

General Update

The House version of the business personal property tax elimination bill (HB 1001) passed the Indiana House of Representatives by a vote of 63-33 on Thursday. During his explanation on the bill, Representative Eric Turner (R-Cicero) stated that allowing counties to decide whether they would adopt the tax elimination or not was a crucial part to the legislation. As a safeguard the bill does prohibit businesses from moving county to county in order to benefit from the tax elimination - instead the business must be new to the state of Indiana. If enacted, the bill will allow counties to decide whether to exempt new personal property as early as 2015. This stipulation is intended to reduce the immediate shock of tax revenue lost by local governments.

Many Indiana mayors continue to speak out against the business personal property tax bills saying that the decision is too large of a burden to place on local governments. The House Democrats also argued that this bill should not be voted on during a non-budget year and instead the issue should be thoroughly studied and brought back next year. Fiscal leaders have decided that they will not reopen the budget during this session. If lawmakers approve the House version of the tax elimination bill then it will be possible for them to enact some of the budget proposals after the 2015 fiscal year.

SB 1, the Senate version of the business personal property tax elimination, passed the Senate on Thursday by a vote of 35-11. The effects of the Senate version, which introduces a statewide tax cut, would not fully come into effect for another three years. Of the 16 amendments filed, three were added to the bill on Tuesday including one that would not reduce the corporate income tax for banks and credit unions until 2022. An amendment was approved that requires a commission to study the impact of reducing the business personal property tax on local governments. The third successful amendments included language eliminating sales tax for bulk propane purchases of more than \$2.50 per gallon was another amendment added to SB 1. This addition is meant to address the national propane shortage that has affected the approximate 500,000 Hoosiers who rely on propane to heat their homes. The exemption will be retroactive to January 1, 2014 and remain in effect until April 1, 2014. Many central Indiana propane dealers are rationing their inventories to help supplies last and are transporting propane to Indiana from as far away as Mississippi, Kansas, and South Carolina.

On Wednesday, the Senate Education Committee approved a plan along party lines to erase the Common Core curriculum already in use and require the State Board of Education to adopt its own educational standards. Parents from around the state came to testify against the current standards after finding problems with the progress of their children enrolled in public schools. For the most part teachers and superintendents spoke in favor of Common Core. The primary concern voiced regarding the bill was that students will no longer be college and career ready compared to students in other states. Falling behind on college entrance exams was another concern expressed.

After much debate and deliberation the commonly known "marriage amendment," HJR-3, moved out of the House earlier this week by a vote of 57-40 and will now move to the Senate. During the second reading process, an amendment was approved with bipartisan support deleting the second sentence of the Resolution, which some say prohibited same-sex civil unions and domestic partner benefits.

This was a very busy week for both the House and the Senate as we approach pending deadlines for the first half of session. The deadline for House bills to have a floor vote (third reading) will happen on Monday, February 3rd. The deadline for Senate bills to be heard will be a day later on February 4th. Any bills that have passed their first chamber will make their way to the second chamber where the process will start for those bills from the beginning (committee, second reading and third reading).