

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.

## SENATE ENROLLED ACT No. 234

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AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-1.1-8-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 35. (a) Each year the state board of tax commissioners shall tax:

- (1) the indefinite-situs distributable property of railroad car companies; and
- (2) the distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars.

The board shall compute the tax on a railroad car company's indefinite-situs distributable property based upon the average property tax rate in this state. The average property tax rate in this state for a year equals (A) the total of the property taxes in this state that will come due during that year divided by (B) the total net assessed valuation of property in this state for the preceding year's assessment. The board shall base its computation of the average property tax rate for a year upon information which is available to the board as of December ~~31st~~ **31** of the preceding year. The board shall compute the tax on a railroad company's distributable property based upon the average property tax rate that is imposed by taxing districts that are

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located in any county in which a railroad company, that is taxed under this section, provides railroad services. The average property tax rate of taxing districts that are located in any county in which a railroad company that is taxed under this section equals (i) the total of the property taxes in those taxing districts that will come due during that year divided by (ii) the total net assessed valuation of property in those districts for the preceding year's assessment. The board shall base its computation on the average property tax rate for a year upon information which is available to the board as of December 31 of the preceding year.

(b) The state board of tax commissioners shall certify the tax it imposes on indefinite-situs distributable property of railroad car companies and a railroad company's distributable property taxed under this section to the department of state revenue. Each of those companies shall pay the tax to the department of state revenue on or before December 31~~st~~ 31 of the year the assessment is made. If one (1) of those companies does not pay the tax when it is due, the company shall pay a penalty, in addition to the tax, equal to twenty-five percent (25%) of the delinquent tax. When the tax imposed on indefinite-situs distributable property of railroad car companies by this chapter becomes delinquent, the department of state revenue shall proceed with the collection of the delinquent tax and penalty in accordance with the provisions of IC 6-8.1-8.

(c) The department of state revenue shall promptly deposit all amounts collected under this section that are derived from indefinite-situs distributable property of railroad car companies in the state treasury for credit to the ~~commuter rail service~~ **state general** fund. ~~established under IC 8-3-1.5-20.5.~~

(d) The department of state revenue shall promptly deposit all amounts collected under this section from a railroad company in the state treasury for credit to the electric rail service fund established by IC 8-3-1.5-20.6.

SECTION 2. IC 6-1.1-8.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]:

**Chapter 8.2. Credit for Railroad Car Maintenance and Improvements**

**Sec. 1. (a) As used in this chapter, "qualified expenditures" means expenditures made by a taxpayer during a particular calendar year on the maintenance or improvement in Indiana of railroad cars owned or used by the taxpayer.**

**(b) The term includes, but is not limited to, the following:**

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- (1) Expenses for:  
 (A) labor;  
 (B) materials; or  
 (C) overhead;

that are incurred by a taxpayer in the maintenance or improvement of a railroad car owned or used by the taxpayer.

- (2) Payments made by a taxpayer to others for the purpose of performing the maintenance or improvement of a railroad car.

Sec. 2. As used in this chapter, "taxpayer" means a railroad car company (as defined by IC 6-1.1-8-2).

Sec. 3. As used in this chapter, "tax liability" means a railroad car company's tax liability under IC 6-1.1-8-35. The term does not include interest or penalties.

Sec. 4. A taxpayer is entitled to a credit against the taxpayer's tax liability in an amount set forth in section 5 of this chapter.

Sec. 5. (a) Subject to subsection (b), the amount of the credit that a taxpayer is entitled to under section 4 of this chapter for a particular calendar year is equal to the lesser of:

- (1) twenty-five percent (25%) of the qualified expenditures made by the taxpayer in the calendar year immediately preceding the calendar year in which the tax liability is imposed; or  
 (2) the taxpayer's total tax liability for the calendar year.

(b) The total amount of credits provided under this chapter in a calendar year may not exceed two million eight hundred thousand dollars (\$2,800,000). If the total amount of credits applied for in a calendar year exceeds the maximum provided under this subsection, each taxpayer's credit shall be reduced by an amount determined under the following STEPS:

STEP ONE: Divide the maximum amount of credits provided by this chapter for the year by the total amount of credits applied for under this chapter for the year.

STEP TWO: Multiply the STEP ONE result by the total amount of credits applied for by the taxpayer for the year.

Sec. 6. To obtain the credit provided by section 4 of this chapter for a particular calendar year, a taxpayer must file with the state board of tax commissioners an accurate statement of the qualified expenditures that entitle the taxpayer to a credit. The statement must be filed:

- (1) in the form prescribed by the state board of tax commissioners; and

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**(2) with the statement required for the calendar year to which the credit applies under IC 6-1.1-8-19.**

SECTION 3. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

(1) Forty percent (40%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) Fifty-nine and ~~two-tenths~~ **three-hundredths** percent (~~59.2%~~) **(59.03%)** of the collections shall be paid into the state general fund.

(3) Seventy-six hundredths of one percent (0.76%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(4) Four hundredths of one percent (0.04%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

**(5) Seventeen hundredths of one percent (0.17%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.**

SECTION 4. [EFFECTIVE JANUARY 1, 2000] **IC 6-1.1-8.2, as added by this act, applies only to property taxes first due and payable after December 31, 1999.**

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