
SENATE BILL No. 304

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-45.

Synopsis: Electric vehicle sales tax exemption. Provides a sales and use tax exemption for the purchase or lease of a new qualified plug-in electric vehicle if the retail transaction occurs from July 1, 2011, through December 31, 2016. Limits the exemption to \$1,000 of sales tax liability. Provides that the exemption may be claimed for only one vehicle per individual during the period and not more than ten vehicles per business entity. Provides that if a retail merchant determines that a taxpayer is qualified, the retail merchant shall apply the exemption at the time of the retail transaction.

Effective: July 1, 2011.

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January 10, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 304



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 6-2.5-5-45 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 45. (a) This section applies only to a retail transaction**
4 **occurring after June 30, 2011, and on or before December 31, 2016.**
5 **(b) As used in this section, "qualified plug-in electric vehicle"**
6 **means a vehicle that:**
7 **(1) is made by a manufacturer;**
8 **(2) is manufactured primarily for use on public streets, roads,**
9 **and highways;**
10 **(3) has not been modified from original manufacturer**
11 **specifications;**
12 **(4) is acquired for use or lease by the taxpayer and not for**
13 **resale;**
14 **(5) is rated at not more than eight thousand five hundred**
15 **(8,500) pounds unloaded gross vehicle weight;**
16 **(6) has a maximum speed capability of at least fifty-five (55)**
17 **miles per hour; and**



1 **(7) is propelled to a significant extent by an electric motor**
2 **that draws electricity from a battery that:**
3 **(A) has a capacity of at least four (4) kilowatt hours; and**
4 **(B) is capable of being recharged from an external source**
5 **of electricity.**
6 **The term does not include a hybrid vehicle or a golf cart (as**
7 **defined in IC 9-13-2-69.7).**
8 **(c) As used in this section, "vehicle" means a self-propelled**
9 **device having at least four (4) wheels and subject to annual**
10 **registration under IC 9-18 as a condition of its operation on the**
11 **public highways.**
12 **(d) A transaction involving the:**
13 **(1) purchase of; or**
14 **(2) entering into a lease agreement (as defined in**
15 **IC 9-23-2.5-4) for;**
16 **a qualified plug-in electric vehicle is exempt from the state gross**
17 **retail and use taxes as provided in subsection (e). The qualified**
18 **plug-in electric vehicle must be registered in Indiana, unless the**
19 **owner has already conformed to all applicable state or federal laws**
20 **or regulations governing the qualified plug-in electric vehicle that**
21 **applied during the calendar year in which the qualified plug-in**
22 **electric vehicle was titled.**
23 **(e) The exemption under this section is limited to:**
24 **(1) the acquisition of:**
25 **(A) one (1) qualified plug-in electric vehicle per individual**
26 **during the period beginning July 1, 2011, through**
27 **December 31, 2016; and**
28 **(B) ten (10) qualified plug-in electric vehicles per business**
29 **entity during the period beginning July 1, 2011, through**
30 **December 31, 2016; and**
31 **(2) the first one thousand dollars (\$1,000) of sales tax liability**
32 **for each qualified plug-in electric vehicle.**
33 **If the retail merchant determines the taxpayer qualifies for the**
34 **exemption, the retail merchant shall apply the exemption at the**
35 **time of the retail transaction.**
36 **(f) A transaction is not exempt under this section if the qualified**
37 **plug-in electric vehicle was purchased by the taxpayer:**
38 **(1) at wholesale for the purpose of resale to another person;**
39 **or**
40 **(2) in a retail transaction from another person who purchased**
41 **the qualified plug-in electric vehicle in a retail transaction.**
42 **(g) The taxpayer and the retail merchant must submit to the**

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1 department proof of all information that the department
2 determines is necessary to support the exemption for taxpayer's
3 purchase or lease of a qualified plug-in electric vehicle.
4 (h) This section expires January 1, 2017.

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