

# HOUSE BILL No. 1147

---

## DIGEST OF INTRODUCED BILL

**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

---

---

January 8, 1998, read first time and referred to Committee on Ways and Means.

---

---

C  
O  
P  
Y



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.

## 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

1998

IN 1147—LS 6914/DI 92+



C  
O  
P  
Y

- 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.**

C  
O  
P  
Y

