

# HOUSE BILL No. 1406

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-5.

**Synopsis:** Sales tax on college textbooks. Provides that sales of textbooks are exempt from the state gross retail tax if: (1) the textbooks are required for an undergraduate course at an accredited college or university; and (2) the purchaser is a student enrolled in an accredited college or university or the parent or guardian of a student enrolled in an accredited college or university.

**Effective:** July 1, 2000.

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## Robertson, Klinker, Ayres

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January 11, 2000, read first time and referred to Committee on Ways and Means.

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Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

# HOUSE BILL No. 1406



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 6-2.5-5-26 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 26. (a) Sales of tangible
- 3 personal property are exempt from the state gross retail tax, if:
- 4 (1) the seller is an organization which is granted a gross income
- 5 tax exemption under IC 6-2.1-3-19, IC 6-2.1-3-20, IC 6-2.1-3-21,
- 6 or IC 6-2.1-3-22;
- 7 (2) the organization makes the sale to make money to carry on the
- 8 not-for-profit purpose for which it receives its gross income tax
- 9 exemption; and
- 10 (3) the organization does not make those sales during more than
- 11 thirty (30) days in a calendar year.
- 12 (b) Sales of tangible personal property are exempt from the state
- 13 gross retail tax, if:
- 14 (1) the seller is an organization which is granted a gross income
- 15 tax exemption under IC 6-2.1-3-19, IC 6-2.1-3-20, IC 6-2.1-3-21,
- 16 or IC 6-2.1-3-22;

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- 1 (2) the seller is not operated predominantly for social purposes;  
 2 (3) the property sold is designed and intended primarily either for  
 3 the organization's educational, cultural, or religious purposes, or  
 4 for improvement of the work skills or professional qualifications  
 5 of the organization's members; and  
 6 (4) the property sold is not designed or intended primarily for use  
 7 in carrying on a private or proprietary business.

8 (c) The exemption provided by this section does not apply to an  
 9 accredited college ~~college~~ college's or university's sales of **the following:**

- 10 (1) Books **other than textbooks exempt under section 39 of this**  
 11 **chapter.**  
 12 (2) Stationery.  
 13 (3) Haberdashery.  
 14 (4) Supplies. ~~or~~  
 15 (5) Other property.

16 SECTION 2. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE  
 17 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 18 1, 2000]: **Sec. 39. Sales of textbooks are exempt from the state gross**  
 19 **retail tax if:**

- 20 (1) **the textbooks are required for an undergraduate course at**  
 21 **an accredited college or university; and**  
 22 (2) **the purchaser is a student enrolled in an accredited college**  
 23 **or university or the parent or guardian of a student enrolled**  
 24 **in an accredited college or university.**

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