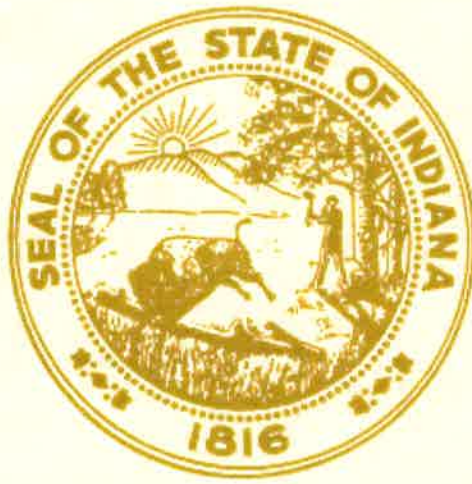


State of Indiana



Indiana General Assembly

SENATE RESOLUTION THIRTY-FIVE

A SENATE RESOLUTION urging the legislative council to assign the topic of Employee Stock Ownership Plans to an appropriate study committee.

WHEREAS, The 2016 Annual Survey of Entrepreneurs found that more than 21,000 Indiana business owners have no succession plan for when they decide to retire;

WHEREAS, Employee Stock Ownership Plans ("ESOPs") are considered "tax-qualified" plans under the Internal Revenue Code and "employee pension benefit plans" under the Employee Retirement Income Security Act, and are similar to a 401(k) plan;

WHEREAS, If a small business adopts an ESOP, the employees of the business purchase the company from the selling owners, utilizing company earnings, in a tax advantaged transaction;

WHEREAS, ESOPs allow companies to share beneficial ownership with employees without requiring employees to invest their own money;

WHEREAS, Encouraging broader use of ESOPs is a highly cost-effective way to retain and create jobs, increase wealth for a broad sector of workers, strengthen communities, and expand economic growth; and

WHEREAS, The sale of a business to its employees offers fair compensation to retiring business owners, while also rooting companies in Indiana and providing their employee-owners with the opportunity to earn a secure and prosperous retirement:

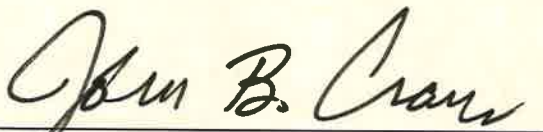
Therefore,
Be it resolved by the Senate of the
General Assembly of the State of Indiana:

SECTION 1. That the legislative council is urged to assign to the appropriate study committee the topic of employee stock ownership plans, including:

- (1) Whether the State of Indiana should provide a gross income tax exclusion for capital gains from the sale of employer securities of a non-publicly traded business with fewer than 500 employees to an employee stock ownership plan.
- (2) The feasibility and desirability of promoting and growing employee owned companies and employee stock ownership plans in Indiana.

SECTION 2. That the study committee, if assigned the topic, shall issue to the legislative council a final report containing the study committee's findings and recommendations in an electronic format under IC 5-14-6 not later than November 1, 2019.

Adopted by voice vote this second day of April, 2019.




JOHN B. CRANE
State Senator



ERIC KOCH
State Senator



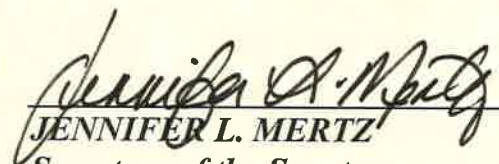
MARK STOOPS
Minority Leader
State Senator



RODRIC D. BRAY
President Pro Tempore
State Senator



TIM LANANE
Minority Leader
State Senator



JENNIFER L. MERTZ
Secretary of the Senate