



Reprinted
February 1, 2012

SENATE BILL No. 344

DIGEST OF SB 344 (Updated January 31, 2012 2:22 pm - DI 58)

Citations Affected: IC 4-4; IC 6-1.1; IC 6-2.3; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-8.1; IC 12-20; IC 36-7; noncode.

Synopsis: State taxation. Specifies the assessed value for outdoor signs for the 2011 through 2014 assessment dates. Requires the commission on state tax and financing policy to study the assessment of outdoor signs. Specifies that the value of federal income tax credits under Section 42 of the Internal Revenue Code awarded after December 31, 2012, must be used for purposes of determining the assessed value of low income housing tax credit property. 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. Permits the fiscal body to annually appropriate money for the grant program from the property tax increment resulting from any additional property taxes collected as a result of using the value of federal income tax credits in determining the assessed value of low income housing tax credit property. Separates the township assistance levy from the township's general fund levy, and provides for a levy based on a rate calculation that must be used to determine a township's assistance levy after 2012. Phases in the change through 2014. Freezes a township's township assistance rate for levy determinations after 2014. Permits a
(Continued next page)

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

Hershman, Mishler

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.

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township to increase the township assistance levy only if there is a corresponding reduction in the township's general fund levy. Specifies that if the township is located in a county for which a local option income tax levy freeze is first imposed or increased, the township assistance fund levy remains the same. Provides that if the calculated maximum rate for a township for 2013 is greater than or equal to the 2012 rate, the assessed value growth quotient (AVGQ) applies for 2013 and thereafter. Provides that for other townships, the AVGQ applies after 2014, after the new rate is fully phased in. Provides a 100% property tax assessed value deduction for a solar power device used to generate electricity that is installed after December 31, 2011. Provides that a person leasing real property with a solar power device is eligible for the exemption if the person is subject to assessment for the solar power device. Provides that a sales tax refund claim based on the exemption for electrical energy, natural or artificial gas, water, steam, and steam heat may not cover transactions that occur more than 36 months (rather than 18 months, under current law) before the date of the refund claim. 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 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. Provides a sales and use tax exemption for transactions involving tangible personal property by a company that is engaged in offering a competitive racing experience in a two-seater Indianapolis 500 style race car during a competitive racing event. Repeals the laws allowing for a consolidated sales and withholding tax return. Requires all sales tax returns and payments, excluding those retail merchants whose state gross retail and use tax liability in the previous calendar year does not exceed \$1,000, to be filed and remitted electronically. Makes a technical change regarding the details for the amount of an E85 deduction. Provides that withholding tax payments may be made annually if the total withholding tax due for the year is less than \$1,000. Changes the due dates for annual one-time withholding for a nonresident partner and for a nonresident shareholder in an S corporation to April 15. Changes the reporting date for partnerships that make periodic withholding payments from January 30 to March 15. Requires any person filing more than 25 copies of certain tax forms to file reports electronically. 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. Provides that for purposes of the coal gasification technology investment tax credit, an integrated coal gasification powerplant also includes a facility that is dedicated primarily to production of electricity or gas for sale to or use by the Indiana finance authority under statutes authorizing the authority to enter into contracts for the purchase, transportation, and delivery of substitute natural gas. Specifies that a natural gas utility's transportation customer is not a retail end use customer under the Indiana finance authority law regarding substitute natural gas contracts if the customer purchases at least 50,000 dekatherms of natural gas annually from an entity other than the natural gas utility. Adds an exception to the requirement that 100% of the coal used in an integrated coal gasification powerplant or as fuel in a fluidized bed combustion unit must be Indiana coal (by allowing the applicant awarded the coal gasification technology investment tax credit to certify that partial use

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of feedstock is necessary to result in lower rates for Indiana retail utility customers). Corrects references to the Internal Revenue Code in the income tax law. Provides that a decedent's estate and a trust do not have to file an Indiana fiduciary return if the gross income for the year is less than \$600. Requires the commission on state and financing policy to study all income tax credits during 2012 and 2013. Urges the legislative council to assign to a study committee 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 the annual performance report provided by school corporations. Provides for a continuous abatement notice regarding weeds and vegetation. Adjusts the maximum levy for Clark County.

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Reprinted
February 1, 2012

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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SENATE BILL No. 344

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

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

1 SECTION 1. IC 4-4-11.6-10, AS ADDED BY P.L.2-2009,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 10. As used in this chapter, "retail end use
4 customer" means a customer who acquires energy at retail for the
5 customer's own consumption:

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

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

SB 344—LS 6911/DI 58+



1 SECTION 2. IC 6-1.1-3-24 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 MARCH 1, 2011 (RETROACTIVE)]: **Sec. 24. (a) In determining the**
 4 **assessed value of various sizes of outdoor advertising signs for the**
 5 **2011 through 2014 assessment dates, a taxpayer and assessing**
 6 **official shall use the following table without any adjustments:**

7 **Single Pole Structure**

8 Type of Sign	Value Per Structure
9 At least 48 feet, illuminated	\$5,000
10 At least 48 feet, non-illuminated	\$4,000
11 At least 26 feet and under 48 feet, illuminated	\$4,000
12 At least 26 feet and under 48 feet,	
13 non-illuminated	\$3,300
14 Under 26 feet, illuminated	\$3,200
15 Under 26 feet, non-illuminated	\$2,600
16 Other Types of Outdoor Signs	
17 At least 50 feet, illuminated	\$2,500
18 At least 50 feet, non-illuminated	\$1,500
19 At least 40 feet and under 50 feet, illuminated	\$2,000
20 At least 40 feet and under 50 feet,	
21 non-illuminated	\$1,300
22 At least 30 feet and under 40 feet, illuminated	\$2,000
23 At least 30 feet and under 40 feet,	
24 non-illuminated	\$1,300
25 At least 20 feet and under 30 feet, illuminated	\$1,600
26 At least 20 feet and under 30 feet,	
27 non-illuminated	\$1,000
28 Under 20 feet, illuminated	\$1,600
29 Under 20 feet, non-illuminated	\$1,000

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

35 **(c) This section expires July 1, 2015.**

36 SECTION 3. IC 6-1.1-4-40 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 40. The value of
 38 federal income tax credits awarded under Section 42 of the Internal
 39 Revenue Code **after December 31, 2012, may not shall** be considered
 40 in determining the assessed value of low income housing tax credit
 41 property.

42 SECTION 4. IC 6-1.1-12-26.1 IS ADDED TO THE INDIANA



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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 26.1. (a)**
 3 **This section applies only to a solar power device that is installed**
 4 **after December 31, 2011.**

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

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

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

17 (c) **For purposes of this section, "solar power device" means a**
 18 **device, such as a solar thermal, a photovoltaic, or other solar**
 19 **energy system, that is designed to use the radiant light or heat from**
 20 **the sun to produce electricity.**

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

25 (1) **the assessed value of the real property with the solar**
 26 **power device included; minus**

27 (2) **the assessed value of the real property without the solar**
 28 **power device.**

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

30 (1) **distributable property under IC 6-1.1-8; or**

31 (2) **personal property;**

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

34 SECTION 5. IC 6-1.1-12-27.1, AS AMENDED BY P.L.113-2010,
 35 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 27.1. Except as provided
 37 in sections 36 and 44 of this chapter and subject to section 45 of this
 38 chapter, a person who desires to claim the deduction provided by
 39 section 26 **or 26.1** of this chapter must file a certified statement in
 40 duplicate, on forms prescribed by the department of local government
 41 finance, with the auditor of the county in which the real property, **or**
 42 mobile home, **manufactured home, or solar power device** is subject



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1 to assessment. With respect to real property **or a solar power device**
 2 **that is assessed as distributable property under IC 6-1.1-8 or as**
 3 **personal property**, the person must file the statement during the year
 4 for which the person desires to obtain the deduction. Except as
 5 provided in sections 36 and 44 of this chapter and subject to section 45
 6 of this chapter, with respect to a mobile home which is not assessed as
 7 real property, the person must file the statement during the twelve (12)
 8 months before March 31 of each year for which the person desires to
 9 obtain the deduction. The person must:

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

17 on the date the statement is filed under this section. The statement may
 18 be filed in person or by mail. If mailed, the mailing must be postmarked
 19 on or before the last day for filing. On verification of the statement by
 20 the assessor of the township in which the real property, **or** mobile
 21 home, **manufactured home, or solar power device** is subject to
 22 assessment, or the county assessor if there is no township assessor for
 23 the township, the county auditor shall allow the deduction.

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

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

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

35 STEP THREE: Determine the lesser of one and fifteen hundredths
 36 (1.15) or the quotient (rounded to the nearest ten-thousandth
 37 (0.0001)), of the assessed value of all taxable property subject to
 38 the civil taxing unit's ad valorem property tax levy for the ensuing
 39 calendar year, divided by the assessed value of all taxable
 40 property that is subject to the civil taxing unit's ad valorem
 41 property tax levy for the ensuing calendar year and that is
 42 contained within the geographic area that was subject to the civil

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1 taxing unit's ad valorem property tax levy in the preceding
 2 calendar year.
 3 STEP FOUR: Determine the greater of the amount determined in
 4 STEP THREE or one (1).
 5 STEP FIVE: Multiply the amount determined in STEP TWO by
 6 the amount determined in STEP FOUR.
 7 STEP SIX: Add the amount determined under STEP TWO to the
 8 amount of an excessive levy appeal granted under section 13 of
 9 this chapter for the ensuing calendar year.
 10 STEP SEVEN: Determine the greater of STEP FIVE or STEP
 11 SIX.

12 (b) This subsection applies only to property taxes first due and
 13 payable after December 31, 2007. This subsection applies only to a
 14 civil taxing unit that is located in a county for which a county adjusted
 15 gross income tax rate is first imposed or is increased in a particular
 16 year under IC 6-3.5-1.1-24 or a county option income tax rate is first
 17 imposed or is increased in a particular year under IC 6-3.5-6-30.
 18 Notwithstanding any provision in this section, ~~or~~ any other section of
 19 this chapter, **or IC 12-20-21-3**, and except as provided in subsection
 20 (c), the maximum permissible ad valorem property tax levy calculated
 21 under this section for the ensuing calendar year for a civil taxing unit
 22 subject to this section is equal to the civil taxing unit's maximum
 23 permissible ad valorem property tax levy for the current calendar year.

24 (c) This subsection applies only to property taxes first due and
 25 payable after December 31, 2007. In the case of a civil taxing unit that:
 26 (1) is partially located in a county for which a county adjusted
 27 gross income tax rate is first imposed or is increased in a
 28 particular year under IC 6-3.5-1.1-24 or a county option income
 29 tax rate is first imposed or is increased in a particular year under
 30 IC 6-3.5-6-30; and
 31 (2) is partially located in a county that is not described in
 32 subdivision (1);

33 the department of local government finance shall, notwithstanding
 34 subsection (b), adjust the portion of the civil taxing unit's maximum
 35 permissible ad valorem property tax levy that is attributable (as
 36 determined by the department of local government finance) to the
 37 county or counties described in subdivision (2). The department of
 38 local government finance shall adjust this portion of the civil taxing
 39 unit's maximum permissible ad valorem property tax levy so that,
 40 notwithstanding subsection (b), this portion is allowed to increase as
 41 otherwise provided in this section. If the department of local
 42 government finance increases the civil taxing unit's maximum

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1 permissible ad valorem property tax levy under this subsection, any
 2 additional property taxes imposed by the civil taxing unit under the
 3 adjustment shall be paid only by the taxpayers in the county or counties
 4 described in subdivision (2).

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

13 SECTION 8. IC 6-2.5-4-5, AS AMENDED BY P.L.32-2007,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2013]: Sec. 5. (a) As used in this section, a "power
 16 subsidiary" means a corporation which is owned or controlled by one
 17 (1) or more public utilities that furnish or sell electrical energy, natural
 18 or artificial gas, water, steam, or steam heat and which produces power
 19 exclusively for the use of those public utilities.

20 (b) A power subsidiary or a person engaged as a public utility is a
 21 retail merchant making a retail transaction when the subsidiary or
 22 person furnishes or sells electrical energy, natural or artificial gas,
 23 water, steam, or steam heating service to a person for commercial or
 24 domestic consumption.

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

28 (1) The power subsidiary or person provides, installs, constructs,
 29 services, or removes tangible personal property which is used in
 30 connection with the furnishing of the services or commodities
 31 listed in subsection (b).

32 (2) The power subsidiary or person sells the services or
 33 commodities listed in subsection (b) to another public utility or
 34 power subsidiary described in this section or a person described
 35 in section 6 of this chapter.

36 (3) The power subsidiary or person sells the services or
 37 commodities listed in subsection (b) to a person for use in
 38 manufacturing, mining, production, **processing, repairing,**
 39 refining, oil extraction, mineral extraction, irrigation, agriculture,
 40 **floriculture, arboriculture,** or horticulture. However, this
 41 exclusion for sales of the services and commodities only applies
 42 if the services are consumed as an essential and integral part of an

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1 integrated process that produces tangible personal property and
 2 those sales are separately metered for the excepted uses listed in
 3 this subdivision, or if those sales are not separately metered but
 4 are predominately used by the purchaser for the excepted uses
 5 listed in this subdivision.

6 (4) The power subsidiary or person sells the services or
 7 commodities listed in subsection (b) and all the following
 8 conditions are satisfied:

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

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

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

13 located in a military base (as defined in IC 36-7-30-1(c)), a
 14 military base reuse area established under IC 36-7-30, the part
 15 of an economic development area established under
 16 IC 36-7-14.5-12.5 that is or formerly was a military base (as
 17 defined in IC 36-7-30-1(c)), a military base recovery site
 18 designated under IC 6-3.1-11.5, or a qualified military base
 19 enhancement area established under IC 36-7-34.

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

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

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

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

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

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

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

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(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 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 9. 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 10. 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.

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

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

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

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

18 SECTION 11. IC 6-2.5-5-37, AS AMENDED BY P.L.193-2005,
19 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 37. (a) Transactions
21 involving tangible personal property are exempt from the state gross
22 retail tax, if the tangible personal property:

- 23 (1) is leased, owned, or operated by a professional racing team;
- 24 and
- 25 (2) comprises any part of a professional motor racing vehicle,
- 26 excluding tires and accessories.

27 (b) **Transactions involving tangible personal property are**
28 **exempt from the state gross retail tax, if the tangible personal**
29 **property:**

- 30 (1) **is leased, owned, or operated by a company that is engaged**
- 31 **in offering a competitive racing experience during a**
- 32 **competitive racing event; and**
- 33 (2) **comprises any part of a two-seater Indianapolis 500 style**
- 34 **race car, excluding tires and accessories.**

35 SECTION 12. IC 6-2.5-6-1, AS AMENDED BY P.L.182-2009(ss),
36 SECTION 180, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. (a) Except as otherwise
38 provided in this section, each person liable for collecting the state gross
39 retail or use tax shall file a return for each calendar month and pay the
40 state gross retail and use taxes that the person collects during that
41 month. A person shall file the person's return for a particular month
42 with the department and make the person's tax payment for that month

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1 to the department not more than thirty (30) days after the end of that
 2 month, if that person's average monthly liability for collections of state
 3 gross retail and use taxes under this section as determined by the
 4 department for the preceding calendar year did not exceed one
 5 thousand dollars (\$1,000). If a person's average monthly liability for
 6 collections of state gross retail and use taxes under this section as
 7 determined by the department for the preceding calendar year exceeded
 8 one thousand dollars (\$1,000), that person shall file the person's return
 9 for a particular month and make the person's tax payment for that
 10 month to the department not more than twenty (20) days after the end
 11 of that month.

12 ~~(b) If a person files a combined sales and withholding tax report and~~
 13 ~~either this section or IC 6-3-4-8.1 requires sales or withholding tax~~
 14 ~~reports to be filed and remittances to be made within twenty (20) days~~
 15 ~~after the end of each month, then the person shall file the combined~~
 16 ~~report and remit the sales and withholding taxes due within twenty (20)~~
 17 ~~days after the end of each month.~~

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

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

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

41 ~~(f) If a retail merchant files a combined sales and withholding tax~~
 42 ~~report, the reporting period for the combined report is the shortest~~



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1 period required under:
 2 ~~(1) this section;~~
 3 ~~(2) IC 6-3-4-8; or~~
 4 ~~(3) IC 6-3-4-8.1.~~
 5 ~~(g)~~ (e) If the department determines that a person's:
 6 (1) estimated monthly gross retail and use tax liability for the
 7 current year; or
 8 (2) average monthly gross retail and use tax liability for the
 9 preceding year;
 10 exceeds five thousand dollars (\$5,000), the person shall pay the
 11 monthly gross retail and use taxes due by electronic funds transfer (as
 12 defined in IC 4-8.1-2-7) or by delivering in person or by overnight
 13 courier a payment by cashier's check, certified check, or money order
 14 to the department. The transfer or payment shall be made on or before
 15 the date the tax is due.
 16 ~~(h)~~ (f) A person that registers as a retail merchant after December
 17 31, 2009; shall report and remit state gross retail and use taxes through
 18 the department's online tax filing program. This subsection does not
 19 apply to a retail merchant that was a registered retail merchant before
 20 January 1, 2010; but adds an additional place of business in accordance
 21 with IC 6-2.5-8-1(e) after December 31, 2009.
 22 ~~(i)~~ (g) A person:
 23 (1) who has voluntarily registered as a seller under the
 24 Streamlined Sales and Use Tax Agreement;
 25 (2) who is not a Model 1, Model 2, or Model 3 seller (as defined
 26 in the Streamlined Sales and Use Tax Agreement); and
 27 (3) whose liability for collections of state gross retail and use
 28 taxes under this section for the preceding calendar year as
 29 determined by the department does not exceed one thousand
 30 dollars (\$1,000);
 31 is not required to file a monthly gross retail and use tax return.
 32 SECTION 13. IC 6-2.5-7-5, AS AMENDED BY P.L.148-2009,
 33 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2012]: Sec. 5. (a) Each retail merchant who dispenses
 35 gasoline or special fuel from a metered pump shall, in the manner
 36 prescribed in IC 6-2.5-6, report to the department the following
 37 information:
 38 (1) The total number of gallons of gasoline sold from a metered
 39 pump during the period covered by the report.
 40 (2) The total amount of money received from the sale of gasoline
 41 described in subdivision (1) during the period covered by the
 42 report.

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- 1 (3) That portion of the amount described in subdivision (2) which
- 2 represents state and federal taxes imposed under this article,
- 3 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.
- 4 (4) The total number of gallons of special fuel sold from a
- 5 metered pump during the period covered by the report.
- 6 (5) The total amount of money received from the sale of special
- 7 fuel during the period covered by the report.
- 8 (6) That portion of the amount described in subdivision (5) that
- 9 represents state and federal taxes imposed under this article,
- 10 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.
- 11 (7) The total number of gallons of E85 sold from a metered pump
- 12 during the period covered by the report.
- 13 (b) Concurrently with filing the report, the retail merchant shall
- 14 remit the state gross retail tax in an amount which equals six and
- 15 fifty-four hundredths percent (6.54%) of the gross receipts, including
- 16 state gross retail taxes but excluding Indiana and federal gasoline and
- 17 special fuel taxes, received by the retail merchant from the sale of the
- 18 gasoline and special fuel that is covered by the report and on which the
- 19 retail merchant was required to collect state gross retail tax. The retail
- 20 merchant shall remit that amount regardless of the amount of state
- 21 gross retail tax which the merchant has actually collected under this
- 22 chapter. However, the retail merchant is entitled to deduct and retain
- 23 the amounts prescribed in subsection (c), IC 6-2.5-6-10, and
- 24 IC 6-2.5-6-11.
- 25 (c) A retail merchant is entitled to deduct from the amount of state
- 26 gross retail tax required to be remitted under subsection (b) the amount
- 27 determined under STEP THREE of the following formula:
- 28 STEP ONE: Determine:
- 29 (A) the sum of the prepayment amounts made during the
- 30 period covered by the retail merchant's report; minus
- 31 (B) the sum of prepayment amounts collected by the retail
- 32 merchant, in the merchant's capacity as a qualified distributor,
- 33 during the period covered by the retail merchant's report.
- 34 STEP TWO: Subject to subsections (d) and (f), for qualified
- 35 reporting periods beginning after June 30, 2009, and ending
- 36 before July 1, 2020, determine the product of:
- 37 (A) eighteen cents (\$0.18); multiplied by
- 38 (B) the number of gallons of E85 sold at retail by the retail
- 39 merchant during the period covered by the retail merchant's
- 40 report.
- 41 STEP THREE: Add the amounts determined under STEPS ONE
- 42 and TWO.

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1 For purposes of this section, a prepayment of the gross retail tax is
2 presumed to occur on the date on which it is invoiced.

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

26 (e) As used in this section, "qualified reporting period" refers to a
27 reporting period beginning after December 31 and ending before April
28 1 of each year.

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

39 SECTION 14. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011,
40 SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND
41 AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED
42 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

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1 2012]: Sec. 3.5. When used in this article, the term "adjusted gross
2 income" shall mean the following:

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

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

8 (2) Add an amount equal to any deduction or deductions allowed
9 or allowable pursuant to Section 62 of the Internal Revenue Code
10 for taxes based on or measured by income and levied at the state
11 level by any state of the United States.

12 (3) Subtract one thousand dollars (\$1,000), or in the case of a
13 joint return filed by a husband and wife, subtract for each spouse
14 one thousand dollars (\$1,000).

15 (4) Subtract one thousand dollars (\$1,000) for:

16 (A) each of the exemptions provided by Section 151(c) of the
17 Internal Revenue Code;

18 (B) each additional amount allowable under Section 63(f) of
19 the Internal Revenue Code; and

20 (C) the spouse of the taxpayer if a separate return is made by
21 the taxpayer and if the spouse, for the calendar year in which
22 the taxable year of the taxpayer begins, has no gross income
23 and is not the dependent of another taxpayer.

24 (5) Subtract:

25 (A) *for taxable years beginning after December 31, 2004*, one
26 thousand five hundred dollars (\$1,500) for each of the
27 exemptions allowed under Section 151(c)(1)(B) of the Internal
28 Revenue Code (as effective January 1, 2004); and

29 (B) five hundred dollars (\$500) for each additional amount
30 allowable under Section 63(f)(1) of the Internal Revenue Code
31 if the adjusted gross income of the taxpayer, or the taxpayer
32 and the taxpayer's spouse in the case of a joint return, is less
33 than forty thousand dollars (\$40,000).

34 This amount is in addition to the amount subtracted under
35 subdivision (4).

36 (6) Subtract an amount equal to the lesser of:

37 (A) that part of the individual's adjusted gross income (as
38 defined in Section 62 of the Internal Revenue Code) for that
39 taxable year that is subject to a tax that is imposed by a
40 political subdivision of another state and that is imposed on or
41 measured by income; or

42 (B) two thousand dollars (\$2,000).



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- 1 (7) Add an amount equal to the total capital gain portion of a
 2 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 3 Internal Revenue Code) if the lump sum distribution is received
 4 by the individual during the taxable year and if the capital gain
 5 portion of the distribution is taxed in the manner provided in
 6 Section 402 of the Internal Revenue Code.
- 7 (8) Subtract any amounts included in federal adjusted gross
 8 income under Section 111 of the Internal Revenue Code as a
 9 recovery of items previously deducted as an itemized deduction
 10 from adjusted gross income.
- 11 (9) Subtract any amounts included in federal adjusted gross
 12 income under the Internal Revenue Code which amounts were
 13 received by the individual as supplemental railroad retirement
 14 annuities under 45 U.S.C. 231 and which are not deductible under
 15 subdivision (1).
- 16 *~~(10) Add an amount equal to the deduction allowed under Section~~*
 17 *~~221 of the Internal Revenue Code for married couples filing joint~~*
 18 *~~returns if the taxable year began before January 1, 1987.~~*
- 19 *~~(11) Add an amount equal to the interest excluded from federal~~*
 20 *~~gross income by the individual for the taxable year under Section~~*
 21 *~~128 of the Internal Revenue Code if the taxable year began before~~*
 22 *~~January 1, 1985.~~*
- 23 *~~(12) (10) Subtract an amount equal to the amount of federal~~*
 24 *~~Social Security and Railroad Retirement benefits included in a~~*
 25 *~~taxpayer's federal gross income by Section 86 of the Internal~~*
 26 *~~Revenue Code.~~*
- 27 *~~(13) (11) In the case of a nonresident taxpayer or a resident~~*
 28 *~~taxpayer residing in Indiana for a period of less than the taxpayer's~~*
 29 *~~entire taxable year, the total amount of the deductions allowed~~*
 30 *~~pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to~~*
 31 *~~an amount which bears the same ratio to the total as the taxpayer's~~*
 32 *~~income taxable in Indiana bears to the taxpayer's total income.~~*
- 33 *~~(14) (12) In the case of an individual who is a recipient of~~*
 34 *~~assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or~~*
 35 *~~IC 12-15-7, subtract an amount equal to that portion of the~~*
 36 *~~individual's adjusted gross income with respect to which the~~*
 37 *~~individual is not allowed under federal law to retain an amount to~~*
 38 *~~pay state and local income taxes.~~*
- 39 *~~(15) (13) In the case of an eligible individual, subtract the amount~~*
 40 *~~of a Holocaust victim's settlement payment included in the~~*
 41 *~~individual's federal adjusted gross income.~~*
- 42 *~~(16) For taxable years beginning after December 31, 1999, (14)~~*

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1 Subtract an amount equal to the portion of any premiums paid
 2 during the taxable year by the taxpayer for a qualified long term
 3 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
 4 taxpayer's spouse, or both.
 5 ~~(17)~~ (15) Subtract an amount equal to the lesser of:
 6 (A) *for a taxable year:*
 7 (i) *including any part of 2004, the amount determined under*
 8 *subsection (f); and*
 9 (ii) *beginning after December 31, 2004,* two thousand five
 10 hundred dollars (\$2,500); or
 11 (B) the amount of property taxes that are paid during the
 12 taxable year in Indiana by the individual on the individual's
 13 principal place of residence.
 14 ~~(18)~~ (16) Subtract an amount equal to the amount of a September
 15 11 terrorist attack settlement payment included in the individual's
 16 federal adjusted gross income.
 17 ~~(19)~~ (17) Add or subtract the amount necessary to make the
 18 adjusted gross income of any taxpayer that owns property for
 19 which bonus depreciation was allowed in the current taxable year
 20 or in an earlier taxable year equal to the amount of adjusted gross
 21 income that would have been computed had an election not been
 22 made under Section 168(k) of the Internal Revenue Code to apply
 23 bonus depreciation to the property in the year that it was placed
 24 in service.
 25 ~~(20)~~ (18) Add an amount equal to any deduction allowed under
 26 Section 172 of the Internal Revenue Code.
 27 ~~(21)~~ (19) Add or subtract the amount necessary to make the
 28 adjusted gross income of any taxpayer that placed Section 179
 29 property (as defined in Section 179 of the Internal Revenue Code)
 30 in service in the current taxable year or in an earlier taxable year
 31 equal to the amount of adjusted gross income that would have
 32 been computed had an election for federal income tax purposes
 33 not been made for the year in which the property was placed in
 34 service to take deductions under Section 179 of the Internal
 35 Revenue Code in a total amount exceeding twenty-five thousand
 36 dollars (\$25,000).
 37 ~~(22)~~ (20) Add an amount equal to the amount that a taxpayer
 38 claimed as a deduction for domestic production activities for the
 39 taxable year under Section 199 of the Internal Revenue Code for
 40 federal income tax purposes.
 41 ~~(23)~~ (21) Subtract an amount equal to the amount of the taxpayer's
 42 qualified military income that was not excluded from the

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1 taxpayer's gross income for federal income tax purposes under
2 Section 112 of the Internal Revenue Code.

3 ~~(24)~~ (22) Subtract income that is:

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

5 (B) included in the individual's federal adjusted gross income
6 under the Internal Revenue Code.

7 ~~(25)~~ (23) Subtract any amount of a credit (including an advance
8 refund of the credit) that is provided to an individual under 26
9 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and
10 included in the individual's federal adjusted gross income.

11 ~~(26)~~ (24) Add any amount of unemployment compensation
12 excluded from federal gross income, as defined in Section 61 of
13 the Internal Revenue Code, under Section 85(c) of the Internal
14 Revenue Code.

15 ~~(27)~~ (25) Add the amount excluded from gross income under
16 Section 108(a)(1)(e) of the Internal Revenue Code for the
17 discharge of debt on a qualified principal residence.

18 ~~(28)~~ (26) Add an amount equal to any income not included in
19 gross income as a result of the deferral of income arising from
20 business indebtedness discharged in connection with the
21 reacquisition after December 31, 2008, and before January 1,
22 2011, of an applicable debt instrument, as provided in Section
23 108(i) of the Internal Revenue Code. Subtract the amount
24 necessary from the adjusted gross income of any taxpayer that
25 added an amount to adjusted gross income in a previous year to
26 offset the amount included in federal gross income as a result of
27 the deferral of income arising from business indebtedness
28 discharged in connection with the reacquisition after December
29 31, 2008, and before January 1, 2011, of an applicable debt
30 instrument, as provided in Section 108(i) of the Internal Revenue
31 Code.

32 ~~(29)~~ (27) Add the amount necessary to make the adjusted gross
33 income of any taxpayer that placed qualified restaurant property
34 in service during the taxable year and that was classified as
35 15-year property under Section 168(e)(3)(E)(v) 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 ~~(30)~~ (28) Add the amount necessary to make the adjusted gross
40 income of any taxpayer that placed qualified retail improvement
41 property in service during the taxable year and that was classified
42 as 15-year property under Section 168(e)(3)(E)(ix) of the Internal

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1 Revenue Code equal to the amount of adjusted gross income that
 2 would have been computed had the classification not applied to
 3 the property in the year that it was placed in service.
 4 ~~(37)~~ (29) Add or subtract the amount necessary to make the
 5 adjusted gross income of any taxpayer that claimed the special
 6 allowance for qualified disaster assistance property under Section
 7 168(n) of the Internal Revenue Code equal to the amount of
 8 adjusted gross income that would have been computed had the
 9 special allowance not been claimed for the property.
 10 ~~(37)~~ (30) Add or subtract the amount necessary to make the
 11 adjusted gross income of any taxpayer that made an election
 12 under Section 179C of the Internal Revenue Code to expense
 13 costs for qualified refinery property equal to the amount of
 14 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 ~~(37)~~ (31) Add or subtract the amount necessary to make the
 18 adjusted gross income of any taxpayer that made an election
 19 under Section 181 of the Internal Revenue Code to expense costs
 20 for a qualified film or television production equal to the amount
 21 of adjusted gross income that would have been computed had an
 22 election for federal income tax purposes not been made for the
 23 year.
 24 ~~(34)~~ (32) Add or subtract the amount necessary to make the
 25 adjusted gross income of any taxpayer that treated a loss from the
 26 sale or exchange of preferred stock in:
 27 (A) the Federal National Mortgage Association, established
 28 under the Federal National Mortgage Association Charter Act
 29 (12 U.S.C. 1716 et seq.); or
 30 (B) the Federal Home Loan Mortgage Corporation, established
 31 under the Federal Home Loan Mortgage Corporation Act (12
 32 U.S.C. 1451 et seq.);
 33 as an ordinary loss under Section 301 of the Emergency
 34 Economic Stabilization Act of 2008 in the current taxable year or
 35 in an earlier taxable year equal to the amount of adjusted gross
 36 income that would have been computed had the loss not been
 37 treated as an ordinary loss.
 38 (33) *Add the amount excluded from federal gross income under*
 39 *Section 103 of the Internal Revenue Code for interest received on*
 40 *an obligation of a state other than Indiana, or a political*
 41 *subdivision of such a state, that is acquired by the taxpayer after*
 42 *December 31, 2011.*

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- 1 ~~(35)~~ (34) Add the amount deducted from gross income under
 2 Section 198 of the Internal Revenue Code for the expensing of
 3 environmental remediation costs.
- 4 ~~(36)~~ (35) Add the amount excluded from gross income under
 5 Section 408(d)(8) of the Internal Revenue Code for a charitable
 6 distribution from an individual retirement plan.
- 7 ~~(37)~~ (36) Add the amount deducted from gross income under
 8 Section 222 of the Internal Revenue Code for qualified tuition
 9 and related expenses.
- 10 ~~(38)~~ (37) Add the amount deducted from gross income under
 11 Section ~~62(2)(D)~~ **62(a)(2)(D)** of the Internal Revenue Code for
 12 certain expenses of elementary and secondary school teachers.
- 13 ~~(39)~~ (38) Add the amount excluded from gross income under
 14 Section 127 of the Internal Revenue Code as annual employer
 15 provided education expenses.
- 16 ~~(40)~~ (39) Add the amount deducted from gross income under
 17 Section 179E of the Internal Revenue Code for any qualified
 18 advanced mine safety equipment property.
- 19 ~~(41)~~ (40) Add the monthly amount excluded from gross income
 20 under Section 132(f)(1)(A) and 132(f)(1)(B) **of the Internal**
 21 **Revenue Code** that exceeds one hundred dollars (\$100) a month
 22 for a qualified transportation fringe.
- 23 ~~(42)~~ (41) Add the amount deducted from gross income under
 24 Section 221 of the Internal Revenue Code that exceeds the
 25 amount the taxpayer could deduct under Section 221 of the
 26 Internal Revenue Code before it was amended by the Tax Relief,
 27 Unemployment Insurance Reauthorization, and Job Creation Act
 28 of 2010 (P.L. 111-312).
- 29 ~~(43)~~ (42) Add the amount necessary to make the adjusted gross
 30 income of any taxpayer that placed any qualified leasehold
 31 improvement property in service during the taxable year and that
 32 was classified as 15-year property under Section 168(e)(3)(E)(iv)
 33 of the Internal Revenue Code equal to the amount of adjusted
 34 gross income that would have been computed had the
 35 classification not applied to the property in the year that it was
 36 placed into service.
- 37 ~~(44)~~ (43) Add the amount necessary to make the adjusted gross
 38 income of any taxpayer that placed a motorsports entertainment
 39 complex in service during the taxable year and that was classified
 40 as 7-year property under Section 168(e)(3)(C)(ii) of the Internal
 41 Revenue Code equal to the amount of adjusted gross income that
 42 would have been computed had the classification not applied to

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1 *the property in the year that it was placed into service.*

2 ~~(45)~~ (44) *Add the amount deducted under Section 195 of the*
 3 *Internal Revenue Code for start-up expenditures that exceeds the*
 4 *amount the taxpayer could deduct under Section 195 of the*
 5 *Internal Revenue Code before it was amended by the Small*
 6 *Business Jobs Act of 2010 (P.L. 111-240).*

7 ~~(46)~~ (45) *Add the amount necessary to make the adjusted gross*
 8 *income of any taxpayer for which tax was not imposed on the net*
 9 *recognized built-in gain of an S corporation under Section*
 10 *1374(d)(7) of the Internal Revenue Code as amended by the Small*
 11 *Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of*
 12 *adjusted gross income that would have been computed before*
 13 *Section 1374(d)(7) of the Internal Revenue Code as amended by*
 14 *the Small Business Jobs Act of 2010 (P.L. 111-240).*

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

26 (b) In the case of corporations, the same as "taxable income" (as
 27 defined in Section 63 of the Internal Revenue Code) adjusted as
 28 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 or deductions allowed
 32 or allowable pursuant to Section 170 of the Internal Revenue
 33 Code.

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

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

41 (5) Add or subtract the amount necessary to make the adjusted
 42 gross income of any taxpayer that owns property for which bonus

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- 1 depreciation was allowed in the current taxable year or in an
- 2 earlier taxable year equal to the amount of adjusted gross income
- 3 that would have been computed had an election not been made
- 4 under Section 168(k) of the Internal Revenue Code to apply bonus
- 5 depreciation to the property in the year that it was placed in
- 6 service.
- 7 (6) Add an amount equal to any deduction allowed under Section
- 8 172 of the Internal Revenue Code.
- 9 (7) Add or subtract the amount necessary to make the adjusted
- 10 gross income of any taxpayer that placed Section 179 property (as
- 11 defined in Section 179 of the Internal Revenue Code) in service
- 12 in the current taxable year or in an earlier taxable year equal to
- 13 the amount of adjusted gross income that would have been
- 14 computed had an election for federal income tax purposes not
- 15 been made for the year in which the property was placed in
- 16 service to take deductions under Section 179 of the Internal
- 17 Revenue Code in a total amount exceeding twenty-five thousand
- 18 dollars (\$25,000).
- 19 (8) Add an amount equal to the amount that a taxpayer claimed as
- 20 a deduction for domestic production activities for the taxable year
- 21 under Section 199 of the Internal Revenue Code for federal
- 22 income tax purposes.
- 23 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 24 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 25 related intangible interest expenses (as defined in IC 6-3-2-20) for
- 26 the taxable year that reduced the corporation's taxable income (as
- 27 defined in Section 63 of the Internal Revenue Code) for federal
- 28 income tax purposes.
- 29 (10) Add an amount equal to any deduction for dividends paid (as
- 30 defined in Section 561 of the Internal Revenue Code) to
- 31 shareholders of a captive real estate investment trust (as defined
- 32 in section 34.5 of this chapter).
- 33 (11) Subtract income that is:
- 34 (A) exempt from taxation under IC 6-3-2-21.7; and
- 35 (B) included in the corporation's taxable income under the
- 36 Internal Revenue Code.
- 37 (12) Add an amount equal to any income not included in gross
- 38 income as a result of the deferral of income arising from business
- 39 indebtedness discharged in connection with the reacquisition after
- 40 December 31, 2008, and before January 1, 2011, of an applicable
- 41 debt instrument, as provided in Section 108(i) of the Internal
- 42 Revenue Code. Subtract from the adjusted gross income of any

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1 taxpayer that added an amount to adjusted gross income in a
 2 previous year the amount necessary to offset the amount included
 3 in federal gross income as a result of the deferral of income
 4 arising from business indebtedness discharged in connection with
 5 the reacquisition after December 31, 2008, and before January 1,
 6 2011, of an applicable debt instrument, as provided in Section
 7 108(i) of the Internal Revenue Code.
 8 (13) Add the amount necessary to make the adjusted gross income
 9 of any taxpayer that placed qualified restaurant property in service
 10 during the taxable year and that was classified as 15-year property
 11 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 12 to the amount of adjusted gross income that would have been
 13 computed had the classification not applied to the property in the
 14 year that it was placed in service.
 15 (14) Add the amount necessary to make the adjusted gross income
 16 of any taxpayer that placed qualified retail improvement property
 17 in service during the taxable year and that was classified as
 18 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 19 Revenue Code equal to the amount of adjusted gross income that
 20 would have been computed had the classification not applied to
 21 the property in the year that it was placed in service.
 22 (15) Add or subtract the amount necessary to make the adjusted
 23 gross income of any taxpayer that claimed the special allowance
 24 for qualified disaster assistance property under Section 168(n) of
 25 the Internal Revenue Code equal to the amount of adjusted gross
 26 income that would have been computed had the special allowance
 27 not been claimed for the property.
 28 (16) Add or subtract the amount necessary to make the adjusted
 29 gross income of any taxpayer that made an election under Section
 30 179C of the Internal Revenue Code to expense costs for qualified
 31 refinery property equal to the amount of adjusted gross income
 32 that would have been computed had an election for federal
 33 income tax purposes not been made for the year.
 34 (17) Add or subtract the amount necessary to make the adjusted
 35 gross income of any taxpayer that made an election under Section
 36 181 of the Internal Revenue Code to expense costs for a qualified
 37 film or television production equal to the amount of adjusted
 38 gross income that would have been computed had an election for
 39 federal income tax purposes not been made for the year.
 40 (18) Add or subtract the amount necessary to make the adjusted
 41 gross income of any taxpayer that treated a loss from the sale or
 42 exchange of preferred stock in:

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1 (A) the Federal National Mortgage Association, established
 2 under the Federal National Mortgage Association Charter Act
 3 (12 U.S.C. 1716 et seq.); or
 4 (B) the Federal Home Loan Mortgage Corporation, established
 5 under the Federal Home Loan Mortgage Corporation Act (12
 6 U.S.C. 1451 et seq.);
 7 as an ordinary loss under Section 301 of the Emergency
 8 Economic Stabilization Act of 2008 in the current taxable year or
 9 in an earlier taxable year equal to the amount of adjusted gross
 10 income that would have been computed had the loss not been
 11 treated as an ordinary loss.
 12 *(19) Add the amount deducted from gross income under Section*
 13 *198 of the Internal Revenue Code for the expensing of*
 14 *environmental remediation costs.*
 15 *(20) Add the amount deducted from gross income under Section*
 16 *179E of the Internal Revenue Code for any qualified advanced*
 17 *mine safety equipment property.*
 18 *(21) Add the amount necessary to make the adjusted gross income*
 19 *of any taxpayer that placed any qualified leasehold improvement*
 20 *property in service during the taxable year and that was*
 21 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 22 *the Internal Revenue Code equal to the amount of adjusted gross*
 23 *income that would have been computed had the classification not*
 24 *applied to the property in the year that it was placed into service.*
 25 *(22) Add the amount necessary to make the adjusted gross income*
 26 *of any taxpayer that placed a motorsports entertainment complex*
 27 *in service during the taxable year and that was classified as*
 28 *7-year property under Section 168(e)(3)(C)(ii) 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 into service.*
 32 *(23) Add the amount deducted under Section 195 of the Internal*
 33 *Revenue Code for start-up expenditures that exceeds the amount*
 34 *the taxpayer could deduct under Section 195 of the Internal*
 35 *Revenue Code before it was amended by the Small Business Jobs*
 36 *Act of 2010 (P.L. 111-240).*
 37 ~~(19)~~ **(24)** *This subdivision does not apply to payments made for*
 38 *services provided to a business that was enrolled and*
 39 *participated in the E-Verify program (as defined in*
 40 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 41 *in Indiana in the taxable year. For a taxable year beginning after*
 42 *June 30, 2011, add the amount of any trade or business deduction*

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1 *allowed under the Internal Revenue Code for wages,*
 2 *reimbursements, or other payments made for services provided*
 3 *in Indiana by an individual for services as an employee, if the*
 4 *individual was, during the period of service, prohibited from*
 5 *being hired as an employee under 8 U.S.C. 1324a.*

6 ~~(24)~~ **(25)** *Add the amount excluded from federal gross income*
 7 *under Section 103 of the Internal Revenue Code for interest*
 8 *received on an obligation of a state other than Indiana, or a*
 9 *political subdivision of such a state, that is acquired by the*
 10 *taxpayer after December 31, 2011.*

11 (c) In the case of life insurance companies (as defined in Section
 12 816(a) of the Internal Revenue Code) that are organized under Indiana
 13 law, the same as "life insurance company taxable income" (as defined
 14 in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

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

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

26 (5) Add or subtract the amount necessary to make the adjusted
 27 gross income of any taxpayer that owns property for which bonus
 28 depreciation was allowed in the current taxable year or in an
 29 earlier taxable year equal to the amount of adjusted gross income
 30 that would have been computed had an election not been made
 31 under Section 168(k) of the Internal Revenue Code to apply bonus
 32 depreciation to the property in the year that it was placed in
 33 service.

34 (6) Add an amount equal to any deduction allowed under Section
 35 172 or Section 810 of the Internal Revenue Code.

36 (7) Add or subtract the amount necessary to make the adjusted
 37 gross income of any taxpayer that placed Section 179 property (as
 38 defined in Section 179 of the Internal Revenue Code) in service
 39 in the current taxable year or in an earlier taxable year equal to
 40 the amount of adjusted gross income that would have been
 41 computed had an election for federal income tax purposes not
 42 been made for the year in which the property was placed in

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

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income that would have been computed had the special allowance not been claimed for the property.

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

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

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

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

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

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

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

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

(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as

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1 7-year property under Section 168(e)(3)(C)(ii) of the Internal
2 Revenue Code equal to the amount of adjusted gross income that
3 would have been computed had the classification not applied to
4 the property in the year that it was placed into service.

5 (20) Add the amount deducted under Section 195 of the Internal
6 Revenue Code for start-up expenditures that exceeds the amount
7 the taxpayer could deduct under Section 195 of the Internal
8 Revenue Code before it was amended by the Small Business Jobs
9 Act of 2010 (P.L. 111-240).

10 (21) Add the amount deducted from gross income under Section
11 198 of the Internal Revenue Code for the expensing of
12 environmental remediation costs.

13 (22) Add the amount deducted from gross income under Section
14 179E of the Internal Revenue Code for any qualified advanced
15 mine safety equipment property.

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

27 ~~(23)~~ **(24)** Add the amount excluded from federal gross income
28 under Section 103 of the Internal Revenue Code for interest
29 received on an obligation of a state other than Indiana, or a
30 political subdivision of such a state, that is acquired by the
31 taxpayer after December 31, 2011.

32 (d) In the case of insurance companies subject to tax under Section
33 831 of the Internal Revenue Code and organized under Indiana law, the
34 same as "taxable income" (as defined in Section 832 of the Internal
35 Revenue Code), adjusted as follows:

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

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

40 (3) Add an amount equal to a deduction allowed or allowable
41 under Section 805 or Section 831(c) of the Internal Revenue Code
42 for taxes based on or measured by income and levied at the state

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- 1 level by any state.
- 2 (4) Subtract an amount equal to the amount included in the
3 company's taxable income under Section 78 of the Internal
4 Revenue Code.
- 5 (5) Add or subtract the amount necessary to make the adjusted
6 gross income of any taxpayer that owns property for which bonus
7 depreciation was allowed in the current taxable year or in an
8 earlier taxable year equal to the amount of adjusted gross income
9 that would have been computed had an election not been made
10 under Section 168(k) of the Internal Revenue Code to apply bonus
11 depreciation to the property in the year that it was placed in
12 service.
- 13 (6) Add an amount equal to any deduction allowed under Section
14 172 of the Internal Revenue Code.
- 15 (7) Add or subtract the amount necessary to make the adjusted
16 gross income of any taxpayer that placed Section 179 property (as
17 defined in Section 179 of the Internal Revenue Code) in service
18 in the current taxable year or in an earlier taxable year equal to
19 the amount of adjusted gross income that would have been
20 computed had an election for federal income tax purposes not
21 been made for the year in which the property was placed in
22 service to take deductions under Section 179 of the Internal
23 Revenue Code in a total amount exceeding twenty-five thousand
24 dollars (\$25,000).
- 25 (8) Add an amount equal to the amount that a taxpayer claimed as
26 a deduction for domestic production activities for the taxable year
27 under Section 199 of the Internal Revenue Code for federal
28 income tax purposes.
- 29 (9) Subtract income that is:
- 30 (A) exempt from taxation under IC 6-3-2-21.7; and
31 (B) included in the insurance company's taxable income under
32 the Internal Revenue Code.
- 33 (10) Add an amount equal to any income not included in gross
34 income as a result of the deferral of income arising from business
35 indebtedness discharged in connection with the reacquisition after
36 December 31, 2008, and before January 1, 2011, of an applicable
37 debt instrument, as provided in Section 108(i) of the Internal
38 Revenue Code. Subtract from the adjusted gross income of any
39 taxpayer that added an amount to adjusted gross income in a
40 previous year the amount necessary to offset the amount included
41 in federal gross income as a result of the deferral of income
42 arising from business indebtedness discharged in connection with

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- 1 the reacquisition after December 31, 2008, and before January 1,
 2 2011, of an applicable debt instrument, as provided in Section
 3 108(i) of the Internal Revenue Code.
- 4 (11) Add the amount necessary to make the adjusted gross income
 5 of any taxpayer that placed qualified restaurant property in service
 6 during the taxable year and that was classified as 15-year property
 7 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 8 to the amount of adjusted gross income that would have been
 9 computed had the classification not applied to the property in the
 10 year that it was placed in service.
- 11 (12) Add the amount necessary to make the adjusted gross income
 12 of any taxpayer that placed qualified retail improvement property
 13 in service during the taxable year and that was classified as
 14 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 15 Revenue Code equal to the amount of adjusted gross income that
 16 would have been computed had the classification not applied to
 17 the property in the year that it was placed in service.
- 18 (13) Add or subtract the amount necessary to make the adjusted
 19 gross income of any taxpayer that claimed the special allowance
 20 for qualified disaster assistance property under Section 168(n) of
 21 the Internal Revenue Code equal to the amount of adjusted gross
 22 income that would have been computed had the special allowance
 23 not been claimed for the property.
- 24 (14) Add or subtract the amount necessary to make the adjusted
 25 gross income of any taxpayer that made an election under Section
 26 179C of the Internal Revenue Code to expense costs for qualified
 27 refinery property equal to the amount of adjusted gross income
 28 that would have been computed had an election for federal
 29 income tax purposes not been made for the year.
- 30 (15) Add or subtract the amount necessary to make the adjusted
 31 gross income of any taxpayer that made an election under Section
 32 181 of the Internal Revenue Code to expense costs for a qualified
 33 film or television production equal to the amount of adjusted
 34 gross income that would have been computed had an election for
 35 federal income tax purposes not been made for the year.
- 36 (16) Add or subtract the amount necessary to make the adjusted
 37 gross income of any taxpayer that treated a loss from the sale or
 38 exchange of preferred stock in:
- 39 (A) the Federal National Mortgage Association, established
 40 under the Federal National Mortgage Association Charter Act
 41 (12 U.S.C. 1716 et seq.); or
 42 (B) the Federal Home Loan Mortgage Corporation, established

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1 under the Federal Home Loan Mortgage Corporation Act (12
 2 U.S.C. 1451 et seq.);
 3 as an ordinary loss under Section 301 of the Emergency
 4 Economic Stabilization Act of 2008 in the current taxable year or
 5 in an earlier taxable year equal to the amount of adjusted gross
 6 income that would have been computed had the loss not been
 7 treated as an ordinary loss.
 8 (17) Add an amount equal to any exempt insurance income under
 9 Section 953(e) of the Internal Revenue Code that is active
 10 financing income under Subpart F of Subtitle A, Chapter 1,
 11 Subchapter N of the Internal Revenue Code.
 12 *(18) Add the amount necessary to make the adjusted gross income*
 13 *of any taxpayer that placed any qualified leasehold improvement*
 14 *property in service during the taxable year and that was*
 15 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 16 *the Internal Revenue Code equal to the amount of adjusted gross*
 17 *income that would have been computed had the classification not*
 18 *applied to the property in the year that it was placed into service.*
 19 *(19) Add the amount necessary to make the adjusted gross income*
 20 *of any taxpayer that placed a motorsports entertainment complex*
 21 *in service during the taxable year and that was classified as*
 22 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 23 *Revenue Code equal to the amount of adjusted gross income that*
 24 *would have been computed had the classification not applied to*
 25 *the property in the year that it was placed into service.*
 26 *(20) Add the amount deducted under Section 195 of the Internal*
 27 *Revenue Code for start-up expenditures that exceeds the amount*
 28 *the taxpayer could deduct under Section 195 of the Internal*
 29 *Revenue Code before it was amended by the Small Business Jobs*
 30 *Act of 2010 (P.L. 111-240).*
 31 *(21) Add the amount deducted from gross income under Section*
 32 *198 of the Internal Revenue Code for the expensing of*
 33 *environmental remediation costs.*
 34 *(22) Add the amount deducted from gross income under Section*
 35 *179E of the Internal Revenue Code for any qualified advanced*
 36 *mine safety equipment property.*
 37 ~~(18)~~ **(23)** *This subdivision does not apply to payments made for*
 38 *services provided to a business that was enrolled and*
 39 *participated in the E-Verify program (as defined in*
 40 *IC 22-5-1.7-3) during the time the taxpayer conducted business*
 41 *in Indiana in the taxable year. For a taxable year beginning after*
 42 *June 30, 2011, add the amount of any trade or business deduction*

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1 *allowed under the Internal Revenue Code for wages,*
 2 *reimbursements, or other payments made for services provided*
 3 *in Indiana by an individual for services as an employee, if the*
 4 *individual was, during the period of service, prohibited from*
 5 *being hired as an employee under 8 U.S.C. 1324a.*

6 ~~(23)~~ **(24)** *Add the amount excluded from federal gross income*
 7 *under Section 103 of the Internal Revenue Code for interest*
 8 *received on an obligation of a state other than Indiana, or a*
 9 *political subdivision of such a state, that is acquired by the*
 10 *taxpayer after December 31, 2011.*

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

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

16 (2) Subtract an amount equal to the amount of a September 11
 17 terrorist attack settlement payment included in the federal
 18 adjusted gross income of the estate of a victim of the September
 19 11 terrorist attack or a trust to the extent the trust benefits a victim
 20 of the September 11 terrorist attack.

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

29 (4) Add an amount equal to any deduction allowed under Section
 30 172 of the Internal Revenue Code.

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

41 (6) Add an amount equal to the amount that a taxpayer claimed as
 42 a deduction for domestic production activities for the taxable year

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under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

- (A) exempt from taxation under IC 6-3-2-21.7; and
- (B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

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

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

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

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified

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1 refinery property equal to the amount of adjusted gross income
 2 that would have been computed had an election for federal
 3 income tax purposes not been made for the year.
 4 (13) Add or subtract the amount necessary to make the adjusted
 5 gross income of any taxpayer that made an election under Section
 6 181 of the Internal Revenue Code to expense costs for a qualified
 7 film or television production equal to the amount of adjusted
 8 gross income that would have been computed had an election for
 9 federal income tax purposes not been made for the year.
 10 (14) Add or subtract the amount necessary to make the adjusted
 11 gross income of any taxpayer that treated a loss from the sale or
 12 exchange of preferred stock in:
 13 (A) the Federal National Mortgage Association, established
 14 under the Federal National Mortgage Association Charter Act
 15 (12 U.S.C. 1716 et seq.); or
 16 (B) the Federal Home Loan Mortgage Corporation, established
 17 under the Federal Home Loan Mortgage Corporation Act (12
 18 U.S.C. 1451 et seq.);
 19 as an ordinary loss under Section 301 of the Emergency
 20 Economic Stabilization Act of 2008 in the current taxable year or
 21 in an earlier taxable year equal to the amount of adjusted gross
 22 income that would have been computed had the loss not been
 23 treated as an ordinary loss.
 24 (15) Add the amount excluded from gross income under Section
 25 108(a)(1)(e) of the Internal Revenue Code for the discharge of
 26 debt on a qualified principal residence.
 27 *(16) Add the amount necessary to make the adjusted gross income*
 28 *of any taxpayer that placed any qualified leasehold improvement*
 29 *property in service during the taxable year and that was*
 30 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*
 31 *the Internal Revenue Code equal to the amount of adjusted gross*
 32 *income that would have been computed had the classification not*
 33 *applied to the property in the year that it was placed into service.*
 34 *(17) Add the amount necessary to make the adjusted gross income*
 35 *of any taxpayer that placed a motorsports entertainment complex*
 36 *in service during the taxable year and that was classified as*
 37 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*
 38 *Revenue Code equal to the amount of adjusted gross income that*
 39 *would have been computed had the classification not applied to*
 40 *the property in the year that it was placed into service.*
 41 *(18) Add the amount deducted under Section 195 of the Internal*
 42 *Revenue Code for start-up expenditures that exceeds the amount*

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1 the taxpayer could deduct under Section 195 of the Internal
2 Revenue Code before it was amended by the Small Business Jobs
3 Act of 2010 (P.L. 111-240).

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

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

10 (21) Add the amount necessary to make the adjusted gross income
11 of any taxpayer for which tax was not imposed on the net
12 recognized built-in gain of an S corporation under Section
13 1374(d)(7) of the Internal Revenue Code as amended by the Small
14 Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of
15 adjusted gross income that would have been computed before
16 Section 1374(d)(7) of the Internal Revenue Code as amended by
17 the Small Business Jobs Act of 2010 (P.L. 111-240).

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

29 ~~(22)~~ **(23)** Add the amount excluded from federal gross income
30 under Section 103 of the Internal Revenue Code for interest
31 received on an obligation of a state other than Indiana, or a
32 political subdivision of such a state, that is acquired by the
33 taxpayer after December 31, 2011.

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

39 STEP ONE: Determine the amount of property taxes that the
40 taxpayer paid after December 31, 2003, in the taxable year for
41 property taxes imposed for the March 1, 2002, assessment date
42 and the January 15, 2003, assessment date.

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- 1 *STEP TWO: Determine the amount of property taxes that the*
- 2 *taxpayer paid in the taxable year for the March 1, 2003,*
- 3 *assessment date and the January 15, 2004, assessment date.*
- 4 *STEP THREE: Determine the result of the STEP ONE amount*
- 5 *divided by the STEP TWO amount.*
- 6 *STEP FOUR: Multiply the STEP THREE amount by two thousand*
- 7 *five hundred dollars (\$2,500).*
- 8 *STEP FIVE: Determine the sum of the STEP FOUR amount and*
- 9 *two thousand five hundred dollars (\$2,500).*

10 SECTION 15. IC 6-3-1-11, AS AMENDED BY P.L.229-2011,
 11 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 11. (a) Except as provided in subsection (d), the
 13 term "Internal Revenue Code" means the Internal Revenue Code of
 14 1986 of the United States as amended and in effect on January 1, 2011.

15 (b) Whenever the Internal Revenue Code is mentioned in this
 16 article, the particular provisions that are referred to, together with all
 17 the other provisions of the Internal Revenue Code in effect on January
 18 1, 2011, that pertain to the provisions specifically mentioned, shall be
 19 regarded as incorporated in this article by reference and have the same
 20 force and effect as though fully set forth in this article. To the extent
 21 the provisions apply to this article, regulations adopted under Section
 22 7805(a) of the Internal Revenue Code and in effect on January 1, 2011,
 23 shall be regarded as rules adopted by the department under this article,
 24 unless the department adopts specific rules that supersede the
 25 regulation.

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

- 29 (1) individual adjusted gross income (as defined in Section 62 of
- 30 the Internal Revenue Code);
- 31 (2) corporate taxable income (as defined in Section 63 of the
- 32 Internal Revenue Code);
- 33 (3) trust and estate taxable income (as defined in Section 641(b)
- 34 of the Internal Revenue Code);
- 35 (4) life insurance company taxable income (as defined in Section
- 36 801(b) of the Internal Revenue Code);
- 37 (5) mutual insurance company taxable income (as defined in
- 38 Section 821(b) of the Internal Revenue Code); or
- 39 (6) taxable income (as defined in Section 832 of the Internal
- 40 Revenue Code);

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

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1 (d) The following provisions of the Internal Revenue Code that were
2 amended by the Tax Relief Act, Unemployment Insurance
3 Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are
4 treated as though they were not amended by the Tax Relief Act,
5 Unemployment Insurance Reauthorization, and Job Creation Act of
6 2010 (P.L. 111-312):

- 7 (1) Section 1367(a)(2) of the Internal Revenue Code pertaining to
- 8 an adjustment of basis of the stock of shareholders.
- 9 (2) Section ~~871(k)(1)(e)~~ **871(k)(1)(C)** and 871(k)(2)(C) of the
- 10 Internal Revenue Code pertaining the treatment of certain
- 11 dividends of regulated investment companies.
- 12 (3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code
- 13 pertaining to regulated investment companies qualified entity
- 14 treatment.
- 15 (4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code
- 16 pertaining to the modification of tax treatment of certain
- 17 payments to controlling exempt organizations.
- 18 (5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code
- 19 pertaining to the limitations on percentage depletion in the case
- 20 of oil and gas wells.
- 21 (6) Section 451(i)(3) of the Internal Revenue Code pertaining to
- 22 special rule for sales or dispositions to implement Federal Energy
- 23 Regulatory Commission or state electric restructuring policy for
- 24 qualified electric utilities.
- 25 (7) Section 954(c)(6) of the Internal Revenue Code pertaining to
- 26 the look-through treatment of payments between related
- 27 controlled foreign corporation under foreign personal holding
- 28 company rules.

29 The department shall develop forms and adopt any necessary rules
30 under IC 4-22-2 to implement this subsection.

31 SECTION 16. IC 6-3-4-1 IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. Returns with respect to
33 taxes imposed by this act shall be made by the following:

- 34 (1) Every resident individual having for the taxable year gross
- 35 income in an amount greater than the modifications provided
- 36 under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
- 37 (2) Every nonresident individual having for the taxable year any
- 38 gross income from sources within the state of Indiana, except for
- 39 a team member (as defined in IC 6-3-2-2.7) who is covered by a
- 40 composite return filed under IC 6-3-2-2.7.
- 41 (3) Every corporation having for the taxable year any gross
- 42 income from sources within the state of Indiana.

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

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

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

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

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

40 (1) shall be liable to the state of Indiana for the payment of the tax
 41 required to be deducted and withheld under this section and shall
 42 not be liable to any individual for the amount deducted from the

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1 individual's wages and paid over in compliance or intended
2 compliance with this section; and

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

6 (b) An employer shall pay taxes withheld under subsection (a)
7 during a particular month to the department no later than thirty (30)
8 days after the end of that month. However, in place of monthly
9 reporting periods, the department may permit an employer to report and
10 pay the tax for

11 ~~(1) a calendar year 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 ten dollars (\$10);~~

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

17 or

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

22 An employer using a reporting period (other than a monthly reporting
23 period) must file the employer's return and pay the tax for a reporting
24 period no later than the last day of the month immediately following
25 the close of the reporting period. ~~If an employer files a combined sales~~
26 ~~and withholding tax report, the reporting period for the combined~~
27 ~~report is the shortest period required under this section; section 8-1 of~~
28 ~~this chapter; or IC 6-2.5-6-1.~~

29 (c) For purposes of determining whether an employee is subject to
30 taxation under IC 6-3.5, an employer is entitled to rely on the statement
31 of an employee as to the employee's county of residence as represented
32 by the statement of address in forms claiming exemptions for purposes
33 of withholding, regardless of when the employee supplied the forms.
34 Every employee shall notify the employee's employer within five (5)
35 days after any change in the employee's county of residence.

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

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

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

41 is not required, at the time of payment of the wages, to deduct and
42 retain from the wages the amount prescribed in withholding

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1 instructions issued by the department.

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

- 5 (1) the total amount of wages paid to the employer's employees;
6 (2) the amount deducted therefrom in accordance with the
7 provisions of the Internal Revenue Code;
8 (3) the amount of adjusted gross income tax deducted therefrom
9 in accordance with the provisions of this section;
10 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
11 deducted therefrom in accordance with this section; and
12 (5) any other information the department may require.

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

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

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

38 (h) Amounts deducted from wages of an employee during any
39 calendar year in accordance with the provisions of this section shall be
40 considered to be in part payment of the tax imposed on such employee
41 for the employee's taxable year which begins in such calendar year, and
42 a return made by the employer under subsection (b) shall be accepted

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1 by the department as evidence in favor of the employee of the amount
 2 so deducted from the employee's wages. Where the total amount so
 3 deducted exceeds the amount of tax on the employee as computed
 4 under this article and IC 6-3.5, the department shall, after examining
 5 the return or returns filed by the employee in accordance with this
 6 article and IC 6-3.5, refund the amount of the excess deduction.
 7 However, under rules promulgated by the department, the excess or any
 8 part thereof may be applied to any taxes or other claim due from the
 9 taxpayer to the state of Indiana or any subdivision thereof. No refund
 10 shall be made to an employee who fails to file the employee's return or
 11 returns as required under this article and IC 6-3.5 within two (2) years
 12 from the due date of the return or returns. In the event that the excess
 13 tax deducted is less than one dollar (\$1), no refund shall be made.

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

20 (j) Notwithstanding subsection (b), an employer of a domestic
 21 service employee that enters into an agreement with the domestic
 22 service employee to withhold federal income tax under Section 3402
 23 of the Internal Revenue Code may withhold Indiana income tax on the
 24 domestic service employee's wages on the employer's Indiana
 25 individual income tax return in the same manner as allowed by Section
 26 3510 of the Internal Revenue Code.

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

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

34 SECTION 18. IC 6-3-4-8.1, AS AMENDED BY P.L.182-2009(ss),
 35 SECTION 199, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2013]: Sec. 8.1. (a) Any entity that is
 37 required to file a monthly return and make a monthly remittance of
 38 taxes under sections 8, 12, 13, and 15 of this chapter shall file those
 39 returns and make those remittances twenty (20) days (rather than thirty
 40 (30) days) after the end of each month for which those returns and
 41 remittances are filed, if that entity's average monthly remittance for the
 42 immediately preceding calendar year exceeds one thousand dollars



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1 (\$1,000).

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

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

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

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

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

- 20 (1) estimated monthly withholding tax remittance for the current
21 year; or
22 (2) average monthly withholding tax remittance for the preceding
23 year;

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

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

34 SECTION 19. IC 6-3-4-12, AS AMENDED BY P.L.211-2007,
35 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2012]: Sec. 12. (a) Every partnership shall, at the time that the
37 partnership pays or credits amounts to any of its nonresident partners
38 on account of their distributive shares of partnership income, for a
39 taxable year of the partnership, deduct and retain therefrom the amount
40 prescribed in the withholding instructions referred to in section 8 of
41 this chapter. Such partnership so paying or crediting any nonresident
42 partner:

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1 (1) shall be liable to the state of Indiana for the payment of the tax
 2 required to be deducted and retained under this section and shall
 3 not be liable to such partner for the amount deducted from such
 4 payment or credit and paid over in compliance or intended
 5 compliance with this section; and
 6 (2) shall make return of and payment to the department monthly
 7 whenever the amount of tax due under IC 6-3 and IC 6-3.5
 8 exceeds an aggregate amount of fifty dollars (\$50) per month with
 9 such payment due on the thirtieth day of the following month,
 10 unless an earlier date is specified by section 8.1 of this chapter.

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

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

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

37 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
 38 delinquency and penalties shall apply to partnerships subject to the
 39 provisions of this section, and for these purposes any amount deducted,
 40 or required to be deducted and remitted to the department under this
 41 section, shall be considered to be the tax of the partnership, and with
 42 respect to such amount it shall be considered the taxpayer.

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1 (e) Amounts deducted from payments or credits to a nonresident
 2 partner during any taxable year of the partnership in accordance with
 3 the provisions of this section shall be considered to be in part payment
 4 of the tax imposed on such nonresident partner for **his the nonresident**
 5 **partner's** taxable year within or with which the partnership's taxable
 6 year ends. A return made by the partnership under subsection (b) shall
 7 be accepted by the department as evidence in favor of the nonresident
 8 partner of the amount so deducted for **his the nonresident partner's**
 9 distributive share.

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

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

20 (h) A partnership shall file a composite adjusted gross income tax
 21 return on behalf of all nonresident individual partners. The composite
 22 return must include each nonresident individual partner regardless of
 23 whether or not the nonresident individual partner has other Indiana
 24 source income.

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

28 SECTION 20. IC 6-3-4-13, AS AMENDED BY P.L.211-2007,
 29 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2012]: Sec. 13. (a) Every corporation which is exempt from
 31 tax under IC 6-3 pursuant to IC 6-3-2-2.8(2) shall, at the time that it
 32 pays or credits amounts to any of its nonresident shareholders as
 33 dividends or as their share of the corporation's undistributed taxable
 34 income, withhold the amount prescribed by the department. Such
 35 corporation so paying or crediting any nonresident shareholder:

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

40 (2) when the aggregate amount due under IC 6-3 and IC 6-3.5
 41 exceeds one hundred fifty dollars (\$150) per quarter, then such
 42 corporation shall make return and payment to the department

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- 1 quarterly, on such dates and in such manner as the department
2 shall prescribe, of the amount of tax which, under IC 6-3 and
3 IC 6-3.5, it is required to withhold.
- 4 (b) Every corporation shall, at the time of each payment made by it
5 to the department pursuant to this section, deliver to the department a
6 return upon such form as shall be prescribed by the department
7 showing the total amounts paid or credited to its nonresident
8 shareholders, the amount withheld in accordance with the provisions
9 of this section, and such other information as the department may
10 require. Every corporation withholding as provided in this section shall
11 furnish to its nonresident shareholders annually, but not later than the
12 fifteenth day of the third month after the end of its taxable year, a
13 record of the amount of tax withheld on behalf of such shareholders on
14 forms to be prescribed by the department.
- 15 (c) All money withheld by a corporation, pursuant to this section,
16 shall immediately upon being withheld be the money of the state of
17 Indiana and every corporation which withholds any amount of money
18 under the provisions of this section shall hold the same in trust for the
19 state of Indiana and for payment thereof to the department in the
20 manner and at the times provided in IC 6-3. Any corporation may be
21 required to post a surety bond in such sum as the department shall
22 determine to be appropriate to protect the state of Indiana with respect
23 to money withheld pursuant to this section.
- 24 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
25 delinquency and penalties shall apply to corporations subject to the
26 provisions of this section, and for these purposes any amount withheld,
27 or required to be withheld and remitted to the department under this
28 section, shall be considered to be the tax of the corporation, and with
29 respect to such amount it shall be considered the taxpayer.
- 30 (e) Amounts withheld from payments or credits to a nonresident
31 shareholder during any taxable year of the corporation in accordance
32 with the provisions of this section shall be considered to be a part
33 payment of the tax imposed on such nonresident shareholder for his
34 taxable year within or with which the corporation's taxable year ends.
35 A return made by the corporation under subsection (b) shall be
36 accepted by the department as evidence in favor of the nonresident
37 shareholder of the amount so withheld from the shareholder's
38 distributive share.
- 39 (f) This section shall in no way relieve any nonresident shareholder
40 from the shareholder's obligation of filing a return or returns at the time
41 required under IC 6-3 or IC 6-3.5, and any unpaid tax shall be paid at
42 the time prescribed by section 5 of this chapter.

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

7 (h) If a distribution will be made with property other than money or
 8 a gain is realized without the payment of money, the corporation shall
 9 not release the property or credit the gain until it has funds sufficient
 10 to enable it to pay the tax required to be withheld under this section. If
 11 necessary, the corporation shall obtain such funds from the
 12 shareholders.

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

19 (j) A corporation described in subsection (a) shall file a composite
 20 adjusted gross income tax return on behalf of all nonresident
 21 shareholders. The composite return must include each nonresident
 22 individual shareholder regardless of whether or not the nonresident
 23 individual shareholder has other Indiana source income.

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

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

- 30 (1) Form W-2 federal income tax withholding statements; ~~and~~
 31 **(2) Form W-2G certain gambling winnings;**
 32 **(3) Form 1099-R distributions from pensions, annuities,**
 33 **retirement or profit sharing plans, IRAs, insurance contracts,**
 34 **or like distributions;**
 35 ~~(2)~~ **(4) Form WH-3 annual withholding tax reports; and**
 36 **(5) Form WH-18 miscellaneous withholding tax statements for**
 37 **nonresidents;**

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

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

- 41 **(1) Form W-2 federal income tax withholding statements;**
 42 **(2) Form W-2G certain gambling winnings;**



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1 **(3) Form 1099-R distributions from pensions, annuities,**
 2 **retirement or profit sharing plans, IRAs, insurance contracts,**
 3 **or like distributions; or**

4 **(4) Form WH-18 miscellaneous withholding tax statements for**
 5 **nonresidents;**

6 with the department in a calendar year, all ~~Form W-2 federal income~~
 7 ~~tax withholding statements forms~~ and Form WH-3 annual withholding
 8 tax reports filed with the department in that calendar year by the
 9 employer or the person or entity acting on behalf of the employer must
 10 be filed in an electronic format specified by the department.

11 SECTION 22. IC 6-3.1-24-9, AS AMENDED BY P.L.172-2011,
 12 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2012]: Sec. 9. (a) The total amount of tax credits that may be
 14 allowed under this chapter in a particular calendar year for qualified
 15 investment capital provided during that calendar year may not exceed
 16 twelve million five hundred thousand dollars (\$12,500,000). The
 17 Indiana economic development corporation may not certify a proposed
 18 investment plan under section 12.5 of this chapter if the proposed
 19 investment would result in the total amount of the tax credits certified
 20 for the calendar year exceeding twelve million five hundred thousand
 21 dollars (\$12,500,000). An amount of an unused credit carried over by
 22 a taxpayer from a previous calendar year may not be considered in
 23 determining the amount of proposed investments that the Indiana
 24 economic development corporation may certify under this chapter.

25 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 26 is not entitled to a credit for providing qualified investment capital to
 27 a qualified Indiana business after December 31, ~~2014~~. **2016**. However,
 28 this subsection may not be construed to prevent a taxpayer from
 29 carrying over to a taxable year beginning after December 31, ~~2014~~;
 30 **2016**, an unused tax credit attributable to an investment occurring
 31 before January 1, ~~2015~~. **2017**.

32 SECTION 23. IC 6-3.1-26-26, AS AMENDED BY
 33 P.L.182-2009(ss), SECTION 202, IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. (a) This chapter
 35 applies to taxable years beginning after December 31, 2003.

36 (b) Notwithstanding the other provisions of this chapter, the
 37 corporation may not approve a credit for a qualified investment made
 38 after December 31, ~~2013~~. **2016**. However, this section may not be
 39 construed to prevent a taxpayer from carrying an unused tax credit
 40 attributable to a qualified investment made before January 1, ~~2014~~;
 41 **2017**, forward to a taxable year beginning after December 31, ~~2013~~;
 42 **2016**, in the manner provided by section 15 of this chapter.



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1 SECTION 24. IC 6-3.1-29-6, AS AMENDED BY P.L.175-2007,
 2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2012]: Sec. 6. As used in this chapter, "integrated coal
 4 gasification powerplant" means a facility that satisfies all the following
 5 requirements:

6 (1) The facility is located in Indiana and is a newly constructed
 7 energy generating plant.

8 (2) The facility converts coal into synthesis gas that can be used
 9 as a fuel to generate energy or as a substitute for natural gas.

10 (3) The facility uses the synthesis gas as a fuel to generate electric
 11 energy or produces synthesis gas that can be used as a substitute
 12 for natural gas.

13 (4) The facility is dedicated primarily to production of electricity
 14 or gas:

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

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

19 SECTION 25. IC 6-3.1-29-19, AS AMENDED BY
 20 P.L.182-2009(ss), SECTION 203, IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) The corporation
 22 shall enter into an agreement with an applicant that is awarded a credit
 23 under this chapter. The agreement must include all the following:

24 (1) A detailed description of the project that is the subject of the
 25 agreement.

26 (2) The first taxable year for which the credit may be claimed.

27 (3) The maximum tax credit amount that will be allowed for each
 28 taxable year.

29 (4) A requirement that the taxpayer shall maintain operations at
 30 the project location for at least ten (10) years during the term that
 31 the tax credit is available.

32 (5) If the facility is an integrated coal gasification powerplant, a
 33 requirement that the taxpayer shall pay an average wage to its
 34 employees at the integrated coal gasification powerplant, other
 35 than highly compensated employees, in each taxable year that a
 36 tax credit is available, that equals at least one hundred twenty-five
 37 percent (125%) of the average county wage in the county in which
 38 the integrated coal gasification powerplant is located.

39 (6) For a project involving a qualified investment in an integrated
 40 coal gasification powerplant, a requirement that the taxpayer will
 41 maintain at the location where the qualified investment is made,
 42 during the term of the tax credit, a total payroll that is at least

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1 equal to the payroll that existed on the date that the taxpayer
2 placed the integrated coal gasification powerplant into service.

3 (7) A requirement that:

4 (A) one hundred percent (100%) of the coal used:

5 (i) at the integrated coal gasification powerplant, for a
6 project involving a qualified investment in an integrated
7 coal gasification powerplant; or

8 (ii) as fuel in a fluidized bed combustion unit, in a project
9 involving a qualified investment in a fluidized bed
10 combustion technology, if the unit is dedicated primarily to
11 serving Indiana retail electric utility consumers;

12 must be Indiana coal, unless the applicant wishes to assign the
13 tax credit as allowed under section 20.5(c) of this chapter or
14 elects to receive a refundable tax credit under section 20.7 of
15 this chapter and the applicant certifies to the corporation that
16 partial use of other coal **or other feedstock** is necessary to
17 result in lower rates for Indiana retail utility customers; or

18 (B) seventy-five percent (75%) of the coal used as fuel in a
19 fluidized bed combustion unit must be Indiana coal, in a
20 project involving a qualified investment in a fluidized bed
21 combustion technology, if the unit is not dedicated primarily
22 to serving Indiana retail electric utility consumers.

23 (8) A requirement that the taxpayer obtain from the commission
24 a determination under IC 8-1-8.5-2 that public convenience and
25 necessity require, or will require:

26 (A) the construction of the taxpayer's integrated coal
27 gasification powerplant, in the case of a project involving a
28 qualified investment in an integrated coal gasification
29 powerplant; or

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

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

39 SECTION 26. IC 6-3.1-31.9-23, AS ADDED BY P.L.223-2007,
40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2012]: Sec. 23. (a) This chapter applies to taxable years
42 beginning after December 31, 2006.

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1 (b) Notwithstanding the other provisions of this chapter, the
 2 corporation may not approve a **an alternative fuel vehicle**
 3 **manufacturing** credit for a qualified investment made after December
 4 31, ~~2012~~; **2016**. However, this section may not be construed to prevent
 5 a taxpayer from carrying an unused tax credit attributable to a qualified
 6 investment made before January 1, ~~2012~~; **2017**, forward to a taxable
 7 year beginning after December 31, ~~2011~~; **2016**, in the manner provided
 8 by section 13 of this chapter.

9 SECTION 27. IC 6-3.1-33-9, AS ADDED BY P.L.110-2010,
 10 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2012]: Sec. 9. (a) Before January 1, ~~2013~~; **2017**, a corporation
 12 or pass through entity that desires to qualify for the **new employer**
 13 credit provided by this chapter may submit an application to the IEDC
 14 in the form and manner specified by the IEDC.

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

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

- 20 (1) employing at least ten (10) qualified employees in each month
 21 of the period specified in section 10(b) of this chapter during the
 22 taxable year; and
- 23 (2) meeting the requirements for the tax credit provided by this
 24 chapter;

25 the IEDC may issue the applicant a certificate of approval. If a
 26 certificate of approval is issued, the IEDC shall provide a copy of the
 27 certificate to the department.

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

- 30 (1) The applicant's employment levels in previous years to
 31 determine if the applicant is hiring new individuals or rehiring
 32 individuals.
- 33 (2) Whether the applicant is the successor to part or all of the
 34 assets or business operations of another corporation or pass
 35 through entity that conducted business operations in Indiana in
 36 the same line of business to determine if the applicant is a new
 37 Indiana business under this chapter.

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



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1 notify the applicant of the IEDC's determination.

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

4 SECTION 28. IC 6-8.1-9-1, AS AMENDED BY P.L.172-2011,
5 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2012]: Sec. 1. (a) If a person has paid more tax than the
7 person determines is legally due for a particular taxable period, the
8 person may file a claim for a refund with the department. Except as
9 provided in subsections (f) **and** (g), ~~and (h)~~; in order to obtain the
10 refund, the person must file the claim with the department within three
11 (3) years after the latter of the following:

12 (1) The due date of the return.

13 (2) The date of payment.

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

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

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

37 ~~(1) the appeal is filed more than three (3) years after the date the~~
38 ~~claim for refund was filed with the department;~~

39 ~~(2) (1) the appeal is filed more than ninety (90) days after the later~~
40 ~~of the date the department mails:~~

41 (A) the decision of denial of the claim to the person; or

42 (B) the decision made on the protest filed under subsection

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1 (b); or
 2 ~~(3)~~ (2) the appeal is filed both before the decision is issued and
 3 before the one hundred eighty-first day after the date the person
 4 files the claim for refund with the department.
 5 (d) The tax court shall hear the appeal de novo and without a jury,
 6 and after the hearing may order or deny any part of the appealed
 7 refund. The court may assess the court costs in any manner that it feels
 8 is equitable. The court may enjoin the collection of any of the listed
 9 taxes under IC 33-26-6-2. The court may also allow a refund of taxes,
 10 interest, and penalties that have been paid to and collected by the
 11 department.
 12 (e) With respect to the motor vehicle excise tax, this section applies
 13 only to penalties and interest paid on assessments of the motor vehicle
 14 excise tax. Any other overpayment of the motor vehicle excise tax is
 15 subject to IC 6-6-5.
 16 (f) If a taxpayer's federal income tax liability for a taxable year is
 17 modified by the Internal Revenue Service, and the modification would
 18 result in a reduction of the tax legally due, the due date by which the
 19 taxpayer must file a claim for refund with the department is the later of:
 20 (1) the date determined under subsection (a); or
 21 (2) the date that is one hundred eighty (180) days after the date on
 22 which the taxpayer is notified of the modification by the Internal
 23 Revenue Service.
 24 (g) If an agreement to extend the assessment time period is entered
 25 into under IC 6-8.1-5-2(h), the period during which a person may file
 26 a claim for a refund under subsection (a) is extended to the same date
 27 to which the assessment time period is extended.
 28 ~~(h) If a taxpayer's claim for a refund of gross retail or use tax is~~
 29 ~~based on:~~
 30 ~~(1) IC 6-2.5-4-5(c)(3); or~~
 31 ~~(2) the exemption provided by IC 6-2.5-5-5.1 for electrical~~
 32 ~~energy, natural or artificial gas, water, steam, and steam heat;~~
 33 ~~the person must file the claim with the department within eighteen (18)~~
 34 ~~months after the date of payment.~~
 35 SECTION 29. IC 12-20-21-2, AS AMENDED BY P.L.169-2006,
 36 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2012]: Sec. 2. Township assistance money raised by
 38 townships **shall be deposited in a separate fund known as the**
 39 **township assistance fund and** may not be commingled.
 40 SECTION 30. IC 12-20-21-3, AS AMENDED BY P.L.73-2005,
 41 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2012]: Sec. 3. (a) A ~~township trustee and~~ township board may

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1 levy a specific tax for the purpose of providing money for the payment
 2 of township assistance expenses in the following year. **Beginning in**
 3 **2013, the department of local government finance shall remove the**
 4 **township assistance property tax levy from the township's total**
 5 **maximum permissible levy and treat the township assistance**
 6 **property tax levy as a separate levy for purposes of a township's**
 7 **maximum permissible ad valorem property tax levy under**
 8 **IC 6-1.1-18.5.** The tax may be sufficient to meet the entire requirement
 9 of the township in the following year or the part that is determined to
 10 be proper. **levy may not exceed the amount determined for the year**
 11 **under subsection (c). However, the assessed value growth quotient**
 12 **under IC 6-1.1-18.5 applies in determining the maximum levy:**

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

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

16 (b) If a tax levy is established under subsection (a), all proceeds
 17 derived from the tax levy shall be distributed to the township at the
 18 same time and in the same manner as proceeds from other property tax
 19 levies are distributed to the township. The proceeds of the tax levy shall
 20 be held by the township in its township assistance ~~account~~ fund free
 21 and available for the payment of township assistance obligations of the
 22 township. The funds are continuing funds and do not revert to any other
 23 fund at the end of the year.

24 (c) **In determining a township's maximum permissible ad**
 25 **valorem property tax levy for purposes of IC 6-1.1-18.5, the**
 26 **department of local government finance shall establish a maximum**
 27 **permissible levy for the township assistance fund by applying a tax**
 28 **rate equal to the township assistance tax rate determined under**
 29 **subsection (d), subject to being phased in as provided in subsection**
 30 **(e) for 2013 and 2014.**

31 (d) **Before August 1, 2012, the department of local government**
 32 **finance shall determine a township assistance property tax rate for**
 33 **each township that imposes a property tax for township assistance**
 34 **in 2012. The township assistance property tax rate is determined**
 35 **as follows:**

36 **STEP ONE: Determine the 2012 statewide average township**
 37 **assistance property tax rate multiplied by four and five-tenths**
 38 **(4.5). The 2012 statewide average township assistance**
 39 **property tax rate must be determined by including only those**
 40 **townships that imposed a property tax for township assistance**
 41 **for 2012.**

42 **STEP TWO: Determine the school complexity index for 2011**



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1 for the school corporation in the township that has the highest
 2 ADM for 2011, as determined under IC 20-43.
 3 **STEP THREE: Determine the product of:**
 4 (A) the STEP ONE amount; multiplied by
 5 (B) the STEP TWO amount.
 6 **STEP FOUR: Determine the lesser of:**
 7 (A) the 2012 tax rate attributable to the township's
 8 township assistance levy for 2012; or
 9 (B) the STEP THREE amount.
 10 **A township may increase the township assistance property tax rate**
 11 **for an ensuing year above the amount determined in STEP FOUR**
 12 **but not by more than the rate decrease the township will make for**
 13 **the township's general fund levy for the ensuing year.**
 14 (e) If the rate determined under subsection (d), STEP THREE,
 15 is less than the 2012 township assistance tax rate attributable to the
 16 township's township assistance levy for 2012, the following applies
 17 to 2013 and 2014:
 18 (1) For 2013, the department of local government finance
 19 shall establish a maximum permissible levy for the township
 20 assistance fund by applying a tax rate equal to the lesser of:
 21 (A) the 2012 tax rate attributable to the township's
 22 township assistance levy for 2012; or
 23 (B) the clause (A) amount minus one-third (1/3) of the
 24 difference between:
 25 (i) the clause (A) amount; minus
 26 (ii) the township assistance tax rate determined under
 27 subsection (d).
 28 (2) For 2014, the department of local government finance
 29 shall establish a maximum permissible levy for the township
 30 assistance fund by applying a tax rate equal to the lesser of:
 31 (A) the 2012 tax rate attributable to the township's
 32 township assistance levy for 2012; or
 33 (B) the clause (A) amount minus two-thirds (2/3) of the
 34 difference between:
 35 (i) the clause (A) amount; minus
 36 (ii) the township assistance tax rate determined under
 37 subsection (d).
 38 (f) A township that does not impose a property tax for township
 39 assistance in 2012, and wants to establish a township assistance
 40 fund property tax levy after 2012, shall be treated in the same
 41 manner as provided in IC 6-1.1-18.5-7 for a civil taxing unit that
 42 did not adopt an ad valorem property tax levy for the immediately

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1 preceding calendar year. However, the levy that may be allowed to
 2 a township under this subsection may not exceed the levy
 3 attributable to the maximum tax rate determined under subsection
 4 (d), STEP THREE. If a township assistance fund tax rate is
 5 established under this subsection for a year, the department of
 6 local government finance shall reduce the township levy for the
 7 township's general fund for that year by the amount of the levy
 8 attributable to the township assistance fund.

9 SECTION 31. IC 36-7-10.1-3, AS AMENDED BY P.L.113-2010,
 10 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The legislative body of a
 12 municipality or county may by ordinance require the owners of real
 13 property located within the municipality or the unincorporated area of
 14 the county to cut and remove weeds and other rank vegetation growing
 15 on the property. As used in this chapter, "weeds and other rank
 16 vegetation" does not include agricultural crops, such as hay and
 17 pasture.

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

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

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

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- 1 (1) the owner of record of real property with a single owner; or
- 2 (2) at least one (1) of the owners of real property with multiple
- 3 owners;
- 4 at the last address of the owner for the property as indicated in the
- 5 records of the county auditor on the date of the notice.

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

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

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

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

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

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

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

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

33 **(d) A redevelopment commission may require a taxpayer to**
 34 **apply for a grant on a form prescribed by the redevelopment**
 35 **commission.**

36 **Sec. 4. (a) If the fiscal body of a county, city, or town adopts an**
 37 **ordinance to establish a residential historic rehabilitation grant**
 38 **program, the fiscal body shall also establish a residential historic**
 39 **rehabilitation grant fund.**

40 **(b) The fund consists of money attributable to the increment**
 41 **determined under section 5 of this chapter. Interest earned on**
 42 **money in the fund shall be credited to the fund.**

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

Sec. 5. (a) If the fiscal body of a county, city, or town adopts an ordinance to establish a residential historic rehabilitation grant program, the auditor of the county shall determine the amount of property taxes attributable to any increase in the assessed value of each low income housing tax credit property located in the unincorporated area of the county, city, or town as a result of the repeal of IC 6-1.1-4-40.

(b) The amount of property taxes determined under subsection (a) shall be treated as a property tax levy separate from the county's, city's, or town's property tax levy and in the same manner as if the amount were a tax increment finance levy for the redevelopment commission.

(c) The amount of property taxes determined under this section shall be deposited in the county's, city's, or town's residential historic rehabilitation grant fund.

SECTION 33. [EFFECTIVE JULY 1, 2012] (a) If a township will impose a property tax levy for township assistance under IC 12-20-21 for 2013, the maximum permissible ad valorem property tax levy for 2013 under IC 6-1.1-18.5 for the township general fund shall be reduced by the amount attributable to the township's property tax levy for the township's township assistance fund for 2012.

(b) This SECTION expires January 1, 2014.

SECTION 34. [EFFECTIVE JULY 1, 2012] (a) This SECTION applies to Clark County.

(b) The department of local government finance shall recalculate the 2013 maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for the county by using the 2007 maximum permissible ad valorem property tax levy for the county and then increasing the 2007 levy by applying the cumulative effect of using the assessed value growth quotient applicable to the county for 2008 through 2012.

(c) Notwithstanding the expiration of this SECTION, the 2013 maximum permissible ad valorem property tax levy for the county is to be used as the county's previous year maximum permissible ad valorem property tax levy for determinations under IC 6-1.1-18.5 after 2013.

(d) This SECTION expires January 1, 2015.

SECTION 35. [EFFECTIVE JANUARY 1, 2013] (a) IC 6-2.3-4-7,

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as added by this act, applies to taxable years beginning after December 31, 2012.

(b) This SECTION expires January 1, 2015.

SECTION 36. [EFFECTIVE UPON PASSAGE] (a) The corrections of the references to:

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

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

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

(b) This SECTION expires January 1, 2013.

SECTION 37. [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 38. [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 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.

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- 1 **(6) A determination of the dollar amount of credits granted**
- 2 **but not taken that can be carried forward.**
- 3 **(7) A summary of audit findings for each credit and whether**
- 4 **there has been any misuse of the credit.**
- 5 **(8) Suggested changes in the law with regard to each credit,**
- 6 **including whether the credit should be retained or not.**
- 7 **(9) Any other issues related to these income tax credits, as**
- 8 **determined by the commission.**
- 9 **The commission on state tax and financing policy shall issue the**
- 10 **report in two (2) parts, in an electronic format under IC 5-14-6, to**
- 11 **the legislative council, not later than November 1, 2012, and**
- 12 **November 1, 2013, respectively.**
- 13 **(b) This SECTION expires January 1, 2014.**
- 14 SECTION 39. [EFFECTIVE JULY 1, 2012] **(a) The general**
- 15 **assembly urges the legislative council to assign to an interim or a**
- 16 **statutory study committee during the 2012 legislative interim the**
- 17 **topic of more clearly defining what is included in instructional**
- 18 **spending by school corporations and what is included in**
- 19 **noninstructional spending by school corporations for purposes of**
- 20 **IC 20-42.5-3-5.**
- 21 **(b) If the topic described in subsection (a) is assigned to an**
- 22 **interim or a statutory study committee under subsection (a), the**
- 23 **study committee shall issue a final report, in an electronic format**
- 24 **under IC 5-14-6, to the legislative council containing the study**
- 25 **committee's findings and recommendations, including any**
- 26 **recommended legislation concerning the topic, not later than**
- 27 **November 1, 2012.**
- 28 **(c) This SECTION expires December 31, 2012.**
- 29 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 6-2.5-5-1, 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."

Renumber all SECTIONS consecutively.

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

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