



February 16, 2011

---

---

## SENATE BILL No. 419

---

DIGEST OF SB 419 (Updated February 15, 2011 10:51 am - DI 58)

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

**Synopsis:** Sales tax exemption for farm drainage systems. Provides that a component of a farm drainage system is exempt from sales tax if it is acquired by a person that is occupationally engaged in agricultural production. Provides that equipment that is predominantly used to install or repair a farm drainage system is exempt from sales tax if the equipment is acquired by a person that is occupationally engaged in agricultural production.

**Effective:** July 1, 2011.

---

---

**Kruse, Mishler, Young R, Skinner,  
Steele, Banks, Tomes, Yoder**

---

---

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

January 25, 2011, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

February 15, 2011, amended, reported favorably — Do Pass.

---

---

C  
o  
p  
y

SB 419—LS 7365/DI 113+



February 16, 2011

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:*

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) As used in this section, "farm drainage  
4 system" means a system of drainage tubing, drainage tiles, and  
5 related control systems designed to facilitate the drainage of  
6 agricultural land.**

7 **(b) Transactions involving a component of a farm drainage  
8 system are exempt from the state gross retail tax if the person  
9 acquiring the component is occupationally engaged in the  
10 production of food and food ingredients or commodities that the  
11 person sells for human or animal consumption or uses for further  
12 food and food ingredient or commodity production.**

13 **(c) Transactions involving equipment predominantly used to  
14 install or repair farm drainage systems are exempt from the state  
15 gross retail tax if the person acquiring the equipment is  
16 occupationally engaged in the production of food and food  
17 ingredients or commodities that the person sells for human or**

SB 419—LS 7365/DI 113+



1 **animal consumption or uses for further food and food ingredient**  
2 **or commodity production.**

**C  
o  
p  
y**



COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture and Natural Resources, to which was referred Senate Bill No. 419, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 12, after "in the" insert "**business of agriculture.**".  
Page 1, delete lines 13 through 16.

and when so amended that said bill be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 419 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 9, Nays 0.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 419, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 9, delete "engaged in the business of agriculture." and insert "**occupationally engaged in the production of food and food ingredients or commodities that the person sells for human or animal consumption or uses for further food and food ingredient or commodity production.**".

Page 1, line 10, delete "used to install, repair, or" and insert "**predominantly used to install or repair**".

Page 1, line 11, delete "maintain".

Page 1, line 12, delete "engaged in the" and insert "**occupationally engaged in the production of food and food ingredients or**

C  
O  
P  
Y



**commodities that the person sells for human or animal consumption or uses for further food and food ingredient or commodity production."**

Page 1, delete line 13.

and when so amended that said bill do pass.

(Reference is to SB 419 as printed January 26, 2011.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 2.

**C  
o  
p  
y**

