
SENATE BILL No. 414

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-8.1-1-1; IC 6-10.

Synopsis: Lake County fuel and fireworks taxes. Provides that the Lake County fiscal body may: (1) impose a tax of not more than 1% on the sale of gasoline and special fuel; and (2) impose a tax of not more than 1% on the sale of fireworks. Specifies that the tax revenue is distributed to the county and to municipalities based on population. Provides that the tax revenue may be used to carry out any governmental purpose.

Effective: July 1, 2011.

Randolph

January 11, 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. 414



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 6-8.1-1-1, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 247, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2011]: Sec. 1. "Listed taxes" or "taxes" includes
4 only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the
5 riverboat admissions tax (IC 4-33-12); the riverboat wagering tax
6 (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II
7 gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1)
8 (repealed); the utility receipts and utility services use taxes (IC 6-2.3);
9 the state gross retail and use taxes (IC 6-2.5); the adjusted gross income
10 tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the
11 county adjusted gross income tax (IC 6-3.5-1.1); the county option
12 income tax (IC 6-3.5-6); the county economic development income tax
13 (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial
14 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative
15 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor
16 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
17 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax



1 (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the excise
 2 tax imposed on recreational vehicles and truck campers (IC 6-6-5.1);
 3 the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax
 4 (IC 6-7-1); **the county fuel tax (IC 6-10-3); the county fireworks tax**
 5 **(IC 6-10-4)**; the beer excise tax (IC 7.1-4-2); the liquor excise tax
 6 (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax
 7 (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum
 8 severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the
 9 various food and beverage taxes (IC 6-9); the county admissions tax
 10 (IC 6-9-13 and IC 6-9-28); the regional transportation improvement
 11 income tax (IC 8-24-17); the oil inspection fee (IC 16-44-2); the
 12 emergency and hazardous chemical inventory form fee (IC 6-6-10); the
 13 penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the
 14 fees and penalties assessed for overweight vehicles (IC 9-20-4 and
 15 IC 9-30); the underground storage tank fee (IC 13-23); the solid waste
 16 management fee (IC 13-20-22); and any other tax or fee that the
 17 department is required to collect or administer.

18 SECTION 2. IC 6-10 IS ADDED TO THE INDIANA CODE AS A
 19 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 20 2011]:

21 **ARTICLE 10. LOCAL OPTION TAXES IN LAKE COUNTY**
 22 **Chapter 1. General Provisions**

23 **Sec. 1. This article applies only to Lake County.**

24 **Sec. 2. Taxes that may be imposed under this article are in**
 25 **addition to any taxes that may be imposed under any other Indiana**
 26 **law.**

27 **Sec. 3. A tax imposed under this article is a listed tax for**
 28 **purposes of IC 6-8.1.**

29 **Chapter 2. Definitions**

30 **Sec. 1. As used in this article, "department" refers to the**
 31 **department of state revenue.**

32 **Sec. 2. As used in this article, "firework" has the meaning set**
 33 **forth in IC 22-11-14-1.**

34 **Sec. 3. As used in this article, "fiscal body" has the meaning set**
 35 **forth in IC 36-1-2-6.**

36 **Sec. 4. As used in this article, "fuel" means:**

- 37 (1) gasoline; or
- 38 (2) special fuel.

39 **Sec. 5. As used in this article, "gasoline" has the meaning set**
 40 **forth in IC 6-6-1.1-103.**

41 **Sec. 6. As used in this article, "special fuel" has the meaning set**
 42 **forth in IC 6-6-2.5-22.**

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Chapter 3. County Fuel Tax

Sec. 1. (a) The county fiscal body may adopt an ordinance to impose, increase, decrease, or repeal a county fuel tax under this chapter.

(b) Before the county fiscal body may adopt an ordinance under subsection (a), the county fiscal body must hold a public hearing on the proposed ordinance, with notice of the time, date, and place of the public hearing given in accordance with IC 5-3-1.

(c) If the county fiscal body adopts an ordinance under subsection (a), the county fiscal body shall immediately send a certified copy of the ordinance to the department.

(d) If the county fiscal body adopts an ordinance under subsection (a), the imposition, increase, decrease, or repeal of the county fuel tax applies to transactions that occur after the last day of the month that follows the month in which the ordinance is adopted.

(e) An ordinance adopted under subsection (a) must specify the rate of the county fuel tax. The tax rate may be imposed in any increment of one-tenth of one percent (0.1%). However, the maximum tax rate may not exceed one percent (1%).

Sec. 2. (a) If a county fuel tax is in effect under this chapter, then with respect to the sale of gasoline that is dispensed from a metered pump, a retail merchant located in the county shall collect, for each unit of gasoline sold in the county, a county fuel tax in an amount equal to the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

- (1) the price per unit before the addition of state and federal taxes; multiplied by**
- (2) the tax rate imposed by an ordinance adopted under section 1 of this chapter.**

(b) If a county fuel tax is in effect under this chapter, then with respect to the sale of special fuel that is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant located in the county shall collect, for each unit of special fuel sold in the county, the county fuel tax in an amount equal to the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

- (1) the price per unit before the addition of state and federal taxes; multiplied by**
- (2) the tax rate imposed by an ordinance adopted under section 1 of this chapter.**

Unless the exemption certificate is provided, the retail merchant

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1 shall collect the local fuel tax prescribed in this section even if the
 2 transaction is exempt from taxation under section 5 of this chapter.
 3 **Sec. 3.** A county fuel tax imposed under this chapter shall be
 4 imposed, paid, and collected in the same manner that the state
 5 gross retail tax is imposed, paid, and collected on fuel under
 6 IC 6-2.5. However, the return that is filed for the payment of the
 7 tax may be made on a separate return or may be combined with
 8 the return filed for the payment of the state gross retail tax on
 9 gasoline as prescribed by the department.
 10 **Sec. 4.** The amounts received from the taxes imposed under this
 11 chapter shall be paid monthly by the treasurer of state to the
 12 county auditor upon warrants issued by the auditor of state.
 13 **Sec. 5.** A transaction that is exempt from taxation under
 14 IC 6-2.5-5 is exempt from a local fuel tax imposed under this
 15 chapter.
 16 **Chapter 4. County Fireworks Tax**
 17 **Sec. 1. (a)** The county fiscal body may adopt an ordinance to
 18 impose, increase, decrease, or repeal a county fireworks tax under
 19 this chapter.
 20 **(b)** Before the county fiscal body may adopt an ordinance under
 21 subsection (a), the county fiscal body must hold a public hearing on
 22 the proposed ordinance, with notice of the time, date, and place of
 23 the public hearing given in accordance with IC 5-3-1.
 24 **(c)** If the county fiscal body adopts an ordinance under
 25 subsection (a), the county fiscal body shall immediately send a
 26 certified copy of the ordinance to the department.
 27 **(d)** If the county fiscal body adopts an ordinance under
 28 subsection (a), the imposition, increase, decrease, or repeal of the
 29 county fireworks tax applies to transactions that occur after the
 30 last day of the month that follows the month in which the
 31 ordinance is adopted.
 32 **(e)** An ordinance adopted under subsection (a) must specify the
 33 rate of the county fireworks tax. The tax rate may be imposed in
 34 any increment of one-tenth of one percent (0.1%). However, the
 35 maximum tax rate may not exceed one percent (1%).
 36 **Sec. 2. (a)** A county fireworks tax adopted under this chapter is
 37 imposed on the gross retail income received by a retail merchant
 38 from a transaction in which a firework is delivered in the county
 39 by a retail merchant for consideration.
 40 **(b)** For purposes of this chapter, the gross retail income received
 41 by the retail merchant from a transaction described in subsection
 42 (a) does not include the amount of tax imposed on the transaction

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1 under IC 6-2.5.

2 **Sec. 3. A county fireworks tax imposed under this chapter shall**
3 **be imposed, paid, and collected in the same manner that the state**
4 **gross retail tax is imposed, paid, and collected under IC 6-2.5.**
5 **However, the return that is filed for the payment of the tax may be**
6 **made on a separate return or may be combined with the return**
7 **filed for the payment of the state gross retail tax as prescribed by**
8 **the department.**

9 **Sec. 4. The amounts received from the taxes imposed under this**
10 **chapter shall be paid monthly by the treasurer of state to the**
11 **county auditor upon warrants issued by the auditor of state.**

12 **Chapter 5. Distribution and Use of Revenue**

13 **Sec. 1. The county auditor shall each month distribute the**
14 **money received by the county auditor under IC 6-10-3-4 and**
15 **IC 6-10-4-4 as follows:**

16 (1) **To each municipality in the county according to the ratio**
17 **that the municipality's population bears to the total**
18 **population of the county.**

19 (2) **After the distributions required in subdivision (1) are**
20 **made, the remainder shall be retained by the county.**

21 **Sec. 2. Money received by the county or a municipality under**
22 **this chapter may be used to carry out any governmental purpose**
23 **for which the money is appropriated by the fiscal body of the**
24 **municipality or county. Money used under this section does not**
25 **reduce the property tax levy of the municipality or county for a**
26 **particular year or reduce the maximum property levy of the**
27 **municipality or county under IC 6-1.1-18.5.**

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