
ENGROSSED HOUSE BILL No. 1147

DIGEST OF HB1147 (Updated February 19, 1998 9:39 am - DI 44)

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.

Summers, Wolkins, Kruse
(SENATE SPONSOR — MILLS)

January 8, 1998, read first time and referred to Committee on Ways and Means.
January 21, 1998, reported — Do Pass.
January 26, 1998, read second time, ordered engrossed. Engrossed.
January 27, 1998, read third time, passed. Yeas 96, nays 3.

SENATE ACTION

January 30, 1998, read first time and referred to Committee on Finance.
February 19, 1998, reported favorably — Do Pass.

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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.

HOUSE ENROLLED ACT No. 1147

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-2.5-4-6, AS AMENDED BY P.L.8-1996, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) As used in this section, "telecommunication services" means the transmission of messages or information by or using wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. The term does not include value added services in which computer processing applications are used to act on the form, content, code, or protocol of the information for purposes other than transmission.

(b) A person is a retail merchant making a retail transaction when the person:

- (1) furnishes or sells an intrastate telecommunication service; and
- (2) receives gross retail income from billings or statements rendered to customers.

(c) Notwithstanding subsection (b), a person is not a retail merchant making a retail transaction when:

- (1) the person provides, installs, constructs, services, or removes tangible personal property which is used in connection with the furnishing of the telecommunication services described in

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subsection (a); ~~or~~

(2) the person furnishes or sells the telecommunication services described in subsection (a) to another person described in this section or in section 5 of this chapter; **or**

(3) the person furnishes telecommunications services described in subsection (a) to another person who is using a prepaid telephone calling card or prepaid telephone authorization number described in IC 6-2.5-4-13.

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

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

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