
HOUSE BILL No. 1331

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-34; IC 6-8.1; IC 15-16-2-36; IC 15-19-7; IC 15-20.

Synopsis: Companion animal sterilization program. Establishes the Indiana companion animal sterilization fund (fund) and the Indiana companion animal sterilization program (program) under the administration of the board of veterinary medical examiners to reimburse veterinary services providers who participate in the program for furnishing spaying or neutering services on a dog or a cat owned or harbored by a Medicaid recipient at no charge to the Medicaid recipient. Adds the fund as a charitable purpose to which an individual may choose to give all or part of the individual's income tax refund. Imposes a fee of \$50 on the sale of an unsterilized cat or dog at retail. Imposes a fee of \$3 on each rabies vaccination performed by a veterinary services provider. Increases the fee collected from distributors of pet food paid annually for inspection of pet food sold in packages of 10 pounds or less from \$50 to \$80. Provides a tax credit against state tax liability to veterinary services providers who participate in the program and perform both: (1) a rabies vaccination; and (2) spay or neuter services; on a companion animal owned or harbored by a Medicaid recipient. Provides that the fee imposed on sales of unsterilized cats and dogs at retail, the fee imposed on rabies vaccinations performed by veterinarians, and the increases in the pet food inspection fee are paid into the fund. Appropriates money in the fund, other than money reserved for refunds, that is not otherwise appropriated.

Effective: July 1, 2012; January 1, 2013.

Speedy, Lawson L, McNamara

January 11, 2012, read first time and referred to Committee on Commerce, Small Business and Economic Development.



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Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1331



A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals and to make an appropriation.

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

1 SECTION 1. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]:

4 **Chapter 34. Selected Veterinary Services Tax Credit**

5 **Sec. 1. This chapter applies only to taxable years beginning after**
6 **December 31, 2012.**

7 **Sec. 2. As used in this chapter, "pass through entity" means:**

- 8 (1) a corporation that is exempt from the adjusted gross
- 9 income tax under IC 6-3-2-2.8(2);
- 10 (2) a partnership;
- 11 (3) a limited liability company; or
- 12 (4) a limited liability partnership.

13 **Sec. 3. As used in this chapter, "state tax liability" means a**
14 **taxpayer's total tax liability that is incurred under:**

- 15 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 16 (2) IC 6-5.5 (the financial institutions tax); and
- 17 (3) IC 27-1-18-2 (the insurance premiums tax);



1 as computed after the application of the credits that under
2 IC 6-3.1-1-2 are to be applied before the credit provided by this
3 chapter.

4 Sec. 4. As used in this chapter, "taxpayer" means a person,
5 corporation, partnership, or other entity that has any state tax
6 liability.

7 Sec. 5. (a) As used in this section, "companion animal" has the
8 meaning set forth in IC 15-20-4-2.

9 (b) As used in this section, "veterinary services provider" has
10 the meaning set forth in IC 15-20-6-4.

11 (c) Each taxable year, a veterinary services provider who
12 participates in the Indiana companion animal sterilization
13 program under IC 15-20-4 is entitled to a credit against state tax
14 liability for each treatment of a companion animal owned or
15 harbored by an individual eligible to receive services under the
16 Indiana companion animal sterilization program that includes:

- 17 (1) a rabies vaccination; and
- 18 (2) spaying or neutering services.

19 (d) For each taxable year, the amount of the credit provided by
20 subsection (c) is:

- 21 (1) the number of companion animals owned or harbored by
22 an individual eligible to receive services under the Indiana
23 companion animal sterilization program for which a
24 veterinary services provider has performed the combination
25 of treatments specified in subsection (c) during the taxable
26 year; multiplied by
- 27 (2) fifty dollars (\$50).

28 (e) If a veterinarian performs the combination of treatments
29 specified in subsection (c) for a companion animal in the context of
30 an employment, ownership, or contractual relationship with a
31 veterinary clinic, the performance of the combination of
32 treatments specified in subsection (c) for the companion animal is
33 attributable to the veterinary clinic and not the veterinarian
34 individually.

35 Sec. 6. (a) If a pass through entity does not have state tax
36 liability for a taxable year but is otherwise entitled to the tax credit
37 provided by this chapter, each shareholder, partner, or member of
38 the pass through entity is entitled to a share of the tax credit equal
39 to:

- 40 (1) the amount of the tax credit determined for the pass
41 through entity for the taxable year; multiplied by
- 42 (2) the percentage of the pass through entity's distributive

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income to which the shareholder, partner, or member is entitled.

(b) A share of a tax credit allocated under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter.

Sec. 7. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time the credit is carried forward to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for not more than five (5) taxable years following the first year for which the credit is claimed.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit under this chapter.

Sec. 8. To receive the tax credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department.

SECTION 2. IC 6-8.1-1-1, AS AMENDED BY P.L.182-2009(ss), SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax

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1 (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax
 2 (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum
 3 severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the
 4 various food and beverage taxes (IC 6-9); the county admissions tax
 5 (IC 6-9-13 and IC 6-9-28); the regional transportation improvement
 6 income tax (IC 8-24-17); the oil inspection fee (IC 16-44-2); the
 7 emergency and hazardous chemical inventory form fee (IC 6-6-10); the
 8 penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the
 9 fees and penalties assessed for overweight vehicles (IC 9-20-4 and
 10 IC 9-30); the underground storage tank fee (IC 13-23); the solid waste
 11 management fee (IC 13-20-22); **the companion animal sterilization
 12 service fee (IC 15-20-5); the companion animal rabies vaccination
 13 fee (IC 15-20-6);** and any other tax or fee that the department is
 14 required to collect or administer.

15 SECTION 3. IC 6-8.1-9-4 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 4. (a) Every
 17 individual (other than a nonresident) who files an individual income
 18 tax return and who is entitled to a refund from the ~~Indiana~~ department
 19 of **state** revenue because of the overpayment of income tax for a
 20 taxable year may designate on ~~his~~ **the individual's** annual state income
 21 tax return that either a specific amount or all of the refund to which ~~he~~
 22 **the individual** is entitled shall be paid over to **one (1) or more of the**
 23 ~~nongame fund. In the event that the individual designates that a certain~~
 24 ~~amount shall be paid over to the nongame fund and funds described~~
 25 **in subsection (c). If** the refund to which ~~he~~ **the individual** is entitled
 26 is less than the **total** amount designated ~~such designation shall mean~~
 27 **that to be paid over to one (1) or more of the funds described in**
 28 **subsection (c), all of the refund to which he the individual** is entitled
 29 shall be paid over to the ~~nongame fund; designated funds, but in an~~
 30 **amount or amounts reduced proportionately for each designated**
 31 **fund. If an individual designates all of the refund to which the**
 32 **individual is entitled to be paid over to one (1) or more of the funds**
 33 **described in subsection (c) without designating specific amounts,**
 34 **the refund to which the individual is entitled shall be paid over to**
 35 **each fund described in subsection (c) in an amount equal to the**
 36 **refund divided by the number of funds described in subsection (c),**
 37 **rounded to the lowest cent, with any part of the refund remaining**
 38 **due to the effects of rounding to be deposited in the nongame fund.**

39 (b) Every husband and wife (other than nonresidents) who file a
 40 joint income tax return and who are entitled to a refund from the
 41 ~~Indiana~~ department of **state** revenue because of the overpayment of
 42 income tax for a taxable year may designate on their annual state

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1 income tax return that either a specific amount or all of the refund to
 2 which they are entitled shall be paid over to **one (1) or more of the**
 3 **nongame fund. In the event that the husband and wife designate that a**
 4 **certain amount shall be paid over to the nongame fund and funds**
 5 **described in subsection (c). If the refund to which they a husband**
 6 **and wife are entitled is less than the total amount designated such**
 7 **designation shall mean that to be paid over to one (1) or more of the**
 8 **funds described in subsection (c), all of the refund to which they the**
 9 **husband and wife are entitled shall be paid over to the nongame fund:**
 10 **designated funds, but in an amount or amounts reduced**
 11 **proportionately for each designated fund. If a husband and wife**
 12 **designate all of the refund to which the husband and wife are**
 13 **entitled to be paid over to one (1) or more of the funds described in**
 14 **subsection (c) without designating specific amounts, the refund to**
 15 **which the husband and wife are entitled shall be paid over to each**
 16 **fund described in subsection (c) in an amount equal to the refund**
 17 **divided by the number of funds described in subsection (c),**
 18 **rounded to the lowest cent, with any part of the refund remaining**
 19 **due to the effects of rounding to be deposited in the nongame fund.**

20 (c) Designations under subsection (a) or (b) may be directed
 21 only to the following funds:

22 (1) The nongame fund.

23 (2) The Indiana companion animal sterilization fund.

24 (e) (d) The instructions for the preparation of individual income tax
 25 returns shall contain a description of the purposes of **the following:**

26 (1) The nongame and endangered species program, ~~which is~~ **The**
 27 **description of this program shall be** written in cooperation with
 28 the department of natural resources.

29 (2) **The Indiana companion animal sterilization fund. The**
 30 **description of the program shall be written in cooperation**
 31 **with the Indiana board of veterinary medical examiners.**

32 (e) The department shall interpret a designation on a return
 33 under subsection (a) or (b) that is illegible or otherwise not
 34 reasonably discernible to the department as if the designation had
 35 not been made.

36 SECTION 4. IC 15-16-2-36, AS ADDED BY P.L.2-2008,
 37 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 36. (a) Notwithstanding any other law, all excess
 39 funds accumulated from the fees collected by:

40 (1) the state chemist, under this chapter, IC 15-15-2, and
 41 IC 15-16-4; ~~and IC 15-19-7; and~~

42 (2) the state chemist, under IC 15-19-7-24 and

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IC 15-19-7-30(a); and
~~(2)~~ **(3)** the state seed commissioner under IC 15-15-1;
shall be paid to the treasurer of Purdue University. The funds shall be
administered by the board of trustees of Purdue University.

(b) The pet food and specialty pet food annual inspection fee imposed under IC 15-19-7-30(b) shall be distributed as follows:

(1) Fifty dollars (\$50) of each pet food and specialty pet food annual inspection fee collected under IC 15-19-7-30(b) shall be paid to the treasurer of Purdue University and administered by the board of trustees of Purdue University.

(2) Thirty dollars (\$30) of each pet food and specialty pet food annual inspection fee collected under IC 15-19-7-30(b) shall be paid to the treasurer of state for further credit to the Indiana companion animal sterilization fund.

~~(b)~~ **(c)** On approval of the governor and the budget agency, the board of trustees may spend the excess funds **received under subsections (a) and (b)(1)** for the construction, operation, rehabilitation, and repair of buildings, structures, or other facilities used for:

- (1) carrying out the purposes of those chapters referred to in subsection (a) under which the fees are collected; or
- (2) the agricultural programs authorized by law and in support of the purposes of the chapters referred to in subsection (a).

SECTION 5. IC 15-19-7-30, AS ADDED BY P.L.2-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 30. (a) **Except as provided in subsection (b)**, a distributor shall pay to the state chemist an inspection fee at the rate of forty cents (\$0.40) per ton on all commercial feeds shipped into or within Indiana, subject to the following:

- (1) No fee shall be paid on a commercial feed if the payment has been made by a previous distributor.
- (2) No fee shall be paid on a custom mixed feed if the inspection fee has been paid on all of the commercial feeds that are ingredients of the custom mixed feed.
- (3) On commercial feeds that contain ingredients on which the inspection fee has already been paid, credit shall be given for that payment.
- (4) The minimum inspection fee is five dollars (\$5) per quarter if a quarterly feed tonnage report is required under section 31 of this chapter.

(b) In the case of a pet food or a specialty pet food that is distributed in Indiana in packages of ten (10) pounds or less, an annual inspection

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1 fee of ~~fifty eighty~~ dollars (~~\$50~~) (**\$80**) shall be paid instead of the
 2 tonnage inspection fee specified in subsection (a).

3 SECTION 6. IC 15-19-7-31, AS ADDED BY P.L.2-2008,
 4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2012]: Sec. 31. (a) Except as provided in subsection (b), a
 6 distributor who is liable for the payment of the tonnage inspection fee
 7 under section 30 of this chapter shall file quarterly tonnage reports
 8 setting forth the number of net tons of commercial feeds distributed in
 9 Indiana during the preceding calendar quarter. The distributor shall file
 10 the reports not later than January 31, April 30, July 31, and October 31
 11 of each year. Upon filing a report, the distributor shall pay the
 12 inspection fee at the rate stated in section 30 of this chapter. Inspection
 13 fees that are due and owing and have not been remitted to the state
 14 chemist within fifteen (15) days after the due date shall be increased by
 15 a penalty fee of ten percent (10%) of the amount due or fifty dollars
 16 (\$50), whichever is greater. The assessment of this penalty fee does not
 17 prevent the state chemist from taking other actions under this chapter.

18 (b) A resident of Indiana who only manufactures and distributes
 19 custom mixed commercial feeds and has met the requirements of
 20 section 30 of this chapter is exempt from filing quarterly feed tonnage
 21 reports.

22 (c) A distributor who is subject to the inspection fees for small
 23 packaged pet and specialty pet foods distributed in containers of ten
 24 (10) pounds or less under section 30 of this chapter shall do the
 25 following:

26 (1) Before beginning distribution, file with the state chemist a
 27 listing of small packaged pet and specialty pet foods to be
 28 distributed in Indiana in containers of ten (10) pounds or less, on
 29 forms provided by the state chemist. The listing under this
 30 subdivision shall be renewed annually before January 1 of each
 31 year and is the basis for the payment of the annual inspection fee
 32 of ~~fifty dollars (\$50)~~ per product **specified under section 30(b)**
 33 **of this chapter**. New products added during the year must be
 34 submitted to the state chemist as a supplement to the annual
 35 listing before distribution.

36 (2) If the annual renewal of the listing is not received before
 37 January 16 or if an unlisted product is distributed, pay a late filing
 38 fee of ten dollars (\$10) per product in addition to the normal
 39 charge for the listing. The late filing fee under this subdivision is
 40 in addition to any other penalty under this chapter.

41 SECTION 7. IC 15-20-4 IS ADDED TO THE INDIANA CODE AS
 42 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2012]:

Chapter 4. Indiana Companion Animal Sterilization Program

Sec. 1. As used in this chapter, "board" refers to the Indiana board of veterinary medical examiners established by IC 25-38.1-2-1.

Sec. 2. As used in this chapter, "companion animal" means a dog or cat.

Sec. 3. As used in this chapter, "fund" refers to the Indiana companion animal sterilization fund established by section 5 of this chapter.

Sec. 4. As used in this chapter, "veterinary services provider" means:

(1) a veterinarian (as defined in IC 15-17-2-102), if the veterinarian provides veterinary services as a sole proprietor; or

(2) a professional services corporation or other business entity authorized under Indiana law to provide veterinary services, if a veterinarian provides veterinary services through the veterinarian's affiliation with the professional services corporation or other business entity.

Sec. 5. (a) The Indiana companion animal sterilization fund is established for the purpose of receiving money from the sources listed in subsection (b) for reimbursement of veterinary services providers that perform spaying or neutering services of companion animals on behalf of Medicaid recipients under this chapter. The board shall administer the fund.

(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Donations.

(3) Federal grants or other federal appropriations.

(4) Fee and penalty revenue distributed to the fund under IC 15-16-2-36, IC 15-20-5, IC 15-20-6, and any other law.

(5) Interest and other earnings derived from investment of money in the fund.

(6) Money reserved for refund claims.

(c) Expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not

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revert to the state general fund.

Sec. 6. Any unappropriated money in the fund not reserved for refund claims is annually appropriated to the board for use by the board in carrying out the purpose of the fund.

Sec. 7. (a) The board shall conduct a program to reimburse veterinary services providers that perform spaying or neutering services for a companion animal owned or harbored by a Medicaid recipient at no charge to the Medicaid recipient.

(b) The board may contract with one (1) or more nongovernmental entities, selected as the result of a competitive process, to perform either or both of the following services:

(1) Contracting with veterinary services providers who wish to participate in the program described in subsection (a).

(2) Administering the fund and processing reimbursement claims by veterinary services providers under the program described in subsection (a).

(c) If the board contracts with an organization selected under subsection (b) to administer the fund, the organization shall administer the fund in accordance with the requirements of this chapter. An organization selected to administer the fund under subsection (b) may not expend more than fifteen percent (15%) of the fund annually for administrative costs.

Sec. 8. (a) Before January 1, 2014, the maximum reimbursement amount under the program described in section 7 of this chapter for the performance of a spaying or neutering service by a veterinary services provider for a companion animal owned or harbored by a Medicaid recipient is fifty dollars (\$50). After December 31, 2013, the maximum reimbursement changes in accordance with subsection (b).

(b) Beginning January 1, 2014, and on each January 1 thereafter, the board shall determine the maximum reimbursement amount applicable throughout the ensuing calendar year. The amount of the maximum reimbursement amount is determined in STEP THREE of the following STEPS:

STEP ONE: Divide:

(A) the Consumer Price Index for All Urban Consumers (CPI-U) for the Midwest Region for all items as of December 1 of the immediately preceding year, as published by the Bureau of Labor Statistics of the United States Department of Labor; by

(B) the Consumer Price Index for All Urban Consumers (CPI-U) for the Midwest Region for all items as of

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December 1, 2012, as published by the Bureau of Labor Statistics of the United States Department of Labor.

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) fifty dollars (\$50).

STEP THREE: Round the STEP TWO result to the nearest dollar.

The board shall publish the maximum reimbursement amount determined under this subsection on the board's Internet web site promptly after computing this amount.

Sec. 9. The board may adopt rules under IC 4-22-2 for the implementation of the reimbursement program described in sections 7 and 8 of this chapter.

SECTION 8. IC 15-20-5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]:

Chapter 5. Companion Animal Sterilization Service Fee

Sec. 1. As used in this chapter, "companion animal" has the meaning set forth in IC 15-20-4-2.

Sec. 2. As used in this chapter, "companion animal sterilization service fee" refers to the fee imposed by section 5 of this chapter.

Sec. 3. As used in this chapter, "retail merchant" has the meaning set forth in IC 6-2.5-1-8.

Sec. 4. As used in this chapter, "retail transaction" has the meaning set forth in IC 6-2.5-1-2(a).

Sec. 5. A person who purchases an unsterilized companion animal in a retail transaction is liable for a fee in the amount of fifty dollars (\$50) for each unsterilized companion animal acquired in the retail transaction.

Sec. 6. A retail merchant who sells an unsterilized companion animal in a retail transaction shall collect the fee imposed by section 5 of this chapter from the purchaser.

Sec. 7. The fee imposed by section 5 of this chapter is excluded from the gross retail income (as defined in IC 6-2.5-1-5) received by a retail merchant in a retail transaction.

Sec. 8. For each reporting period, a retail merchant is liable to the state for the amount of:

(1) the product of:

(A) the number of unsterilized companion animals sold in a retail transaction by the retail merchant during the reporting period; multiplied by

(B) the amount of the fee imposed by section 5 of this

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chapter; minus
(2) any collection allowance the retail merchant may retain under section 10 of this chapter.

Sec. 9. A retail merchant shall file returns for and remit the companion animal sterilization fee electronically through the department's online tax filing system with the same frequency that the retail merchant is required to file returns for and remit state gross retail and use taxes under IC 6-2.5-6.

Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the companion animal sterilization service fee, every retail merchant that timely remits companion animal sterilization service fees as required under section 9 of this chapter is entitled to deduct and retain a collection allowance from the amount of those fees otherwise required to be remitted under this chapter.

- (b) The allowance equals:**
 - (1) the retail merchant's liability for companion animal sterilization service fees determined under section 8(1) of this chapter; multiplied by**
 - (2) the collection allowance percentage applicable to the retail merchant under IC 6-2.5-6-10(b).**

(c) The amount of companion animal sterilization service fees collected by a retail merchant during a calendar year is excluded from the determination of the retail merchant's collection allowance percentage under IC 6-2.5-6-10(b).

Sec. 11. The companion animal sterilization service fee is a listed tax for purposes of IC 6-8.1. The department of state revenue shall administer the fee in accordance with IC 6-8.1.

Sec. 12. The department of state revenue shall deposit companion animal sterilization service fee revenue that the department receives in the Indiana companion animal sterilization fund.

SECTION 9. IC 15-20-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]:

Chapter 6. Companion Animal Rabies Vaccination Fee

Sec. 1. As used in this chapter, "companion animal" has the meaning set forth in IC 15-20-4-2.

Sec. 2. As used in this chapter, "companion animal rabies vaccination fee" refers to the fee imposed by section 5 of this chapter.

Sec. 3. As used in this chapter, "veterinarian" has the meaning

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set forth in IC 15-17-2-102.

Sec. 4. As used in this chapter, "veterinary services provider" has the meaning set forth in IC 15-20-4-4.

Sec. 5. A person who obtains a rabies vaccination for a companion animal from a veterinary services provider is liable for a fee in the amount of three dollars (\$3) for each rabies vaccination obtained.

Sec. 6. A veterinary services provider who vaccinates a companion animal shall collect the companion animal rabies vaccination fee at the time the rabies vaccination is administered from the person that obtained the rabies vaccination for a companion animal.

Sec. 7. Companion animal rabies vaccination fees are excluded from the gross retail income (as defined in IC 6-2.5-1-5) and adjusted gross income (as defined in IC 6-3-1-3.5) of a veterinary services provider.

Sec. 8. For each reporting period, a veterinary services provider is liable to the state for the amount of:

- (1) the product of:
 - (A) the number of companion animals the veterinary services provider vaccinates for rabies during the reporting period; multiplied by
 - (B) the amount of the companion animal rabies vaccination fee specified in section 5 of this chapter; minus
- (2) any collection allowance the veterinary services provider may retain under section 10 of this chapter.

Sec. 9. (a) A veterinary services provider liable for collecting companion animal rabies vaccination fees shall file a return for each calendar month and pay the companion animal rabies vaccination fees the veterinary services provider collects during that month. A veterinary services provider shall file the veterinary services provider's return with the department of state revenue and make the veterinary services provider's payment of fees collected for that month to the department of state revenue not more than thirty (30) days after the end of that month. The veterinary services provider shall file returns for and remit the companion animal rabies vaccination fee through the department's online tax filing system.

(b) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department of state revenue may permit a veterinary services provider to divide a year into a different number of reporting periods, including a single reporting

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1 period of one (1) calendar year. The return and payment for each
2 reporting period are due not more than thirty (30) days after the
3 end of the period.

4 Sec. 10. (a) In order to compensate a veterinary services
5 provider for collecting and timely remitting the companion animal
6 rabies vaccination fee, every veterinary services provider that
7 timely remits companion animal rabies vaccination fees as
8 required under section 9 of this chapter is entitled to deduct and
9 retain a collection allowance from the amount of those fees
10 otherwise required to be remitted under this chapter.

11 (b) The allowance equals:

12 (1) the veterinary services provider's liability for companion
13 animal rabies vaccination fees determined under section 8(1)
14 of this chapter; multiplied by

15 (2) the percentage specified in IC 6-2.5-6-10(b)(1).

16 Sec. 11. The companion animal rabies vaccination fee is a listed
17 tax for purposes of IC 6-8.1. The department of state revenue shall
18 administer the fee in accordance with IC 6-8.1.

19 Sec. 12. The department of state revenue shall deposit
20 companion animal rabies vaccination fee revenue that the
21 department receives in the Indiana companion animal sterilization
22 fund.

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