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INDIANA DEPARTMENT OF REVENUE
TAX CHAPTER

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About the Cover: The state capitol building in Corydon, Indiana. This building was constructed in 1813 to house the legislature of the Indiana Territory and was converted to the state capitol in 1816. In 1824, the capitol was moved to Indianapolis and the building was then used as the Harrison County courthouse. The old capitol building is still preserved and is now a state historical site. Photo provided by the Indiana State Museum.

STATE of INDIANA



INDIANAPOLIS, IN 46204-2253

DEPARTMENT OF REVENUE

INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

Tax Professional:

We are pleased to provide the 2013 “Tax Chapter.” We are confident this publication will help you and your clients in preparing 2013 Indiana tax returns.

Remember, we are all trying to achieve the same two objectives:

1. Help Indiana taxpayers successfully and correctly complete their annual tax returns.
2. Follow the statutes established by the Indiana General Assembly to support Indiana taxpayers.

This Tax Chapter is intended to assist you in your work with Indiana taxpayers. We hope it serves you well and encourage any comments or suggestions for improvement you may have.

Some key points to make about this year’s tax filing process:

1. We encourage you to use one or more of the electronic filing systems available for your clients. These systems save time and money for both your clients and the state.
2. Remember, too, that electronic filing systems generally provide refunds, when due, much faster than other methods. For individual returns, if both filing and refund were electronically filed and no problems with the return occurred, we delivered refunds in 7-14 days!
3. There are many changes to the tax codes that are fully outlined in this “Chapter” for you. We have worked diligently to include everything you need. Also included is a line-by-line listing of each tax code change.

Again, we hope you find this “Chapter” useful. If you have comments or suggestions, don’t hesitate to get those to us. You can email them to Aunjalee Bhullar at abhullar@dor.in.gov. Your input can make this an even better product for next year.

Thank you for the professional work you do for Indiana taxpayers.

Sincerely,

Mike Alley
Commissioner

2013 Update

New Legislation for 2013

The following highlights some of the key changes to Indiana's tax laws, listed by tax type. For a complete listing of all the changes for 2013 and changes that go into effect in 2014, please visit the department's legislative summaries webpage (www.in.gov/dor/3656.htm) and click the 2013 PDF link. A portion of that summer is included at the end of this chapter.

Individual AGI Tax

The following changes affect Indiana's individual adjusted gross income tax:

- For tax years 2015 and 2016, the individual income tax rate will be reduced to 3.3% and for 2017 and thereafter, the rate will be reduced to 3.23%.
- A new tax refund check-off for the funding of public education for K–12 (effective Jan. 1, 2015).
- The following addbacks have been eliminated for purposes of determining adjusted gross income (retroactive to Jan. 1, 2012):
 - Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year property for a motorsports entertainment complex
 - Charitable contribution of a distribution from an individual retirement plan
 - Qualified tuition and related expenses
 - Qualified advanced mine safety equipment
 - Qualified transportation fringe benefits that exceed \$100 per month
- The following addbacks have been eliminated for purposes of determining adjusted gross income (retroactive to Jan. 1, 2013):
 - Expensing of environmental remediation costs
 - Certain expenses of elementary and secondary school teachers
 - Employer-provided education expenses
 - Additional deduction for student loan interest
 - Additional business startup expenditures
 - RIC dividends to nonresident aliens
 - Oil and gas well depletion deduction
 - Qualified electric utility amortization

Corporate AGI Tax

- The following addbacks have been eliminated for purposes of determining corporate adjusted gross income tax (retroactive to Jan. 1, 2012):
 - Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year property for a motorsports entertainment complex
 - Qualified advanced mine safety equipment
 - Qualified transportation fringe benefits that exceed \$100 per month
 - Net recognized built-in gain for an S corporation
- The following addbacks have been eliminated for purposes of determining corporate adjusted gross income tax (retroactive to Jan. 1, 2013):
 - Expensing of environmental remediation costs
 - Additional business startup expenditures
 - RIC dividends to nonresident aliens
 - Oil and gas well depletion deduction
 - Qualified electric utility amortization
 - Section 1367(a)(2) of the Internal Revenue Code pertaining to an adjustment of basis of the stock of shareholders

- Section 897(h)(4)(A)(ii) of the Internal Revenue Code pertaining to regulated investment companies qualified entity treatment
- Section 512(b)(13)(E)(iv) of the Internal Revenue Code pertaining to the modification of tax treatment of certain payments to controlling exempt organizations

County Taxes

- There are new effective dates for ordinances adopted to impose, increase, decrease, or rescind a local option income tax:
 - An ordinance adopted after Dec. 31 and before Sept. 1 takes effect on Oct. 1.
 - An ordinance adopted after Aug. 31 and before Nov. 1 takes effect on Jan. 1 of the following year (effective July 1, 2013).
 - No ordinance may be adopted Nov. 1 through Dec. 31.
- **Forms impact**
 - As of Oct. 1, 2013, all 92 Indiana counties have adopted a county tax. Therefore, the county tax schedules for the IT-40 and IT-40EZ filers (CT-40, CT-40EZ) have been modified to eliminate section 2, which was used by Lake County residents who worked in a different Indiana county. Section 2 remains on the CT-40PNR for part- and full-year nonresident use.
 - The planned-for Lake County municipal designation information is not required and has been removed from the county tax schedules (the Lake County council did not adopt the specific county tax where that information was to be maintained).
- **Lake County adopts local option income tax (county tax)**
 - The Indiana Code is very clear as to how income is to be taxed the first year a county adopts a tax. Basically, the same income that is taxed for state adjusted gross income tax purposes is also taxed for county tax purposes. Lake County has adopted a .015 resident rate (.005 nonresident rate). Because the tax did not become effective until October, a prorated rate of .00375 resident rate (.00125 nonresident rate) will be used for figuring Lake County tax on the 2013 income tax returns.

Sales and Use Tax

The following changes affect Indiana's sales and use tax:

- The requirement that an aircraft be registered in another country and weigh more than 5,000 pounds to be eligible for the sales tax exemption concerning the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or avionics system has been eliminated (effective July 1, 2013).
- An amnesty program has been established for taxpayers having an unpaid use tax liability for a claiming transaction concerning a race horse on a transaction occurring before June 1, 2012. The taxpayer must pay the tax or establish a payment agreement before Jan. 1, 2014. If payment is made, the department will abate all penalties, interest, collection fees, and costs; release any liens imposed; agree to not seek civil or criminal prosecution; and agree to not issue any assessment for which the amnesty has been granted (effective July 1, 2013).

Other Taxes

- **Inheritance Tax**
 - The inheritance tax has been repealed for deaths occurring after Dec. 31, 2012.
 - The inheritance tax refund statute (IC 6-4.1-10-1) has been amended, including the requirement to use the refund claim form prescribed by the department (Form IH-5) (effective Jan. 1, 2013, retroactive).

- **Financial Institutions Tax**
 - Rate change. The financial institutions tax rate has been reduced from 8.5% to 8.0% for taxable years beginning after Dec. 31, 2013. This will continue to be reduced by 0.5% for each year until Jan. 1, 2017, when the rate will be 6.5% (effective July 1, 2013).
 - The following addbacks have been eliminated for purposes of determining adjusted gross income (retroactive to Jan. 1, 2013): qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year property for a motorsports entertainment complex, expensing of environmental remediation costs, qualified advanced mine safety equipment, additional business startup expenditures, and net recognized built-in gain for an S corporation.
- **Special Fuel Tax**
 - Truck stop owners must obtain a truck stop owner's license from the department. The license is valid for two years (effective July 1, 2013).
- **Aviation Fuel Tax**
 - An aviation fuel excise tax has been enacted. The tax is \$0.10 per gallon for aviation fuel purchased in Indiana.
 - Retailers must add the tax to the selling price of each gallon of fuel sold.
 - The sale of aviation fuel is exempt if the fuel is placed into the supply tank of an aircraft owned by the United States or its instrumentalities, the state of Indiana, the Indiana Air National Guard, or a common carrier of passengers or freight (effective July 1, 2013).
- **Other Tobacco Products Tax**
 - Any person selling other tobacco products through an Internet website must remit the other tobacco products tax to the department (effective July 1, 2013).
 - Any person selling other tobacco products through an Internet website must obtain a distributor's license (effective July 1, 2013).
- **Nonresident Shareholder Withholding**
 - A nonresident shareholder or partner can opt out of the composite filing. If the nonresident individual shareholder or partner has filed the opt-out affidavit with the S corporation or partnership to opt out of the composite filing, he should file Form IT-40PNR. The shareholder or partner must claim credit on that return by enclosing Form WH-18 for amounts withheld by the S corporation/partnership from his share of income.
 - Amounts withheld from nonresident individual shareholders or partners included in the composite return should be included in the remittance with Form IT-6WTH.
- **School Scholarship Credit**
 - The School Scholarship Credit can be carried forward for nine years after the unused credit year (effective Jan. 1, 2013, retroactive).
 - The cap on the annual School Scholarship Credit ceiling has increased from \$5 million to \$7.5 million (effective July 1, 2013).
- **Headquarters Relocation Credit**
 - Qualifications for the Headquarters Relocation Credit have changed (effective July 1, 2013):
 - The definition of "corporate headquarters" has been expanded to include the principal offices of a division or similar subdivision of an eligible business or a research and development center of an eligible business.
 - The annual worldwide revenue requirement of a business that wants to claim the credit has been reduced from \$100 million to \$50 million.
- **Miscellaneous**
 - A vacant industrial facility no longer has to be vacant for at least one year to qualify for the Industrial Recovery Credit (effective July 1, 2013).
 - The Coal Combustion Credit is repealed (effective July 1, 2013).

Business eMandate

Since 2005, Indiana has offered an electronic filing and payment system for business taxpayers called INtax. The system allows business taxpayers to report and remit sales tax, withholding tax, tire tax, prepaid taxes, wireless prepaid taxes, and others at one site. Payment can be made through INtax or electronic funds transfer (EFT).

The 2012 General Assembly passed a law requiring ALL Indiana businesses to report and remit sales tax and withholding tax electronically. As a reminder, the department has discontinued mailing coupons for sales and withholding. Moreover, the coupons are not available upon request.

Taxpayers can request an exemption from this mandate if they meet certain requirements. They should contact the department to explore this option and obtain an Exemption Request form (BT-EX)

Taxpayers should register for INtax or begin using a third-party agent, rather than risking non-compliance and legal action.

INtax

You can reduce the burden of managing business tax obligations with INtax. The department's online program provides business taxpayers and their preparers with direct access to all business tax accounts, instant access to file and pay Indiana taxes, the option to review account history, and more. For more information or to register, go to www.intax.in.gov. This site includes instructions and a series of tutorials to assist taxpayers and preparers.

INtax Is for Practitioners, Too!

INtax is not only a great tool for business owners themselves, but also is a great tool for practitioners. According to a recent user survey, most current users had positive feedback about the program:

- 90% of users surveyed said that the instructions for INtax are easy to understand.
- 90% of users surveyed said that the INtax website is easy to navigate.
- 83% of users surveyed who had viewed the INtax tutorials said that the tutorials were helpful.
- 91% of users surveyed said that they were satisfied with INtax.

With INtax, a practitioner can file and pay her client's business taxes; take care of several other record-keeping tasks; and manage several business tax types, including Indiana retail sales, out-of-state sales, prepaid sales, metered pump sales, tire fees, fuel taxes, withholding taxes, and more.

Here are just a few of the other tasks a practitioner can complete using INtax:

- Correspond with the Department of Revenue online through a confidential, secure inbox
- Register and edit multiple clients
- View and print a current client list
- Schedule payments up to 30 days ahead
- File a return even when no tax is due for that filing period so clients can avoid best information available (BIA) bills
- Make a separate electronic payment for each client or pay multiple client accounts through a bulk payment upload
- View the client's payment and return history at any time

Although a client is not required to be registered with INtax before a practitioner can add the client, the client still has the option to register for INtax to be able to access his account information, as

well as view the activities of the practitioner. Whether the client registers for INtax or not, he is notified that a practitioner is managing his state taxes using INtax.

Tips

Electronically File Using INfreefile

Indiana freefile (INfreefile) continues for 2014. Multiple vendors offer state and federal tax preparation for free for qualified taxpayers. INfreefile offers many advantages to both the state and the Indiana taxpayer:

- A mature and robust set of systems provided by multiple vendors allow taxpayers to file both federal and Indiana taxes together through one system.
- These services are free to selected Indiana taxpayers based on negotiated rules. Details on the vendors and the limits of this free service are at www.in.gov/dor/freefile.
- Electronic filing of individual tax returns provides taxpayers with faster service, especially when refunds are due. When filing electronically, taxpayers due a refund will realize the refund as quickly as 10-14 days versus 3-4 weeks with a paper return.
- Because EIC filers are no longer be able to use IT-40EZ, INfreefile supports EIC filing and makes it much quicker and easier than ever.
- We have much more information available at www.in.gov/dor/freefile.

Include All Necessary Schedules

Ensure that all necessary and required schedules are included when submitting paper returns. Any missing schedules will delay processing. This happens quite frequently. However, if you or your client has already e-filed, **do not** submit a paper return. Also, if you are submitting a PFC after e-filing, **do not** send a paper return with the payment. Finally, if you do submit a paper return, please remit payment with the return.

Income Statements

Income statements (e.g. W-2, WH-18, 1099s) must be included with a paper return to claim Indiana credit for state and/or local withholding. Do not send W-2s with information on the front and back. Single-sided withholding statements only.

When Complete

Do not black out the 1D barcode found at the bottom of some forms. We use that information to quickly and efficiently process those forms. Also, if you are sending photocopies of returns, please make sure they are legible. And finally, ensure all schedules match the form type being submitted (for example, Schedule CT-40 PNR with a Form IT-40 PNR).

Certified

Only use forms that were provided by DOR or preparation software that has been certified and approved by the department. Also, make sure that your software is updated regularly. Older versions do not contain the most current versions of the forms or county tax rates. Using unapproved forms, or old forms, will cause delays in processing and delay refunds.

Trust Tax Returns

Remember, trust tax must be submitted online. The department no longer accepts faxed tax returns of any type.

ePay Online Application

- Check balances
- Make payment online for a balance due

- Make payment online for one or more liabilities or cases
- Manage estimated tax installment payments or view payment history
- Schedule an eCheck payment for up to 90 days in the future

Online Payment Plan Tool – INtax Pay

Individuals who have received a bill may be able to set up a payment plan for an individual liability online:

- Taxpayer must owe more than \$100.
- You must pay 20 percent down.
- You must have the case number found on the bill.
- Visit www.intaxpay.in.gov.

Mailing Instructions Have Changed

- Individual income tax returns with a 2D barcode will no longer be mailed to a separate address. Returns will be mailed determined by payment status:
 - If enclosing payment, mail to: P.O. Box 7224, Indianapolis, IN 46207-7224.
 - Mail all other returns to: P.O. Box 40, Indianapolis, IN 46206-0040.
- FormWH-3 will be mailed based on payment status:
 - If requesting a refund, mail to: P.O. Box 7220, Indianapolis, IN 46207-7220.
 - Mail all other Form WH-3s to: P.O. Box 6108, Indianapolis, IN 46206-6108.
- Correspondence regarding individual tax issues should be mailed to: P.O. Box 7207, Indianapolis, IN 46207-7207.
- Don't forget that you can change the address on an individual account by visiting our website at www.in.gov/dor/3795.htm.

2014 Due Date Table for Individual Income Tax Filers

Date	Form Type/Activity
04/15/14	IT-40, IT-40EZ, IT-40PNR, IT-40RNR, IT-40ES / ES-40 (1st installment), IT-9
06/16/14	IT-40ES / ES-40 (2nd installment); IT-9 State extension filing due date
06/30/14	SC-40; IT-40,IT-40PNR filing due date if claiming unified tax credit for the elderly without having a federal extension
09/15/14	IT-40ES / ES-40 (3rd installment)
11/17/14	State filing due date if filing under federal extension
01/15/15	IT-40ES / ES-40 (4th installment)

Power of Attorney (Form POA-1)

This form has been updated recently and now provides greater flexibility. You may submit the form by:

- Fax: 317-625-2605
- E-mail: poalforms@dor.in.gov
- Mail: Indiana Department of Revenue, P.O. Box 7230, Indianapolis, IN 46207-7230

Automatic Updates

Because of the importance of receiving vital information in a timely manner, the State of Indiana offers GovDelivery's E-mail and Digital Subscription Management service. This tool makes it much easier for tax professionals to get the information they need.

To register:

- Visit the department's home page: www.in.gov/dor.
- Click the link under the left-side navigation bar.
- Follow the steps for registration.

After you have registered, the service will send you an e-mail whenever the department updates the website. When we update the *TaxTalk Blog*, Departmental Notices, or even the *Tax Dispatch*, you will know. You can even select the update options that best serve your needs. This valuable tool will help you better serve your clients' needs. Accurate and reliable information will be available the moment it hits the department's website.

2013 Areas of Recurring Noncompliance

Returns Processing

The vast majority of returns and forms sent to the department each year are prepared correctly, and the department has been able to process them using the latest technology available. Last year, the department received 2.9 million documents, an additional 1.4 million W-2s and 2.3 million checks to be processed. Some of those items were received with incomplete information or no basic information from the taxpayer (such as checks without an accompanying return). When this occurs, the department must determine what to do with the information or money it has received.

The department strives each year to process returns and checks more efficiently and accurately. In fact, this year the Return Processing Center (RPC) finished processing the individual returns 1 week earlier than last year, which was 5 weeks earlier than in 2008. Plus, RPC processed these returns with a suspend rate of 7.8%, which is the lowest suspend rate in the same 5-year period when the department started aggressively adopting more efficient methods of processing.

Failure to Complete a Tax Return or Filing

When a return is received lacking the necessary information, including all W-2s, schedules, and required attachments and documentation, the return is processed with only the information provided or is delayed. This can cause any deductions and/or credits not verified to be denied and could result in a reduced refund or possible notice of tax due. The department then sends the taxpayer a letter explaining the reason for the denial or reduction. The department worked approximately 15,000 returns with this classification this year. This is approximately one-half of the correspondence generated by the department back to the taxpayer.

Duplication of Filing

Duplicate filing usually occurs when a taxpayer files a return electronically and then sends the department a paper copy of the return, along with the payment or as an informational return. Last year the department received nearly 9,850 duplicate returns. Many of these duplicate filings are a result of taxpayer confusion. They file electronically. But then, having doubts about the efficacy of the electronic filing, they go ahead and send a paper return just to make sure that their taxes have been filed. After a duplicate filing is identified, an employee must go into the department system to mark the second filing as “information only” to ensure accuracy. The department’s ability to process returns more quickly has reduced this number in recent years. The taxpayer isn’t inclined to submit a duplicate return if he has already received his anticipated refund.

Calculation Errors

When a calculation error is detected, the return is flagged for review. This past tax season 450,000 returns were flagged in this manner. An employee must examine the return and determine whether the error is truly a calculation error; is a problem with how the information was interpreted in the data-capture process; or occurred because data was placed on an incorrect form line, which can cause the columns on the tax return to total incorrectly. After the error has been determined and corrected, the return is successfully processed. The shift to electronic filing and improvements in high-speed imaging and data capture have improved accuracy markedly over the past 5 years.

Claiming Credits Incorrectly

Sometimes taxpayers claim credits that are not substantiated or do not have the proper documentation included with the return. This can cause the credit to be denied. When this occurs, an employee must contact the taxpayer to get the necessary information. In 2013, 53,000 tax returns fell into this category. Efforts are made to improve tax preparation instruction, but it is an ongoing educational process. The department’s efforts at simplifying the tax code will pay dividends in this area.

Miscellaneous

The following filing issues require more time for data entry and processing:

1. Unidentified checks – 35,000 last year: The majority of these are generated by third-party bill pay services. For example, the tax payer asks her service provider to pay an estimated bill. The service provider does not have a copy of the estimated payment voucher. Consequently, they submit the check with no voucher, which prevents the department from utilizing its high-speed processing.
2. WH-3 filed outside of legislative-mandated guidelines. These items fall into three categories.
 - a. Taxpayers submitting more than 25 wage statements – 800
 - b. Taxpayers submitting incorrect information – 10,000
 - c. Taxpayers submitting WH-3 with no wage statement documentation – 1,500
3. The department worked on 79,000 manually processed returns in fiscal 2013. These included:
 - a. Multiple returns with one check or multiple checks with one return – 60% of the above total
 - b. Use of non-departmental payment coupons – 20% of the above total
 - c. These numbers have fallen 26,000 from fiscal year 2012
 - i. Most of the improvement is a result of the electronic mandate for trust leaving the “multi” situation needing improvement.

Solution

Each of the above practices requires manual data entry to post a return. In addition, once a taxpayer begins using one of these erroneous practices, he often continues doing so. The department has many avenues for changing these practices. They include awareness campaigns through the tax preparer community and the department’s website, written communication to taxpayers who repeatedly file incorrectly, problem identification and remediation on in-bound customer contact, and conducting out-bound customer contact for problem accounts.

Although time-consuming and expensive, this broad approach is most effective in the long run to help taxpayers learn to use the correct practices that will expedite the correct processing of returns. For example, the department received 8,500 returns outside of the legislative-mandated guidelines the first year of the legislative change requiring electronic filing of WH-3s with more than 25 wage statements. This year that number fell to 800. This is a direct result of a multichannel outreach to noncompliant taxpayers and the efforts of tax professionals.

Filing Statistics

Tax Year 2012 Individual Income Tax Returns Posted by Filing Method through August 26, 2013.

Filing Method	Total Number of Returns	Total "Amount Due" Returns	Total Number of "Overpaid Returns" (Refund Due)	Total Number of In-Balance Returns (No Amount Due & Not Overpaid)
2D Barcode	195,259	48,964	137,263	9,032
Fed/State Electronic	2,503,510	441,438	1,969,269	92,803
Paper	396,402	82,730	295,294	18,378
Total 2012	3,095,171	573,132	2,401,826	120,213

The statistics represent current-year individual income tax returns that have completed processing for tax year 2012.

Automatic Taxpayer Refund Credit Information

Number of taxpayers who qualified for the credit (74 percent of IN filers)	3,173,494
Total pure refunds	\$251,513,725
Total reduced obligations	\$94,693,068

Contact Us

Practitioner Hotline	800-462-6320 (enter 4367)	www.in.gov/dor/3863.htm
Individual Income Tax Questions	317-232-2240	www.in.gov/dor/4703.htm
Business Tax Questions	317-233-4015	www.in.gov/dor/3335.htm
Corporate Income Tax INtax Hotline	317-232-2337	www.in.gov/dor/3335.htm
E-file Questions	317-232-0059	www.in.gov/dor/4331.htm
Streamlined Sales Tax	317-233-4015	www.in.gov/dor/3341.htm
Automated Information Line	317-233-4018	
Collection/Liability Inquiries	317-232-2165	www.in.gov/dor/3959.htm
Motor Carrier Services	317-615-7200	www.in.gov/dor/4106.htm
Tax Forms Order Line	317-615-2581	www.in.gov/dor/3489.htm

It is important for tax practitioners to know the various ways in which they can contact the department if they are in need of help or want to receive critical updates from the department.

When you have a specific question that our website does not answer, you are encouraged to use the online inquiry center to send your questions and concerns directly to our tax professional area. If you have an immediate concern, however, you can contact the department at (800) 462-6320 (enter 4367) to connect. This number is for the use of tax practitioners only. If a taxpayer would like to contact the department, he or she can do so at (317) 232-2240.

In addition, the department offers several other ways for you to learn about important tax updates at your convenience:

- Become a Facebook fan by finding the Indiana Department of Revenue on Facebook.
- Follow us on Twitter at www.twitter.com/INDeptofRevenue.
- Subscribe to our Tax Talk Blog at www.in.gov/dor/3877.htm.
- Sign up for automatic email updates on the department's website at www.in.gov/dor.
- Subscribe for email updates on the department's tax professional at www.in.gov/dor/3338.htm
- Subscribe to Tax Dispatch, a publication designed to keep tax professionals up to date, at www.in.gov/dor/3659.htm

To access tax forms, information bulletins and directives, tax publications and more, visit our website at www.in.gov/dor.

If you have any suggestions regarding forms or forms processing, please send an e-mail to: feedback@dor.in.gov

If you need additional assistance, please call us at any of the phone numbers listed or visit one of our district offices listed on the next page. Our office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m.

District Office Locations

Indianapolis (Main Office)

Indiana Government Center North, Room N105
100 N. Senate Avenue Indianapolis, IN 46204
(317) 232-2240

Bloomington

410 Landmark Avenue Bloomington, IN
47403
(812) 339-1119

Clarksville

Physical Location 1446 Horn Street
Clarksville, IN 47129
(812) 282-7729

Mailing Address

P.O. Box 3249 Clarksville, IN 47131-3249

Columbus

3520 Two Mile House Road Columbus, IN 47201
(812) 376-3049

Evansville

500 S. Green River Road Goodwill Building Suite
202 Evansville, IN 47715
(812) 479-9261

Fort Wayne

1415 Magnavox Way Suite 100 Fort Wayne, IN
46804
(260) 436-5663

Kokomo

117 E. Superior Street
Kokomo, IN 46901
(765) 457-0525

Lafayette

100 Executive Dr. Suite B Lafayette, IN 47905
(765) 448-6626

Merrillville

1411 E. 85th Ave
Merrillville, IN 46410
(219) 769-4267

Muncie

3640 N. Briarwood Lane Suite 5 Muncie, IN
47304
(765) 289-6196

South Bend

1025 Widener Lane, Suite B South
Bend, IN 46614
(574) 291-8270

Terre Haute

30 N. 8th Street, 3rd Floor Terre
Haute, IN 47807
(812) 235-6046

Note: Addresses and telephone numbers are subject to change. Check the department website for the most up-to-date listings.

Legislative Summary

SALES AND USE TAX (IC 6-2.5)

Summary: Provides that delivery charges do not include postage charges that are separately stated on the invoice, bill of sale, or similar document. Also provides that postage charges that are separately stated are not included in the definition of gross retail income.

Effective date: July 1, 2013

Code: IC 6-2.5-1-5

Enrolled Act: SEA 608, Sec. 1

Summary: Defines “postage charges” to be the purchase price of stamps or similar charges for mail or parcel delivery through the U.S. mail incurred by the seller on behalf of its customers.

Effective date: July 1, 2013

Code: IC 6-2.5-1-7.5

Enrolled Act: SEA 608, Sec. 2

Summary: Defines “advertising and promotional direct mail” to mean printed material that is direct mail, the primary purpose of which is to attract public attention to a product, a person, a business, or an organization.

Effective date: July 1, 2013

Code: IC 6-2.5-1-10.7

Enrolled Act: SEA 608, Sec. 3

Summary: Defines “other direct mail” to mean any direct mail that is not advertising and promotional direct mail. The term includes transactional direct mail that contains personal information specific to the addressee, including bills, invoices, statements of account or payroll advices, and any legally required mailings.

Effective date: July 1, 2013

Code: IC 6-2.5-1-22.2

Enrolled Act: SEA 608, Sec. 4

Summary: Enacts a use tax on gasoline and repeals the sales tax on gasoline. Provides that the use tax rate is calculated monthly by the department based on 7% of the statewide average retail price of gasoline excluding all state and federal excise taxes. A qualified distributor, a refiner, or a terminal operator that sells gasoline to a retail merchant is responsible for collecting and remitting the gasoline use tax to the department. The department may publish a list of qualified distributors on the department’s Internet website. The distributor, refiner, or terminal operator is required to remit the tax to the department semimonthly, through the department’s online tax filing system. The tax is required to be remitted by the 10th of the month for sales after the 15th and before the end of the preceding month; and on or before the 25th of the month for sales after the end of the preceding month and before the 16th day on the month in which the gasoline was sold. The refiner, terminal operator, or qualified distributor is required to file a report covering the taxes owed and the gallons of gasoline sold during the preceding month. The gasoline use tax collected shall be deposited in the same manner as the sales and use taxes under IC 6-2.5-10-1. The gasoline use tax is considered the equivalent of the sales tax that would be collected by a

retail merchant and replaces the obligation of the retail merchant to collect the sales tax on the sale of gasoline. The exemptions provided in IC 6-2.5-5 apply to the gasoline use tax.

Effective date: July 1, 2014

Code: IC 6-2.5-3.5

Enrolled Act: SEA 479, Sec. 1

Summary: Requires the department to publish before June 30, 2014, the gasoline use tax rate that will apply to the sales of gasoline occurring in July 2014. Requires each retail merchant to take an inventory of gasoline they have in storage on July 1, 2014. Each retail merchant is required to remit to the department the product of the number of gallons in storage multiplied by the gasoline use tax rate that is in effect on July 1, 2014. The retail merchant is also required to remit the amount due on or before August 1, 2014.

Effective date: Jan. 1, 2014

Code: SEA 479 NONCODE SECTION 21

Summary: Provides that in the case of the sales of gasoline, a person shall collect the gasoline use tax as provided in IC 6-2.5-3.5. Deletes references to the sales of gasoline in determining the gross retail income for sales tax purposes.

Effective date: July 1, 2014

Code: IC 6-2.5-4-1

Enrolled Act: SEA 479, Sec. 2

Summary: Deletes a reference to a military base recovery site tax credit, which is repealed.

Effective date: Jan. 1, 2014

Code: IC 6-2.5-4-5

Enrolled Act: HEA 1545, Sec. 28

Summary: Provides that the sales tax exemption for governmental entities includes the rental of accommodations when performing a governmental function.

Effective date: Jan. 1, 2014

Code: IC 6-2.5-5-16

Enrolled Act: HEA 1546, Sec. 4

Summary: Deletes the sales tax exemption for blood glucose monitoring equipment and devices.

Effective date: July 1, 2013

Code: IC 6-2.5-5-18

Enrolled Act: SEA 608, Sec. 5

Summary: Provides that blood glucose monitoring supplies, including blood glucose meters, measuring strips, lancets, and other similar diabetic supplies, are exempt from the sales tax whether they are sold or distributed as drug samples.

Effective date: July 1, 2013

Code: IC 6-2.5-5-19.5

Enrolled Act: SEA 608, Sec. 6

Summary: Technical change to eliminate outdated language.

Effective date: July 1, 2013

Code: IC 6-2.5-5-21

Enrolled Act: HEA 1546, Sec. 5

Summary: Provides that a nonprofit organization that is not organized for social purposes can purchase accommodations exempt from sales tax if the accommodations are used to carry on or raise money to carry on the nonprofit's purpose.

Effective date: Jan. 1, 2014

Code: IC 6-2.5-5-25

Enrolled Act: HEA 1546, Sec. 6

Summary: Provides that alternative fuel used in public transportation is not exempt from the sales tax unless the person engaged in public transportation is a public transportation corporation providing transportation for persons. This provision expires on Dec. 31, 2016.

Effective date: Jan. 1, 2014

Code: IC 6-2.5-5-27

Enrolled Act: HEA 1324, Sec. 4

Summary: Adds a definition of "research and development property" to mean tangible personal property that is acquired for the purpose of research and development activities devoted to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products. Provides that the purchase of research and development property is exempt from the sales tax. The exemption applies regardless of whether the purchaser is a manufacturer or seller of the new or existing products.

Effective date: July 1, 2013

Code: IC 6-2.5-5-40

Enrolled Act: HEA 1545, Sec. 29

Summary: Eliminates the requirement that an aircraft be registered in another country and weigh more than 5,000 pounds to be eligible for the sales tax exemption concerning the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or avionics system.

Effective date: July 1, 2013

Code: IC 6-2.5-5-46

Enrolled Act: HEA 1545, Sec. 30

Summary: Defines "aviation fuel" as gasoline, jet fuel, or a synthetic fuel used to power an aircraft. Exempts the purchase of aviation fuel from the sales tax.

Effective date: July 1, 2013

Code: IC 6-2.5-5-49

Enrolled Act: HEA 1545, Sec. 31

Summary: Provides that persons responsible for remitting the gasoline use tax are entitled to the same collection allowance as other retailers. A retail merchant is not entitled to the collection allowance with respect to the gasoline use tax.

Effective date: July 1, 2014
Code: IC 6-2.5-6-10
Enrolled Act: SEA 479, Sec. 3

Summary: Deletes references to gasoline and other definitions that no longer apply in the chapter concerning the sales tax on gasoline and special fuel.

Effective date: July 1, 2014
Code: IC 6-2.5-7-1
Enrolled Act: SEA 479, Sec. 4

Summary: Deletes references to gasoline in regards to a retail merchant selling gasoline and special fuel.

Effective date: July 1, 2014
Code: IC 6-2.5-7-2
Enrolled Act: SEA 479, Sec. 5

Summary: Provides that a retailer may not dispense an alternative fuel from a metered pump that is designated for exempt trucks only. This provision expires on Dec. 31, 2016.

Effective date: Jan. 1, 2014
Code: IC 6-2.5-7-2.5
Enrolled Act: HEA 1324, Sec. 5

Summary: Deletes language concerning the collection of sales tax on gasoline.

Effective date: July 1, 2014
Code: IC 6-2.5-7-3
Enrolled Act: SEA 479, Sec. 6

Summary: Reinstates language that was inadvertently repealed in 2012. The reinstated language clarifies that a retail merchant that has prepaid the sales tax on gasoline gets a credit for the amount prepaid when they file their monthly sales tax return.

Effective date: July 1, 2012 (RETROACTIVE)
Code: IC 6-2.5-7-5
Enrolled Act: HEA 1546, Sec. 7

Summary: Reinstates language that was inadvertently repealed in 2012. The reinstated language provides that a retail merchant may receive a refund if the amount of prepaid sales tax on gasoline exceeds the total monthly sales tax liability of the retail merchant.

Effective date: July 1, 2012 (RETROACTIVE)
Code: IC 6-2.5-7-6.5
Enrolled Act: HEA 1546, Sec. 8

Summary: REPEALS sections concerning the prepaid sales tax on gasoline.

Effective date: July 1, 2014
Code: IC 6-2.5-7-7 through IC 6-2.5-7-15
Enrolled Act: SEA 479, Sec. 9-17

Summary: Reinstates language that was inadvertently repealed in 2012. The language is a technical change concerning a distributor's ability to claim a refund if the distributor prepaid the sales tax and then later sold the gasoline for an exempt purpose.

Effective date: July 1, 2012 (RETROACTIVE)

Code: IC 6-2.5-7-12

Enrolled Act: HEA 1546, Sec. 9

Summary: Provides that if a retail merchant has been notified that he is delinquent in remitting withholding or sales taxes and the retail merchant pays the outstanding liability before the expiration of the retail merchant certificate, the department shall renew the retail merchant's certificate for one year instead of two years. The two-year renewal is automatic if the retail merchant has no outstanding tax liabilities.

Effective date: Jan. 1, 2014

Code: IC 6-2.5-8-1

Enrolled Act: HEA 1546, Sec. 10

Summary: Provides that the department may revoke a retail merchant's certificate if the retail merchant commits certain violations relating to synthetic drugs.

Effective date: Upon Passage

Code: IC 6-2.5-8-7

Enrolled Act: SEA 85, Sec. 21; SEA 536, Sec. 2

Summary: Provides that a retail merchant who makes a retail transaction without a valid retail merchant's certificate commits a Class A misdemeanor. Previously, the offense was a Class B misdemeanor.

Effective date: July 1, 2013

Code: IC 6-2.5-9-2

Enrolled Act: HEA 1546, Sec. 11

Summary: Reduces the percentage of sales and use tax that goes to the general fund by 1% and deposits 1% in the motor vehicle highway account.

Effective date: July 1, 2013

Code: IC 6-2.5-10-1

Enrolled Act: HEA 1001, Sec. 78

Summary: Provides that direct mail will be sourced according to IC 6-2.5-13-3.

Effective date: July 1, 2013

Code: IC 6-2.5-13-1

Enrolled Act: SEA 608, Sec. 7

Summary: Provides that advertising and promotional direct mail will be sourced according to this section. Other direct mail will be sourced according to IC 6-2.5-13-1(d)(3).

Effective date: July 1, 2013

Code: IC 6-2.5-13-3

Enrolled Act: SEA 608, Sec. 8

Summary: Establishes an amnesty program for taxpayers having an unpaid use tax liability for a claiming transaction concerning a race horse on a transaction occurring before June 1, 2012. The taxpayer must pay the tax or establish a payment agreement before Jan. 1, 2014. If payment is made, the department shall abate all penalties, interest, collection fees, and costs. The department also shall release any liens imposed, shall not seek civil or criminal prosecution, and shall not issue any assessment for which amnesty has been granted.

Effective date: July 1, 2013

Code: IC 6-2.5-14

Enrolled Act: HEA 1001, Sec. 79

ADJUSTED GROSS INCOME TAX (IC 6-3)

Summary: Eliminates the following addbacks for purposes of determining adjusted gross income:

- Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year property for a motorsports entertainment complex.
- Expensing of environmental remediation costs
- Charitable contribution of a distribution from an individual retirement plan
- Qualified tuition and related expenses
- Certain expenses of elementary and secondary school teachers
- Employer-provided education expenses
- Qualified advanced mine safety equipment
- Qualified transportation fringe benefits that exceed \$100 per month
- Additional deduction for student loan interest
- Additional business startup expenditures
- Net recognized built-in gain for an S corporation

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1001, Sec. 80

Summary: Provides that the following addbacks to adjusted gross income do not apply to tax years beginning after Dec. 31, 2011 (Tax Year 2012 for individuals and CY corporations):

- Qualified tuition and related expenses
- Charitable contribution of a distribution from an individual retirement account
- Qualified transportation fringe benefits that exceed \$100 per month
- Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year motorsports entertainment complex property
- Qualified advanced mine safety equipment
- Recognized built-in gains of an S corporation

Requires the department to prescribe forms to implement this provision.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: HEA 1001 NONCODE SECTION 361

Summary: Updates the Indiana Code to correspond to the Internal Revenue Code as in effect on Jan. 1, 2013. Provides that amendments to P.L. 111-312 that were treated as though they were not amended only apply to a taxable year ending before Jan. 1, 2013.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3-1-11

Enrolled Act: HEA 1001, Sec. 81

Summary: Provides that for 2015 and 2016, the individual income tax rate is reduced to 3.3%. Provides that for 2017 and thereafter, the rate is reduced to 3.23%.

Effective date: July 1, 2013

Code: IC 6-3-2-1

Enrolled Act: HEA 1001, Sec. 82

Summary: Deletes a reference to a military base recovery site tax credit, which is repealed.

Effective date: Jan. 1, 2014

Code: IC 6-3-2-1.5

Enrolled Act: HEA 1545, Sec. 32

Summary: Provides the method for apportioning income derived from motorsports racing for corporations and nonresidents. Any purse, prize money, or other amounts earned for placement or participation in a race (including qualification) shall be attributed to Indiana if the race is conducted in Indiana. Any amounts received from an individual or entity as a result of sponsorship or similar promotional consideration for one or more races shall be in Indiana in the amount received, multiplied by a fraction whose numerator is the number of racing events for which sponsorship has been paid in a taxable year and that occur in Indiana and whose denominator is the total number of racing events for which sponsorship has been paid in a taxable year. This language is intended to be a clarification of the law and not a substantive change in the law.

Effective date: July 1, 2013

Code: IC 6-3-2-2

Enrolled Act: HEA 1544, Sec. 7

Summary: Apportions the income of race team members. Defines a “bonus” to include a bonus earned as a result of participation in a racing event, such as a performance bonus. Also includes a bonus paid for signing a contract, unless the following is true: the payment is not conditioned upon the signee participating in a racing event, the bonus is payable separately from the salary and any other compensation, and the bonus is nonrefundable. Defines “Indiana duty days” as the total duty days spent by a race team member within Indiana rendering a service for the race team in any manner. This does not include travel days spent in Indiana that do not involve a race, a team meeting, practice, qualification, training, testing, a promotional caravan, or other similar race team event. Defines “total duty days” as race days, practice days, qualification days, training days, testing days, days spent at team meetings, days spent with a promotional caravan, and days served with the team in which the team competes. Also includes travel days and days spent conducting training and rehabilitation activities, but only if the service is conducted at facilities

of the race team. Defines “race team member” as employees or independent contractors who render services on behalf of the race team. It includes drivers, mechanics, pit crew members, technicians, spotters, and crew chiefs. Defines “total income” as the total compensation received during the taxable year for services rendered. It includes salaries, wages, bonuses, and any other type of compensation paid to a race team member. It does not include strike benefits; severance or termination pay; relocation, contract, option-year buyout, or expansion, payments; or any other payments not related to services rendered to the team. Indiana income is the individual’s total income during the taxable year multiplied by a fraction. The numerator is the individual’s Indiana duty days; the denominator is the total duty days for the taxable year.

Effective date: July 1, 2013

Code: IC 6-3-2-3.2

Enrolled Act: HEA 1544, Sec. 8

Summary: Technical change to clarify that if a withholding agent’s annual withholding tax liability is less than \$1,000, the withholding agent is permitted to file one annual return.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3-4-8

Enrolled Act: HEA 1546, Sec. 12

Summary: Provides that a partnership will not be penalized for failure to file a return, pay the full amount of tax shown on the return, or pay the deficiency of the withholding taxes due if the partnership pays the department at least 80% of the withholding tax due for the current year or 100% of the withholding tax due for the preceding year before the 15th day of the fourth month after the end of the partnership’s taxable year.

Effective date: July 1, 2013

Code: IC 6-3-4-12

Enrolled Act: HEA 1546, Sec. 13

Summary: Provides that an S corporation will not be penalized for failure to file a return, pay the full amount of tax shown on the return, or pay the deficiency of the withholding taxes due if the S corporation pays the department at least 80% of the withholding tax due for the current year or 100% of the withholding tax due for the preceding year before the 15th day of the fourth month after the end of the S corporation’s taxable year.

Effective date: July 1, 2013

Code: IC 6-3-4-13

Enrolled Act: HEA 1546, Sec. 14

INCOME TAX CREDITS (IC 6-3.1)

Summary: Deletes the references to the military base recovery tax credit, the military base investment cost credit, and the capital investment tax credit in the section that limits an investment being eligible for multiple credits.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-1-3

Enrolled Act: HEA 1545, Sec. 33

Summary: Changes a reference from “board” to “corporation.”

Effective date: July 1, 2013
Code: IC 6-3.1-11-1
Enrolled Act: HEA 1545, Sec. 34

Summary: REPEALS language that defined “board” as the IEDC.
Effective date: July 1, 2013
Code: IC 6-3.1-11-2
Enrolled Act: HEA 1545, Sec. 35

Summary: Adds a section to define “corporation” as the IEDC.
Effective date: July 1, 2013
Code: IC 6-3.1-11-2.5
Enrolled Act: HEA 1545, Sec. 36

Summary: Deletes a reference to a repealed section concerning a qualified investment.
Effective date: July 1, 2013
Code: IC 6-3.1-11-10
Enrolled Act: HEA 1545, Sec. 37

Summary: Deletes the requirement that a vacant industrial facility has to be vacant for at least one year.
Effective date: July 1, 2013
Code: IC 6-3.1-11-15
Enrolled Act: HEA 1545, Sec. 38

Summary: REPEALS the section that dealt with requirements that must be met to be a vacant industrial facility.
Effective date: July 1, 2013
Code: IC 6-3.1-11-18
Enrolled Act: HEA 1545, Sec. 39

Summary: Eliminates some of the factors that the IEDC will consider in the granting of applications when determining whether a facility is a vacant industrial facility.
Effective date: July 1, 2013
Code: IC 6-3.1-11-19
Enrolled Act: HEA 1545, Sec. 40

Summary: REPEALS language concerning industrial recovery site designation.
Effective date: July 1, 2013
Code: IC 6-3.1-11-20
Enrolled Act: HEA 1545, Sec. 41

Summary: Technical change to the section dealing with a taxpayer that has reduced or ceased operations in Indiana to relocate to an industrial recovery site.
Effective date: July 1, 2013

Code: IC 6-3.1-11-21
Enrolled Act: HEA 1545, Sec. 42

Summary: Changes the reference from “board” to “corporation.”
Effective date: July 1, 2013

Code: IC 6-3.1-11-23
Enrolled Act: HEA 1545, Sec. 43

Summary: REPEALS the military base recovery tax credit.
Effective date: Jan. 1, 2014

Code: IC 6-3.1-11.5
Enrolled Act: HEA 1545, Sec. 44

Summary: REPEALS the military base investment cost credit.
Effective date: Jan. 1, 2014

Code: IC 6-3.1-11.6
Enrolled Act: HEA 1545, Sec. 45

Summary: Provides that the IEDC shall provide to the budget committee a report specifying the amount of EDGE credits granted during the preceding fiscal year.

Effective date: July 1, 2013

Code: IC 6-3.1-13-28
Enrolled Act: HEA 1001, Sec. 83

Summary: REPEALS the capital investment tax credit.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-13.5
Enrolled Act: HEA 1545, Sec. 46

Summary: REPEALS the definition of “buddy system project” for computer donations to schools.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3.1-15-1
Enrolled Act: HEA 1427, Sec. 4

Summary: Delete the reference to the “buddy system project” in the computer donation to schools tax credit.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3.1-15-12; IC 6-3.1-15-17
Enrolled Act: HEA 1427, Sec. 5 and 6

Summary: Technical change that deletes language concerning the tax credit cap for the venture capital investment tax credit.

Effective date: July 1, 2013

Code: IC 6-3.1-24-9

Enrolled Act: HEA 1545, Sec. 47

Summary: REPEALS the coal combustion tax credit.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-25.2

Enrolled Act: HEA 1545, Sec. 48

Summary: REPEALS the definition of “base state tax liability” for the Hoosier Business Investment (HBI) tax credit.

Effective date: July 1, 2013

Code: IC 6-3.1-26-1

Enrolled Act: HEA 1545, Sec. 49

Summary: REPEALS the definition of “full-time employee” in the HBI credit.

Effective date: July 1, 2013

Code: IC 6-3.1-26-4

Enrolled Act: HEA 1545, Sec. 50

Summary: Adds logistics investments as qualified investments for the HBI credit.

Effective date: July 1, 2013

Code: IC 6-3.1-26-8

Enrolled Act: HEA 1545, Sec. 51

Summary: Defines “logistics investment” to mean:

- Making an improvement to real property related to constructing a new transportation or logistics facility;
- Modernizing an existing transportation or logistics facility;
- Improving paved access to terminal facilities;
- Adding new maintenance areas;
- Improving transportation of goods by rail;
- Improving transportation of goods by water;
- Improving transportation of goods by air; and
- Improving warehousing and logistical capabilities.

A logistics investment does not include maintenance expenses.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-8.5

Enrolled Act: HEA 1545, Sec. 52

Summary: Provides that the HBI tax credit can be 25% of the qualified investment if the investment is a logistics investment.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-14

Enrolled Act: HEA 1545, Sec. 53

Summary: Eliminates a reference that states the credit cannot exceed 10% of the qualified investment.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-15

Enrolled Act: HEA 1545, Sec. 54

Summary: Provides that a person seeking to substantially enhance the logistics industry may apply to the IEDC for approval of a qualified investment.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-17

Enrolled Act: HEA 1545, Sec. 55

Summary: Provides that the IEDC may enter into an agreement with a person who is proposing to substantially enhance the logistics industry.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-18

Enrolled Act: HEA 1545, Sec. 56

Summary: Provides that the total amount of HBI tax credits that the IEDC may approve for a state fiscal year may not exceed \$50,000,000 for qualified investments not related to the logistics industry and may not exceed \$10,000,000 for qualified investments related to the logistics industry.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-20

Enrolled Act: HEA 1545, Sec. 57

Summary: Clarifies that certain qualifications and reporting requirements apply only to entities that are not claiming the logistics investment credit.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-21

Enrolled Act: HEA 1545, Sec. 58

Summary: Requires the department to report to the budget committee information concerning logistic investments, including summary information regarding the taxpayers claiming the credit and the use of the credit. This includes the following:

- The amount of credits approved;
- The number of taxpayers applying for the credit;
- The number of taxpayers claiming it;
- The number of employees employed;
- The amount of new qualified expenditures;
- The total dollar amount of new credits claimed;
- The average dollar amount per taxpayer;
- The amount of credits to be carried forward;
- The percentage of the total credits claimed as compared to the total adjusted gross income of all the taxpayers claiming the credit;

- The name and address of each taxpayer claiming the credit; and
- The amount of the credit applied for by and granted to each taxpayer.

This information must be reported annually.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-26-25

Enrolled Act: HEA 1545, Sec. 59

Summary: Expands the definition of “corporate headquarters” in the headquarters relocation tax credit to include the principal offices of a division or similar subdivision of an eligible business or a research and development center of an eligible business.

Effective date: July 1, 2013

Code: IC 6-3.1-30-1

Enrolled Act: HEA 1545, Sec. 60

Summary: Adds the definition of “corporation” to mean the IEDC.

Effective date: July 1, 2013

Code: IC 6-3.1-30-1.5

Enrolled Act: HEA 1545, Sec. 61

Summary: Reduces the annual worldwide revenue requirements of a business that wants to claim the headquarters relocation credit from \$100,000,000 to \$50,000,000.

Effective date: July 1, 2013

Code: IC 6-3.1-30-2

Enrolled Act: HEA 1545, Sec. 62

Summary: Provides that the IEDC will approve the eligibility of a business before the headquarters relocation credit is awarded.

Effective date: July 1, 2013

Code: IC 6-3.1-30-7.5

Enrolled Act: HEA 1545, Sec. 63

Summary: Provides that if the IEDC certifies that the taxpayer is an eligible business, the taxpayer is entitled to the credit.

Effective date: July 1, 2013

Code: IC 6-3.1-30-8

Enrolled Act: HEA 1545, Sec. 64

Summary: Provides that the IEDC may award a headquarters relocation to a taxpayer and that the credit can be up to 50% of the relocation costs.

Effective date: July 1, 2013

Code: IC 6-3.1-30-9

Enrolled Act: HEA 1545, Sec. 65

Summary: Provides that the school scholarship income tax credit can be carried forward for nine years after the unused credit year.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3.1-30.5-9.5

Enrolled Act: HEA 1003, Sec. 2

Summary: Increases the maximum annual school scholarship tax credit for all taxpayers from \$5,000,000 to \$7,500,000.

Effective date: July 1, 2013

Code: IC 6-3.1-30.5-13

Enrolled Act: HEA 1001, Sec. 84

Summary: Provides an income tax credit for natural gas-powered vehicles. The credit applies only to vehicles weighing more than 33,000 pounds. The credit can be applied against the adjusted gross income tax, the financial institutions tax, and the insurance premium tax. The amount of the credit is the difference between the price of the qualified vehicle and the price of a similarly equipped vehicle that is powered by a gasoline or diesel engine. The difference is then multiplied by 50%. The credit is the lesser of 50% of the difference or \$15,000. The total amount of tax credits granted to a taxpayer in a taxable year is limited to \$150,000. The total of all credits for all taxpayers may not exceed either \$3,000,000 per year or the amount of revenue attributed to the sales tax imposed on fuel used to power an alternative fuel vehicle engaged in public transportation, whichever is less. The department shall record the time of filing of each return claiming a credit. If the total claims exceed the amount available, those claims that exceed the amount available will not be granted. The credit may be carried forward for six taxable years.

Effective date: Jan. 1, 2014

Code: IC 6-3.1-34.6

Enrolled Act: HEA 1324, Sec. 6

LOCAL OPTION INCOME TAXES (IC 6-3.5-1.1; IC 6-3.5-6; IC 6-3.5-7)

Summary: Provides new effective dates for ordinances adopted to increase, decrease, or rescind a local option income tax. An ordinance adopted after December 31 and before September 1 takes effect on October 1. An ordinance adopted after August 31 and before November 1 takes effect on January 1 of the following year. Provides that if the commissioner determines that an ordinance was not adopted according to the requirements of the statute or is otherwise not in compliance with the statute, the commissioner shall notify the county auditor that the ordinance was not adopted according to the statute and specify the corrective action that must be taken. The ordinance does not take effect until the corrective action is taken.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-1.5; IC 6-3.5-6-1.5; IC 6-3.5-7-4.9

Enrolled Act: SEA 544, Sec. 2, 12, and 26; SEA 85, Sec. 24

Summary: Requires a county auditor to notify the department of the adoption of an ordinance through an electronic format and eliminates the ability to send the notification through certified mail.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-2; IC 6-3.5-1.1-3; IC 6-3.5-1.1-3.1; IC 6-3.5-1.1-4; IC 6-3.5-1.1-24; IC 6-3.5-1.1-25; IC 6-3.5-1.1-26; IC 6-3.5-6-8; IC 6-3.5-6-9; IC 6-3.5-6-11; IC 6-3.5-6-12; IC 6-3.5-6-12.5; IC 6-3.5-6-28; IC 6-3.5-6-29; IC 6-3.5-6-30; IC 6-3.5-6-31; IC 6-3.5-6-32; IC 6-3.5-6-33; IC 6-3.5-7-5; IC 6-3.5-7-6; IC 6-3.5-7-7; IC 6-3.5-7-27
Enrolled Act: SEA 544, Sec. 3-6, 9-11, 13-17, 20-25, 27-29, 32; SEA 85, Sec. 23

Summary: Extends the Jackson County additional county adjusted gross income tax until Dec. 31, 2023. The original increase of .1% expired on June 30, 2011.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-2.5

Enrolled Act: HEA 1546, Sec. 15

Summary: Extends the Pulaski County additional county adjusted gross income tax until Dec. 31, 2020. The original increase of .3% expired on Dec. 31, 2006.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-3.5

Enrolled Act: HEA 1546, Sec. 16

Summary: Validates and legalizes the Jackson County additional tax that was collected between July 1, 2011, and July 1, 2013.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-27

Enrolled Act: HEA 1546, Sec. 17

Summary: Validates and legalizes the Pulaski County additional tax that was collected between the eight years that were originally authorized and July 1, 2013.

Effective date: July 1, 2013

Code: IC 6-3.5-1.1-28

Enrolled Act: HEA 1546, Sec. 18

INHERITANCE AND ESTATE TAXES (IC 6-4.1)

Summary: Repeals the inheritance tax for deaths occurring after Dec. 31, 2012. Amends the inheritance tax refund statute (IC 6-4.1-10-1), including the requirement to use the refund claim form prescribed by the department (Form IH-5.)

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-4.1

Enrolled Act: HEA 1001, Sec. 99-123

FINANCIAL INSTITUTIONS TAX (IC 6-5.5)

Summary: Eliminates the following addbacks when determining the adjusted gross income for a financial institution:

- Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year property for a motorsports entertainment complex
- Expensing of environmental remediation costs
- Qualified advanced mine safety equipment

- Additional business startup expenditures
- Net recognized built-in gain for an S corporation

Effective date: Jan. 1, 2013 (RETROACTIVE)]

Code: IC 6-5.5-1-2

Enrolled Act: HEA 1001, Sec. 124

Summary: Provides that the following addbacks to determine adjusted gross income of a financial institution do not apply to tax years beginning after Dec. 31, 2011 (Tax Year 2012 for CY financial institutions):

- Qualified restaurant property, qualified leasehold property, qualified retail improvement property, and seven-year motorsports entertainment complex property
- Qualified advanced mine safety equipment
- Recognized built-in gains of an S corporation

Requires the department to prescribe forms to implement this provision.

Effective date: Jan. 1, 2013 (RETROACTIVE)

Code: HEA 1001 NONCODE SECTION 362

Summary: Reduces the financial institutions tax rate from 8.5% to 8.0% for taxable years beginning after Dec. 31, 2013. Continues the 0.5% reduction for each year until Jan. 1, 2017, when the rate will be 6.5%.

Effective date: July1, 2013

Code: IC 6-5.5-2-1

Enrolled Act: HEA 1018, Sec. 5

Summary: Changes the calculation of the supplemental distribution of the financial institutions tax to local units of government. The new formula is 40% of the total financial institutions tax revenue multiplied by a fraction. The numerator is the amount of guaranteed distribution that a local unit received in 2012; the denominator is the total amount of guaranteed distributions received by all local units in 2012.

Effective date: July1, 2013

Code: IC 6-5.5-8-2

Enrolled Act: HEA 1001, Sec. 125

Summary: Provides that the guaranteed distribution will be determined semiannually in April and October of each year instead of quarterly.

Effective date: Jan. 1, 2014

Code: IC 6-5.5-8-3

Enrolled Act: HEA 1001, Sec. 126

GASOLINE AND SPECIAL FUEL TAXES (IC 6-6-1.1, AND IC 6-6-2.5)

Summary: REPEALS the chapter concerning special fuel tax.

Effective date: Jan. 1, 2014

Code: IC 6-6-2.1

Enrolled Act: HEA 1324, Sec. 7

Summary: Adds liquid natural gas to the definition of alternative fuel.

Effective date: Jan. 1, 2014

Code: IC 6-6-2.5-1

Enrolled Act: HEA 1324, Sec. 8

Summary: Adds alternative fuel to the definition of special fuel.

Effective date: Jan. 1, 2014

Code: IC 6-6-2.5-22

Enrolled Act: HEA 1324, Sec. 9

Summary: Provides that the special fuel tax of \$0.16 per gallon applies to the diesel gallon equivalent for natural gas and the gasoline gallon equivalent for compressed natural gas, or a fuel commonly known as butane or propane.

Effective date: Jan. 1, 2014

Code: IC 6-6-2.5-28

Enrolled Act: HEA 1324, Sec. 10

Summary: Defines a “truck stop” as a place of business designed for providing services to trucks and truck drivers, including selling fuel to truck drivers and providing support facilities for truck drivers.

Effective date: July 1, 2013

Code: IC 6-6-2.5-26.5

Enrolled Act: SEA 479, Sec. 18

Summary: Requires a truck stop owner to obtain a truck stop owner’s license from the department. The license is valid for two years.

Effective date: July 1, 2013

Code: IC 6-6-2.5-41

Enrolled Act: SEA 479, Sec. 19

MOTOR CARRIER FUEL USE TAX (IC 6-6-4.1)

Summary: Defines the terms “diesel gallon equivalent,” “gasoline gallon equivalent,” “alternative fuel,” and “special fuel” in the motor carrier fuel use tax statute.

Effective date: Jan. 1, 2014

Code: IC 6-6-4.1-1

Enrolled Act: HEA 1324, Sec. 11

Summary: Imposes the motor carrier fuel use tax on vehicles using liquid natural gas or compressed natural gas.

Effective date: Jan. 1, 2014

Code: IC 6-6-4.1-4

Enrolled Act: HEA 1324, Sec. 12

Summary: Imposes the motor carrier fuel use tax surcharge tax on vehicles using liquid natural gas or compressed natural gas.

Effective date: Jan. 1, 2014

Code: IC 6-6-4.1-4.5

Enrolled Act: HEA 1324, Sec. 13

Summary: Provides that a yard tractor that has obtained an annual permit under the motor carrier fuel use tax is not required to display a license plate when the vehicle is being operated on a public highway.

Effective date: July 1, 2013

Code: IC 6-6-4.1-13

Enrolled Act: SEA 563, Sec. 1

Summary: Deletes archaic language contained in the commercial motor vehicle excise tax statute.

Effective date: Jan. 1, 2014

Code: IC 6-6-5.5-3, IC 6-6-5.5-4, IC 6-6-5.5-5, IC 6-6-5.5-6, IC 6-6-5.5-7, IC 6-6-5.5-9

Enrolled Act: HEA 1546, Sec. 20-25

MISCELLANEOUS FUEL TAX PROVISIONS (IC 6-6)

Summary: Provides a road tax credit for motor carriers consuming compressed natural gas. The credit is equal to 12% of the road taxes imposed upon the carrier's consumption of compressed natural gas. The credit is refundable.

Effective date: Jan. 1, 2014

Code: IC 6-6-12

Enrolled Act: HEA 1324, Sec. 14

Summary: Establishes the aviation fuel excise tax. The tax is \$0.10 per gallon for aviation fuel purchased in Indiana. The retailer will add the tax to the selling price of each gallon of fuel sold. The sale of the fuel is exempt if it is placed into the supply tank of an aircraft owned by the U.S. or its instrumentalities, the state of Indiana, the Indiana Air National Guard, or a common carrier of passengers or freight. A purchaser of exempt fuel must present an exemption certificate to the retailer. A retailer shall remit the tax to the department by the 16th day of the month following the calendar month in which the sales occurred. The retailer must remit the tax by EFT and may retain 1.6% of the tax collected for timely remittance. A person who knowingly fails to collect or timely remit the tax is subject to a penalty of 100% of the uncollected tax plus the amount of tax due. The aviation fuel excise tax that is collected will be deposited in the state general fund.

Effective date: July 1, 2013

Code: IC 6-6-13

Enrolled Act: HEA 1545, Sec. 67

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX (IC 6-7-1, AND IC 6-7-2)

Summary: Reduces the cigarette tax distribution to the retiree health benefit trust fund from 5.74% to 4% of the total cigarette and other tobacco products taxes collected. Increases the percentage that the general fund receives by a corresponding percentage.

Effective date: July 1, 2013

Code: IC 6-7-1-28.1

Enrolled Act: HEA 1001, Sec. 128

Summary: Provides that a person selling other tobacco products through an Internet website is responsible for remitting the other tobacco products tax to the department.

Effective date: July 1, 2013

Code: IC 6-7-2-7

Enrolled Act: HEA 1001, Sec. 129

Summary: Provides that a person selling other tobacco products through an Internet website must obtain a distributor's license.

Effective date: July 1, 2013

Code: IC 6-7-2-8

Enrolled Act: HEA 1001, Sec. 130

MISCELLANEOUS TAXES (IC 6-8)

Summary: Adds a new chapter concerning disaster recovery exemptions. Provides that an Indiana business may request and receive assistance from an out-of-state business to perform disaster emergency-related work during a disaster period. "Disaster-related work" means repairing, renovating, installing, or building infrastructure that is damaged, impaired, or destroyed by an event that caused a disaster emergency to be declared. Infrastructure includes utilities and public roads and bridges. An out-of-state business that enters Indiana to perform work shall, upon request, provide the department with a statement that the business is in Indiana to respond to a disaster emergency. An out-of-state business that performs disaster emergency-related work is exempt from the following:

- Paying any state or local taxes including income taxes;
- Complying with state or local business, occupational licensing, or registration requirements;
- Providing worker's compensation insurance; and
- Making contributions to the unemployment compensation system.

An out-of-state employee is exempt from any state or local income taxes. Unless otherwise exempted during a disaster period, an out-of-state business or out-of-state employee shall pay transaction taxes including fuel taxes, hotel taxes, car rental taxes, and sales tax on the purchase of materials or services for use or consumption during the disaster period.

Effective date: July 1, 2013

Code: IC 6-8-13

Enrolled Act: HEA 1546, Sec. 26

Summary: Adds the motorsports admission fee. Imposes an admission fee for tickets purchased for a race day at a qualified motorsports facility. The fee is imposed on each person who is charged for admission to a qualified motorsports facility on a race day. The fee is imposed at the following rates: 6% if the admission charge is \$150 or more, 3% if the admission charge is \$100 or more but less than \$150, and 2% on any admission charge less than \$100. The fee does not apply to any amount charged for parking at a qualified motorsports facility. The person who

collects the admission fee shall remit the fee to the department by the 15th day of the month following the month of collection. The fee shall be deposited in the state general fund.

Effective date: Jan. 1, 2014

Code: IC 6-8-14

Enrolled Act: HEA 1544, Sec. 9

TAX ADMINISTRATION (IC 6-8.1)

Summary: Deletes the alternative fuel permit fee from the definition of listed taxes and fees.

Effective date: Jan. 1, 2014

Code: IC 6-8.1-1-1

Enrolled Act: HEA 1324, Sec. 15

Summary: Provides that the aviation fuel excise tax is a listed tax.

Effective date: July 1, 2013

Code: IC 6-8.1-1-1

Enrolled Act: HEA 1544, Sec. 68

Summary: Defines “secure electronic delivery service” to mean a service that employs security procedures to provide, send, deliver, or otherwise communicate electronic records to the intended recipient using security methods such as passwords, encryption, and matching electronic addresses to the U.S. postal address and that operates subject to the applicable requirements of the Electronic Signatures in Global and National Commerce Act. Provides that when a statute specifies that the department is required to send a document by mail and the particular statute is silent as to the class or type of mail to be used, the department can use a secure electronic delivery service in addition to the other methods already contained in the statute.

Effective date: July 1, 2013

Code: IC 6-8.1-3-11

Enrolled Act: HEA 1546, Sec. 27

Summary: Requires that any person who conducts or sponsors a race at a qualified motorsports facility shall provide to the department a list of persons or entities to whom prize money, purses, or other amounts are distributed.

Effective date: July 1, 2013

Code: IC 6-8.1-5-5

Enrolled Act: HEA 1544, Sec. 10

Summary: Provides that information concerning incremental tax amounts from taxpayers located in the global commerce center, industrial development areas, economic development project districts, economic development tax areas, and professional sports development districts can be released to the fiscal officer of the entity that established the district if the official agrees to use the information for official purposes only.

Effective date: July 1, 2013

Code: IC 6-8.1-7-1

Enrolled Act: HEA 1001, Sec. 131; SEA 479, Sec. 20; SEA 544, Sec. 38

Summary: Provides that a taxpayer required to remit sales or withholding taxes electronically may, by agreement with the department, authorize the department to use a secure electronic delivery service developed by the department instead of delivery by mail.

Effective date: July 1, 2013

Code: IC 6-8.1-6-7

Enrolled Act: HEA 1546, Sec. 28

Summary: Provides that the department may provide confidential taxpayer information to a member of the general assembly or an employee of the general assembly when acting on behalf of a taxpayer located in the member's legislative district when the taxpayer has provided sufficient information to the member or employee for the department to determine that the member or employee is acting on behalf of the taxpayer.

Effective date: Jan. 1, 2014

Code: IC 6-8.1-7-1

Enrolled Act: HEA 1546, Sec. 29

Summary: Adds the newly created IC 6-8.1-8-17 as an exception to the demand notice requirements found in this section.

Effective date: July 1, 2013

Code: IC 6-8.1-8-2

Enrolled Act: HEA 1546, Sec. 30

Summary: Provides that when the department issues a tax warrant to a taxpayer who has not filed a tax return, the taxpayer is not entitled to a demand notice that would negate the tax warrant if the taxpayer files a return subsequent to the issuance of the tax warrant and fails to remit the amount of tax liability identified on the applicable tax return.

Effective date: July 1, 2013

Code: IC 6-8.1-8-17

Enrolled Act: HEA 1546, Sec. 31

Summary: Provides an alcoholic beverage excise tax credit for liquor or wine excise taxes paid in duplicate as a result of excise taxes being imposed at the time the goods are received and when the same goods are withdrawn from a storage facility. Provides that the credit shall be claimed monthly by the taxpayer and may not exceed 10% of the monthly excise tax liability reported by the taxpayer. The taxpayer may not claim the monthly credit for more than 36 months. The credit claimed must be used for capital expenditures to expand employment or assist in retaining employment within Indiana. The department shall annually verify the taxpayer's compliance.

Effective date: July 1, 2013

Code: IC 6-8.1-9-2

Enrolled Act: HEA 1546, Sec. 32

Summary: Provides that sales tax, cigarette tax, and alcoholic beverage tax refunds will be paid from all accounts that receive the taxes and not have the refund paid exclusively from the general fund.

Effective date: July 1, 2013
Code: IC 6-8.1-9-1.3
Enrolled Act: SEA 544, Sec. 39

Summary: Specifies that all state agencies shall cooperate with the department by providing at no charge to the department relevant information that the department requests, including monthly reports identifying the use of a fraudulent identity. Requires the Department of Correction to annually provide to the department an electronic file listing the name and Social Security number of each individual under the jurisdiction of the Department of Correction. Requires the State Department of Health to annually provide to the department an electronic file listing the name of each individual for whom an Indiana death certificate was issued during the preceding year.

Effective date: July 1, 2013
Code: IC 6-8.1-3-7
Enrolled Act: SEA 559, Sec. 2

Summary: Creates a new individual tax refund check-off for funding public education for kindergarten through grade 12. If the refund is less than the total amount designated, the public education fund and the nongame fund will receive proportional amounts of the amount available.

Effective date: Jan. 1, 2015
Code: IC 6-8.1-9-4
Enrolled Act: HEA 1545, Sec. 69

Summary: Authorizes the Office of Management and Budget to enter into an agreement with the Secretary of the Treasury of the United States to establish an offset program. The program would authorize tax and non-tax debts owed to Indiana by a person to be offset by the federal government through federal payments to vendors and contractors and by tax refunds. The agreement may permit non-tax debts owed to federal agencies for offset against payments owed to taxpayers as well as vendors and contractors providing goods or services to the state. A state refund offset for federal taxes owed is already in place.

Effective date: July 1, 2013
Code: IC 6-8.1-9.7
Enrolled Act: SEA 1546, Sec. 33

Summary: Provides that IC 6-3-4-12(j) and IC 6-3-4-13(l) do not apply to penalties imposed under IC 6-8.1-10-2.1.

Effective date: July 1, 2013
Code: IC 6-8.1-10-2.1
Enrolled Act: SEA 1546, Sec. 34

Summary: Provides that the penalty for a payment when the department is unable to obtain a payment on the instrument presented for payment through normal banking channels is reduced from 100% to 30% (bad check penalty).

Effective date: Jan. 1, 2014
Code: IC 6-8.1-10-5
Enrolled Act: SEA 1546, Sec. 35

INNKEEPERS AND OTHER LOCAL TAXES (IC 6-6 and IC 6-9)

Summary: Provides that the additional Marion County Auto Rental Excise Tax may not continue in effect after Feb. 28, 2023.

Effective date: July 1, 2013

Code: IC 6-6-9.7-7

Enrolled Act: HEA 1001, Sec. 127

Summary: Authorizes Vigo County to increase its innkeeper's tax from 5% to 8%.

Effective date: July 1, 2013

Code: IC 6-9-11-6

Enrolled Act: SEA 1546, Sec. 36

Summary: Provides that the additional admissions tax authorized for Marion County may not continue in effect after Feb. 28, 2023.

Effective date: July 1, 2013

Code: IC 6-9-13-2

Enrolled Act: HEA 1001, Sec. 132

Summary: Authorizes Cloverdale to adopt a 1% food and beverage tax, with the revenue to be used for: (1) sanitary sewers or wastewater treatment facilities; (2) drainage or flood control facilities; (3) water treatment, storage, or distribution facilities; and (4) bonds to finance the previously mentioned three uses.

Effective date: July 1, 2013

Code: IC 6-9-43

Enrolled Act: HEA 1070, Sec. 1

Summary: Authorizes the Town of Fishers to adopt a 1% food and beverage tax with the revenue to be used by the town: (1) to reduce the town's property tax levy for a particular year at the discretion of the town; or (2) for economic development purposes.

Effective date: Upon Passage

Code: IC 6-9-44

Enrolled Act: HEA 1070, Sec. 2

MISCELLANEOUS PROVISIONS

Summary: Provides that the balance in the state tuition reserve fund will not be used when calculating the state reserves for purposes of determining the amount of an automatic taxpayer refund.

Effective date: July 1, 2013

Code: IC 4-10-22-1

Enrolled Act: HEA 1001, Sec. 60

Summary: Provides that if the excess reserves for fiscal year ending June 30, 2013, exceed \$50,000,000, 100% of the excess reserves shall be transferred to the pension stabilization fund. For the years 2014 and beyond, 50% of any excess reserves will be used for providing an automatic taxpayer refund.

Effective date: July 1, 2013
Code: IC 4-10-22-3
Enrolled Act: HEA 1001, Sec. 61

Summary: Creates motorsports investment district credits. Establishes provisions for incremental sales tax and income tax for taxpayers' activities in the district. Before the first business day in October of each year, the department shall calculate the income tax incremental amount and the sales tax incremental amount for the preceding fiscal year for the district. Businesses operating in the district shall report to the department the information necessary to determine the incremental income tax and incremental sales tax. Before the first business day in November of each year, the department shall determine the sum of the income tax incremental amount, the sales tax incremental amount, and the amount of admissions fees deposited in the state general fund. The department shall notify the Indiana finance authority, the Indiana motorsports commission, the budget agency, and the owner of the qualified motorsports facility of the total amounts mentioned above. The amount shall be credited to the obligation of the owner of the qualified motorsports facility.

Effective date: July 1, 2013
Code: IC 4-10-23
Enrolled Act: HEA 1544, Sec. 4

Summary: Provides that \$0.65 of the riverboat admissions tax will be deposited in the state general fund instead of being paid to the Indiana Horse Racing Commission.

Effective date: July 1, 2013
Code: IC 4-33-12-6
Enrolled Act: SEA 528, Sec. 17

Summary: REPEALS a section concerning the maximum amount of riverboat admissions tax that can be paid to the Indiana Horse Racing Commission in a fiscal year.

Effective date: July 1, 2013
Code: IC 4-33-12-7
Enrolled Act: SEA 528, Sec. 18

Summary: Provides that the tax rate for the adjusted gross wagering tax for riverboats is reduced from 15% to 5% for the first \$25,000,000 of adjusted gross receipts if the total adjusted gross receipts did not exceed \$75,000,000 in the preceding fiscal year. Provides that if the adjusted gross receipts do exceed \$75,000,000 in the fiscal year when the riverboat paid at the lower rate, the owner of the riverboat is subject to an additional tax of \$2,500,000.

Effective date: July 1, 2013
Code: IC 4-33-13-1.5
Enrolled Act: SEA 528, Sec. 20

Summary: Deletes a subsection concerning the supplemental distribution of the riverboat wagering tax to the Indiana Horse Racing Commission.

Effective date: July 1, 2013
Code: IC 4-33-13-5

Enrolled Act: SEA 528, Sec. 21

Summary: Adds a new section to define “qualified wagering” as wagers by patrons using noncashable vouchers, coupons, electronic credits, or electronic promotions provided by the licensed riverboat owner. Provides that the owner can deduct from the adjusted gross receipts, at any time during a state fiscal year, the amount of adjusted gross receipts attributable to qualified wagering. Provide that the maximum deduction for the fiscal year ending June 30, 2013, may not exceed \$2,500,000, and for fiscal years ending before July 1, 2016, the deduction may not exceed \$5,000,000.

Effective date: Upon Passage

Code: IC 4-33-13-7

Enrolled Act: SEA 528, Sec. 22

Summary: Reduces the slot machine wagering tax at racinos from 99% of adjusted gross receipts to 91.5% of adjusted gross receipts.

Effective date: July 1, 2013

Code: IC 4-35-8-1

Enrolled Act: HEA 1001, Sec. 72; SEA 609, Sec. 18

Summary: Adds a new section to define “qualified wagering” as wagers by patrons using noncashable vouchers, coupons, electronic credits, or electronic promotions provided by the licensed racino owner. Provides that the owner can deduct from the adjusted gross receipts, at any time during a state fiscal year, the amount of adjusted gross receipts attributable to qualified wagering. Provides that the maximum deduction for the fiscal year ending June 30, 2013, may not exceed \$2,500,000 and that it may not exceed \$5,000,000 for fiscal years ending before July 1, 2016.

Effective date: Upon Passage

Code: IC 4-35-8-5

Enrolled Act: SEA 528, Sec. 36

Summary: Creates a motorsports investment district. The district consists of the motorsports facility and adjacent property that is related to the motorsports facility and that is owned by the owner of the motorsports facility or an affiliate or subsidiary of the owner, or property on which activities related to the motorsports facility occur and other public property specified by the commission. A taxpayer operating in the motorsports district that files a consolidated return with the department shall annually file an information return for each of its business locations within the district. If a motorsports investment district is created, the commission shall provide the department with a list of the employers and vendors with a responsibility to remit taxes in the district, as well as the street names and ranges of street numbers of each street in the district. The commission shall update the list annually before July 1. Upon department request, a political subdivision in which the motorsports facility is located shall provide data to the department about permits issued by the political subdivision to vendors operating within the district. The department is required to develop guidelines and instructions concerning the appropriate amount of AGIT to be withheld from purse money and prizes won for racing in the district.

Effective date: July 1, 2013

Code: IC 5-1-17.5

Enrolled Act: HEA 1544, Sec. 5

Summary: Requires taxpayers operating in the global commerce center to report annually to the department the amount of incremental sales and income tax attributable to the center. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the center. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: Upon Passage

Code: IC 5-28-26-15

Enrolled Act: SEA 544, Sec. 1

Summary: Provides that any issuance, renewal, or transfer of an alcoholic beverage permit of any kind is not permitted if the person seeking renewal or transfer is more than 30 days delinquent in remitting sales or withholding taxes. A permit may be granted if the Alcohol and Tobacco Commission receives a notice from the department that the sales or withholding taxes have been remitted to the department.

Effective date: July 1, 2013

Code: IC 7.1-3-21-15

Enrolled Act: HEA 1546, Sec. 37

Summary: REPEALS the language giving airport development zone taxpayers the tax benefits that would be available if they were in an enterprise zone.

Effective date: Jan. 1, 2014

Code: IC 8-22-3.5-14

Enrolled Act: HEA 1545, Sec. 70

Summary: Clarifies that the department is responsible for issuing registrations for commercial motor vehicles if more than 25 vehicles are in the fleet and the vehicles each weigh more than 26,000 pounds. Extends the validity of these plates from five years to being permanent.

Effective date: Jan. 1, 2014

Code: IC 9-18-2-4.5

Enrolled Act: HEA 1546, Sec. 38

Summary: Authorizes staggered registration of vehicles registered with the department under the International Registration Plan.

Effective date: Jan. 1, 2014

Code: IC 9-18-2-7

Enrolled Act: HEA 1546, Sec. 39

Summary: Provides that a bus registered through the International Registration Plan shall apply for the registration electronically with the department.

Effective date: Jan. 1, 2014

Code: IC 9-18-2-14

Enrolled Act: HEA 1546, Sec. 40

Summary: Allows the department to impose a lien on the property of an owner or operator of an underground storage tank if the owner or operator fails to pay fees due under certain provisions. Allows a transferee of property upon which a tank is located to receive money from the excess liability trust fund if applicable tank fees are paid.

Effective date: July 1, 2013

Code: IC 13-23-7-10

Enrolled Act: SEA 297, Sec. 1

Summary: Provides that past due fees include fees, interest, and penalties assessed by the department.

Effective date: July 1, 2013

Code: IC 13-23-8-4

Enrolled Act: SEA 297, Sec. 2

Summary: Provides that “automated sales suppression devices” and “phantom-ware” may be seized.

Effective date: July 1, 2013

Code: IC 34-24-1-1

Enrolled Act: HEA 1546, Sec. 42

Summary: Defines “automated sales suppression devices,” “phantom-ware,” and related terms. Provides that anyone who knowingly or intentionally sells, purchases, installs, transfers, or possesses automated sales suppression devices or phantom-ware after June 30, 2013, commits unlawful sale or possession of a transaction manipulation device, which is a Class C felony.

Effective date: July 1, 2013

Code: IC 35-43-5-4.6

Enrolled Act: HEA 1546, Sec. 43

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to the industrial development district. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the district. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: July 1, 2013

Code: IC 36-7-13-14

Enrolled Act: SEA 544, Sec. 42

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to the economic development project district. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the district. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: July 1, 2013

Code: IC 36-7-26-23

Enrolled Act: SEA 544, Sec. 43

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to the economic development tax area. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the area. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: Jan. 1, 2014

Code: IC 36-7-27-13

Enrolled Act: SEA 544, Sec. 44

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to the Marion County professional sports development area. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the area. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: July 1, 2013

Code: IC 36-7-31-15

Enrolled Act: SEA 544, Sec. 45

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to a professional sports development area. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location within the area. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: July 1, 2013

Code: IC 36-7-31.3-13

Enrolled Act: SEA 544, Sec. 46

Summary: Provides that the IEDC may authorize only two new certified technology parks in a fiscal year.

Effective date: July 1, 2013

Code: IC 36-7-32-11

Enrolled Act: HEA 1546, Sec. 44

Summary: If the IEDC desires to designate a certified technology park, it shall submit its proposal to the budget committee for review and approval.

Effective date: July 1, 2013

Code: IC 36-7-32-11.5

Enrolled Act: HEA 1546, Sec. 45

Summary: Requires taxpayers to report annually to the department the amount of incremental sales and income tax attributable to the certified technology park. If the taxpayer files a consolidated return, the taxpayer shall file an informational return for each business location

within the park. If the taxpayer fails to file the required reports, the department shall use the best information available in calculating the incremental sales and income tax amounts.

Effective date: July 1, 2013

Code: IC 36-7-32-21

Enrolled Act: SEA 544, Sec. 47