SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1002 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-13.6-5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) As used in this section, "Indiana business" refers to any of the following:

(1) A business whose principal place of business is located in Indiana.
(2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
(3) A business that employs residents of Indiana as a majority of its employees.
(4) A business that makes significant capital investments in Indiana as determined by the department.
(5) A business that has a substantial positive economic impact on Indiana as determined by the department.

(b) There is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of work on a public works project; and
(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded
to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) To claim the preference provided under this section, a business must do all the following:

1. State in the business's bid that the business claims the preference provided by this section.
2. Provide the following information to the department:
   A. The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.
   B. The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.
   C. The number of the business's employees and the number of the business's employees who are residents of Indiana.
   D. If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.
   E. If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 2. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2.8. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

1. A person who has registered a motor vehicle in Indiana.
2. A person who is registered to vote in Indiana.
3. A person who has a child enrolled in an elementary or a secondary school located in Indiana.
4. A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
5. A person who:
(A) works from an office in Indiana;
(B) is on the payroll of a business located in Indiana;
(C) possesses a telephone with a telephone number that has
an Indiana area code; or
(D) has a permanent place of doing business in Indiana;
for at least thirteen (13) months before entering into a
contract or subcontract under this chapter.

(b) A contract for a public works project may not be awarded
to a contractor that does not:

(1) employ residents of Indiana as at least ninety percent
(90%) of the employees who will work on the contract; and
(2) enter into subcontracts only with subcontractors that
employ residents of Indiana as at least ninety percent (90%)
of the employees who will work on the subcontract.

(c) Before August 15, 2018, and before August 15 of each year
thereafter, the division shall file with the legislative council a
report for the preceding year stating:

(1) for each contractor awarded a contract under this
chapter; and
(2) for each subcontractor with which a contractor referred
to in subdivision (1) entered into a contract in connection with
a contract awarded under this chapter;
the percentage of the employees of the contractor or subcontractor
who work on the contract and are residents of Indiana. The report
to the legislative council must be in an electronic format under
IC 5-14-6.

(d) A contract awarded under this chapter for a public works
project is terminated if the division determines that the contractor
has failed to:

(1) employ residents of Indiana as at least ninety percent
(90%) of the employees who work on the contract; and
(2) enter into subcontracts only with subcontractors that
employ residents of Indiana as at least ninety percent (90%)
of the employees who work on the subcontract.

(e) A contractor or subcontractor that fails to employ residents
of Indiana as at least ninety percent (90%) of the employees who
work on the contract or subcontract for a public works project
commits a Class B infraction for each nonresident of Indiana
employed that exceeds the number of nonresident employees
permitted by this section.

(f) If:

(1) a contract or subcontract subject to this section is funded
in whole or in part with federal funds; and
(2) imposing the requirements of this section would cause the
state to lose the federal funds for the contract, as determined
by the federal agency providing the funds;
subsections (a) through (e) do not apply.
(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The division may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

1. Issuing a request for proposals.
2. Issuing a bulletin inviting bids for the contract.
3. Prequalifying a contractor for the contract.
4. Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

1. resulting from an emergency; or
2. performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 3. IC 5-11-1-26, AS AMENDED BY P.L.172-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY, 2017]: Sec. 26. (a) If a state office, municipality, or other entity has authority to contract for the construction, reconstruction, alteration, repair, improvement, or maintenance of a public work, the state board of accounts shall include in each examination report concerning the state office, municipality, or entity:

1. an opinion concerning whether the state office, municipality, or entity has complied with IC 5-16-8; and
2. a brief description of each instance in which the state office, municipality, or entity has exercised its authority under IC 5-16-8-2(b). or IC 5-16-8-4.

(b) If a municipality or a county performs a public work by means of its own workforce under IC 36-1-12-3, the state board of accounts shall include the following in each examination report concerning the municipality or county:

1. An opinion concerning whether the municipality or county has complied with IC 36-1-12-3 for each public work performed by the entity's own workforce.
2. A brief description of each public work that the municipality or county has performed with its own workforce under IC 36-1-12-3, including a calculation of the actual cost of each public work under IC 36-1-12-3.
3. An opinion concerning whether the municipality or county has complied with IC 36-1-12-19 in calculating the actual costs of a
public work project performed under IC 36-1-12-3.

(c) If a state agency performs a public work by means of its own workforce under IC 4-13.6-5-4, the state board of accounts shall include the following in each examination report concerning the agency:

(1) An opinion concerning whether the agency has complied with IC 4-13.6-5-4 for each public work performed by the agency's own workforce.
(2) A brief description of each public work that the agency has performed with its own workforce under IC 4-13.6-5-4, including a calculation of the actual cost of each public work under IC 4-13.6-5-4.
(3) An opinion concerning whether the agency has complied with IC 4-13.6-5-4(c) in calculating the actual costs of a public work project performed under IC 4-13.6-5-4.

(d) If a state educational institution performs a public work by means of its own workforce under IC 5-16-1-1.5, the state board of accounts shall include the following in each examination report concerning the state educational institution:

(1) An opinion concerning whether the state educational institution has complied with IC 5-16-1-1.5 for each public work performed by the state educational institution's own workforce.
(2) A brief description of each public work that the state educational institution has performed with its own workforce under IC 5-16-1-1.5, including a calculation of the actual cost of each public work under IC 5-16-1-1.5.
(3) An opinion concerning whether the state educational institution has complied with IC 5-16-1-1.5 in calculating the actual costs of a public work project performed under IC 5-16-1-1.5.

(e) The state board of accounts may exercise any of its powers under this chapter concerning public accounts to carry out this section, including the power to require a uniform system of accounting or the use of forms prescribed by the state board of accounts.

SECTION 4. IC 5-16-8-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.5. For purposes of this chapter, a product is considered to be "manufactured in the United States" if the following apply:

(1) In the case of an iron, steel, or foundry product, all manufacturing takes place in the United States. However, it is not necessary for metallurgical processes involving the refinement of steel additives to take place in the United States.
(2) In the case of a product other than a product described in subdivision (1), both of the following apply:

(A) All the manufacturing processes for the product take
place in the United States.

(B) All the manufacturing processes for all components of the product take place in the United States, regardless of the origin of subcomponents of each product component.

SECTION 5. IC 5-16-8-2, AS AMENDED BY P.L.6-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) Each public agency shall require that every contract for the construction, reconstruction, alteration, repair, improvement, or maintenance of public works contain a provision that, if any steel or products, foundry products, or other products are to be used or supplied in the performance of the contract or subcontract, only steel or products, foundry products, and other products made in the United States shall be used or supplied in the performance of the contract or any of the subcontracts, unless the head of the public agency determines, in writing, that the cost of steel or foundry products is considered to be unreasonable:

(b) The head of each public agency shall issue rules which provide that, for purposes of subsection (a), the bid or offered price of any steel or foundry products of domestic origin is not considered unreasonable if the price does not exceed the sum of:

(1) the bid or offered price of like steel or foundry products of foreign origin (including any applicable duty); plus

(2) a differential of fifteen percent (15%) of the bid or offered price of the steel or foundry products of foreign origin:

However, the fifteen percent (15%) differential provided by subdivision (2) may be increased to twenty-five percent (25%); if the head of the public agency determines that use of steel or foundry products of domestic origin would benefit the local or state economy through improved job security and employment opportunity. Whenever the head of a public agency determines that the differential should be increased above fifteen percent (15%) for a particular project, the head of the agency shall file a report with the governor and the legislative services agency detailing the reasons for such determination and the probable impact on the economy of the use of domestic steel or foundry castings in the project. A report filed under this subsection with the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 6. IC 5-16-8-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3.5. A person may not be considered responsible for purposes of awarding a public works contract by a public agency if a court with jurisdiction or a federal or state agency determines that the person has intentionally done either of the following:

(1) The person has affixed to a product:

(A) to which this chapter applies;

(B) that is sold in or shipped to the United States; and
(C) that was not manufactured in the United States;

a label bearing the words "Made in America" or any other
words with the same meaning.

(2) The person has represented that a product:

(A) to which this chapter applies;

(B) that is sold in or shipped to the United States; and

(C) that was not manufactured in the United States;

was manufactured in the United States.

SECTION 7. IC 5-16-8-4 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 4. This chapter does not apply if the head of the public agency determines, in writing, that steel or foundry products are not produced in the United States in sufficient quantities to meet the requirements of the contract.

SECTION 8. IC 5-22-15-21 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 21. (a) This section does not apply to the state lottery commission created by IC 4-30-3-1.

(b) A governmental body shall adopt rules to promote the purchase of supplies manufactured in the United States:

(c) Rules adopted under subsection (b) shall provide that supplies manufactured in the United States shall be specified and purchased unless the governmental body determines that any of the following apply:

(1) The supplies are not manufactured in the United States in reasonably available quantities;

(2) The price of the supplies manufactured in the United States exceeds by an unreasonable amount the price of available and comparable supplies manufactured outside the United States;

(3) The quality of the supplies is substantially less than the quality of comparably priced available supplies manufactured outside the United States;

(4) The purchase of supplies manufactured in the United States is not in the public interest;

SECTION 9. IC 5-22-15.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 15.5. Purchasing Supplies Manufactured in the United States

Sec. 1. As used in this chapter, "product" refers to a supply item.

Sec. 2. For purposes of this chapter, a product is considered to be "manufactured in the United States" if the following apply:

(1) In the case of an iron, steel, or foundry product, all manufacturing takes place in the United States. However, it is not necessary for metallurgical processes involving the refinement of steel additives to take place in the United States.

(2) In the case of a product other than a product described in
subdivision (1), both of the following apply:

(A) All the manufacturing processes for the product take place in the United States.
(B) All the manufacturing processes for all components of the product take place in the United States, regardless of the origin of subcomponents of each product component.

Sec. 3. (a) A governmental body shall adopt rules to promote the purchase of products manufactured in the United States.
(b) Rules adopted under subsection (a) must provide that products manufactured in the United States shall be specified and purchased.

Sec. 4. A person may not be considered responsible for purposes of awarding a contract under this article if a court with jurisdiction or a federal or state agency determines that the person has intentionally done either of the following:

(1) The person has affixed to a product:
   (A) to which this chapter applies;
   (B) that is sold in or shipped to the United States; and
   (C) that was not manufactured in the United States;
   a label bearing the words "Made in America" or any other words with the same meaning.

(2) The person has represented that a product:
   (A) to which this chapter applies;
   (B) that is sold in or shipped to the United States; and
   (C) that was not manufactured in the United States;
   was manufactured in the United States.".

Page 5, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 18. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.
(b) Of all the state gross retail and use taxes that the department collects, the department shall determine separately the parts that:
   (1) the department collects under IC 6-2.5-3.5 (gasoline use tax);

   and

   (2) the department collects under this article, less the amount described in subdivision (1).
(c) The department shall deposit the collections described in subsection (b)(1) in the following manner:
   (1) For state fiscal year 2017, the following:
      (A) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the motor vehicle highway account established under (IC 8-14-1).
      (B) Eighty-five and seven hundred fourteen thousandths percent (85.714%) to the state general fund.
   (2) For state fiscal year 2018, the following:
(A) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the motor vehicle highway account established under (IC 8-14-1).

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

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

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

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

(B) Twenty-one and four hundred twenty-nine thousandths percent (21.429%) of the collections shall be deposited in the local road and bridge matching grant fund established under (IC 8-23-30).

(C) Sixty-four and two hundred eighty-five thousandths percent (64.285%) to the state general fund.

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

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

(B) Twenty-one and four hundred twenty-nine thousandths percent (21.429%) of the collections shall be deposited in the local road and bridge matching grant fund (IC 8-23-30-2).

(C) Sixty-four and two hundred eighty-five thousandths percent (64.285%) of the collections shall be deposited in the state highway fund (IC 8-23-9-54).

(d) The department shall deposit those collections described in subsection (b)(2) 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.

SECTION 19. IC 6-3-2-1, AS AMENDED BY P.L.80-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) Each taxable year, a tax at the following rate of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income
derived from sources within Indiana of every nonresident person:
   (1) For taxable years beginning before January 1, 2015, three and
       four-tenths percent (3.4%).
   (2) For taxable years beginning after December 31, 2014, and
       before January 1, 2017, three and three-tenths percent (3.3%).
   (3) For taxable years beginning after December 31, 2016, three
       and twenty-three hundredths percent (3.23%).
   (b) Except as provided in section 1.5 of this chapter, each taxable
       year, a tax at the following rate of adjusted gross income is imposed on
       that part of the adjusted gross income derived from sources within
       Indiana of every corporation:
       (1) Before July 1, 2012, eight and five-tenths percent (8.5%).
       (2) After June 30, 2012, and before July 1, 2013, eight percent
           (8.0%).
       (3) After June 30, 2013, and before July 1, 2014, seven and
           five-tenths percent (7.5%).
       (4) After June 30, 2014, and before July 1, 2015, seven percent
           (7.0%).
       (5) After June 30, 2015, and before July 1, 2016, six and
           five-tenths percent (6.5%).
       (6) After June 30, 2016, and before July 1, 2017, six and
           twenty-five hundredths percent (6.25%).
       (7) After June 30, 2017, and before July 1, 2018, six percent
           (6.0%).
       (8) After June 30, 2018, and before July 1, 2019, five and
           seventy-five hundredths percent (5.75%).
       (9) After June 30, 2019, and before July 1, 2020, five and
           five-tenths percent (5.5%).
       (10) After June 30, 2020, and before July 1, 2021, five and
           twenty-five hundredths percent (5.25%).
       (11) After June 30, 2021, four and nine-tenths percent (4.9%).
       (c) If for any taxable year a taxpayer is subject to different tax rates
           under subsection (b), the taxpayer's tax rate for that taxable year is the
           rate determined in the last STEP of the following STEPS:
           STEP ONE: Multiply the number of months in the taxpayer's
           taxable year that precede the month the rate changed by the rate
           in effect before the rate change.
           STEP TWO: Multiply the number of months in the taxpayer's
           taxable year that follow the month before the rate changed by the
           rate in effect after the rate change.
           STEP THREE: Divide the sum of the amounts determined under
           STEPS ONE and TWO by twelve (12).
           However, the rate determined under this subsection shall be rounded
           to the nearest one-hundredth of one percent (0.01%).".

Page 8, between lines 3 and 4, begin a new paragraph and insert:
"SECTION 24. IC 6-5.5-2-1, AS AMENDED BY P.L.80-2014,
SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) There is imposed on each taxpayer a franchise tax measured by the taxpayer's apportioned income for the privilege of exercising its franchise or the corporate privilege of transacting the business of a financial institution in Indiana. The amount of the tax for a taxable year shall be determined by multiplying the applicable rate under subsection (b) times the remainder of:

(1) the taxpayer's apportioned income; minus

(2) the taxpayer's deductible Indiana net operating losses as determined under this section; minus

(3) the taxpayer's net capital losses minus the taxpayer's net capital gains computed under the Internal Revenue Code for each taxable year or part of a taxable year beginning after December 31, 1989, multiplied by the apportionment percentage applicable to the taxpayer under this chapter for the taxable year of the loss.

A net capital loss for a taxable year is a net capital loss carryover to each of the five (5) taxable years that follow the taxable year in which the loss occurred.

(b) The following are the applicable tax rates to be used under subsection (a):

(1) For taxable years beginning before January 1, 2014, eight and five-tenths percent (8.5%).

(2) For taxable years beginning after December 31, 2013, and before January 1, 2015, eight percent (8.0%).

(3) For taxable years beginning after December 31, 2014, and before January 1, 2016, seven and five-tenths percent (7.5%).

(4) For taxable years beginning after December 31, 2015, and before January 1, 2017, seven percent (7.0%).

(5) For taxable years beginning after December 31, 2016, and before January 1, 2019; six and five-tenths percent (6.5%).

(6) For taxable years beginning after December 31, 2018, and before January 1, 2020; six and twenty-five hundredths percent (6.25%).

(7) For taxable years beginning after December 31, 2019; and before January 1, 2021; six percent (6.0%).

(8) For taxable years beginning after December 31, 2020, and before January 1, 2022; five and five-tenths percent (5.5%).

(9) For taxable years beginning after December 31, 2021, and before January 1, 2023; five percent (5.0%).

(10) For taxable years beginning after December 31, 2022; four and nine-tenths percent (4.9%).

(c) The amount of net operating losses deductible under subsection (a) is an amount equal to the net operating losses computed under the Internal Revenue Code, adjusted for the items set forth in IC 6-5.5-1-2, that are:

(1) incurred in each taxable year, or part of a year, beginning after
December 31, 1989; and
(2) attributable to Indiana.

(d) The following apply to determining the amount of net operating losses that may be deducted under subsection (a):
(1) The amount of net operating losses that is attributable to Indiana is the taxpayer's total net operating losses under the Internal Revenue Code for the taxable year of the loss, adjusted for the items set forth in IC 6-5.5-1-2, multiplied by the apportionment percentage applicable to the taxpayer under this chapter for the taxable year of the loss.
(2) A net operating loss for any taxable year is a net operating loss carryover to each of the fifteen (15) taxable years that follow the taxable year in which the loss occurred.

(e) The following provisions apply to a combined return computing the tax on the basis of the income of the unitary group when the return is filed for more than one (1) taxpayer member of the unitary group for any taxable year:
(1) Any net capital loss or net operating loss attributable to Indiana in the combined return shall be prorated between each taxpayer member of the unitary group by the quotient of:
   (A) the receipts of that taxpayer member attributable to Indiana under section 4 of this chapter; divided by
   (B) the receipts of all taxpayer members of the unitary group attributable to Indiana.
(2) The net capital loss or net operating loss for that year, if any, to be carried forward to any subsequent year shall be limited to the capital gains or apportioned income for the subsequent year of that taxpayer, determined by the same receipts formula set out in subdivision (1)."

Page 30, between lines 11 and 12, begin a new paragraph and insert: "SECTION 53. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 0.4. (a) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2007, and in the possession of a distributor may be used after June 30, 2007, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2007, and as amended by P.L.218-2007, is remitted to the department under the procedures prescribed by the department.
(b) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2017, and in the possession of a distributor may be used after June 30, 2017, only if the full amount of the tax imposed by section 12 of this chapter, as amended and effective after June 30, 2017, is remitted to the department under the procedures prescribed by the department.

SECTION 54. IC 6-7-1-12, AS AMENDED BY P.L.191-2016,
SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 12. The following taxes are imposed, and shall be collected and paid as provided in this chapter, upon the sale, exchange, bartering, furnishing, giving away, or otherwise disposing of cigarettes within the state of Indiana:

(1) On cigarettes weighing not more than three (3) pounds per thousand (1,000), a tax at the rate of four and nine hundred seventy-five thousandths cents ($0.04975) nine and nine hundred seventy-five thousandths cents ($0.09975) per individual cigarette.

(2) On cigarettes weighing more than three (3) pounds per thousand (1,000), a tax at the rate of six and six hundred twelve thousandths cents ($0.06612) thirteen and two hundred fifty-seven thousandths cents ($0.13257) per individual cigarette, except that if any cigarettes weighing more than three (3) pounds per thousand (1,000) shall be more than six and one-half (6 1/2) inches in length, they shall be taxable at the rate provided in subdivision (1), counting each two and three-fourths (2 3/4) inches (or fraction thereof) as a separate cigarette.

SECTION 55. IC 6-7-1-28.1, AS AMENDED BY P.L.213-2015, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2017]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) Four and twenty-two hundredths percent (4.22%) Two and forty-two hundredths percent (2.42%) of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) Six-tenths percent (0.6%) Thirty-four hundredths percent (0.34%) of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) The following amount Thirty-two and twenty-three hundredths percent (32.23%) of the money shall be deposited in the state general fund.

(A) After June 30, 2011, and before July 1, 2013, sixty and twenty-four hundredths percent (60.24%).

(B) After June 30, 2013; fifty-six and twenty-four hundredths percent (56.24%).

(4) Five and forty-three hundredths percent (5.43%) Three and eleven hundredths percent (3.11%) of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) Twenty-seven and five hundredths percent (27.05%) Fifteen and five tenths percent (15.5%) of the money shall be deposited in the healthy Indiana plan trust fund established by IC 12-15-44.2-17.

(6) Two and forty-six hundredths percent (2.46%) One and forty one hundredths percent (1.41%) of the money shall be
deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) The following amount Two and twenty-nine hundredths percent (2.29%) of the money shall be deposited in the state retiree health benefit trust fund established by IC 5-10-8-8.5 as follows:

(A) Before July 1, 2011, five and seventy-four hundredths percent (5.74%).
(B) After June 30, 2011, and before July 1, 2013, zero percent (0%).
(C) After June 30, 2013, four percent (4%).

(8) Forty-two and seven tenths percent (42.7%) shall be deposited as follows:

(A) The first two hundred million dollars ($200,000,000) shall be deposited in the local road and street account established by IC 8-14-2-4(a) and distributed to local units of government as set forth in IC 8-14-2-4(b) and IC 8-14-2-4(c).
(B) The next thirty million dollars ($30,000,000) shall be deposited in the Indiana tobacco use prevention and cessation trust fund established by IC 4-12-4-10.
(C) The remaining amount shall be deposited in the state general fund.

The money in the cigarette tax fund, the mental health centers fund, the healthy Indiana plan trust fund, the pension relief fund, the local road and street account, or the Indiana tobacco use prevention and cessation trust fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that difference.

Money deposited under subdivisions (6) through (7) may not be used for any purpose other than the purpose stated in the subdivision.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1002 as printed March 31, 2017.)