

January 22, 1998

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## HOUSE BILL No. 1147

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DIGEST OF HB1147 (Updated January 21, 1998 12:05 pm - DI 58)

**Citations Affected:** IC 6-2.5-4-6; IC 6-2.5-4-13.

**Synopsis:** Sales tax on telephone calling cards. Provides that the sale or reauthorization of a prepaid telephone calling card or prepaid telephone authorization number is subject to the gross retail tax by specifying that a person who sells or reauthorizes a prepaid calling card or prepaid telephone authorization number is a retail merchant making a retail transaction. Specifies that a person who furnishes telecommunication services to a person who uses a prepaid telephone calling card or prepaid telephone authorization number is not a retail merchant making a retail transaction.

**Effective:** July 1, 1998.

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**Summers, Wolkins, Kruse**

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January 8, 1998, read first time and referred to Committee on Ways and Means.  
January 21, 1998, reported — Do Pass.

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HB 1147—LS 6914/DI 92



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January 22, 1998

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

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## HOUSE BILL No. 1147



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-2.5-4-6, AS AMENDED BY P.L.8-1996,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1998]: Sec. 6. (a) As used in this section, "telecommunication  
4 services" means the transmission of messages or information by or  
5 using wire, cable, fiber optics, laser, microwave, radio, satellite, or  
6 similar facilities. The term does not include value added services in  
7 which computer processing applications are used to act on the form,  
8 content, code, or protocol of the information for purposes other than  
9 transmission.  
10 (b) A person is a retail merchant making a retail transaction when  
11 the person:  
12 (1) furnishes or sells an intrastate telecommunication service; and  
13 (2) receives gross retail income from billings or statements  
14 rendered to customers.  
15 (c) Notwithstanding subsection (b), a person is not a retail merchant  
16 making a retail transaction when:  
17 (1) the person provides, installs, constructs, services, or removes

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- 1           tangible personal property which is used in connection with the
- 2           furnishing of the telecommunication services described in
- 3           subsection (a); ~~or~~
- 4           (2) the person furnishes or sells the telecommunication services
- 5           described in subsection (a) to another person described in this
- 6           section or in section 5 of this chapter; **or**
- 7           **(3) the person furnishes telecommunications services**
- 8           **described in subsection (a) to another person who is using a**
- 9           **prepaid telephone calling card or prepaid telephone**
- 10          **authorization number described in IC 6-2.5-4-13.**

11           SECTION 2. IC 6-2.5-4-13 IS ADDED TO THE INDIANA CODE  
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 13 1, 1998]: **Sec. 13. A person is a retail merchant making a retail**  
 14 **transaction when a person sells:**

- 15           **(1) a prepaid telephone calling card at retail;**
- 16           **(2) a prepaid telephone authorization number at retail;**
- 17           **(3) the reauthorization of a prepaid telephone calling card; or**
- 18           **(4) the reauthorization of a prepaid telephone authorization**
- 19           **number.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1147, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 22, nays 0.

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