal settlement in a school corporation but attend a charter school, excluding virtual charter schools and adult high schools, and receive not more than fifty percent (50%) virtual instruction; is at least the greater of:~~

~~(1) one hundred (100) students; or~~

~~(2) two percent (2%) of the school corporation's spring ADM count, excluding students who receive more than fifty percent (50%) virtual instruction.~~

~~(b) As used in this section, "eligible charter school" means a charter school attended by a student who:~~

~~(1) has legal settlement in a school corporation that imposes a tax levy under this chapter; and~~

~~(2) receives not more than fifty percent (50%) virtual instruction.~~

~~However, the term does not include a virtual charter school or an adult high school.~~

~~(c) The following schools are not eligible to receive, and may not be considered in a calculation made for purposes of, a distribution under this section:~~

~~(1) A virtual charter school.~~

~~(2) An adult high school.~~

~~(d) Beginning in calendar year 2028, and in each calendar year thereafter, and subject to subsection (j), the county auditor shall distribute to each eligible charter school in the manner provided under this section an amount of revenue received from a tax levy imposed by a school corporation under this chapter.~~

~~(e) For the purposes of the calculations made in this section, each eligible charter school that has entered into an agreement with a school~~



corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation.

(f) Not later than January 1, 2028, and not later than January 1 of each year thereafter, the department, in consultation with the department of local government finance, shall determine, for each school corporation, the corresponding percentages of revenue received from the tax levy that must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine, for each eligible charter school, the number of students who:

(A) have legal settlement within the school corporation;

(B) are currently included in the fall ADM count for the charter school; and

(C) receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

(A) the aggregate of the STEP ONE results for all eligible charter schools with respect to the school corporation; plus

(B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP THREE: For each eligible charter school, determine the result of:

(A) the applicable STEP ONE amount; divided by

(B) the STEP TWO amount;

expressed as a percentage.

STEP FOUR: Determine the sum of all the amounts computed under STEP THREE and subtract the result from one hundred percent (100%):

(g) The department shall provide to the county auditor, immediately after calculation under subsection (f):

(1) each eligible charter school and the eligible charter school's corresponding percentage calculated under STEP THREE of subsection (f); and

(2) the percentage calculated under STEP FOUR of subsection (f) for the school corporation.

(h) Subject to subsections (j) and (i), the county auditor shall distribute to the school corporation and each eligible charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the amount collected in the most recent installment period by the school corporation from the school corporation's operations fund levy imposed under this chapter.



1 STEP TWO: To determine the distribution for the school  
 2 corporation and each eligible charter school, determine the result  
 3 of:

4 (A) the sum of:

5 (i) the STEP ONE result; plus

6 (ii) any amount withheld in the previous year under  
 7 subsection (k); multiplied by

8 (B) the following percentage:

9 (i) In the case of an eligible charter school, the charter  
 10 school's percentage under STEP THREE of subsection (f):

11 (ii) In the case of the school corporation, the school  
 12 corporation's percentage under STEP FOUR of subsection  
 13 (f):

14 (i) Not later than August 15, 2027, and not later than August 15 of  
 15 each calendar year thereafter, the department shall provide to each  
 16 school corporation and each eligible charter school an estimate of the  
 17 amount of property tax levy revenue the school corporation and eligible  
 18 charter school are expected to receive under this section in the  
 19 subsequent calendar year based on the most recent fall ADM count.

20 (j) Beginning with distributions of property tax revenue under this  
 21 section in 2028 and thereafter, in order to receive a distribution under  
 22 this section, the governing body of an eligible charter school shall, not  
 23 later than October 15, 2027, and not later than October 15 of each  
 24 calendar year thereafter, adopt a budget for the current school year. Not  
 25 later than ten (10) days before its adoption, the budget must be fixed  
 26 and presented to the charter board in a public meeting in the county in  
 27 which the eligible charter school is incorporated. Not later than  
 28 November 1, 2027, and not later than November 1 of each calendar  
 29 year thereafter, the governing body of the charter school shall submit:

30 (1) the budget that is adopted under this subsection;

31 (2) the dates on which each requirement under this subsection  
 32 was met; and

33 (3) a statement from the governing body of the charter school  
 34 attesting that the dates provided in subdivision (2) are true and  
 35 accurate and that the budget was properly adopted under this  
 36 subsection;

37 to the charter authorizer for review and to the department of local  
 38 government finance to be posted publicly on the computer gateway  
 39 under IC 6-1.1-17-3.

40 (k) If an eligible charter school does not satisfy the requirements of  
 41 subsection (j) to receive distributions under this section during a  
 42 calendar year, as determined by the department of local government



1 finance; the eligible charter school may not receive a distribution of  
 2 property tax revenue in that calendar year and the county auditor shall  
 3 withhold the eligible charter school's distribution amount. The  
 4 department of local government finance's determination of compliance  
 5 consists only of a confirmation that the adopted budget and attestation  
 6 statement are submitted not later than the applicable date under  
 7 subsection (j). Any distribution amount withheld under this subsection  
 8 shall be:

9 (1) added to the property tax revenue collections as described in  
 10 STEP TWO of subsection (h); and

11 (2) distributed among the school corporation and remaining  
 12 eligible charter schools according to subsection (h);

13 in the calendar year that immediately follows the calendar year in  
 14 which the distribution amount was withheld.

15 (i) This subsection applies only to distributions under subsection (h)  
 16 in calendar years 2028, 2029, and 2030 to an eligible charter school.  
 17 Instead of the amount determined under subsection (h) for a  
 18 distribution to a particular eligible charter school from the revenue  
 19 collected from the tax levy imposed under this chapter by a particular  
 20 school corporation, the county auditor shall make distributions  
 21 according to the following:

22 (1) For a distribution in 2028, the county auditor shall distribute  
 23 an amount for a particular eligible charter school equal to:

24 (A) the applicable result of STEP TWO of subsection (h) for  
 25 the eligible charter school; multiplied by

26 (B) twenty-five hundredths (0.25).

27 (2) For a distribution in 2029, the county auditor shall distribute  
 28 an amount for a particular eligible charter school equal to:

29 (A) the applicable result of STEP TWO of subsection (h) for  
 30 the eligible charter school; multiplied by

31 (B) five-tenths (0.5).

32 (3) For a distribution in 2030, the county auditor shall distribute  
 33 an amount for a particular eligible charter school equal to:

34 (A) the applicable result of STEP TWO of subsection (h) for  
 35 the eligible charter school; multiplied by

36 (B) seventy-five hundredths (0.75).

37 Any amount of property tax revenue collected from the tax levy  
 38 imposed under this chapter by a particular school corporation that  
 39 remains after making the distributions according to this subsection  
 40 shall be distributed to the school corporation and are in addition to the  
 41 amount distributed to the school corporation under subsection (h) for  
 42 the applicable year. This subsection expires July 1, 2032.



SECTION 67. IC 20-46-9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Notwithstanding any other law, after May 9, 2026, the governing body of a school corporation may not adopt a resolution to impose a school safety referendum levy under section 6 or 7 of this chapter.**

**(b) Notwithstanding any other law, after December 31, 2027, no school safety referendum tax levy may be imposed under this chapter.**

SECTION 68. IC 20-46-9-22, AS AMENDED BY P.L.68-2025, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) Subject to section 0.5 of this chapter, this section**

**(+) applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 6 or 7 of this chapter after May 10, 2023, for a school corporation located in:**

**(A) (1) Lake County;**

**(B) (2) Marion County;**

**(C) (3) St. Joseph County; or**

**(D) (4) Vanderburgh County.**

**through the full term of the referendum levy; and**

**(2) does not apply to revenue received from a referendum levy if:**

**(A) the governing body of the school corporation approves the referendum levy in a resolution adopted under section 6 or 7 of this chapter; and**

**(B) the referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.**

**(b) The county auditor shall distribute an amount under subsection (d) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school, excluding virtual charter schools or adult high schools, elects to participate in the referendum under section 6(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:**

**(1) which charter schools, excluding virtual charter schools or adult high schools, are eligible to receive a distribution under this section; and**

**(2) the number of all students who reside within the attendance area of the school corporation who are included in the ADM for**



each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1).

(c) The following schools are not eligible to receive a distribution under this section:

- (1) A virtual charter school.
- (2) An adult high school.

(d) For the purposes of the calculations made in this subsection, each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

- (A) the current ADM count for the school corporation; plus
- (B) the total number of students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, excluding virtual charter schools or adult high schools.

STEP THREE: Determine the result of:

- (A) the STEP ONE amount; divided by
- (B) the STEP TWO amount.

STEP FOUR: Determine the result of:

- (A) the STEP THREE amount; multiplied by
- (B) the amount collected by the county auditor during the most recent installment period.

(e) If a charter school receives a distribution under this section, the distribution may be used only for the purposes described in IC 20-40-20-6(a).

SECTION 69. IC 36-2-15-0.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.1. (a) This section applies to the office of a county assessor who is serving on May 10, 2026.**

**(b) Upon the expiration of a county assessor's term, the office of county assessor is abolished.**

**(c) Upon the expiration of a county assessor's term, all the**



1 powers and duties of the county assessor are transferred to the  
2 county auditor.

3 (d) Upon the expiration of a county assessor's term, all of the  
4 following are transferred to the county auditor:

5 (1) All employment positions, as of the expiration of a county  
6 assessor's term, of all employees of the county assessor.

7 (2) The real and personal property of the county assessor.

8 (3) The obligations outstanding, as of the expiration of a  
9 county assessor's term, of the county assessor.

10 (4) The funds of the county assessor.

11 (e) The county auditor shall interview, or give the opportunity  
12 to interview to, each individual who:

13 (1) is, as of the expiration of a county assessor's term, an  
14 employee of the county assessor; and

15 (2) applies for an employment position referred to in  
16 subsection (d)(1).

17 SECTION 70. IC 36-2-15-0.2 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE UPON PASSAGE]: Sec. 0.2. (a) Each county assessor  
20 whose duties will be transferred under section 0.1 of this chapter  
21 shall:

22 (1) organize the records of the assessor's office relating to the  
23 assessment of tangible property in a manner prescribed by the  
24 department of local government finance; and

25 (2) transfer the records upon the expiration of a county  
26 assessor's term as directed by the department of local  
27 government finance.

28 (b) The department of local government finance shall determine  
29 a procedure and schedule for the transfer of the records and  
30 operations from the county assessor to the county auditor. The  
31 assessors shall assist each other and coordinate their efforts to:

32 (1) ensure an orderly transfer of all records; and

33 (2) provide for an uninterrupted and professional transition  
34 of any functions of assessors that remain following the  
35 abolishment of the imposition of property tax under IC 6-1.2  
36 and that are consistent with this chapter, IC 6-1.1, and the  
37 directions of the department of local government finance.

38 SECTION 71. IC 36-2-15-2, AS AMENDED BY P.L.167-2015,  
39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 UPON PASSAGE]: Sec. 2. (a) A county assessor shall be elected under  
41 IC 3-10-2-13 by the voters of the county.

42 (b) To be eligible to serve as an assessor, an individual must meet



the following qualifications before taking office:

(1) If the individual has never held the office of county assessor, the individual must have attained a level two assessor-appraiser certification under IC 6-1.1-35.5.

(2) If the individual has held the office of county assessor, the individual must have attained a level three assessor-appraiser certification under IC 6-1.1-35.5.

(c) A county assessor must reside within the county as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the county.

(d) The term of office of a county assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified.

**(e) This section expires July 1, 2026.**

SECTION 72. IC 36-2-15-3, AS AMENDED BY P.L.146-2008, SECTION 692, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), the assessor shall keep the assessor's office in a building provided at the county seat by the county executive. The assessor shall keep the office open for business during regular business hours on every day of the year except Sundays and legal holidays. However, the assessor may close the office on days specified by the county executive according to custom and practice of the county.

(b) After June 30, 2008, the county assessor may establish one (1) or more satellite offices in the county.

**(c) This section expires July 1, 2026.**

SECTION 73. IC 36-2-15-5, AS AMENDED BY P.L.167-2015, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) **Subject to section 0.1 of this chapter**, the county assessor shall perform the functions assigned by statute to the county assessor, including the following:

- (1) Countywide equalization.
- (2) Selection and maintenance of a countywide computer system.
- (3) Certification of gross assessments to the county auditor.
- (4) Discovery of omitted property.
- (5) In

(A) a township in which the transfer of duties of the elected township assessor is required by subsection (c); or

(B) a township in which the duties relating to the assessment of tangible property are not required to be performed by a township assessor elected under IC 36-6-5,



performance of the assessment duties prescribed by IC 6-1.1.

(b) A transfer of duties between assessors does not affect:

- (1) any assessment, assessment appeal, or other official action made by an assessor before the transfer; or
- (2) any pending action against, or the rights of any party that may possess a legal claim against, an assessor that is not described in subdivision (1).

Any assessment, assessment appeal, or other official action of an assessor made by the assessor within the scope of the assessor's official duties before the transfer is considered as having been made by the assessor to whom the duties are transferred.

(c) If the individual elected to the office of township assessor has not attained the assessor-appraiser certification level required by IC 36-6-5-1 before the date the term of office begins, the assessment duties prescribed by IC 6-1.1 that would otherwise be performed in the township by the township assessor are transferred to the county assessor on that date. If assessment duties in a township are transferred to the county assessor under this subsection, those assessment duties are transferred back to the township assessor if at a later election an individual who has attained the assessor-appraiser certification level required by IC 36-6-5-1 is elected to the office of township assessor.

SECTION 74. IC 36-2-15-7, AS ADDED BY P.L.219-2007, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Each county assessor, elected township assessor, or township trustee-assessor whose assessment duties prescribed by IC 6-1.1 will be transferred under section 5 of this chapter shall:

- (1) organize the records of the assessor's office relating to the assessment of tangible property in a manner prescribed by the department of local government finance; and
- (2) transfer the records as directed by the department of local government finance.

(b) The department of local government finance shall determine a procedure and schedule for the transfer of the records and operations. The assessors shall assist each other and coordinate their efforts to:

- (1) ensure an orderly transfer of all records; and
- (2) provide for an uninterrupted and professional transition of the property assessment functions consistent with this chapter and the directions of the department of local government finance.

**(c) This section expires July 1, 2026.**

SECTION 75. IC 36-6-5-0.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 0.3. (a) This section applies to the office of a township assessor who is serving on May 10, 2026.

(b) Upon the expiration of a township assessor's term, the office of township assessor is abolished.

(c) Upon the expiration of a township assessor's term, all the powers and duties of the township assessor are transferred to the county auditor of the county in which the township is located.

(d) Upon the expiration of a township assessor's term, all of the following are transferred to the county auditor:

(1) All employment positions, as of the expiration of a township assessor's term, of all employees of each township assessor in the county.

(2) The real and personal property of each township assessor in the county.

(3) The obligations outstanding, as of the expiration of a township assessor's term, of each township assessor in the county.

(4) The funds of each township assessor in the county.

(e) The county auditor shall interview, or give the opportunity to interview to, each individual who:

(1) is, as of the expiration of a township assessor's term, an employee of a township assessor in the county; and

(2) applies for an employment position referred to in subsection (d)(1).

SECTION 76. IC 36-6-5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Each township assessor whose duties will be transferred under section 0.3 of this chapter shall:

(1) organize the records of the assessor's office relating to the assessment of tangible property in a manner prescribed by the department of local government finance; and

(2) transfer the records upon the expiration of a township assessor's term, as directed by the department of local government finance.

(b) The department of local government finance shall determine a procedure and schedule for the transfer of the records and operations from the township assessor to the county auditor. The assessors shall assist each other and coordinate their efforts to:

(1) ensure an orderly transfer of all records; and

(2) provide for an uninterrupted and professional transition of any functions of assessors that remain following the abolishment of the imposition of property tax under IC 6-1.2



**and that are consistent with this chapter, IC 6-1.1, and the directions of the department of local government finance.**

SECTION 77. IC 36-6-5-1, AS AMENDED BY P.L.167-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Subject to subsection (g), before 2009, a township assessor shall be elected under IC 3-10-2-13 by the voters of each township:

(1) having:

(A) a population of more than eight thousand (8,000); or

(B) an elected township assessor or the authority to elect a township assessor before January 1, 1979; and

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).

(b) Subject to subsection (g), before 2009, a township assessor shall be elected under IC 3-10-2-14 (repealed effective July 1, 2008) in each township:

(1) having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if:

(A) the legislative body of the township, by resolution, declares that the office of township assessor is necessary; and

(B) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2; and

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).

(c) Subject to subsection (g), a township government that is created by merger under IC 36-6-1.5 shall elect only one (1) township assessor under this section.

(d) Subject to subsection (g), after 2008 a township assessor shall be elected under IC 3-10-2-13 only by the voters of each township in which:

(1) the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000); and

(2) the transfer to the county assessor of the assessment duties prescribed by IC 6-1.1 is disapproved in the referendum under IC 36-2-15.

(e) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township.

(f) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is



1 elected and qualified. However, the term of office of a township  
 2 assessor elected at a general election in which no other township  
 3 officer is elected ends on December 31 after the next election in which  
 4 any other township officer is elected.

5 (g) To be eligible to serve as a township assessor, an individual  
 6 must meet the following qualifications before taking office:

7 (1) If the individual has never held the office of township  
 8 assessor, the individual must have attained a level two  
 9 assessor-appraiser certification under IC 6-1.1-35.5.

10 (2) If the individual has held the office of township assessor, the  
 11 individual must have attained a level three assessor-appraiser  
 12 certification under IC 6-1.1-35.5.

13 (h) After June 30, 2008, the county assessor shall perform the  
 14 assessment duties prescribed by IC 6-1.1 in a township in which the  
 15 number of parcels of real property on January 1, 2008, is less than  
 16 fifteen thousand (15,000).

17 **(i) This section expires July 1, 2026.**

18 SECTION 78. IC 36-6-5-3, AS AMENDED BY P.L.146-2008,  
 19 SECTION 711, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Except as provided in  
 21 subsection (b) **and section 0.3 of this chapter**, the assessor shall  
 22 perform the duties prescribed by statute, including assessment duties  
 23 prescribed by IC 6-1.1.

24 (b) Subsection (a) does not apply if the duties of the township  
 25 assessor have been transferred to the county assessor as described in  
 26 ~~IC 6-1.1-1-24~~ or IC 36-2-15.

27 SECTION 79. IC 36-6-5-4, AS AMENDED BY P.L.167-2015,  
 28 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 UPON PASSAGE]: Sec. 4. (a) Before July 1, 2017, an employee of a  
 30 township assessor who performs real property assessing duties must  
 31 have attained the level of certification under IC 6-1.1-35.5 that the  
 32 township assessor is required to attain under section 1(g) of this  
 33 chapter.

34 (b) After June 30, 2017, an employee of a township assessor who is  
 35 responsible for placing an assessed valuation on real property must  
 36 have attained the certification of a level three assessor-appraiser under  
 37 IC 6-1.1-35.5.

38 (c) This subsection applies after June 30, 2017. If the township  
 39 assessor has not attained the certification of a level three  
 40 assessor-appraiser under IC 6-1.1-35.5, the township fiscal body shall  
 41 authorize either of the following:

42 (1) The appointment of at least one (1) deputy or employee who



has attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.

(2) Contracting with a person who has attained, or who employs for purposes of the contract an individual who has attained, the certification of a level three assessor-appraiser under IC 6-1.1-35.5. The individual under contract with the township assessor under this subdivision shall assist the township assessor with assessment duties as determined by the township assessor. Payment for the deputy, employee, or contractor shall be made from the budget for the township assessor.

**(d) This section expires July 1, 2026.**

SECTION 80. IC 36-7-13-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Notwithstanding any other law:**

**(1) no district or allocation area may be established, amended, or renewed; and**

**(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a district or allocation area;**

**under this chapter after May 9, 2026.**

**(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.**

SECTION 81. IC 36-7-14-0.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.7. (a) As used in this section, "project area" refers to:**

**(1) an area needing redevelopment;**

**(2) a redevelopment project area;**

**(3) an urban renewal project area;**

**(4) an economic development area;**

**(5) an area including a project for housing or age-restricted housing;**

**(6) an area including a residential housing development program; and**

**(7) any other development district or program by any other name that is described in this chapter.**

**(b) Notwithstanding any other law:**

**(1) no project area or allocation area may be established, amended, or renewed; and**

**(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a project area or allocation area;**

**under this chapter after May 9, 2026.**



(c) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 82. IC 36-7-14.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Notwithstanding any other law:

(1) no economic development area, special taxing district, or allocation area may be established, amended, or renewed; and

(2) no bonds, leases, or other obligations may be issued, entered into, or extended for an economic development area, special taxing district, or allocation area; under this chapter after May 9, 2026.

(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 83. IC 36-7-15.1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) As used in this section, "project area" refers to:

(1) an area needing redevelopment;

(2) a redevelopment project area;

(3) an urban renewal project area;

(4) an economic development area;

(5) an area including a project for housing or age-restricted housing;

(6) an area including a residential housing development program; and

(7) any other development district or program by any other name that is described in this chapter.

(b) Notwithstanding any other law:

(1) no project area or allocation area may be established, amended, or renewed; and

(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a project area or allocation area; under this chapter after May 9, 2026.

(c) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 84. IC 36-7-30-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Notwithstanding any other law:

(1) no special taxing district or allocation area may be established, amended, or renewed; and



(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a special taxing district or allocation area;

under this chapter after May 9, 2026.

(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 85. IC 36-7-30.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Notwithstanding any other law:

(1) no military base development area or allocation area may be established, amended, or renewed; and

(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a military base development area or allocation area;

under this chapter after May 9, 2026.

(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 86. IC 36-7-32-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Notwithstanding any other law:

(1) no certified technology park or allocation area may be established, amended, or renewed; and

(2) no bonds, leases, or other obligations may be issued, entered into, or extended for a certified technology park or allocation area;

under this chapter after May 9, 2026.

(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.

SECTION 87. IC 36-7.5-4.5-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.2. (a) Notwithstanding any other law:

(1) no allocation area capturing property tax revenue may be established, amended, or renewed; and

(2) no bonds, leases, or other obligations may be issued, entered into, or extended for an allocation area capturing property tax revenue;

under this chapter after May 9, 2026.

(b) This section may not be construed to prohibit the refunding or refinancing of obligations incurred before May 10, 2026.



1       SECTION 88. [EFFECTIVE JULY 1, 2027] (a) For purposes of  
2       IC 6-2.5, as amended by this act, with respect to a transaction in  
3       which services are delivered before July 1, 2027, and after June 30,  
4       2027, by a retail merchant, only transactions for which the charges  
5       are collected on original statements and billings dated after June  
6       30, 2027, shall be considered as having occurred after June 30,  
7       2027.

8       (b) This SECTION expires July 1, 2029.

9       SECTION 89. [EFFECTIVE JULY 1, 2026] (a) The legislative  
10      services agency shall prepare legislation for introduction in the  
11      2027 regular session of the general assembly to make appropriate  
12      changes in statutes that are required by this act.

13      (b) This SECTION expires December 31, 2027.

14      SECTION 90. An emergency is declared for this act.

