
HOUSE BILL No. 1336

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-7.

Synopsis: Prepaid sales tax on gasoline. Repeals the prepaid sales tax on gasoline. Reverts to the previous system in which the sales tax was collected on the actual retail transaction.

Effective: January 1, 2000.

Bailey, McClain

January 12, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

HOUSE BILL No. 1336

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 6-2.5-7-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. For purposes
3 of this chapter:
4 "Gasoline" has the same meaning as the definition contained in
5 IC 6-6-1.1-103.
6 "Special fuel" has the same meaning as the definition contained in
7 IC 6-6-2.5-22.
8 "Unit" means the unit of measure, such as a gallon or a liter, by
9 which gasoline or special fuel is sold.
10 "Metered pump" means a stationary pump which is capable of
11 metering the amount of gasoline or special fuel dispensed from it and
12 which is capable of simultaneously calculating and displaying the price
13 of the gasoline or special fuel dispensed.
14 "Indiana gasoline tax" means the tax imposed under IC 6-6-1.1.
15 "Indiana special fuel tax" means the tax imposed under IC 6-6-2.5.
16 "Federal gasoline tax" means the excise tax imposed under Section
17 4081 of the Internal Revenue Code.

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1 "Federal special fuel tax" means the excise tax imposed under
2 Section 4041 of the Internal Revenue Code.

3 "Price per unit before the addition of state and federal taxes" means
4 an amount which equals the remainder of:

- 5 (i) the total price per unit; minus
- 6 (ii) the state gross retail, Indiana gasoline or special fuel, and
7 federal gasoline or special fuel taxes which are part of the total
8 price per unit.

9 "Total price per unit" means the price per unit at which gasoline or
10 special fuel is actually sold, including the state gross retail, Indiana
11 gasoline or special fuel, and federal gasoline or special fuel taxes which
12 are part of the sales price.

13 "Distributor" means a person who is the first purchaser of gasoline
14 from a refiner, a terminal operator, or supplier, regardless of the
15 location of the purchase.

16 "Prepayment rate" means a rate per gallon of gasoline, rounded to
17 the nearest one-tenth of one cent (\$0.001), determined by the
18 department by determining the product of:

- 19 (1) the statewide average retail price per gallon of gasoline,
20 excluding the Indiana and federal gasoline taxes and the Indiana
21 gross retail tax; multiplied by
- 22 (2) the state gross retail tax rate; multiplied by
- 23 (3) ninety percent (90%).

24 "Purchase or shipment" means a sale or delivery of gasoline; but
25 does not include:

- 26 (1) an exchange transaction between refiners, terminal operators,
27 or a refiner and terminal operator; or
- 28 (2) a delivery by pipeline, ship, or barge to a refiner or terminal
29 operator.

30 "Qualified distributor" means a distributor who:

- 31 (1) is a licensed distributor under IC 6-6-1.1; and
- 32 (2) holds an unrevoked permit issued under section 7 of this
33 chapter.

34 "Refiner" means a person who manufactures or produces gasoline
35 by any process involving substantially more than the blending of
36 gasoline.

37 "Terminal operator" means a person that:

- 38 (1) stores gasoline in tanks and equipment used in receiving and
39 storing gasoline from interstate or intrastate pipelines pending
40 wholesale bulk reshipment; or
- 41 (2) stores gasoline at a boat terminal transfer that is a dock or
42 tank, or equipment contiguous to a dock or tank, including



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1 equipment used in the unloading of gasoline from a ship or barge
 2 and used in transferring the gasoline to a tank pending wholesale
 3 bulk reshipment.

4 SECTION 2. IC 6-2.5-7-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Each retail
 6 merchant who dispenses gasoline or special fuel from a metered pump
 7 shall, in the manner prescribed in IC 6-2.5-6, report to the department
 8 the following information:

9 (1) The total number of gallons of gasoline sold from a metered
 10 pump during the period covered by the report.

11 (2) The total amount of money received from the sale of gasoline
 12 described in subdivision (1) during the period covered by the
 13 report.

14 (3) That portion of the amount described in subdivision (2) which
 15 represents state and federal taxes imposed under IC 6-2.5,
 16 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.

17 (4) The total number of gallons of special fuel sold from a
 18 metered pump during the period covered by the report.

19 (5) The total amount of money received from the sale of special
 20 fuel during the period covered by the report.

21 (6) That portion of the amount described in subdivision (5) that
 22 represents state and federal taxes imposed under IC 6-2.5,
 23 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.

24 (b) Concurrently with filing the report, the retail merchant shall
 25 remit the state gross retail tax in an amount which equals one
 26 twenty-first (1/21) of the gross receipts, including state gross retail
 27 taxes but excluding Indiana and federal gasoline and special fuel taxes,
 28 received by the retail merchant from the sale of the gasoline and special
 29 fuel that is covered by the report and on which the retail merchant was
 30 required to collect state gross retail tax. The retail merchant shall remit
 31 that amount regardless of the amount of state gross retail tax which he
 32 has actually collected under this chapter. However, the retail merchant
 33 is entitled to deduct and retain the amounts prescribed in ~~subsection~~
 34 ~~(c)~~; IC 6-2.5-6-10 and IC 6-2.5-6-11.

35 (c) A retail merchant is entitled to deduct from the amount of state
 36 gross retail tax required to be remitted under subsection (b) an amount
 37 equal to:

38 (1) the sum of the prepayment amounts made during the period
 39 covered by the retail merchant's report; minus

40 (2) the sum of prepayment amounts collected by the retail
 41 merchant, in the merchant's capacity as a qualified distributor,
 42 during the period covered by the retail merchant's report.

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1 For purposes of this section, a prepayment of the gross retail tax is
2 presumed to occur on the date on which it is invoiced:

3 SECTION 3. THE FOLLOWING ARE REPEALED [EFFECTIVE
4 JANUARY 1, 2000]: IC 6-2.5-7-6; IC 6-2.5-7-7; IC 6-2.5-7-8;
5 IC 6-2.5-7-9; IC 6-2.5-7-10; IC 6-2.5-7-11; IC 6-2.5-7-12;
6 IC 6-2.5-7-13; IC 6-2.5-7-14; IC 6-2.5-7-15.

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