



March 20, 2013

**ENGROSSED
HOUSE BILL No. 1374**

DIGEST OF HB 1374 (Updated March 19, 2013 11:23 am - DI 58)

Citations Affected: IC 6-1.1; IC 8-1.

Synopsis: Taxation of certain utilities. Provides that certain companies that: (1) ordinarily would be subject to taxation under the Indiana Code chapter concerning property taxes for public utilities; and (2) own definite situs property that is located in only one taxing district; may elect to file a personal property tax return for the definite situs property with the county assessor or (if applicable) the township assessor, instead of filing a return for the definite situs property under the Indiana Code chapter concerning property taxes for public utilities. Provides that the following taxpayers are not subject to filing a state personal property tax return for certain utility property: (1) A company that: (A) owns definite situs property that is located in only one taxing district; and (B) files a personal property tax return for the definite situs property with the local assessor. (2) A taxpayer that: (A) is participating in a net metering program or in a feed-in-tariff program offered by a light, heat, or power company; and (B) files a personal property tax return for the property with the local assessor. Provides that certification requirements for utility powerplant construction do not apply to a joint agency of two or more municipal utilities.

Effective: July 1, 2013.

Koch, Pierce, Frizzell

(SENATE SPONSORS — HERSHMAN, MERRITT)

January 22, 2013, read first time and referred to Committee on Utilities and Energy.
February 14, 2013, amended, reported — Do Pass.
February 18, 2013, read second time, amended, ordered engrossed.
February 19, 2013, engrossed. Read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 25, 2013, read first time and referred to Committee on Tax and Fiscal Policy.
March 19, 2013, amended, reported favorably — Do Pass.

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EH 1374—LS 7343/DI 103+



March 20, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1374

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

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

- 1 SECTION 1. IC 6-1.1-8-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Except as
3 provided in subsection (c), the following companies are subject to
4 taxation under this chapter:
5 (1) Each company which is engaged in the business of
6 transporting persons or property.
7 (2) Each company which is engaged in the business of selling or
8 distributing electricity, gas, steam, or water.
9 (3) Each company which is engaged in the business of
10 transmitting messages for the general public by wire or airwaves.
11 (4) Each company which is engaged in the business of operating
12 a sewage system or a sewage treatment plant.
13 (b) The companies which are subject to taxation under this chapter
14 include, but are not limited to:
15 (1) bridge companies;
16 (2) bus companies;
17 (3) express companies;

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- 1 (4) light, heat, or power companies;
 2 (5) pipeline companies;
 3 (6) railroad companies;
 4 (7) railroad car companies;
 5 (8) sleeping car companies;
 6 (9) street railway companies;
 7 (10) telephone, telegraph, or cable companies;
 8 (11) tunnel companies; and
 9 (12) water distribution companies.
- 10 (c) The following companies are not subject to taxation under this
 11 chapter:
- 12 (1) Aviation companies.
 13 (2) Broadcasting companies.
 14 (3) Television companies.
 15 (4) Water transportation companies.
 16 (5) Companies which are operated by a municipality or a
 17 municipal corporation, except those utility companies owned or
 18 held in trust by a first class city.
- 19 **(6) A taxpayer that:**
 20 **(A) is described in subsection (b);**
 21 **(B) owns definite situs property that is located in only one**
 22 **(1) taxing district; and**
 23 **(C) files a personal property tax return for the definite**
 24 **situs property with the county assessor or (if applicable)**
 25 **the township assessor.**
 26 **A taxpayer that meets the requirements of clauses (A) and (B)**
 27 **may elect to file a personal property tax return for the**
 28 **definite situs property with the county assessor or (if**
 29 **applicable) the township assessor, instead of filing a return for**
 30 **the definite situs property under this chapter.**
- 31 **(7) A taxpayer that:**
 32 **(A) is participating in a net metering program under 170**
 33 **IAC 4-4.2 or in a feed-in-tariff program offered by a**
 34 **company described in subsection (b)(4); and**
 35 **(B) files a personal property tax return for the property**
 36 **with the county assessor or (if applicable) the township**
 37 **assessor.**
- 38 SECTION 2. IC 8-1-8.5-7 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. The certification
 40 requirements of this chapter do not apply to persons who:
 41 (1) construct an electric generating facility primarily for that
 42 person's own use and not for the primary purpose of producing

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1 electricity, heat, or steam for sale to or for the public for
2 compensation;
3 (2) construct an alternate energy production facility, cogeneration
4 facility, or a small hydro facility that complies with the limitations
5 set forth in IC 8-1-2.4-5; or
6 (3) are a municipal utility, **including a joint agency created**
7 **under IC 8-1-2.2-8**, and install an electric generating facility that
8 has a capacity of ten thousand (10,000) kilowatts or less.
9 However, those persons shall, nevertheless, be required to report to the
10 commission the proposed construction of such a facility before
11 beginning construction of the facility.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities and Energy, to which was referred House Bill 1374, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Page 2, delete lines 19 through 22, begin a new line block indented and insert:

"(6) A taxpayer that:

(A) is described in subsection (b);

(B) owns definite situs property that is located in only one (1) taxing district; and

(C) files a personal property tax return for the definite situs property with the county assessor or (if applicable) the township assessor.

A taxpayer that meets the requirements of clauses (A) and (B) may elect to file a personal property tax return for the definite situs property with the county assessor or (if applicable) the township assessor, instead of filing a return for the definite situs property under this chapter.

(7) A taxpayer that is participating in a net metering program under 170 IAC 4-4.2."

Page 2, delete lines 23 through 42.

Delete page 3.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1374 as introduced.)

KOCH, Chair

Committee Vote: yeas 12, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1374 be amended to read as follows:

Page 2, line 32, delete "170 IAC 4-4.2." and insert "**170 IAC 4-4.2 or in a feed-in-tariff program offered by a company described in subsection (b)(4).**".

(Reference is to HB 1374 as printed February 15, 2013.)

KOCH

 COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1374, 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 2, line 31, after "that" insert ":".

Page 2, line 31, beginning with "is" begin a new line double block indented and insert "(A)".

Page 2, line 33, delete "." and insert "; and

(B) files a personal property tax return for the property with the county assessor or (if applicable) the township assessor."

Page 2, after line 33, begin a new paragraph and insert:

"SECTION 2. IC 8-1-8.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. The certification requirements of this chapter do not apply to persons who:

- (1) construct an electric generating facility primarily for that person's own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation;
- (2) construct an alternate energy production facility, cogeneration facility, or a small hydro facility that complies with the limitations set forth in IC 8-1-2.4-5; or
- (3) are a municipal utility, **including a joint agency created under IC 8-1-2.2-8**, and install an electric generating facility that has a capacity of ten thousand (10,000) kilowatts or less.



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However, those persons shall, nevertheless, be required to report to the commission the proposed construction of such a facility before beginning construction of the facility."

and when so amended that said bill do pass.

(Reference is to HB 1374 as reprinted February 19, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

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