



## INCPAS Legislative Update: Week 4

### INCPAS Bill Track

INCPAS: <https://tinyurl.com/INCPAS2023>

INCPAS Priority: <https://tinyurl.com/INCPAS-Priority2023>

INCPAS- TAX: <https://tinyurl.com/INCPAS-TAX2023>

As you look at your bill track, bills that have passed their house of origin will likely have no additional action in the second house until on or after March 6. As stated below, the exception to this will be SB2.

[HB1327](#) introduced at the request of INCPAS passed the House of Representatives by a vote of 98-0. Thank you to Rep. Martin Carbaugh (R-Ft. Wayne) for authoring the bill. The bill now moves to the Senate for further consideration.

[SB2](#), the pass-through entity tax bill, was heard and amended in the Senate Tax and Fiscal Policy Committee on Tuesday. The bill is eligible for final vote in the Senate on Monday. This bill has been “fast tracked” by the legislative leaders to get it passed as quickly as possible. Assuming passage, the bill could be signed by the Governor as soon as February 15-16. This is a very unusual manner to pass a bill this rapidly. Given the potential taxpayer benefit, the legislature wants to give taxpayers as much time as possible to take the tax savings on federal tax. Members are concerned about implementing the tax benefits with clients during busy season.

Check out [INCPAS' blog page](#) for up-to-date information and resources for members to keep abreast of the bill and resources being developed. Join the discussion in [INCPAS' online member community](#) to hear how firms are preparing clients and add your voice to the discussion.

### Budget Update

This week, the House Ways and Means Committee took a break from hearing agency budget requests and instead heard bills that had been assigned to the committee. The Chairman, Rep. Jeff Thompson (R-Lizton), soon will announce a hearing where the public will be able to testify on the budget, House Bill (HB) 1001 which requests state funds. Once testimony concludes, the committee

members will have the opportunity to offer amendments to [HB 1001](#) and will most likely include a full budget proposal from each caucus. HB 1001 will be amended and moved to the House floor as one of the last bills to be considered before the deadline. As the budget moves through the process, other bills continue to be heard and make their way through their originating chamber. Below is a sampling of bills that have been heard so far this session.

### **SB 35 Financial Literacy**

[Senate Bill \(SB\) 35](#) was heard by the Senate Education and Career Development Committee on January 18th. Senator Mike Gaskill (R- Pendleton) presented his bill, explaining that it requires a financial literacy course to be added to high school graduation requirements. Sen. Gaskill iterated 16 core concepts that must be taught in this course. These concepts include spending and saving, retirement, taxes, credit cards, and debt management. The bill allows for “maximum flexibility” on how the teachers teach the material, who teaches the course, and the possibility to add concepts to the list.

Sen. Gaskill described the bill as answering the question of “what” to teach but not the “how.” Public testimony taken on this bill came from teachers, public school officials, credit unions, and financial advisors and echoed Sen. Gaskill’s support to make Hoosier children financially literate and become thoughtful consumers. With this positive reinforcement, SB 35 was moved for a vote this week in committee and passed unanimously. The bill was heard for a final vote in the Senate, passing 47 to 2. The bill will be considered in the House after the legislative break and sponsored by Rep. Joanna King (R-Middlebury).

### **SB 340 Imagination Library**

[Senate Bill \(SB\) 340](#) was heard in Senate Education and Career Development Committee on February 1st. Senator Vaneta Becker (R-Evansville), Senator Jeff Raatz (R-Richmond), and Senator Jean Leising (R-Oldenburg) authored the bill establishing the Indiana Imagination Library. The Imagination Library, also known as Dolly Parton Imagination Library, is a national program available in many surrounding states including Kentucky, Ohio, and Tennessee. The program seeks to improve early childhood literacy by building home libraries and encouraging family reading. The program would put books into the hands of all eligible Indiana families at no cost for children from birth to age five. Governor Eric Holcomb included the Imagination Library in his 2023 legislative agenda along with several other early childhood initiatives to improve Hoosier’s literacy starting at a young age. Sen. Becker offered that children who reach full literacy by third grade are four times more likely to succeed in their education and careers and two-thirds of students who cannot read by the fourth grade will end up on welfare or incarcerated. SB 340 also creates the Indiana Imagination Library Fund which seeks public and private donations and an appropriation from the state.

The Governor included an appropriation in his version of the budget of \$1.2 million in 2024 and \$2.5 million in 2025 for the program. The bill states that the fund shall be used to cover 50% of the cost of the reading materials that are sent to qualifying families and the other 50% paid for in partnership with local community non-profits and donations from partners. There was support from the Indiana Teachers Association, Teach Plus Indiana, Indiana Urban Schools Association, Indiana United Way, and Indiana Small and Rural Schools Association, SB 340 passed out of committee unanimously. The bill was sent to the Senate Appropriations Committee for further review before it can be considered by the full Senate.

## **HB 1412 Property Tax Assessment Appeals**

As part of the General Assembly's efforts to maintain low taxes for Hoosiers, Rep. Ben Smaltz (R-Auburn), has introduced [House Bill \(HB\) 1412](#). Currently, in the event of a disagreement between a taxpayer and an assessor, the taxpayer must file a case with the Indiana Board of Tax Review and continue paying taxes based on the disputed assessed value. In recent years, taxpayers have had to wait years for a hearing on their appeal. HB 1412 would allow the taxpayer to circumvent a hearing process by retaining a private certified assessor. The bill states that if their assessment is different and completed in compliance, it is assumed correct. It also allows the county board to have a third party conduct a review of the taxpayer's assessment if they disagree. If a resolution cannot be found at that point, the assessor may assign a value between the two appraisals, but each party retains the right to appeal that amount to the Indiana Board of Tax Review.

HB 1412 was heard in the House Ways and Means Committee on January 26th. Rep. Edward Delaney (D-Indianapolis) expressed his interest in the bill during committee and is looking forward to helping Rep. Smaltz iron out the legal portions of the new process. Testifying against the bill was Ginny Whipple, the Bartholomew County Assessor, saying that this bill would bring added costs to counties and that it takes away assessors' right to negotiate. The bill was held in committee but may be brought back for amendment and vote before the deadline.

## **HB 1290 Earned Income Tax Credit**

Aiming to achieve the General Assembly's goal to help Hoosiers prosper, Rep. Chuck Goodrich (R-Noblesville) proposed [House Bill \(HB\) 1290](#). This bill recouples the state and federal earned income tax credit and increases the state-earned income tax credit to 11%, instead of the previous 10%. The bill originally proposed an increase of 15% but was amended when it was heard in the House Ways and Means Committee on January 25th. The amended version was passed out of committee, 22-0. On February 2nd, the bill was amended to increase the income tax credit to 12%. HB 1290 will be eligible for a final vote on third reading in the House on Monday. If the bill passes, it will move to the Senate for further consideration.