

# SENATE BILL No. 370

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-6-5.

**Synopsis:** Motor vehicle excise tax information. Requires the bureau of motor vehicles to issue motor vehicle excise tax refunds. Provides that the bureau may retain a \$3 fee from a refund. (Current law requires the county auditor to issue the refund and provides that the bureau must transfer \$1.50 of the fee to the county issuing the refund.) Requires the bureau to include a space on the registration form for showing the taxing district where the owner of a vehicle resides. Requires the bureau to verify the collection of the motor vehicle excise tax by the license branches. Requires the bureau to provide the county auditor adequate and accurate registration form information.

**Effective:** July 1, 1998.

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**Skillman**

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January 8, 1998, read first time and referred to Committee on Governmental and Regulatory Affairs.

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Introduced

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.

## SENATE BILL No. 370

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 6-6-5-7, AS AMENDED BY P.L.43-1994,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1998]: Sec. 7. (a) In respect to a vehicle that has been  
4 acquired, or brought into the state, or for any other reason becomes  
5 subject to registration after the regular annual registration date in the  
6 year on or before which the owner of the vehicle is required, under the  
7 motor vehicle registration laws of Indiana, to register vehicles, the tax  
8 imposed by this chapter shall become due and payable at the time the  
9 vehicle is acquired, brought into the state, or otherwise becomes  
10 subject to registration and the amount of tax to be paid by the owner for  
11 the remainder of the year shall be reduced by ten percent (10%) for  
12 each full calendar month that has elapsed since the regular annual  
13 registration date in the year fixed by the motor vehicle registration laws  
14 for annual registration by the owner. The tax shall be paid at the time  
15 of the registration of the vehicle.

16 (b) In the case of a vehicle that is acquired, or brought into the state,  
17 or for any other reason becomes subject to registration after January 1

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1 of any year, then the owner may pay the applicable registration fee on  
 2 the vehicle as provided in the motor vehicle registration laws and any  
 3 excise tax due on the vehicle for the remainder of the annual  
 4 registration year and simultaneously register the vehicle and pay the  
 5 applicable registration fee and the excise tax due for the next  
 6 succeeding annual registration year.

7 (c) Except as provided in subsection (f), no reduction in the  
 8 applicable annual excise tax will be allowed to an Indiana resident  
 9 applicant upon registration of any vehicle that was owned by the  
 10 applicant on or prior to the registrant's annual registration period. A  
 11 vehicle owned by an Indiana resident applicant that was located in and  
 12 registered for use in another state during the same calendar year shall  
 13 be entitled to the same reduction when registered in Indiana.

14 (d) The owner of a vehicle who sells the vehicle in a year in which  
 15 the owner has paid the tax imposed by this chapter, shall receive a  
 16 credit equal to the remainder of:

- 17 (1) the tax paid for the vehicle; reduced by
- 18 (2) ten percent (10%) for each full or partial calendar month that
- 19 has elapsed in the registrant's annual registration year before the
- 20 date of the sale.

21 The credit shall be applied to the tax due on any other vehicle  
 22 purchased or subsequently registered by the owner in the same  
 23 registrant's annual registration year. If the credit is not fully used and  
 24 the amount of the credit remaining is at least four dollars (\$4), the  
 25 owner is entitled to a refund in the amount of the unused credit. The  
 26 owner must pay a fee of three dollars (\$3) to the bureau to cover costs  
 27 of providing the refund, which may be deducted from the refund. ~~The~~  
 28 ~~bureau shall transfer to the county that will issue the refund one dollar~~  
 29 ~~and fifty cents (\$1.50) of the fee to cover the county's costs in~~  
 30 ~~processing the refund. The bureau shall issue the refund.~~ The bureau  
 31 shall transfer to the bureau of motor vehicles commission ~~one dollar~~  
 32 ~~and fifty cents (\$1.50) three dollars (\$3)~~ of the fee to cover the  
 33 commission's costs in processing the refund. To claim the credit and  
 34 refund provided by this subsection, the owner of the vehicle must  
 35 present to the bureau proof of sale of the vehicle.

36 (e) Subject to the requirements of subsection (g), the owner of a  
 37 vehicle that is destroyed in a year in which the owner has paid the tax  
 38 imposed by this chapter, which vehicle is not replaced by a  
 39 replacement vehicle for which a credit is issued under this section,  
 40 shall receive a refund in an amount equal to ten percent (10%) of the  
 41 tax paid for each full calendar month remaining in the registrant's  
 42 annual registration year after the date of destruction, but only upon



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1 presentation or return to the bureau of the following:

- 2 (1) A request for refund on a form furnished by the bureau.  
 3 (2) A statement of proof of destruction on an affidavit furnished  
 4 by the bureau.  
 5 (3) The license plate from the vehicle.  
 6 (4) The registration from the vehicle.

7 However, the refund may not exceed ninety percent (90%) of the tax  
 8 paid on the destroyed vehicle. The amount shall be refunded by a  
 9 warrant issued by the auditor of the county that received the excise tax  
 10 revenue and shall be paid out of the special account created for  
 11 settlement of the excise tax collections under IC 6-6-5-10. For purposes  
 12 of this subsection, a vehicle is considered destroyed if the cost of repair  
 13 of damages suffered by the vehicle exceeds the vehicle's fair market  
 14 value.

15 (f) If the name of the owner of a vehicle is legally changed and the  
 16 change has caused a change in the owner's annual registration date, the  
 17 excise tax liability of the owner shall be adjusted as follows:

18 (1) If the name change requires the owner to register sooner than  
 19 the owner would have been required to register if there had been  
 20 no name change, the owner shall, at the time the name change is  
 21 reported, be authorized a refund from the county treasurer in the  
 22 amount of the product of:

23 (A) ten percent (10%) of the owner's last preceding annual  
 24 excise tax liability; and

25 (B) the number of full calendar months between the owner's  
 26 new regular annual registration month and the next succeeding  
 27 regular annual registration month that is based on the owner's  
 28 former name.

29 (2) If the name change required the owner to register later than  
 30 the owner would have been required to register if there had been  
 31 no name change, the vehicle shall be subject to excise tax for the  
 32 period between the month in which the owner would have been  
 33 required to register if there had been no name change and the new  
 34 regular annual registration month in the amount of the product of:

35 (A) ten percent (10%) of the owner's excise tax liability  
 36 computed as of the time the owner would have been required  
 37 to register if there had been no name change; and

38 (B) the number of full calendar months between the month in  
 39 which the owner would have been required to register if there  
 40 had been no name change and the owner's new regular annual  
 41 registration month.

42 (g) In order to claim a credit under subsection (e) for a vehicle that

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1 is destroyed, the owner of the vehicle must present to the bureau of  
 2 motor vehicles a valid registration for the vehicle within ninety (90)  
 3 days of the date that it was destroyed. The bureau shall then fix the  
 4 amount of the credit that the owner is entitled to receive.

5 SECTION 2. IC 6-6-5-8 IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) The bureau shall include on  
 7 all registration forms suitable spaces for the applicant's Social Security  
 8 number or federal tax identification number, the amount of the  
 9 registration fee, the amount of excise tax, the amount of credit, if any,  
 10 as provided in section 5 of this chapter, and the total amount of  
 11 payment due on account of the applicable registration fees and excise  
 12 taxes upon the registration of the vehicle. The forms shall also include  
 13 spaces for showing the county, city, or town and township, **taxing**  
 14 **district**, and address of the place where the owner resides.

15 (b) The bureau shall list on all registration forms for vehicles  
 16 prepared by it the amount of registration fees and taxes due. In  
 17 addition, the bureau shall prepare by December 1 of each year a  
 18 schedule showing the excise tax payable on each make and model of  
 19 vehicle.

20 SECTION 3. IC 6-6-5-10.4 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10.4. The county  
 22 auditor, shall from the copies of the registration forms furnished by the  
 23 bureau, verify and determine the total amount of excise taxes collected  
 24 for each taxing unit in the county. The bureau shall ~~assist the county~~  
 25 ~~auditor in verifying~~ **verify** the collections reported by the branches ~~by~~  
 26 ~~providing and provide the county auditor~~ adequate **and accurate**  
 27 audit information, **registration form information**, records, and  
 28 materials to support the proper assessment, ~~and~~ collection, **and refund**  
 29 of excise taxes.

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