Indiana Local Food and Beverage Tax Reporting Changes

Jul 08, 2025

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On May 6, 2025, Governor Mike Braun signed into law House Enrolled Act 1427-2025 ("HEA 1427"). Sections 54 and 55 of the Act added additional reporting requirements under Indiana Code 6-1.1-30-18 for local food and beverage taxes beginning with the report due March 1, 2026.

Additionally, the State Board of Accounts (SBOA) is tasked with assembling a one-time report of compliance for the reports previously submitted by political subdivisions in 2024 and 2025, which is to be submitted to the Legislative Council[1] by Oct. 1, 2025.

Who is impacted?

This new law applies to any local unit that imposes a food and beverage tax, unless they are already exempt from certain reporting requirements under I.C. 6-1.1-30-18(e).

Reporting Requirements

Beginning with the 2023 calendar year taxes, each political subdivision that collects food and beverage tax (and is not exempt under I.C. 6-1.1-30-18(e)) must have submitted an annual report to SBOA by March 1 with the following information for the previous calendar year:

- All expenditures;
- Distributions to other local units; and
- All expenditures by those local units.

Each check, expenditure, distribution, or payment must include the date and amount, the payee/recipient, the specific purpose for the action, and a description of the project.

Beginning July 1, 2025, the report must also contain "a consolidated financial statement for the previous calendar year that at a

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minimum contains total collections, total expenditures, the beginning year-fund balance, and the end of year-fund balance."

SBOA One-Time Report

SBOA will conduct a one-time review of previous reports (beginning with the report due March 1, 2024) to determine whether (1) the reports were submitted timely and (2) the food and beverage tax dollars were being spent appropriately. If the political subdivision is in violation of either the reporting or the spending requirements, the SBOA will make a finding of noncompliance.

Once the review is completed, SBOA will compile its conclusions and findings and submit a report to the Legislative Council for those political subdivisions in noncompliance.

For more information on these reporting requirements, please contact the authors or any attorney with Frost Brown Todd's Government Services Practice Group.

**Tony Powers, a second-year law student at Indiana University Robert H. McKinney School of Law, contributed to this article while working as a summer associate at Frost Brown Todd.*

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[1] The Indiana Legislative Council is a 16-member committee of the Indiana General Assembly, comprised of eight members from the Indiana House of Representatives and eight from the Indiana Senate. It handles administrative matters affecting both chambers, including studying issues and making recommendations for policy changes.

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