



February 24, 2012

**ENGROSSED
SENATE BILL No. 344**

DIGEST OF SB 344 (Updated February 22, 2012 8:01 pm - DI 92)

Citations Affected: IC 6-1.1; IC 6-2.3; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-8.1; IC 8-1; IC 8-10; IC 36-2; IC 36-7; noncode.

Synopsis: Taxation. Specifies the assessed value for outdoor signs for the 2011 through 2012 assessment dates. Changes the formula for adjusting the maximum permissible capital projects fund levy. Repeals an obsolete adjustment formula. Permits the fiscal body of a city or town, or the county, in the case of an unincorporated area, to authorize the unit's redevelopment commission to establish a residential historic rehabilitation grant program. Provides a sales tax exemption for sales of wrapping material and empty containers that are acquired for shipping or delivering certain tangible personal property. Exempts from the utility receipts tax any payments of severance damages or other compensation resulting from a change in assigned service area boundaries between electricity suppliers. Specifies that industrial processors and those engaged in floriculture and arboriculture do not
(Continued next page)

Effective: March 1, 2011 (retroactive); January 1, 2012 (retroactive); upon passage; May 1, 2012; July 1, 2012; January 1, 2013; July 1, 2013.

Hershman, Mishler

(HOUSE SPONSORS — ESPICH, WELCH)

January 9, 2012, read first time and referred to Committee on Tax and Fiscal Policy.
January 26, 2012, amended, reported favorably — Do Pass.
January 31, 2012, read second time, amended, ordered engrossed.
February 1, 2012, engrossed. Read third time, passed. Yeas 28, nays 20.

HOUSE ACTION

February 1, 2012, read first time and referred to Committee on Ways and Means.
February 23, 2012, amended, reported—Do Pass.

ES 344—LS 6911/DI 58+



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have to file a sales tax refund claim if the utility service is separately metered, or it has been determined that the utility service is predominantly used in industrial processing, horticulture, or arboriculture. Changes numerous tax filing and reporting requirements. Removes the prohibition of taking a case to the tax court if the department of state revenue takes longer than three years to settle a claim. Extends the income tax credits for venture capital investments, Hoosier business investments, alternative fuel manufacturing, and new employers through December 31, 2016. Corrects references to the Internal Revenue Code in the income tax law. Provides for a continuous abatement notice regarding weeds and vegetation. Assigns various topics to interim study committees. Authorizes Miami County to adopt an ordinance changing the means by which it provides property tax relief through an additional county option income tax rate. Provides an alcoholic beverage excise tax credit for certain liquor or wine excise taxes paid in duplicate. Terminates the state video franchise fee on January 1, 2013. Allows local units to replace the state franchise fee with a local fee of not more than 3% that must apply to both cable and satellite service. Specifies that facilities leased from the ports of Indiana may not become exempt because of the lease. Provides that unpaid property taxes on a facility leased from the ports of Indiana are a liability of the lessee and are not a liability of the ports of Indiana or a subsequent tenant or occupant of the leased facility. Requires a county treasurer to provide written notice to the ports of Indiana within thirty (30) days of any determination that a person liable for property taxes due on a facility leased from the ports of Indiana or the site of the leased facility has failed to pay the property taxes. Allows an adjustment to the sales tax base period amount or the income tax base period amount for the certified technology park in Madison County. Permits a nonprofit organization serving the homeless to file a late property tax exemption application to receive exemptions for the 2008 and 2009 assessment dates.

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1	Other Types of Outdoor Signs	
2	At least 50 feet, illuminated	\$2,500
3	At least 50 feet, non-illuminated	\$1,500
4	At least 40 feet and under 50 feet, illuminated	\$2,000
5	At least 40 feet and under 50 feet,	
6	non-illuminated	\$1,300
7	At least 30 feet and under 40 feet, illuminated	\$2,000
8	At least 30 feet and under 40 feet,	
9	non-illuminated	\$1,300
10	At least 20 feet and under 30 feet, illuminated	\$1,600
11	At least 20 feet and under 30 feet,	
12	non-illuminated	\$1,000
13	Under 20 feet, illuminated	\$1,600
14	Under 20 feet, non-illuminated	\$1,000

15 **(b) During the 2012 legislative interim, the commission on state**
 16 **tax and financing policy shall study the assessment of outdoor**
 17 **signs. Before January 1, 2013, the commission shall report to the**
 18 **general assembly on any suggested changes in the law with regard**
 19 **to assessing outdoor signs.**

20 **(c) This section expires July 1, 2013.**

21 SECTION 2. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011,
 22 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2013]: Sec. 12. (a) For purposes of this section,
 24 "maximum rate" refers to the maximum:

- 25 (1) property tax rate or rates; or
- 26 (2) special benefits tax rate or rates;

27 referred to in the statutes listed in subsection (d).

28 (b) The maximum rate for taxes first due and payable after 2003 is
 29 the maximum rate that would have been determined under subsection
 30 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 31 for taxes first due and payable in 2003.

32 (c) The maximum rate must be adjusted each year to account for the
 33 change in assessed value of real property that results from:

- 34 (1) an annual adjustment of the assessed value of real property
 35 under IC 6-1.1-4-4.5; or
- 36 (2) a general reassessment of real property under IC 6-1.1-4-4.

37 (d) The statutes to which subsection (a) refers are:

- 38 (1) IC 8-10-5-17;
- 39 (2) IC 8-22-3-11;
- 40 (3) IC 8-22-3-25;
- 41 (4) IC 12-29-1-1;
- 42 (5) IC 12-29-1-2;



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- 1 (6) IC 12-29-1-3;
- 2 (7) IC 12-29-3-6;
- 3 (8) IC 13-21-3-12;
- 4 (9) IC 13-21-3-15;
- 5 (10) IC 14-27-6-30;
- 6 (11) IC 14-33-7-3;
- 7 (12) IC 14-33-21-5;
- 8 (13) IC 15-14-7-4;
- 9 (14) IC 15-14-9-1;
- 10 (15) IC 15-14-9-2;
- 11 (16) IC 16-20-2-18;
- 12 (17) IC 16-20-4-27;
- 13 (18) IC 16-20-7-2;
- 14 (19) IC 16-22-14;
- 15 (20) IC 16-23-1-29;
- 16 (21) IC 16-23-3-6;
- 17 (22) IC 16-23-4-2;
- 18 (23) IC 16-23-5-6;
- 19 (24) IC 16-23-7-2;
- 20 (25) IC 16-23-8-2;
- 21 (26) IC 16-23-9-2;
- 22 (27) IC 16-41-15-5;
- 23 (28) IC 16-41-33-4;
- 24 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 25 (30) IC 20-46-6-5;
- 26 (31) IC 20-49-2-10;
- 27 (32) IC 36-1-19-1;
- 28 (33) IC 23-14-66-2;
- 29 (34) IC 23-14-67-3;
- 30 (35) IC 36-7-13-4;
- 31 (36) IC 36-7-14-28;
- 32 (37) IC 36-7-15.1-16;
- 33 (38) IC 36-8-19-8.5;
- 34 (39) IC 36-9-6.1-2;
- 35 (40) IC 36-9-17.5-4;
- 36 (41) IC 36-9-27-73;
- 37 (42) IC 36-9-29-31;
- 38 (43) IC 36-9-29.1-15;
- 39 (44) IC 36-10-6-2;
- 40 (45) IC 36-10-7-7;
- 41 (46) IC 36-10-7-8;
- 42 (47) IC 36-10-7.5-19;

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- 1 (48) IC 36-10-13-5;
 2 (49) IC 36-10-13-7;
 3 (50) IC 36-10-14-4;
 4 (51) IC 36-12-7-7;
 5 (52) IC 36-12-7-8;
 6 (53) IC 36-12-12-10; and
 7 (54) any statute enacted after December 31, 2003, that:
 8 (A) establishes a maximum rate for any part of the:
 9 (i) property taxes; or
 10 (ii) special benefits taxes;
 11 imposed by a political subdivision; and
 12 (B) does not exempt the maximum rate from the adjustment
 13 under this section.
- 14 **(e) For property tax rates imposed for property taxes first due**
 15 **and payable after December 31, 2012**, the new maximum rate under
 16 a statute listed in subsection (d) is the tax rate determined under STEP
 17 **SEVEN EIGHT** of the following STEPS:
- 18 STEP ONE: **Except as provided in subsection (g)**, determine the
 19 maximum rate for the political subdivision levying a property tax
 20 or special benefits tax under the statute for the year preceding the
 21 year in which the annual adjustment or general reassessment takes
 22 effect.
- 23 STEP TWO: **Except as provided in subsection (g)**; Determine the
 24 actual percentage change (rounded to the nearest one-hundredth
 25 percent (0.01%)) in the assessed value (before the adjustment, if
 26 any, under IC 6-1.1-4-4.5) of the taxable property from the year
 27 preceding the year the annual adjustment or general reassessment
 28 takes effect to the year that the annual adjustment or general
 29 reassessment takes effect.
- 30 STEP THREE: Determine the three (3) calendar years that
 31 immediately precede the ensuing calendar year and in which a
 32 statewide general reassessment of real property does not first take
 33 effect.
- 34 STEP FOUR: **Except as provided in subsection (g)**; Compute
 35 separately, for each of the calendar years determined in STEP
 36 THREE, the actual percentage change (rounded to the nearest
 37 one-hundredth percent (0.01%)) in the assessed value (before the
 38 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
 39 from the preceding year.
- 40 STEP FIVE: Divide the sum of the three (3) quotients computed
 41 in STEP FOUR by three (3).
- 42 **STEP SIX: Determine the greater of the following:**

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- 1 **(A) Zero (0).**
 2 **(B) The STEP FIVE result.**
 3 STEP ~~SIX~~: **SEVEN**: Determine the greater of the following:
 4 (A) Zero (0).
 5 (B) The result of the STEP TWO percentage minus the STEP
 6 ~~FIVE SIX~~ percentage.
 7 STEP ~~SEVEN~~: **EIGHT**: Determine the quotient of the STEP
 8 ONE tax rate divided by the sum of one (1) plus the STEP ~~SIX~~
 9 ~~SEVEN~~ percentage. ~~increase~~.
 10 (f) The department of local government finance shall compute the
 11 maximum rate allowed under subsection (e) and provide the rate to
 12 each political subdivision with authority to levy a tax under a statute
 13 listed in subsection (d).
 14 ~~(g) This subsection applies to STEP TWO and STEP FOUR of~~
 15 ~~subsection (e) for taxes first due and payable after 2011. If the assessed~~
 16 ~~value change used in the STEPS was not an increase, the STEPS are~~
 17 ~~applied using instead:~~
 18 (1) the actual percentage decrease (rounded to the nearest
 19 one-hundredth percent (0.01%)) in the assessed value (before the
 20 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;
 21 or
 22 (2) zero (0) if the assessed value did not increase or decrease.
 23 **(g) This section applies only when calculating the maximum rate**
 24 **for taxes due and payable in calendar year 2013. The STEP ONE**
 25 **result is the greater of the following:**
 26 **(1) The actual maximum rate established for property taxes**
 27 **first due and payable in calendar year 2012.**
 28 **(2) The maximum rate that would have been established for**
 29 **property taxes first due and payable in calendar year 2012 if**
 30 **the maximum rate had been established under the formula**
 31 **under this section, as amended in the 2012 session of the**
 32 **general assembly.**
 33 SECTION 3. IC 6-1.1-18-13 IS REPEALED [EFFECTIVE
 34 JANUARY 1, 2013]. ~~Sec. 13.~~ (a) The maximum property tax rate
 35 levied under IC 20-46-6 by each school corporation for the school
 36 corporation's capital projects fund must be adjusted each year to
 37 account for the change in assessed value of real property that results
 38 from:
 39 (1) an annual adjustment of the assessed value of real property
 40 under IC 6-1.1-4-4.5; or
 41 (2) a general reassessment of real property under IC 6-1.1-4-4.
 42 (b) The new maximum rate under this section is the tax rate

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1 determined under STEP SEVEN of the following formula:

2 STEP ONE: Determine the maximum rate for the school
3 corporation for the year preceding the year in which the annual
4 adjustment or general reassessment takes effect.

5 STEP TWO: Determine the actual percentage increase (rounded
6 to the nearest one-hundredth percent (0.01%)) in the assessed
7 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
8 taxable property from the year preceding the year the annual
9 adjustment or general reassessment takes effect to the year that
10 the annual adjustment or general reassessment is effective.

11 STEP THREE: Determine the three (3) calendar years that
12 immediately precede the ensuing calendar year and in which a
13 statewide general reassessment of real property does not first
14 become effective.

15 STEP FOUR: Compute separately, for each of the calendar years
16 determined in STEP THREE, the actual percentage increase
17 (rounded to the nearest one-hundredth percent (0.01%)) in the
18 assessed value (before the adjustment, if any, under
19 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

20 STEP FIVE: Divide the sum of the three (3) quotients computed
21 in STEP FOUR by three (3).

22 STEP SIX: Determine the greater of the following:

23 (A) Zero (0).

24 (B) The result of the STEP TWO percentage minus the STEP
25 FIVE percentage.

26 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
27 divided by the sum of one (1) plus the STEP SIX percentage
28 increase.

29 (c) The department of local government finance shall compute the
30 maximum rate allowed under subsection (b) and provide the rate to
31 each school corporation.

32 SECTION 4. IC 6-2.3-4-7 IS ADDED TO THE INDIANA CODE
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2013]: **Sec. 7. Gross receipts are exempt from the
35 utility receipts tax if the gross receipts are received by a taxpayer
36 from an electricity supplier (as defined in IC 8-1-2.3-2) as payment
37 of severance damages or other compensation resulting from a
38 change in assigned service area boundaries under IC 8-1-2.3-6(1),
39 IC 8-1-2.3-6(2), or IC 8-1-2.3-6(3).**

40 SECTION 5. IC 6-2.5-4-5, AS AMENDED BY P.L.32-2007,
41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2013]: Sec. 5. (a) As used in this section, a "power

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1 subsidiary" means a corporation which is owned or controlled by one
 2 (1) or more public utilities that furnish or sell electrical energy, natural
 3 or artificial gas, water, steam, or steam heat and which produces power
 4 exclusively for the use of those public utilities.

5 (b) A power subsidiary or a person engaged as a public utility is a
 6 retail merchant making a retail transaction when the subsidiary or
 7 person furnishes or sells electrical energy, natural or artificial gas,
 8 water, steam, or steam heating service to a person for commercial or
 9 domestic consumption.

10 (c) Notwithstanding subsection (b), a power subsidiary or a person
 11 engaged as a public utility is not a retail merchant making a retail
 12 transaction in any of the following transactions:

13 (1) The power subsidiary or person provides, installs, constructs,
 14 services, or removes tangible personal property which is used in
 15 connection with the furnishing of the services or commodities
 16 listed in subsection (b).

17 (2) The power subsidiary or person sells the services or
 18 commodities listed in subsection (b) to another public utility or
 19 power subsidiary described in this section or a person described
 20 in section 6 of this chapter.

21 (3) The power subsidiary or person sells the services or
 22 commodities listed in subsection (b) to a person for use in
 23 manufacturing, mining, production, **processing, repairing,**
 24 refining, oil extraction, mineral extraction, irrigation, agriculture,
 25 **floriculture, arboriculture,** or horticulture. However, this
 26 exclusion for sales of the services and commodities only applies
 27 if the services are consumed as an essential and integral part of an
 28 integrated process that produces tangible personal property and
 29 those sales are separately metered for the excepted uses listed in
 30 this subdivision, or if those sales are not separately metered but
 31 are predominately used by the purchaser for the excepted uses
 32 listed in this subdivision.

33 (4) The power subsidiary or person sells the services or
 34 commodities listed in subsection (b) and all the following
 35 conditions are satisfied:

36 (A) The services or commodities are sold to a business that
 37 after June 30, 2004:

38 (i) relocates all or part of its operations to a facility; or

39 (ii) expands all or part of its operations in a facility;

40 located in a military base (as defined in IC 36-7-30-1(c)), a
 41 military base reuse area established under IC 36-7-30, the part
 42 of an economic development area established under

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IC 36-7-14.5-12.5 that is or formerly was a military base (as defined in IC 36-7-30-1(c)), a military base recovery site designated under IC 6-3.1-11.5, or a qualified military base enhancement area established under IC 36-7-34.

(B) The business uses the services or commodities in the facility described in clause (A) not later than five (5) years after the operations that are relocated to the facility or expanded in the facility commence.

(C) The sales of the services or commodities are separately metered for use by the relocated or expanded operations.

(D) In the case of a business that uses the services or commodities in a qualified military base enhancement area established under IC 36-7-34-4(1), the business must satisfy at least one (1) of the following criteria:

(i) The business is a participant in the technology transfer program conducted by the qualified military base (as defined in IC 36-7-34-3).

(ii) The business is a United States Department of Defense contractor.

(iii) The business and the qualified military base have a mutually beneficial relationship evidenced by a memorandum of understanding between the business and the United States Department of Defense.

(E) In the case of a business that uses the services or commodities in a qualified military base enhancement area established under IC 36-7-34-4(2), the business must satisfy at least one (1) of the following criteria:

(i) The business is a participant in the technology transfer program conducted by the qualified military base (as defined in IC 36-7-34-3).

(ii) The business and the qualified military base have a mutually beneficial relationship evidenced by a memorandum of understanding between the business and the qualified military base (as defined in IC 36-7-34-3).

However, this subdivision does not apply to a business that substantially reduces or ceases its operations at another location in Indiana in order to relocate its operations in an area described in this subdivision, unless the department determines that the business had existing operations in the area described in this subdivision and that the operations relocated to the area are an expansion of the business's operations in the area.

(5) The power subsidiary or person sells services or commodities

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that:
(A) are referred to in subsection (b); and
(B) qualify as home energy (as defined in IC 6-2.5-5-16.5);
to a person who acquires the services or commodities after June
30, 2006, and before July 1, 2009, through home energy
assistance (as defined in IC 6-2.5-5-16.5).

SECTION 6. IC 6-2.5-5-9 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) As used in this
section, "returnable containers" means containers customarily returned
by the buyer of the contents for reuse as containers.

(b) Sales of returnable containers are exempt from the state gross
retail tax if the transaction constitutes selling at retail as defined in
IC 6-2.5-4-1 and if the returnable containers contain contents.

(c) Sales of returnable containers are exempt from the state gross
retail tax if the containers are transferred empty for the purpose of
refilling.

(d) Sales of wrapping material and empty containers are exempt
from the state gross retail tax if the person acquiring the material or
containers acquires them for use as nonreturnable packages for:

- (1) selling the contents that ~~he~~ the person adds; or
- (2) shipping or delivering tangible personal property that:
 - (A) is owned by another person;
 - (B) is processed or serviced for the owner; and
 - (C) will be sold by that owner either in the same form or as
a part of other tangible personal property produced by
that owner in the owner's business of manufacturing,
assembling, constructing, refining, or processing.

SECTION 7. IC 6-2.5-6-1, AS AMENDED BY P.L.182-2009(ss),
SECTION 180, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JANUARY 1, 2013]: Sec. 1. (a) Except as otherwise
provided in this section, each person liable for collecting the state gross
retail or use tax shall file a return for each calendar month and pay the
state gross retail and use taxes that the person collects during that
month. A person shall file the person's return for a particular month
with the department and make the person's tax payment for that month
to the department not more than thirty (30) days after the end of that
month, if that person's average monthly liability for collections of state
gross retail and use taxes under this section as determined by the
department for the preceding calendar year did not exceed one
thousand dollars (\$1,000). If a person's average monthly liability for
collections of state gross retail and use taxes under this section as
determined by the department for the preceding calendar year exceeded

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1 one thousand dollars (\$1,000), that person shall file the person's return
 2 for a particular month and make the person's tax payment for that
 3 month to the department not more than twenty (20) days after the end
 4 of that month.

5 ~~(b) If a person files a combined sales and withholding tax report and~~
 6 ~~either this section or IC 6-3-4-8.1 requires sales or withholding tax~~
 7 ~~reports to be filed and remittances to be made within twenty (20) days~~
 8 ~~after the end of each month; then the person shall file the combined~~
 9 ~~report and remit the sales and withholding taxes due within twenty (20)~~
 10 ~~days after the end of each month.~~

11 ~~(c)~~ **(b)** Instead of the twelve (12) monthly reporting periods required
 12 by subsection (a), the department may permit a person to divide a year
 13 into a different number of reporting periods. The return and payment
 14 for each reporting period is due not more than twenty (20) days after
 15 the end of the period.

16 ~~(d)~~ **(c)** Instead of the reporting periods required under subsection
 17 (a), the department may permit a retail merchant to report and pay the
 18 merchant's state gross retail and use taxes for a period covering a
 19 calendar year, if the retail merchant's state gross retail and use tax
 20 liability in the previous calendar year does not exceed one thousand
 21 dollars (\$1,000). A retail merchant using a reporting period allowed
 22 under this subsection must file the merchant's return and pay the
 23 merchant's tax for a reporting period not later than the last day of the
 24 month immediately following the close of that reporting period.

25 ~~(e)~~ **(d)** If a retail merchant reports the merchant's adjusted gross
 26 income tax, or the tax the merchant pays in place of the adjusted gross
 27 income tax, over a fiscal year not corresponding to the calendar year,
 28 the merchant may, without prior departmental approval, report and pay
 29 the merchant's state gross retail and use taxes over the merchant's fiscal
 30 year that corresponds to the calendar year the merchant is permitted to
 31 use under subsection ~~(d)~~: **(c)**. However, the department may, at any
 32 time, require the retail merchant to stop using the fiscal reporting
 33 period.

34 ~~(f) If a retail merchant files a combined sales and withholding tax~~
 35 ~~report, the reporting period for the combined report is the shortest~~
 36 ~~period required under:~~

- 37 ~~(1) this section;~~
 38 ~~(2) IC 6-3-4-8; or~~
 39 ~~(3) IC 6-3-4-8.1.~~

40 ~~(g)~~ **(e)** If the department determines that a person's:

- 41 (1) estimated monthly gross retail and use tax liability for the
 42 current year; or

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1 (2) average monthly gross retail and use tax liability for the
 2 preceding year;
 3 exceeds five thousand dollars (\$5,000), the person shall pay the
 4 monthly gross retail and use taxes due by electronic funds transfer (as
 5 defined in IC 4-8.1-2-7) or by delivering in person or by overnight
 6 courier a payment by cashier's check, certified check, or money order
 7 to the department. The transfer or payment shall be made on or before
 8 the date the tax is due.

9 ~~(h)~~ **(f)** A person that registers as a retail merchant after December
 10 ~~31, 2009~~, shall report and remit state gross retail and use taxes through
 11 the department's online tax filing program. ~~This subsection does not~~
 12 ~~apply to a retail merchant that was a registered retail merchant before~~
 13 ~~January 1, 2010; but adds an additional place of business in accordance~~
 14 ~~with IC 6-2.5-8-1(e) after December 31, 2009.~~

15 ~~(i)~~ **(g)** A person:
 16 (1) who has voluntarily registered as a seller under the
 17 Streamlined Sales and Use Tax Agreement;
 18 (2) who is not a Model 1, Model 2, or Model 3 seller (as defined
 19 in the Streamlined Sales and Use Tax Agreement); and
 20 (3) whose liability for collections of state gross retail and use
 21 taxes under this section for the preceding calendar year as
 22 determined by the department does not exceed one thousand
 23 dollars (\$1,000);

24 is not required to file a monthly gross retail and use tax return.

25 SECTION 8. IC 6-2.5-7-5, AS AMENDED BY P.L.148-2009,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2012]: Sec. 5. (a) Each retail merchant who dispenses
 28 gasoline or special fuel from a metered pump shall, in the manner
 29 prescribed in IC 6-2.5-6, report to the department the following
 30 information:

- 31 (1) The total number of gallons of gasoline sold from a metered
 32 pump during the period covered by the report.
- 33 (2) The total amount of money received from the sale of gasoline
 34 described in subdivision (1) during the period covered by the
 35 report.
- 36 (3) That portion of the amount described in subdivision (2) which
 37 represents state and federal taxes imposed under this article,
 38 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.
- 39 (4) The total number of gallons of special fuel sold from a
 40 metered pump during the period covered by the report.
- 41 (5) The total amount of money received from the sale of special
 42 fuel during the period covered by the report.

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1 (6) That portion of the amount described in subdivision (5) that
 2 represents state and federal taxes imposed under this article,
 3 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.
 4 (7) The total number of gallons of E85 sold from a metered pump
 5 during the period covered by the report.
 6 (b) Concurrently with filing the report, the retail merchant shall
 7 remit the state gross retail tax in an amount which equals six and
 8 fifty-four hundredths percent (6.54%) of the gross receipts, including
 9 state gross retail taxes but excluding Indiana and federal gasoline and
 10 special fuel taxes, received by the retail merchant from the sale of the
 11 gasoline and special fuel that is covered by the report and on which the
 12 retail merchant was required to collect state gross retail tax. The retail
 13 merchant shall remit that amount regardless of the amount of state
 14 gross retail tax which the merchant has actually collected under this
 15 chapter. However, the retail merchant is entitled to deduct and retain
 16 the amounts prescribed in subsection (c), IC 6-2.5-6-10, and
 17 IC 6-2.5-6-11.
 18 (c) A retail merchant is entitled to deduct from the amount of state
 19 gross retail tax required to be remitted under subsection (b) the amount
 20 determined under STEP THREE of the following formula:
 21 STEP ONE: Determine:
 22 (A) the sum of the prepayment amounts made during the
 23 period covered by the retail merchant's report; minus
 24 (B) the sum of prepayment amounts collected by the retail
 25 merchant, in the merchant's capacity as a qualified distributor,
 26 during the period covered by the retail merchant's report.
 27 STEP TWO: Subject to subsections (d) and (f), for qualified
 28 reporting periods beginning after June 30, 2009, and ending
 29 before July 1, 2020, determine the product of:
 30 (A) eighteen cents (\$0.18); multiplied by
 31 (B) the number of gallons of E85 sold at retail by the retail
 32 merchant during the period covered by the retail merchant's
 33 report.
 34 STEP THREE: Add the amounts determined under STEPS ONE
 35 and TWO.
 36 For purposes of this section, a prepayment of the gross retail tax is
 37 presumed to occur on the date on which it is invoiced.
 38 (d) The total amount of deductions allowed under subsection (c)
 39 STEP TWO may not exceed the amount of money that the budget
 40 agency determines is available in the retail merchant E85 deduction
 41 reimbursement fund established under IC 15-15-12-30.5 for the
 42 deductions for all retail merchants in a particular qualified reporting

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1 period. A retail merchant is not required to apply for an allocation of
 2 deductions under subsection (c) STEP TWO. Before August 1 of each
 3 year, the budget agency shall estimate whether the amount of
 4 **unreimbursed** deductions from the immediately preceding qualified
 5 reporting period that are subject to reimbursement under
 6 IC 15-15-12-30.5(f) and the deductions expected to be reported under
 7 subsection (c) STEP TWO for the qualified reporting periods beginning
 8 after December 31 and ending before April 1 of the following year will
 9 exceed the amount of money available in the retail merchant E85
 10 deduction reimbursement fund for the deductions. If the budget agency
 11 determines that the amount of money in the retail merchant E85
 12 deduction reimbursement fund is insufficient to cover the amount of
 13 the deductions expected to be reported, the budget agency shall publish
 14 in the Indiana Register a notice that the deduction program under
 15 subsection (c) STEP TWO is suspended with respect to the qualified
 16 reporting periods occurring in the following calendar year and that no
 17 deductions will be granted for retail transactions occurring in the
 18 qualified reporting periods occurring in the following calendar year.

19 (e) As used in this section, "qualified reporting period" refers to a
 20 reporting period beginning after December 31 and ending before April
 21 1 of each year.

22 (f) The budget agency may suspend the deduction program under
 23 subsection (c) STEP TWO for a particular year at any time during a
 24 qualified reporting period if the budget agency determines that the
 25 amount of money in the retail merchant E85 deduction reimbursement
 26 fund and the amount of money that will be transferred to the fund on
 27 July 1 will not be sufficient to reimburse the deductions expected to
 28 occur before the deduction program for the year ends on March 31. The
 29 budget agency shall immediately provide notice to the participating
 30 retail merchants of the decision to suspend the deduction program for
 31 that year.

32 SECTION 9. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011,
 33 SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND
 34 AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED
 35 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 36 2012]: Sec. 3.5. When used in this article, the term "adjusted gross
 37 income" shall mean the following:

38 (a) In the case of all individuals, "adjusted gross income" (as
 39 defined in Section 62 of the Internal Revenue Code), modified as
 40 follows:

41 (1) Subtract income that is exempt from taxation under this article
 42 by the Constitution and statutes of the United States.

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- 1 (2) Add an amount equal to any deduction or deductions allowed
 2 or allowable pursuant to Section 62 of the Internal Revenue Code
 3 for taxes based on or measured by income and levied at the state
 4 level by any state of the United States.
- 5 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 6 joint return filed by a husband and wife, subtract for each spouse
 7 one thousand dollars (\$1,000).
- 8 (4) Subtract one thousand dollars (\$1,000) for:
 9 (A) each of the exemptions provided by Section 151(c) of the
 10 Internal Revenue Code;
 11 (B) each additional amount allowable under Section 63(f) of
 12 the Internal Revenue Code; and
 13 (C) the spouse of the taxpayer if a separate return is made by
 14 the taxpayer and if the spouse, for the calendar year in which
 15 the taxable year of the taxpayer begins, has no gross income
 16 and is not the dependent of another taxpayer.
- 17 (5) Subtract:
 18 (A) *for taxable years beginning after December 31, 2004*, one
 19 thousand five hundred dollars (\$1,500) for each of the
 20 exemptions allowed under Section 151(c)(1)(B) of the Internal
 21 Revenue Code (as effective January 1, 2004); and
 22 (B) five hundred dollars (\$500) for each additional amount
 23 allowable under Section 63(f)(1) of the Internal Revenue Code
 24 if the adjusted gross income of the taxpayer, or the taxpayer
 25 and the taxpayer's spouse in the case of a joint return, is less
 26 than forty thousand dollars (\$40,000).
- 27 This amount is in addition to the amount subtracted under
 28 subdivision (4).
- 29 (6) Subtract an amount equal to the lesser of:
 30 (A) that part of the individual's adjusted gross income (as
 31 defined in Section 62 of the Internal Revenue Code) for that
 32 taxable year that is subject to a tax that is imposed by a
 33 political subdivision of another state and that is imposed on or
 34 measured by income; or
 35 (B) two thousand dollars (\$2,000).
- 36 (7) Add an amount equal to the total capital gain portion of a
 37 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 38 Internal Revenue Code) if the lump sum distribution is received
 39 by the individual during the taxable year and if the capital gain
 40 portion of the distribution is taxed in the manner provided in
 41 Section 402 of the Internal Revenue Code.
- 42 (8) Subtract any amounts included in federal adjusted gross

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1 income under Section 111 of the Internal Revenue Code as a
 2 recovery of items previously deducted as an itemized deduction
 3 from adjusted gross income.

4 (9) Subtract any amounts included in federal adjusted gross
 5 income under the Internal Revenue Code which amounts were
 6 received by the individual as supplemental railroad retirement
 7 annuities under 45 U.S.C. 231 and which are not deductible under
 8 subdivision (1).

9 ~~(10) Add an amount equal to the deduction allowed under Section~~
 10 ~~221 of the Internal Revenue Code for married couples filing joint~~
 11 ~~returns if the taxable year began before January 1, 1987.~~

12 ~~(11) Add an amount equal to the interest excluded from federal~~
 13 ~~gross income by the individual for the taxable year under Section~~
 14 ~~128 of the Internal Revenue Code if the taxable year began before~~
 15 ~~January 1, 1985.~~

16 ~~(12) (10) Subtract an amount equal to the amount of federal~~
 17 ~~Social Security and Railroad Retirement benefits included in a~~
 18 ~~taxpayer's federal gross income by Section 86 of the Internal~~
 19 ~~Revenue Code.~~

20 ~~(13) (11) In the case of a nonresident taxpayer or a resident~~
 21 ~~taxpayer residing in Indiana for a period of less than the taxpayer's~~
 22 ~~entire taxable year, the total amount of the deductions allowed~~
 23 ~~pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to~~
 24 ~~an amount which bears the same ratio to the total as the taxpayer's~~
 25 ~~income taxable in Indiana bears to the taxpayer's total income.~~

26 ~~(14) (12) In the case of an individual who is a recipient of~~
 27 ~~assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or~~
 28 ~~IC 12-15-7, subtract an amount equal to that portion of the~~
 29 ~~individual's adjusted gross income with respect to which the~~
 30 ~~individual is not allowed under federal law to retain an amount to~~
 31 ~~pay state and local income taxes.~~

32 ~~(15) (13) In the case of an eligible individual, subtract the amount~~
 33 ~~of a Holocaust victim's settlement payment included in the~~
 34 ~~individual's federal adjusted gross income.~~

35 ~~(16) For taxable years beginning after December 31, 1999, (14)~~
 36 ~~Subtract an amount equal to the portion of any premiums paid~~
 37 ~~during the taxable year by the taxpayer for a qualified long term~~
 38 ~~care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the~~
 39 ~~taxpayer's spouse, or both.~~

40 ~~(17) (15) Subtract an amount equal to the lesser of:~~

41 ~~(A) for a taxable year:~~

42 ~~(i) including any part of 2004, the amount determined under~~

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1 *subsection (f); and*
2 *(ii) beginning after December 31, 2004,* two thousand five
3 hundred dollars (\$2,500); or
4 (B) the amount of property taxes that are paid during the
5 taxable year in Indiana by the individual on the individual's
6 principal place of residence.
7 ~~(18)~~ (16) Subtract an amount equal to the amount of a September
8 11 terrorist attack settlement payment included in the individual's
9 federal adjusted gross income.
10 ~~(19)~~ (17) Add or subtract the amount necessary to make the
11 adjusted gross income of any taxpayer that owns property for
12 which bonus depreciation was allowed in the current taxable year
13 or in an earlier taxable year equal to the amount of adjusted gross
14 income that would have been computed had an election not been
15 made under Section 168(k) of the Internal Revenue Code to apply
16 bonus depreciation to the property in the year that it was placed
17 in service.
18 ~~(20)~~ (18) Add an amount equal to any deduction allowed under
19 Section 172 of the Internal Revenue Code.
20 ~~(21)~~ (19) Add or subtract the amount necessary to make the
21 adjusted gross income of any taxpayer that placed Section 179
22 property (as defined in Section 179 of the Internal Revenue Code)
23 in service in the current taxable year or in an earlier taxable year
24 equal to the amount of adjusted gross income that would have
25 been computed had an election for federal income tax purposes
26 not been made for the year in which the property was placed in
27 service to take deductions under Section 179 of the Internal
28 Revenue Code in a total amount exceeding twenty-five thousand
29 dollars (\$25,000).
30 ~~(22)~~ (20) Add an amount equal to the amount that a taxpayer
31 claimed as a deduction for domestic production activities for the
32 taxable year under Section 199 of the Internal Revenue Code for
33 federal income tax purposes.
34 ~~(23)~~ (21) Subtract an amount equal to the amount of the taxpayer's
35 qualified military income that was not excluded from the
36 taxpayer's gross income for federal income tax purposes under
37 Section 112 of the Internal Revenue Code.
38 ~~(24)~~ (22) Subtract income that is:
39 (A) exempt from taxation under IC 6-3-2-21.7; and
40 (B) included in the individual's federal adjusted gross income
41 under the Internal Revenue Code.
42 ~~(25)~~ (23) Subtract any amount of a credit (including an advance

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1 refund of the credit) that is provided to an individual under 26
 2 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and
 3 included in the individual's federal adjusted gross income.
 4 ~~(26)~~ (24) Add any amount of unemployment compensation
 5 excluded from federal gross income, as defined in Section 61 of
 6 the Internal Revenue Code, under Section 85(c) of the Internal
 7 Revenue Code.
 8 ~~(27)~~ (25) Add the amount excluded from gross income under
 9 Section 108(a)(1)(e) of the Internal Revenue Code for the
 10 discharge of debt on a qualified principal residence.
 11 ~~(28)~~ (26) Add an amount equal to any income not included in
 12 gross income as a result of the deferral of income arising from
 13 business indebtedness discharged in connection with the
 14 reacquisition after December 31, 2008, and before January 1,
 15 2011, of an applicable debt instrument, as provided in Section
 16 108(i) of the Internal Revenue Code. Subtract the amount
 17 necessary from the adjusted gross income of any taxpayer that
 18 added an amount to adjusted gross income in a previous year to
 19 offset the amount included in federal gross income as a result of
 20 the deferral of income arising from business indebtedness
 21 discharged in connection with the reacquisition after December
 22 31, 2008, and before January 1, 2011, of an applicable debt
 23 instrument, as provided in Section 108(i) of the Internal Revenue
 24 Code.
 25 ~~(29)~~ (27) Add the amount necessary to make the adjusted gross
 26 income of any taxpayer that placed qualified restaurant property
 27 in service during the taxable year and that was classified as
 28 15-year property under Section 168(e)(3)(E)(v) of the Internal
 29 Revenue Code equal to the amount of adjusted gross income that
 30 would have been computed had the classification not applied to
 31 the property in the year that it was placed in service.
 32 ~~(30)~~ (28) Add the amount necessary to make the adjusted gross
 33 income of any taxpayer that placed qualified retail improvement
 34 property in service during the taxable year and that was classified
 35 as 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 36 Revenue Code equal to the amount of adjusted gross income that
 37 would have been computed had the classification not applied to
 38 the property in the year that it was placed in service.
 39 ~~(31)~~ (29) Add or subtract the amount necessary to make the
 40 adjusted gross income of any taxpayer that claimed the special
 41 allowance for qualified disaster assistance property under Section
 42 168(n) of the Internal Revenue Code equal to the amount of

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1 adjusted gross income that would have been computed had the
2 special allowance not been claimed for the property.

3 ~~(31)~~ (30) Add or subtract the amount necessary to make the
4 adjusted gross income of any taxpayer that made an election
5 under Section 179C of the Internal Revenue Code to expense
6 costs for qualified refinery property equal to the amount of
7 adjusted gross income that would have been computed had an
8 election for federal income tax purposes not been made for the
9 year.

10 ~~(32)~~ (31) Add or subtract the amount necessary to make the
11 adjusted gross income of any taxpayer that made an election
12 under Section 181 of the Internal Revenue Code to expense costs
13 for a qualified film or television production equal to the amount
14 of adjusted gross income that would have been computed had an
15 election for federal income tax purposes not been made for the
16 year.

17 ~~(33)~~ (32) Add or subtract the amount necessary to make the
18 adjusted gross income of any taxpayer that treated a loss from the
19 sale or exchange of preferred stock in:

20 (A) the Federal National Mortgage Association, established
21 under the Federal National Mortgage Association Charter Act
22 (12 U.S.C. 1716 et seq.); or

23 (B) the Federal Home Loan Mortgage Corporation, established
24 under the Federal Home Loan Mortgage Corporation Act (12
25 U.S.C. 1451 et seq.);

26 as an ordinary loss under Section 301 of the Emergency
27 Economic Stabilization Act of 2008 in the current taxable year or
28 in an earlier taxable year equal to the amount of adjusted gross
29 income that would have been computed had the loss not been
30 treated as an ordinary loss.

31 *(33) Add the amount excluded from federal gross income under*
32 *Section 103 of the Internal Revenue Code for interest received on*
33 *an obligation of a state other than Indiana, or a political*
34 *subdivision of such a state, that is acquired by the taxpayer after*
35 *December 31, 2011.*

36 ~~(34)~~ (34) *Add the amount deducted from gross income under*
37 *Section 198 of the Internal Revenue Code for the expensing of*
38 *environmental remediation costs.*

39 ~~(35)~~ (35) *Add the amount excluded from gross income under*
40 *Section 408(d)(8) of the Internal Revenue Code for a charitable*
41 *distribution from an individual retirement plan.*

42 ~~(36)~~ (36) *Add the amount deducted from gross income under*

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- 1 *Section 222 of the Internal Revenue Code for qualified tuition*
 2 *and related expenses.*
 3 ~~(38)~~ (37) *Add the amount deducted from gross income under*
 4 *Section ~~62(2)(D)~~ **62(a)(2)(D)** of the Internal Revenue Code for*
 5 *certain expenses of elementary and secondary school teachers.*
 6 ~~(39)~~ (38) *Add the amount excluded from gross income under*
 7 *Section 127 of the Internal Revenue Code as annual employer*
 8 *provided education expenses.*
 9 ~~(40)~~ (39) *Add the amount deducted from gross income under*
 10 *Section 179E of the Internal Revenue Code for any qualified*
 11 *advanced mine safety equipment property.*
 12 ~~(41)~~ (40) *Add the monthly amount excluded from gross income*
 13 *under Section 132(f)(1)(A) and 132(f)(1)(B) of the **Internal***
 14 ***Revenue Code** that exceeds one hundred dollars (\$100) a month*
 15 *for a qualified transportation fringe.*
 16 ~~(42)~~ (41) *Add the amount deducted from gross income under*
 17 *Section 221 of the Internal Revenue Code that exceeds the*
 18 *amount the taxpayer could deduct under Section 221 of the*
 19 *Internal Revenue Code before it was amended by the Tax Relief,*
 20 *Unemployment Insurance Reauthorization, and Job Creation Act*
 21 *of 2010 (P.L. 111-312).*
 22 ~~(43)~~ (42) *Add the amount necessary to make the adjusted gross*
 23 *income of any taxpayer that placed any qualified leasehold*
 24 *improvement property in service during the taxable year and that*
 25 *was classified as 15-year property under Section 168(e)(3)(E)(iv)*
 26 *of the Internal Revenue Code equal to the amount of adjusted*
 27 *gross income that would have been computed had the*
 28 *classification not applied to the property in the year that it was*
 29 *placed into service.*
 30 ~~(44)~~ (43) *Add the amount necessary to make the adjusted gross*
 31 *income of any taxpayer that placed a motorsports entertainment*
 32 *complex in service during the taxable year and that was classified*
 33 *as 7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 34 *Revenue Code equal to the amount of adjusted gross income that*
 35 *would have been computed had the classification not applied to*
 36 *the property in the year that it was placed into service.*
 37 ~~(45)~~ (44) *Add the amount deducted under Section 195 of the*
 38 *Internal Revenue Code for start-up expenditures that exceeds the*
 39 *amount the taxpayer could deduct under Section 195 of the*
 40 *Internal Revenue Code before it was amended by the Small*
 41 *Business Jobs Act of 2010 (P.L. 111-240).*
 42 ~~(46)~~ (45) *Add the amount necessary to make the adjusted gross*

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1 *income of any taxpayer for which tax was not imposed on the net*
 2 *recognized built-in gain of an S corporation under Section*
 3 *1374(d)(7) of the Internal Revenue Code as amended by the Small*
 4 *Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of*
 5 *adjusted gross income that would have been computed before*
 6 *Section 1374(d)(7) of the Internal Revenue Code as amended by*
 7 *the Small Business Jobs Act of 2010 (P.L. 111-240).*

8 ~~(35)~~ **(46)** *This subdivision does not apply to payments made for*
 9 *services provided to a business that was enrolled and*
 10 *participated in the E-Verify program (as defined in*
 11 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 12 *in Indiana in the taxable year. For a taxable year beginning after*
 13 *June 30, 2011, add the amount of any trade or business deduction*
 14 *allowed under the Internal Revenue Code for wages,*
 15 *reimbursements, or other payments made for services provided*
 16 *in Indiana by an individual for services as an employee, if the*
 17 *individual was, during the period of service, prohibited from*
 18 *being hired as an employee under 8 U.S.C. 1324a.*

19 (b) In the case of corporations, the same as "taxable income" (as
 20 defined in Section 63 of the Internal Revenue Code) adjusted as
 21 follows:

22 (1) Subtract income that is exempt from taxation under this article
 23 by the Constitution and statutes of the United States.

24 (2) Add an amount equal to any deduction or deductions allowed
 25 or allowable pursuant to Section 170 of the Internal Revenue
 26 Code.

27 (3) Add an amount equal to any deduction or deductions allowed
 28 or allowable pursuant to Section 63 of the Internal Revenue Code
 29 for taxes based on or measured by income and levied at the state
 30 level by any state of the United States.

31 (4) Subtract an amount equal to the amount included in the
 32 corporation's taxable income under Section 78 of the Internal
 33 Revenue Code.

34 (5) Add or subtract the amount necessary to make the adjusted
 35 gross income of any taxpayer that owns property for which bonus
 36 depreciation was allowed in the current taxable year or in an
 37 earlier taxable year equal to the amount of adjusted gross income
 38 that would have been computed had an election not been made
 39 under Section 168(k) of the Internal Revenue Code to apply bonus
 40 depreciation to the property in the year that it was placed in
 41 service.

42 (6) Add an amount equal to any deduction allowed under Section

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- 1 172 of the Internal Revenue Code.
- 2 (7) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that placed Section 179 property (as
- 4 defined in Section 179 of the Internal Revenue Code) in service
- 5 in the current taxable year or in an earlier taxable year equal to
- 6 the amount of adjusted gross income that would have been
- 7 computed had an election for federal income tax purposes not
- 8 been made for the year in which the property was placed in
- 9 service to take deductions under Section 179 of the Internal
- 10 Revenue Code in a total amount exceeding twenty-five thousand
- 11 dollars (\$25,000).
- 12 (8) Add an amount equal to the amount that a taxpayer claimed as
- 13 a deduction for domestic production activities for the taxable year
- 14 under Section 199 of the Internal Revenue Code for federal
- 15 income tax purposes.
- 16 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 17 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 18 related intangible interest expenses (as defined in IC 6-3-2-20) for
- 19 the taxable year that reduced the corporation's taxable income (as
- 20 defined in Section 63 of the Internal Revenue Code) for federal
- 21 income tax purposes.
- 22 (10) Add an amount equal to any deduction for dividends paid (as
- 23 defined in Section 561 of the Internal Revenue Code) to
- 24 shareholders of a captive real estate investment trust (as defined
- 25 in section 34.5 of this chapter).
- 26 (11) Subtract income that is:
- 27 (A) exempt from taxation under IC 6-3-2-21.7; and
- 28 (B) included in the corporation's taxable income under the
- 29 Internal Revenue Code.
- 30 (12) Add an amount equal to any income not included in gross
- 31 income as a result of the deferral of income arising from business
- 32 indebtedness discharged in connection with the reacquisition after
- 33 December 31, 2008, and before January 1, 2011, of an applicable
- 34 debt instrument, as provided in Section 108(i) of the Internal
- 35 Revenue Code. Subtract from the adjusted gross income of any
- 36 taxpayer that added an amount to adjusted gross income in a
- 37 previous year the amount necessary to offset the amount included
- 38 in federal gross income as a result of the deferral of income
- 39 arising from business indebtedness discharged in connection with
- 40 the reacquisition after December 31, 2008, and before January 1,
- 41 2011, of an applicable debt instrument, as provided in Section
- 42 108(i) of the Internal Revenue Code.

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- 1 (13) Add the amount necessary to make the adjusted gross income
 2 of any taxpayer that placed qualified restaurant property in service
 3 during the taxable year and that was classified as 15-year property
 4 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 5 to the amount of adjusted gross income that would have been
 6 computed had the classification not applied to the property in the
 7 year that it was placed in service.
- 8 (14) Add the amount necessary to make the adjusted gross income
 9 of any taxpayer that placed qualified retail improvement property
 10 in service during the taxable year and that was classified as
 11 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 12 Revenue Code equal to the amount of adjusted gross income that
 13 would have been computed had the classification not applied to
 14 the property in the year that it was placed in service.
- 15 (15) Add or subtract the amount necessary to make the adjusted
 16 gross income of any taxpayer that claimed the special allowance
 17 for qualified disaster assistance property under Section 168(n) of
 18 the Internal Revenue Code equal to the amount of adjusted gross
 19 income that would have been computed had the special allowance
 20 not been claimed for the property.
- 21 (16) Add or subtract the amount necessary to make the adjusted
 22 gross income of any taxpayer that made an election under Section
 23 179C of the Internal Revenue Code to expense costs for qualified
 24 refinery property equal to the amount of adjusted gross income
 25 that would have been computed had an election for federal
 26 income tax purposes not been made for the year.
- 27 (17) Add or subtract the amount necessary to make the adjusted
 28 gross income of any taxpayer that made an election under Section
 29 181 of the Internal Revenue Code to expense costs for a qualified
 30 film or television production equal to the amount of adjusted
 31 gross income that would have been computed had an election for
 32 federal income tax purposes not been made for the year.
- 33 (18) Add or subtract the amount necessary to make the adjusted
 34 gross income of any taxpayer that treated a loss from the sale or
 35 exchange of preferred stock in:
- 36 (A) the Federal National Mortgage Association, established
 37 under the Federal National Mortgage Association Charter Act
 38 (12 U.S.C. 1716 et seq.); or
- 39 (B) the Federal Home Loan Mortgage Corporation, established
 40 under the Federal Home Loan Mortgage Corporation Act (12
 41 U.S.C. 1451 et seq.);
- 42 as an ordinary loss under Section 301 of the Emergency

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1 Economic Stabilization Act of 2008 in the current taxable year or
 2 in an earlier taxable year equal to the amount of adjusted gross
 3 income that would have been computed had the loss not been
 4 treated as an ordinary loss.

5 *(19) Add the amount deducted from gross income under Section*
 6 *198 of the Internal Revenue Code for the expensing of*
 7 *environmental remediation costs.*

8 *(20) Add the amount deducted from gross income under Section*
 9 *179E of the Internal Revenue Code for any qualified advanced*
 10 *mine safety equipment property.*

11 *(21) Add the amount necessary to make the adjusted gross income*
 12 *of any taxpayer that placed any qualified leasehold improvement*
 13 *property in service during the taxable year and that was*
 14 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 15 *the Internal Revenue Code equal to the amount of adjusted gross*
 16 *income that would have been computed had the classification not*
 17 *applied to the property in the year that it was placed into service.*

18 *(22) Add the amount necessary to make the adjusted gross income*
 19 *of any taxpayer that placed a motorsports entertainment complex*
 20 *in service during the taxable year and that was classified as*
 21 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 22 *Revenue Code equal to the amount of adjusted gross income that*
 23 *would have been computed had the classification not applied to*
 24 *the property in the year that it was placed into service.*

25 *(23) Add the amount deducted under Section 195 of the Internal*
 26 *Revenue Code for start-up expenditures that exceeds the amount*
 27 *the taxpayer could deduct under Section 195 of the Internal*
 28 *Revenue Code before it was amended by the Small Business Jobs*
 29 *Act of 2010 (P.L. 111-240).*

30 ~~(19)~~ **(24)** *This subdivision does not apply to payments made for*
 31 *services provided to a business that was enrolled and*
 32 *participated in the E-Verify program (as defined in*
 33 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 34 *in Indiana in the taxable year. For a taxable year beginning after*
 35 *June 30, 2011, add the amount of any trade or business deduction*
 36 *allowed under the Internal Revenue Code for wages,*
 37 *reimbursements, or other payments made for services provided*
 38 *in Indiana by an individual for services as an employee, if the*
 39 *individual was, during the period of service, prohibited from*
 40 *being hired as an employee under 8 U.S.C. 1324a.*

41 ~~(24)~~ **(25)** *Add the amount excluded from federal gross income*
 42 *under Section 103 of the Internal Revenue Code for interest*

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1 *received on an obligation of a state other than Indiana, or a*
2 *political subdivision of such a state, that is acquired by the*
3 *taxpayer after December 31, 2011.*

4 (c) In the case of life insurance companies (as defined in Section
5 816(a) of the Internal Revenue Code) that are organized under Indiana
6 law, the same as "life insurance company taxable income" (as defined
7 in Section 801 of the Internal Revenue Code), adjusted as follows:

8 (1) Subtract income that is exempt from taxation under this article
9 by the Constitution and statutes of the United States.

10 (2) Add an amount equal to any deduction allowed or allowable
11 under Section 170 of the Internal Revenue Code.

12 (3) Add an amount equal to a deduction allowed or allowable
13 under Section 805 or Section 831(c) of the Internal Revenue Code
14 for taxes based on or measured by income and levied at the state
15 level by any state.

16 (4) Subtract an amount equal to the amount included in the
17 company's taxable income under Section 78 of the Internal
18 Revenue Code.

19 (5) Add or subtract the amount necessary to make the adjusted
20 gross income of any taxpayer that owns property for which bonus
21 depreciation was allowed in the current taxable year or in an
22 earlier taxable year equal to the amount of adjusted gross income
23 that would have been computed had an election not been made
24 under Section 168(k) of the Internal Revenue Code to apply bonus
25 depreciation to the property in the year that it was placed in
26 service.

27 (6) Add an amount equal to any deduction allowed under Section
28 172 or Section 810 of the Internal Revenue Code.

29 (7) Add or subtract the amount necessary to make the adjusted
30 gross income of any taxpayer that placed Section 179 property (as
31 defined in Section 179 of the Internal Revenue Code) in service
32 in the current taxable year or in an earlier taxable year equal to
33 the amount of adjusted gross income that would have been
34 computed had an election for federal income tax purposes not
35 been made for the year in which the property was placed in
36 service to take deductions under Section 179 of the Internal
37 Revenue Code in a total amount exceeding twenty-five thousand
38 dollars (\$25,000).

39 (8) Add an amount equal to the amount that a taxpayer claimed as
40 a deduction for domestic production activities for the taxable year
41 under Section 199 of the Internal Revenue Code for federal
42 income tax purposes.

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- 1 (9) Subtract income that is:
2 (A) exempt from taxation under IC 6-3-2-21.7; and
3 (B) included in the insurance company's taxable income under
4 the Internal Revenue Code.
- 5 (10) Add an amount equal to any income not included in gross
6 income as a result of the deferral of income arising from business
7 indebtedness discharged in connection with the reacquisition after
8 December 31, 2008, and before January 1, 2011, of an applicable
9 debt instrument, as provided in Section 108(i) of the Internal
10 Revenue Code. Subtract from the adjusted gross income of any
11 taxpayer that added an amount to adjusted gross income in a
12 previous year the amount necessary to offset the amount included
13 in federal gross income as a result of the deferral of income
14 arising from business indebtedness discharged in connection with
15 the reacquisition after December 31, 2008, and before January 1,
16 2011, of an applicable debt instrument, as provided in Section
17 108(i) of the Internal Revenue Code.
- 18 (11) Add the amount necessary to make the adjusted gross income
19 of any taxpayer that placed qualified restaurant property in service
20 during the taxable year and that was classified as 15-year property
21 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
22 to the amount of adjusted gross income that would have been
23 computed had the classification not applied to the property in the
24 year that it was placed in service.
- 25 (12) Add the amount necessary to make the adjusted gross income
26 of any taxpayer that placed qualified retail improvement property
27 in service during the taxable year and that was classified as
28 15-year property under Section 168(e)(3)(E)(ix) of the Internal
29 Revenue Code equal to the amount of adjusted gross income that
30 would have been computed had the classification not applied to
31 the property in the year that it was placed in service.
- 32 (13) Add or subtract the amount necessary to make the adjusted
33 gross income of any taxpayer that claimed the special allowance
34 for qualified disaster assistance property under Section 168(n) of
35 the Internal Revenue Code equal to the amount of adjusted gross
36 income that would have been computed had the special allowance
37 not been claimed for the property.
- 38 (14) Add or subtract the amount necessary to make the adjusted
39 gross income of any taxpayer that made an election under Section
40 179C of the Internal Revenue Code to expense costs for qualified
41 refinery property equal to the amount of adjusted gross income
42 that would have been computed had an election for federal

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1 income tax purposes not been made for the year.

2 (15) Add or subtract the amount necessary to make the adjusted
3 gross income of any taxpayer that made an election under Section
4 181 of the Internal Revenue Code to expense costs for a qualified
5 film or television production equal to the amount of adjusted
6 gross income that would have been computed had an election for
7 federal income tax purposes not been made for the year.

8 (16) Add or subtract the amount necessary to make the adjusted
9 gross income of any taxpayer that treated a loss from the sale or
10 exchange of preferred stock in:

11 (A) the Federal National Mortgage Association, established
12 under the Federal National Mortgage Association Charter Act
13 (12 U.S.C. 1716 et seq.); or

14 (B) the Federal Home Loan Mortgage Corporation, established
15 under the Federal Home Loan Mortgage Corporation Act (12
16 U.S.C. 1451 et seq.);

17 as an ordinary loss under Section 301 of the Emergency
18 Economic Stabilization Act of 2008 in the current taxable year or
19 in an earlier taxable year equal to the amount of adjusted gross
20 income that would have been computed had the loss not been
21 treated as an ordinary loss.

22 (17) Add an amount equal to any exempt insurance income under
23 Section 953(e) of the Internal Revenue Code that is active
24 financing income under Subpart F of Subtitle A, Chapter 1,
25 Subchapter N of the Internal Revenue Code.

26 *(18) Add the amount necessary to make the adjusted gross income*
27 *of any taxpayer that placed any qualified leasehold improvement*
28 *property in service during the taxable year and that was*
29 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
30 *the Internal Revenue Code equal to the amount of adjusted gross*
31 *income that would have been computed had the classification not*
32 *applied to the property in the year that it was placed into service.*

33 *(19) Add the amount necessary to make the adjusted gross income*
34 *of any taxpayer that placed a motorsports entertainment complex*
35 *in service during the taxable year and that was classified as*
36 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
37 *Revenue Code equal to the amount of adjusted gross income that*
38 *would have been computed had the classification not applied to*
39 *the property in the year that it was placed into service.*

40 *(20) Add the amount deducted under Section 195 of the Internal*
41 *Revenue Code for start-up expenditures that exceeds the amount*
42 *the taxpayer could deduct under Section 195 of the Internal*

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1 Revenue Code before it was amended by the Small Business Jobs
2 Act of 2010 (P.L. 111-240).

3 (21) Add the amount deducted from gross income under Section
4 198 of the Internal Revenue Code for the expensing of
5 environmental remediation costs.

6 (22) Add the amount deducted from gross income under Section
7 179E of the Internal Revenue Code for any qualified advanced
8 mine safety equipment property.

9 ~~(18)~~ (23) This subdivision does not apply to payments made for
10 services provided to a business that was enrolled and
11 participated in the E-Verify program (as defined in
12 IC 22-5-1.7-3) during the time the taxpayer conducted business
13 in Indiana in the taxable year. For a taxable year beginning after
14 June 30, 2011, add the amount of any trade or business deduction
15 allowed under the Internal Revenue Code for wages,
16 reimbursements, or other payments made for services provided
17 in Indiana by an individual for services as an employee, if the
18 individual was, during the period of service, prohibited from
19 being hired as an employee under 8 U.S.C. 1324a.

20 ~~(23)~~ (24) Add the amount excluded from federal gross income
21 under Section 103 of the Internal Revenue Code for interest
22 received on an obligation of a state other than Indiana, or a
23 political subdivision of such a state, that is acquired by the
24 taxpayer after December 31, 2011.

25 (d) In the case of insurance companies subject to tax under Section
26 831 of the Internal Revenue Code and organized under Indiana law, the
27 same as "taxable income" (as defined in Section 832 of the Internal
28 Revenue Code), adjusted as follows:

29 (1) Subtract income that is exempt from taxation under this article
30 by the Constitution and statutes of the United States.

31 (2) Add an amount equal to any deduction allowed or allowable
32 under Section 170 of the Internal Revenue Code.

33 (3) Add an amount equal to a deduction allowed or allowable
34 under Section 805 or Section 831(c) of the Internal Revenue Code
35 for taxes based on or measured by income and levied at the state
36 level by any state.

37 (4) Subtract an amount equal to the amount included in the
38 company's taxable income under Section 78 of the Internal
39 Revenue Code.

40 (5) Add or subtract the amount necessary to make the adjusted
41 gross income of any taxpayer that owns property for which bonus
42 depreciation was allowed in the current taxable year or in an

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- 1 earlier taxable year equal to the amount of adjusted gross income
 2 that would have been computed had an election not been made
 3 under Section 168(k) of the Internal Revenue Code to apply bonus
 4 depreciation to the property in the year that it was placed in
 5 service.
 6 (6) Add an amount equal to any deduction allowed under Section
 7 172 of the Internal Revenue Code.
 8 (7) Add or subtract the amount necessary to make the adjusted
 9 gross income of any taxpayer that placed Section 179 property (as
 10 defined in Section 179 of the Internal Revenue Code) in service
 11 in the current taxable year or in an earlier taxable year equal to
 12 the amount of adjusted gross income that would have been
 13 computed had an election for federal income tax purposes not
 14 been made for the year in which the property was placed in
 15 service to take deductions under Section 179 of the Internal
 16 Revenue Code in a total amount exceeding twenty-five thousand
 17 dollars (\$25,000).
 18 (8) Add an amount equal to the amount that a taxpayer claimed as
 19 a deduction for domestic production activities for the taxable year
 20 under Section 199 of the Internal Revenue Code for federal
 21 income tax purposes.
 22 (9) Subtract income that is:
 23 (A) exempt from taxation under IC 6-3-2-21.7; and
 24 (B) included in the insurance company's taxable income under
 25 the Internal Revenue Code.
 26 (10) Add an amount equal to any income not included in gross
 27 income as a result of the deferral of income arising from business
 28 indebtedness discharged in connection with the reacquisition after
 29 December 31, 2008, and before January 1, 2011, of an applicable
 30 debt instrument, as provided in Section 108(i) of the Internal
 31 Revenue Code. Subtract from the adjusted gross income of any
 32 taxpayer that added an amount to adjusted gross income in a
 33 previous year the amount necessary to offset the amount included
 34 in federal gross income as a result of the deferral of income
 35 arising from business indebtedness discharged in connection with
 36 the reacquisition after December 31, 2008, and before January 1,
 37 2011, of an applicable debt instrument, as provided in Section
 38 108(i) of the Internal Revenue Code.
 39 (11) Add the amount necessary to make the adjusted gross income
 40 of any taxpayer that placed qualified restaurant property in service
 41 during the taxable year and that was classified as 15-year property
 42 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal

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- 1 to the amount of adjusted gross income that would have been
2 computed had the classification not applied to the property in the
3 year that it was placed in service.
- 4 (12) Add the amount necessary to make the adjusted gross income
5 of any taxpayer that placed qualified retail improvement property
6 in service during the taxable year and that was classified as
7 15-year property under Section 168(e)(3)(E)(ix) of the Internal
8 Revenue Code equal to the amount of adjusted gross income that
9 would have been computed had the classification not applied to
10 the property in the year that it was placed in service.
- 11 (13) Add or subtract the amount necessary to make the adjusted
12 gross income of any taxpayer that claimed the special allowance
13 for qualified disaster assistance property under Section 168(n) of
14 the Internal Revenue Code equal to the amount of adjusted gross
15 income that would have been computed had the special allowance
16 not been claimed for the property.
- 17 (14) Add or subtract the amount necessary to make the adjusted
18 gross income of any taxpayer that made an election under Section
19 179C of the Internal Revenue Code to expense costs for qualified
20 refinery property equal to the amount of adjusted gross income
21 that would have been computed had an election for federal
22 income tax purposes not been made for the year.
- 23 (15) Add or subtract the amount necessary to make the adjusted
24 gross income of any taxpayer that made an election under Section
25 181 of the Internal Revenue Code to expense costs for a qualified
26 film or television production equal to the amount of adjusted
27 gross income that would have been computed had an election for
28 federal income tax purposes not been made for the year.
- 29 (16) Add or subtract the amount necessary to make the adjusted
30 gross income of any taxpayer that treated a loss from the sale or
31 exchange of preferred stock in:
- 32 (A) the Federal National Mortgage Association, established
33 under the Federal National Mortgage Association Charter Act
34 (12 U.S.C. 1716 et seq.); or
- 35 (B) the Federal Home Loan Mortgage Corporation, established
36 under the Federal Home Loan Mortgage Corporation Act (12
37 U.S.C. 1451 et seq.);
- 38 as an ordinary loss under Section 301 of the Emergency
39 Economic Stabilization Act of 2008 in the current taxable year or
40 in an earlier taxable year equal to the amount of adjusted gross
41 income that would have been computed had the loss not been
42 treated as an ordinary loss.

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- 1 (17) Add an amount equal to any exempt insurance income under
 2 Section 953(e) of the Internal Revenue Code that is active
 3 financing income under Subpart F of Subtitle A, Chapter 1,
 4 Subchapter N of the Internal Revenue Code.
- 5 (18) Add the amount necessary to make the adjusted gross income
 6 of any taxpayer that placed any qualified leasehold improvement
 7 property in service during the taxable year and that was
 8 classified as 15-year property under Section 168(e)(3)(E)(iv) of
 9 the Internal Revenue Code equal to the amount of adjusted gross
 10 income that would have been computed had the classification not
 11 applied to the property in the year that it was placed into service.
- 12 (19) Add the amount necessary to make the adjusted gross income
 13 of any taxpayer that placed a motorsports entertainment complex
 14 in service during the taxable year and that was classified as
 15 7-year property under Section 168(e)(3)(C)(ii) of the Internal
 16 Revenue Code equal to the amount of adjusted gross income that
 17 would have been computed had the classification not applied to
 18 the property in the year that it was placed into service.
- 19 (20) Add the amount deducted under Section 195 of the Internal
 20 Revenue Code for start-up expenditures that exceeds the amount
 21 the taxpayer could deduct under Section 195 of the Internal
 22 Revenue Code before it was amended by the Small Business Jobs
 23 Act of 2010 (P.L. 111-240).
- 24 (21) Add the amount deducted from gross income under Section
 25 198 of the Internal Revenue Code for the expensing of
 26 environmental remediation costs.
- 27 (22) Add the amount deducted from gross income under Section
 28 179E of the Internal Revenue Code for any qualified advanced
 29 mine safety equipment property.
- 30 ~~(18)~~ (23) This subdivision does not apply to payments made for
 31 services provided to a business that was enrolled and
 32 participated in the E-Verify program (as defined in
 33 IC 22-5-1.7-3) during the time the taxpayer conducted business
 34 in Indiana in the taxable year. For a taxable year beginning after
 35 June 30, 2011, add the amount of any trade or business deduction
 36 allowed under the Internal Revenue Code for wages,
 37 reimbursements, or other payments made for services provided
 38 in Indiana by an individual for services as an employee, if the
 39 individual was, during the period of service, prohibited from
 40 being hired as an employee under 8 U.S.C. 1324a.
- 41 ~~(23)~~ (24) Add the amount excluded from federal gross income
 42 under Section 103 of the Internal Revenue Code for interest

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1 *received on an obligation of a state other than Indiana, or a*
 2 *political subdivision of such a state, that is acquired by the*
 3 *taxpayer after December 31, 2011.*

4 (e) In the case of trusts and estates, "taxable income" (as defined for
 5 trusts and estates in Section 641(b) of the Internal Revenue Code)
 6 adjusted as follows:

7 (1) Subtract income that is exempt from taxation under this article
 8 by the Constitution and statutes of the United States.

9 (2) Subtract an amount equal to the amount of a September 11
 10 terrorist attack settlement payment included in the federal
 11 adjusted gross income of the estate of a victim of the September
 12 11 terrorist attack or a trust to the extent the trust benefits a victim
 13 of the September 11 terrorist attack.

14 (3) Add or subtract the amount necessary to make the adjusted
 15 gross income of any taxpayer that owns property for which bonus
 16 depreciation was allowed in the current taxable year or in an
 17 earlier taxable year equal to the amount of adjusted gross income
 18 that would have been computed had an election not been made
 19 under Section 168(k) of the Internal Revenue Code to apply bonus
 20 depreciation to the property in the year that it was placed in
 21 service.

22 (4) Add an amount equal to any deduction allowed under Section
 23 172 of the Internal Revenue Code.

24 (5) Add or subtract the amount necessary to make the adjusted
 25 gross income of any taxpayer that placed Section 179 property (as
 26 defined in Section 179 of the Internal Revenue Code) in service
 27 in the current taxable year or in an earlier taxable year equal to
 28 the amount of adjusted gross income that would have been
 29 computed had an election for federal income tax purposes not
 30 been made for the year in which the property was placed in
 31 service to take deductions under Section 179 of the Internal
 32 Revenue Code in a total amount exceeding twenty-five thousand
 33 dollars (\$25,000).

34 (6) Add an amount equal to the amount that a taxpayer claimed as
 35 a deduction for domestic production activities for the taxable year
 36 under Section 199 of the Internal Revenue Code for federal
 37 income tax purposes.

38 (7) Subtract income that is:

39 (A) exempt from taxation under IC 6-3-2-21.7; and

40 (B) included in the taxpayer's taxable income under the
 41 Internal Revenue Code.

42 (8) Add an amount equal to any income not included in gross

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1 income as a result of the deferral of income arising from business
 2 indebtedness discharged in connection with the reacquisition after
 3 December 31, 2008, and before January 1, 2011, of an applicable
 4 debt instrument, as provided in Section 108(i) of the Internal
 5 Revenue Code. Subtract from the adjusted gross income of any
 6 taxpayer that added an amount to adjusted gross income in a
 7 previous year the amount necessary to offset the amount included
 8 in federal gross income as a result of the deferral of income
 9 arising from business indebtedness discharged in connection with
 10 the reacquisition after December 31, 2008, and before January 1,
 11 2011, of an applicable debt instrument, as provided in Section
 12 108(i) of the Internal Revenue Code.

13 (9) Add the amount necessary to make the adjusted gross income
 14 of any taxpayer that placed qualified restaurant property in service
 15 during the taxable year and that was classified as 15-year property
 16 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 17 to the amount of adjusted gross income that would have been
 18 computed had the classification not applied to the property in the
 19 year that it was placed in service.

20 (10) Add the amount necessary to make the adjusted gross income
 21 of any taxpayer that placed qualified retail improvement property
 22 in service during the taxable year and that was classified as
 23 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 24 Revenue Code equal to the amount of adjusted gross income that
 25 would have been computed had the classification not applied to
 26 the property in the year that it was placed in service.

27 (11) Add or subtract the amount necessary to make the adjusted
 28 gross income of any taxpayer that claimed the special allowance
 29 for qualified disaster assistance property under Section 168(n) of
 30 the Internal Revenue Code equal to the amount of adjusted gross
 31 income that would have been computed had the special allowance
 32 not been claimed for the property.

33 (12) Add or subtract the amount necessary to make the adjusted
 34 gross income of any taxpayer that made an election under Section
 35 179C of the Internal Revenue Code to expense costs for qualified
 36 refinery property equal to the amount of adjusted gross income
 37 that would have been computed had an election for federal
 38 income tax purposes not been made for the year.

39 (13) Add or subtract the amount necessary to make the adjusted
 40 gross income of any taxpayer that made an election under Section
 41 181 of the Internal Revenue Code to expense costs for a qualified
 42 film or television production equal to the amount of adjusted

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1 gross income that would have been computed had an election for
2 federal income tax purposes not been made for the year.

3 (14) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that treated a loss from the sale or
5 exchange of preferred stock in:

6 (A) the Federal National Mortgage Association, established
7 under the Federal National Mortgage Association Charter Act
8 (12 U.S.C. 1716 et seq.); or

9 (B) the Federal Home Loan Mortgage Corporation, established
10 under the Federal Home Loan Mortgage Corporation Act (12
11 U.S.C. 1451 et seq.);

12 as an ordinary loss under Section 301 of the Emergency
13 Economic Stabilization Act of 2008 in the current taxable year or
14 in an earlier taxable year equal to the amount of adjusted gross
15 income that would have been computed had the loss not been
16 treated as an ordinary loss.

17 (15) Add the amount excluded from gross income under Section
18 108(a)(1)(e) of the Internal Revenue Code for the discharge of
19 debt on a qualified principal residence.

20 *(16) Add the amount necessary to make the adjusted gross income*
21 *of any taxpayer that placed any qualified leasehold improvement*
22 *property in service during the taxable year and that was*
23 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
24 *the Internal Revenue Code equal to the amount of adjusted gross*
25 *income that would have been computed had the classification not*
26 *applied to the property in the year that it was placed into service.*

27 *(17) Add the amount necessary to make the adjusted gross income*
28 *of any taxpayer that placed a motorsports entertainment complex*
29 *in service during the taxable year and that was classified as*
30 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
31 *Revenue Code equal to the amount of adjusted gross income that*
32 *would have been computed had the classification not applied to*
33 *the property in the year that it was placed into service.*

34 *(18) Add the amount deducted under Section 195 of the Internal*
35 *Revenue Code for start-up expenditures that exceeds the amount*
36 *the taxpayer could deduct under Section 195 of the Internal*
37 *Revenue Code before it was amended by the Small Business Jobs*
38 *Act of 2010 (P.L. 111-240).*

39 *(19) Add the amount deducted from gross income under Section*
40 *198 of the Internal Revenue Code for the expensing of*
41 *environmental remediation costs.*

42 *(20) Add the amount deducted from gross income under Section*

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1 179E of the Internal Revenue Code for any qualified advanced
2 mine safety equipment property.

3 (21) Add the amount necessary to make the adjusted gross income
4 of any taxpayer for which tax was not imposed on the net
5 recognized built-in gain of an S corporation under Section
6 1374(d)(7) of the Internal Revenue Code as amended by the Small
7 Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of
8 adjusted gross income that would have been computed before
9 Section 1374(d)(7) of the Internal Revenue Code as amended by
10 the Small Business Jobs Act of 2010 (P.L. 111-240).

11 ~~(16)~~ (22) This subdivision does not apply to payments made for
12 services provided to a business that was enrolled and
13 participated in the E-Verify program (as defined in
14 IC 22-5-1.7-3) during the time the taxpayer conducted business
15 in Indiana in the taxable year. For a taxable year beginning after
16 June 30, 2011, add the amount of any trade or business deduction
17 allowed under the Internal Revenue Code for wages,
18 reimbursements, or other payments made for services provided
19 in Indiana by an individual for services as an employee, if the
20 individual was, during the period of service, prohibited from
21 being hired as an employee under 8 U.S.C. 1324a.

22 ~~(22)~~ (23) Add the amount excluded from federal gross income
23 under Section 103 of the Internal Revenue Code for interest
24 received on an obligation of a state other than Indiana, or a
25 political subdivision of such a state, that is acquired by the
26 taxpayer after December 31, 2011.

27 ~~(f)~~ This subsection applies only to the extent that an individual paid
28 property taxes in 2004 that were imposed for the March 1, 2002,
29 assessment date or the January 15, 2003, assessment date. The
30 maximum amount of the deduction under subsection (a)(17) is equal to
31 the amount determined under STEP FIVE of the following formula:

32 STEP ONE: Determine the amount of property taxes that the
33 taxpayer paid after December 31, 2003, in the taxable year for
34 property taxes imposed for the March 1, 2002, assessment date
35 and the January 15, 2003, assessment date.

36 STEP TWO: Determine the amount of property taxes that the
37 taxpayer paid in the taxable year for the March 1, 2003,
38 assessment date and the January 15, 2004, assessment date.

39 STEP THREE: Determine the result of the STEP ONE amount
40 divided by the STEP TWO amount.

41 STEP FOUR: Multiply the STEP THREE amount by two thousand
42 five hundred dollars (\$2,500).



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1 *STEP FIVE: Determine the sum of the STEP FOUR amount and*
 2 *two thousand five hundred dollars (\$2,500).*

3 SECTION 10. IC 6-3-1-11, AS AMENDED BY P.L.229-2011,
 4 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2012]: Sec. 11. (a) Except as provided in subsection (d), the
 6 term "Internal Revenue Code" means the Internal Revenue Code of
 7 1986 of the United States as amended and in effect on January 1, 2011.

8 (b) Whenever the Internal Revenue Code is mentioned in this
 9 article, the particular provisions that are referred to, together with all
 10 the other provisions of the Internal Revenue Code in effect on January
 11 1, 2011, that pertain to the provisions specifically mentioned, shall be
 12 regarded as incorporated in this article by reference and have the same
 13 force and effect as though fully set forth in this article. To the extent
 14 the provisions apply to this article, regulations adopted under Section
 15 7805(a) of the Internal Revenue Code and in effect on January 1, 2011,
 16 shall be regarded as rules adopted by the department under this article,
 17 unless the department adopts specific rules that supersede the
 18 regulation.

19 (c) An amendment to the Internal Revenue Code made by an act
 20 passed by Congress before January 1, 2011, that is effective for any
 21 taxable year that began before January 1, 2011, and that affects:

- 22 (1) individual adjusted gross income (as defined in Section 62 of
 23 the Internal Revenue Code);
 24 (2) corporate taxable income (as defined in Section 63 of the
 25 Internal Revenue Code);
 26 (3) trust and estate taxable income (as defined in Section 641(b)
 27 of the Internal Revenue Code);
 28 (4) life insurance company taxable income (as defined in Section
 29 801(b) of the Internal Revenue Code);
 30 (5) mutual insurance company taxable income (as defined in
 31 Section 821(b) of the Internal Revenue Code); or
 32 (6) taxable income (as defined in Section 832 of the Internal
 33 Revenue Code);

34 is also effective for that same taxable year for purposes of determining
 35 adjusted gross income under section 3.5 of this chapter.

36 (d) The following provisions of the Internal Revenue Code that were
 37 amended by the Tax Relief Act, Unemployment Insurance
 38 Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are
 39 treated as though they were not amended by the Tax Relief Act,
 40 Unemployment Insurance Reauthorization, and Job Creation Act of
 41 2010 (P.L. 111-312):

- 42 (1) Section 1367(a)(2) of the Internal Revenue Code pertaining to

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- 1 an adjustment of basis of the stock of shareholders.
- 2 (2) Section ~~871(k)(1)(c)~~ **871(k)(1)(C)** and 871(k)(2)(C) of the
- 3 Internal Revenue Code pertaining the treatment of certain
- 4 dividends of regulated investment companies.
- 5 (3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code
- 6 pertaining to regulated investment companies qualified entity
- 7 treatment.
- 8 (4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code
- 9 pertaining to the modification of tax treatment of certain
- 10 payments to controlling exempt organizations.
- 11 (5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code
- 12 pertaining to the limitations on percentage depletion in the case
- 13 of oil and gas wells.
- 14 (6) Section 451(i)(3) of the Internal Revenue Code pertaining to
- 15 special rule for sales or dispositions to implement Federal Energy
- 16 Regulatory Commission or state electric restructuring policy for
- 17 qualified electric utilities.
- 18 (7) Section 954(c)(6) of the Internal Revenue Code pertaining to
- 19 the look-through treatment of payments between related
- 20 controlled foreign corporation under foreign personal holding
- 21 company rules.
- 22 The department shall develop forms and adopt any necessary rules
- 23 under IC 4-22-2 to implement this subsection.
- 24 SECTION 11. IC 6-3-4-1 IS AMENDED TO READ AS FOLLOWS
- 25 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. Returns with respect to
- 26 taxes imposed by this act shall be made by the following:
- 27 (1) Every resident individual having for the taxable year gross
- 28 income in an amount greater than the modifications provided
- 29 under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
- 30 (2) Every nonresident individual having for the taxable year any
- 31 gross income from sources within the state of Indiana, except for
- 32 a team member (as defined in IC 6-3-2-2.7) who is covered by a
- 33 composite return filed under IC 6-3-2-2.7.
- 34 (3) Every corporation having for the taxable year any gross
- 35 income from sources within the state of Indiana.
- 36 (4) **For taxable years beginning after December 31, 2012,**
- 37 every resident estate having for the taxable year any gross income
- 38 from sources within the state of Indiana **exceeding the amount**
- 39 **provided in Section 6012(a)(3) of the Internal Revenue Code.**
- 40 (5) **For taxable years beginning after December 31, 2012,**
- 41 every resident trust having for the taxable year any gross income
- 42 from sources within the state of Indiana **exceeding the amount**

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1 **provided in Section 6012(a)(4) of the Internal Revenue Code.**

2 **(6) For taxable years beginning after December 31, 2012,**
 3 every nonresident estate having for the taxable year any gross
 4 income from sources within the state of Indiana **exceeding the**
 5 **amount provided in Section 6012(a)(3) of the Internal**
 6 **Revenue Code.**

7 **(7) For taxable years beginning after December 31, 2012,**
 8 every nonresident trust having for the taxable year any gross
 9 income from sources within the state of Indiana **exceeding the**
 10 **amount provided in Section 6012(a)(4) of the Internal**
 11 **Revenue Code.**

12 SECTION 12. IC 6-3-4-8, AS AMENDED BY P.L.172-2011,
 13 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2013]: Sec. 8. (a) Except as provided in subsection (d),
 15 every employer making payments of wages subject to tax under this
 16 article, regardless of the place where such payment is made, who is
 17 required under the provisions of the Internal Revenue Code to
 18 withhold, collect, and pay over income tax on wages paid by such
 19 employer to such employee, shall, at the time of payment of such
 20 wages, deduct and retain therefrom the amount prescribed in
 21 withholding instructions issued by the department. The department
 22 shall base its withholding instructions on the adjusted gross income tax
 23 rate for persons, on the total rates of any income taxes that the taxpayer
 24 is subject to under IC 6-3.5, and on the total amount of exclusions the
 25 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
 26 However, the withholding instructions on the adjusted gross income of
 27 a nonresident alien (as defined in Section 7701 of the Internal Revenue
 28 Code) are to be based on applying not more than one (1) withholding
 29 exclusion, regardless of the total number of exclusions that
 30 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
 31 on the taxpayer's final return for the taxable year. Such employer
 32 making payments of any wages:

33 (1) shall be liable to the state of Indiana for the payment of the tax
 34 required to be deducted and withheld under this section and shall
 35 not be liable to any individual for the amount deducted from the
 36 individual's wages and paid over in compliance or intended
 37 compliance with this section; and

38 (2) shall make return of and payment to the department monthly
 39 of the amount of tax which under this article and IC 6-3.5 the
 40 employer is required to withhold.

41 (b) An employer shall pay taxes withheld under subsection (a)
 42 during a particular month to the department no later than thirty (30)

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1 days after the end of that month. However, in place of monthly
 2 reporting periods, the department may permit an employer to report and
 3 pay the tax for

4 ~~(1)~~ a calendar year reporting period, if the average monthly
 5 amount of all tax required to be withheld by the employer in the
 6 previous calendar year does not exceed ~~ten dollars (\$10)~~;

7 ~~(2)~~ a ~~six (6) month reporting period~~; if the average monthly
 8 amount of all tax required to be withheld by the employer in the
 9 previous calendar year does not exceed ~~twenty-five dollars (\$25)~~;

10 ~~or~~

11 ~~(3)~~ a ~~three (3) month reporting period~~; if the average monthly
 12 amount of all tax required to be withheld by the employer in the
 13 previous calendar year does not exceed ~~seventy-five dollars (\$75)~~.
 14 **one thousand dollars (\$1,000).**

15 An employer using a reporting period (other than a monthly reporting
 16 period) must file the employer's return and pay the tax for a reporting
 17 period no later than the last day of the month immediately following
 18 the close of the reporting period. ~~If an employer files a combined sales~~
 19 ~~and withholding tax report, the reporting period for the combined~~
 20 ~~report is the shortest period required under this section, section 8-1 of~~
 21 ~~this chapter, or IC 6-2.5-6-1.~~

22 (c) For purposes of determining whether an employee is subject to
 23 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 24 of an employee as to the employee's county of residence as represented
 25 by the statement of address in forms claiming exemptions for purposes
 26 of withholding, regardless of when the employee supplied the forms.
 27 Every employee shall notify the employee's employer within five (5)
 28 days after any change in the employee's county of residence.

29 (d) A county that makes payments of wages subject to tax under this
 30 article:

31 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and

32 (2) for the performance of the duties of the precinct election
 33 officer imposed by IC 3 that are performed on election day;

34 is not required, at the time of payment of the wages, to deduct and
 35 retain from the wages the amount prescribed in withholding
 36 instructions issued by the department.

37 (e) Every employer shall, at the time of each payment made by the
 38 employer to the department, deliver to the department a return upon the
 39 form prescribed by the department showing:

40 (1) the total amount of wages paid to the employer's employees;

41 (2) the amount deducted therefrom in accordance with the
 42 provisions of the Internal Revenue Code;



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1 (3) the amount of adjusted gross income tax deducted therefrom
2 in accordance with the provisions of this section;

3 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
4 deducted therefrom in accordance with this section; and

5 (5) any other information the department may require.

6 Every employer making a declaration of withholding as provided in this
7 section shall furnish the employer's employees annually, but not later
8 than thirty (30) days after the end of the calendar year, a record of the
9 total amount of adjusted gross income tax and the amount of each
10 income tax, if any, imposed under IC 6-3.5, withheld from the
11 employees, on the forms prescribed by the department.

12 (f) All money deducted and withheld by an employer shall
13 immediately upon such deduction be the money of the state, and every
14 employer who deducts and retains any amount of money under the
15 provisions of this article shall hold the same in trust for the state of
16 Indiana and for payment thereof to the department in the manner and
17 at the times provided in this article. Any employer may be required to
18 post a surety bond in the sum the department determines to be
19 appropriate to protect the state with respect to money withheld pursuant
20 to this section.

21 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
22 delinquency and penalties shall apply to employers subject to the
23 provisions of this section, and for these purposes any amount deducted
24 or required to be deducted and remitted to the department under this
25 section shall be considered to be the tax of the employer, and with
26 respect to such amount the employer shall be considered the taxpayer.
27 In the case of a corporate or partnership employer, every officer,
28 employee, or member of such employer, who, as such officer,
29 employee, or member is under a duty to deduct and remit such taxes
30 shall be personally liable for such taxes, penalties, and interest.

31 (h) Amounts deducted from wages of an employee during any
32 calendar year in accordance with the provisions of this section shall be
33 considered to be in part payment of the tax imposed on such employee
34 for the employee's taxable year which begins in such calendar year, and
35 a return made by the employer under subsection (b) shall be accepted
36 by the department as evidence in favor of the employee of the amount
37 so deducted from the employee's wages. Where the total amount so
38 deducted exceeds the amount of tax on the employee as computed
39 under this article and IC 6-3.5, the department shall, after examining
40 the return or returns filed by the employee in accordance with this
41 article and IC 6-3.5, refund the amount of the excess deduction.
42 However, under rules promulgated by the department, the excess or any

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1 part thereof may be applied to any taxes or other claim due from the
 2 taxpayer to the state of Indiana or any subdivision thereof. No refund
 3 shall be made to an employee who fails to file the employee's return or
 4 returns as required under this article and IC 6-3.5 within two (2) years
 5 from the due date of the return or returns. In the event that the excess
 6 tax deducted is less than one dollar (\$1), no refund shall be made.

7 (i) This section shall in no way relieve any taxpayer from the
 8 taxpayer's obligation of filing a return or returns at the time required
 9 under this article and IC 6-3.5, and, should the amount withheld under
 10 the provisions of this section be insufficient to pay the total tax of such
 11 taxpayer, such unpaid tax shall be paid at the time prescribed by
 12 section 5 of this chapter.

13 (j) Notwithstanding subsection (b), an employer of a domestic
 14 service employee that enters into an agreement with the domestic
 15 service employee to withhold federal income tax under Section 3402
 16 of the Internal Revenue Code may withhold Indiana income tax on the
 17 domestic service employee's wages on the employer's Indiana
 18 individual income tax return in the same manner as allowed by Section
 19 3510 of the Internal Revenue Code.

20 (k) To the extent allowed by Section 1137 of the Social Security
 21 Act, an employer of a domestic service employee may report and remit
 22 state unemployment insurance contributions on the employee's wages
 23 on the employer's Indiana individual income tax return in the same
 24 manner as allowed by Section 3510 of the Internal Revenue Code.

25 (l) A person who knowingly fails to remit trust fund money as set
 26 forth in this section commits a Class D felony.

27 SECTION 13. IC 6-3-4-8.1, AS AMENDED BY P.L.182-2009(ss),
 28 SECTION 199, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2013]: Sec. 8.1. (a) Any entity that is
 30 required to file a monthly return and make a monthly remittance of
 31 taxes under sections 8, 12, 13, and 15 of this chapter shall file those
 32 returns and make those remittances twenty (20) days (rather than thirty
 33 (30) days) after the end of each month for which those returns and
 34 remittances are filed, if that entity's average monthly remittance for the
 35 immediately preceding calendar year exceeds one thousand dollars
 36 (\$1,000).

37 (b) The department may require any entity to make the entity's
 38 monthly remittance and file the entity's monthly return twenty (20) days
 39 (rather than thirty (30) days) after the end of each month for which a
 40 return and payment are made if the department estimates that the
 41 entity's average monthly payment for the current calendar year will
 42 exceed one thousand dollars (\$1,000).



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1 (c) If the department determines that a withholding agent is not
 2 withholding, reporting, or remitting an amount of tax in accordance
 3 with this chapter, the department may require the withholding agent:

- 4 (1) to make periodic deposits during the reporting period; and
 5 (2) to file an informational return with each periodic deposit.

6 ~~(d) If a person files a combined sales and withholding tax report and~~
 7 ~~either this section or IC 6-2.5-6-1 requires the sales or withholding tax~~
 8 ~~report to be filed and remittances to be made within twenty (20) days~~
 9 ~~after the end of each month, then the person shall file the combined~~
 10 ~~report and remit the sales and withholding taxes due within twenty (20)~~
 11 ~~days after the end of each month.~~

12 ~~(e) (d)~~ If the department determines that an entity's:

- 13 (1) estimated monthly withholding tax remittance for the current
 14 year; or
 15 (2) average monthly withholding tax remittance for the preceding
 16 year;

17 exceeds five thousand dollars (\$5,000), the entity shall remit the
 18 monthly withholding taxes due by electronic fund transfer (as defined
 19 in IC 4-8.1-2-7) or by delivering in person or by overnight courier a
 20 payment by cashier's check, certified check, or money order to the
 21 department. The transfer or payment shall be made on or before the
 22 date the remittance is due.

23 ~~(f) (e)~~ An entity that ~~registers to withhold~~ **withholds** taxes after
 24 ~~December 31, 2009~~, shall file the withholding tax report and remit
 25 withholding taxes electronically through the department's online tax
 26 filing program.

27 SECTION 14. IC 6-3-4-12, AS AMENDED BY P.L.211-2007,
 28 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2012]: Sec. 12. (a) Every partnership shall, at the time that the
 30 partnership pays or credits amounts to any of its nonresident partners
 31 on account of their distributive shares of partnership income, for a
 32 taxable year of the partnership, deduct and retain therefrom the amount
 33 prescribed in the withholding instructions referred to in section 8 of
 34 this chapter. Such partnership so paying or crediting any nonresident
 35 partner:

- 36 (1) shall be liable to the state of Indiana for the payment of the tax
 37 required to be deducted and retained under this section and shall
 38 not be liable to such partner for the amount deducted from such
 39 payment or credit and paid over in compliance or intended
 40 compliance with this section; and
 41 (2) shall make return of and payment to the department monthly
 42 whenever the amount of tax due under IC 6-3 and IC 6-3.5

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1 exceeds an aggregate amount of fifty dollars (\$50) per month with
 2 such payment due on the thirtieth day of the following month,
 3 unless an earlier date is specified by section 8.1 of this chapter.

4 Where the aggregate amount due under IC 6-3 and IC 6-3.5 does not
 5 exceed fifty dollars (\$50) per month, then such partnership shall make
 6 return and payment to the department quarterly, on such dates and in
 7 such manner as the department shall prescribe, of the amount of tax
 8 which, under IC 6-3 and IC 6-3.5, it is required to withhold.

9 (b) Every partnership shall, at the time of each payment made by it
 10 to the department pursuant to this section, deliver to the department a
 11 return upon such form as shall be prescribed by the department
 12 showing the total amounts paid or credited to its nonresident partners,
 13 the amount deducted therefrom in accordance with the provisions of
 14 this section, and such other information as the department may require.
 15 Every partnership making the deduction and retention provided in this
 16 section shall furnish to its nonresident partners annually, but not later
 17 than ~~thirty (30) days~~ **the fifteenth day of the third month** after the end
 18 of its taxable year, a record of the amount of tax deducted and retained
 19 from such partners on forms to be prescribed by the department.

20 (c) All money deducted and retained by the partnership, as provided
 21 in this section, shall immediately upon such deduction be the money of
 22 the state of Indiana and every partnership which deducts and retains
 23 any amount of money under the provisions of IC 6-3 shall hold the
 24 same in trust for the state of Indiana and for payment thereof to the
 25 department in the manner and at the times provided in IC 6-3. Any
 26 partnership may be required to post a surety bond in such sum as the
 27 department shall determine to be appropriate to protect the state of
 28 Indiana with respect to money deducted and retained pursuant to this
 29 section.

30 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
 31 delinquency and penalties shall apply to partnerships subject to the
 32 provisions of this section, and for these purposes any amount deducted,
 33 or required to be deducted and remitted to the department under this
 34 section, shall be considered to be the tax of the partnership, and with
 35 respect to such amount it shall be considered the taxpayer.

36 (e) Amounts deducted from payments or credits to a nonresident
 37 partner during any taxable year of the partnership in accordance with
 38 the provisions of this section shall be considered to be in part payment
 39 of the tax imposed on such nonresident partner for ~~his~~ **the nonresident**
 40 **partner's** taxable year within or with which the partnership's taxable
 41 year ends. A return made by the partnership under subsection (b) shall
 42 be accepted by the department as evidence in favor of the nonresident

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1 partner of the amount so deducted for ~~his~~ **the nonresident partner's**
2 distributive share.

3 (f) This section shall in no way relieve any nonresident partner from
4 **his the nonresident partner's** obligations of filing a return or returns
5 at the time required under IC 6-3 or IC 6-3.5, and any unpaid tax shall
6 be paid at the time prescribed by section 5 of this chapter.

7 (g) Instead of the reporting periods required under subsection (a),
8 the department may permit a partnership to file one (1) return and
9 payment each year if the partnership pays or credits amounts to its
10 nonresident partners only one (1) time each year. The return and
11 payment are due ~~not more than thirty (30) days~~ **on or before the**
12 **fifteenth day of the fourth month** after the end of the year.

13 (h) A partnership shall file a composite adjusted gross income tax
14 return on behalf of all nonresident individual partners. The composite
15 return must include each nonresident individual partner regardless of
16 whether or not the nonresident individual partner has other Indiana
17 source income.

18 (i) If a partnership does not include all nonresident partners in the
19 composite return, the partnership is subject to the penalty imposed
20 under IC 6-8.1-10-2.1(j).

21 SECTION 15. IC 6-3-4-13, AS AMENDED BY P.L.211-2007,
22 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2012]: Sec. 13. (a) Every corporation which is exempt from
24 tax under IC 6-3 pursuant to IC 6-3-2-2.8(2) shall, at the time that it
25 pays or credits amounts to any of its nonresident shareholders as
26 dividends or as their share of the corporation's undistributed taxable
27 income, withhold the amount prescribed by the department. Such
28 corporation so paying or crediting any nonresident shareholder:

29 (1) shall be liable to the state of Indiana for the payment of the tax
30 required to be withheld under this section and shall not be liable
31 to such shareholder for the amount withheld and paid over in
32 compliance or intended compliance with this section; and

33 (2) when the aggregate amount due under IC 6-3 and IC 6-3.5
34 exceeds one hundred fifty dollars (\$150) per quarter, then such
35 corporation shall make return and payment to the department
36 quarterly, on such dates and in such manner as the department
37 shall prescribe, of the amount of tax which, under IC 6-3 and
38 IC 6-3.5, it is required to withhold.

39 (b) Every corporation shall, at the time of each payment made by it
40 to the department pursuant to this section, deliver to the department a
41 return upon such form as shall be prescribed by the department
42 showing the total amounts paid or credited to its nonresident

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1 shareholders, the amount withheld in accordance with the provisions
2 of this section, and such other information as the department may
3 require. Every corporation withholding as provided in this section shall
4 furnish to its nonresident shareholders annually, but not later than the
5 fifteenth day of the third month after the end of its taxable year, a
6 record of the amount of tax withheld on behalf of such shareholders on
7 forms to be prescribed by the department.

8 (c) All money withheld by a corporation, pursuant to this section,
9 shall immediately upon being withheld be the money of the state of
10 Indiana and every corporation which withholds any amount of money
11 under the provisions of this section shall hold the same in trust for the
12 state of Indiana and for payment thereof to the department in the
13 manner and at the times provided in IC 6-3. Any corporation may be
14 required to post a surety bond in such sum as the department shall
15 determine to be appropriate to protect the state of Indiana with respect
16 to money withheld pursuant to this section.

17 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
18 delinquency and penalties shall apply to corporations subject to the
19 provisions of this section, and for these purposes any amount withheld,
20 or required to be withheld and remitted to the department under this
21 section, shall be considered to be the tax of the corporation, and with
22 respect to such amount it shall be considered the taxpayer.

23 (e) Amounts withheld from payments or credits to a nonresident
24 shareholder during any taxable year of the corporation in accordance
25 with the provisions of this section shall be considered to be a part
26 payment of the tax imposed on such nonresident shareholder for his
27 taxable year within or with which the corporation's taxable year ends.
28 A return made by the corporation under subsection (b) shall be
29 accepted by the department as evidence in favor of the nonresident
30 shareholder of the amount so withheld from the shareholder's
31 distributive share.

32 (f) This section shall in no way relieve any nonresident shareholder
33 from the shareholder's obligation of filing a return or returns at the time
34 required under IC 6-3 or IC 6-3.5, and any unpaid tax shall be paid at
35 the time prescribed by section 5 of this chapter.

36 (g) Instead of the reporting periods required under subsection (a),
37 the department may permit a corporation to file one (1) return and
38 payment each year if the corporation pays or credits amounts to its
39 nonresident shareholders only one (1) time each year. The withholding
40 return and payment are due on or before the fifteenth day of the ~~third~~
41 **fourth** month after the end of the taxable year of the corporation.

42 (h) If a distribution will be made with property other than money or

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1 a gain is realized without the payment of money, the corporation shall
 2 not release the property or credit the gain until it has funds sufficient
 3 to enable it to pay the tax required to be withheld under this section. If
 4 necessary, the corporation shall obtain such funds from the
 5 shareholders.

6 (i) If a corporation fails to withhold and pay any amount of tax
 7 required to be withheld under this section and thereafter the tax is paid
 8 by the shareholders, such amount of tax as paid by the shareholders
 9 shall not be collected from the corporation but it shall not be relieved
 10 from liability for interest or penalty otherwise due in respect to such
 11 failure to withhold under IC 6-8.1-10.

12 (j) A corporation described in subsection (a) shall file a composite
 13 adjusted gross income tax return on behalf of all nonresident
 14 shareholders. The composite return must include each nonresident
 15 individual shareholder regardless of whether or not the nonresident
 16 individual shareholder has other Indiana source income.

17 (k) If a corporation described in subsection (a) does not include all
 18 nonresident shareholders in the composite return, the corporation is
 19 subject to the penalty imposed under IC 6-8.1-10-2.1(j).

20 SECTION 16. IC 6-3-4-16.5, AS ADDED BY P.L.113-2010,
 21 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2012]: Sec. 16.5. (a) This section applies to:

- 23 (1) Form W-2 federal income tax withholding statements; ~~and~~
 24 **(2) Form W-2G certain gambling winnings;**
 25 **(3) Form 1099-R distributions from pensions, annuities,**
 26 **retirement or profit sharing plans, IRAs, insurance contracts,**
 27 **or like distributions;**
 28 ~~(4)~~ **(4) Form WH-3 annual withholding tax reports; and**
 29 **(5) Form WH-18 miscellaneous withholding tax statements for**
 30 **nonresidents;**

31 filed with the department after December 31, ~~2010~~ **2012.**

32 (b) If an employer or any person or entity acting on behalf of an
 33 employer files more than twenty-five (25):

- 34 **(1) Form W-2 federal income tax withholding statements;**
 35 **(2) Form W-2G certain gambling winnings;**
 36 **(3) Form 1099-R distributions from pensions, annuities,**
 37 **retirement or profit sharing plans, IRAs, insurance contracts,**
 38 **or like distributions; or**
 39 **(4) Form WH-18 miscellaneous withholding tax statements for**
 40 **nonresidents;**

41 with the department in a calendar year, all ~~Form W-2 federal income~~
 42 ~~tax withholding statements forms~~ and Form WH-3 annual withholding

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1 tax reports filed with the department in that calendar year by the
2 employer or the person or entity acting on behalf of the employer must
3 be filed in an electronic format specified by the department.

4 SECTION 17. IC 6-3.1-24-9, AS AMENDED BY P.L.172-2011,
5 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2012]: Sec. 9. (a) The total amount of tax credits that may be
7 allowed under this chapter in a particular calendar year for qualified
8 investment capital provided during that calendar year may not exceed
9 twelve million five hundred thousand dollars (\$12,500,000). The
10 Indiana economic development corporation may not certify a proposed
11 investment plan under section 12.5 of this chapter if the proposed
12 investment would result in the total amount of the tax credits certified
13 for the calendar year exceeding twelve million five hundred thousand
14 dollars (\$12,500,000). An amount of an unused credit carried over by
15 a taxpayer from a previous calendar year may not be considered in
16 determining the amount of proposed investments that the Indiana
17 economic development corporation may certify under this chapter.

18 (b) Notwithstanding the other provisions of this chapter, a taxpayer
19 is not entitled to a credit for providing qualified investment capital to
20 a qualified Indiana business after December 31, ~~2014~~; **2016**. However,
21 this subsection may not be construed to prevent a taxpayer from
22 carrying over to a taxable year beginning after December 31, ~~2014~~;
23 **2016**, an unused tax credit attributable to an investment occurring
24 before January 1, ~~2015~~; **2017**.

25 SECTION 18. IC 6-3.1-26-26, AS AMENDED BY
26 P.L.182-2009(ss), SECTION 202, IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. (a) This chapter
28 applies to taxable years beginning after December 31, 2003.

29 (b) Notwithstanding the other provisions of this chapter, the
30 corporation may not approve a credit for a qualified investment made
31 after December 31, ~~2013~~; **2016**. However, this section may not be
32 construed to prevent a taxpayer from carrying an unused tax credit
33 attributable to a qualified investment made before January 1, ~~2014~~;
34 **2017**, forward to a taxable year beginning after December 31, ~~2013~~;
35 **2016**, in the manner provided by section 15 of this chapter.

36 SECTION 19. IC 6-3.1-31.9-23, AS ADDED BY P.L.223-2007,
37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2012]: Sec. 23. (a) This chapter applies to taxable years
39 beginning after December 31, 2006.

40 (b) Notwithstanding the other provisions of this chapter, the
41 corporation may not approve a **an alternative fuel vehicle**
42 **manufacturing** credit for a qualified investment made after December

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1 31, ~~2012~~. **2016**. However, this section may not be construed to prevent
 2 a taxpayer from carrying an unused tax credit attributable to a qualified
 3 investment made before January 1, ~~2012~~, **2017**, forward to a taxable
 4 year beginning after December 31, ~~2011~~, **2016**, in the manner provided
 5 by section 13 of this chapter.

6 SECTION 20. IC 6-3.1-33-9, AS ADDED BY P.L.110-2010,
 7 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2012]: Sec. 9. (a) Before January 1, ~~2013~~, **2017**, a corporation
 9 or pass through entity that desires to qualify for the **new employer**
 10 credit provided by this chapter may submit an application to the IEDC
 11 in the form and manner specified by the IEDC.

12 (b) The IEDC shall promptly review all applications submitted to
 13 the IEDC under this chapter.

14 (c) If the IEDC determines that an applicant for the tax credit
 15 provided by this chapter has furnished reliable evidence, as determined
 16 by the IEDC, that the applicant is reasonably capable of:

17 (1) employing at least ten (10) qualified employees in each month
 18 of the period specified in section 10(b) of this chapter during the
 19 taxable year; and

20 (2) meeting the requirements for the tax credit provided by this
 21 chapter;

22 the IEDC may issue the applicant a certificate of approval. If a
 23 certificate of approval is issued, the IEDC shall provide a copy of the
 24 certificate to the department.

25 (d) In making a determination of whether an applicant is qualified
 26 for a credit under this chapter, the IEDC may consider the following:

27 (1) The applicant's employment levels in previous years to
 28 determine if the applicant is hiring new individuals or rehiring
 29 individuals.

30 (2) Whether the applicant is the successor to part or all of the
 31 assets or business operations of another corporation or pass
 32 through entity that conducted business operations in Indiana
 33 in the same line of business to determine if the applicant is a new
 34 Indiana business under this chapter.

35 (e) If the IEDC determines that the applicant will not employ at least
 36 ten (10) qualified employees in each month of the period specified in
 37 section 10(b) of this chapter during the taxable year, is not a new
 38 Indiana business, or does not meet, or is unlikely to meet, any other
 39 requirements for the tax credit provided by this chapter, the IEDC shall
 40 notify the applicant of the IEDC's determination.

41 (f) The IEDC may not issue a certificate of approval under this
 42 chapter after December 31, ~~2012~~. **2016**.

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1 SECTION 21. IC 6-3.5-6-1.5, AS ADDED BY P.L.113-2010,
 2 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 1.5. (a) Notwithstanding
 4 any other provision of this chapter, a power granted by this chapter to
 5 adopt an ordinance to:

- 6 (1) impose, increase, decrease, or rescind a tax or tax rate; or
 7 (2) grant, increase, decrease, rescind, or change a homestead
 8 credit or property tax replacement credit authorized under this
 9 chapter;

10 may be exercised at any time in a year before November 1 of that year.

11 (b) Notwithstanding any other provision of this chapter, an
 12 ordinance authorized by this chapter that imposes or increases a tax or
 13 a tax rate takes effect as follows:

14 (1) An ordinance adopted after December 31 of the immediately
 15 preceding year and before October 1 of the current year takes
 16 effect October 1 of the current year.

17 (2) An ordinance adopted after September 30 and before October
 18 16 of the current year takes effect November 1 of the current year.

19 (3) An ordinance adopted after October 15 and before November
 20 1 of the current year takes effect December 1 of the current year.

21 (c) Notwithstanding any other provision of this chapter, an
 22 ordinance authorized by this chapter that decreases or rescinds a tax or
 23 a tax rate takes effect as follows:

24 (1) An ordinance adopted after December 31 of the immediately
 25 preceding year and before October 1 of the current year takes
 26 effect on the later of October 1 of the current year or the first day
 27 of the month in the current year as the month in which the last
 28 increase in the tax or tax rate occurred.

29 (2) An ordinance adopted after September 30 and before October
 30 16 of the current year takes effect on the later of November 1 of
 31 the current year or the first day of the month in the current year as
 32 the month in which the last increase in the tax or tax rate
 33 occurred.

34 (3) An ordinance adopted after October 15 and before November
 35 1 of the current year takes effect December 1 of the current year.

36 (d) ~~Notwithstanding any other provision of this chapter,~~ **Except as**
 37 **provided in subsection (e),** an ordinance authorized by this chapter
 38 that grants, increases, decreases, rescinds, or changes a homestead
 39 credit or property tax replacement credit authorized under this chapter
 40 takes effect for and **initially** applies to property taxes first due and
 41 payable in the year immediately following the year in which the
 42 ordinance is adopted.

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(e) This subsection applies only to Miami County. A county income tax council may adopt an ordinance in 2012 to select a different combination of uses specified in section 32(f) of this chapter for tax revenue distributed to the county from a tax rate imposed under section 32 of this chapter (county option income tax rate to provide property tax relief to taxpayers). The county income tax council may provide in the ordinance that the ordinance initially takes effect for and applies to property taxes first due and payable in 2012. This subsection expires January 1, 2013.

SECTION 22. IC 6-8.1-9-1, AS AMENDED BY P.L.172-2011, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (f), (g), and (h), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

- (1) The due date of the return.
- (2) The date of payment.

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the person disagrees with a part of the decision, the person may file a protest and request a hearing with the department. The department shall mail a copy of the decision to the person who filed the protest. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal

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- 1 suit, if:
- 2 ~~(1)~~ the appeal is filed more than three (3) years after the date the
- 3 claim for refund was filed with the department;
- 4 ~~(2)~~ (1) the appeal is filed more than ninety (90) days after the later
- 5 of the date the department mails:
- 6 (A) the decision of denial of the claim to the person; or
- 7 (B) the decision made on the protest filed under subsection
- 8 (b); or
- 9 ~~(3)~~ (2) the appeal is filed both before the decision is issued and
- 10 before the one hundred eighty-first day after the date the person
- 11 files the claim for refund with the department.
- 12 (d) The tax court shall hear the appeal de novo and without a jury,
- 13 and after the hearing may order or deny any part of the appealed
- 14 refund. The court may assess the court costs in any manner that it feels
- 15 is equitable. The court may enjoin the collection of any of the listed
- 16 taxes under IC 33-26-6-2. The court may also allow a refund of taxes,
- 17 interest, and penalties that have been paid to and collected by the
- 18 department.
- 19 (e) With respect to the motor vehicle excise tax, this section applies
- 20 only to penalties and interest paid on assessments of the motor vehicle
- 21 excise tax. Any other overpayment of the motor vehicle excise tax is
- 22 subject to IC 6-6-5.
- 23 (f) If a taxpayer's federal income tax liability for a taxable year is
- 24 modified by the Internal Revenue Service, and the modification would
- 25 result in a reduction of the tax legally due, the due date by which the
- 26 taxpayer must file a claim for refund with the department is the later of:
- 27 (1) the date determined under subsection (a); or
- 28 (2) the date that is one hundred eighty (180) days after the date on
- 29 which the taxpayer is notified of the modification by the Internal
- 30 Revenue Service.
- 31 (g) If an agreement to extend the assessment time period is entered
- 32 into under IC 6-8.1-5-2(h), the period during which a person may file
- 33 a claim for a refund under subsection (a) is extended to the same date
- 34 to which the assessment time period is extended.
- 35 (h) If a taxpayer's claim for a refund of gross retail or use tax is
- 36 based on:
- 37 (1) IC 6-2.5-4-5(c)(3); or
- 38 (2) the exemption provided by IC 6-2.5-5-5.1 for electrical
- 39 energy, natural or artificial gas, water, steam, and steam heat;
- 40 the person must file the claim with the department within eighteen (18)
- 41 months after the date of payment.
- 42 SECTION 23. IC 6-8.1-9-2, AS AMENDED BY P.L.182-2009(ss),

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1 SECTION 257, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) If the department finds that
 3 a person has paid more tax for a taxable year than is legally due, the
 4 department shall apply the amount of the excess against any amount of
 5 that same tax that is assessed and is currently due. The department may
 6 then apply any remaining excess against any of the listed taxes that
 7 have been assessed against the person and that are currently due.
 8 Subject to subsection (c), if any excess remains after the department
 9 has applied the overpayment against the person's tax liabilities, the
 10 department shall either refund the amount to the person or, at the
 11 person's request, credit the amount to the person's future tax liabilities.

12 (b) Subject to subsection (c), if a court determines that a person has
 13 paid more tax for a taxable year than is legally due, the department
 14 shall refund the excess amount to the person.

15 (c) As used in this subsection, "pass through entity" means a
 16 corporation that is exempt from the adjusted gross income tax under
 17 IC 6-3-2-2.8(2), a partnership, a limited liability company, or a limited
 18 liability partnership and "pass through income" means a person's
 19 distributive share of adjusted gross income for a taxable year
 20 attributable to the person's interest in a pass through entity. This
 21 subsection applies to a person's overpayment of adjusted gross income
 22 tax for a taxable year if:

23 (1) the person has filed a timely claim for refund with respect to
 24 the overpayment under IC 6-8.1-9-1;

25 (2) the overpayment:

26 (A) is with respect to a taxable year beginning before January
 27 1, 2009;

28 (B) is attributable to amounts paid to the department by:

29 (i) a nonresident shareholder, partner, or member of a pass
 30 through entity;

31 (ii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13
 32 on behalf of a nonresident shareholder, partner, or member
 33 of the pass through entity; or

34 (iii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13
 35 on behalf of a nonresident shareholder, partner, or member
 36 of another pass through entity; and

37 (3) the overpayment arises from a determination by the
 38 department or a court that the person's pass through income is not
 39 includible in the person's adjusted gross income derived from
 40 sources within Indiana as a result of the application of
 41 IC 6-3-2-2(a)(5) and IC 6-3-2-2.2(g).

42 The department shall apply the overpayment to the person's liability for

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1 taxes that have been assessed and are currently due as provided in
 2 subsection (a) and apply any remaining overpayment as a credit or
 3 credits in satisfaction of the person's liability for listed taxes in taxable
 4 years beginning after December 31, 2008. If the person, including any
 5 successor to the person's interest in the overpayment, does not have
 6 sufficient liability for listed taxes against which to credit all the
 7 remaining overpayment in a taxable year beginning after December 31,
 8 2008, and ending before January 1, 2019, the taxpayer is not entitled
 9 for any taxable year ending after December 31, 2018, to have any part
 10 of the remaining overpayment applied, refunded, or credited to the
 11 person's liability for listed taxes. If an overpayment or part of an
 12 overpayment is required to be applied as a credit under this subsection
 13 to the person's liability for listed taxes for a taxable year beginning after
 14 December 31, 2008, and has not been determined by the department or
 15 a court to meet the conditions of subdivision (3) by the due date of the
 16 person's return for a listed tax for a taxable year beginning after
 17 December 31, 2008, the department shall refund to the person that part
 18 of the overpayment that should have been applied as a credit for such
 19 taxable year within ninety (90) days of the date that the department or
 20 a court makes the determination that the overpayment meets the
 21 conditions of subdivision (3). However, the department may establish
 22 a program to refund small overpayment amounts that do not exceed the
 23 threshold dollar value established by the department rather than
 24 crediting the amounts against tax liability accruing for a taxable year
 25 after December 31, 2008. A person that receives a refund or credit
 26 under this subsection shall file a report with the department in the form
 27 and in the schedule specified by the department that identifies under
 28 penalties of perjury the home state or other jurisdiction where the
 29 income subject to the refund or credit was reported as income
 30 attributable to that state or jurisdiction.

31 (d) An excess tax payment that is not refunded or credited against
 32 a current or future tax liability within ninety (90) days after the date the
 33 refund claim is filed, the date the tax payment was due, or the date the
 34 tax was paid, whichever is latest, accrues interest from the date the
 35 refund claim is filed at the rate established under IC 6-8.1-10-1 until a
 36 date, determined by the department, that does not precede by more than
 37 thirty (30) days, the date on which the refund or credit is made. As used
 38 in this subsection, "refund claim" includes an amended return that
 39 indicates an overpayment of tax.

40 (e) **A person who is liable for the payment of excise taxes under**
 41 **IC 7.1-4-3 or IC 7.1-4-4 is entitled to claim a credit against the**
 42 **person's excise tax liability in the amount of the excise taxes paid**

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in duplicate by the person, or the person's assignors or predecessors, upon both:

(1) the receipt of the goods subject to the excise taxes, as reported by the person, or the person's assignors or predecessors, on excise tax returns filed with the department; and

(2) the withdrawal of the same goods from a storage facility operated under 19 U.S.C. 1555(a).

(f) The amount of the credit under subsection (e) is equal to the amount of excise taxes:

(1) that were paid by the person, or the person's assignors or predecessors, as described in subsection (e)(2);

(2) that are duplicative of excise taxes paid by the person, or the person's assignors or predecessors, as described in subsection (e)(1); and

(3) for which the person, or the person's assignors or predecessors, has not previously claimed a credit.

The credit may be claimed by subtracting the amount of the credit from the amount of the person's excise taxes reported on the person's monthly excise tax returns filed under IC 7.1-4-6 with the department for taxes imposed under IC 7.1-4-3 or IC 7.1-4-4. The amount of the credit that may be taken monthly by the person on each monthly excise tax return may not exceed five percent (5%) of the excise tax liability reported by the person on the monthly excise tax return.

(g) The amount of the credit claimed by a person under subsection (f) must be used by the person for capital expenditures to:

- (1) expand employment; or
- (2) assist in retaining employment;

within Indiana. The department shall annually verify whether the capital expenditures made by the person comply with this subsection.

SECTION 24. IC 8-1-34-16, AS AMENDED BY P.L.219-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 16. (a) Except as provided in ~~section~~ sections 21 and 30 of this chapter, after June 30, 2006:

(1) the commission is the sole franchising authority (as defined in 47 U.S.C. 522(10)) for the provision of video service in Indiana; and

(2) a unit may not:

- (A) require a provider to obtain a separate franchise;

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- 1 (B) impose any fee, gross receipt tax, licensing requirement,
 2 rate regulation, or build-out requirement on a provider;
 3 (C) regulate a holder or provider; or
 4 (D) establish, fund, or otherwise designate an agency, a board,
 5 or another subordinate entity to monitor, supervise, evaluate,
 6 or regulate the holder or provider;
 7 except as authorized by this chapter.
 8 (b) Except as provided in section 21 of this chapter, a person who
 9 seeks to provide video service in Indiana after June 30, 2006, shall file
 10 with the commission an application for a franchise. The application
 11 shall be made on a form prescribed by the commission and must
 12 include the following:
- 13 (1) A sworn affidavit, signed by an officer or another person
 14 authorized to bind the applicant, that affirms the following:
 - 15 (A) That the applicant has filed or will timely file with the
 16 Federal Communications Commission all forms required by
 17 the Federal Communications Commission before offering
 18 video service in Indiana.
 - 19 (B) That the applicant agrees to comply with all federal and
 20 state statutes, rules, and regulations applicable to the operation
 21 of the applicant's video service system.
 - 22 (C) That the applicant agrees to:
 - 23 (i) comply with any local ordinance or regulation governing
 24 the use of public rights-of-way in the delivery of video
 25 service; and
 - 26 (ii) recognize the police powers of a unit to enforce the
 27 ordinance or regulation.
 - 28 (D) If the applicant will terminate an existing local franchise
 29 under section 21 of this chapter, that the applicant agrees to
 30 perform any obligations owed to any private person, as
 31 required by section 22 of this chapter.
 - 32 (2) The applicant's legal name and any name under which the
 33 applicant does or will do business in Indiana, as authorized by the
 34 secretary of state.
 - 35 (3) The address and telephone number of the applicant's principal
 36 place of business, along with contact information for the person
 37 responsible for ongoing communications with the commission.
 - 38 (4) The names and titles of the applicant's principal officers.
 - 39 (5) The legal name, address, and telephone number of the
 40 applicant's parent company, if any.
 - 41 (6) A description of each service area in Indiana to be served by
 42 the applicant. A service area described under this subdivision may

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1 include an unincorporated area in Indiana.
 2 (7) The expected date for the deployment of video service in each
 3 of the areas identified in subdivision (6).
 4 (8) A list of other states in which the applicant provides video
 5 service.
 6 (9) If the applicant will terminate an existing local franchise under
 7 section 21(b) of this chapter, a copy of the written notice sent to
 8 the municipality under section 21(c) of this chapter.
 9 (10) Any other information the commission considers necessary
 10 to:
 11 (A) monitor the provision of video service to Indiana
 12 customers; and
 13 (B) prepare the commission's annual report to the regulatory
 14 flexibility committee under IC 8-1-2.6-4.
 15 (c) This section does not empower the commission to require:
 16 (1) an applicant to disclose confidential and proprietary business
 17 plans and other confidential information without adequate
 18 protection of the information; or
 19 (2) a provider to disclose more frequently than in each odd
 20 numbered year information regarding the areas in which an
 21 applicant has deployed, or plans to deploy, video services.
 22 The commission shall exercise all necessary caution to avoid disclosure
 23 of confidential information supplied under this section.
 24 (d) The commission may charge a fee for filing an application under
 25 this section. Any fee charged by the commission under this subsection
 26 may not exceed the commission's actual costs to process and review the
 27 application under section 17 of this chapter.
 28 (e) Nothing in this title may be construed to require an applicant or
 29 a provider to disclose information that identifies by census block, street
 30 address, or other similar level of specificity the areas in which the
 31 applicant or provider has deployed, or plans to deploy, video service in
 32 Indiana. The commission may not disclose, publish, or report by census
 33 block, street address, or other similar level of specificity any
 34 information identifying the areas in Indiana in which an applicant or a
 35 provider has deployed, or plans to deploy, video service.
 36 SECTION 25. IC 8-1-34-24, AS ADDED BY P.L.27-2006,
 37 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 24. (a) Subject to ~~subsection~~ **subsections (e) and**
 39 **(f)**, not later than forty-five (45) days after the end of each calendar
 40 quarter, the holder shall pay to each unit included in the holder's
 41 service area under a certificate issued under this chapter a franchise fee
 42 equal to:

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1 (1) the amount of gross revenue received from providing video
 2 service in the unit during the most recent calendar quarter, as
 3 determined under section 23 of this chapter; multiplied by

4 (2) a percentage equal to one (1) of the following:

5 (A) If a local franchise has never been in effect in the unit
 6 before July 1, 2006, five percent (5%).

7 (B) If no local franchise is in effect in the unit on July 1, 2006,
 8 but one (1) or more local franchises have been in effect in the
 9 unit before July 1, 2006, the percentage of gross revenue paid
 10 by the holder of the most recent local franchise in effect in the
 11 unit, unless the unit elects to impose a different percentage,
 12 which may not exceed five percent (5%).

13 (C) If there is one (1) local franchise in effect in the unit on
 14 July 1, 2006, the percentage of gross revenue paid by the
 15 holder of that local franchise as a franchise fee to the unit,
 16 unless the unit elects to impose a different percentage, which
 17 may not exceed five percent (5%). Upon the expiration of a
 18 local franchise described in this clause, the percentage shall be
 19 determined by the unit but may not exceed five percent (5%).

20 (D) If there is more than one (1) local franchise in effect with
 21 respect to the unit on July 1, 2006, a percentage determined by
 22 the unit, which may not exceed the greater of:

23 (i) five percent (5%); or

24 (ii) the percentage paid by a holder of any local franchise in
 25 effect in the unit on July 1, 2006.

26 (b) If the holder provides video service to an unincorporated area in
 27 Indiana, as described in section 23(e) of this chapter, the holder shall:

28 (1) calculate the franchise fee with respect to the unincorporated
 29 area in accordance with subsection (a); and

30 (2) remit the franchise fee to the county in which the
 31 unincorporated area is located.

32 If an unincorporated area served by the provider is located in one (1)
 33 or more contiguous counties, the provider shall remit part of the
 34 franchise fee calculated under subdivision (1) to each county having
 35 territory in the unincorporated area served. The part of the franchise fee
 36 remitted to a county must bear the same proportion to the total
 37 franchise fee for the area, as calculated under subdivision (1), that the
 38 number of subscribers in the county bears to the total number of
 39 subscribers in the unincorporated area served.

40 (c) With each payment of a franchise fee to a unit under this section,
 41 the holder shall include a statement explaining the basis for the
 42 calculation of the franchise fee. A unit may review the books and

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- 1 records of:
- 2 (1) the holder; or
- 3 (2) an affiliate of the holder, if appropriate;
- 4 to the extent necessary to ensure the holder's compliance with section
- 5 23 of this chapter in calculating the gross revenue upon which the
- 6 remitted franchise fee is based. Each party shall bear the party's own
- 7 costs of an examination under this subsection. If the holder and the unit
- 8 cannot agree on the amount of gross revenue on which the franchise fee
- 9 should be based, either party may petition the commission to determine
- 10 the amount of gross revenue on which the franchise fee should be
- 11 based. A determination of the commission under this subsection is
- 12 final, subject to the right of direct appeal by either party.
- 13 (d) A franchise fee owed by a holder to a unit under this section may
- 14 be passed through to, and collected from, the holder's subscribers in the
- 15 unit. To the extent allowed under ~~43 U.S.C. 542(c)~~, **47 U.S.C. 542(c)**,
- 16 the holder may identify as a separate line item on each regular bill
- 17 issued to a subscriber:
- 18 (1) the amount of the total bill assessed as a franchise fee under
- 19 this section; and
- 20 (2) the identity of the unit to which the franchise fee is paid.
- 21 (e) A holder that elects under section 21(b)(1) of this chapter to
- 22 continue providing video service under a local franchise is not required
- 23 to pay the franchise fee prescribed under this section, but shall pay any
- 24 franchise fee imposed under the terms of the local franchise **with**
- 25 **respect to video service provided in a calendar year ending before**
- 26 **January 1, 2013. A fee required by a local franchise does not apply**
- 27 **to video service provided in a calendar year beginning after**
- 28 **December 31, 2012.**
- 29 (f) **A holder is not required to pay the franchise fee prescribed**
- 30 **by subsections (a) through (d) with respect to video service**
- 31 **provided in a calendar year beginning after December 31, 2012.**
- 32 SECTION 26. IC 8-1-34-30 IS ADDED TO THE INDIANA CODE
- 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 34 1, 2012]: **Sec. 30. (a) As used in this section, "department" refers**
- 35 **to the department of state revenue.**
- 36 (b) **As used in this section, "direct broadcast satellite service"**
- 37 **means distributing or broadcasting video programming (as defined**
- 38 **in 47 U.S.C. 522(20)) or video service by satellite directly to**
- 39 **receiving equipment located at an end user subscriber's or an end**
- 40 **user customer's premises. The term includes the following:**
- 41 (1) **Renting receiving or recording equipment used by a**
- 42 **subscriber or customer to obtain or use the service.**



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- (2) Providing premium channels.**
- (3) Installing or repairing receiving or recording equipment used by a subscriber or customer to obtain or use the service.**
- (4) Providing music or other audio services or channels.**
- (5) Any other service provided in connection with the provision of direct broadcast satellite service.**

(c) As used in this section, "direct broadcast satellite service provider" means any person that transmits, broadcasts, or otherwise provides direct broadcast satellite service to subscribers in Indiana.

(d) With respect to a direct broadcast satellite service provider, "gross revenue" means all consideration of any kind or nature, including cash, credits, property, and in kind contributions received by the direct broadcast satellite service provider or an affiliate of the provider. Gross revenue is determined as follows:

- (1) The term includes the following fees and charges charged to subscribers for direct broadcast satellite service provided by a direct broadcast satellite service provider or an affiliate of the provider:**
 - (A) Recurring monthly charges for direct broadcast satellite service.**
 - (B) Event based charges for direct broadcast satellite service, including pay per view and video on demand charges.**
 - (C) Charges for the rental of equipment related to providing direct broadcast satellite service.**
 - (D) Service charges related to providing direct broadcast satellite service, including activation, installation, repair, and maintenance charges.**
 - (E) Administrative charges related to providing direct broadcast satellite service, including service order and service termination charges.**
 - (F) Any other fee or charge that would be included in gross revenue as determined under section 23 of this chapter, regardless of whether the direct broadcast satellite service provider, or an affiliate of the provider, is otherwise subject to this chapter.**
- (2) The term does not include the following received by a direct broadcast satellite service provider or an affiliate of the provider:**
 - (A) Revenue not actually received, regardless of whether it is billed, including bad debt.**

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- 1 (B) Revenue received by an affiliate or any other person in
2 exchange for supplying goods and services used by the
3 direct broadcast satellite service provider to provide direct
4 broadcast satellite service.
- 5 (C) Refunds, rebates, or discounts made to a subscriber, an
6 advertiser, a unit, another provider, or any other person.
- 7 (D) Revenue from providing service other than direct
8 broadcast satellite service, including:
- 9 (i) telecommunications service (as defined in 47 U.S.C.
10 153(46));
- 11 (ii) information service (as defined in 47 U.S.C. 153(20));
- 12 or
- 13 (iii) any other service that is not direct broadcast satellite
14 service.
- 15 (E) The tax imposed on retail transactions described in
16 IC 6-2.5-4-11.
- 17 (F) Any video service provider fee that is:
- 18 (i) imposed on the provider under subsection (f); and
- 19 (ii) passed through to and collected from subscribers.
- 20 (G) Any tax of general applicability imposed on the direct
21 broadcast satellite service provider, or a subscriber of
22 direct broadcast satellite service, by a federal, state, or
23 local governmental entity and required to be collected and
24 remitted to the taxing entity, including the state gross
25 retail and use taxes (IC 6-2.5) and the utility receipts tax
26 (IC 6-2.3).
- 27 (H) Any foregone revenue from providing free or reduced
28 cost direct broadcast satellite service to any person,
29 including employees of the direct broadcast satellite
30 service provider or any governmental entity as required or
31 permitted by federal, state, or local law, except revenue
32 foregone in exchange for goods or services through a trade
33 or barter arrangement.
- 34 (I) Revenue from the sale of:
- 35 (i) capital assets; or
- 36 (ii) surplus equipment not used by the purchaser to
37 receive direct broadcast satellite service from the direct
38 broadcast satellite service provider.
- 39 (J) Reimbursements that:
- 40 (i) are made by programmers to the direct broadcast
41 satellite service provider for marketing costs incurred by
42 the direct broadcast satellite service provider for the

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introduction of new programming; and
(ii) exceed the actual costs incurred by the direct broadcast satellite service provider.

(K) Late payment fees collected from customers.

(L) Charges, other than those charges described in subdivision (1), that are aggregated or bundled with charges described in subdivision (1) on a customer's bill, if the direct broadcast satellite service provider can reasonably identify the charges in its books and records kept in the regular course of business.

(e) With respect to a holder, "gross revenue" has the meaning set forth in section 5 of this chapter.

(f) After June 30, 2012, a unit may adopt an ordinance to impose a video service provider fee upon any holder or direct broadcast satellite service provider providing video service or direct broadcast satellite service to subscribers located in the unit. However:

(1) a county may impose the fee only upon services provided to subscribers located within the unincorporated area of the county;

(2) a township may impose the fee only if the township was entitled to receive the distribution of the fee imposed under section 24 of this chapter or was a party to a local franchise that a video service provider elected to continue operating under as provided by section 21(b)(1) of this chapter.

(g) A fee imposed under this section may not exceed three percent (3%) of the gross revenue of the holder or direct broadcast satellite service provider that is attributable to services provided to subscribers located in the unit imposing the fee. A fee imposed under this section takes effect on January 1 of the calendar year following the calendar year in which the ordinance imposing the fee is adopted.

(h) The video service provider fee is in addition to the state gross retail tax and use tax imposed by IC 6-2.5.

(i) The video service provider fee may be passed through to, and collected from, a holder or direct broadcast satellite service provider's subscribers in Indiana. To the extent allowed under federal or state law, the holder or direct broadcast satellite service provider may identify as a separate line item on each regular bill issued to a subscriber:

(1) the amount of the total bill assessed as a video service provider fee under this section; and

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(2) the identity of the unit to which the video service provider fee is paid.

(j) Each holder or direct broadcast satellite service provider liable for the video service provider fee shall file a report for each calendar quarter and pay to the department the fee imposed by this section for each calendar quarter. A holder or direct broadcast satellite service provider shall file a report for each calendar quarter with the department and pay the video service provider fee for that calendar quarter to the department not later than twenty (20) days after the end of that calendar quarter. The report must include a summary of gross revenue and fees categorized by unit. This subsection does not create a liability of the holder or direct broadcast satellite service provider directly to a unit.

(k) The department shall prescribe the form of the direct broadcast satellite service fee report required under subsection (j).

(l) For each unit in which a provider provides direct broadcast satellite service or video service, the department shall:

(1) credit to a special account for that unit the money received from the fees collected by the department for the unit for the most recent calendar quarter from each provider that provides direct broadcast satellite service or video service in the unit; and

(2) use the money in the account to make distributions to the unit before the last business day in January, April, July, and October based on the amount of fees received in that month for the most recent calendar quarter from each provider that provides direct broadcast satellite service or video service in the unit.

The money in each special account is appropriated to make the distributions.

SECTION 27. IC 8-10-2-2, AS AMENDED BY P.L.98-2008, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) In addition to the powers conferred upon the ports of Indiana by other provisions of this article, the ports of Indiana, whenever the ports of Indiana finds that the economic welfare of the state would thereby be benefited, by additional employment opportunities, or by additional diversification of industry within the state, or by increased income or prosperity to the state and its residents, or for any other reason, shall have the power to acquire, construct, maintain, repair, police, and lease to others such facilities for manufacturing, storage, or processing of goods, or for the carrying on of commercial, business, or recreational activities as the ports of

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1 Indiana further finds will increase the traffic into or out of the project.
 2 ~~Any such facilities and the site thereof shall not be~~ **Neither a facility**
 3 **leased under this section nor the site on which the facility is located**
 4 **may become** exempt from property taxation ~~and because of the lease.~~
 5 The lessee in any lease ~~thereof~~ **authorized by this subsection** shall
 6 agree to pay all property taxes levied on ~~such facilities and the site~~
 7 ~~thereof.~~ **the leased facility and the site of the facility unless the**
 8 **lessee itself is exempt from property taxation. Any property taxes**
 9 **imposed upon the leased facility and the site of the facility remain**
 10 **the liability of the lessee. Unpaid property taxes are not a liability**
 11 **of the ports of Indiana or any subsequent lessee or occupant of the**
 12 **leased facility. The terms of any lease agreement entered into after**
 13 **June 30, 2012, must comply with this subsection.**

14 (b) In exercising the powers granted in this section, the ports of
 15 Indiana shall have all the powers granted to it by this article, in
 16 connection with a project, and the term "project", as used in IC 8-10-1,
 17 shall be deemed to include facilities, adjuncts, and appurtenances of
 18 the character referred to in this section.

19 (c) It is further declared that the acquisition, construction,
 20 maintenance, repair, policing of, and leasing to others of such facilities
 21 under the conditions set forth in this section is a public purpose.

22 (d) Nothing in this section shall authorize the ports of Indiana to
 23 take, condemn, or disturb any property right or interest in property,
 24 existing on March 10, 1967, including permits and authorities to fill
 25 and reclaim submerged lands, or any facilities constituting all or part
 26 of any operating property or any private or public port. The ports of
 27 Indiana shall make reimbursement for any actual damage to any public
 28 or private facilities, including but not limited to breakwaters, water
 29 intakes, wharves, piers, boat docks, warehouses, and pipeline
 30 equipment resulting from the exercise by it of any powers granted to it
 31 by this section.

32 SECTION 28. IC 36-2-6-23 IS ADDED TO THE INDIANA CODE
 33 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 34 **1, 2012]: Sec. 23. A county treasurer shall provide written notice to**
 35 **the ports of Indiana of any determination that a person liable for**
 36 **property taxes due on:**

37 **(1) a facility leased by the person from the ports of Indiana;**
 38 **or**

39 **(2) the site of a facility leased by the person from the ports of**
 40 **Indiana;**

41 **has failed to pay the property taxes. The notice must be provided**
 42 **not later than thirty (30) days after the determination is made.**

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1 SECTION 29. IC 36-7-10.1-3, AS AMENDED BY P.L.113-2010,
 2 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The legislative body of a
 4 municipality or county may by ordinance require the owners of real
 5 property located within the municipality or the unincorporated area of
 6 the county to cut and remove weeds and other rank vegetation growing
 7 on the property. As used in this chapter, "weeds and other rank
 8 vegetation" does not include agricultural crops, such as hay and
 9 pasture.

10 (b) An ordinance adopted under subsection (a) must specify the
 11 following:

12 (1) The department of the municipality or county responsible for
 13 the administration of the ordinance.

14 (2) The definitions of weeds and rank vegetation.

15 (3) The height at which weeds or rank vegetation becomes a
 16 violation of the ordinance, specifying the appropriate heights for
 17 various types of weeds and rank vegetation.

18 (4) The procedure for issuing notice to the owner of real property
 19 of a violation of the ordinance, **including any procedures for**
 20 **issuing a continuous abatement notice under subsection (d).**

21 (5) The procedure under which the municipality or county, or its
 22 contractors, may enter real property to abate a violation of the
 23 ordinance if the owner fails to abate the violation.

24 (6) The procedure for issuing a bill to the owner of real property
 25 for the costs incurred by the municipality or county in abating the
 26 violation, including administrative costs and removal costs. The
 27 cost of sending notice under subsection (c) is an administrative
 28 cost that may be billed to the owner under this subdivision.

29 (7) The procedure for appealing a notice of violation or a bill
 30 issued under the ordinance.

31 (c) An ordinance adopted under subsection (a) must provide that a
 32 notice sent to the property owner must be sent by certified mail, return
 33 receipt requested, or an equivalent service permitted under IC 1-1-7-1
 34 to:

35 (1) the owner of record of real property with a single owner; or

36 (2) at least one (1) of the owners of real property with multiple
 37 owners;

38 at the last address of the owner for the property as indicated in the
 39 records of the county auditor on the date of the notice.

40 **(d) If an initial notice of the violation of an ordinance adopted**
 41 **under this section was provided by certified mail or equivalent**
 42 **service under subsection (c), a continuous abatement notice may be**

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1 posted at the property at the time of abatement instead of by
 2 certified mail or equivalent service as required under subsection
 3 (c). A continuous abatement notice serves as notice to the real
 4 property owner that each subsequent violation during the same
 5 year for which the initial notice of the violation was provided may
 6 be abated by the municipality or county, or its contractors.

7 SECTION 30. IC 36-7-32-6 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this
 9 chapter, "gross retail base period amount" means the aggregate amount
 10 of state gross retail and use taxes remitted under IC 6-2.5 by the
 11 businesses operating in the territory comprising a certified technology
 12 park during the full state fiscal year that precedes the date on which the
 13 certified technology park was designated under section 11 of this
 14 chapter (**subject to any subsequent adjustment under section 28 of
 15 this chapter**).

16 SECTION 31. IC 36-7-32-8 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this
 18 chapter, "income tax base period amount" means the aggregate amount
 19 of the following taxes paid by employees employed in the territory
 20 comprising a certified technology park with respect to wages and salary
 21 earned for work in the certified technology park for the state fiscal year
 22 that precedes the date on which the certified technology park was
 23 designated under section 11 of this chapter (**subject to any subsequent
 24 adjustment under section 28 of this chapter**):

- 25 (1) The adjusted gross income tax.
- 26 (2) The county adjusted gross income tax.
- 27 (3) The county option income tax.
- 28 (4) The county economic development income tax.

29 SECTION 32. IC 36-7-32-28 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 28. (a) This section applies
 32 only to a certified technology park located in a county having a
 33 population of more than one hundred twenty-five thousand
 34 (125,000) but less than one hundred thirty-five thousand (135,000).**

35 **(b) A redevelopment commission may petition the department
 36 of state revenue to adjust a certified technology park's gross retail
 37 base period amount or income tax base period amount, or both, if
 38 the redevelopment commission believes in good faith at the time
 39 the petition is made that the gross retail base period amount or the
 40 income tax base period amount, or both, in effect for the certified
 41 technology park are incorrect.**

42 **(c) A redevelopment commission that submits a petition under**

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subsection (b) has the burden of demonstrating the redevelopment commission's claim by a preponderance of the evidence.

(d) A petition submitted under subsection (b) must include the following:

(1) An explanation of the calculation that was made to determine the gross retail base period amount or income tax base period amount, or both, in effect at the time the petition is made.

(2) An explanation of why the gross retail base period amount or income tax base period amount, or both, should be changed.

(3) An explanation of the proposed change in the calculation of the gross retail base period amount or income tax base period amount, or both, describing:

(A) the proposed change in the calculation formula, if any;

(B) the proposed new facts to use in making the calculation, if any; or

(C) the information in both clauses (A) and (B).

(e) In addition to information provided in a petition submitted under subsection (b), the department of state revenue may require a redevelopment commission to furnish any additional reasonable documentation or other evidence the department of state revenue requires to make its determination.

(f) If the department of state revenue determines as a result of a petition submitted under this section that a certified technology park's gross retail base period amount or income tax base period amount, or both, are incorrect, the department of state revenue shall compute the appropriate adjustments and notify the petitioning redevelopment commission, the Indiana economic development corporation, the budget agency, and the treasurer of state.

(g) An adjustment of a certified technology park's gross retail base period amount or income tax base period amount under this section is retroactive to the later of the following dates:

(1) The date the incorrect gross retail base period amount or income tax base period amount, as applicable, became effective.

(2) July 1 of the state fiscal year immediately preceding the state fiscal year in which the redevelopment commission submitted the petition to the department of state revenue under subsection (b).

(h) If the date to which an adjustment of a certified technology

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1 park's gross retail base period amount or income tax base period
2 amount is retroactive occurred before the beginning of the state
3 fiscal year in which the adjustment is determined under this
4 section, the department of state revenue shall notify the auditor of
5 state and the budget agency of the adjustment with an explanation
6 of the sum of the following:

7 (1) The difference, if any, between:

8 (A) the incorrect gross retail incremental amount; and

9 (B) the adjusted gross retail incremental amount;

10 of the certified technology park for all state fiscal years before
11 the state fiscal year in which the determination under this
12 section is made that are affected by the adjustment in the
13 gross retail base period amount, based on the date determined
14 under subsection (g).

15 (2) The difference, if any, between:

16 (A) the incorrect income tax incremental amount; and

17 (B) the adjusted income tax incremental amount;

18 of the certified technology park for all state fiscal years before
19 the state fiscal year in which the determination under this
20 section is made that are affected by the adjustment in the
21 income tax base period amount, based on the date determined
22 under subsection (g).

23 If the budget agency is satisfied that the explanation furnished by
24 the department of state revenue of the sum determined under this
25 subsection is correct, the budget agency shall direct the auditor of
26 state to transfer the sum determined under this section from the
27 state general fund to the incremental tax financing fund for the
28 relevant certified technology park, without appropriation, subject
29 to section 22(c) of this chapter, to be distributed as provided in
30 section 22(d) of this chapter.

31 SECTION 33. IC 36-7-37 IS ADDED TO THE INDIANA CODE
32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2013]:

34 **Chapter 37. Residential Historic Rehabilitation Grant Program**

35 **Sec. 1. This chapter applies to any county (in the case of the**
36 **unincorporated area of the county), city, or town in which a**
37 **Section 42 of the Internal Revenue Code low income housing tax**
38 **credit property is located.**

39 **Sec. 2. The definitions set forth in IC 6-3.1-22 apply throughout**
40 **this chapter.**

41 **Sec. 3. (a) The fiscal body of a county, city, or town may adopt**
42 **an ordinance to establish a residential historic rehabilitation grant**

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1 program.

2 (b) The grant program shall be administered by the
3 redevelopment commission of the county, city, or town.

4 (c) Grants may be made only to pay for qualified expenditures
5 of a taxpayer that qualifies for a residential historic rehabilitation
6 income tax credit under IC 6-3.1-22.

7 (d) A redevelopment commission may require a taxpayer to
8 apply for a grant on a form prescribed by the redevelopment
9 commission.

10 Sec. 4. (a) If the fiscal body of a county, city, or town adopts an
11 ordinance to establish a residential historic rehabilitation grant
12 program, the fiscal body shall also establish a residential historic
13 rehabilitation grant fund.

14 (b) The fund consists of money appropriated by the fiscal body
15 for deposit in the fund from any revenue source available to the
16 fiscal body. Interest earned on money in the fund shall be credited
17 to the fund.

18 (c) Money in the fund must be appropriated by the county's,
19 city's, or town's fiscal body before the money may be used to
20 provide a grant under this chapter.

21 SECTION 34. [EFFECTIVE JANUARY 1, 2013] (a) IC 6-2.3-4-7,
22 as added by this act, applies to taxable years beginning after
23 December 31, 2012.

24 (b) This SECTION expires January 1, 2015.

25 SECTION 35. [EFFECTIVE UPON PASSAGE] (a) The
26 corrections of the references to:

27 (1) Internal Revenue Code Section 62(a)(2)(D) that is being
28 made in IC 6-3-1-3.5; and

29 (2) Internal Revenue Code Section 871(k)(1)(C) that is being
30 made in IC 6-3-1-11;

31 apply to taxable years beginning after December 31, 2010,
32 notwithstanding the July 1, 2012, effective date of the SECTIONS
33 in this act that make the corrections.

34 (b) This SECTION expires January 1, 2013.

35 SECTION 36. [EFFECTIVE UPON PASSAGE] (a) During the
36 2012 and 2013 legislative interims, the commission on state tax and
37 financing policy (IC 2-5-3) shall study all income tax credits using
38 a schedule that provides for approximately half the credits to be
39 studied each year and for the credits to be studied in the order they
40 were enacted. The commission shall prepare a report that covers
41 each credit and that includes the following:

42 (1) A review of the original scope and purpose of the credit

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and whether the scope or purpose has changed since the credit's enactment.

(2) The economic parameters of the credit, including the credit percentage and credit limits, and whether these parameters have changed since the credit's enactment.

(3) A description of the taxpayers that qualify for the credit and how effective the credit has been in assisting these targeted taxpayers.

(4) The type of activities on which the credit is based and how effective the credit has been in promoting these targeted activities.

(5) The amount of the credits granted over time.

(6) A determination of the dollar amount of credits granted but not taken that can be carried forward.

(7) A summary of audit findings for each credit and whether there has been any misuse of the credit.

(8) Suggested changes in the law with regard to each credit, including whether the credit should be retained or not.

(9) Any other issues related to these income tax credits, as determined by the commission.

The commission on state tax and financing policy shall issue the report in two (2) parts, in an electronic format under IC 5-14-6, to the legislative council, not later than November 1, 2012, and November 1, 2013, respectively.

(b) This SECTION expires January 1, 2014.

SECTION 37. [EFFECTIVE JULY 1, 2012] (a) The legislative council shall assign to an interim or a statutory study committee during the 2012 legislative interim the topic of more clearly defining what is included in instructional spending by school corporations and what is included in noninstructional spending by school corporations for purposes of IC 20-42.5-3-5.

(b) The study committee assigned the topic described in subsection (a) shall issue a final report, in an electronic format under IC 5-14-6, to the legislative council containing the study committee's findings and recommendations, including any recommended legislation concerning the topic, not later than November 1, 2012.

(c) This SECTION expires December 31, 2012.

SECTION 38. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office of the secretary" refers to the office of the secretary of family and social services.

(b) As used in this SECTION, "government assistance income"

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1 means the sum of the value of all:

- 2 (1) cash;
 3 (2) free services; or
 4 (3) savings from reduced fees;

5 that an Indiana resident with an income at or below two hundred
 6 percent (200%) of the federal poverty income level receives.

7 (c) Before December 31, 2012, the office of the secretary shall
 8 study the following:

9 (1) The tax relief available for Indiana residents with incomes
 10 under the federal poverty income level.

11 (2) The availability of programs that provide financial or
 12 medical assistance to low income Indiana residents with
 13 incomes under the federal poverty income level, including:

- 14 (A) Medicaid;
 15 (B) Temporary Assistance for Needy Families;
 16 (C) food stamps; and
 17 (D) any other federal, state, or local financial or medical
 18 assistance available to Indiana residents whose income is
 19 at or below two hundred percent (200%) of the federal
 20 poverty income level.

21 (3) The maximum government assistance income an
 22 individual could receive by pursuing and obtaining the
 23 benefits described in subdivisions (1) and (2).

24 (d) The office of the secretary shall submit a report of its
 25 findings not later than December 31, 2012, to the governor and the
 26 legislative council. The report must be in an electronic format
 27 under IC 5-14-6. The report must include a detailed explanation of
 28 the calculation assumptions and methodology.

29 (e) This SECTION expires January 1, 2013.

30 SECTION 39. [EFFECTIVE MAY 1, 2012] (a) This SECTION
 31 applies to a taxpayer notwithstanding IC 6-1.1-11 or any other law
 32 or administrative rule or provision.

33 (b) This SECTION applies to an assessment date (as defined in
 34 IC 6-1.1-1-2) occurring in 2008 through 2009.

35 (c) This SECTION applies only to a taxpayer that is an Indiana
 36 nonprofit corporation that serves the homeless and to land and
 37 improvements that meet all of the following conditions:

- 38 (1) The corporation leased land and improvements that
 39 served as a homeless shelter that met the physical, emotional,
 40 academic, and spiritual needs of children, teens, adults, and
 41 families during 2008 through 2009. The corporation timely
 42 filed an application under IC 6-1.1-11 for a property tax

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exemption for the land and improvements and received an exemption from property taxes for the 2007, 2010, and 2011 assessment dates for the land and improvements.

(2) The corporation did not timely file an application under IC 6-1.1-11 for a property tax exemption for the land and improvements described in subdivision (1) for the 2008 through 2009 assessment dates, and as a result the corporation's land and improvements referred to in subdivision (1) were assessed and subject to property taxation for the 2008 through 2009 assessment dates.

(3) For the 2008 through 2009 assessment dates, the land and improvements described in subdivision (1) would have been eligible for a property tax exemption if the corporation had filed an exemption application under IC 6-1.1-11.

A taxpayer described in this subsection may, before July 1, 2012, file with the county assessor an application for property tax exemption for the land and improvements described in subdivision (1) for the 2008 through 2009 assessment dates.

(d) If the taxpayer demonstrates in the application filed under subsection (c) that the property that is the subject of the exemption application would have qualified for an exemption under IC 6-1.1-10-16 as owned, occupied, and used for an educational or charitable purpose if the application had been filed under IC 6-1.1-11 in a timely manner, the taxpayer is entitled to the exemptions from real property taxes or personal property taxes, or both, as claimed on the property tax exemption applications filed by the taxpayer under subsection (c) and shall pay no property taxes, penalties, or interest with respect to the exempt property.

(e) For a taxpayer's property to be exempt under this SECTION, the taxpayer must have received for the 2007, 2010, and 2011 assessment dates an exemption from property taxes for property identified by the same parcel or key numbers or the same parcel and key numbers included on the property tax exemption applications filed by the taxpayer for those assessment dates.

(f) An application for property tax exemption that is filed under subsection (c) is considered to be timely filed for the 2008 through 2009 assessment dates, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the 2008 through 2009 assessment dates if the board determines that:

(1) the corporation's application for property tax exemption satisfies the requirements of this SECTION; and

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1 **(2) the corporation's land and improvements were, except for**
2 **the failure to timely file a property tax exemption application,**
3 **otherwise eligible for the claimed exemption for the 2008**
4 **through 2009 assessment dates.**
5 **(g) If the exemption is granted under this SECTION, the county**
6 **shall issue a refund to the corporation for all taxes paid for the**
7 **2008 and 2009 assessment dates with respect to the exempt**
8 **property. The county may pay the refund to the taxpayer over a**
9 **two (2) year period from the date the county determines that the**
10 **property qualifies for the exemption.**
11 **(h) This SECTION expires January 1, 2013.**
12 **SECTION 40. An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 344, 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 "\$ 7,500" and insert "\$5,000".

Page 1, line 10, delete "\$ 6,000" and insert "\$4,000".

Page 1, line 11, delete "\$ 6,000" and insert "\$4,000".

Page 1, line 13, delete "\$ 4,950" and insert "\$3,300".

Page 1, line 14, delete "\$4,800" and insert "\$3,200".

Page 1, line 15, delete "\$3,900" and insert "\$2,600".

Page 2, line 2, delete "\$3,750" and insert "\$2,500".

Page 2, line 3, delete "\$2,250" and insert "\$1,500".

Page 2, line 4, delete "\$3,000" and insert "\$2,000".

Page 2, line 6, delete "\$1,950" and insert "\$1,300".

Page 2, line 7, delete "\$3,000" and insert "\$2,000".

Page 2, line 9, delete "\$1,950" and insert "\$1,300".

Page 2, line 10, delete "\$2,400" and insert "\$1,600".

Page 2, line 12, delete "\$1,500" and insert "\$1,000".

Page 2, line 13, delete "\$2,400" and insert "\$1,600".

Page 2, line 14, delete "\$1,500" and insert "\$1,000".

Page 2, between lines 25 and 26, begin a new paragraph and insert:
 "SECTION 3. IC 6-1.1-12-26.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 26.1. (a) This section applies only to a solar power device that is installed after December 31, 2011.**

(b) This section does not apply to a solar power device that is owned or operated by a person that provides electricity at wholesale or retail for consideration other than a person that:

(1) participates in a net metering or feed-in-tariff program offered by an electric utility with respect to the solar power device; or

(2) is the owner or host of the solar power device site and a person consumes on the site the equivalent amount of electricity that is generated by the solar power device on an annual basis even if the electricity is sold to a public utility, including a solar power device directly serving a public utility's business operations site.

(c) For purposes of this section, "solar power device" means a device, such as a solar thermal, a photovoltaic, or other solar energy system, that is designed to use the radiant light or heat from



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the sun to produce electricity.

(d) The owner of real property equipped with a solar power device that is assessed as a real property improvement may have deducted annually from the assessed value of the real property an amount equal to:

- (1) the assessed value of the real property with the solar power device included; minus
- (2) the assessed value of the real property without the solar power device.

(e) The owner of a solar power device that is assessed as:

- (1) distributable property under IC 6-1.1-8; or
- (2) personal property;

may have deducted annually the assessed value of the solar power device.

SECTION 4. IC 6-1.1-12-27.1, AS AMENDED BY P.L.113-2010, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: Sec. 27.1. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 26 **or 26.1** of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, ~~or~~ mobile home, **manufactured home, or solar power device** is subject to assessment. With respect to real property **or a solar power device that is assessed as distributable property under IC 6-1.1-8 or as personal property**, the person must file the statement during the year for which the person desires to obtain the deduction. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, with respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The person must:

- (1) own the real property, mobile home, or manufactured home **or own the solar power device; or**
- (2) be buying the real property, mobile home, ~~or~~ manufactured home, **or solar power device** under contract; **or**
- (3) **be leasing the real property from the real property owner and be subject to assessment and property taxation with respect to the solar power device;**

on the date the statement is filed under this section. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by

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the assessor of the township in which the real property, ~~or~~ mobile home, **manufactured home, or solar power device** is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction."

Page 4, after line 42, begin a new paragraph and insert:

"SECTION 5. IC 6-2.5-5-5.1, AS AMENDED BY P.L.172-2011, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5.1. (a) As used in this section, "tangible personal property" includes electrical energy, natural or artificial gas, water, steam, and steam heat.

(b) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property acquires it for direct consumption as a material to be consumed in the direct production of other tangible personal property in the person's business of manufacturing, processing, refining, repairing, mining, agriculture, horticulture, floriculture, or arboriculture. This exemption includes transactions involving acquisitions of tangible personal property used in commercial printing.

(c) A refund claim based on the exemption provided by this section for electrical energy, natural or artificial gas, water, steam, and steam heat may not cover transactions that occur more than ~~eighteen (18)~~ **thirty-six (36)** months before the date of the refund claim.

SECTION 6. IC 6-2.5-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) As used in this section, "returnable containers" means containers customarily returned by the buyer of the contents for reuse as containers.

(b) Sales of returnable containers are exempt from the state gross retail tax if the transaction constitutes selling at retail as defined in IC 6-2.5-4-1 and if the returnable containers contain contents.

(c) Sales of returnable containers are exempt from the state gross retail tax if the containers are transferred empty for the purpose of refilling.

(d) Sales of wrapping material and empty containers are exempt from the state gross retail tax if the person acquiring the material or containers acquires them for use as nonreturnable packages for:

- (1) selling the contents that ~~he~~ **the person** adds; or
- (2) **shipping or delivering tangible personal property that:**
 - (A) **is owned by another person;**
 - (B) **is processed or serviced for the owner; and**
 - (C) **will be sold by that owner either in the same form or as a part of other tangible personal property produced by that owner in the owner's business of manufacturing,**

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assembling, constructing, refining, or processing."

Page 5, delete lines 18 through 42.

Delete page 6.

Page 7, delete lines 1 through 11.

Page 34, delete lines 8 through 42.

Delete pages 35 through 43.

Page 44, delete lines 1 through 19.

Page 45, line 10, delete "JULY 1, 2012]:" and insert "JANUARY 1, 2013]:".

Page 53, delete line 42.

Delete pages 54 through 57.

Page 58, delete lines 1 through 4.

Page 58, delete lines 26 through 35.

Page 59, delete lines 5 through 42.

Page 60, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 46. IC 6-3.1-29-6, AS AMENDED BY P.L.175-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. As used in this chapter, "integrated coal gasification powerplant" means a facility that satisfies all the following requirements:

- (1) The facility is located in Indiana and is a newly constructed energy generating plant.
- (2) The facility converts coal into synthesis gas that can be used as a fuel to generate energy or as a substitute for natural gas.
- (3) The facility uses the synthesis gas as a fuel to generate electric energy or produces synthesis gas that can be used as a substitute for natural gas.
- (4) The facility is dedicated primarily to production of electricity or gas:

(A) for use by energy utilities serving Indiana retail electric or gas utility consumers; **or**

(B) for sale to or use by the Indiana finance authority under IC 4-4-11.6.

SECTION 47. IC 6-3.1-29-19, AS AMENDED BY P.L.182-2009(ss), SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) The corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The first taxable year for which the credit may be claimed.

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- (3) The maximum tax credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.
- (5) If the facility is an integrated coal gasification powerplant, a requirement that the taxpayer shall pay an average wage to its employees at the integrated coal gasification powerplant, other than highly compensated employees, in each taxable year that a tax credit is available, that equals at least one hundred twenty-five percent (125%) of the average county wage in the county in which the integrated coal gasification powerplant is located.
- (6) For a project involving a qualified investment in an integrated coal gasification powerplant, a requirement that the taxpayer will maintain at the location where the qualified investment is made, during the term of the tax credit, a total payroll that is at least equal to the payroll that existed on the date that the taxpayer placed the integrated coal gasification powerplant into service.
- (7) A requirement that:
- (A) one hundred percent (100%) of the coal used:
 - (i) at the integrated coal gasification powerplant, for a project involving a qualified investment in an integrated coal gasification powerplant; or
 - (ii) as fuel in a fluidized bed combustion unit, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is dedicated primarily to serving Indiana retail electric utility consumers;

must be Indiana coal, unless the applicant wishes to assign the tax credit as allowed under section 20.5(c) of this chapter or elects to receive a refundable tax credit under section 20.7 of this chapter and the applicant certifies to the corporation that partial use of other coal **or other feedstock** is necessary to result in lower rates for Indiana retail utility customers; or
 - (B) seventy-five percent (75%) of the coal used as fuel in a fluidized bed combustion unit must be Indiana coal, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is not dedicated primarily to serving Indiana retail electric utility consumers.
- (8) A requirement that the taxpayer obtain from the commission a determination under IC 8-1-8.5-2 that public convenience and necessity require, or will require:
- (A) the construction of the taxpayer's integrated coal

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gasification powerplant, in the case of a project involving a qualified investment in an integrated coal gasification powerplant; or

(B) the installation of the taxpayer's fluidized bed combustion unit, in the case of a project involving a qualified investment in a fluidized bed combustion technology.

(b) A taxpayer must comply with the terms of the agreement described in subsection (a) to receive an annual installment of the tax credit awarded under this chapter. The corporation shall annually determine whether the taxpayer is in compliance with the agreement. If the corporation determines that the taxpayer is in compliance, the corporation shall issue a certificate of compliance to the taxpayer."

Page 61, delete lines 19 through 42.

Delete page 62.

Page 63, delete lines 1 through 32.

Page 67, delete lines 33 through 42.

Page 68, delete lines 1 through 13.

Page 70, delete lines 13 through 18, begin a new paragraph and insert:

"SECTION 60. [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)] (a) **IC 6-1.1-12-26.1, as added by this act, applies to property taxes first due and payable after 2012. A deduction statement filed before September 1, 2012, under IC 6-1.1-12-27.1, as amended by this act, is considered timely filed for purposes of obtaining the deduction under IC 6-1.1-12-26.1, as added by this act, in 2012 for property taxes first due and payable in 2013.**

(b) **This SECTION expires January 1, 2014.**

SECTION 61. [EFFECTIVE UPON PASSAGE] (a) **During the 2012 and 2013 legislative interims, the commission on state tax and financing policy (IC 2-5-3) shall study all income tax credits using a schedule that provides for approximately half the credits to be studied each year and for the credits to be studied in the order they were enacted. The commission shall prepare a report that covers each credit and that includes the following:**

- (1) **A review of the original scope and purpose of the credit and whether the scope or purpose has changed since the credit's enactment.**
- (2) **The economic parameters of the credit, including the credit percentage and credit limits, and whether these parameters have changed since the credit's enactment.**
- (3) **A description of the taxpayers that qualify for the credit**



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and how effective the credit has been in assisting these targeted taxpayers.

(4) The type of activities on which the credit is based and how effective the credit has been in promoting these targeted activities.

(5) The amount of the credits granted over time.

(6) A determination of the dollar amount of credits granted but not taken that can be carried forward.

(7) A summary of audit findings for each credit and whether there has been any misuse of the credit.

(8) Suggested changes in the law with regard to each credit, including whether the credit should be retained or not.

(9) Any other issues related to these income tax credits, as determined by the commission.

The commission on state tax and financing policy shall issue the report in two (2) parts, in an electronic format under IC 5-14-6, to the legislative council, not later than November 1, 2012, and November 1, 2013, respectively.

(b) This SECTION expires January 1, 2014.

SECTION 62. [EFFECTIVE JULY 1, 2012] (a) The general assembly urges the legislative council to assign to an interim or a statutory study committee during the 2012 legislative interim the topic of more clearly defining what is included in instructional spending by school corporations and what is included in noninstructional spending by school corporations for purposes of IC 20-42.5-3-5.

(b) If the topic described in subsection (a) is assigned to an interim or a statutory study committee under subsection (a), the study committee shall issue a final report, in an electronic format under IC 5-14-6, to the legislative council containing the study committee's findings and recommendations, including any recommended legislation concerning the topic, not later than November 1, 2012.

(c) This SECTION expires December 31, 2012."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 344 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 7, Nays 3.

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SENATE MOTION

Madam President: I move that Senate Bill 344 be amended to read as follows:

Page 4, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-18.5-3, AS AMENDED BY P.L.172-2011, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A civil taxing unit may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount of an excessive levy appeal granted under section 13 of this chapter for the ensuing calendar year.

STEP SEVEN: Determine the greater of STEP FIVE or STEP SIX.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section, ~~or~~ any other section of this chapter, **or IC 12-20-21-3**, and except as provided in subsection

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(c), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:

(1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and

(2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (b), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (b), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2)."

Page 48, line 12, after "(f)" delete "," and insert "**and**".

Page 48, line 12, strike "and (h),".

Page 49, strike lines 31 through 37.

Page 50, line 14, after "(c)." insert "**However, the assessed value growth quotient under IC 6-1.1-18.5 applies in determining the maximum levy:**

(1) after 2012, for a township to which subsection (e) does not apply; and

(2) after 2014, for a township to which subsection (e) applies."

Page 50, line 36, delete "two (2)." and insert "**four and five-tenths (4.5)."**

Re-number all SECTIONS consecutively.

(Reference is to SB 344 as printed January 27, 2012.)

HERSHMAN



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SENATE MOTION

Madam President: I move that Senate Bill 344 be amended to read as follows:

Page 52, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 29. IC 36-7-10.1-3, AS AMENDED BY P.L.113-2010, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The legislative body of a municipality or county may by ordinance require the owners of real property located within the municipality or the unincorporated area of the county to cut and remove weeds and other rank vegetation growing on the property. As used in this chapter, "weeds and other rank vegetation" does not include agricultural crops, such as hay and pasture.

(b) An ordinance adopted under subsection (a) must specify the following:

- (1) The department of the municipality or county responsible for the administration of the ordinance.
- (2) The definitions of weeds and rank vegetation.
- (3) The height at which weeds or rank vegetation becomes a violation of the ordinance, specifying the appropriate heights for various types of weeds and rank vegetation.
- (4) The procedure for issuing notice to the owner of real property of a violation of the ordinance, **including any procedures for issuing a continuous abatement notice under subsection (d).**
- (5) The procedure under which the municipality or county, or its contractors, may enter real property to abate a violation of the ordinance if the owner fails to abate the violation.
- (6) The procedure for issuing a bill to the owner of real property for the costs incurred by the municipality or county in abating the violation, including administrative costs and removal costs. The cost of sending notice under subsection (c) is an administrative cost that may be billed to the owner under this subdivision.
- (7) The procedure for appealing a notice of violation or a bill issued under the ordinance.

(c) An ordinance adopted under subsection (a) must provide that a notice sent to the property owner must be sent by certified mail, return receipt requested, or an equivalent service permitted under IC 1-1-7-1 to:

- (1) the owner of record of real property with a single owner; or
- (2) at least one (1) of the owners of real property with multiple owners;

at the last address of the owner for the property as indicated in the

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records of the county auditor on the date of the notice.

(d) If an initial notice of the violation of an ordinance adopted under this section was provided by certified mail or equivalent service under subsection (c), a continuous abatement notice may be posted at the property at the time of abatement instead of by certified mail or equivalent service as required under subsection (c). A continuous abatement notice serves as notice to the real property owner that each subsequent violation during the same year for which the initial notice of the violation was provided may be abated by the municipality or county, or its contractors."

Renumber all SECTIONS consecutively.

(Reference is to SB 344 as printed January 27, 2012.)

HOLDMAN

SENATE MOTION

Madam President: I move that Senate Bill 344 be amended to read as follows:

Page 2, delete lines 21 through 25 and insert:

"SECTION 2. IC 6-1.1-4-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 40. The value of federal income tax credits awarded under Section 42 of the Internal Revenue Code **after December 31, 2012, may not shall** be considered in determining the assessed value of low income housing tax credit property."

(Reference is to SB 344 as printed January 27, 2012.)

KENLEY

SENATE MOTION

Madam President: I move that Senate Bill 344 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-11.6-10, AS ADDED BY P.L.2-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. As used in this chapter, "retail end use



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customer" means a customer who acquires energy at retail for the customer's own consumption:

- (1) from a gas utility that must apply to the commission under IC 8-1-2-42 for approval of gas cost changes; or
- (2) under a program approved by the commission through which the customer purchases gas that would be subject to price adjustments under IC 8-1-2-42 if the gas were sold by a gas utility.

The term does not include a natural gas utility's transportation customer that purchases at least fifty thousand (50,000) dekatherms of natural gas annually from an entity other than the natural gas utility."

Re-number all SECTIONS consecutively.

(Reference is to SB 344 as printed January 27, 2012.)

HERSHMAN

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 344, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

- Page 1, delete lines 1 through 15.
- Page 2, line 5, delete "2014" and insert "2012".
- Page 2, line 35, delete "2015." and insert "2013".
- Page 2, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

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- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
 - (2) a general reassessment of real property under IC 6-1.1-4-4.
- (d) The statutes to which subsection (a) refers are:
- (1) IC 8-10-5-17;
 - (2) IC 8-22-3-11;
 - (3) IC 8-22-3-25;
 - (4) IC 12-29-1-1;
 - (5) IC 12-29-1-2;
 - (6) IC 12-29-1-3;
 - (7) IC 12-29-3-6;
 - (8) IC 13-21-3-12;
 - (9) IC 13-21-3-15;
 - (10) IC 14-27-6-30;
 - (11) IC 14-33-7-3;
 - (12) IC 14-33-21-5;
 - (13) IC 15-14-7-4;
 - (14) IC 15-14-9-1;
 - (15) IC 15-14-9-2;
 - (16) IC 16-20-2-18;
 - (17) IC 16-20-4-27;
 - (18) IC 16-20-7-2;
 - (19) IC 16-22-14;
 - (20) IC 16-23-1-29;
 - (21) IC 16-23-3-6;
 - (22) IC 16-23-4-2;
 - (23) IC 16-23-5-6;
 - (24) IC 16-23-7-2;
 - (25) IC 16-23-8-2;
 - (26) IC 16-23-9-2;
 - (27) IC 16-41-15-5;
 - (28) IC 16-41-33-4;
 - (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 - (30) IC 20-46-6-5;
 - (31) IC 20-49-2-10;
 - (32) IC 36-1-19-1;
 - (33) IC 23-14-66-2;
 - (34) IC 23-14-67-3;
 - (35) IC 36-7-13-4;
 - (36) IC 36-7-14-28;
 - (37) IC 36-7-15.1-16;
 - (38) IC 36-8-19-8.5;

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- (39) IC 36-9-6.1-2;
- (40) IC 36-9-17.5-4;
- (41) IC 36-9-27-73;
- (42) IC 36-9-29-31;
- (43) IC 36-9-29.1-15;
- (44) IC 36-10-6-2;
- (45) IC 36-10-7-7;
- (46) IC 36-10-7-8;
- (47) IC 36-10-7.5-19;
- (48) IC 36-10-13-5;
- (49) IC 36-10-13-7;
- (50) IC 36-10-14-4;
- (51) IC 36-12-7-7;
- (52) IC 36-12-7-8;
- (53) IC 36-12-12-10; and
- (54) any statute enacted after December 31, 2003, that:
 - (A) establishes a maximum rate for any part of the:
 - (i) property taxes; or
 - (ii) special benefits taxes;
 imposed by a political subdivision; and
 - (B) does not exempt the maximum rate from the adjustment under this section.

(e) **For property tax rates imposed for property taxes first due and payable after December 31, 2012**, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN EIGHT of the following STEPS:

STEP ONE: **Except as provided in subsection (g)**, determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: **Except as provided in subsection (g)**, Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.



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STEP FOUR: ~~Except as provided in subsection (g),~~ Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The STEP FIVE result.

~~STEP SIX: SEVEN:~~ Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE ~~SIX~~ percentage.

~~STEP SEVEN: EIGHT:~~ Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP ~~SIX SEVEN~~ percentage. ~~increase.~~

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

~~(g) This subsection applies to STEP TWO and STEP FOUR of subsection (e) for taxes first due and payable after 2011. If the assessed value change used in the STEPS was not an increase, the STEPS are applied using instead:~~

~~(1) the actual percentage decrease (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;~~
or

~~(2) zero (0) if the assessed value did not increase or decrease.~~

(g) This section applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:

(1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.

(2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

SECTION 7. IC 6-1.1-18-13 IS REPEALED [EFFECTIVE

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JANUARY 1, 2013]. Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(c) The department of local government finance shall compute the maximum rate allowed under subsection (b) and provide the rate to each school corporation."

Delete pages 3 through 5.

Page 6, delete lines 1 through 4.

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Page 8, delete lines 22 through 38.

Page 9, delete lines 18 through 34.

Delete page 47.

Page 48, delete lines 1 through 38.

Page 50, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 28. IC 6-3.5-6-1.5, AS ADDED BY P.L.113-2010, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: Sec. 1.5. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:

- (1) impose, increase, decrease, or rescind a tax or tax rate; or
- (2) grant, increase, decrease, rescind, or change a homestead credit or property tax replacement credit authorized under this chapter;

may be exercised at any time in a year before November 1 of that year.

(b) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that imposes or increases a tax or a tax rate takes effect as follows:

- (1) An ordinance adopted after December 31 of the immediately preceding year and before October 1 of the current year takes effect October 1 of the current year.
- (2) An ordinance adopted after September 30 and before October 16 of the current year takes effect November 1 of the current year.
- (3) An ordinance adopted after October 15 and before November 1 of the current year takes effect December 1 of the current year.

(c) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that decreases or rescinds a tax or a tax rate takes effect as follows:

- (1) An ordinance adopted after December 31 of the immediately preceding year and before October 1 of the current year takes effect on the later of October 1 of the current year or the first day of the month in the current year as the month in which the last increase in the tax or tax rate occurred.
- (2) An ordinance adopted after September 30 and before October 16 of the current year takes effect on the later of November 1 of the current year or the first day of the month in the current year as the month in which the last increase in the tax or tax rate occurred.
- (3) An ordinance adopted after October 15 and before November 1 of the current year takes effect December 1 of the current year.

(d) ~~Notwithstanding any other provision of this chapter,~~ **Except as provided in subsection (e),** an ordinance authorized by this chapter

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that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit authorized under this chapter takes effect for and **initially** applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

(e) This subsection applies only to Miami County. A county income tax council may adopt an ordinance in 2012 to select a different combination of uses specified in section 32(f) of this chapter for tax revenue distributed to the county from a tax rate imposed under section 32 of this chapter (county option income tax rate to provide property tax relief to taxpayers). The county income tax council may provide in the ordinance that the ordinance initially takes effect for and applies to property taxes first due and payable in 2012. This subsection expires January 1, 2013."

Page 50, line 9, after "(f)" delete "and" and insert ",".

Page 50, line 9, reset in roman "and (h)".

Page 51, reset in roman lines 28 through 34.

Page 51, delete lines 35 through 42, begin a new paragraph and insert:

"SECTION 29. IC 6-8.1-9-2, AS AMENDED BY P.L.182-2009(ss), SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) If the department finds that a person has paid more tax for a taxable year than is legally due, the department shall apply the amount of the excess against any amount of that same tax that is assessed and is currently due. The department may then apply any remaining excess against any of the listed taxes that have been assessed against the person and that are currently due. Subject to subsection (c), if any excess remains after the department has applied the overpayment against the person's tax liabilities, the department shall either refund the amount to the person or, at the person's request, credit the amount to the person's future tax liabilities.

(b) Subject to subsection (c), if a court determines that a person has paid more tax for a taxable year than is legally due, the department shall refund the excess amount to the person.

(c) As used in this subsection, "pass through entity" means a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2), a partnership, a limited liability company, or a limited liability partnership and "pass through income" means a person's distributive share of adjusted gross income for a taxable year attributable to the person's interest in a pass through entity. This subsection applies to a person's overpayment of adjusted gross income

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tax for a taxable year if:

- (1) the person has filed a timely claim for refund with respect to the overpayment under IC 6-8.1-9-1;
- (2) the overpayment:
 - (A) is with respect to a taxable year beginning before January 1, 2009;
 - (B) is attributable to amounts paid to the department by:
 - (i) a nonresident shareholder, partner, or member of a pass through entity;
 - (ii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13 on behalf of a nonresident shareholder, partner, or member of the pass through entity; or
 - (iii) a pass through entity under IC 6-3-4-12 or IC 6-3-4-13 on behalf of a nonresident shareholder, partner, or member of another pass through entity; and
- (3) the overpayment arises from a determination by the department or a court that the person's pass through income is not includible in the person's adjusted gross income derived from sources within Indiana as a result of the application of IC 6-3-2-2(a)(5) and IC 6-3-2-2.2(g).

The department shall apply the overpayment to the person's liability for taxes that have been assessed and are currently due as provided in subsection (a) and apply any remaining overpayment as a credit or credits in satisfaction of the person's liability for listed taxes in taxable years beginning after December 31, 2008. If the person, including any successor to the person's interest in the overpayment, does not have sufficient liability for listed taxes against which to credit all the remaining overpayment in a taxable year beginning after December 31, 2008, and ending before January 1, 2019, the taxpayer is not entitled for any taxable year ending after December 31, 2018, to have any part of the remaining overpayment applied, refunded, or credited to the person's liability for listed taxes. If an overpayment or part of an overpayment is required to be applied as a credit under this subsection to the person's liability for listed taxes for a taxable year beginning after December 31, 2008, and has not been determined by the department or a court to meet the conditions of subdivision (3) by the due date of the person's return for a listed tax for a taxable year beginning after December 31, 2008, the department shall refund to the person that part of the overpayment that should have been applied as a credit for such taxable year within ninety (90) days of the date that the department or a court makes the determination that the overpayment meets the conditions of subdivision (3). However, the department may establish

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a program to refund small overpayment amounts that do not exceed the threshold dollar value established by the department rather than crediting the amounts against tax liability accruing for a taxable year after December 31, 2008. A person that receives a refund or credit under this subsection shall file a report with the department in the form and in the schedule specified by the department that identifies under penalties of perjury the home state or other jurisdiction where the income subject to the refund or credit was reported as income attributable to that state or jurisdiction.

(d) An excess tax payment that is not refunded or credited against a current or future tax liability within ninety (90) days after the date the refund claim is filed, the date the tax payment was due, or the date the tax was paid, whichever is latest, accrues interest from the date the refund claim is filed at the rate established under IC 6-8.1-10-1 until a date, determined by the department, that does not precede by more than thirty (30) days, the date on which the refund or credit is made. As used in this subsection, "refund claim" includes an amended return that indicates an overpayment of tax.

(e) A person who is liable for the payment of excise taxes under IC 7.1-4-3 or IC 7.1-4-4 is entitled to claim a credit against the person's excise tax liability in the amount of the excise taxes paid in duplicate by the person, or the person's assignors or predecessors, upon both:

- (1) the receipt of the goods subject to the excise taxes, as reported by the person, or the person's assignors or predecessors, on excise tax returns filed with the department; and**
- (2) the withdrawal of the same goods from a storage facility operated under 19 U.S.C. 1555(a).**

(f) The amount of the credit under subsection (e) is equal to the amount of excise taxes:

- (1) that were paid by the person, or the person's assignors or predecessors, as described in subsection (e)(2);**
- (2) that are duplicative of excise taxes paid by the person, or the person's assignors or predecessors, as described in subsection (e)(1); and**
- (3) for which the person, or the person's assignors or predecessors, has not previously claimed a credit.**

The credit may be claimed by subtracting the amount of the credit from the amount of the person's excise taxes reported on the person's monthly excise tax returns filed under IC 7.1-4-6 with the department for taxes imposed under IC 7.1-4-3 or IC 7.1-4-4. The



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amount of the credit that may be taken monthly by the person on each monthly excise tax return may not exceed five percent (5%) of the excise tax liability reported by the person on the monthly excise tax return.

(g) The amount of the credit claimed by a person under subsection (f) must be used by the person for capital expenditures to:

- (1) expand employment; or
- (2) assist in retaining employment;

within Indiana. The department shall annually verify whether the capital expenditures made by the person comply with this subsection.

SECTION 29. IC 8-1-34-16, AS AMENDED BY P.L.219-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 16. (a) Except as provided in ~~section~~ **sections 21 and 30** of this chapter, after June 30, 2006:

(1) the commission is the sole franchising authority (as defined in 47 U.S.C. 522(10)) for the provision of video service in Indiana; and

(2) a unit may not:

- (A) require a provider to obtain a separate franchise;
- (B) impose any fee, gross receipt tax, licensing requirement, rate regulation, or build-out requirement on a provider;
- (C) regulate a holder or provider; or
- (D) establish, fund, or otherwise designate an agency, a board, or another subordinate entity to monitor, supervise, evaluate, or regulate the holder or provider;

except as authorized by this chapter.

(b) Except as provided in section 21 of this chapter, a person who seeks to provide video service in Indiana after June 30, 2006, shall file with the commission an application for a franchise. The application shall be made on a form prescribed by the commission and must include the following:

(1) A sworn affidavit, signed by an officer or another person authorized to bind the applicant, that affirms the following:

(A) That the applicant has filed or will timely file with the Federal Communications Commission all forms required by the Federal Communications Commission before offering video service in Indiana.

(B) That the applicant agrees to comply with all federal and state statutes, rules, and regulations applicable to the operation of the applicant's video service system.

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- (C) That the applicant agrees to:
- (i) comply with any local ordinance or regulation governing the use of public rights-of-way in the delivery of video service; and
 - (ii) recognize the police powers of a unit to enforce the ordinance or regulation.
- (D) If the applicant will terminate an existing local franchise under section 21 of this chapter, that the applicant agrees to perform any obligations owed to any private person, as required by section 22 of this chapter.
- (2) The applicant's legal name and any name under which the applicant does or will do business in Indiana, as authorized by the secretary of state.
 - (3) The address and telephone number of the applicant's principal place of business, along with contact information for the person responsible for ongoing communications with the commission.
 - (4) The names and titles of the applicant's principal officers.
 - (5) The legal name, address, and telephone number of the applicant's parent company, if any.
 - (6) A description of each service area in Indiana to be served by the applicant. A service area described under this subdivision may include an unincorporated area in Indiana.
 - (7) The expected date for the deployment of video service in each of the areas identified in subdivision (6).
 - (8) A list of other states in which the applicant provides video service.
 - (9) If the applicant will terminate an existing local franchise under section 21(b) of this chapter, a copy of the written notice sent to the municipality under section 21(c) of this chapter.
 - (10) Any other information the commission considers necessary to:
 - (A) monitor the provision of video service to Indiana customers; and
 - (B) prepare the commission's annual report to the regulatory flexibility committee under IC 8-1-2.6-4.
- (c) This section does not empower the commission to require:
- (1) an applicant to disclose confidential and proprietary business plans and other confidential information without adequate protection of the information; or
 - (2) a provider to disclose more frequently than in each odd numbered year information regarding the areas in which an applicant has deployed, or plans to deploy, video services.

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The commission shall exercise all necessary caution to avoid disclosure of confidential information supplied under this section.

(d) The commission may charge a fee for filing an application under this section. Any fee charged by the commission under this subsection may not exceed the commission's actual costs to process and review the application under section 17 of this chapter.

(e) Nothing in this title may be construed to require an applicant or a provider to disclose information that identifies by census block, street address, or other similar level of specificity the areas in which the applicant or provider has deployed, or plans to deploy, video service in Indiana. The commission may not disclose, publish, or report by census block, street address, or other similar level of specificity any information identifying the areas in Indiana in which an applicant or a provider has deployed, or plans to deploy, video service.

SECTION 30. IC 8-1-34-24, AS ADDED BY P.L.27-2006, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) Subject to ~~subsection~~ **subsections (e) and (f)**, not later than forty-five (45) days after the end of each calendar quarter, the holder shall pay to each unit included in the holder's service area under a certificate issued under this chapter a franchise fee equal to:

- (1) the amount of gross revenue received from providing video service in the unit during the most recent calendar quarter, as determined under section 23 of this chapter; multiplied by
- (2) a percentage equal to one (1) of the following:
 - (A) If a local franchise has never been in effect in the unit before July 1, 2006, five percent (5%).
 - (B) If no local franchise is in effect in the unit on July 1, 2006, but one (1) or more local franchises have been in effect in the unit before July 1, 2006, the percentage of gross revenue paid by the holder of the most recent local franchise in effect in the unit, unless the unit elects to impose a different percentage, which may not exceed five percent (5%).
 - (C) If there is one (1) local franchise in effect in the unit on July 1, 2006, the percentage of gross revenue paid by the holder of that local franchise as a franchise fee to the unit, unless the unit elects to impose a different percentage, which may not exceed five percent (5%). Upon the expiration of a local franchise described in this clause, the percentage shall be determined by the unit but may not exceed five percent (5%).
 - (D) If there is more than one (1) local franchise in effect with respect to the unit on July 1, 2006, a percentage determined by

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the unit, which may not exceed the greater of:

- (i) five percent (5%); or
- (ii) the percentage paid by a holder of any local franchise in effect in the unit on July 1, 2006.

(b) If the holder provides video service to an unincorporated area in Indiana, as described in section 23(e) of this chapter, the holder shall:

- (1) calculate the franchise fee with respect to the unincorporated area in accordance with subsection (a); and
- (2) remit the franchise fee to the county in which the unincorporated area is located.

If an unincorporated area served by the provider is located in one (1) or more contiguous counties, the provider shall remit part of the franchise fee calculated under subdivision (1) to each county having territory in the unincorporated area served. The part of the franchise fee remitted to a county must bear the same proportion to the total franchise fee for the area, as calculated under subdivision (1), that the number of subscribers in the county bears to the total number of subscribers in the unincorporated area served.

(c) With each payment of a franchise fee to a unit under this section, the holder shall include a statement explaining the basis for the calculation of the franchise fee. A unit may review the books and records of:

- (1) the holder; or
- (2) an affiliate of the holder, if appropriate;

to the extent necessary to ensure the holder's compliance with section 23 of this chapter in calculating the gross revenue upon which the remitted franchise fee is based. Each party shall bear the party's own costs of an examination under this subsection. If the holder and the unit cannot agree on the amount of gross revenue on which the franchise fee should be based, either party may petition the commission to determine the amount of gross revenue on which the franchise fee should be based. A determination of the commission under this subsection is final, subject to the right of direct appeal by either party.

(d) A franchise fee owed by a holder to a unit under this section may be passed through to, and collected from, the holder's subscribers in the unit. To the extent allowed under ~~43 U.S.C. 542(c)~~, **47 U.S.C. 542(c)**, the holder may identify as a separate line item on each regular bill issued to a subscriber:

- (1) the amount of the total bill assessed as a franchise fee under this section; and
 - (2) the identity of the unit to which the franchise fee is paid.
- (e) A holder that elects under section 21(b)(1) of this chapter to

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continue providing video service under a local franchise is not required to pay the franchise fee prescribed under this section, but shall pay any franchise fee imposed under the terms of the local franchise **with respect to video service provided in a calendar year ending before January 1, 2013. A fee required by a local franchise does not apply to video service provided in a calendar year beginning after December 31, 2012.**

(f) A holder is not required to pay the franchise fee prescribed by subsections (a) through (d) with respect to video service provided in a calendar year beginning after December 31, 2012.

SECTION 31. IC 8-1-34-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 30. (a) As used in this section, "department" refers to the department of state revenue.**

(b) As used in this section, "direct broadcast satellite service" means distributing or broadcasting video programming (as defined in 47 U.S.C. 522(20)) or video service by satellite directly to receiving equipment located at an end user subscriber's or an end user customer's premises. The term includes the following:

- (1) Renting receiving or recording equipment used by a subscriber or customer to obtain or use the service.**
- (2) Providing premium channels.**
- (3) Installing or repairing receiving or recording equipment used by a subscriber or customer to obtain or use the service.**
- (4) Providing music or other audio services or channels.**
- (5) Any other service provided in connection with the provision of direct broadcast satellite service.**

(c) As used in this section, "direct broadcast satellite service provider" means any person that transmits, broadcasts, or otherwise provides direct broadcast satellite service to subscribers in Indiana.

(d) With respect to a direct broadcast satellite service provider, "gross revenue" means all consideration of any kind or nature, including cash, credits, property, and in kind contributions received by the direct broadcast satellite service provider or an affiliate of the provider. Gross revenue is determined as follows:

- (1) The term includes the following fees and charges charged to subscribers for direct broadcast satellite service provided by a direct broadcast satellite service provider or an affiliate of the provider:**
 - (A) Recurring monthly charges for direct broadcast satellite service.**

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- (B) Event based charges for direct broadcast satellite service, including pay per view and video on demand charges.
- (C) Charges for the rental of equipment related to providing direct broadcast satellite service.
- (D) Service charges related to providing direct broadcast satellite service, including activation, installation, repair, and maintenance charges.
- (E) Administrative charges related to providing direct broadcast satellite service, including service order and service termination charges.
- (F) Any other fee or charge that would be included in gross revenue as determined under section 23 of this chapter, regardless of whether the direct broadcast satellite service provider, or an affiliate of the provider, is otherwise subject to this chapter.
- (2) The term does not include the following received by a direct broadcast satellite service provider or an affiliate of the provider:
- (A) Revenue not actually received, regardless of whether it is billed, including bad debt.
- (B) Revenue received by an affiliate or any other person in exchange for supplying goods and services used by the direct broadcast satellite service provider to provide direct broadcast satellite service.
- (C) Refunds, rebates, or discounts made to a subscriber, an advertiser, a unit, another provider, or any other person.
- (D) Revenue from providing service other than direct broadcast satellite service, including:
- (i) telecommunications service (as defined in 47 U.S.C. 153(46));
 - (ii) information service (as defined in 47 U.S.C. 153(20));
 - or
 - (iii) any other service that is not direct broadcast satellite service.
- (E) The tax imposed on retail transactions described in IC 6-2.5-4-11.
- (F) Any video service provider fee that is:
- (i) imposed on the provider under subsection (f); and
 - (ii) passed through to and collected from subscribers.
- (G) Any tax of general applicability imposed on the direct broadcast satellite service provider, or a subscriber of

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direct broadcast satellite service, by a federal, state, or local governmental entity and required to be collected and remitted to the taxing entity, including the state gross retail and use taxes (IC 6-2.5) and the utility receipts tax (IC 6-2.3).

(H) Any foregone revenue from providing free or reduced cost direct broadcast satellite service to any person, including employees of the direct broadcast satellite service provider or any governmental entity as required or permitted by federal, state, or local law, except revenue foregone in exchange for goods or services through a trade or barter arrangement.

(I) Revenue from the sale of:

- (i) capital assets; or
- (ii) surplus equipment not used by the purchaser to receive direct broadcast satellite service from the direct broadcast satellite service provider.

(J) Reimbursements that:

- (i) are made by programmers to the direct broadcast satellite service provider for marketing costs incurred by the direct broadcast satellite service provider for the introduction of new programming; and
- (ii) exceed the actual costs incurred by the direct broadcast satellite service provider.

(K) Late payment fees collected from customers.

(L) Charges, other than those charges described in subdivision (1), that are aggregated or bundled with charges described in subdivision (1) on a customer's bill, if the direct broadcast satellite service provider can reasonably identify the charges in its books and records kept in the regular course of business.

(e) With respect to a holder, "gross revenue" has the meaning set forth in section 5 of this chapter.

(f) After June 30, 2012, a unit may adopt an ordinance to impose a video service provider fee upon any holder or direct broadcast satellite service provider providing video service or direct broadcast satellite service to subscribers located in the unit. However:

- (1) a county may impose the fee only upon services provided to subscribers located within the unincorporated area of the county;
- (2) a township may impose the fee only if the township was

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entitled to receive the distribution of the fee imposed under section 24 of this chapter or was a party to a local franchise that a video service provider elected to continue operating under as provided by section 21(b)(1) of this chapter.

(g) A fee imposed under this section may not exceed three percent (3%) of the gross revenue of the holder or direct broadcast satellite service provider that is attributable to services provided to subscribers located in the unit imposing the fee. A fee imposed under this section takes effect on January 1 of the calendar year following the calendar year in which the ordinance imposing the fee is adopted.

(h) The video service provider fee is in addition to the state gross retail tax and use tax imposed by IC 6-2.5.

(i) The video service provider fee may be passed through to, and collected from, a holder or direct broadcast satellite service provider's subscribers in Indiana. To the extent allowed under federal or state law, the holder or direct broadcast satellite service provider may identify as a separate line item on each regular bill issued to a subscriber:

- (1) the amount of the total bill assessed as a video service provider fee under this section; and
- (2) the identity of the unit to which the video service provider fee is paid.

(j) Each holder or direct broadcast satellite service provider liable for the video service provider fee shall file a report for each calendar quarter and pay to the department the fee imposed by this section for each calendar quarter. A holder or direct broadcast satellite service provider shall file a report for each calendar quarter with the department and pay the video service provider fee for that calendar quarter to the department not later than twenty (20) days after the end of that calendar quarter. The report must include a summary of gross revenue and fees categorized by unit. This subsection does not create a liability of the holder or direct broadcast satellite service provider directly to a unit.

(k) The department shall prescribe the form of the direct broadcast satellite service fee report required under subsection (j).

(l) For each unit in which a provider provides direct broadcast satellite service or video service, the department shall:

- (1) credit to a special account for that unit the money received from the fees collected by the department for the unit for the most recent calendar quarter from each provider that provides direct broadcast satellite service or video service in

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the unit; and

(2) use the money in the account to make distributions to the unit before the last business day in January, April, July, and October based on the amount of fees received in that month for the most recent calendar quarter from each provider that provides direct broadcast satellite service or video service in the unit.

The money in each special account is appropriated to make the distributions.

SECTION 29. IC 8-10-2-2, AS AMENDED BY P.L.98-2008, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) In addition to the powers conferred upon the ports of Indiana by other provisions of this article, the ports of Indiana, whenever the ports of Indiana finds that the economic welfare of the state would thereby be benefited, by additional employment opportunities, or by additional diversification of industry within the state, or by increased income or prosperity to the state and its residents, or for any other reason, shall have the power to acquire, construct, maintain, repair, police, and lease to others such facilities for manufacturing, storage, or processing of goods, or for the carrying on of commercial, business, or recreational activities as the ports of Indiana further finds will increase the traffic into or out of the project. ~~Any such facilities and the site thereof shall not be~~ **Neither a facility leased under this section nor the site on which the facility is located may become exempt from property taxation and because of the lease.** The lessee in any lease ~~thereof~~ **authorized by this subsection** shall agree to pay all property taxes levied on ~~such facilities and the site thereof.~~ **the leased facility and the site of the facility unless the lessee itself is exempt from property taxation. Any property taxes imposed upon the leased facility and the site of the facility remain the liability of the lessee. Unpaid property taxes are not a liability of the ports of Indiana or any subsequent lessee or occupant of the leased facility. The terms of any lease agreement entered into after June 30, 2012, must comply with this subsection.**

(b) In exercising the powers granted in this section, the ports of Indiana shall have all the powers granted to it by this article, in connection with a project, and the term "project", as used in IC 8-10-1, shall be deemed to include facilities, adjuncts, and appurtenances of the character referred to in this section.

(c) It is further declared that the acquisition, construction, maintenance, repair, policing of, and leasing to others of such facilities under the conditions set forth in this section is a public purpose.

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(d) Nothing in this section shall authorize the ports of Indiana to take, condemn, or disturb any property right or interest in property, existing on March 10, 1967, including permits and authorities to fill and reclaim submerged lands, or any facilities constituting all or part of any operating property or any private or public port. The ports of Indiana shall make reimbursement for any actual damage to any public or private facilities, including but not limited to breakwaters, water intakes, wharves, piers, boat docks, warehouses, and pipeline equipment resulting from the exercise by it of any powers granted to it by this section."

Delete pages 52 through 53.

Page 54, delete lines 1 through 8, begin a new paragraph and insert:

"SECTION 32. IC 36-2-6-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 23. A county treasurer shall provide written notice to the ports of Indiana of any determination that a person liable for property taxes due on:**

- (1) a facility leased by the person from the ports of Indiana;**
- or**
- (2) the site of a facility leased by the person from the ports of Indiana;**

has failed to pay the property taxes. The notice must be provided not later than thirty (30) days after the determination is made."

Page 55, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 32. IC 36-7-32-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a certified technology park during the full state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter **(subject to any subsequent adjustment under section 28 of this chapter)**.

SECTION 33. IC 36-7-32-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this chapter, "income tax base period amount" means the aggregate amount of the following taxes paid by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter **(subject to any subsequent adjustment under section 28 of this chapter)**:



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- (1) The adjusted gross income tax.
- (2) The county adjusted gross income tax.
- (3) The county option income tax.
- (4) The county economic development income tax.

SECTION 34. IC 36-7-32-28 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 28. (a) This section applies only to a certified technology park located in a county having a population of more than one hundred twenty-five thousand (125,000) but less than one hundred thirty-five thousand (135,000).**

(b) A redevelopment commission may petition the department of state revenue to adjust a certified technology park's gross retail base period amount or income tax base period amount, or both, if the redevelopment commission believes in good faith at the time the petition is made that the gross retail base period amount or the income tax base period amount, or both, in effect for the certified technology park are incorrect.

(c) A redevelopment commission that submits a petition under subsection (b) has the burden of demonstrating the redevelopment commission's claim by a preponderance of the evidence.

(d) A petition submitted under subsection (b) must include the following:

- (1) An explanation of the calculation that was made to determine the gross retail base period amount or income tax base period amount, or both, in effect at the time the petition is made.**
- (2) An explanation of why the gross retail base period amount or income tax base period amount, or both, should be changed.**
- (3) An explanation of the proposed change in the calculation of the gross retail base period amount or income tax base period amount, or both, describing:**
 - (A) the proposed change in the calculation formula, if any;**
 - (B) the proposed new facts to use in making the calculation, if any; or**
 - (C) the information in both clauses (A) and (B).**

(e) In addition to information provided in a petition submitted under subsection (b), the department of state revenue may require a redevelopment commission to furnish any additional reasonable documentation or other evidence the department of state revenue requires to make its determination.

(f) If the department of state revenue determines as a result of

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a petition submitted under this section that a certified technology park's gross retail base period amount or income tax base period amount, or both, are incorrect, the department of state revenue shall compute the appropriate adjustments and notify the petitioning redevelopment commission, the Indiana economic development corporation, the budget agency, and the treasurer of state.

(g) An adjustment of a certified technology park's gross retail base period amount or income tax base period amount under this section is retroactive to the later of the following dates:

- (1) The date the incorrect gross retail base period amount or income tax base period amount, as applicable, became effective.
- (2) July 1 of the state fiscal year immediately preceding the state fiscal year in which the redevelopment commission submitted the petition to the department of state revenue under subsection (b).

(h) If the date to which an adjustment of a certified technology park's gross retail base period amount or income tax base period amount is retroactive occurred before the beginning of the state fiscal year in which the adjustment is determined under this section, the department of state revenue shall notify the auditor of state and the budget agency of the adjustment with an explanation of the sum of the following:

- (1) The difference, if any, between:
 - (A) the incorrect gross retail incremental amount; and
 - (B) the adjusted gross retail incremental amount;
 of the certified technology park for all state fiscal years before the state fiscal year in which the determination under this section is made that are affected by the adjustment in the gross retail base period amount, based on the date determined under subsection (g).
- (2) The difference, if any, between:
 - (A) the incorrect income tax incremental amount; and
 - (B) the adjusted income tax incremental amount;
 of the certified technology park for all state fiscal years before the state fiscal year in which the determination under this section is made that are affected by the adjustment in the income tax base period amount, based on the date determined under subsection (g).

If the budget agency is satisfied that the explanation furnished by the department of state revenue of the sum determined under this



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subsection is correct, the budget agency shall direct the auditor of state to transfer the sum determined under this section from the state general fund to the incremental tax financing fund for the relevant certified technology park, without appropriation, subject to section 22(c) of this chapter, to be distributed as provided in section 22(d) of this chapter."

Page 55, line 40, delete "attributable to the increment" and insert "appropriated by the fiscal body for deposit in the fund from any revenue source available to the fiscal body."

Page 55, line 41, delete "determined under section 5 of this chapter."

Page 56, delete lines 4 through 41.

Page 57, delete lines 14 through 22.

Page 58, line 14, delete "general".

Page 58, line 15, delete "assembly urges the".

Page 58, line 15, after "council" delete "to" and insert "**shall**".

Page 58, line 21, delete "If the topic described in subsection (a) is assigned to an" and insert "**The**".

Page 58, delete line 22.

Page 58, line 23, after "committee" insert "**assigned the topic described in subsection (a)**".

Page 58, run in lines 21 through 23.

Page 58, between lines 28 and 29, begin a new paragraph and insert:
"SECTION 40. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office of the secretary" refers to the office of the secretary of family and social services.

(b) As used in this SECTION, "government assistance income" means the sum of the value of all:

- (1) cash;
- (2) free services; or
- (3) savings from reduced fees;

that an Indiana resident with an income at or below two hundred percent (200%) of the federal poverty income level receives.

(c) Before December 31, 2012, the office of the secretary shall study the following:

- (1) The tax relief available for Indiana residents with incomes under the federal poverty income level.
- (2) The availability of programs that provide financial or medical assistance to low income Indiana residents with incomes under the federal poverty income level, including:
 - (A) Medicaid;
 - (B) Temporary Assistance for Needy Families;



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(C) food stamps; and

(D) any other federal, state, or local financial or medical assistance available to Indiana residents whose income is at or below two hundred percent (200%) of the federal poverty income level.

(3) The maximum government assistance income an individual could receive by pursuing and obtaining the benefits described in subdivisions (1) and (2).

(d) The office of the secretary shall submit a report of its findings not later than December 31, 2012, to the governor and the legislative council. The report must be in an electronic format under IC 5-14-6. The report must include a detailed explanation of the calculation assumptions and methodology.

(e) This SECTION expires January 1, 2013.

SECTION 41. [EFFECTIVE MAY 1, 2012] (a) This SECTION applies to a taxpayer notwithstanding IC 6-1.1-11 or any other law or administrative rule or provision.

(b) This SECTION applies to an assessment date (as defined in IC 6-1.1-1-2) occurring in 2008 through 2009.

(c) This SECTION applies only to a taxpayer that is an Indiana nonprofit corporation that serves the homeless and to land and improvements that meet all of the following conditions:

(1) The corporation leased land and improvements that served as a homeless shelter that met the physical, emotional, academic, and spiritual needs of children, teens, adults, and families during 2008 through 2009. The corporation timely filed an application under IC 6-1.1-11 for a property tax exemption for the land and improvements and received an exemption from property taxes for the 2007, 2010, and 2011 assessment dates for the land and improvements.

(2) The corporation did not timely file an application under IC 6-1.1-11 for a property tax exemption for the land and improvements described in subdivision (1) for the 2008 through 2009 assessment dates, and as a result the corporation's land and improvements referred to in subdivision (1) were assessed and subject to property taxation for the 2008 through 2009 assessment dates.

(3) For the 2008 through 2009 assessment dates, the land and improvements described in subdivision (1) would have been eligible for a property tax exemption if the corporation had filed an exemption application under IC 6-1.1-11.

A taxpayer described in this subsection may, before July 1, 2012,

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file with the county assessor an application for property tax exemption for the land and improvements described in subdivision (1) for the 2008 through 2009 assessment dates.

(d) If the taxpayer demonstrates in the application filed under subsection (c) that the property that is the subject of the exemption application would have qualified for an exemption under IC 6-1.1-10-16 as owned, occupied, and used for an educational or charitable purpose if the application had been filed under IC 6-1.1-11 in a timely manner, the taxpayer is entitled to the exemptions from real property taxes or personal property taxes, or both, as claimed on the property tax exemption applications filed by the taxpayer under subsection (c) and shall pay no property taxes, penalties, or interest with respect to the exempt property.

(e) For a taxpayer's property to be exempt under this SECTION, the taxpayer must have received for the 2007, 2010, and 2011 assessment dates an exemption from property taxes for property identified by the same parcel or key numbers or the same parcel and key numbers included on the property tax exemption applications filed by the taxpayer for those assessment dates.

(f) An application for property tax exemption that is filed under subsection (c) is considered to be timely filed for the 2008 through 2009 assessment dates, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the 2008 through 2009 assessment dates if the board determines that:

- (1) the corporation's application for property tax exemption satisfies the requirements of this SECTION; and
- (2) the corporation's land and improvements were, except for the failure to timely file a property tax exemption application, otherwise eligible for the claimed exemption for the 2008 through 2009 assessment dates.

(g) If the exemption is granted under this SECTION, the county shall issue a refund to the corporation for all taxes paid for the 2008 and 2009 assessment dates with respect to the exempt property. The county may pay the refund to the taxpayer over a two (2) year period from the date the county determines that the property qualifies for the exemption.

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(h) This SECTION expires January 1, 2013."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 344 as reprinted February 1, 2012.)

ESPICH, Chair

Committee Vote: yeas 20, nays 4.

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