

January 30, 1998

SENATE BILL No. 22

DIGEST OF SB0022 (Updated January 29, 1998 11:58 am - DI 44)

Citations Affected: IC 4-22-2-37.1; IC 6-1.1-3-13.5.

Synopsis: Provides that the seller's original acquisition cost must be used to determine the value of depreciable personal property after a sale or transfer of the property if the sale or transfer is not an arm's length transaction for purposes of property tax assessment.

Effective: Upon passage.

Weatherwax

November 18, 1997, read first time and referred to Committee on Rules and Legislative Procedure.
January 22, 1998, amended, reported favorably; reassigned to Committee on Finance.
January 29, 1998, reported favorably — Do Pass.

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SB 22—LS 6215/DI 13



January 30, 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.

SENATE BILL No. 22

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 4-22-2-37.1, AS AMENDED BY P.L.27-1997,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking
4 action resulting in any of the following rules:
5 (1) An order adopted by the commissioner of the Indiana
6 department of transportation under IC 9-20-1-3(d) or
7 IC 9-21-4-7(a) and designated by the commissioner as an
8 emergency rule.
9 (2) An action taken by the director of the department of natural
10 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
11 (3) An emergency temporary standard adopted by the
12 occupational safety standards commission under
13 IC 22-8-1.1-16.1.
14 (4) An emergency rule adopted by the solid waste management
15 board under IC 13-22-2-3 and classifying a waste as hazardous.
16 (5) A rule, other than a rule described in subdivision (6), adopted
17 by the department of financial institutions under IC 24-4.5-6-107

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- 1 and declared necessary to meet an emergency.
- 2 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 3 department of financial institutions and declared necessary to
- 4 meet an emergency under IC 24-4.5-6-107.
- 5 (7) A rule adopted by the Indiana utility regulatory commission to
- 6 address an emergency under IC 8-1-2-113.
- 7 (8) An emergency rule jointly adopted by the water pollution
- 8 control board and the budget agency under IC 13-18-13-18.
- 9 (9) An emergency rule adopted by the state lottery commission
- 10 under IC 4-30-3-9.
- 11 (10) A rule adopted under IC 16-19-3-5 that the executive board
- 12 of the state department of health declares is necessary to meet an
- 13 emergency.
- 14 (11) An emergency rule adopted by the Indiana transportation
- 15 finance authority under IC 8-21-12.
- 16 (12) An emergency rule adopted by the insurance commissioner
- 17 under IC 27-1-23-7.
- 18 (13) An emergency rule adopted by the Indiana horse racing
- 19 commission under IC 4-31-3-9.
- 20 (14) An emergency rule adopted by the air pollution control
- 21 board, the solid waste management board, or the water pollution
- 22 control board under IC 13-15-4-10(4) or to comply with a
- 23 deadline required by federal law, provided:
- 24 (A) the variance procedures are included in the rules; and
- 25 (B) permits or licenses granted during the period the
- 26 emergency rule is in effect are reviewed after the emergency
- 27 rule expires.
- 28 (15) An emergency rule adopted by the Indiana election
- 29 commission under IC 3-6-4.1-14.
- 30 (16) An emergency rule adopted by the department of natural
- 31 resources under IC 14-10-2-5.
- 32 (17) An emergency rule adopted by the Indiana gaming
- 33 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 34 (18) An emergency rule adopted by the alcoholic beverage
- 35 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 36 IC 7.1-3-20-24.4.
- 37 (19) An emergency rule adopted by the department of financial
- 38 institutions under IC 28-1-21.5-5.4.
- 39 (20) An emergency rule adopted by the office of the secretary of
- 40 family and social services under IC 12-8-1-12.
- 41 **(21) An emergency rule adopted by the state board of tax**
- 42 **commissioners under IC 6-1.1-3-13.5.**



- 1 (b) The following do not apply to rules described in subsection (a):
2 (1) Sections 24 through 36 of this chapter.
3 (2) IC 13-14-9.
- 4 (c) After a rule described in subsection (a) has been adopted by the
5 agency, the agency shall submit the rule to the publisher for the
6 assignment of a document control number. The agency shall submit the
7 rule in the form required by section 20 of this chapter and with the
8 documents required by section 21 of this chapter. The publisher shall
9 determine the number of copies of the rule and other documents to be
10 submitted under this subsection.
- 11 (d) After the document control number has been assigned, the
12 agency shall submit the rule to the secretary of state for filing. The
13 agency shall submit the rule in the form required by section 20 of this
14 chapter and with the documents required by section 21 of this chapter.
15 The secretary of state shall determine the number of copies of the rule
16 and other documents to be submitted under this subsection.
- 17 (e) Subject to section 39 of this chapter, the secretary of state shall:
18 (1) accept the rule for filing; and
19 (2) file stamp and indicate the date and time that the rule is
20 accepted on every duplicate original copy submitted.
- 21 (f) A rule described in subsection (a) takes effect on the latest of the
22 following dates:
23 (1) The effective date of the statute delegating authority to the
24 agency to adopt the rule.
25 (2) The date and time that the rule is accepted for filing under
26 subsection (e).
27 (3) The effective date stated by the adopting agency in the rule.
28 (4) The date of compliance with every requirement established by
29 law as a prerequisite to the adoption or effectiveness of the rule.
- 30 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and
31 IC 22-8-1.1-16.1, a rule adopted under this section expires not later
32 than ninety (90) days after the rule is accepted for filing under
33 subsection (e). Except for a rule adopted under subsection (a)(14), the
34 rule may be extended by adopting another rule under this section, but
35 only for one (1) extension period. A rule adopted under subsection
36 (a)(14) may be extended for two (2) extension periods. Except for a
37 rule adopted under subsection (a)(14), for a rule adopted under this
38 section to be effective after one (1) extension period, the rule must be
39 adopted under:
40 (1) sections 24 through 36 of this chapter; or
41 (2) IC 13-14-9;
42 as applicable.

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1 (h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires
2 on the earlier of the following dates:

3 (1) The expiration date stated by the adopting agency in the rule.

4 (2) The date that the rule is amended or repealed by a later rule
5 adopted under sections 24 through 36 of this chapter or this
6 section.

7 (i) This section may not be used to readopt a rule under IC 4-22-2.5.

8 SECTION 2. IC 6-1.1-3-13.5 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) This section applies**
11 **to the assessment of used depreciable personal property after a sale**
12 **or transfer.**

13 (b) **Except as provided in subsections (c) and (d), the buyer's or**
14 **transferee's acquisition cost must be used to determine the value of**
15 **the depreciable personal property.**

16 (c) **The seller's original acquisition cost must be used to**
17 **determine the value of the depreciable personal property if:**

18 (1) **the sale or transfer of the property is not an arm's length**
19 **transaction; or**

20 (2) **the sale or transfer is not representative of the value of the**
21 **property for any other reason.**

22 (d) **The state board of tax commissioners shall adopt rules under**
23 **IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to**
24 **implement this section.**

25 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) **IC 6-1.1-3-13.5,**
26 **as added by this act, applies to assessments for property taxes first**
27 **due and payable after December 31, 1998.**

28 (b) **The state board of tax commissioners shall adopt rules under**
29 **IC 4-22-2 to implement IC 6-1.1-3-13.5, as added by this act, before**
30 **December 31, 1998.**

31 (c) **This SECTION expires January 2, 1999.**

32 SECTION 4. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senator Garton be removed as author of Senate Bill 22 and that Senator Weatherwax be substituted therefor.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill 22, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Finance.

(Reference is to Senate Bill 22 as introduced.)

GARTON, Chairperson

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill 22, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 22 as printed January 23, 1998.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

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