SENATE BILL No. 419

DIGEST OF INTRODUCED BILL

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

Synopsis: Sales tax exemption for farm drainage systems. Provides that a component of a farm drainage system is exempt from sales tax if a farmer acquires the component. Provides that equipment used to install, repair, or maintain a farm drainage system is exempt from sales tax if the equipment is acquired by a farmer or a person in the business of installing, repairing, or maintaining farm drainage systems.

Effective: July 1, 2011.

Kruse

January 12, 2011, read first time and referred to Committee on Agriculture and Natural Resources.

C o p y

Introduced

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.

C o p y

SENATE BILL No. 419

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-2.5-5-45 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 45. (a) As used in this section, "farm drainage system" means a system of drainage tubing, drainage tiles, and related control systems designed to facilitate the drainage of agricultural land.**

(b) Transactions involving a component of a farm drainage system are exempt from the state gross retail tax if the person acquiring the component is engaged in the business of agriculture.

(c) Transactions involving equipment used to install, repair, or maintain farm drainage systems are exempt from the state gross retail tax if the person acquiring the equipment is engaged in the business of:

(1) agriculture; or

(2) installing, repairing, or maintaining farm drainage systems.