

2016 IACT LEGISLATIVE INITIATIVES



CORNERSTONE

1. **Municipal Local Option Income Taxes (LOIT) authority:**

IACT continues to push for legislation that would allow municipalities to have the authority to implement LOIT and other fees in order to off-set tax revenue losses.

2. **Statewide authority to adopt food and beverage taxes:**

IACT seeks legislation that would level the playing field in regard to food and beverage taxes. The legislation would allow all cities and towns to have an equal opportunity to adopt a local food and beverage tax allowing the revenues to be used for any municipal purpose.

OPERATIONAL

1. **Levy Growth Inside Municipal Boundaries**

Currently, when a municipality experiences growth within its boundaries, it is not permitted to increase its levy to help pay for the new expenses and services. However, a municipality is permitted to increase its levy due to growth that occurs outside of its boundaries following annexation. IACT seeks parity in this situation allowing the municipal levy to increase due to growth inside the city or town boundaries.

2. **Flexibility for Fund Consolidation**

In order to promote efficiency in local government accounting, IACT seeks legislation that will permit consolidation of funds that are being used for similar or overlapping purposes.

3. **Increased Transportation Funding**

Costs for road and street construction and repair have gone up exponentially and have outpaced the increase in government funding. IACT will encourage state legislators to do everything possible to provide locals with the funding needed to construct and maintain local roads and streets at an acceptable level. Viable local roads and streets promote public safety, economic development and commerce throughout Indiana.

4. **Local Option Income Tax (LOIT) Distribution**

The state Department of Revenue collects the LOIT from employers on behalf of local units of government, but an accurate distribution to the locals is not being made. While the Department of Revenue may be working on procuring a computer system that can calculate the distribution accurately, in the meantime, any unreconciled cash that is due to the locals should not be kept by the state, but rather be distributed equally to all 92 counties so it can be further distributed to local government recipients.

5. **Annexation**

Following the passage of SEA 330-2015, a comprehensive municipal annexation reform bill, there are several clean-up measures that are needed in the annexation statute. IACT will work to revise the statute to resolve problems and make necessary clarifications.