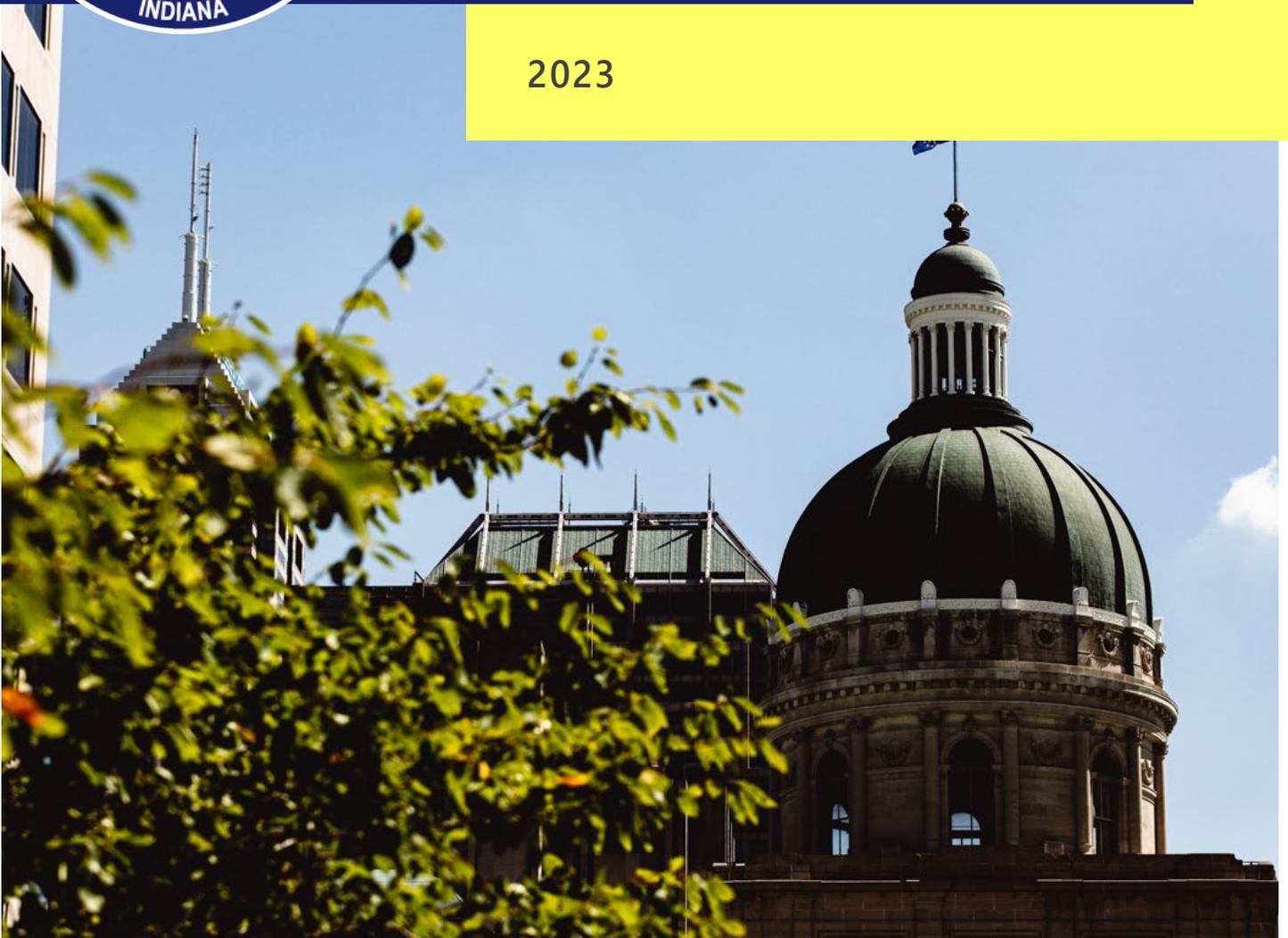




Legislative Synopsis

2023



Last revised: July 2023

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Introduction

The Legislative Synopsis contains a list of legislation passed by the 2023 Indiana General Assembly affecting the Indiana Department of Revenue (DOR).

DOR's synopsis has been divided into two parts with each presenting the same information but organized differently. The first part is organized by tax type and the second by bill number.

For each legislative change, the synopsis includes the heading (the relevant tax type in the first part; the Enrolled Act number in the second part), short Summary, Effective Date, affected Indiana Code cites and section of the bill where the language appears.

Finding Indiana Code and Legislation Online

To find laws contained in Indiana Code, acquire more information about recently passed legislation, or to read the bills in their entirety, visit the [Indiana General Assembly's website](#).

Indiana Code is arranged by Title, Article, Chapter and Section. Follow the steps below to find information contained in Indiana Code on the Indiana General Assembly's website:

- At the top of the webpage, click "Laws" and then click "Indiana Code." Every Title of the Indiana Code appears on this page.
- Click the Title you want to review.
- Next, choose the Article you want to review. All the Chapters in the Article are listed on the left side of the page.
- Click the Chapter you want to review. All Sections of the Chapter will appear, including the Section of the Indiana Code you want to examine.

To view the bill containing the specific language, follow these steps:

1. Click the "Legislation" link on the top of the Indiana General Assembly's webpage.
2. From there, click "Bills" and scroll to the bill number you want. Bills which failed to pass will be displayed in a gray font.
3. When you find the bill, click "Latest Version" to pull up the most recent version of the bill which, if passed, will be titled as an Enrolled Act.
4. Click "Download" to open a PDF of the bill to find the relevant piece of legislation by looking for its SECTION number.

Disclaimer

Legislative synopses are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate Enrolled Acts. Any information or guidance not consistent with the appropriate Enrolled Acts is not binding on the department. The information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7.

Part I: Legislation by Tax Type

State Funds (IC 4-10)

Code: IC 4-10-22-3

Enrolled Act: HEA 1001, Sec. 66

Effective Date: July 1, 2023

- Precludes the possibility of an automatic taxpayer refund being declared in 2025.

Administrative Rules and Procedures (IC 4-22)

Code: IC 4-22-2-17

Enrolled Act: HEA 1623, Sec. 11

Effective Date: July 1, 2023

- Requires agencies to webcast public hearings and allow remote comments.

Code: IC 4-22-2-22.7

Enrolled Act: HEA 1623, Sec. 18

Effective Date: July 1, 2023

- Requires an agency to conduct a regulatory analysis for any proposed rule.
- Provides standards for the regulatory analysis and what information the analysis must contain.

Code: IC 4-22-2-22.8

Enrolled Act: HEA 1623, Sec. 19

Effective Date: July 1, 2023

- Requires an agency to submit a request to the budget agency and the Office of Management and Budget to authorize commencement of the public comment period.

Code: IC 4-22-2-23

Enrolled Act: HEA 1623, Sec. 20

Effective Date: July 1, 2023

- Requires an agency to provide notice in the Indiana Register of the first public comment period and detailing the information to be submitted to the publisher of the Indiana Register.

Code: IC 4-22-2-26

Enrolled Act: HEA 1623, Sec. 24

Effective Date: July 1, 2023

- Requires an agency convening a public hearing to include an option for remote attendance.

Code: IC 4-22-2-26

Enrolled Act: HEA 1623, Sec. 25

Effective Date: July 1, 2023

- Requires those who adopt a rule to fully consider comments received by the agency during each public comment period and comments received at public hearings.

Code: IC 4-22-2-27.5

Enrolled Act: HEA 1623, Sec. 26

Effective Date: July 1, 2023

- Requires an agency to submit a summary of the comments received and the responses given by the agency during each public comment period and public hearing to the attorney general, the governor, and the publisher.
- Directs the publisher to publish the summaries with the final adopted and approved rule.

Code: IC 4-22-2-37.2

Enrolled Act: HEA 1623, Sec. 34

Effective Date: July 1, 2023

- Establishes the process for implementing interim rules that are accepted for filing by the Indiana Register after June 30, 2023.

Code: IC 4-22-2.3

Enrolled Act: HEA 1623, Sec. 43

Effective Date: July 1, 2023

- Establishes the expiration dates for rules adopted under IC 4-22-2-37.1.

Code: IC 4-22-2.6

Enrolled Act: HEA 1623, Sec. 45

Effective Date: July 1, 2023

- Establishes new rules for the expiration and readoption of administrative rules.
- Reduces the time in which rules need to be readopted to remain effective from seven to five years.
- Sets out the readoption rulemaking actions that must be undertaken to readopt the agency's rules.

Charity Gaming (IC 4-32.3)

Code: IC 4-32.3-2-25.5

Enrolled Act: SEA 447, Sec. 1

Effective Date: July 1, 2023

- Defines the term "professional sports team foundation" for purposes of the charity gaming law.

Code: IC 4-32.3-2-31

Enrolled Act: SEA 447, Sec. 2

Effective Date: July 1, 2023

- Specifies that a professional sports team foundation is a qualified organization.

Code: IC 4-32.3-4-3

Enrolled Act: SEA 447, Sec. 3

Effective Date: July 1, 2023

- Specifies that qualified organizations may conduct unlicensed, allowable events at facilities leased or owned by the capital improvement board of managers of Marion County CIB. (Current law allows qualified organizations to conduct charity gaming events without a license if the value of all prizes awarded is less than \$2,500 for a single event and \$7,500 for all unlicensed events conducted during a calendar year.)

Code: IC 4-32.3-5-16

Enrolled Act: SEA 172, Sec. 1

Effective Date: July 1, 2023

- Increases the maximum price of a charity gaming ticket for a pull tab, punchboard, or tip board game from \$1 to \$5.

Code: IC 4-32.3-5-23

Enrolled Act: SEA 447, Sec. 4

Effective Date: July 1, 2023

- Authorizes payment by credit card for a chance to enter a raffle or water race at an allowable event conducted by a qualified organization or at a facility leased or owned by the CIB.

Riverboat Gambling (IC 4-33)

Code: IC 4-33-13-2.5

Enrolled Act: HEA 434, Sec. 1

Effective Date: July 1, 2023

- Changes the distribution of revenue remitted by an inland Gary casino after June 30, 2025. New funds in which this revenue shall be deposited include the city of Gary in the blighted property demolition fund, the Lake County economic development and convention fund and the Gary Metro Center station revitalization fund.
- Requires the northwest Indiana regional development authority to provide DOR with any information that is necessary for DOR to carry out this distribution.

Code: IC 6-9-2-1.5

Enrolled Act: HEA 434, Sec. 4

Effective Date: July 1, 2023

- Authorizes Lake County to increase its County Innkeeper's tax by up to 5%.
- Directs that the amounts received from the rate increase adopted shall be deposited in the Lake County convention and event center reserve fund established by IC 36-7.5-7-10.

Type II Gaming (IC 4-36)

Code: IC 4-36-5-5

Enrolled Act: SEA 172, Sec. 2

Effective Date: July 1, 2023

- Increases the maximum selling price for one ticket for type II gaming from \$1 to \$5.

Code: IC 4-36-5-6

Enrolled Act: SEA 172, Sec. 3

Effective Date: July 1, 2023

- Requires that for type II gaming in which tickets are sold for at least \$1 but not more than \$5, the payout must be at least 75% and not more than 100% of the amount wagered.

Indiana Economic Development Corporation (IC 5-28)

Code: IC 5-28-2-1.5

Enrolled Act: HEA 1106, Sec. 1

Effective Date: January 1, 2023 (Retroactive)

- Adds the Mine Reclamation Tax Credit to the definition of "applicable tax credit" for purposes of the \$250 million aggregate limit of applicable tax credits that the Indiana Economic Development Corporation may award for a state fiscal year.

Code: IC 5-28-6-9

Enrolled Act: HEA 1001, Sec. 85

Effective Date: July 1, 2023

- Reduces the aggregate amount of applicable tax credits in IC 5-28-2-1.5 that the corporation may certify for a state fiscal year for all taxpayers to \$250 million from \$300 million.

Indiana Career Accelerator Fund (IC 5-34)

Code: IC 5-34-1-7

Enrolled Act: HEA 1002, Sec. 6

Effective Date: July 1, 2023

- Changes the requirements for certification of a qualified education program for INvestED Indiana.
- Allows an individual to earn a credential in no more than two years instead of six months, and for graduates to earn an average wage that is at least 150% of the statewide per capita income within two years of graduation instead of the previous 200%.

Sales and Use Tax (IC 6-2.5)

Code: IC 6-2.5-5-2

Enrolled Act: SEA 419, Sec. 1

Effective Date: July 1, 2023

- Expands the sales tax exemption for agricultural machinery, tools, or equipment (the property) to a full exemption if the property is predominately used for agricultural production.
- To qualify for this full exemption, the property must be included on a business personal property tax return.
- The preexisting prorated sales tax exemption remains for property used for agricultural production, but not predominately used for agricultural production.

Code: IC 6-2.5-5-8.5

Enrolled Act: SEA 419, Sec. 2

Effective Date: Upon passage

- Clarifies that the sales tax exemption for the provision, installation, or construction of tangible personal property by a public utility in furtherance of providing utility services applies to all such tangible personal property and not just the utility services utilized in such transactions.

Code: IC 6-2.5-10-1

Enrolled Act: HEA 1001, Sec. 93

Effective Date: July 1, 2023

- Changes the distribution of collections from the gasoline use tax beginning in fiscal year 2024, reducing to zero distribution to the general fund and increasing to 64.285% distribution to the state highway fund.

Code: IC 6-2.5-5-10.7

Enrolled Act: SEA 419, Sec. 3

Effective Date: July 1, 2023

- Creates an exemption for solar and wind energy systems with an originally rated nameplate production capacity of at least two megawatts.
- Partially codifies a department legal interpretation of the manufacturing exemption as it applies to such systems.

Code: IC 6-2.5-5-26

Enrolled Act: SEA 417, Sec. 1

Effective Date: July 1, 2023

- Amends the statute providing an exemption for sales by a nonprofit.
- Changes the \$20,000 annual threshold to \$100,000 in the current or previous calendar year.
- Excepts churches, monasteries, convents, schools that are a part of the Indiana public school system, and parochial schools regularly maintained by a recognized religious denomination from the requirement to collect sales tax, regardless of the dollar amount of sales in a year.
- Further provides that a nonprofit that is not one of the excepted types of nonprofits that reaches the \$100,000 threshold must remain registered and collect sales tax on an ongoing basis and each year thereafter until the nonprofit makes less than the threshold for two consecutive years.

Income Taxes (IC 6-3)

Code: IC 6-3; IC 6-5.5; IC 6-8.1; non-code

Enrolled Act: SEA 2

Effective Date: Generally, January 1, 2022 (Retroactive); some sections effective as of other dates

- Authorizes, retroactive to 2022, certain pass-through entities to make an election to pay tax at the entity level based on each owner's aggregate share of adjusted gross income.
- Provides a refundable tax credit equal to the amount of tax paid by the electing entity with regard to the owner's share.
- Adds a modification for fiduciaries to add back state income taxes and defines adjusted gross income for pass through entity tax and nonresident withholding purposes for 2023 and later.
- Allows, retroactive to 2019, a credit for pass-through entity taxes that are imposed by and paid to another state.
- Makes conforming changes to nonresident withholding taxes to permit withholding taxes for nonresidents to be reduced by their share of pass-through entity tax.
- Makes conforming changes to partnership audit rules and eliminates the election to be taxed at the partnership level under the partnership audit regime.
- Makes certain changes to provisions that apply to taxpayers who file a combined return for the financial institutions tax.
- Provides a statute of limitations safe harbor for nonresident individuals who are subject to composite tax to not file an individual tax return.

For details regarding SEA 2, please see the [Pass Through Entity Tax page](#) on DOR's website.

Code: IC 6-3-1-3.5

Enrolled Act: SEA 419, Sec. 7

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the acquisition date for applying the addback for federally tax-exempt state and local bond interest.
- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.
- Exempts from Indiana income tax the amount of a federal, state, or local grant received or discharged indebtedness for providing or expanding broadband service in the state.
- Clarifies the inclusion of adjusted gross income and related modifications for tax-exempt entities.
- Clarifies the application of modifications for estates, trusts, corporations that deduct dividends, and in the case of certain net operating losses.

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1001, Sec. 94

Effective Date: January 1, 2023 (Retroactive)

- Increases the dependent exemption from \$1,500 to \$3,000 for the first taxable year in which a particular exemption is allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1002, Sec. 7

Effective Date: July 1, 2023

- Provides an income tax deduction for Career Scholarship Account program grants received and used towards qualified expenses under IC 20-51.4.

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1454, Sec. 63

Effective Date: January 1, 2022 (retroactive)

- Clarifies the definition of adjusted gross income for pass-through entity tax and tax withholding purposes and clarifies the adjusted gross income for trusts and estates to reflect distributions subject to tax for state and federal income tax for beneficiaries.

Code: IC 6-3-1-11

Enrolled Act: SEA 419, Sec. 8

Effective Date: January 1, 2023 (Retroactive)

- Updates Indiana Code definition of the federal Internal Revenue Code (IRC) to that in effect on January 1, 2023.

Code: IC 6-3-1-34

Enrolled Act: HEA 1034, Sec. 1

Effective Date: July 1, 2023

- Exempts all military pay for members of a reserve component of the armed forces of the United States or the National Guard from the income tax for taxable years beginning in 2023 and thereafter.
 - Current law provides an exemption only for the period these members are mobilized or deployed.
- Exempts military pay earned by members of an active component of the armed forces of the United States from the individual income tax for taxable years beginning in 2024 and thereafter.
 - Current law provides a maximum income tax deduction of \$5,000 for members of an active component of the armed forces of the United States.

Code: IC 6-3-1-39

Enrolled Act: SEA 419, Sec. 9

Effective Date: January 1, 2023 (Retroactive)

- Provides a new definition of preliminary federal net operating loss.
- Provides that the definition includes federal taxable income if a taxpayer does not have a federal net operating loss.
- Provides that certain net operating losses included in the definition of separately stated net operating losses are not included in the definition of preliminary federal net operating loss.

Code: IC 6-3-1-40

Enrolled Act: SEA 419, Sec. 10

Effective Date: January 1, 2023 (Retroactive)

- Provides a new definition of separately stated net operating losses.
- Provides that a separately stated net operating loss is a loss that is determined regardless of whether a taxpayer has federal taxable income.

Code: IC 6-3-2-1

Enrolled Act: HEA 1001, Sec. 95

Effective Date: January 1, 2024

- Reduces the current 3.15% individual income tax rate in stages.
- The rate becomes:
 - 3.05% for 2024
 - 3.00% for 2025
 - 2.95% for 2026
 - 2.90% for 2027 and subsequent years.

Code: IC 6-3-2.1-4

Enrolled Act: HEA 1454, Sec. 64

Effective Date: January 1, 2022 (retroactive)

- Corrects a reference from “entity owner” to “direct owner.”
- Clarifies treatment for when a pass-through entity elects to be subject to pass through entity tax and is an owner of another pass-through entity that is passing through pass through entity tax.

Code: IC 6-3-2-1.9

Enrolled Act: SEA 419, Sec.11

Effective Date: July 1, 2021 (Retroactive)

- Clarifies the definition of federal taxable income for the application of net operating losses for taxable years ending after June 30, 2021, and beginning before January 1, 2023.

Code: IC 6-3-2-2.5

Enrolled Act: SEA 419, Sec. 12

Effective Date: January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating application for tax-exempt entities.
- Clarifies treatment of net operating losses when certain debt discharges occur.
- This provision only applies to resident individuals, trusts, and estates.

Code: IC 6-3-2-2.6

Enrolled Act: SEA 419, Sec. 13

Effective Date: January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating loss application for tax-exempt entities and S corporations.
- Clarifies treatment of net operating losses when certain debt discharges.
- Clarifies the treatment of net operating loss when certain corporate reorganizations and ownership changes occur.
- Clarifies the treatment of apportionment and allocation provisions when applied to discharged debt and corporate ownership changes.
- This provision applies to nonresident individuals, trusts and estates, and corporations.

Code: IC 6-3-2-2.8

Enrolled Act: SEA 419, Sec. 14

Effective Date: January 1, 2023 (Retroactive)

- Permits organizations offering nonprofit agricultural organization insurance coverage to elect to be subject to the adjusted gross income tax instead of the insurance premiums tax.

Code: IC 6-3-2-21.7

Enrolled Act: SEA 419, Sec. 15

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the rules regarding claiming the exemption for certain income derived from patents.
- Clarifies that an S corporation is eligible for the exemption.
- Clarifies that in the case of an S corporation, the domicile and employee requirements are determined at the S corporation level.
- Clarifies that:
 1. A taxpayer is not required to claim the exemption in the first year after which the patent was issued.
 2. The years in which the exemption is claimed are not required to be consecutive taxable years.
 3. If a qualified taxpayer claims an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to reverse the claimed exemption unless the correct amount of the claimed exemption would have been zero.
 4. If a qualified taxpayer does not claim an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to claim an exemption.
 5. If a qualified taxpayer files returns claiming an exemption with regard to a particular qualified patent for more than ten years, the statute of limitations for assessment of the qualified taxpayer and any entities claiming an exemption through a qualified taxpayer for taxable years after the tenth taxable year for which the exemption is claimed for the qualified patent shall not expire with regard to any claimed exemption.
- Clarifies that for an S corporation, the maximum allowable deduction and ten-year deduction period is determined at the S corporation level.

Code: IC 6-3-2-27.5

Enrolled Act: SEA 419, Sec. 16

Effective Date: January 1, 2024

- Exempts most non-resident workers from Indiana income tax if they work no more than 30 days in a calendar year in Indiana.
 - The exemption does not apply to professional athletes, professional entertainers, or public figures.
- Provides extensive details regarding the employee eligibility for this exemption and the requirements on the employer for an employee to receive this exempt treatment.

Code: IC 6-3-2-28

Enrolled Act: SEA 419, Sec. 17

Effective Date: January 1, 2024

- Provides a qualified individual an income tax deduction for the total amount of qualified health care sharing expenses paid by the qualified individual during the taxable year.
- Establishes rules by which a taxpayer must claim this deduction.

Code: IC 6-3-2-29

Enrolled Act: SEA 419, Sec. 18

Effective Date: January 1, 2022 (Retroactive)

- Provides direction for computing the amount a taxpayer may deduct under IC 6-3-1-3.5 and IC 6-5.5-1-2 for qualified research expenditures the taxpayer is required to amortize over a five-year period for federal tax purposes under IRC Section 174.

Code: IC 6-3-2.1-2

Enrolled Act: SEA 419, Sec. 19

Effective Date: January 1, 2022 (Retroactive)

- Clarifies that an S corporation shareholder that is an IRC section 501(c)(3) corporation not domiciled in Indiana is considered a nonresident for pass through entity tax purposes.
- Clarifies that bank holding companies that are S corporations are eligible entities for pass through entity tax purposes.
- Clarifies the definition of resident.

Code: IC 6-3-3-12

Enrolled Act: HEA 1454, Sec. 65

Effective Date: January 1, 2024

- Allows a taxpayer to treat a contribution to a 529 college savings account made after December 31 as having been made during the preceding taxable year if:
 - the contribution is made before the original tax filing deadline, and
 - an irrevocable election is made with the Indiana Education Savings Authority.

Code: IC 6-3-3-12.1

Enrolled Act: HEA 1454, Sec. 66

Effective Date: January 1, 2024

- Allows a taxpayer to treat a contribution to a 529A ABLE account made after December 31 as having been made during the preceding taxable year if:
 - the contribution is made before the original tax filing deadline, and
 - an irrevocable election is made with the Indiana ABLE Authority.

Code: IC 6-3-7-3

Enrolled Act: SEA 419, Sec. 21

Effective Date: July 1, 2023

- Directs that all revenues derived from adjusted gross income tax computed from a partnership that has made an election to be subject to tax directly at the partnership level under IC 6-3-4.5 shall be deposited in the state general fund.

Tax Credits (IC 6-3.1)

Code: IC 6-3.1-17.1

Enrolled Act: HEA 1454, Sec. 67

Effective Date: January 1, 2024

- Establishes the Historic Rehabilitation Tax Credit effective for tax years beginning after December 31, 2023.
- Authorizes the Indiana Economic Development Corporation (IEDC) to award a credit to a qualified taxpayer against the qualified taxpayer's state tax liability in the taxable year in which the qualified taxpayer completes restoration and preservation of a qualified historic structure if the total amount of qualified rehabilitation expenditures incurred by the qualified taxpayer equals \$5,000 or more.
- Provides that the amount of the credit is generally 25% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure. Provides that the amount of the credit is 30% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure if the structure is owned by a taxpayer that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code or is not income producing.
- Directs that if the IEDC awards credits, DOR and the Office of Community and Rural Affairs shall administer the allowance of the credits.
- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.
- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries, or members may allocate the credit among its partners, beneficiaries, or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. The pass-through entity shall also provide a copy of such agreements, a list of partners, beneficiaries, or members of the pass-through entity, and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to ten years.
- Permits the assignment of a credit. The assignment must be in writing, and both the qualified taxpayer and assignee shall report the assignment on the qualified taxpayer's and the assignee's state tax returns for the year in which the assignment is made in the manner

prescribed by DOR. A qualified taxpayer may not receive value in connection with an assignment under this section that exceeds the value of the part of the credit assigned.

- Limits the aggregate amount of state tax credits allowed to \$10 million for each state fiscal year beginning after June 30, 2023, and ending before July 1, 2030.
- Includes any credits awarded in the \$250 million aggregate amount of applicable tax credits that the IEDC may certify for a state fiscal year under IC 5-28-6-9.
- Authorizes DOR to adopt rules governing administration of the credit.

Code: IC 6-3.1-21-6

Enrolled Act: HEA 1001, Sec. 100

Effective Date: January 1, 2023 (Retroactive)

- Recouples the Indiana Earned Income Tax Credit (EITC) with the federal EITC as in effect on January 1, 2023.

Code: IC 6-3.1-30.5-13

Enrolled Act: HEA 1001, Sec. 101

Effective Date: July 1, 2023

- Changes the annual limit of school scholarship tax credit that may be allowed to \$18.5 million for any fiscal year beginning after June 30, 2023.

Code: IC 6-3.1-34-18

Enrolled Act: HEA 1001, Sec. 102

Effective Date: July 1, 2023

- Directs that any repayment of the redevelopment tax credit shall be deposited in the general fund and be counted against the \$250 million aggregate amount of available tax credits under IC 5-28-6-9.

Code: IC 6-3.1-35-2

Enrolled Act: SEA 419, Sec. 22

Effective Date: July 1, 2023

- Changes the start of the five-year period in which the Affordable and Workforce Housing Tax Credit can be claimed from the taxable year in which any amount of the federal tax credit for the qualified project is first claimed by a taxpayer to the year a building in the project is placed into service.

Code: IC 6-3.1-35-3

Enrolled Act: SEA 419, Section 23

Effective Date: July 1, 2023

- Makes changes to the calculation of the Affordable and Workforce Housing Tax Credit.

Code: IC 6-3.1-35-7

Enrolled Act: SEA 419, Sec. 24

Effective Date: July 1, 2023

- Makes changes to the maximum amount of Affordable and Workforce Housing Tax Credit allowable for a qualified project.

Code: IC 6-3.1-35.8-1

Enrolled Act: SEA 151, Sec. 1

Effective Date: July 1, 2023

- Defines "qualifying contribution" as a monetary payment made by a person to the insuring foster youth trust fund established by IC 31-26-4.5-4.

Code: IC 6-3.1-35.8-3

Enrolled Act: SEA 151, Sec. 3

Effective Date: July 1, 2023

- Directs that the Foster Care Donation Tax Credit must be claimed on the annual state tax return of the contributor in the manner prescribed by DOR.

Code: IC 6-3.1-35.8-4

Enrolled Act: SEA 151, Sec. 4

Effective Date: July 1, 2023

- Eliminates the requirement that a taxpayer wishing to claim the foster care donation tax credit apply to DOR for approval before making the credit-qualifying contribution.
- Instead, the contributor must file an application with DOR stating the amount of the contribution or investment that it made that would qualify for a tax credit and proof of payment of the contribution, the amount sought to be claimed as a credit, and any other information that DOR determines is necessary to determine whether the business firm or person is eligible for the credit.
- Requires DOR to notify the applicant no later than 45 days after DOR receives an application for a tax credit that the applicant has been approved for the tax or denied.
- Requires the Department of Child Services to annually provide DOR a list of each approved organization before January 1 of each year instead of July 1.

Code: IC 6-3.1-35.8-5

Enrolled Act: SEA 151, Sec. 5

Effective Date: July 1, 2023

- Changes the period for applying the global credit limit from a fiscal year to a calendar year beginning with calendar year 2024.
- Before 2024, the total amount of tax credits allowed may not exceed \$2,000,000 for the period beginning July 1, 2021, through December 31, 2023.

Code: IC 6-3.1-35.8-6.1

Enrolled Act: SEA 151, Sec. 6

Effective Date: July 1, 2023

- Requires DOR to provide the following information on DOR's website:
 - the application for the tax credit
 - a timeline for receiving the credit; and
 - the total amount of credits awarded during the current calendar year.

Code: IC 6-3.1-35.8-8

Enrolled Act: SEA 151, Sec. 7

Effective Date: July 1, 2023

- Extends the duration of the credit through 2027 instead of 2024.

Code: IC 6-3.1-37.2

Enrolled Act: HEA 1106, Sec. 2

Effective Date: January 1, 2023 (Retroactive)

- Provides a Mine Reclamation Tax Credit for a taxpayer that enters into an agreement with the Indiana Economic Development Corporation for a qualified investment for development of property located on reclaimed coal mining land.
- Limits the credit to the lesser of the qualified investment made by the taxpayer during the taxable year multiplied by 30% or \$5,000,000.
- Permits a taxpayer to assign any part of the credit to which the taxpayer is entitled to a lessee of the mine reclamation site. An assignment must be in writing, and both the taxpayer and the lessee must report the assignment on their state tax returns for the year in which the assignment is made in the manner prescribed by DOR.
- Limits the amount the taxpayer may receive value in connection with the assignment to the value of the part of the credit assigned.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Establishes that the credit shall be applied against taxes owed by the taxpayer in the following order:
 1. Against the taxpayer's adjusted gross income tax liability (IC 6-3-1 through IC 6-3-7) for the taxable year.
 2. Against the taxpayer's insurance premiums tax liability (IC 27-1-18-2) for the taxable year.
 3. Against the taxpayer's financial institutions tax (IC 6-5.5) for the taxable year.
- Provides that a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by DOR. The taxpayer shall submit to DOR the certification letter from the Indiana Economic Development Corporation to DOR stating the percentage of credit allowable and all other necessary information for the calculation of the credit and whether an expenditure is for a qualified investment.
- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to

the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.

- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries, or members may allocate the credit among its partners, beneficiaries, or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. Such agreement shall be filed with the Indiana Economic Development Corporation not later than 15 days after execution. The pass-through entity shall also provide a copy of such agreements, a list of partners, beneficiaries, or members of the pass-through entity and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.
- Limits the aggregate amount of mine reclamation tax credits to \$25,000,000 from January 1, 2023, to December 31, 2027.

Code: IC 6-3.1-38

Enrolled Act: HEA 1004, Sec. 2

Effective Date: January 1, 2024

- Establishes the health reimbursement arrangement credit beginning in tax year 2024.
- Defines "qualified taxpayer" as an employer that is a corporation, a limited liability company, a partnership, or another entity that has any state tax liability and has adopted a health reimbursement arrangement (as described in Section 9831(d) of the Internal Revenue Code) in lieu of a traditional employer provided health insurance plan.
- Allows a qualified taxpayer with less than 50 employees to claim a credit against their state tax liability for an eligible contribution for up to \$400 per covered employee in the first year if the amount provided toward the health reimbursement arrangement is equal to or greater than the level of benefits provided in the previous benefit year, or if the amount the employer contributes toward the health reimbursement arrangement equals the same amount contributed per covered individual toward the employer provided health insurance plan during the previous benefit year. The credit under this section decreases to \$200 per covered employee in the second year.
- Limits the amount of total tax credits granted to \$10 million in any taxable year.
- Directs DOR to record the time of filing of each return claiming a credit and approve the claims if they otherwise qualify for a tax credit in the chronological order in which the claims are filed in the state fiscal year.
- Permits a taxpayer to carry over the amount of a credit that exceeds the qualified taxpayer's state tax liability for that taxable year to the immediately succeeding taxable years.
- Restricts the credit carryover from being used for any taxable year that begins more than ten years after the date on which the donation from which the credit results is made.
- Directs the department to adopt rules for implementing the credit.

Code: IC 6-3.1-38.3

Enrolled Act: HEA 1454, Sec. 68

Effective Date: January 1, 2024

- Establishes the employment of individuals with disability tax credit.
- Allows a credit, except in certain circumstances, to a taxpayer that employs an individual who is referred to the employer for employment through a vocational rehabilitation services program for individuals with a disability and was initially hired by the taxpayer after December 31, 2023. The amount of the credit is based on the wages paid to the particular employee during the taxable year.
- Requires that the employee must work at least an average of 20 hours per week for the employer in a similar setting and at a rate that is comparable to other employees of the taxpayer who perform the same or similar tasks.
- Establishes the amount of the credit based on the attributes of the employer.
- If the taxpayer is a benefit corporation (as defined in IC 23-1.3-2-3); the taxpayer employs no more than 50 individuals; and the majority of the taxpayer's employees are eligible individuals the amount of the tax credit is determined according to the following:
 - In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
 - In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
 - In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 50% of the wages paid to the employee during the taxable year.
- If the taxpayer does not meet the requirements above and employs 500 or fewer employees, the amount of the tax credit is determined according to the following:
 - In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 20% of the wages paid to the employee during the taxable year.
 - In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
 - In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to five taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Disallows assignment of the credit.
- Expires the credit after December 31, 2028.

Code: IC 6-3.1-39.5

Enrolled Act: HEA 1001, Sec.103

Effective Date: January 1, 2024

- Allows a credit for qualified childcare expenditures by an employer.
- Limits the maximum amount of the credit to the lesser of 50% of the employer's qualified expenditures in the taxable year or \$100,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to three years.
- Directs that the credit must be claimed in a manner prescribed by DOR.
- Provides a recapture schedule for the credit in the event of a "recapture event."
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.
- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Expires the credit on July 1, 2025.

Code: IC 6-3.1-40

Enrolled Act: HEA 1004, Sec. 3

Effective Date: July 1, 2023

- Establishes the physician practice ownership tax credit beginning in tax year 2024.
- Defines "primary care physician" as a physician practicing in one or more of the following:
 - family medicine;
 - general pediatric medicine;
 - general internal medicine; or
 - the general practice of medicine.
- Defines "taxpayer" for purposes of the credit to mean an individual who:
 - is a physician practicing as a primary care physician;
 - has an ownership interest in a corporation, limited liability company, partnership, or other legal entity organized to provide primary health care services as a physician owned entity;
 - is not employed by a health system (as defined in IC 16-18-2-168.5); and
 - has any state income tax liability.
- Allows a taxpayer to claim a credit if a taxpayer has an ownership interest in a physician-owned medical practice described in IC 6-3.1-40-5(2) that:
 - is established as a legal entity under Indiana law after December 31, 2023;
 - opens and begins to provide primary health care services to patients in a particular taxable year beginning after December 31, 2023; and
 - has billed for primary health care services for at least six months of that taxable year.
- Limits the amount of the credit for a particular taxable year to \$20,000.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Prohibits the credit from being assigned.

- Requires a taxpayer to claim the credit on the taxpayer's annual state income tax return in the manner prescribed by DOR. The taxpayer shall submit all necessary information to DOR to verify the taxpayer's eligibility for the credit.
- Directs DOR to recapture the credit if DOR determines within five years of a taxpayer's receipt of a tax credit that the taxpayer has sold, transferred, granted, or otherwise relinquished the taxpayer's ownership interest in an entity described IC 6-3.1-40-5(2) and is employed by a health system or another non-physician owned medical practice.
- Directs that any recaptured credit amount be deposited in the general fund.

Code: IC 6-3.1-40.9

Enrolled Act: HEA, Sec. 104

Effective Date: January 1, 2024

- Allows a credit to a taxpayer that makes a contribution to an affordable housing organization approved by the Indiana Economic Development Corporation.
- Limits the amount of the credit to the lesser of 50% of the qualified contribution or \$10,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners, or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to five years.
- Directs that the credit must be claimed in a manner prescribed by DOR.
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.
 - Any amounts carried forward shall first be deducted from the total amount of tax credits that may be awarded for the succeeding state fiscal year.
- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Directs DOR to provide the following information on its website:
 - the application for the credit provided in this chapter;
 - a timeline for receiving the credit provided in this chapter; and
 - the total amount of credits awarded during the current state fiscal year.
- Authorizes DOR to adopt rules under IC 4-22-2 to implement this new credit.
- Expires the credit January 1, 2030.

Local Taxation (IC 6-3.5)

Code: IC 6-3.5-4-7.5

Enrolled Act: HEA 1454, Sec. 71

Effective Date: July 1, 2023

- Provides that any county motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

Code: IC 6-3.5-10-8.5

Enrolled Act: HEA 1454, Sec. 74

Effective Date: July 1, 2023

- Provides that any municipal motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

Local Income Taxes (IC 6-3.6)

Code: IC 6-3.6-6-2.9

Enrolled Act: SEA 419, Sec. 2

Effective Date: July 1, 2023

- Authorizes a county to impose a local income tax (LIT) rate in increments of 0.01% up to a maximum of 0.2% to pay for county staff expenses of the state judicial system in the county.
- Provides that the expenses paid from the LIT revenue may not comprise more than 50% of the county's total budgeted operational staffing expenses related to the state judicial system in any given year.
- Requires certain reporting requirements related to the use of the LIT revenue.

Code: IC 6-3.6-3-3

Enrolled Act: HEA 1454, Sec. 75

Effective Date: July 1, 2023

- Establishes that if a county or local income tax (LIT) council does not provide the required notice to underlying units of a tax rate change, the change does not take effect.

Code: IC 6-3.6-3-7

Enrolled Act: HEA 1454, Sec. 77

Effective Date: July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the local income tax council.
 - If a county adopting body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit by August 1.
 - If a county adopting-body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county adopting-body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.
 - The county adopting-body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

Code: IC 6-3.6-3-7.5

Enrolled Act: HEA 1454, Sec. 78

Effective Date: July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the county council.
 - If a county adopting-body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit by August 1.
 - If a county adopting-body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county adopting-body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.
 - The county adopting-body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

Code: IC 6-3.6-6-2.7

Enrolled Act: HEA 1454, Sec. 79

Effective Date: July 1, 2023

- Raises the maximum tax rate a county fiscal body may impose for correctional facilities and rehabilitation facilities from 0.2% to 0.3% in the case of a county with bonds or lease agreements outstanding on July 1, 2023, backed by revenue from this tax.
- Restricts the amount of revenue that may be used for operating expenses for correctional facilities and rehabilitation facilities in the county to 0.2% of this tax.

Financial Institutions Tax (IC 6-5.5)

Code: IC 6-5.5-1-2

Enrolled Act: SEA 419, Sec. 25

Effective Date: January 1, 2023 (Retroactive)

- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.

Code: IC 6-5.5-2-1

Enrolled Act: SEA 419, Sec. 26

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the application of certain debt discharges for net operating loss purposes.
- Clarifies that the application of debt discharges is to be consistent with the application of regular income for the year of discharge.

Code: IC 6-5.5-2-7

Enrolled Act: SEA 419, Sec. 27

Effective Date: January 1, 2023 (Retroactive)

- Exempts an organization offering nonprofit agricultural insurance coverage from the financial institutions tax if it elects to pay the Nonprofit Agricultural Organization Health Coverage Tax.

Motor Fuel and Vehicle Excise Taxes (IC 6-6)

Code: IC 6-6-1.1-201

Enrolled Act: HEA 1001, Sec. 106

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate the gasoline excise tax through July 1, 2027.

Code: IC 6-6-1.6-3

Enrolled Act: HEA 1001, Sec. 107

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate the fuel tax index factors through July 1, 2027.

Code: IC 6-6-2.5-1

Enrolled Act: HEA 1050, Sec. 2

Effective Date: January 1, 2024

- Adds hydrogen, hythane, electricity, or any other fuel used to propel a motor vehicle on a highway that is not subject to the special fuel tax or gasoline tax to the definition of "alternative fuel" for purposes of the special fuel tax.

Code: IC 6-6-2.5-6.5

Enrolled Act: HEA 1454, Sec. 83

Effective Date: July 1, 2023

- Defines "compressed natural gas product fuel station" as a fuel station that purchases special fuel, converts it into compressed natural gas product, and sells the compressed natural gas product from a metered pump at the same location.

Code: IC 6-6-2.5-28

Enrolled Act: HEA, Sec. 108

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate special fuel tax rate through July 1, 2027.

Code: IC 6-6-2.5-30

Enrolled Act: HEA 1454, Sec. 84

Effective Date: July 1, 2023

- Exempts the difference between the amount of special fuel purchased by a compressed natural gas product fuel station and the amount of compressed natural gas product produced and sold by the compressed natural gas product fuel station from the special fuel tax.
- Provides that this exemption shall be applied for through the refund procedures established in section IC 6-6-2.5-32.7.

Code: IC 6-6-2.5-32

Enrolled Act: HEA 1454, Sec. 85

Effective Date: July 1, 2023

- Clarifies that a refund for special fuel tax collected on compressed natural gas product may not be claimed under both IC 6-6-2.5-32 and IC 6-6-2.5-32.7 9 for the same special fuel tax.

Code: IC 6-6-2.5-32.7

Enrolled Act: HEA 1454, Sec. 86

Effective Date: July 1, 2023

- Creates a quarterly refund process of special fuel tax for compressed natural gas product fuel stations on the difference between the amount of special fuel purchased by a station and the amount of compressed natural gas product produced and sold by the station.
- Requires the station to submit a statement to DOR that lists such information, which is subject to penalties pertaining to perjury, as well as any information reasonably requested on a form prescribed by DOR.
 - The claim must be filed not later than the end of the third month following the end of the calendar quarter the compressed natural gas qualified for a special fuel tax refund.
 - No interest may be paid on this refund.
- Allows DOR to make any necessary investigations before refunding the tax.

Code: IC 6-6-2.5-37

Enrolled Act: HEA 1454, Sec. 87

Effective Date: July 1, 2023

- Clarifies that the special fuel tax collection allowance is in addition to any amount refunded under IC 6-6-2.5-32.7.

Code: IC 6-6-4.1-2

Enrolled Act: HEA 1050, Sec. 3

Effective Date: January 1, 2024

- Adds qualified motor vehicles that are subject to the tax reporting requirements of the International Fuel Tax Agreement to the types of vehicles subject to the motor carrier fuel tax.

Code: IC 6-6-4.1-4

Enrolled Act: HEA 1050, Sec. 4

Effective Date: January 1, 2024

- Adds a new motor carrier fuel tax calculation method for alternative fuels that are not propane or butane, depending on whether the carrier's fleet has both gas or special fuel consuming vehicles in addition to vehicles consuming such types of alternative fuel, or whether the carrier's fleet only has vehicles that consume such types of alternative fuel.
- Requires DOR to publish MPG data on its website so the latter types of carriers can calculate the tax owed.

Code: IC 6-6-4.1-4.8

Enrolled Act: HEA 1050, Sec. 5

Effective Date: July 1, 2023

- Provides that a carrier that is exempt from the quarterly reporting requirements under 6-6-4.1-10 must continue to file a quarterly return in order to obtain a proportional use credit.
- Provides that a carrier that purchased alternative fuel does not have to pay the taxes ahead of time in order to claim a proportional use credit.

Code: IC 6-6-4.1-9

Enrolled Act: HEA 1050, Sec. 6

Effective Date: January 1, 2024

- Provides that the rule pertaining to applying a standard mileage rate in cases where the carrier did not maintain proper recordkeeping does not apply to alternative fuels that are not propane or butane.

Code: IC 6-6-4.1-10

Enrolled Act: HEA 1050, Sec. 7

Effective Date: July 1, 2023

- Removes the requirement that a carrier must apply for an exemption from filing their quarterly Motor Carrier Fuel Tax return.
- Replaces this requirement with an automatic exemption qualification for carriers that have purchased all or substantially all of their fuel in Indiana upon which the carrier paid gasoline or special fuel tax, and all or substantially all of their mileage was in Indiana.
- Requires carriers to file a quarterly return and pay the Motor Carrier Fuel Tax only on alternative fuel if all or substantially all of the quarterly mileage of the carrier is the result of

operations in Indiana, and the motor fuel used for operations during the quarter was purchased in Indiana, some of which was alternative fuel.

- A carrier that meets the exemption or meets the requirements for alternative fuel previously mentioned still must keep books and records as required by IC 6-8.1-5.

Code: IC 6-6-4.1-12

Enrolled Act: HEA 1050, Sec. 8

Effective Date: July 1, 2023

- Creates an exemption for carriers that meet the exemption from filing quarterly reports as provided in IC 6-6-4.1-10 from the requirement to pay the \$25 annual fee and to put decals on their vehicles.
- A carrier that meets the alternative fuel requirements in IC 6-6-4.1-10(c) only has to put decals on their vehicles that consume alternative fuel.

Code: IC 6-6-5-0.5

Enrolled Act: HEA 1454, Sec. 88

Effective Date: July 1, 2023

- Exempts trailers with a declared gross vehicle weight of 3,000 pounds or less that are registered or renewed under IC 9-18.1-5-13 from the Motor Vehicle Excise Tax.

Tobacco Taxes (IC 6-7)

Code: IC 6-7-1-17

Enrolled Act: HEA 1001, Sec. 109

Effective Date: July 1, 2023

- Raises the cigarette tax collection allowance from 1.3 to 2.0 cents/package.

Code: IC 6-7-1-28.1

Enrolled Act: HEA 1001, Sec. 110

Effective Date: July 1, 2023

- Changes the distribution of cigarette tax collections.
- Eliminates the distribution to the mental health centers fund.
- Increases the distribution to the general fund from 56.24% to 56.84%.

Code: IC 6-7-2-7

Enrolled Act: HEA 1454, Sec. 91

Effective Date: January 1, 2024

- Caps the 24% tobacco products tax for cigars at \$1 per cigar.

Code: IC 6-7-4-8

Enrolled Act: SEA 419, Sec. 29

Effective Date: July 1, 2023

- Amends the definition of “vapor product” by removing “disposable vapor product devices that are attached to a closed system cartridge and intended for single use” from the list of items that fall under this term.

Code: IC 6-7-4-10

Enrolled Act: SEA 419, Sec. 30

Effective Date: July 1, 2023

- Renames the “electronic cigarette retail dealer's certificate” the “open system electronic cigarette retail dealer's certificate.”

Miscellaneous Tax Matters (IC 6-8)

Code: IC 6-8-15-5

Enrolled Act: SEA 419, Sec. 31

Effective Date: January 1, 2023 (Retroactive)

- Establishes that in order for an organization providing nonprofit agricultural organization coverage in Indiana to be subject to the adjusted gross income tax instead of the nonprofit agricultural organization health coverage tax, the organization must:
 1. file a notice of election with the insurance commissioner and the commissioner of DOR on or before November 30 of a taxable year; and
 2. state in the notice of election that the organization elects to be subject to the adjusted gross income for the taxable year.

Department of Revenue Tax Administration (IC 6-8.1)

Code: IC 6-8.1-3-29

Enrolled Act: HEA 1499, Sec. 17

Effective Date: July 1, 2023

- Requires DOR (for tax receipts for adjusted gross income taxes due and owing for a taxable year beginning after December 31, 2023) to annually provide a taxpayer receipt to an individual who has an individual INTIME account with DOR and filed a resident individual income tax return with DOR. The taxpayer receipt shall be posted on the taxpayer's individual INTIME account.
- Prohibits DOR from providing a taxpayer with a copy of the taxpayer receipt by mail.
- Directs DOR, in consultation with the budget agency, to create and administer a web page on which individual taxpayers may access an estimate of the allocation of their adjusted gross income taxes to various expenditure categories for the most recent state fiscal year based on the adjusted gross income taxes paid by the taxpayer. The web page must contain the following elements:

1. The web page must be conveniently and easily accessible.
2. A link to the web page must be prominently displayed on the department's main website.
3. The web page must provide an estimate of the allocation of the statewide spending of adjusted gross income tax revenue broken down under the following categories:
 - public education
 - higher education
 - social services
 - infrastructure
 - criminal justice
 - economic development
 - environment and natural resources
 - elected officials
 - general government
- The estimate must include the amount and the percentage of adjusted gross income tax revenue allocated to each category and provide an estimate of an individual taxpayer's contribution based on the individual's input of their adjusted gross income tax payments.
- Requires DOR to include a link to the web page on the Indiana individual income tax return, Form IT-40.

Code: IC 6-8.1-6-3

Enrolled Act: SEA 419, Sec. 3

Effective Date: July 1, 2023

- Directs DOR to consider a document received after the deadline as on time if the postmark date is up to three business days (not including a day falling on Saturday, Sunday, a national, legal holiday recognized by the federal government, or a statewide holiday) after the date of the deadline.

Code: IC 6-8.1-7-1

Enrolled Act: SEA 419, Sec. 32

Effective Date: Upon passage

- Authorizes DOR to publish a list of persons, corporations, or other entities that qualify for a sales tax exemption under IC 6-2.5-5-16 (state and local governments), IC 6-2.5-5-25 (nonprofit purchases), or IC 6-2.5-5-26 (nonprofit sales). Information that may be disclosed includes:
 1. any federal identification number or other identification number for the entity assigned by DOR;
 2. any expiration date of an exemption under IC 6-2.5-5-25;
 3. whether any sales tax exemption has expired or has been revoked by DOR; and
 4. any other information reasonably necessary for a recipient of an exemption certificate to determine if an exemption certificate is valid.

Code: IC 6-8.1-9.5-10

Enrolled Act: HEA 1454, Sec. 92

Effective Date: July 1, 2023

- Reduces the collection fee charged to a debtor for any debts collected under DOR's debt offset program from 15% to 10%.

Code: IC 6-8.1-10-9.5

Enrolled Act: SEA 419, Sec. 33

Effective Date: January 1, 2024

- Requires that a purchaser or seller notify DOR at least 45 days prior to transferring more than 50% of the tangible personal property of a business.
- Failure to provide such notice will result in the purchaser becoming liable for any tax due under IC 6-2.5 (retail sales and use tax), or IC 6-9 (county innkeepers and food and beverage tax), including penalties and interest, of the transferring business up to the amount of the purchase price or value of the tangible personal property.
- After timely notice, the purchaser remains liable for any of the above taxes that are due from the seller if DOR mails a summary of such taxes due to the purchaser at least 20 days prior to the closing date of the transaction.

Code: IC 6-8.1-10-14

Enrolled Act: SEA 419, Sec. 34

Effective Date: July 1, 2023

- Directs how penalties and interest resulting from a listed tax shall be deposited.
- Generally, penalties and interest are deposited in the same place as the underlying tax to which the penalty and interest are associated. Dishonored payment penalties are deposited in the state general fund. However, in the case of penalties and interest arising from local income tax under IC 6-3.6, the penalties and interest shall be deposited in the state general fund.
- In the case of penalties or interest associated with the late payment of a tax imposed under IC 6-6-9 (auto rental excise tax), IC 6-6-9.5 (Vanderburgh County Supplemental auto rental excise tax), IC 6-6-9.7 (Marion County Supplemental auto rental excise tax), or IC 6-6-16 (vehicle sharing excise tax), or the taxes imposed under IC 6-9 by local units, penalties and interest shall be distributed to the appropriate local unit and shall be distributed, spent, or otherwise managed in the same manner as the underlying tax.

Innkeeper's and Food and Beverage Taxes (IC 6-9)

Code: IC 6-9-2-1.5

Enrolled Act: HEA 434, Sec. 4

Effective Date: July 1, 2023

- Authorizes the Lake County fiscal body to adopt an increase of up to an additional 5% in the Lake County innkeeper's tax.
- Directs that the amounts received from the rate increase adopted shall be deposited in the Lake County convention and event center reserve fund established by IC 36-7.5-7-10.

Code: IC 6-9-7-7

Enrolled Act: HEA 1454, Sec. 93

Effective Date: July 1, 2023

- Changes the distribution formula for revenue from the Tippecanoe County Innkeeper's Tax.

Code: IC 6-9-18-3

Enrolled Act: HEA 1454, Sec. 94

Effective Date: Upon passage

- Authorizes Parke County to impose its innkeeper's tax at a rate of 8% under the uniform innkeeper's tax instead of the 5% allowed under current law.

Code: IC 6-9-20-12

Enrolled Act: HEA 1454, Sec. 95

Effective Date: Upon passage

- Expires the Vanderburgh County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-21-10

Enrolled Act: HEA 1454, Sec. 96

Effective Date: Upon passage

- Expires the Delaware County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-24-10

Enrolled Act: HEA 1454, Sec. 97

Effective Date: Upon passage

- Expires the Nashville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-25-16

Enrolled Act: HEA 1454, Sec. 98

Effective Date: Upon passage

- Expires the Henry County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-26-17

Enrolled Act: HEA 1454, Sec. 99

Effective Date: Upon passage

- Expires the Madison County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-27-11

Enrolled Act: HEA 1454, Sec. 100

Effective Date: Upon passage

- Expires any miscellaneous food and beverage tax (FAB) passed under IC 6-9-27 on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-36-9

Enrolled Act: HEA 1454, Sec. 101

Effective Date: Upon passage

- Expires the Lake County and Porter County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-38-27

Enrolled Act: HEA 1454, Sec. 102

Effective Date: Upon passage

- Expires the Wayne County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-40-12

Enrolled Act: HEA 1454, Sec. 103

Effective Date: Upon passage

- Expires the Steuben County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-41-14

Enrolled Act: HEA 1454, Sec. 105

Effective Date: July 1, 2023

- Requires Monroe County to develop a written plan before December 1 each year detailing the proposed use of its food and beverage (FAB) tax funds.
- Requires that the county spend FAB receipts in accordance with the written plan.

Code: IC 6-9-41-15

Enrolled Act: HEA 1454, Sec. 106

Effective Date: July 1, 2023

- Requires Bloomington to develop a written plan before December 1 each year detailing the proposed use of its share of the food and beverage (FAB) tax funds.
- Requires that the city spend FAB receipts in accordance with the written plan.

Code: IC 6-9-41-15.5

Enrolled Act: HEA 1454, Sec. 107

Effective Date: July 1, 2023

- Voids the Monroe County food and beverage tax (FAB) after June 30, 2025, if Monroe County and Bloomington do not spend FAB money in accord with the written plans required under IC 6-9-41-14 and IC 6-9-41-15.
- In that case, Monroe County also may not adopt a new FAB ordinance.

Code: IC 6-9-41-17

Enrolled Act: HEA 1454, Sec. 109

Effective Date: Upon passage

- Expires the Monroe County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-43-10

Enrolled Act: HEA 1454, Sec. 110

Effective Date: Upon passage

- Expires the Cloverdale food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-44-11

Enrolled Act: HEA 1454, Sec. 111

Effective Date: Upon passage

- Expires the Fishers food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-45-11

Enrolled Act: HEA 1454, Sec. 112

Effective Date: Upon passage

- Expires the Rockville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-47.5-11

Enrolled Act: HEA 1454, Sec. 113

Effective Date: Upon passage

- Expires the Orange County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-49-11

Enrolled Act: HEA 1454, Sec. 114

Effective Date: Upon passage

- Expires the Attica food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-50-11

Enrolled Act: HEA 1454, Sec. 115

Effective Date: Upon passage

- Expires the Danville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-5111

Enrolled Act: HEA 1454, Sec. 116

Effective Date: Upon passage

- Expires the Greenwood food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-52-11

Enrolled Act: HEA 1454, Sec. 117

Effective Date: Upon passage

- Expires the Whitestown food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Code: IC 6-9-54

Enrolled Act: HEA 1454, Sec. 118

Effective Date: July 1, 2023

- Authorizes Columbia City to impose a food and beverage tax.

Code: IC 6-9-54.5

Enrolled Act: HEA 1454, Sec. 119

Effective Date: July 1, 2023

- Authorizes Merrillville to impose a food and beverage tax.

Code: IC 6-9-55

Enrolled Act: HEA 1454, Sec. 120

Effective Date: July 1, 2023

- Authorizes Jasper to impose a food and beverage tax.

Code: IC 6-9-56

Enrolled Act: HEA 1454, Sec. 121

Effective Date: July 1, 2023

- Authorizes Hamilton County to impose an innkeeper's tax under its new specific innkeeper's tax statute at a rate not more than 8% rather than the 5% allowed under the uniform county innkeeper's tax.

Code: IC 6-9-57

Enrolled Act: HEA 1454, Sec. 122

Effective Date: July 1, 2023

- Authorizes Decatur County to impose a food and beverage tax.

Motor Carrier Regulation (IC 8-2.1)

Code: IC 8-2.1-19.1-8

Enrolled Act: HEA 1125, Sec. 9

Effective Date: July 1, 2023

- Amends the law regarding transportation network companies (TNC) to provide that after June 30, 2024, while a TNC driver is logged on to the TNC's digital network but is not engaged in a prearranged ride, the primary motor vehicle liability insurance coverage requirement is at least \$50,000 per incident for property damage. (Under current law, the coverage requirement is at least \$25,000 per incident for property damage.)

Motor Vehicle Registration (IC 9-18.1)

Code: IC 9-18.1-5-12

Enrolled Act: HEA 1050, Sec. 88

Effective Date: July 1, 2023

- Increases the electric vehicle fee and hybrid vehicle fee by the indexing factor for fuel taxes before October 1 of each year.

Code: IC 9-18.1-5-13

Enrolled Act: HEA 1454, Sec. 124

Effective Date: July 1, 2023

- Excludes trailers with a declared gross vehicle weight of 3,000 pounds or less that are permanently registered from the Motor Vehicle Excise Tax.

Size and Weight Regulation (IC 9-20)

Code: IC 9-20-18-14.5

Enrolled Act: HEA 1204, Sec. 4

Effective Date: July 1, 2023

- Revises the civil penalty amount for permitting violation for transporting overweight divisible loads or oversize loads. Instead of being no more than \$10,000 for each violation, the penalty is:
 - \$500 if the vehicle is over the dimensional limits.
 - \$500 if the vehicle is between 1,000 to 4,999 pounds overweight;
 - \$1,000 if the vehicle is between 5,000 to 9,999 pounds overweight; or
 - \$5,000 if the vehicle is at least 10,000 pounds overweight.
- Allows DOR to adopt rules regarding this section.

Disabilities Services (IC 12-11)

Code: IC 12-11-14-6

Enrolled Act: HEA 1454, Sec. 125

Effective Date: January 1, 2026

- Beginning in 2026, raises the age threshold for qualifying for ABLE program benefits based on blindness or disability from 26 years to 46 years old.
- This change will track the federal law change set to occur at the same time.

Oil Inspection Fee (IC 16-44)

Code: IC 16-44-2-18

Enrolled Act: SEA 246, Sec. 72

Effective Date: July 1, 2023

- Adds avgas and jet fuel to the types of fuel subject to the oil inspection fee.
- The fee on avgas is imposed to the same extent and the same manner as gasoline.
- The fee on jet fuel is imposed to the same extent and the same manner as kerosene.

Fireworks Public Safety Fee (IC 22-11)

Code: IC 22-11-14-12

Enrolled Act: HEA 1001, Sec. 233

Effective Date: July 1, 2023

- Changes the distribution of fireworks public safety fees.
 - Eliminates the distribution to the regional public safety training fund.
 - Distributes all amounts that were previously distributable to the regional public safety training fund to the state general fund.

Employment Services (IC 25-16)

Code: IC 25-16

Enrolled Act: HEA 1461, Sec. 20

Effective Date: July 1, 2023

- Repeals DOR's responsibility to license employment services agencies.

Criminal Law (IC 35-43)

Code: IC 35-43-5-4.8

Enrolled Act: SEA 419, Sec. 35

Effective Date: July 1, 2023

- Establishes that a person who knowingly or intentionally sells, purchases, installs, transfers, or possesses an automated sales suppression device (zapper) or phantom-ware commits unlawful sale or possession of a transaction manipulation device commits a Class A misdemeanor.
- Elevates the offense to a Level 6 felony if the pecuniary loss caused by the offense is \$750-\$50,000 or the person has a prior unrelated theft conviction, and to a Level 5 felony if the pecuniary loss caused by the offense is at least \$50,000.

Planning and Development (IC 36-7)

Code: IC 36-7-32-22

Enrolled Act: SEA 271, Sec. 2

Effective Date: July 1, 2023

- Provides that a certified technology park that reaches its lifetime cap becomes a Level 2 certified technology park.
- Increases the annual limit of state and local income taxes distributable to Level 2 certified technology parks that reached their lifetime caps and maintain their status as a Level 2 certified technology park from \$100,000 to \$250,000.
- Provides clarifying rules for the year in which a certified technology park reached its lifetime cap before fiscal year 2022 and if the certified technology park reached its lifetime cap during fiscal years 2022 and later (see also HEA 1454, Section 188).
- Provides that when the Indiana Economic Development Corporation recertifies a certified technology park, it must also determine whether the status as a Level 2 certified technology park will continue after recertification.

Code: IC 36-7-31.3-8

Enrolled Act: SEA 326, Sec. 1

Effective Date: July 1, 2023

- Adds certain city facilities located in the city of South Bend to the tax area of the South Bend professional sports and convention development area.

Code: IC 36-7-31.3-9

Enrolled Act: SEA 326, Sec. 2

Effective Date: July 1, 2023

- Authorizes Fishers to establish a professional sports and convention development area before January 1, 2024.

Code: IC 36-7-31.3-10

Enrolled Act: SEA 326, Sec. 3

Effective Date: July 1, 2023

- Increases the amount of revenue that may be captured in a professional sports and convention development area (PSCDA) (other than a PSCDA in Allen County, South Bend or Fishers) to an amount that may not exceed \$10 (instead of \$5 under current law) per resident.
 - Currently, this applies to the City of Evansville.
- Increases the maximum amount of covered taxes that may be captured in the South Bend PSCDA from \$2 million to \$5 million. Provides that the first \$2,500,000 goes to the city of South Bend for purposes of capital improvements for a professional sports team facility and the balance used for other purposes previously permitted by statute.
- Provides that the South Bend PSCDA terminates no later than June 30, 2044.

- Provides that maximum amount of covered taxes that may be captured in the Fishers PSCDA is \$2 million per year.
- Provides that the Fishers PSCDA terminates no later than June 30, 2044.

Code: IC 36-7-32-22

Enrolled Act: HEA 1454, Sec. 188

Effective Date: July 1, 2023

- Clarifies that the distribution rules applicable to a certified technology park that has reached its lifetime cap apply if the lifetime distribution cap is reached before state fiscal year 2020 and if the lifetime distribution cap is reached during state fiscal years 2020 and later (SEA 271 referred to 2022 instead of 2020).

Code: IC 36-7-32.5-1.5

Enrolled Act: HEA 1001, Sec. 271

Effective Date: July 1, 2023

- Defines “contractor” for purposes of the innovation development districts to have the meaning set forth in IC 6-2.5-1-14.9.

Code: IC 36-7-32.5-4

Enrolled Act: HEA 1001, Sec. 272

Effective Date: July 1, 2023

- Modifies the definition of “gross retail base period amount” to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district, if :
 - the contractor can determine the amount of sales or use tax incurred and paid on the tangible personal property incorporated into real property that is located in the innovation development district based on records maintained as required;
 - sales or use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and
 - sales or use tax are not otherwise included in any innovation development district or IC 36-7-32.5-5.

Code: IC 36-7-32.5-5

Enrolled Act: HEA 1001, Sec. 273

Effective Date: July 1, 2023

- Modifies the definition of “gross retail incremental amount” to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district if:
 - the contractor can determine the amount of sales or use tax incurred and paid based on records maintained as required;
 - the sales and use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and

- the sales and use tax are not otherwise included in any innovation development district or IC 36-7-32.5-4.

Code: IC 36-7-32.5-7

Enrolled Act: HEA 1001, Sec. 275

Effective Date: July 1, 2023

- Modifies the definition of "income tax incremental amount" to include state income taxes paid by individuals who are not employees with respect to income received for services performed in the territory comprising an innovation development district.
 - However, the term does not include state adjusted gross income taxes otherwise attributable to an allocation area listed in IC 36-7-32.5-10(b).

Code: IC 36-7-32.5-16.5

Enrolled Act: HEA 1001, Sec. 276

Effective Date: July 1, 2023

- Establishes requirements and provides guidance for a contractor operating in an innovation district.
- Requires a contractor that provides tangible personal property incorporated into real property in a project located in an innovation development district to maintain records of all sales and use tax paid or collected during a state fiscal year for such property.
- Allows a contractor to issue an exemption certificate under IC 6-2.5-8-8 to a vendor when purchasing tangible personal property to be incorporated into real property located in an innovation development district.
- Establishes that a contractor that issues an exemption certificate to a vendor under IC 36-7-32.5-16.5(b) is liable for collecting sales tax from the customer on the tangible personal property if the contractor uses a time and materials contract, or when accruing and remitting state use tax on the purchase price of the tangible personal property if the contractor uses a lump sum contract.
- Requires a contractor to report the following information (disaggregated by project, annually for each state fiscal year, and no later than the July 31 immediately following the end of the state fiscal year) to DOR:
 - the amount of sales and use taxes paid or collected by a contractor with respect to tangible personal property incorporated into real property in a project located in an innovation development district; and
 - the issuing of any exemption certificates by the contractor under IC 36-7-32.5-16.5(b)

Code: IC 36-7-32.5-17

Enrolled Act: HEA 1001, Sec. 277

Effective Date: July 1, 2023

- Requires an innovation development district to send a complete list of the employers and businesses that are paying for the services of individuals who are not employees in the innovation development district and the street names and the range of street numbers of each street in the innovation development district to DOR by July 1 of each year.

Northwest Indiana Regional Development Authority (IC 36-7.5)

Code: IC 36-7.5-4.5-7

Enrolled Act: HEA 1454, Sec. 189

Effective Date: July 1, 2023

- Changes the “gross retail tax base period amount” for purposes of the transportation development districts from the calendar year before the district was established to the calendar year in which the district was established.

Code: IC 36-7.5-4.5-9

Enrolled Act: HEA 1454, Sec. 190

Effective Date: July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “local income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

Code: IC 36-7.5-4.5-10

Enrolled Act: HEA 1454, Sec. 191

Effective Date: July 1, 2023

- Amends the definition of “local income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

Code: IC 36-7.5-4.5-13

Enrolled Act: HEA 1454, Sec. 192

Effective Date: July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “state income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

Code: IC 36-7.5-4.5-14

Enrolled Act: HEA 1454, Sec. 193

Effective Date: July 1, 2023

- Amends the definition of “state income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

Code: IC 36-7.5-4.5-28

Enrolled Act: HEA 1454, Sec. 196

Effective Date: July 1, 2023

- Changes the date by which DOR must calculate the state income tax base period amount, the sales tax base period amount and the local income tax base period amount. The determinations must be made by November 30 of the year following the establishment of a district instead of 60 days after receiving a copy of the resolution establishing a district.
- Changes the date by which DOR must calculate the state income tax increment revenue, the sales tax increment revenue and the local income tax increment revenue. The determinations must be made by December 1 instead of the previous October 1. This requirement begins in the year two years following establishment of a district.
- Changes the date by which DOR must certify the increment revenues to the Indiana Finance Authority to December 15 from the previous November 1.
- Provides direction for the State Comptroller to distribute proceeds from the local income tax increment fund.
- Authorizes DOR to recalculate base period amounts and increment revenues if it determines that previous calculations were incorrect.
- Permits a municipality that includes more than one development district to share its increment revenue among the transit development districts upon approval of the legislative body of the municipality.

Code: IC 36-7.5-4.5-17

Enrolled Act: HEA 1046, Sec. 1

Effective Date: July 1, 2023

- Allows a transportation development district to be established in a municipality located in a county that is part of the Northwest Indiana Regional Development Authority and has operated regularly schedule commuter bus service to Chicago and shuttle bus services to train stations or stops along the Chicago to South Bend train line.

Public Safety (IC 36-8)

Code: IC 36-8-16.6-11

Enrolled Act: HEA 1207, Sec. 1

Effective Date: Upon passage (May 1, 2023)

- Changes the period during which the statewide 911 board can increase the enhanced wireless prepaid telecommunications service charge to May 1, 2023, until June 30, 2026 (previous period was April 2, 2020, until June 30, 2023).

Non-code

Code: Non-code

Enrolled Act: HEA 1454, Sec. 224

Effective Date: Upon passage

- Defines "weather related disaster" as severe weather that occurred after March 30, 2023, and before April 2, 2023, for which either the governor by executive order or the Federal Emergency Management Agency declared a disaster.
- Applies to individuals who reside in or businesses that are headquartered in a county for which the governor or the Federal Emergency Management Agency declared a disaster as a result of the weather-related disaster.
- Allows DOR to extend relief from penalties and interest through July 31 for late filings of most income tax returns and estimated payments that are due after March 31, 2023.
- Allows DOR to extend relief from penalties and interest through August 31 for late filings of corporate income tax and financial institutions tax returns and related estimated payments that are due after March 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for individuals and taxpayers other than corporations and financial institutions to a date on or after July 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for corporations and financial institutions to a date on or after August 31, 2023.

Part II: Legislation by Enrolled Act Number

SEA 2

Enrolled Act: SEA 2

Code: IC 6-3; IC 6-5.5; IC 6-8.1; non-code

Effective Date: Generally, January 1, 2022 (Retroactive); some sections effective as of other dates

- Authorizes, retroactive to 2022, certain pass-through entities to make an election to pay tax at the entity level based on each owner's aggregate share of adjusted gross income.
- Provides a refundable tax credit equal to the amount of tax paid by the electing entity with regard to the owner's share.
- Adds a modification for fiduciaries to add back state income taxes and defines adjusted gross income for pass through entity tax and nonresident withholding purposes for 2023 and later.
- Allows, retroactive to 2019, a credit for pass-through entity taxes that are imposed by and paid to another state.
- Makes conforming changes to nonresident withholding taxes to permit withholding taxes for nonresidents to be reduced by their share of pass-through entity tax.
- Makes conforming changes to partnership audit rules and eliminates the election to be taxed at the partnership level under the partnership audit regime.
- Makes certain changes to provisions that apply to taxpayers who file a combined return for the financial institutions tax.
- Provides a statute of limitations safe harbor for nonresident individuals who are subject to composite tax to not file an individual tax return.

For details regarding SEA 2, please see the [Pass Through Entity Tax page](#) on DOR's website.

SEA 151

Enrolled Act: SEA 151, Sec. 1

Code: IC 6-3.1-35.8-1

Effective Date: July 1, 2023

- Defines "qualifying contribution" as a monetary payment made by a person to the insuring Foster Youth Trust Fund established by IC 31-26-4.5-4.

Enrolled Act: SEA 151, Sec. 3

Code: IC 6-3.1-35.8-3

Effective Date: July 1, 2023

- Directs that the Foster Care Donation Tax Credit must be claimed on the annual state tax return of the contributor in the manner prescribed by DOR.

Enrolled Act: SEA 151, Sec. 4

Code: IC 6-3.1-35.8-4

Effective Date: July 1, 2023

- Eliminates the requirement that a taxpayer wishing to claim the Foster Care Donation Tax Credit apply to DOR for approval before making the credit-qualifying contribution.
- Instead, the contributor must file an application with DOR stating the amount of the contribution or investment that it made that would qualify for a tax credit, and proof of payment of the contribution, the amount sought to be claimed as a credit, and any other information that DOR determines is necessary to determine whether the business firm or person is eligible for the credit.
- Requires DOR to notify the applicant no later than 45 days after DOR receives an application for a tax credit that the applicant has been approved for the tax or denied.
- Requires the Department of Child Services to annually provide DOR a list of each approved organization before January 1 of each year instead of July 1.

Enrolled Act: SEA 151, Sec. 5

Code: IC 6-3.1-35.8-5

Effective Date: July 1, 2023

- Changes the period for applying the global credit limit from a fiscal year to a calendar year beginning with calendar year 2024.
- Before 2024, the total amount of tax credits allowed may not exceed \$2,000,000 in for the period beginning July 1, 2021, through December 31, 2023.

Enrolled Act: SEA 151, Sec. 6

Code: IC 6-3.1-35.8-6.1

Effective Date: July 1, 2023

- Requires DOR to provide the following information on DOR's website:
 1. the application for the tax credit
 2. a timeline for receiving the credit
 3. the total amount of credits awarded during the current calendar year.

Enrolled Act: SEA 151, Sec. 7

Code: IC 6-3.1-35.8-8

Effective Date: July 1, 2023

- Extends the duration of the credit through 2027 instead of 2024.

SEA 172

Enrolled Act: SEA 172, Sec. 1

Code: IC 4-32.3-5-16

Effective Date: July 1, 2023

- Increases the maximum price of a charity gaming ticket for a pull tab, punchboard, or tip board game from \$1 to \$5.

Enrolled Act: SEA 172, Sec. 2

Code: IC 4-36-5-5

Effective Date: July 1, 2023

- Increases the maximum selling price for one ticket for type II gaming from \$1 to \$5.

Enrolled Act: SEA 172, Sec. 3

Code: IC 4-36-5-6

Effective Date: July 1, 2023

- Requires that for type II gaming in which tickets are sold for at least \$1 but not more than \$5, the payout must be at least 75% and not more than 100% of the amount wagered.

SEA 246

Enrolled Act: SEA 246, Sec. 72

Code: IC 16-44-2-18

Effective Date: July 1, 2023

- Adds avgas and jet fuel to the types of fuel subject to the oil inspection fee.
- The fee on avgas is imposed to the same extent and the same manner as gasoline.
- The fee on jet fuel is imposed to the same extent and the same manner as kerosene.

SEA 271

Enrolled Act: SEA 271, Sec. 2

Code: IC 36-7-32-22

Effective Date: July 1, 2023

- Provides that a certified technology park that reaches its lifetime cap becomes a Level 2 certified technology park.
- Increases the annual limit of state and local income taxes distributable to Level 2 certified technology parks that reached their lifetime caps and maintain their status as a Level 2 certified technology park from \$100,000 to \$250,000.
- Provides clarifying rules for the year in which a certified technology park reached its lifetime cap before fiscal year 2022 and if the certified technology park reached its lifetime cap during fiscal years 2022 and later (see also HEA 1454, Section 188).

- Provides that when the Indiana Economic Development Corporation recertifies a certified technology park, it must also determine whether the status as a Level 2 certified technology park will continue after recertification.

SEA 326

Enrolled Act: SEA 326, Sec. 1

Code: IC 36-7-31.3-8

Effective Date: July 1, 2023

- Adds certain city facilities located in the city of South Bend to the tax area of the South Bend professional sports and convention development area.

Enrolled Act: SEA 326, Sec. 2

Code: IC 36-7-31.3-9

Effective Date: July 1, 2023

- Authorizes Fishers to establish a professional sports and convention development area before January 1, 2024.

Enrolled Act: SEA 326, Sec. 3

Code: IC 36-7-31.3-10

Effective Date: July 1, 2023

- Increases the amount of revenue that may be captured in a professional sports and convention development area (PSCDA) (other than a PSCDA in Allen County, South Bend or Fishers) to an amount that may not exceed \$10 (instead of \$5 under current law) per resident.
 - Currently, this applies to the City of Evansville.
- Increases the maximum amount of covered taxes that may be captured in the South Bend PSCDA from \$2 million to \$5 million.
- Provides that the first \$2,500,000 goes to the city of South Bend for purposes of capital improvements for a professional sports team facility and the balance used for other purposes previously permitted by statute.
- Provides that the South Bend PSCDA terminates not later than June 30, 2044.
- Provides that maximum amount of covered taxes that may be captured in the Fishers PSCDA is \$2 million per year.
- Provides that the Fishers PSCDA terminates no later than June 30, 2044.

SEA 417

Enrolled Act: SEA 417, Sec. 1

Code: IC 6-2.5-5-26

Effective Date: July 1, 2023

- Amends the statute providing an exemption for sales by a nonprofit.
- Changes the \$20,000 annual threshold to \$100,000 in the current or previous calendar year.

- Exempts churches, monasteries, convents, schools that are a part of the Indiana public school system, and parochial schools regularly maintained by a recognized religious denomination from the requirement to collect sales tax, regardless of the dollar amount of sales in a year.
- A nonprofit that is not one of the excepted types of nonprofits that reaches the \$100,000 threshold must remain registered and collect sales tax on an ongoing basis and each year thereafter until the nonprofit makes less than the threshold for two consecutive years.

Enrolled Act: SEA 417, Sec. 2

Code: IC 6-3.6-6-2.9

Effective Date: July 1, 2023

- Authorizes a county to impose a local income tax (LIT) rate in increments of 0.01% up to a maximum of 0.2% to pay for county staff expenses of the state judicial system in the county.
- Provides that the expenses paid from the LIT revenue may not comprise more than 50% of the county's total budgeted operational staffing expenses related to the state judicial system in any given year.
- Requires certain reporting requirements related to the use of the LIT revenue.

Enrolled Act: SEA 417, Sec. 3

Code: IC 6-8.1-6-3

Effective Date: July 1, 2023

- Directs DOR to consider a document received after the deadline as on time if the postmark date is up to three business days (not including a day falling on Saturday, Sunday, a national, legal holiday recognized by the federal government, or a statewide holiday) after the date of the deadline.

SEA 419

Enrolled Act: SEA 419, Sec. 1

Code: IC 6-2.5-5-2

Effective Date: July 1, 2023

- Expands the sales tax exemption for agricultural machinery, tools, or equipment (the property) to a full exemption if the property is predominately used for agricultural production.
- To qualify for this full exemption, the property must be included on a business personal property tax return.
- The preexisting prorated sales tax exemption remains for property used for agricultural production, but not predominately used for agricultural production.

Enrolled Act: SEA 419, Sec. 2

Code: IC 6-2.5-5-8.5

Effective Date: Upon passage

- Clarifies that the sales tax exemption for the provision, installation, or construction of tangible personal property by a public utility in furtherance of providing utility services applies to all such tangible personal property and not just the utility services utilized in such transactions.

Enrolled Act: SEA 419, Sec. 3

Code: IC 6-2.5-5-10.7

Effective Date: July 1, 2023

- Creates an exemption for solar and wind energy systems with an originally rated nameplate production capacity of at least two megawatts.
- Partially codifies a department legal interpretation of the manufacturing exemption as it applies to such systems.

Enrolled Act: SEA 419, Sec. 7

Code: IC 6-3-1-3.5

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the acquisition date for applying the addback for federally tax-exempt state and local bond interest.
- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.
- Exempts the amount of a federal, state, or local grant received or discharged indebtedness for providing or expanding broadband service in the state from Indiana income tax.
- Clarifies the inclusion of adjusted gross income and related modifications for tax-exempt entities.
- Clarifies the application of modifications for estates, trusts, corporations that deduct dividends, and in the case of certain net operating losses.

Enrolled Act: SEA 419, Sec. 8

Code: IC 6-3-1-11

Effective Date: January 1, 2023 (Retroactive)

- Updates Indiana Code definition of the federal Internal Revenue Code (IRC) to that in effect on January 1, 2023.

Enrolled Act: SEA 419, Sec. 9

Code: IC 6-3-1-39

Effective Date: January 1, 2023 (Retroactive)

- Provides a new definition of preliminary federal net operating loss.
- Provides that the definition includes federal taxable income if a taxpayer does not have a federal net operating loss.
- Provides that certain net operating losses included in the definition of separately stated net operating losses are not included in the definition of preliminary federal net operating loss.

Enrolled Act: SEA 419, Sec. 10

Code: IC 6-3-1-40

Effective Date: January 1, 2023 (Retroactive)

- Provides a new definition of separately stated net operating losses.
- Provides that a separately stated net operating loss is a loss that is determined regardless of whether a taxpayer has federal taxable income.

Enrolled Act: SEA 419, Sec. 11

Code: IC 6-3-2-1.9

Effective Date: July 1, 2021 (Retroactive)

- Clarifies the definition of federal taxable income for the application of net operating losses for taxable years ending after June 30, 2021, and beginning before January 1, 2023.

Enrolled Act: SEA 419, Sec. 12

Code: IC 6-3-2-2.5

Effective Date: January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating application for tax-exempt entities.
- Clarifies treatment of net operating losses when certain debt discharges occur.
 - This provision only applies to resident individuals, trusts, and estates.

Enrolled Act: SEA 419, Sec. 13

Code: IC 6-3-2-2.6

Effective Date: January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating loss application for tax-exempt entities and S corporations.
- Clarifies treatment of net operating losses when certain debt discharges.

- Clarifies the treatment of net operating loss when certain corporate reorganizations and ownership changes occur.
- Clarifies the treatment of apportionment and allocation provisions when applied to discharged debt and corporate ownership changes.
- This provision applies to nonresident individuals, trusts and estates, and corporations.

Enrolled Act: SEA 419, Sec. 14

Code: IC 6-3-2-2.8

Effective Date: January 1, 2023 (Retroactive)

- Permits organizations offering nonprofit agricultural organization insurance coverage to elect to be subject to the adjusted gross income tax instead of the insurance premiums tax.

Enrolled Act: SEA 419, Sec. 15

Code: IC 6-3-2-21.7

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the rules regarding claiming the exemption for certain income derived from patents.
- Clarifies that an S corporation is eligible for the exemption.
- Clarifies that in the case of an S corporation, the domicile and employee requirements are determined at the S corporation level.
- Clarifies that:
 1. a taxpayer is not required to claim the exemption in the first year after which the patent was issued.
 2. the years in which the exemption is claimed are not required to be consecutive taxable years.
 3. if a qualified taxpayer claims an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to reverse the claimed exemption unless the correct amount of the claimed exemption would have been zero.
 4. if a qualified taxpayer does not claim an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to claim an exemption.
 5. if a qualified taxpayer files returns claiming an exemption regarding a particular qualified patent for more than ten years, the statute of limitations for assessment of the qualified taxpayer and any entities claiming an exemption through a qualified taxpayer for taxable years after the tenth taxable year for which the exemption is claimed for the qualified patent shall not expire with regard to any claimed exemption.
- Clarifies that for an S corporation, the maximum allowable deduction and ten-year deduction period is determined at the S corporation level.

Enrolled Act: SEA 419, Sec. 16

Code: IC 6-3-2-27.5

Effective Date: January 1, 2024

- Exempts most non-resident workers from Indiana income tax if they work no more than 30 days in a calendar year in Indiana.
 - The exemption does not apply to professional athletes, professional entertainers, or public figures.
- Provides extensive details regarding the employee eligibility for this exemption and the requirements on the employer for an employee to receive this exempt treatment.

Enrolled Act: SEA 419, Sec. 17

Code: IC 6-3-2-28

Effective Date: January 1, 2024

- Provides a qualified individual an income tax deduction for the total amount of qualified health care sharing expenses paid by the qualified individual during the taxable year.
- Establishes rules by which a taxpayer must claim this deduction.

Enrolled Act: SEA 419, Sec. 18

Code: IC 6-3-2-29

Effective Date: January 1, 2022 (Retroactive)

- Provides direction for computing the amount a taxpayer may deduct under IC 6-3-1-3.5 and IC 6-5.5-1-2 for qualified research expenditures the taxpayer is required to amortize over a five-year period for federal tax purposes under IRC Section 174.

Enrolled Act: SEA 419, Sec. 19

Code: IC 6-3-2.1-2

Effective Date: January 1, 2022 (Retroactive)

- Clarifies that an S corporation shareholder that is an IRC section 501(c)(3) corporation not domiciled in Indiana is considered a nonresident for pass through entity tax purposes.
- Clarifies that bank holding companies that are S corporations are eligible entities for pass through entity tax purposes.
- Clarifies the definition of resident.

Enrolled Act: SEA 419, Sec. 21

Code: IC 6-3-7-3

Effective Date: July 1, 2023

- Directs that all revenues derived from adjusted gross income tax computed from a partnership that has made an election to be subjected to tax directly at the partnership level under IC 6-3-4.5 shall be deposited in the state general fund.

Enrolled Act: SEA 419, Sec. 22

Code: IC 6-3.1-35-2

Effective Date: July 1, 2023

- Changes the start of the five-year period in which the Affordable and Workforce Housing Tax Credit can be claimed from the taxable year in which any amount of the federal tax credit for the qualified project is first claimed by a taxpayer to the year a building in the project is placed into service.

Enrolled Act: SEA 419, Sec. 23

Code: IC 6-3.1-35-3

Effective Date: July 1, 2023

- Makes changes to the calculation of the Affordable and Workforce Housing Tax Credit.

Enrolled Act: SEA 419, Sec. 24

Code: IC 6-3.1-35-7

Effective Date: July 1, 2023

- Makes changes to the maximum amount of Affordable and Workforce Housing Tax Credit allowable for a qualified project.

Enrolled Act: SEA 419, Sec. 25

Code: IC 6-5.5-1-2

Effective Date: January 1, 2023 (Retroactive)

- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.

Enrolled Act: SEA 419, Sec. 26

Code: IC 6-5.5-2-1

Effective Date: January 1, 2023 (Retroactive)

- Clarifies the application of certain debt discharges for net operating loss purposes.
- Clarifies that the application of debt discharges is to be consistent with the application of regular income for the year of discharge.

Enrolled Act: SEA 419, Sec. 27

Code: IC 6-5.5-2-7

Effective Date: January 1, 2023 (Retroactive)

- Exempts an organization offering nonprofit agricultural insurance coverage from the financial institutions tax if it elects to pay the Nonprofit Agricultural Organization Health Coverage Tax.

Enrolled Act: SEA 419, Sec. 29

Code: IC 6-7-4-8

Effective Date: July 1, 2023

- Amends the definition of “vapor product” by removing “disposable vapor product devices that are attached to a closed system cartridge and intended for single use” from the list of items that fall under this term.

Enrolled Act: SEA 419, Sec. 30

Code: IC 6-7-4-10

Effective Date: July 1, 2023

- Renames the “electronic cigarette retail dealer's certificate” to “open system electronic cigarette retail dealer's certificate.”

Enrolled Act: SEA 419, Sec. 31

Code: IC 6-8-15-5

Effective Date: January 1, 2023 (Retroactive)

- Establishes that in order for an organization providing nonprofit agricultural organization coverage in Indiana to be subject to the adjusted gross income tax instead of the nonprofit agricultural organization health coverage tax, the organization must:
 1. file a notice of election with the insurance commissioner and the commissioner of DOR on or before November 30 of a taxable year; and
 2. state in the notice of election that the organization elects to be subject to the adjusted gross income for the taxable year.

Enrolled Act: SEA 419, Sec. 32

Code: IC 6-8.1-7-1

Effective Date: Upon passage

- Authorizes DOR to publish a list of persons, corporations, or other entities that qualify for a sales tax exemption under IC 6-2.5-5-16 (state and local governments), IC 6-2.5-5-25 (nonprofit purchases), or IC 6-2.5-5-26 (nonprofit sales).
- Information that may be disclosed includes:
 1. any federal identification number or other identification number for the entity assigned by the department;
 2. any expiration date of an exemption under IC 6-2.5-5-25;
 3. whether any sales tax exemption has expired or has been revoked by DOR; and
 4. any other information reasonably necessary for a recipient of an exemption certificate to determine if an exemption certificate is valid.

Enrolled Act: SEA 419, Sec. 33

Code: IC 6-8.1-10-9.5

Effective Date: January 1, 2024

- Requires that a purchaser or seller notify DOR at least 45 days prior to transferring more than 50% of the tangible personal property of a business.
- Failure to provide such notice will result in the purchaser becoming liable for any tax due under IC 6-2.5 (retail sales and use tax), or IC 6-9 (county innkeepers and food and beverage tax), including penalties and interest, of the transferring business up to the amount of the purchase price or value of the tangible personal property.
- After timely notice, the purchaser remains liable for any of the above taxes that are due from the seller if DOR mails a summary of such taxes due to the purchaser at least 20 days prior to the closing date of the transaction.

Enrolled Act: SEA 419, Sec. 34

Code: IC 6-8.1-10-14

Effective Date: July 1, 2023

- Directs how penalties and interest resulting from a listed tax shall be deposited.
- Generally, penalties and interest are deposited in the same place as the underlying tax to which the penalty and interest are associated. Dishonored payment penalties are deposited in the state general fund. However, in the case of penalties and interest arising from local income tax under IC 6-3.6, the penalties and interest shall be deposited in the state general fund.
- In the case of penalties or interest associated with the late payment of a tax imposed under IC 6-6-9 (auto rental excise tax), IC 6-6-9.5 (Vanderburgh County Supplemental auto rental excise tax), IC 6-6-9.7 (Marion County Supplemental auto rental excise tax), or IC 6-6-16 (vehicle sharing excise tax), or the taxes imposed under IC 6-9 by local units, penalties and interest shall be distributed to the appropriate local unit and shall be distributed, spent, or otherwise managed in the same manner as the underlying tax.

Enrolled Act: SEA 419, Sec. 35

Code: IC 35-43-5-4.8

Effective Date: July 1, 2023

- Establishes that a person who knowingly or intentionally sells, purchases, installs, transfers, or possesses an automated sales suppression device (zapper) or phantom-ware commits unlawful sale or possession of a transaction manipulation device commits a Class A misdemeanor.
- Elevates the offense to a Level 6 felony if the pecuniary loss caused by the offense is \$750-\$50,000 or the person has a prior unrelated theft conviction, and to a Level 5 felony if the pecuniary loss caused by the offense is at least \$50,000.

SEA 434

Enrolled Act: HEA 434, Sec. 1

Code: IC 4-33-13-2.5

Effective Date: July 1, 2023

- Changes the distribution of revenue remitted by an inland Gary casino after June 30, 2025. New funds in which this revenue shall be deposited include the city of Gary in the blighted property demolition fund, the Lake County economic development and convention fund and the Gary Metro Center station revitalization fund.
- Requires the northwest Indiana regional development authority to provide any information to DOR that is necessary to carry out this distribution.

Enrolled Act: HEA 434, Sec. 4

Code: IC 6-9-2-1.5

Effective Date: July 1, 2023

- Authorizes the Lake County fiscal body to adopt an increase of up to an additional 5% in the Lake County innkeeper's tax.
- Directs that the amounts received from the rate increase adopted shall be deposited in the Lake County convention and event center reserve fund established by IC 36-7.5-7-10.

SEA 447

Enrolled Act: SEA 447, Sec. 1

Code: IC 4-32.3-2-25.5

Effective Date: July 1, 2023

- Defines the term "professional sports team foundation" for purposes of the charity gaming law.

Enrolled Act: SEA 447, Sec. 2

Code: IC 4-32.3-2-31

Effective Date: July 1, 2023

- Specifies that a professional sports team foundation is a qualified organization.

Enrolled Act: SEA 447, Sec. 3

Code: IC 4-32.3-4-3

Effective Date: July 1, 2023

- Specifies that qualified organizations may conduct unlicensed allowable events at facilities leased or owned by the capital improvement board of managers of Marion County CIB. (Current law allows qualified organizations to conduct charity gaming events without a license if the value of all prizes awarded is less than \$2,500 for a single event and \$7,500 for all unlicensed events conducted during a calendar year.)

Enrolled Act: SEA 447, Sec. 4

Code: IC 4-32.3-5-23

Effective Date: July 1, 2023

- Authorizes payment by credit card for a chance to enter a raffle or water race at an allowable event conducted by a qualified organization or at a facility leased or owned by the CIB.

HEA 1001

Enrolled Act: HEA 1001, Sec. 66

Code: IC 4-10-22-3

Effective Date: July 1, 2023

- Precludes the possibility of an automatic taxpayer refund being declared in 2025.

Enrolled Act: HEA 1001, Sec. 85

Code: IC 5-28-6-9

Effective Date: July 1, 2023

- Reduces the aggregate amount of applicable tax credits in IC 5-28-2-1.5 that the corporation may certify for a state fiscal year for all taxpayers to \$250 million from \$300 million.

Enrolled Act: HEA 1001, Sec. 93

Code: IC 6-2.5-10-1

Effective Date: July 1, 2023

- Changes the distribution of collections from the gasoline use tax beginning in fiscal year 2024, reducing to zero distribution to the general fund and increasing to 64.285% distribution to the state highway fund.

Enrolled Act: HEA 1001, Sec. 94

Code: IC 6-3-1-3.5

Effective Date: January 1, 2023 (Retroactive)

- Increases the dependent exemption from \$1,500 to \$3,000 for the first taxable year in which a particular exemption is allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).

Enrolled Act: HEA 1001, Sec. 95

Code: IC 6-3-2-1

Effective Date: January 1, 2024

- Reduces the current 3.15% individual income tax rate in stages.
- The rate becomes:
 - 3.05% for 2024
 - 3.00% for 2025
 - 2.95% for 2026
 - 2.90% for 2027 and subsequent years.

Enrolled Act: HEA 1001, Sec. 100

Code: IC 6-3.1-21-6

Effective Date: January 1, 2023 (Retroactive)

- Recouples the Indiana Earned Income Tax Credit (EITC) with the federal EITC as in effect on January 1, 2023.

Enrolled Act: HEA 1001, Sec. 101

Code: IC 6-3.1-30.5-13

Effective Date: July 1, 2023

- Changes the annual limit of school scholarship tax credit that may be allowed to \$18.5 million for any fiscal year beginning after June 30, 2023.

Enrolled Act: HEA 1001, Sec. 102

Code: IC 6-3.1-34-18

Effective Date: July 1, 2023

- Directs that any repayment of the redevelopment tax credit shall be deposited in the general fund and be counted against the \$250 million aggregate amount of available tax credits under IC 5-28-6-9.

Enrolled Act: HEA 1001, Sec. 103

Code: IC 6-3.1-39.5

Effective Date: January 1, 2024

- Allows a credit for qualified childcare expenditures by an employer.
- Limits the maximum amount of the credit to the lesser of 50% of the employer's qualified expenditures in the taxable year or \$100,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners, or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to three years.
- Directs that the credit must be claimed in a manner prescribed by DOR.
- Provides a recapture schedule for the credit in the event of a "recapture event."
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.

- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Expires the credit on July 1, 2025.

Enrolled Act: HEA, Sec. 104

Code: IC 6-3.1-40.9

Effective Date: January 1, 2024

- Allows a credit to a taxpayer that makes a contribution to an affordable housing organization approved by the Indiana Economic Development Corporation.
- Limits the amount of the credit to the lesser of 50% of the qualified contribution or \$10,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to five years.
- Directs that the credit must be claimed in a manner prescribed by DOR.
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.
 - Any amounts carried forward shall first be deducted from the total amount of tax credits that may be awarded for the succeeding state fiscal year.
- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Directs DOR to provide the following information to the public on its website:
 1. The application for the credit provided in this chapter;
 2. a timeline for receiving the credit provided in this chapter;
 3. and the total amount of credits awarded during the current state fiscal year.
- Authorizes DOR to adopt rules under IC 4-22-2 to implement this new credit.
- Expires the credit January 1, 2030.

Enrolled Act: HEA 1001, Sec. 106

Code: IC 6-6-1.1-201

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate the gasoline excise tax through July 1, 2027.

Enrolled Act: HEA 1001, Sec. 107

Code: IC 6-6-1.6-3

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate the fuel tax index factors through July 1, 2027.

Enrolled Act: HEA, Sec. 108

Code: IC 6-6-2.5-28

Effective Date: July 1, 2023

- Extends the requirement that DOR calculate special fuel tax rate through July 1, 2027.

Enrolled Act: HEA 1001, Sec. 109

Code: IC 6-7-1-17

Effective Date: July 1, 2023

- Raises the cigarette tax collection allowance from 1.3 to 2.0 cents/package.

Enrolled Act: HEA 1001, Sec. 110

Code: IC 6-7-1-28.1

Effective Date: July 1, 2023

- Changes the distribution of cigarette tax collections.
- Eliminates the distribution to the mental health centers fund.
- Increases the distribution to the general fund from 56.24% to 56.84%.

Enrolled Act: HEA 1001, Sec. 233

Code: IC 22-11-14-12

Effective Date: July 1, 2023

- Changes the distribution of fireworks public safety fees.
 - Eliminates the distribution to the regional public safety training fund.
 - Distributes all amounts that were previously distributable to the regional public safety training fund to the state general fund.

Enrolled Act: HEA 1001, Sec. 271

Code: IC 36-7-32.5-1.5

Effective Date: July 1, 2023

- Defines "contractor" for purposes of the innovation development districts to have the meaning set forth in IC 6-2.5-1-14.9.

Enrolled Act: HEA 1001, Sec. 272

Code: IC 36-7-32.5-4

Effective Date: July 1, 2023

- Modifies the definition of "gross retail base period amount" to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district, if:
 - the contractor can determine the amount of sales or use tax incurred and paid on the tangible personal property incorporated into real property that is located in the innovation development district based on records maintained as required;
 - sales or use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and
 - sales or use tax are not otherwise included in any innovation development district or IC 36-7-32.5-5.

Enrolled Act: HEA 1001, Sec. 273

Code: IC 36-7-32.5-5

Effective Date: July 1, 2023

- Modifies the definition of “gross retail incremental amount” to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district if:
 - the contractor can determine the amount of sales or use tax incurred and paid based on records maintained as required;
 - the sales and use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and
 - the sales and use tax are not otherwise included in any innovation development district or IC 36-7-32.5-4.

Enrolled Act: HEA 1001, Sec. 274

Code: IC 36-7-32.5-6

Effective Date: July 1, 2023

- Modifies the definition of “income tax base period amount” to include state income taxes paid by individuals who are not employees with respect to income received for services performed in the territory comprising an innovation development district.
 - However, the term does not include state adjusted gross income taxes otherwise attributable to an allocation area listed in IC 36-7-32.5-10(b).

Enrolled Act: HEA 1001, Sec. 275

Code: IC 36-7-32.5-7

Effective Date: July 1, 2023

- Modifies the definition of “income tax incremental amount” to include state income taxes paid by individuals who are not employees with respect to income received for services performed in the territory comprising an innovation development district.
 - However, the term does not include state adjusted gross income taxes otherwise attributable to an allocation area listed in IC 36-7-32.5-10(b).

Enrolled Act: HEA 1001, Sec. 276

Code: IC 36-7-32.5-16.5

Effective Date: July 1, 2023

- Establishes requirements and provides guidance for a contractor operating in an innovation district.
- Requires a contractor that provides tangible personal property incorporated into real property in a project located in an innovation development district to maintain records of all sales and use tax paid or collected during a state fiscal year for such property.
- Allows a contractor to issue an exemption certificate under IC 6-2.5-8-8 to a vendor when purchasing tangible personal property to be incorporated into real property located in an innovation development district.

- Establishes that a contractor that issues an exemption certificate to a vendor under IC 36-7-32.5-16.5(b) is liable for collecting sales tax from the customer on the tangible personal property if the contractor uses a time and materials contract, or when accruing and remitting state use tax on the purchase price of the tangible personal property if the contractor uses a lump sum contract.
- Requires a contractor to report the following information (disaggregated by project, annually for each state fiscal year, and no later than the July 31 immediately following the end of the state fiscal year) to DOR:
 - the amount of sales and use taxes paid or collected by a contractor with respect to tangible personal property incorporated into real property in a project located in an innovation development district; and
 - the issuing of any exemption certificates by the contractor under IC 36-7-32.5-16.5(b).

Enrolled Act: HEA 1001, Sec. 277

Code: IC 36-7-32.5-17

Effective Date: July 1, 2023

- Requires an innovation development district to send a complete list of the employers and businesses that are paying for the services of individuals who are not employees in the innovation development district and the street names and the range of street numbers of each street in the innovation development district to DOR by July 1 of each year.

HEA 1002

Enrolled Act: HEA 1002, Sec. 6

Code: IC 5-34-1-7

Effective Date: July 1, 2023

- Changes the requirements for certification of a qualified education program for INvestED Indiana.
- Allows an individual to earn a credential in no more than two years instead of six months, and for graduates to earn an average wage that is at least 150% of the statewide per capita income within two years of graduation instead of the previous 200%.

Enrolled Act: HEA 1002, Sec. 7

Code: IC 6-3-1-3.5

Effective Date: July 1, 2023

- Provides an income tax deduction for Career Scholarship Account program grants received and used towards qualified expenses under IC 20-51.4.

HEA 1004

Enrolled Act: HEA 1004, Sec. 2

Code: IC 6-3.1-38

Effective Date: January 1, 2024

- Establishes the health reimbursement arrangement credit beginning in tax year 2024.
- Defines "qualified taxpayer" as an employer that is a corporation, a limited liability company, a partnership, or another entity that has any state tax liability and has adopted a health reimbursement arrangement (as described in Section 9831(d) of the Internal Revenue Code) in lieu of a traditional employer provided health insurance plan.
- Allows a qualified taxpayer to claim a credit against the qualified taxpayer's state tax liability for a qualified contribution for a qualified taxpayer with less than 50 employees, up to \$400 in the first year per covered employee if the amount provided toward the health reimbursement arrangement is equal to or greater than either the level of benefits provided in the previous benefit year, or if the amount the employer contributes toward the health reimbursement arrangement equals the same amount contributed per covered individual toward the employer provided health insurance plan during the previous benefit year. The credit under this section decreases to \$200 per covered employee in the second year.
- Limits the amount of total tax credits granted to \$10 million in any taxable year.
- Directs DOR to record the time of filing of each return claiming a credit and approve the claims if they otherwise qualify for a tax credit in the chronological order in which the claims are filed in the state fiscal year.
- Permits a taxpayer to carry over the amount of a credit that exceeds the qualified taxpayer's state tax liability for that taxable year to the immediately succeeding taxable years.
- Restricts the credit carryover from being used for any taxable year that begins more than ten years after the date on which the donation from which the credit results is made.
- Directs DOR to adopt rules for implementing the credit.

Enrolled Act: HEA 1004, Sec. 3

Code: IC 6-3.1-40

Effective Date: July 1, 2023

- Establishes the physician practice ownership tax credit beginning in tax year 2024.
- Defines "primary care physician" as a physician practicing in one or more of the following:
 - family medicine;
 - general pediatric medicine;
 - general internal medicine; or
 - the general practice of medicine.
- Defines "taxpayer" for purposes of the credit as an individual who:
 - is a physician practicing as a primary care physician;
 - has an ownership interest in a corporation, limited liability company, partnership, or other legal entity organized to provide primary health care services as a physician owned entity;
 - is not employed by a health system (as defined in IC 16-18-2-168.5); and
 - has any state income tax liability.

- Allows a taxpayer to claim a credit if a taxpayer has an ownership interest in a physician-owned medical practice described in IC 6-3.1-40-5(2) that:
 1. is established as a legal entity under Indiana law after December 31, 2023;
 2. opens and begins to provide primary health care services to patients in a particular taxable year beginning after December 31, 2023; and
 3. has billed for primary health care services for at least six months of that taxable year.
- Limits the amount of the credit for a particular taxable year to \$20,000.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Prohibits the credit from being assigned.
- Requires a taxpayer to claim the credit on the taxpayer's annual state income tax return in the manner prescribed by DOR. The taxpayer shall submit all necessary information to DOR to verify the taxpayer's eligibility for the credit.
- Directs DOR to recapture the credit if DOR determines within five years of a taxpayer's receipt of a tax credit that the taxpayer has sold, transferred, granted, or otherwise relinquished the taxpayer's ownership interest in an entity described IC 6-3.1-40-5(2) and is employed by a health system or another non-physician owned medical practice.
- Directs that any recaptured credit amount be deposited in the general fund.

HEA 1034

Enrolled Act: HEA 1034, Sec. 1

Code: IC 6-3-1-34

Effective Date: July 1, 2023

- Exempts all military pay for members of a reserve component of the armed forces of the United States or the National Guard from the income tax for taxable years beginning in 2023 and thereafter.
 - Current law provides an exemption only for the period these members are mobilized or deployed.
- Exempts military pay earned by members of an active component of the armed forces of the United States from the individual income tax for taxable years beginning in 2024 and thereafter.
 - Current law provides a maximum income tax deduction of \$5,000 for members of an active component of the armed forces of the United States.

HEA 1046

Enrolled Act: HEA 1046, Sec. 1

Code: IC 36-7.5-4.5-17

Effective Date: July 1, 2023

- Allows a transportation development district to be established in a municipality located in a county that is part of the Northwest Indiana Regional Development Authority and has operated regularly schedule commuter bus service to Chicago and shuttle bus services to train stations or stops along the Chicago to South Bend train line.

HEA 1050

Enrolled Act: HEA 1050, Sec. 2

Code: IC 6-6-2.5-1

Effective Date: January 1, 2024

- Adds hydrogen, hythane, electricity, or any other fuel used to propel a motor vehicle on a highway that is not subject to the special fuel tax or gasoline tax to the definition of "alternative fuel" for purposes of the special fuel tax.

Enrolled Act: HEA 1050, Sec. 3

Code: IC 6-6-4.1-2

Effective Date: January 1, 2024

- Adds qualified motor vehicles that are subject to the tax reporting requirements of the International Fuel Tax Agreement to the types of vehicles subject to the motor carrier fuel tax.

Enrolled Act: HEA 1050, Sec. 4

Code: IC 6-6-4.1-4

Effective Date: January 1, 2024

- Adds a new Motor Carrier Fuel Tax calculation method for alternative fuels that are not propane or butane, depending on whether the carrier's fleet has both gas or special fuel consuming vehicles in addition to vehicles consuming such types of alternative fuel, or whether the carrier's fleet only has vehicles that consume such types of alternative fuel.
- Requires DOR to publish MPG data on its website so the latter types of carriers can calculate the tax owed.

Enrolled Act: HEA 1050, Sec. 5

Code: IC 6-6-4.1-4.8

Effective Date: July 1, 2023

- Provides that a carrier that is exempt from the quarterly reporting requirements under 6-6-4.1-10 must continue to file a quarterly return in order to obtain a proportional use credit.
- Provides that a carrier that purchased alternative fuel does not have to pay the taxes ahead of time in order to claim a proportional use credit.

Enrolled Act: HEA 1050, Sec. 6

Code: IC 6-6-4.1-9

Effective Date: January 1, 2024

- Provides that the rule pertaining to applying a standard mileage rate in cases where the carrier did not maintain proper recordkeeping does not apply to alternative fuels that are not propane or butane.

Enrolled Act: HEA 1050, Sec. 7

Code: IC 6-6-4.1-10

Effective Date: July 1, 2023

- Removes the requirement that a carrier must apply for an exemption from filing their quarterly motor carrier fuel tax return.
- Replaces this requirement with an automatic exemption qualification for carriers that has purchased all or substantially all of their fuel in Indiana upon which the carrier paid gasoline or special fuel tax, and all or substantially all of their mileage was in Indiana.
- Requires carriers to file quarterly return and pay the motor carrier fuel tax only on alternative fuel if all or substantially all of the mileage of the carrier in a quarter is the result of operations in Indiana, and the motor fuel used for operations during the quarter was purchased in Indiana, some of which was alternative fuel.
- A carrier that meets the exemption or meets the requirements for alternative fuel previously mentioned still must keep books and records as required by IC 6-8.1-5.

Enrolled Act: HEA 1050, Sec. 8

Code: IC 6-6-4.1-12

Effective Date: July 1, 2023

- Creates an exemption for carriers that meet the exemption from filing quarterly reports as provided in IC 6-6-4.1-10 from the requirement to pay the \$25 annual fee and to put decals on their vehicles.
- Further, a carrier that meets the alternative fuel requirements in IC 6-6-4.1-10(c) only has to put decals on their vehicles that consume alternative fuel.

Enrolled Act: HEA 1050, Sec. 88

Code: IC 9-18.1-5-12

Effective Date: July 1, 2023

- Increases the electric vehicle fee and hybrid vehicle fee by the indexing factor for fuel taxes before October 1 of each year.

HEA 1106

Enrolled Act: HEA 1106, Sec. 1

Code: IC 5-28-2-1.5

Effective Date: January 1, 2023 (Retroactive)

- Adds the Mine Reclamation Tax Credit to the definition of “applicable tax credit” for purposes of the \$250 million aggregate limit of applicable tax credits that the Indiana Economic Development Corporation may award for a state fiscal year.

Enrolled Act: HEA 1106, Sec. 2

Code: IC 6-3.1-37.2

Effective Date: January 1, 2023 (Retroactive)

- Provides a Mine Reclamation Tax Credit for a taxpayer that enters into an agreement with the Indiana Economic Development Corporation for a qualified investment for development of property located on reclaimed coal mining land.
- Limits the credit to the lesser of the qualified investment made by the taxpayer during the taxable year multiplied by 30% or \$5,000,000.
- Permits a taxpayer to assign any part of the credit to which the taxpayer is entitled to a lessee of the mine reclamation site. An assignment must be in writing, and both the taxpayer and the lessee must report the assignment on their state tax returns for the year in which the assignment is made in the manner prescribed by DOR.
- Limits the amount the taxpayer may receive value in connection with the assignment to the value of the part of the credit assigned.
- Allows any amount of the credit in excess of the taxpayer’s tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Establishes that the credit shall be applied against taxes owed by the taxpayer in the following order:
 1. Against the taxpayer’s adjusted gross income tax liability (IC 6-3-1 through IC 6-3-7) for the taxable year.
 2. Against the taxpayer’s insurance premiums tax liability (IC 27-1-18-2) for the taxable year.
 3. Against the taxpayer’s financial institutions tax (IC 6-5.5) for the taxable year.
- Provides that a taxpayer must claim the credit on the taxpayer’s annual state tax return or returns in the manner prescribed by DOR. The taxpayer shall submit the certification letter from the Indiana Economic Development Corporation to DOR stating the percentage of credit allowable and all other necessary information for the calculation of the credit and for the determination of whether an expenditure is for a qualified investment.

- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.
- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries, or members may allocate the credit among its partners, beneficiaries, or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. Such agreement shall be filed with the Indiana Economic Development Corporation no later than 15 days after execution. The pass-through entity shall also provide a copy of such agreements, a list of partners, beneficiaries, or members of the pass-through entity, and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.
- Limits the aggregate amount of mine reclamation tax credits to \$25,000,000 from January 1, 2023, to December 31, 2027.

HEA 1125

Enrolled Act: HEA 1125, Sec. 9

Code: IC 8-2.1-19.1-8

Effective Date: July 1, 2023

- Amends the law regarding transportation network companies (TNC) to provide that after June 30, 2024, while a TNC driver is logged on to the TNC's digital network but is not engaged in a prearranged ride, the primary motor vehicle liability insurance coverage requirement is at least \$50,000 per incident for property damage. (Under current law, the coverage requirement is at least \$25,000 per incident for property damage.)

HEA 1204

Enrolled Act: HEA 1204, Sec. 4

Code: IC 9-20-18-14.5

Effective Date: July 1, 2023

- Revises the civil penalty amount for permitting violation for transporting overweight divisible loads or oversize loads. Instead of being no more than \$10,000 for each violation, the penalty is:
 - \$500 if the vehicle is over the dimensional limits.
 - \$500 if the vehicle is between 1,000 to 4,999 pounds overweight;
 - \$1,000 if the vehicle is between 5,000 to 9,999 pounds overweight; or
 - \$5,000 if the vehicle is at least 10,000 pounds overweight.
- Allows DOR to adopt rules regarding this section.

HEA 1207

Enrolled Act: HEA 1207, Sec. 1

Code: IC 36-8-16.6-11

Effective Date: Upon passage (May 1, 2023)

- Changes the period during which the statewide 911 board can increase the enhanced wireless prepaid telecommunications service charge to May 1, 2023, until June 30, 2026 (previous period was April 2, 2020, until June 30, 2023).

HEA 1454

Enrolled Act: HEA 1454, Sec. 63

Code: IC 6-3-1-3.5

Effective Date: January 1, 2022 (retroactive)

- Clarifies the definition of adjusted gross income for pass-through entity tax and tax withholding purposes and clarifies the adjusted gross income for trusts and estates to reflect distributions subject to tax for state and federal income tax for beneficiaries.

Enrolled Act: HEA 1454, Sec. 64

Code: IC 6-3-2.1-4

Effective Date: January 1, 2022 (retroactive)

- Corrects a reference from "entity owner" to "direct owner."
- Clarifies treatment for when a pass-through entity elects to be subject to pass-through entity tax and is an owner of another entity that is passing through pass-through entity tax.

Enrolled Act: HEA 1454, Sec. 65

Code: IC 6-3-3-12

Effective Date: January 1, 2024

- Allows a taxpayer to treat a contribution to a 529 college savings account made after December 31 as having been made during the preceding taxable year if:
 - the contribution is made before the original tax filing deadline and
 - an irrevocable election is made with the Indiana Education Savings Authority.

Enrolled Act: HEA 1454, Sec. 66

Code: IC 6-3-3-12.1

Effective Date: January 1, 2024

- Allows a taxpayer to treat a contribution to a 529A ABLE account made after December 31st as having been made during the preceding taxable year if:
 - The contribution is made before the original tax filing deadline and
 - an irrevocable election is made with the Indiana ABLE Authority.

Enrolled Act: HEA 1454, Sec. 67

Code: IC 6-3.1-17.1

Effective Date: January 1, 2024

- Establishes the Historic Rehabilitation Tax Credit effective for tax years beginning after December 31, 2023.
- Authorizes the Indiana Economic Development Corporation (IEDC) to award a credit to a qualified taxpayer against the qualified taxpayer's state tax liability in the taxable year in which the qualified taxpayer completes restoration and preservation of a qualified historic structure if the total amount of qualified rehabilitation expenditures incurred by the qualified taxpayer equals \$5,000 or more.
- Provides that the amount of the credit is generally 25% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure.
- Provides that the amount of the credit is 30% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure if the structure is owned by a taxpayer that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code or is not income producing.
- Directs that if the IEDC awards credits, DOR and the Office of Community and Rural Affairs shall administer the allowance of the credits.
- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.
- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries, or members may allocate the credit among its partners, beneficiaries, or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. The pass-through entity shall also provide a copy of such agreements, a list of partners, beneficiaries, or members of the pass-through entity, and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to ten years.
- Permits the assignment of a credit. The assignment must be in writing, and both the qualified taxpayer and assignee shall report the assignment on the qualified taxpayer's and the assignee's state tax returns for the year in which the assignment is made in the manner prescribed by DOR. A qualified taxpayer may not receive value in connection with an assignment under this section that exceeds the value of the part of the credit assigned.
- Limits the aggregate amount of state tax credits allowed to \$10 million for each state fiscal year beginning after June 30, 2023, and ending before July 1, 2030.
- Includes any credits awarded in the \$250 million aggregate amount of applicable tax credits that the IEDC may certify for a state fiscal year under IC 5-28-6-9.
- Authorizes DOR to adopt rules governing administration of the credit.

Enrolled Act: HEA 1454, Sec. 68

Code: IC 6-3.1-38.3

Effective Date: January 1, 2024

- Establishes the employment of individuals with disability tax credit.
- Allows a credit, except in certain circumstances, to a taxpayer that employs an individual who is referred to the employer for employment through a vocational rehabilitation services program for individuals with a disability and was initially hired by the taxpayer after December 31, 2023. The amount of the credit is based on the wages paid to the particular employee during the taxable year.
- Requires that the employee must work at least an average of 20-hours per week for the employer in a similar setting and at a rate that is comparable to other employees of the taxpayer who perform the same or similar tasks.
- Establishes the amount of the credit based on the attributes of the employer.
- If the taxpayer is a benefit corporation (as defined in IC 23-1.3-2-3); the taxpayer employs no more than 50 individuals; and the majority of the taxpayer's employees are eligible individuals the amount of the tax credit is determined according to the following:
 1. In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
 2. In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
 3. In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 50% of the wages paid to the employee during the taxable year.
- If the taxpayer does not meet the requirements above and employs 500 or fewer employees, the amount of the tax credit is determined according to the following:
 1. In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 20% of the wages paid to the employee during the taxable year.
 2. In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
 3. In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
- Allows the credit to be applied to a shareholder, partner, or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner, or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner, or member is entitled.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to five taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Disallows assignment of the credit.
- Expires the credit after December 31, 2028.

Enrolled Act: HEA 1454, Sec. 71

Code: IC 6-3.5-4-7.5

Effective Date: July 1, 2023

- Provides that any county motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

Enrolled Act: HEA 1454, Sec. 74

Code: IC 6-3.5-10-8.5

Effective Date: July 1, 2023

- Provides that any municipal motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

Enrolled Act: HEA 1454, Sec. 75

Code: IC 6-3.6-3-3

Effective Date: July 1, 2023

- Establishes that if a county or local income tax (LIT) council does not provide the required notice to underlying units of a LIT tax rate change, the change does not take effect.

Enrolled Act: HEA 1454, Sec. 77

Code: IC 6-3.6-3-7

Effective Date: July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the local income tax council.
 - If a county-adopting body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit by August 1.
 - If a county-adopting body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county-adopting body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.
 - The county-adopting body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

Enrolled Act: HEA 1454, Sec. 78

Code: IC 6-3.6-3-7.5

Effective Date: July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the county council.
 - If a county-adopting body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit, by August 1
 - If a county-adopting body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county-adopting body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.
 - The county-adopting body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

Enrolled Act: HEA 1454, Sec. 79

Code: IC 6-3.6-6-2.7

Effective Date: July 1, 2023

- Raises the maximum tax rate a county fiscal body may impose for correctional facilities and rehabilitation facilities from 0.2% to 0.3% in the case of a county with bonds or lease agreements outstanding on July 1, 2023, backed by revenue from this tax.
- Restricts the amount of revenue that may be used for operating expenses for correctional facilities and rehabilitation facilities in the county to 0.2% of this tax.

Enrolled Act: HEA 1454, Sec. 83

Code: IC 6-6-2.5-6.5

Effective Date: July 1, 2023

- Defines "compressed natural gas product fuel station" as a fuel station that purchases special fuel, convert it into compressed natural gas product, and sells the compressed natural gas product from a metered pump at the same location.

Enrolled Act: HEA 1454, Sec. 84

Code: IC 6-6-2.5-30

Effective Date: July 1, 2023

- Exempts the difference between the amount of special fuel purchased by a compressed natural gas product fuel station and the amount of compressed natural gas product produced and sold by the compressed natural gas product fuel station from the special fuel tax.
- Provides that this exemption shall be applied for through the refund procedures established in section IC 6-6-2.5-32.7.

Enrolled Act: HEA 1454, Sec. 85

Code: IC 6-6-2.5-32

Effective Date: July 1, 2023

- Clarifies that a refund for special fuel tax collected on compressed natural gas product may not be claimed under both IC 6-6-2.5-32 and IC 6-6-2.5-32.7 9 for the same special fuel tax.

Enrolled Act: HEA 1454, Sec. 86

Code: IC 6-6-2.5-32.7

Effective Date: July 1, 2023

- Creates a quarterly refund process of special fuel tax for compressed natural gas product fuel stations on the difference between the amount of special fuel purchased by a station and the amount of compressed natural gas product produced and sold by the station.
- Requires the station to submit a statement to DOR that lists such information, which is subject to penalties pertaining to perjury, as well as any information reasonably requested on a form prescribed by DOR.
 - The claim must be filed no later than the end of the third month following the end of the calendar quarter the compressed natural gas qualified for a special fuel tax refund.
 - No interest may be paid on this refund.
- Allows DOR to make any necessary investigations before refunding the tax.

Enrolled Act: HEA 1454, Sec. 87

Code: IC 6-6-2.5-37

Effective Date: July 1, 2023

- Clarifies that the special fuel tax collection allowance is in addition to any amount refunded under IC 6-6-2.5-32.7.

Enrolled Act: HEA 1454, Sec. 88

Code: IC 6-6-5-0.5

Effective Date: July 1, 2023

- Exempts trailers with a declared gross vehicle weight of 3,000 pounds or less that are registered or renewed under IC 9-18.1-5-13 from the motor vehicle excise tax.

Enrolled Act: HEA 1454, Sec. 91

Code: IC 6-7-2-7

Effective Date: January 1, 2024

- Caps the 24% tobacco products tax for cigars at \$1 per cigar.

Enrolled Act: HEA 1454, Sec. 92

Code: IC 6-8.1-9.5-10

Effective Date: July 1, 2023

- Reduces the collection fee charged to a debtor for any debts collected under DOR's debt offset program from 15% to 10%.

Enrolled Act: HEA 1454, Sec. 93

Code: IC 6-9-7-7

Effective Date: July 1, 2023

- Changes the distribution formula for revenue from the Tippecanoe County Innkeeper's Tax.

Enrolled Act: HEA 1454, Sec. 94

Code: IC 6-9-18-3

Effective Date: Upon passage

- Authorizes Parke County to impose its innkeeper's tax at a rate of 8% under the uniform innkeeper's tax instead of the 5% allowed under current law.

Enrolled Act: HEA 1454, Sec. 95

Code: IC 6-9-20-12

Effective Date: Upon passage

- Expires the Vanderburgh County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 96

Code: IC 6-9-21-10

Effective Date: Upon passage

- Expires the Delaware County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 97

Code: IC 6-9-24-10

Effective Date: Upon passage

- Expires the Nashville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 98

Code: IC 6-9-25-16

Effective Date: Upon passage

- Expires the Henry County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 99

Code: IC 6-9-26-17

Effective Date: Upon passage

- Expires the Madison County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 100

Code: IC 6-9-27-11

Effective Date: Upon passage

- Expires any miscellaneous food and beverage tax (FAB) passed under IC 6-9-27 on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 101

Code: IC 6-9-36-9

Effective Date: Upon passage

- Expires the Lake County and Porter County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 102

Code: IC 6-9-38-27

Effective Date: Upon passage

- Expires the Wayne County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 103

Code: IC 6-9-40-12

Effective Date: Upon passage

- Expires the Steuben County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 105

Code: IC 6-9-41-14

Effective Date: July 1, 2023

- Requires Monroe County to develop a written plan before December 1 each year detailing the proposed use of its food and beverage (FAB) tax funds.
- Requires that the county spend FAB receipts in accordance with the written plan.

Enrolled Act: HEA 1454, Sec. 106

Code: IC 6-9-41-15

Effective Date: July 1, 2023

- Requires Bloomington to develop a written plan before December 1 each year detailing the proposed use of its share of the food and beverage (FAB) tax funds.
- Requires that the city spend FAB receipts in accordance with the written plan.

Enrolled Act: HEA 1454, Sec. 107

Code: IC 6-9-41-15.5

Effective Date: July 1, 2023

- Voids the Monroe County food and beverage tax (FAB) after June 30, 2025, if Monroe County and Bloomington do not spend FAB money in accord with the written plans required under IC 6-9-41-14 and IC 6-9-41-15.
- In that case, Monroe County also may not adopt a new FAB ordinance.

Enrolled Act: HEA 1454, Sec. 109

Code: IC 6-9-41-17

Effective Date: Upon passage

- Expires the Monroe County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 110

Code: IC 6-9-43-10

Effective Date: Upon passage

- Expires the Cloverdale food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 111

Code: IC 6-9-44-11

Effective Date: Upon passage

- Expires the Town of Fishers food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 112

Code: IC 6-9-45-11

Effective Date: Upon passage

- Expires the Rockville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 113

Code: IC 6-9-47.5-11

Effective Date: Upon passage

- Expires the Orange County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 114

Code: IC 6-9-49-11

Effective Date: Upon passage

- Expires the Attica food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 115

Code: IC 6-9-50-11

Effective Date: Upon passage

- Expires the Danville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 116

Code: IC 6-9-5111

Effective Date: Upon passage

- Expires the Greenwood food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 117

Code: IC 6-9-52-11

Effective Date: Upon passage

- Expires the Whitestown food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

Enrolled Act: HEA 1454, Sec. 118

Code: IC 6-9-54

Effective Date: July 1, 2023

- Authorizes Columbia City to impose a food and beverage tax.

Enrolled Act: HEA 1454, Sec. 119

Code: IC 6-9-54.5

Effective Date: July 1, 2023

- Authorizes Merrillville to impose a food and beverage tax.

Enrolled Act: HEA 1454, Sec. 120

Code: IC 6-9-55

Effective Date: July 1, 2023

- Authorizes Jasper to impose a food and beverage tax.

Enrolled Act: HEA 1454, Sec. 121

Code: IC 6-9-56

Effective Date: July 1, 2023

- Authorizes Hamilton County to impose an innkeeper's tax under its new specific innkeeper's tax statute at a rate no more than 8% rather than the 5% allowed under the uniform county innkeeper's tax.

Enrolled Act: HEA 1454, Sec. 122

Code: IC 6-9-57

Effective Date: July 1, 2023

- Authorizes Decatur County to impose a food and beverage tax.

Enrolled Act: HEA 1454, Sec. 124

Code: IC 9-18.1-5-13

Effective Date: July 1, 2023

- Excludes trailers with a declared gross vehicle weight of 3,000 pounds or less that are permanently registered from the motor vehicle excise tax.

Enrolled Act: HEA 1454, Sec. 125

Code: IC 12-11-14-6

Effective Date: January 1, 2026

- Beginning in 2026, raises the age threshold for qualifying for ABLE program benefits based on blindness or disability from 26 years to 46 years old.
- This change will track the federal law change set to occur at the same time.

Enrolled Act: HEA 1454, Sec. 188

Code: IC 36-7-32-22

Effective Date: July 1, 2023

- Clarifies that the distribution rules applicable to a certified technology park that has reached its lifetime cap apply if the lifetime distribution cap is reached before state fiscal year 2020 and if the lifetime distribution cap is reached during state fiscal years 2020 and later (SEA 271 referred to 2022 instead of 2020).

Enrolled Act: HEA 1454, Sec. 189

Code: IC 36-7.5-4.5-7

Effective Date: July 1, 2023

- Changes the “gross retail tax base period amount” for purposes of the transportation development districts from the calendar year before the district was established to the calendar year in which the district was established.

Enrolled Act: HEA 1454, Sec. 190

Code: IC 36-7.5-4.5-9

Effective Date: July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “local income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

Enrolled Act: HEA 1454, Sec. 191

Code: IC 36-7.5-4.5-10

Effective Date: July 1, 2023

- Amends the definition of “local income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

Enrolled Act: HEA 1454, Sec. 192

Code: IC 36-7.5-4.5-13

Effective Date: July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “state income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

Enrolled Act: HEA 1454, Sec. 193

Code: IC 36-7.5-4.5-14

Effective Date: July 1, 2023

- Amends the definition of “state income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

Enrolled Act: HEA 1454, Sec. 196

Code: IC 36-7.5-4.5-28

Effective Date: July 1, 2023

- Changes the date by which DOR must calculate the state income tax base period amount, the sales tax base period amount and the local income tax base period amount. The determinations must be made by November 30 of the year following the establishment of a district instead of 60 days after receiving a copy of the resolution establishing a district.
- Changes the date by which the department must calculate the state income tax increment revenue, the sales tax increment revenue and the local income tax increment revenue. The determinations must be made by December 1 instead of the previous October 1. This requirement begins in the year two years following establishment of a district.
- Changes the date by which DOR must certify the increment revenues to the Indiana Finance Authority to December 15 from the previous November 1.
- Provides direction for the Auditor of State to distribute proceeds from the local income tax increment fund.
- Authorizes the department to recalculate base period amounts and increment revenues if it determines that previous calculations were incorrect.
- Permits a municipality that includes more than one development district to share its increment revenue among the transit development districts upon approval of the legislative body of the municipality.

Enrolled Act: HEA 1454, Sec. 224

Code: Non-code

Effective Date: Upon passage

- Defines "weather related disaster" as severe weather that occurred after March 30, 2023, and before April 2, 2023, for which either the governor by executive order or the Federal Emergency Management Agency declared a disaster.
- Applies to individuals who reside in or businesses that are headquartered in a county for which the governor or the Federal Emergency Management Agency declared a disaster as a result of the weather-related disaster.
- Allows DOR to extend relief from penalties and interest through July 31 for late filings of most income tax returns and estimated payments that are due after March 31, 2023.
- Allows DOR to extend relief from penalties and interest through August 31 for late filings of corporate income tax and financial institutions tax returns and related estimated payments that are due after March 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for individuals and taxpayers other than corporations and financial institutions to a date on or after July 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for corporations and financial institutions to a date on or after August 31, 2023.

HEA 1461

Enrolled Act: HEA 1461, Sec. 20

Code: IC 25-16

Effective Date: July 1, 2023

- Repeals DOR's responsibility to license employment services agencies.

HEA 1499

Enrolled Act: HEA 1499, Sec. 17

Code: IC 6-8.1-3-29

Effective Date: July 1, 2023

- Requires DOR (for tax receipts for adjusted gross income taxes due and owing for a taxable year beginning after December 31, 2023) to annually provide a taxpayer receipt to an individual who has an individual INTIME account with DOR and filed a resident individual income tax return with DOR. The taxpayer receipt shall be posted on the taxpayer's individual INTIME account.
- Prohibits DOR from providing a taxpayer with a copy of the taxpayer receipt by mail.
- Directs DOR, in consultation with the budget agency, to create and administer a web page on which individual taxpayers may access an estimate of the allocation of their adjusted gross income taxes to various expenditure categories for the most recent state fiscal year based on the adjusted gross income taxes paid by the taxpayer. The web page must contain the following elements:

1. The web page must be conveniently and easily accessible.
2. A link to the web page must be prominently displayed on DOR's main website.
3. The web page must provide an estimate of the allocation of the statewide spending of adjusted gross income tax revenue broken down under the following categories:
 - public education
 - higher education
 - social services
 - infrastructure
 - criminal justice
 - economic development
 - environment and natural resources
 - elected officials
 - general government
- The estimate must include the amount and the percentage of adjusted gross income tax revenue allocated to each category and provide an estimate of an individual taxpayer's contribution based on the individual's input of their adjusted gross income tax payments.
- Requires DOR to include a link to the web page on the Indiana individual income tax return, Form IT-40.

HEA 1623

Enrolled Act: HEA 1623, Sec. 11

Code: IC 4-22-2-17

Effective Date: July 1, 2023

- Requires agencies to webcast public hearings and allow remote comments.

Enrolled Act: HEA 1623, Sec. 18

Code: IC 4-22-2-22.7

Effective Date: July 1, 2023

- Requires an agency to conduct a regulatory analysis for any proposed rule.
- Provides standards for the regulatory analysis and what information the analysis must contain.

Enrolled Act: HEA 1623, Sec. 19

Code: IC 4-22-2-22.8

Effective Date: July 1, 2023

- Requires an agency to submit a request to the budget agency and the Office of Management and Budget to authorize commencement of the public comment period.

Enrolled Act: HEA 1623, Sec. 20

Code: IC 4-22-2-23

Effective Date: July 1, 2023

- Requires an agency to provide notice in the Indiana Register of the first public comment period and detailing the information to be submitted to the publisher of the Indiana Register.

Enrolled Act: HEA 1623, Sec. 24

Code: IC 4-22-2-26

Effective Date: July 1, 2023

- Requires an agency convening a public hearing to include an option for remote attendance.

Enrolled Act: HEA 1623, Sec. 25

Code: IC 4-22-2-26

Effective Date: July 1, 2023

- Requires those who adopt a rule to fully consider comments received by the agency during each public comment period and comments received at public hearings.

Enrolled Act: HEA 1623, Sec. 26

Code: IC 4-22-2-27.5

Effective Date: July 1, 2023

- Requires an agency to submit a summary of the comments received and the responses given by the agency during each public comment period and public hearing to the attorney general, the governor, and the publisher.
- Directs the publisher to publish the summaries with the final adopted and approved rule.

Enrolled Act: HEA 1623, Sec. 34

Code: IC 4-22-2-37.2

Effective Date: July 1, 2023

- Establishes the process for implementing interim rules that are accepted for filing by the Indiana Register after June 30, 2023.

Enrolled Act: HEA 1623, Sec. 43

Code: IC 4-22-2.3

Effective Date: July 1, 2023

- Establishes the expiration dates for rules adopted under IC 4-22-2-37.1.

Enrolled Act: HEA 1623, Sec. 45

Code: IC 4-22-2.6

Effective Date: July 1, 2023

- Establishes new rules for the expiration and readoption of administrative rules.
- Reduces the time in which rules need to be readopted to remain effective from seven to five years.
- Sets out the readoption rulemaking actions that must be undertaken to readopt the agencies rules.