



Reprinted
April 10, 2013

ENGROSSED

HOUSE BILL No. 1546

DIGEST OF HB 1546 (Updated April 9, 2013 8:26 pm - DI 73)

Citations Affected: IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.5; IC 6-4.1; IC 6-6; IC 6-8; IC 6-8.1; IC 7.1-3; IC 9-18; IC 34-24; IC 35-43; noncode.

Synopsis: Tax administration. Makes numerous changes concerning the administration of the state gross retail tax, the adjusted gross income tax, the inheritance tax, the commercial vehicle excise tax, tax collection, penalties, and the registering and plating of certain commercial vehicles. Restores provisions repealed in 2012 concerning the deduction and credits provided to retail merchants with respect to prepaid sales taxes on gasoline and special fuel. Authorizes the disclosure of taxpayer information to a member of the general assembly or an employee of the house of representatives or the senate if the member or employee is acting on behalf of the taxpayer and certain conditions are met. Repeals obsolete provisions in the commercial vehicle excise tax law. Repeals the Indiana estate tax and the Indiana generation skipping transfer tax. Provides that the office of management and budget may enter into an offset agreement with the
(Continued next page)

Effective: Upon passage; July 1, 2012 (retroactive); January 1, 2013 (retroactive); July 1, 2013; January 1, 2014.

Turner, Koch

(SENATE SPONSORS — HERSHMAN, BRODEN)

January 22, 2013, read first time and referred to Committee on Ways and Means.
February 18, 2013, amended, reported — Do Pass.
February 20, 2013, read second time, ordered engrossed. Engrossed.
February 25, 2013, read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 27, 2013, read first time and referred to Committee on Tax and Fiscal Policy.
April 4, 2013, amended, reported favorably — Do Pass.
April 9, 2013, read second time, amended, ordered engrossed.

C
o
p
y

EH 1546—LS 7151/DI 92+



Digest Continued

Secretary of the Treasury of the United States to participate in a reciprocal Treasury Offset Program under federal law. Provides certain exemptions for an out-of-state business that performs disaster emergency related work in Indiana. Specifies that a deceased veteran's surviving spouse is eligible for a veteran's property tax deduction if the deceased veteran satisfied the requirements for the deduction at the time of death and the surviving spouse owns the property at the time the deduction statement is filed. Specifies that the surviving spouse may provide the documentation necessary to establish that the deceased veteran qualified for the deduction at the time of death. Provides that the surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death. Provides that a surviving spouse who was denied the deduction for the March 1, 2012, or March 1, 2013, assessment date is entitled to a refund of the property taxes paid with respect to the denied amount if the qualifying surviving spouse files a statement for the deduction before September 1, 2013. Extends the period during which Jackson County may impose an additional 0.1% county adjusted gross income tax (CAGIT) rate to operate and maintain a jail and a juvenile detention center until 2024. Legalizes and validates taxes collected at the additional rate after June 30, 2011, and before July 1, 2013.

C
o
p
y



Reprinted
April 10, 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. 1546

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 6-1.1-12-13, AS AMENDED BY P.L.1-2010,
2 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of
4 this chapter, an individual may have twenty-four thousand nine
5 hundred sixty dollars (\$24,960) deducted from the assessed value of
6 the taxable tangible property that the individual owns, or real property,
7 a mobile home not assessed as real property, or a manufactured home
8 not assessed as real property that the individual is buying under a
9 contract that provides that the individual is to pay property taxes on the
10 real property, mobile home, or manufactured home, if the contract or
11 a memorandum of the contract is recorded in the county recorder's
12 office and if:
13 (1) the individual served in the military or naval forces of the
14 United States during any of its wars;
15 (2) the individual received an honorable discharge;
16 (3) the individual has a disability with a service connected

EH 1546—LS 7151/DI 92+



C
o
p
y

- 1 disability of ten percent (10%) or more;
 2 (4) the individual's disability is evidenced by:
 3 (A) a pension certificate, an award of compensation, or a
 4 disability compensation check issued by the United States
 5 Department of Veterans Affairs; or
 6 (B) a certificate of eligibility issued to the individual by the
 7 Indiana department of veterans' affairs after the Indiana
 8 department of veterans' affairs has determined that the
 9 individual's disability qualifies the individual to receive a
 10 deduction under this section; and
 11 (5) the individual:
 12 (A) owns the real property, mobile home, or manufactured
 13 home; or
 14 (B) is buying the real property, mobile home, or manufactured
 15 home under contract;
 16 on the date the statement required by section 15 of this chapter is
 17 filed.
 18 (b) The surviving spouse of an individual may receive the deduction
 19 provided by this section if the individual ~~would qualify for the~~
 20 ~~deduction if the individual were alive.~~ **satisfied the requirements of**
 21 **subsection (a)(1) through (a)(4) at the time of death and the**
 22 **surviving spouse satisfies the requirement of subsection (a)(5) at**
 23 **the time the deduction statement is filed. The surviving spouse is**
 24 **entitled to the deduction regardless of whether the property for**
 25 **which the deduction is claimed was owned by the deceased veteran**
 26 **or the surviving spouse before the deceased veteran's death.**
 27 (c) One who receives the deduction provided by this section may not
 28 receive the deduction provided by section 16 of this chapter. However,
 29 the individual may receive any other property tax deduction which the
 30 individual is entitled to by law.
 31 (d) An individual who has sold real property, a mobile home not
 32 assessed as real property, or a manufactured home not assessed as real
 33 property to another person under a contract that provides that the
 34 contract buyer is to pay the property taxes on the real property, mobile
 35 home, or manufactured home may not claim the deduction provided
 36 under this section against that real property, mobile home, or
 37 manufactured home.
 38 SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009,
 39 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c)
 41 and except as provided in section 40.5 of this chapter, an individual
 42 may have the sum of twelve thousand four hundred eighty dollars

C
O
P
Y



1 (\$12,480) deducted from the assessed value of the tangible property
 2 that the individual owns (or the real property, mobile home not
 3 assessed as real property, or manufactured home not assessed as real
 4 property that the individual is buying under a contract that provides
 5 that the individual is to pay property taxes on the real property, mobile
 6 home, or manufactured home if the contract or a memorandum of the
 7 contract is recorded in the county recorder's office) if:

8 (1) the individual served in the military or naval forces of the
 9 United States for at least ninety (90) days;

10 (2) the individual received an honorable discharge;

11 (3) the individual either:

12 (A) has a total disability; or

13 (B) is at least sixty-two (62) years old and has a disability of at
 14 least ten percent (10%);

15 (4) the individual's disability is evidenced by:

16 (A) a pension certificate or an award of compensation issued
 17 by the United States Department of Veterans Affairs; or

18 (B) a certificate of eligibility issued to the individual by the
 19 Indiana department of veterans' affairs after the Indiana
 20 department of veterans' affairs has determined that the
 21 individual's disability qualifies the individual to receive a
 22 deduction under this section; and

23 (5) the individual:

24 (A) owns the real property, mobile home, or manufactured
 25 home; or

26 (B) is buying the real property, mobile home, or manufactured
 27 home under contract;

28 on the date the statement required by section 15 of this chapter is
 29 filed.

30 (b) Except as provided in subsection (c), the surviving spouse of an
 31 individual may receive the deduction provided by this section if the
 32 individual ~~would qualify for the deduction if the individual were alive.~~
 33 **satisfied the requirements of subsection (a)(1) through (a)(4) at the**
 34 **time of death and the surviving spouse satisfies the requirement of**
 35 **subsection (a)(5) at the time the deduction statement is filed. The**
 36 **surviving spouse is entitled to the deduction regardless of whether**
 37 **the property for which the deduction is claimed was owned by the**
 38 **deceased veteran or the surviving spouse before the deceased**
 39 **veteran's death.**

40 (c) No one is entitled to the deduction provided by this section if the
 41 assessed value of the individual's tangible property, as shown by the tax
 42 duplicate, exceeds one hundred forty-three thousand one hundred sixty

C
O
P
Y



1 dollars (\$143,160).

2 (d) An individual who has sold real property, a mobile home not
3 assessed as real property, or a manufactured home not assessed as real
4 property to another person under a contract that provides that the
5 contract buyer is to pay the property taxes on the real property, mobile
6 home, or manufactured home may not claim the deduction provided
7 under this section against that real property, mobile home, or
8 manufactured home.

9 SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008,
10 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]: Sec. 15. (a) Except as provided in section 17.8 of
12 this chapter and subject to section 45 of this chapter, an individual who
13 desires to claim the deduction provided by section 13 or section 14 of
14 this chapter must file a statement with the auditor of the county in
15 which the individual resides. With respect to real property, the
16 statement must be filed during the year for which the individual wishes
17 to obtain the deduction. With respect to a mobile home that is not
18 assessed as real property or a manufactured home that is not assessed
19 as real property, the statement must be filed during the twelve (12)
20 months before March 31 of each year for which the individual wishes
21 to obtain the deduction. The statement may be filed in person or by
22 mail. If mailed, the mailing must be postmarked on or before the last
23 day for filing. The statement shall contain a sworn declaration that the
24 individual is entitled to the deduction.

25 (b) In addition to the statement, the individual shall submit to the
26 county auditor for the auditor's inspection:

27 (1) a pension certificate, an award of compensation, or a disability
28 compensation check issued by the United States Department of
29 Veterans Affairs if the individual claims the deduction provided
30 by section 13 of this chapter;

31 (2) a pension certificate or an award of compensation issued by
32 the United States Department of Veterans Affairs if the individual
33 claims the deduction provided by section 14 of this chapter; or

34 (3) the appropriate certificate of eligibility issued to the individual
35 by the Indiana department of veterans' affairs if the individual
36 claims the deduction provided by section 13 or 14 of this chapter.

37 (c) If the individual claiming the deduction is under guardianship,
38 the guardian shall file the statement required by this section. **If a
39 deceased veteran's surviving spouse is claiming the deduction, the
40 surviving spouse shall provide the documentation necessary to
41 establish that at the time of death the deceased veteran satisfied the
42 requirements of section 13(a)(1) through 13(a)(4) of this chapter or**



C
O
P
Y

1 **section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.**

2 (d) If the individual claiming a deduction under section 13 or 14 of
3 this chapter is buying real property, a mobile home not assessed as real
4 property, or a manufactured home not assessed as real property under
5 a contract that provides that the individual is to pay property taxes for
6 the real estate, mobile home, or manufactured home, the statement
7 required by this section must contain the record number and page
8 where the contract or memorandum of the contract is recorded.

9 SECTION 4. IC 6-2.5-5-16 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 16. Transactions
11 involving tangible personal property, **accommodations**, public utility
12 commodities, and public utility service are exempt from the state gross
13 retail tax, if the person acquiring the property, **accommodations**,
14 commodities, or service:

15 (1) is the state of Indiana, an agency or instrumentality of the
16 state, a political subdivision of the state, or an agency or
17 instrumentality of a political subdivision of the state, including a
18 county solid waste management district or a joint solid waste
19 management district established under IC 13-21 or IC 13-9.5-2
20 (before its repeal); and

21 (2) predominantly uses the property, **accommodations**,
22 commodities, or service to perform its governmental functions.

23 SECTION 5. IC 6-2.5-5-21, AS AMENDED BY P.L.2-2007,
24 SECTION 119, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) For purposes of this section,
26 "private benefit or gain" does not include reasonable compensation
27 paid to an employee for work or services actually performed.

28 (b) Sales of food and food ingredients are exempt from the state
29 gross retail tax if:

30 (1) the seller meets the filing requirements under subsection (d)
31 and is any of the following:

32 (A) A fraternity, a sorority, or a student cooperative housing
33 organization that is connected with and under the supervision
34 of a postsecondary educational institution if no part of its
35 income is used for the private benefit or gain of any member,
36 trustee, shareholder, employee, or associate.

37 (B) Any:

38 (i) institution;

39 (ii) trust;

40 (iii) group;

41 (iv) united fund;

42 (v) affiliated agency of a united fund;

C
o
p
y



- 1 (vi) nonprofit corporation;
 2 (vii) cemetery association; or
 3 (viii) organization;
 4 that is organized and operated exclusively for religious,
 5 charitable, scientific, literary, educational, or civic purposes if
 6 no part of its income is used for the private benefit or gain of
 7 any member, trustee, shareholder, employee, or associate.
 8 (C) A group, an organization, or a nonprofit corporation that
 9 is organized and operated for fraternal or social purposes, or
 10 as a business league or association, and not for the private
 11 benefit or gain of any member, trustee, shareholder, employee,
 12 or associate.
 13 (D) A:
 14 (i) hospital licensed by the state department of health;
 15 (ii) shared hospital services organization exempt from
 16 federal income taxation by Section 501(c)(3) or 501(e) of
 17 the Internal Revenue Code;
 18 (iii) labor union;
 19 (iv) church;
 20 (v) monastery;
 21 (vi) convent;
 22 (vii) school that is a part of the Indiana public school
 23 system;
 24 (viii) parochial school regularly maintained by a recognized
 25 religious denomination; or
 26 (ix) trust created for the purpose of paying pensions to
 27 members of a particular profession or business who created
 28 the trust for the purpose of paying pensions to each other;
 29 if the taxpayer is not organized or operated for private profit or
 30 gain;
 31 (2) the purchaser is a person confined to ~~his~~ **the purchaser's**
 32 home because of age, sickness, or infirmity;
 33 (3) the seller delivers the food and food ingredients to the
 34 purchaser; and
 35 (4) the delivery is prescribed as medically necessary by a
 36 physician licensed to practice medicine in Indiana.
 37 (c) Sales of food and food ingredients are exempt from the state
 38 gross retail tax if the seller is an organization described in subsection
 39 (b)(1), and the purchaser is a patient in a hospital operated by the
 40 seller.
 41 (d) To obtain the exemption provided by this section, a taxpayer
 42 must file an application for exemption with the department

C
 o
 p
 y



1 (1) before January 1, 2003, under IC 6-2.1-3-19 (repealed); or
 2 (2) not later than one hundred twenty (120) days after the
 3 taxpayer's formation.

4 In addition, the taxpayer must file an annual report with the department
 5 on or before the fifteenth day of the fifth month following the close of
 6 each taxable year. If a taxpayer fails to file the report, the department
 7 shall notify the taxpayer of the failure. If within sixty (60) days after
 8 receiving such notice the taxpayer does not provide the report, the
 9 taxpayer's exemption shall be canceled. However, the department may
 10 reinstate the taxpayer's exemption if the taxpayer shows by petition that
 11 the failure was due to excusable neglect.

12 SECTION 6. IC 6-2.5-5-25 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 25. (a)
 14 Transactions involving tangible personal property, **accommodations**,
 15 or service are exempt from the state gross retail tax, if the person
 16 acquiring the property, **accommodations**, or service:

- 17 (1) is an organization described in section 21(b)(1) of this
 18 chapter;
 19 (2) primarily uses the property, **accommodations**, or service to
 20 carry on or to raise money to carry on its not-for-profit purpose;
 21 and
 22 (3) is not an organization operated predominantly for social
 23 purposes.

24 (b) Transactions ~~occurring after December 31, 1976, and~~ involving
 25 tangible personal property or service are exempt from the state gross
 26 retail tax, if the person acquiring the property or service:

- 27 (1) is a fraternity, sorority, or student cooperative housing
 28 organization described in section 21(b)(1)(A) of this chapter; and
 29 (2) uses the property or service to carry on its ordinary and usual
 30 activities and operations as a fraternity, sorority, or student
 31 cooperative housing organization.

32 SECTION 7. IC 6-2.5-7-5, AS AMENDED BY P.L.98-2012,
 33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2012 (RETROACTIVE)]: Sec. 5. (a) Each retail merchant
 35 who dispenses gasoline or special fuel from a metered pump shall, in
 36 the manner prescribed in IC 6-2.5-6, report to the department the
 37 following 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.

EH 1546—LS 7151/DI 92+



C
o
p
y

- 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**
 26 **state gross retail tax required to be remitted under subsection (b)**
 27 **an amount equal to:**

- 28 (1) **the sum of the prepayment amounts made during the**
 29 **period covered by the retail merchant's report; minus**
 30 (2) **the sum of prepayment amounts collected by the retail**
 31 **merchant, in the merchant's capacity as a qualified**
 32 **distributor, during the period covered by the retail**
 33 **merchant's report.**

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

36 SECTION 8. IC 6-2.5-7-6.5 IS ADDED TO THE INDIANA CODE
 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 2012 (RETROACTIVE)]: **Sec. 6.5. (a) If the deduction under**
 39 **section 5(c) of this chapter exceeds the amount of gross retail tax**
 40 **required to be remitted under section 5(b) of this chapter, the retail**
 41 **merchant is entitled to a credit. The credit shall be used as follows:**

- 42 (1) **First, the credit shall be applied against gross retail and**

C
o
p
y



1 use tax liability of the retail merchant that is required to be
2 remitted under IC 6-2.5-6.

3 (2) Second, any amount remaining shall be applied against the
4 gasoline tax liability of the retail merchant, as determined
5 under IC 6-6-1.1, excluding any liability for gasoline delivered
6 to a taxable marine facility.

7 A retail merchant may file a claim for a refund instead of taking a
8 credit or for a refund of any excess tax payment remaining after
9 the credits allowed by this section. In addition, a retail merchant
10 may file a claim for a refund under section 12 of this chapter.

11 (b) A retail merchant that is entitled to a refund under this
12 section must file a claim for the refund on the refund claim form
13 approved by the department and must include any supporting
14 documentation reasonably required by the department. If a retail
15 merchant files a completed refund claim form that includes all
16 supporting documentation, the excess tax payment that is not
17 refunded within ninety (90) days accrues interest as provided in
18 IC 6-8.1-9-2.

19 (c) Before the fifth day of each month, the department shall
20 determine and notify the treasurer of state of the amount of credits
21 applied during the preceding month against the gasoline tax under
22 this section. The treasurer of state shall transfer from the general
23 fund:

- 24 (1) to the highway, road and street fund, twenty-five percent
- 25 (25%) of the amount set forth in the department's notice; and
- 26 (2) to the motor fuel tax fund of the motor vehicle highway
- 27 account, seventy-five percent (75%) of the amount set forth in
- 28 the department's notice.

29 SECTION 9. IC 6-2.5-7-12, AS AMENDED BY P.L.98-2012,
30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2012 (RETROACTIVE)]: Sec. 12. (a) Except as provided in
32 subsection (b), a distributor that prepays the state gross retail tax under
33 this chapter shall separately state the amount of tax prepaid on the
34 invoice the distributor issues to its purchaser or recipient. The
35 purchaser or recipient shall pay to the distributor an amount equal to
36 the prepaid tax.

- 37 (b) A distributor that:
 - 38 (1) prepays the state gross retail tax under this chapter;
 - 39 (2) is a retail merchant; and
 - 40 (3) sells gasoline that is exempt from the gross retail tax, as
 - 41 evidenced by a purchaser's exemption certificate issued by the
 - 42 department;

C
o
p
y



1 may not require the exempt purchaser to pay the gross retail taxes
 2 prepaid in the gasoline sold to the exempt purchaser. A distributor that
 3 has prepaid gross retail taxes and has not been reimbursed because the
 4 gasoline is sold to an exempt purchaser may file a claim for a refund
 5 **(in addition to any claim for a refund filed under section 6.5 of this**
 6 **chapter)**, if the amount of unreimbursed prepaid gross retail taxes
 7 exceeds five hundred dollars (\$500). A claim for a refund must be on
 8 the form approved by the department and include all supporting
 9 documentation reasonably required by the department. If a distributor
 10 files a completed refund claim form that includes all supporting
 11 documentation, the department shall authorize the auditor of state to
 12 issue a warrant for the refund.

13 SECTION 10. IC 6-2.5-8-1, AS AMENDED BY P.L.172-2011,
 14 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2014]: Sec. 1. (a) A retail merchant may not make a
 16 retail transaction in Indiana, unless the retail merchant has applied for
 17 a registered retail merchant's certificate.

18 (b) A retail merchant may obtain a registered retail merchant's
 19 certificate by filing an application with the department and paying a
 20 registration fee of twenty-five dollars (\$25) for each place of business
 21 listed on the application. The retail merchant shall also provide such
 22 security for payment of the tax as the department may require under
 23 IC 6-2.5-6-12.

24 (c) The retail merchant shall list on the application the location
 25 (including the township) of each place of business where the retail
 26 merchant makes retail transactions. However, if the retail merchant
 27 does not have a fixed place of business, the retail merchant shall list the
 28 retail merchant's residence as the retail merchant's place of business. In
 29 addition, a public utility may list only its principal Indiana office as its
 30 place of business for sales of public utility commodities or service, but
 31 the utility must also list on the application the places of business where
 32 it makes retail transactions other than sales of public utility
 33 commodities or service.

34 (d) Upon receiving a proper application, the correct fee, and the
 35 security for payment, if required, the department shall issue to the retail
 36 merchant a separate registered retail merchant's certificate for each
 37 place of business listed on the application. Each certificate shall bear
 38 a serial number and the location of the place of business for which it is
 39 issued.

40 (e) If a retail merchant intends to make retail transactions during a
 41 calendar year at a new Indiana place of business, the retail merchant
 42 must file a supplemental application and pay the fee for that place of

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

business.

(f) **Except as provided in subsection (h)**, a registered retail merchant's certificate is valid for two (2) years after the date the registered retail merchant's certificate is originally issued or renewed. If the retail merchant has filed all returns and remitted all taxes the retail merchant is currently obligated to file or remit, the department shall renew the registered retail merchant's certificate within thirty (30) days after the expiration date, at no cost to the retail merchant.

(g) The department may not renew a registered retail merchant certificate of a retail merchant who is delinquent in remitting withholding taxes required to be remitted under IC 6-3-4 or sales or use tax. The department, at least sixty (60) days before the date on which a retail merchant's registered retail merchant's certificate expires, shall notify a retail merchant who is delinquent in remitting withholding taxes required to be remitted under IC 6-3-4 or sales or use tax that the department will not renew the retail merchant's registered retail merchant's certificate.

(h) If:

(1) a retail merchant has been notified by the department that the retail merchant is delinquent in remitting withholding taxes or sales or use tax in accordance with subsection (g); and

(2) the retail merchant pays the outstanding liability before the expiration of the retail merchant's registered retail merchant's certificate;

the department shall renew the retail merchant's registered retail merchant's certificate for one (1) year.

~~(h)~~ (i) A retail merchant engaged in business in Indiana as defined in IC 6-2.5-3-1(c) who makes retail transactions that are only subject to the use tax must obtain a registered retail merchant's certificate before making those transactions. The retail merchant may obtain the certificate by following the same procedure as a retail merchant under subsections (b) and (c), except that the retail merchant must also include on the application:

(1) the names and addresses of the retail merchant's principal employees, agents, or representatives who engage in Indiana in the solicitation or negotiation of the retail transactions;

(2) the location of all of the retail merchant's places of business in Indiana, including offices and distribution houses; and

(3) any other information that the department requests.

~~(h)~~ (j) The department may permit an out-of-state retail merchant to collect the use tax. However, before the out-of-state retail merchant

C
o
p
y



1 may collect the tax, the out-of-state retail merchant must obtain a
2 registered retail merchant's certificate in the manner provided by this
3 section. Upon receiving the certificate, the out-of-state retail merchant
4 becomes subject to the same conditions and duties as an Indiana retail
5 merchant and must then collect the use tax due on all sales of tangible
6 personal property that the out-of-state retail merchant knows is
7 intended for use in Indiana.

8 ~~(j)~~ **(k)** Except as provided in subsection ~~(k)~~, **(l)**, the department shall
9 submit to the township assessor, or the county assessor if there is no
10 township assessor for the township, before July 15 of each year:

11 (1) the name of each retail merchant that has newly obtained a
12 registered retail merchant's certificate between March 2 of the
13 preceding year and March 1 of the current year for a place of
14 business located in the township or county; and

15 (2) the address of each place of business of the taxpayer in the
16 township or county.

17 ~~(k)~~ **(l)** If the duties of the township assessor have been transferred
18 to the county assessor as described in IC 6-1.1-1-24, the department
19 shall submit the information listed in subsection ~~(j)~~ **(k)** to the county
20 assessor.

21 SECTION 11. IC 6-2.5-9-2 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. A retail merchant
23 who makes a retail transaction without having applied for or obtained
24 a registered retail merchant's certificate or a renewal of a registered
25 retail merchant's certificate or after the retail merchant's certificate has
26 been revoked or suspended by the department commits a ~~Class B Class~~
27 **A** misdemeanor.

28 SECTION 12. IC 6-3-4-8, AS AMENDED BY P.L.137-2012,
29 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 8. (a) Except as provided
31 in subsection (d), every employer making payments of wages subject
32 to tax under this article, regardless of the place where such payment is
33 made, who is required under the provisions of the Internal Revenue
34 Code to withhold, collect, and pay over income tax on wages paid by
35 such employer to such employee, shall, at the time of payment of such
36 wages, deduct and retain therefrom the amount prescribed in
37 withholding instructions issued by the department. The department
38 shall base its withholding instructions on the adjusted gross income tax
39 rate for persons, on the total rates of any income taxes that the taxpayer
40 is subject to under IC 6-3.5, and on the total amount of exclusions the
41 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
42 However, the withholding instructions on the adjusted gross income of

C
o
p
y



1 a nonresident alien (as defined in Section 7701 of the Internal Revenue
2 Code) are to be based on applying not more than one (1) withholding
3 exclusion, regardless of the total number of exclusions that
4 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
5 on the taxpayer's final return for the taxable year. Such employer
6 making payments of any wages:

7 (1) shall be liable to the state of Indiana for the payment of the tax
8 required to be deducted and withheld under this section and shall
9 not be liable to any individual for the amount deducted from the
10 individual's wages and paid over in compliance or intended
11 compliance with this section; and

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

15 (b) An employer shall pay taxes withheld under subsection (a)
16 during a particular month to the department no later than thirty (30)
17 days after the end of that month. However, in place of monthly
18 reporting periods, the department may permit an employer to report and
19 pay the tax for a calendar year reporting period, if the ~~average monthly~~
20 amount of all tax required to be withheld by the employer in the
21 previous calendar year does not exceed 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.

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

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

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

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

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

41 (e) Every employer shall, at the time of each payment made by the
42 employer to the department, deliver to the department a return upon the

C
o
p
y



1 form prescribed by the department showing:

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

3 (2) the amount deducted therefrom in accordance with the

4 provisions of the Internal Revenue Code;

5 (3) the amount of adjusted gross income tax deducted therefrom

6 in accordance with the provisions of this section;

7 (4) the amount of income tax, if any, imposed under IC 6-3.5 and

8 deducted therefrom in accordance with this section; and

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

10 Every employer making a declaration of withholding as provided in this

11 section shall furnish the employer's employees annually, but not later

12 than thirty (30) days after the end of the calendar year, a record of the

13 total amount of adjusted gross income tax and the amount of each

14 income tax, if any, imposed under IC 6-3.5, withheld from the

15 employees, on the forms prescribed by the department.

16 (f) All money deducted and withheld by an employer shall

17 immediately upon such deduction be the money of the state, and every

18 employer who deducts and retains any amount of money under the

19 provisions of this article shall hold the same in trust for the state of

20 Indiana and for payment thereof to the department in the manner and

21 at the times provided in this article. Any employer may be required to

22 post a surety bond in the sum the department determines to be

23 appropriate to protect the state with respect to money withheld pursuant

24 to this section.

25 (g) The provisions of IC 6-8.1 relating to additions to tax in case of

26 delinquency and penalties shall apply to employers subject to the

27 provisions of this section, and for these purposes any amount deducted

28 or required to be deducted and remitted to the department under this

29 section shall be considered to be the tax of the employer, and with

30 respect to such amount the employer shall be considered the taxpayer.

31 In the case of a corporate or partnership employer, every officer,

32 employee, or member of such employer, who, as such officer,

33 employee, or member is under a duty to deduct and remit such taxes

34 shall be personally liable for such taxes, penalties, and interest.

35 (h) Amounts deducted from wages of an employee during any

36 calendar year in accordance with the provisions of this section shall be

37 considered to be in part payment of the tax imposed on such employee

38 for the employee's taxable year which begins in such calendar year, and

39 a return made by the employer under subsection (b) shall be accepted

40 by the department as evidence in favor of the employee of the amount

41 so deducted from the employee's wages. Where the total amount so

42 deducted exceeds the amount of tax on the employee as computed

COPY



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

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

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

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

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

31 SECTION 13. IC 6-3-4-12, AS AMENDED BY P.L.137-2012,
 32 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2013]: Sec. 12. (a) Every partnership shall, at the time that the
 34 partnership pays or credits amounts to any of its nonresident partners
 35 on account of their distributive shares of partnership income, for a
 36 taxable year of the partnership, deduct and retain therefrom the amount
 37 prescribed in the withholding instructions referred to in section 8 of
 38 this chapter. Such partnership so paying or crediting any nonresident
 39 partner:

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

C
o
p
y



1 payment or credit 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 whenever the amount of tax due under IC 6-3 and IC 6-3.5
 5 exceeds an aggregate amount of fifty dollars (\$50) per month with
 6 such payment due on the thirtieth day of the following month,
 7 unless an earlier date is specified by section 8.1 of this chapter.
 8 Where the aggregate amount due under IC 6-3 and IC 6-3.5 does not
 9 exceed fifty dollars (\$50) per month, then such partnership shall make
 10 return and payment to the department quarterly, on such dates and in
 11 such manner as the department shall prescribe, of the amount of tax
 12 which, under IC 6-3 and IC 6-3.5, it is required to withhold.
 13 (b) Every partnership shall, at the time of each payment made by it
 14 to the department pursuant to this section, deliver to the department a
 15 return upon such form as shall be prescribed by the department
 16 showing the total amounts paid or credited to its nonresident partners,
 17 the amount deducted therefrom in accordance with the provisions of
 18 this section, and such other information as the department may require.
 19 Every partnership making the deduction and retention provided in this
 20 section shall furnish to its nonresident partners annually, but not later
 21 than the fifteenth day of the third month after the end of its taxable
 22 year, a record of the amount of tax deducted and retained from such
 23 partners on forms to be prescribed by the department.
 24 (c) All money deducted and retained by the partnership, as provided
 25 in this section, shall immediately upon such deduction be the money of
 26 the state of Indiana and every partnership which deducts and retains
 27 any amount of money under the provisions of IC 6-3 shall hold the
 28 same in trust for the state of Indiana and for payment thereof to the
 29 department in the manner and at the times provided in IC 6-3. Any
 30 partnership may be required to post a surety bond in such sum as the
 31 department shall determine to be appropriate to protect the state of
 32 Indiana with respect to money deducted and retained pursuant to this
 33 section.
 34 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
 35 delinquency and penalties shall apply to partnerships subject to the
 36 provisions of this section, and for these purposes any amount deducted,
 37 or required to be deducted and remitted to the department under this
 38 section, shall be considered to be the tax of the partnership, and with
 39 respect to such amount it shall be considered the taxpayer.
 40 (e) Amounts deducted from payments or credits to a nonresident
 41 partner during any taxable year of the partnership in accordance with
 42 the provisions of this section shall be considered to be in part payment

COPY



1 of the tax imposed on such nonresident partner for the nonresident
 2 partner's taxable year within or with which the partnership's taxable
 3 year ends. A return made by the partnership under subsection (b) shall
 4 be accepted by the department as evidence in favor of the nonresident
 5 partner of the amount so deducted for the nonresident partner's
 6 distributive share.

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

11 (g) Instead of the reporting periods required under subsection (a),
 12 the department may permit a partnership to file one (1) return and
 13 payment each year if the partnership pays or credits amounts to its
 14 nonresident partners only one (1) time each year. The return and
 15 payment are due on or before the fifteenth day of the fourth month after
 16 the end of the year.

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

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

25 **(j) For taxable years beginning after December 31, 2013, the**
 26 **department may not impose a late payment penalty on a**
 27 **partnership for the failure to file a return, pay the full amount of**
 28 **the tax shown on the partnership's return, or pay the deficiency of**
 29 **the withholding taxes due under this section if the partnership pays**
 30 **the department at least:**

31 **(1) eighty percent (80%) of the withholding tax due for the**
 32 **current year; or**

33 **(2) one hundred percent (100%) of the withholding tax due**
 34 **for the preceding year before the fifteenth day of the fourth**
 35 **month after the end of the partnership's taxable year.**

36 SECTION 14. IC 6-3-4-13, AS AMENDED BY P.L.137-2012,
 37 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2013]: Sec. 13. (a) Every corporation which is exempt from
 39 tax under IC 6-3 pursuant to IC 6-3-2-2.8(2) shall, at the time that it
 40 pays or credits amounts to any of its nonresident shareholders as
 41 dividends or as their share of the corporation's undistributed taxable
 42 income, withhold the amount prescribed by the department. Such



C
o
p
y

1 corporation so paying or crediting any nonresident shareholder:
 2 (1) shall be liable to the state of Indiana for the payment of the tax
 3 required to be withheld under this section and shall not be liable
 4 to such shareholder for the amount withheld and paid over in
 5 compliance or intended compliance with this section; and
 6 (2) when the aggregate amount due under IC 6-3 and IC 6-3.5
 7 exceeds one hundred fifty dollars (\$150) per quarter, then such
 8 corporation shall make return and payment to the department
 9 quarterly, on such dates and in such manner as the department
 10 shall prescribe, of the amount of tax which, under IC 6-3 and
 11 IC 6-3.5, it is required to withhold.
 12 (b) Every corporation shall, at the time of each payment made by it
 13 to the department pursuant to this section, deliver to the department a
 14 return upon such form as shall be prescribed by the department
 15 showing the total amounts paid or credited to its nonresident
 16 shareholders, the amount withheld in accordance with the provisions
 17 of this section, and such other information as the department may
 18 require. Every corporation withholding as provided in this section shall
 19 furnish to its nonresident shareholders annually, but not later than the
 20 fifteenth day of the third month after the end of its taxable year, a
 21 record of the amount of tax withheld on behalf of such shareholders on
 22 forms to be prescribed by the department.
 23 (c) All money withheld by a corporation, pursuant to this section,
 24 shall immediately upon being withheld be the money of the state of
 25 Indiana and every corporation which withholds any amount of money
 26 under the provisions of this section shall hold the same in trust for the
 27 state of Indiana and for payment thereof to the department in the
 28 manner and at the times provided in IC 6-3. Any corporation may be
 29 required to post a surety bond in such sum as the department shall
 30 determine to be appropriate to protect the state of Indiana with respect
 31 to money withheld pursuant to this section.
 32 (d) The provisions of IC 6-8.1 relating to additions to tax in case of
 33 delinquency and penalties shall apply to corporations subject to the
 34 provisions of this section, and for these purposes any amount withheld,
 35 or required to be withheld and remitted to the department under this
 36 section, shall be considered to be the tax of the corporation, and with
 37 respect to such amount it shall be considered the taxpayer.
 38 (e) Amounts withheld from payments or credits to a nonresident
 39 shareholder during any taxable year of the corporation in accordance
 40 with the provisions of this section shall be considered to be a part
 41 payment of the tax imposed on such nonresident shareholder for ~~his~~ **the**
 42 **shareholder's** taxable year within or with which the corporation's

COPY



1 taxable year ends. A return made by the corporation under subsection
 2 (b) shall be accepted by the department as evidence in favor of the
 3 nonresident shareholder of the amount so withheld from the
 4 shareholder's distributive share.

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

9 (g) Instead of the reporting periods required under subsection (a),
 10 the department may permit a corporation to file one (1) return and
 11 payment each year if the corporation pays or credits amounts to its
 12 nonresident shareholders only one (1) time each year. The withholding
 13 return and payment are due on or before the fifteenth day of the fourth
 14 month after the end of the taxable year of the corporation.

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

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

27 (j) A corporation described in subsection (a) shall file a composite
 28 adjusted gross income tax return on behalf of all nonresident
 29 shareholders. The composite return must include each nonresident
 30 individual shareholder regardless of whether or not the nonresident
 31 individual shareholder has other Indiana source income.

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

35 **(l) For taxable years beginning after December 31, 2013, the**
 36 **department may not impose a late payment penalty on a**
 37 **corporation for the failure to file a return, pay the full amount of**
 38 **the tax shown on the corporation's return, or pay the deficiency of**
 39 **the withholding taxes due under this section if the corporation pays**
 40 **the department at least:**

41 **(1) eighty percent (80%) of the withholding tax due for the**
 42 **current year; or**

C
o
p
y



1 **(2) one hundred percent (100%) of the withholding tax due**
2 **for the preceding year before the fifteenth day of the fourth**
3 **month after the end of the corporation's taxable year.**

4 SECTION 15. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.119-2012,
5 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2013]: Sec. 2.5. (a) This section applies only to Jackson
7 County.

8 ~~(b) As used in this section, "fiscal year" means a twelve (12) month~~
9 ~~period beginning July 1 and ending June 30.~~

10 ~~(c)~~ **(b)** The county council may, by ordinance, determine that
11 additional county adjusted gross income tax revenue is needed in the
12 county to fund the operation and maintenance of a jail and juvenile
13 detention center opened after July 1, 1998.

14 ~~(d)~~ **(c)** Notwithstanding section 2 of this chapter, if the county
15 council adopts an ordinance under subsection ~~(c)~~; **(b)**, the county
16 council may impose the county adjusted gross income tax at a rate of
17 one and one-tenth percent (1.1%) on adjusted gross income for ~~fiscal~~
18 **calendar** years ~~beginning ending~~ before ~~July 1, 2011~~. **January 1,**
19 **2024.** For ~~fiscal~~ **calendar** years beginning after ~~June 30, 2011~~;
20 **December 31, 2023,** the rate is reduced to one percent (1%). If the
21 county council imposes the county adjusted gross income tax at a rate
22 of one and one-tenth percent (1.1%), the county council may decrease
23 the rate or rescind the tax in the manner provided under this chapter.

24 ~~(e)~~ **(d)** If the county imposes the county adjusted gross income tax
25 at a rate of one and one-tenth percent (1.1%) under this section, the
26 revenue derived from a tax rate of one-tenth percent (0.1%) on adjusted
27 gross income:

- 28 (1) shall be paid to the county treasurer;
- 29 (2) may be used only to pay the costs of operating a jail and
30 juvenile detention center opened after July 1, 1998; and
- 31 (3) may not be considered by the department of local government
32 finance in determining the county's maximum permissible
33 property tax levy limit under IC 6-1.1-18.5.

34 SECTION 16. IC 6-3.5-1.1-27 IS ADDED TO THE INDIANA
35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2013]: **Sec. 27. (a) This section applies only**
37 **to an additional tax rate imposed in Jackson County under section**
38 **2.5 of this chapter.**

39 **(b) This subsection applies to an additional tax rate imposed**
40 **after June 30, 2011, and before July 1, 2013. Notwithstanding**
41 **section 2.5 of this chapter (as in effect on January 1, 2013), the**
42 **imposition, collection, and distribution of county adjusted gross**

C
o
p
y



1 **income taxes attributable to the additional tax rate is legalized and**
 2 **validated.**

3 **(c) Any action described in subsection (b) of:**

4 **(1) the department;**

5 **(2) the budget agency; or**

6 **(3) an officer or employee of Jackson County;**

7 **is legalized and validated.**

8 **(d) The additional tax rate:**

9 **(1) authorized by the county council under section 2.5 of this**
 10 **chapter (as in effect on January 1, 2013); and**

11 **(2) legalized and validated by subsection (c);**

12 **remains in effect for the calendar years specified in section 2.5(c)**
 13 **of this chapter without additional county council action. However,**
 14 **this subsection may not be construed to limit the ability of the**
 15 **county council to decrease the rate or rescind the tax in the manner**
 16 **provided under this chapter.**

17 SECTION 17. IC 6-4.1-1-4 IS REPEALED [EFFECTIVE JULY 1,
 18 2013]. Sec. 4. "Federal death tax credit" means the maximum federal
 19 estate tax credit provided, with respect to estate, inheritance, legacy, or
 20 succession taxes, under Section 2011 or Section 2102 of the Internal
 21 Revenue Code.

22 SECTION 18. IC 6-4.1-10-1, AS AMENDED BY P.L.182-2009(ss),
 23 SECTION 232, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 2014]: Sec. 1. (a) A person may file with
 25 the department of state revenue a claim for the refund of inheritance
 26 **tax** or Indiana estate tax **(paid before its repeal)** which has been
 27 erroneously or illegally collected. Except as provided in section 2 of
 28 this chapter, the person must file the claim within:

29 **(1) three (3) years after the tax is paid; or**

30 **within (2) one (1) year after the tax is finally determined under**

31 **IC 6-4.1-5-10, IC 6-4.1-5-15, or IC 6-4.1-5-16;**

32 **whichever is later.**

33 **(b) A person shall file a claim for a refund on a form prescribed**
 34 **by the department of state revenue that must include:**

35 **(1) the amount of the refund claimed; and**

36 **(2) the reason the person is entitled to a refund.**

37 ~~(b)~~ **(c)** The amount of the refund that a person is entitled to receive
 38 under this chapter equals the amount of the erroneously or illegally
 39 collected tax, plus interest calculated as specified in subsection ~~(e)~~: **(d)**.

40 ~~(e)~~ **(d)** If a tax payment that has been erroneously or illegally
 41 collected is not refunded within ninety (90) days after the later of the
 42 date on which:

EH 1546—LS 7151/DI 92+



C
O
P
Y

- 1 (1) the refund claim is filed with the department of state revenue;
- 2 or
- 3 (2) **the department of state revenue receives:**
- 4 (A) the inheritance tax return is received by the department of
- 5 state revenue; and order required under IC 6-4.1-5-10, in
- 6 the case of a resident decedent; or
- 7 (B) the inheritance tax return, in the case of a nonresident
- 8 decedent;
- 9 interest accrues at the rate of six percent (6%) per annum computed
- 10 from the date under subdivision (1) or (2), whichever applies, until the
- 11 tax payment is refunded.

12 SECTION 19. IC 6-4.1-10-4 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A person who
 14 files a claim for the refund of inheritance tax or Indiana estate tax
 15 (paid before its repeal) may appeal any refund order which the
 16 department of state revenue enters with respect to his the person's
 17 claim. To initiate the appeal, the person must, within ninety (90) days
 18 after the department enters the order, file a complaint in which the
 19 department is named as the defendant.

20 (b) The court which has jurisdiction over an appeal initiated under
 21 this section is:

- 22 (1) the probate court of the county in which administration of the
- 23 estate is pending, if the appeal involves either a resident or a
- 24 nonresident decedent's estate and administration of the estate is
- 25 pending;
- 26 (2) the probate court of the county in which the decedent was
- 27 domiciled at the time of his the decedent's death, if the appeal
- 28 involves a resident decedent's estate and no administration of the
- 29 estate is pending in Indiana; or
- 30 (3) the probate court of any county in which any of the decedent's
- 31 property was located at the time of his the decedent's death, if the
- 32 appeal involves a nonresident decedent's estate and no
- 33 administration of the estate is pending in Indiana.

34 SECTION 20. IC 6-4.1-11-0.1 IS REPEALED [EFFECTIVE JULY
 35 1, 2013]. Sec. 0.1. The following amendments to this chapter apply as
 36 follows:

- 37 (1) The amendments made to section 2 of this chapter by
- 38 P.L.78-1993 do not apply to individuals who die before July 1,
- 39 1993.
- 40 (2) The amendments made to section 3 of this chapter by
- 41 P.L.252-2001 apply to the estate of an individual who dies after
- 42 June 30, 2001.

C
o
p
y



1 SECTION 21. IC 6-4.1-11-1 IS REPEALED [EFFECTIVE JULY
2 1, 2013]. Sec. 1: A tax to be known as the "Indiana estate tax" is
3 imposed upon a resident or nonresident decedent's estate:

4 SECTION 22. IC 6-4.1-11-2 IS REPEALED [EFFECTIVE JULY
5 1, 2013]. Sec. 2: (a) The Indiana estate tax is the amount determined in
6 STEP FOUR of the following formula:

7 STEP ONE: Divide:

- 8 (A) the value of the decedent's Indiana gross estate; by
9 (B) the value of the decedent's total gross estate for federal
10 estate tax purposes:

11 STEP TWO: Multiply:

- 12 (A) the quotient determined under STEP ONE; by
13 (B) the federal state death tax credit allowable against the
14 decedent's federal estate tax:

15 The product is the Indiana portion of the federal state death tax
16 credit:

17 STEP THREE: Subtract:

- 18 (A) the amount of all Indiana inheritance taxes actually paid
19 as a result of the decedent's death; from
20 (B) the product determined under STEP TWO:

21 STEP FOUR: Determine the greater of the following:

- 22 (A) The remainder determined under STEP THREE.
23 (B) Zero (0):

24 (b) For purposes of this section, the value of a nonresident
25 decedent's Indiana gross estate equals the total fair market value on the
26 appraisal date of tangible personal property and real estate which had
27 an actual situs in Indiana at the time of the decedent's death and which
28 is included in the decedent's gross estate for federal estate tax purposes
29 under Sections 2031 through 2044 of the Internal Revenue Code:

30 (c) For purposes of this section, the value of a resident decedent's
31 Indiana gross estate equals the total fair market value on the appraisal
32 date of personal property and real estate that had an actual situs in
33 Indiana at the time of the decedent's death and all intangible personal
34 property wherever located that is included in the decedent's gross estate
35 for federal estate tax purposes:

36 (d) For purposes of this section, the value of a resident or
37 nonresident decedent's total gross estate for federal estate tax purposes
38 equals the total fair market value on the appraisal date of the property
39 included in the decedent's gross estate for federal estate tax purposes
40 under Sections 2031 through 2044 of the Internal Revenue Code:

41 (e) For purposes of determining the value of a decedent's Indiana
42 gross estate and the decedent's total gross estate, the appraisal date for

C
o
p
y



1 each property interest is the date on which the property interest is
2 valued for federal estate tax purposes:

3 (f) The estate tax does not apply to a property interest transfer made
4 by a resident decedent if the interest transferred is in:

5 (1) real property located outside Indiana; regardless of whether
6 the property is held in a trust or whether the trustee is required to
7 distribute the property in-kind; or

8 (2) real property located in Indiana; if:

9 (A) the real property was transferred to an irrevocable trust
10 during the decedent's lifetime;

11 (B) the transfer to the trust was not made in contemplation of
12 the transferor's death; as determined under IC 6-4.1-2-4; and

13 (C) the decedent does not have a retained interest in the trust.

14 SECTION 23. IC 6-4.1-11-3 IS REPEALED [EFFECTIVE JULY
15 1, 2013]. Sec. 3: (a) The Indiana estate tax accrues at the time of the
16 decedent's death. Except as provided in subsection (b) of this section;
17 the Indiana estate tax is due twelve (12) months after the date of the
18 decedent's death.

19 (b) Any Indiana estate tax that results from a final change in the
20 amount of federal estate tax is due:

21 (1) eighteen (18) months after the date of the decedent's death; or

22 (2) one (1) month after final notice of the federal estate tax due is
23 given to the person liable for the tax;

24 whichever is later.

25 SECTION 24. IC 6-4.1-11-4 IS REPEALED [EFFECTIVE JULY
26 1, 2013]. Sec. 4: If Indiana estate tax is not paid on or before the due
27 date, the person liable for the tax shall pay interest on the delinquent
28 portion of the tax from the due date until it is paid at the rate of six
29 percent (6%) per year.

30 SECTION 25. IC 6-4.1-11-5 IS REPEALED [EFFECTIVE JULY
31 1, 2013]. Sec. 5: A person is entitled to claim the amount of Indiana
32 estate tax paid under this chapter as a credit against inheritance tax
33 imposed under this article if:

34 (1) the inheritance tax is imposed after the Indiana estate tax is
35 paid; and

36 (2) both taxes are imposed as a result of the same decedent's
37 death.

38 SECTION 26. IC 6-4.1-11-6, AS AMENDED BY P.L.157-2012,
39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2013]: Sec. 6. (a) The department of state revenue shall
41 collect the Indiana estate tax and the interest charges imposed under
42 this chapter. The department shall remit the money which it collects



C
o
p
y

1 under this chapter to the state treasurer, and the state treasurer shall
 2 deposit the money in the state general fund. (b) (a) Except as provided
 3 in subsection (e), (b), the treasurer of state shall annually distribute to
 4 each county the amount determined under subsection (e) or (d) (b) for
 5 the county. The distribution for with respect to inheritance tax
 6 collections in a particular state fiscal year must be made before August
 7 15 of the following state fiscal year. There is appropriated from the
 8 state general fund the amount necessary to make the distributions under
 9 this subsection.

10 (e) (b) For a state fiscal year ending before July 1, 2012, The
 11 department of state revenue shall determine the inheritance tax
 12 replacement amount for each county using the following formula:

13 STEP ONE: Determine the amount of inheritance tax revenue
 14 retained by each county in each state fiscal year beginning with
 15 the state fiscal year that began July 1, 1990, and ending with the
 16 state fiscal year that ends June 30, 1997.

17 STEP TWO: Determine the average annual amount of inheritance
 18 tax revenue retained by each county using five (5) of the seven (7)
 19 state fiscal years described in STEP ONE after excluding the two
 20 (2) years in which each county retained its highest and lowest
 21 totals of inheritance tax revenue.

22 STEP THREE: Determine the remainder of the STEP TWO
 23 amount minus the amount of inheritance taxes retained by the
 24 county during the immediately preceding state fiscal year.

25 (d) For a state fiscal year beginning after June 30, 2012, and ending
 26 before July 1, 2022, the department of state revenue shall determine the
 27 inheritance tax replacement amount for each county using the
 28 following formula:

29 STEP ONE: Determine the inheritance tax replacement amount
 30 distributed to the county for the state fiscal year that began on
 31 July 1, 2011.

32 STEP TWO: ~~FOUR:~~ Multiply the amount determined under
 33 STEP ~~ONE~~ **THREE** by the appropriate percentage as follows:

34 (A) Ninety-one percent (91%) for the state fiscal year
 35 beginning July 1, 2012: **distributions made in 2013.**

36 (B) Eighty-two percent (82%) for the state fiscal year
 37 beginning July 1, 2013: **distributions made in 2014.**

38 (C) Seventy-three percent (73%) for the state fiscal year
 39 beginning July 1, 2014: **distributions made in 2015.**

40 (D) Sixty-four percent (64%) for the state fiscal year beginning
 41 July 1, 2015: **distributions made in 2016.**

42 (E) Fifty-five percent (55%) for the state fiscal year beginning

C
o
p
y



- 1 ~~July 1, 2016: distributions made in 2017.~~
 2 (F) Forty-five percent (45%) for the state fiscal year beginning
 3 ~~July 1, 2017: distributions made in 2018.~~
 4 (G) Thirty-six percent (36%) for the state fiscal year beginning
 5 ~~July 1, 2018: distributions made in 2019.~~
 6 (H) Twenty-seven percent (27%) for the state fiscal year
 7 beginning ~~July 1, 2019: distributions made in 2020.~~
 8 (I) Eighteen percent (18%) for the state fiscal year beginning
 9 ~~July 1, 2020: distributions made in 2021.~~
 10 (J) Nine percent (9%) for the state fiscal year beginning July
 11 ~~1, 2021: distributions made in 2022.~~
 12 ~~(e)~~ (c) A county is not entitled to a distribution under subsection (b)
 13 (a) for a state fiscal year beginning after June 30; after December 31,
 14 2022.
 15 SECTION 27. IC 6-4.1-11-7 IS REPEALED [EFFECTIVE JULY
 16 1, 2013]. Sec. 7. A probate court's final determination concerning the
 17 amount of Indiana estate tax owing under this chapter may be appealed
 18 to the tax court in accordance with the rules of appellate procedure.
 19 SECTION 28. IC 6-4.1-11.5 IS REPEALED [EFFECTIVE JULY 1,
 20 2013]. (Indiana Generation-Skipping Transfer Tax).
 21 SECTION 29. IC 6-6-5.5-3 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 3. (a) There is
 23 imposed an annual license excise tax upon commercial vehicles, which
 24 tax shall be in lieu of the ad valorem property tax levied for state or
 25 local purposes, but in addition to any registration fees imposed on such
 26 vehicles.
 27 (b) Owners of commercial vehicles paying an apportioned
 28 registration to the state under the International Registration Plan shall
 29 pay an apportioned excise tax calculated by dividing in-state actual
 30 miles by total fleet miles generated during the preceding year. If
 31 in-state miles are estimated for purposes of proportional registration,
 32 these miles are divided by total actual and estimated fleet miles.
 33 (c) The tax imposed by this chapter is a listed tax and subject to the
 34 provisions of IC 6-8.1.
 35 (d) No commercial vehicle subject to taxation under this chapter
 36 shall be assessed as personal property for the purpose of the assessment
 37 and levy of personal property taxes or shall be subject to ad valorem
 38 taxes, ~~first due and payable in 2001 or thereafter~~, whether or not such
 39 vehicle is in fact registered pursuant to the motor vehicle registration
 40 laws. No person shall be required to give proof of the payment of ad
 41 valorem property taxes as a condition to the registration of any vehicle
 42 that is subject to the tax imposed by this chapter.



C
O
P
Y

1 SECTION 30. IC 6-6-5.5-4 IS REPEALED [EFFECTIVE
2 JANUARY 1, 2014]. Sec: 4: For calendar year 2000, the excise tax for
3 a truck and a tractor not used with a semitrailer, a traction engine, or
4 other similar vehicle used for hauling purposes is as follows, based on
5 the declared gross weight of the vehicle:

6 DECLARED GROSS WEIGHT (Pounds)

7 Greater than	Equal to or less than	Tax
8 11,000 lbs	16,000 lbs	\$ 11
9 16,000 lbs	20,000 lbs	\$ 14
10 20,000 lbs	23,000 lbs	\$ 19
11 23,000 lbs	26,000 lbs	\$ 19
12 26,000 lbs	30,000 lbs	\$ 23
13 30,000 lbs	36,000 lbs	\$ 33
14 36,000 lbs	42,000 lbs	\$ 40
15 42,000 lbs	48,000 lbs	\$ 50
16 48,000 lbs	54,000 lbs	\$ 58
17 54,000 lbs	60,000 lbs	\$ 64
18 60,000 lbs	66,000 lbs	\$ 68
19 Over 66,000 lbs		\$ 76

20 SECTION 31. IC 6-6-5.5-5 IS REPEALED [EFFECTIVE
21 JANUARY 1, 2014]. Sec: 5: For calendar year 2000, the excise tax for
22 a tractor used with a semitrailer is as follows, based on the declared
23 gross weight of the tractor-semitrailer combination:

24 DECLARED GROSS WEIGHT (Pounds)

25 Greater than	Equal to or less than	Tax
26 0 lbs	20,000 lbs	\$13
27 20,000 lbs	26,000 lbs	\$25
28 26,000 lbs	30,000 lbs	\$31
29 30,000 lbs	36,000 lbs	\$39
30 36,000 lbs	42,000 lbs	\$43
31 42,000 lbs	48,000 lbs	\$52
32 48,000 lbs	54,000 lbs	\$57
33 54,000 lbs	60,000 lbs	\$63
34 60,000 lbs	66,000 lbs	\$69
35 66,000 lbs	72,000 lbs	\$77
36 72,000 lbs	74,000 lbs	\$83
37 74,000 lbs	76,000 lbs	\$92
38 76,000 lbs	78,000 lbs	\$98
39 Over 78,000 lbs		\$107

40 SECTION 32. IC 6-6-5.5-6 IS REPEALED [EFFECTIVE
41 JANUARY 1, 2014]. Sec: 6: (a) For calendar year 2000, the excise tax
42 for a semitrailer, including a semitrailer converted to a full trailer

EH 1546—LS 7151/DI 92+



C
o
p
y

1 through the use of a converter dolly; is one dollar (\$1):

2 (b) For calendar year 2000; the excise tax for a trailer having a gross
 3 weight in excess of three thousand (3,000) pounds is as follows; based
 4 on the declared gross weight of the trailer:

5 DECLARED GROSS WEIGHT (Pounds)

6	Greater than	Equal to or less than	
7	Tax		
8	3,000 lbs	5,000 lbs	\$1
9	5,000 lbs	7,000 lbs	\$2
10	7,000 lbs	9,000 lbs	\$2
11	9,000 lbs	12,000 lbs	\$6
12	12,000 lbs	16,000 lbs	\$9
13	16,000 lbs	22,000 lbs	\$13
14	Over 22,000 lbs		\$18

15 SECTION 33. IC 6-6-5.5-7, AS AMENDED BY P.L.182-2009(ss),
 16 SECTION 239, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2014]: Sec. 7. (a) For calendar years that
 18 begin after December 31, 2000, The annual excise tax for a commercial
 19 vehicle will be determined by the motor carrier services division on or
 20 before October 1 of each year in accordance with the following
 21 formula:

22 STEP ONE: Determine the total amount of base revenue to be
 23 distributed from the commercial vehicle excise tax fund to all
 24 taxing units in Indiana during the calendar year for which the tax
 25 is first due and payable. For calendar year 2001, the total amount
 26 of base revenue for all taxing units shall be determined as
 27 provided in section 19 of this chapter. For calendar years that
 28 begin after December 31, 2001, and before January 1, 2009, the
 29 total amount of base revenue for all taxing units shall be
 30 determined by multiplying the previous year's base revenue for all
 31 taxing units by one hundred five percent (105%). For calendar
 32 years that begin after December 31, 2008, the total amount of
 33 base revenue for all taxing units shall be determined as provided
 34 in for all taxing units using the base revenue determined for
 35 each taxing unit under section 19 of this chapter.

36 STEP TWO: Determine the sum of fees paid to register the
 37 following commercial vehicles in Indiana under the following
 38 statutes during the fiscal year that ends June 30 immediately
 39 preceding the calendar year for which the tax is first due and
 40 payable:

41 (A) Total registration fees collected under IC 9-29-5-3 for
 42 commercial vehicles with a declared gross weight in excess of

C
o
p
y



- 1 eleven thousand (11,000) pounds, including trucks, tractors
- 2 not used with semitrailers, traction engines, and other similar
- 3 vehicles used for hauling purposes;
- 4 (B) Total registration fees collected under IC 9-29-5-5 for
- 5 tractors used with semitrailers;
- 6 (C) Total registration fees collected under IC 9-29-5-6 for
- 7 semitrailers used with tractors;
- 8 (D) Total registration fees collected under IC 9-29-5-4 for
- 9 trailers having a declared gross weight in excess of three
- 10 thousand (3,000) pounds; and
- 11 (E) Total registration fees collected under IC 9-29-5-13 for
- 12 trucks, tractors and semitrailers used in connection with
- 13 agricultural pursuits usual and normal to the user's farming
- 14 operation, multiplied by two hundred percent (200%).

15 STEP THREE: Determine the tax factor by dividing the STEP
 16 ONE result by the STEP TWO result.

17 (b) Except as otherwise provided in this chapter, the annual excise
 18 tax for commercial vehicles with a declared gross weight in excess of
 19 eleven thousand (11,000) pounds, including trucks, tractors not used
 20 with semitrailers, traction engines, and other similar vehicles used for
 21 hauling purposes, shall be determined by multiplying the registration
 22 fee under IC 9-29-5-3 by the tax factor determined in subsection (a).

23 (c) Except as otherwise provided in this chapter, the annual excise
 24 tax for tractors used with semitrailers shall be determined by
 25 multiplying the registration fee under IC 9-29-5-5 by the tax factor
 26 determined in subsection (a).

27 (d) Except as otherwise provided in this chapter, the annual excise
 28 tax for trailers having a declared gross weight in excess of three
 29 thousand (3,000) pounds shall be determined by multiplying the
 30 registration fee under IC 9-29-5-4 by the tax factor determined in
 31 subsection (a).

32 (e) The annual excise tax for a semitrailer shall be determined by
 33 multiplying the average annual registration fee under IC 9-29-5-6 by
 34 the tax factor determined in subsection (a). The average annual
 35 registration fee for a semitrailer under IC 9-29-5-6 is sixteen dollars
 36 and seventy-five cents (\$16.75).

37 (f) The annual excise tax determined under this section shall be
 38 rounded upward to the next full dollar amount.

39 SECTION 34. IC 6-6-5.5-9 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 9. (a) The excise
 41 tax on a semitrailer that is registered on a permanent basis shall be due
 42 on or before the regular date each year in which the owner is required

C
o
p
y



1 to renew such registration under the terms of the International
 2 Registration Plan or under rules adopted by the bureau under
 3 IC 9-18-10-3. The excise tax shall be paid at the time the registration
 4 is renewed by the owner. The payment of the excise tax imposed by
 5 this chapter shall be a condition of the right to renew the permanent
 6 registration and shall be in addition to all other conditions prescribed
 7 by law.

8 (b) The excise tax on a semitrailer that is registered on a five (5)
 9 year basis under IC 9-18-10-2 is due before February 1 of each year.

10 (c) The excise tax on a semitrailer that is subject to the International
 11 Registration Plan and is registered on a five (5) year basis is due before
 12 April 1 of each year. If the department adopts staggered registration
 13 under IC 9-18-2-7, the excise tax on a semitrailer that is subject to the
 14 International Registration Plan and is registered on a five (5) year basis
 15 is due on or before the first day of the month in which the owner is
 16 required to purchase or renew the apportioned plate.

17 (d) (b) A voucher from the department showing payment of the
 18 excise tax imposed by this chapter may be accepted by the bureau in
 19 lieu of a payment under subsection (a).

20 SECTION 35. IC 6-8-13 IS ADDED TO THE INDIANA CODE AS
 21 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 22 1, 2013]:

23 **Chapter 13. Disaster Recovery Exemptions**

24 **Sec. 1. As used in this chapter, "department" refers to the**
 25 **department of state revenue.**

26 **Sec. 2. As used in this chapter, "disaster emergency" means the**
 27 **following:**

- 28 (1) A disaster emergency declared under IC 10-14-3-12.
- 29 (2) A state of energy emergency declared under IC 10-14-3-13.
- 30 (3) A local disaster emergency declared under IC 10-14-3-29.
- 31 (4) A request by a registered business for disaster or
- 32 emergency assistance under a mutual assistance agreement.

33 **Sec. 3. As used in this chapter, "disaster period" means the**
 34 **period:**

- 35 (1) beginning on the date ten (10) days before the day on
- 36 which a disaster emergency is declared; and
- 37 (2) ending sixty (60) days after the date on which the disaster
- 38 emergency declaration ends.

39 **Sec. 4. As used in this chapter, "disaster emergency related**
 40 **work" means:**

- 41 (1) repairing, renovating, installing, or building; or
- 42 (2) rendering services or transacting other business activities



C
o
p
y

1 related to;
 2 infrastructure that is damaged, impaired, or destroyed by an event
 3 that caused a disaster emergency to be declared.

4 Sec. 5. As used in this chapter, "registered business" means an
 5 entity that is registered with the department to do business in
 6 Indiana before a disaster emergency is declared.

7 Sec. 6. As used in this chapter, "entity" has the meaning set
 8 forth in IC 23-1-20-10.

9 Sec. 7. As used in this chapter, "infrastructure" means the
 10 following:

- 11 (1) Real or personal property or equipment owned or used by:
 12 (A) a public utility (as defined in IC 8-1-2-1(a) or
 13 IC 8-1-8.5-1(a));
 14 (B) a municipally owned utility (as defined in
 15 IC 8-1-2-1(h));
 16 (C) a joint agency (as defined in IC 8-1-2.2-2(e)); or
 17 (D) a communications service provider (as defined in
 18 IC 8-1-32.6-3).

19 (2) Public roads and bridges and related support facilities.

20 Sec. 7.5. As used in this chapter, "mutual assistance agreement"
 21 means an agreement to which one (1) or more registered businesses
 22 and one (1) or more out-of-state businesses are parties and under
 23 which a public utility, municipally owned utility, or joint agency
 24 owning, operating, or owning and operating infrastructure in
 25 Indiana may request and receive assistance from an out-of-state
 26 business to perform disaster emergency related work during a
 27 disaster period.

28 Sec. 8. (a) As used in this chapter, "out-of-state business" means
 29 an entity that:

- 30 (1) is not:
 31 (A) a registered business;
 32 (B) incorporated in Indiana; or
 33 (C) otherwise authorized to do business in Indiana;
 34 on the date on which a disaster period begins; and
 35 (2) does not maintain a physical presence in Indiana during
 36 the taxable year in which a disaster emergency is declared.

37 (b) The term includes the following:

- 38 (1) A business whose services are requested by a registered
 39 business or by a state or local government for performing
 40 disaster emergency related work in Indiana.
 41 (2) A business entity that is affiliated with a registered
 42 business in Indiana solely through common ownership.



C
 O
 P
 Y

1 **Sec. 9. As used in this chapter, "out-of-state employee" means**
 2 **an individual who is:**

- 3 (1) employed by an out-of-state business at any time during a
 4 disaster period; and
 5 (2) for purposes of section 14 of this chapter, not a resident of
 6 Indiana.

7 **Sec. 10. (a) An out-of-state business that enters Indiana shall,**
 8 **upon request, provide the department a statement that the business**
 9 **is in Indiana for purposes of responding to a disaster emergency.**
 10 **The statement must include:**

- 11 (1) the name of the business;
 12 (2) the state in which the business is domiciled;
 13 (3) the principal business address of the business;
 14 (4) the federal tax identification number of the business;
 15 (5) the date the business entered Indiana; and
 16 (6) contact information for the business.

17 **(b) A registered business shall, upon request, provide the**
 18 **information required by subsection (a) for any affiliate that enters**
 19 **Indiana as an out-of-state business. The notification must include**
 20 **contact information for the registered business.**

21 **Sec. 11. An out-of-state business that performs disaster**
 22 **emergency related work in Indiana during a disaster period is**
 23 **exempt from the following during the disaster period:**

- 24 (1) Paying any state or local taxes, including ad valorem and
 25 payroll taxes, regardless of the manner in which the
 26 out-of-state business reports, files, or remits the taxes. For
 27 purposes of any state or local tax on or measured by, in whole
 28 or in part, gross or net income or receipts, all activity of the
 29 out-of-state business that is conducted in Indiana in
 30 accordance with this chapter is disregarded with respect to
 31 any filing requirement of the tax, including a filing
 32 requirement for a unitary or combined group of which the
 33 out-of-state business may be a part.
 34 (2) Paying state gross retail and use tax on equipment used or
 35 consumed during the disaster period.
 36 (3) Complying with any state or local business, occupational
 37 licensing, or registration requirements.
 38 (4) Providing worker's compensation insurance under
 39 IC 22-3-5.
 40 (5) Making employer contributions to the unemployment
 41 compensation system under IC 22-4-10.

42 **Sec. 12. An out-of-state employee is not considered to have**

C
O
P
Y



1 established residency or a presence in Indiana that would require
2 the employee or the employee's employer to:

- 3 (1) file and pay state or local income taxes;
4 (2) be subject to income tax withholding; or
5 (3) file and pay any other state or local tax or fee;

6 during a disaster period. This includes any related state or local
7 employer withholding or remittance obligations.

8 **Sec. 13. An out-of-state employee is exempt from state and local**
9 **licensing and registration requirements with respect to disaster**
10 **licensing and registration requirements with respect to disaster period.**

11 **Sec. 14. Unless otherwise exempted during a disaster period, an**
12 **out-of-state business or an out-of-state employee shall pay**
13 **transaction taxes and fees, including:**

- 14 (1) fuel taxes;
15 (2) hotel taxes;
16 (3) car rental taxes; or
17 (4) gross retail taxes or use taxes on a purchase of materials
18 or services by the out-of-state business or out-of-state
19 employee for use or consumption during the disaster period,
20 unless the purchase is otherwise exempt during a disaster
21 period.

22 SECTION 36. IC 6-8.1-3-11 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) As used in this
24 section, "secure electronic delivery service" means a service that:

- 25 (1) employs security procedures to provide, send, deliver, or
26 otherwise communicate electronic records to the intended
27 recipient using:

28 (A) security methods such as passwords, encryption, and
29 matching electronic addresses to United States postal
30 addresses; or

31 (B) other security methods that are consistent with
32 applicable law or industry standards; and

- 33 (2) operates subject to the applicable requirements of the
34 Electronic Signatures in Global and National Commerce Act
35 (15 U.S.C. 7001 et seq.) or IC 5-24.

36 (a) (b) When a statute specifies that the department is required to
37 send a document by mail, and the particular statute is silent as to the
38 class or type of mailing to be used, the department satisfies the mailing
39 requirement by mailing the document through the United States mail
40 in any of the following methods:

- 41 (1) United States first-class mail;
42 (2) United States registered mail, return receipt requested;

EH 1546—LS 7151/DI 92+



C
o
p
y

1 (3) **United States** certified mail; or
 2 (4) a certificate of mailing; or
 3 (5) **a secure electronic delivery service, if the use of the secure**
 4 **electronic delivery service is authorized under IC 6-8.1-6-7(b).**
 5 **Subject to IC 6-8.1-6-7(b),** the choice of the method is at the
 6 department's discretion.

7 ~~(b)~~ (c) The department may use any form of mailing in cases where
 8 a mailing is not required by statute.

9 SECTION 37. IC 6-8.1-6-7 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Notwithstanding
 11 any other provisions of this title, the commissioner may permit the
 12 filing of any return or document by electronic data submission.

13 (b) **This subsection applies to a taxpayer required to report and**
 14 **remit state gross retail taxes or amounts withheld under IC 6-3-4-8**
 15 **electronically. If the taxpayer provides written consent to the**
 16 **department, the department may provide the taxpayer with any**
 17 **documents that would otherwise require delivery by mail by using**
 18 **a secure electronic delivery service developed by the department**
 19 **under IC 6-8.1-3-11.**

20 (c) The department may adopt rules to establish procedures to
 21 implement this section.

22 SECTION 38. IC 6-8.1-7-1, AS AMENDED BY P.L.182-2009(ss),
 23 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 2014]: Sec. 1. (a) This subsection does not
 25 apply to the disclosure of information concerning a conviction on a tax
 26 evasion charge. Unless in accordance with a judicial order or as
 27 otherwise provided in this chapter, the department, its employees,
 28 former employees, counsel, agents, or any other person may not divulge
 29 the amount of tax paid by any taxpayer, terms of a settlement
 30 agreement executed between a taxpayer and the department,
 31 investigation records, investigation reports, or any other information
 32 disclosed by the reports filed under the provisions of the law relating
 33 to any of the listed taxes, including required information derived from
 34 a federal return, except to:

- 35 (1) members and employees of the department;
- 36 (2) the governor;
- 37 (3) **a member of the general assembly or an employee of the**
 38 **house of representatives or the senate when acting on behalf**
 39 **of a taxpayer located in the member's legislative district who**
 40 **has provided sufficient information to the member or**
 41 **employee for the department to determine that the member**
 42 **or employee is acting on behalf of the taxpayer;**

C
o
p
y



1 ~~(3)~~ (4) the attorney general or any other legal representative of the
 2 state in any action in respect to the amount of tax due under the
 3 provisions of the law relating to any of the listed taxes; or
 4 ~~(4)~~ (5) any authorized officers of the United States;
 5 when it is agreed that the information is to be confidential and to be
 6 used solely for official purposes.

7 (b) The information described in subsection (a) may be revealed
 8 upon the receipt of a certified request of any designated officer of the
 9 state tax department of any other state, district, territory, or possession
 10 of the United States when:

11 (1) the state, district, territory, or possession permits the exchange
 12 of like information with the taxing officials of the state; and

13 (2) it is agreed that the information is to be confidential and to be
 14 used solely for tax collection purposes.

15 (c) The information described in subsection (a) relating to a person
 16 on public welfare or a person who has made application for public
 17 welfare may be revealed to the director of the division of family
 18 resources, and to any director of a county office of the division of
 19 family resources located in Indiana, upon receipt of a written request
 20 from either director for the information. The information shall be
 21 treated as confidential by the directors. In addition, the information
 22 described in subsection (a) relating to a person who has been
 23 designated as an absent parent by the state Title IV-D agency shall be
 24 made available to the state Title IV-D agency upon request. The
 25 information shall be subject to the information safeguarding provisions
 26 of the state and federal Title IV-D programs.

27 (d) The name, address, Social Security number, and place of
 28 employment relating to any individual who is delinquent in paying
 29 educational loans owed to a postsecondary educational institution may
 30 be revealed to that institution if it provides proof to the department that
 31 the individual is delinquent in paying for educational loans. This
 32 information shall be provided free of charge to approved postsecondary
 33 educational institutions (as defined by IC 21-7-13-6(a)). The
 34 department shall establish fees that all other institutions must pay to the
 35 department to obtain information under this subsection. However, these
 36 fees may not exceed the department's administrative costs in providing
 37 the information to the institution.

38 (e) The information described in subsection (a) relating to reports
 39 submitted under IC 6-6-1.1-502 concerning the number of gallons of
 40 gasoline sold by a distributor and IC 6-6-2.5 concerning the number of
 41 gallons of special fuel sold by a supplier and the number of gallons of
 42 special fuel exported by a licensed exporter or imported by a licensed



C
 O
 P
 Y

1 transporter may be released by the commissioner upon receipt of a
 2 written request for the information.

3 (f) The information described in subsection (a) may be revealed
 4 upon the receipt of a written request from the administrative head of a
 5 state agency of Indiana when:

6 (1) the state agency shows an official need for the information;
 7 and
 8 (2) the administrative head of the state agency agrees that any
 9 information released will be kept confidential and will be used
 10 solely for official purposes.

11 (g) The information described in subsection (a) may be revealed
 12 upon the receipt of a written request from the chief law enforcement
 13 officer of a state or local law enforcement agency in Indiana when it is
 14 agreed that the information is to be confidential and to be used solely
 15 for official purposes.

16 (h) The name and address of retail merchants, including township,
 17 as specified in ~~IC 6-2.5-8-1(j)~~ **IC 6-2.5-8-1(k)** may be released solely
 18 for tax collection purposes to township assessors and county assessors.

19 (i) The department shall notify the appropriate innkeepers' tax
 20 board, bureau, or commission that a taxpayer is delinquent in remitting
 21 innkeepers' taxes under IC 6-9.

22 (j) All information relating to the delinquency or evasion of the
 23 motor vehicle excise tax may be disclosed to the bureau of motor
 24 vehicles in Indiana and may be disclosed to another state, if the
 25 information is disclosed for the purpose of the enforcement and
 26 collection of the taxes imposed by IC 6-6-5.

27 (k) All information relating to the delinquency or evasion of
 28 commercial vehicle excise taxes payable to the bureau of motor
 29 vehicles in Indiana may be disclosed to the bureau and may be
 30 disclosed to another state, if the information is disclosed for the
 31 purpose of the enforcement and collection of the taxes imposed by
 32 IC 6-6-5.5.

33 (l) All information relating to the delinquency or evasion of
 34 commercial vehicle excise taxes payable under the International
 35 Registration Plan may be disclosed to another state, if the information
 36 is disclosed for the purpose of the enforcement and collection of the
 37 taxes imposed by IC 6-6-5.5.

38 (m) All information relating to the delinquency or evasion of the
 39 excise taxes imposed on recreational vehicles and truck campers that
 40 are payable to the bureau of motor vehicles in Indiana may be disclosed
 41 to the bureau and may be disclosed to another state if the information
 42 is disclosed for the purpose of the enforcement and collection of the

C
O
P
Y



- 1 taxes imposed by IC 6-6-5.1.
- 2 (n) This section does not apply to:
- 3 (1) the beer excise tax, including brand and packaged type
- 4 (IC 7.1-4-2);
- 5 (2) the liquor excise tax (IC 7.1-4-3);
- 6 (3) the wine excise tax (IC 7.1-4-4);
- 7 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 8 (5) the malt excise tax (IC 7.1-4-5);
- 9 (6) the motor vehicle excise tax (IC 6-6-5);
- 10 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 11 (8) the fees under IC 13-23.
- 12 (o) The name and business address of retail merchants within each
- 13 county that sell tobacco products may be released to the division of
- 14 mental health and addiction and the alcohol and tobacco commission
- 15 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.
- 16 SECTION 39. IC 6-8.1-8-2, AS AMENDED BY P.L.6-2012,
- 17 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JULY 1, 2013]: Sec. 2. (a) Except as provided in IC 6-8.1-5-3 and
- 19 ~~section sections~~ **sections 16 and 17** of this chapter, the department must issue
- 20 a demand notice for the payment of a tax and any interest or penalties
- 21 accrued on the tax, if a person files a tax return without including full
- 22 payment of the tax or if the department, after ruling on a protest, finds
- 23 that a person owes the tax before the department issues a tax warrant.
- 24 The demand notice must state the following:
- 25 (1) That the person has ten (10) days from the date the department
- 26 mails the notice to either pay the amount demanded or show
- 27 reasonable cause for not paying the amount demanded.
- 28 (2) The statutory authority of the department for the issuance of
- 29 a tax warrant.
- 30 (3) The earliest date on which a tax warrant may be filed and
- 31 recorded.
- 32 (4) The statutory authority for the department to levy against a
- 33 person's property that is held by a financial institution.
- 34 (5) The remedies available to the taxpayer to prevent the filing
- 35 and recording of the judgment.
- 36 If the department files a tax warrant in more than one (1) county, the
- 37 department is not required to issue more than one (1) demand notice.
- 38 (b) If the person does not pay the amount demanded or show
- 39 reasonable cause for not paying the amount demanded within the ten
- 40 (10) day period, the department may issue a tax warrant for the amount
- 41 of the tax, interest, penalties, collection fee, sheriff's costs, clerk's costs,
- 42 and fees established under section 4(b) of this chapter when applicable.

C
o
p
y

1 When the department issues a tax warrant, a collection fee of ten
2 percent (10%) of the unpaid tax is added to the total amount due.

3 (c) When the department issues a tax warrant, it may not file the
4 warrant with the circuit court clerk of any county in which the person
5 owns property until at least twenty (20) days after the date the demand
6 notice was mailed to the taxpayer. The department may also send the
7 warrant to the sheriff of any county in which the person owns property
8 and direct the sheriff to file the warrant with the circuit court clerk:

9 (1) at least twenty (20) days after the date the demand notice was
10 mailed to the taxpayer; and

11 (2) no later than five (5) days after the date the department issues
12 the warrant.

13 (d) When the circuit court clerk receives a tax warrant from the
14 department or the sheriff, the clerk shall record the warrant by making
15 an entry in the judgment debtor's column of the judgment record,
16 listing the following:

17 (1) The name of the person owing the tax.

18 (2) The amount of the tax, interest, penalties, collection fee,
19 sheriff's costs, clerk's costs, and fees established under section
20 4(b) of this chapter when applicable.

21 (3) The date the warrant was filed with the clerk.

22 (e) When the entry is made, the total amount of the tax warrant
23 becomes a judgment against the person owing the tax. The judgment
24 creates a lien in favor of the state that attaches to all the person's
25 interest in any:

26 (1) chose in action in the county; and

27 (2) real or personal property in the county;
28 excepting only negotiable instruments not yet due.

29 (f) A judgment obtained under this section is valid for ten (10) years
30 from the date the judgment is filed. The department may renew the
31 judgment for additional ten (10) year periods by filing an alias tax
32 warrant with the circuit court clerk of the county in which the judgment
33 previously existed.

34 (g) A judgment arising from a tax warrant in a county shall be
35 released by the department:

36 (1) after the judgment, including all accrued interest to the date of
37 payment, has been fully satisfied; or

38 (2) if the department determines that the tax assessment or the
39 issuance of the tax warrant was in error.

40 (h) If the department determines that the filing of a tax warrant was
41 in error, the department shall mail a release of the judgment to the
42 taxpayer and the circuit court clerk of each county where the warrant

C
o
p
y



1 was filed. The circuit court clerk of each county where the warrant was
 2 filed shall expunge the warrant from the judgment debtor's column of
 3 the judgment record. The department shall mail the release and the
 4 order for the warrant to be expunged as soon as possible but no later
 5 than seven (7) days after:

6 (1) the determination by the department that the filing of the
 7 warrant was in error; and

8 (2) the receipt of information by the department that the judgment
 9 has been recorded under subsection (d).

10 (i) If the department determines that a judgment described in
 11 subsection (h) is obstructing a lawful transaction, the department shall
 12 immediately upon making the determination mail:

13 (1) a release of the judgment to the taxpayer; and

14 (2) an order requiring the circuit court clerk of each county where
 15 the judgment was filed to expunge the warrant.

16 (j) A release issued under subsection (h) or (i) must state that the
 17 filing of the tax warrant was in error. Upon the request of the taxpayer,
 18 the department shall mail a copy of a release and the order for the
 19 warrant to be expunged issued under subsection (h) or (i) to each major
 20 credit reporting company located in each county where the judgment
 21 was filed.

22 (k) The commissioner shall notify each state agency or officer
 23 supplied with a tax warrant list of the issuance of a release under
 24 subsection (h) or (i).

25 (l) If the sheriff collects the full amount of a tax warrant, the sheriff
 26 shall disburse the money collected in the manner provided in section
 27 3(c) of this chapter. If a judgment has been partially or fully satisfied
 28 by a person's surety, the surety becomes subrogated to the department's
 29 rights under the judgment. If a sheriff releases a judgment:

30 (1) before the judgment is fully satisfied;

31 (2) before the sheriff has properly disbursed the amount collected;

32 or

33 (3) after the sheriff has returned the tax warrant to the department;
 34 the sheriff commits a Class B misdemeanor and is personally liable for
 35 the part of the judgment not remitted to the department.

36 (m) A lien on real property described in subsection (e)(2) is void if
 37 both of the following occur:

38 (1) The person owing the tax provides written notice to the
 39 department to file an action to foreclose the lien.

40 (2) The department fails to file an action to foreclose the lien not
 41 later than one hundred eighty (180) days after receiving the
 42 notice.

C
o
p
y



(n) A person who gives notice under subsection (m) by registered or certified mail to the department may file an affidavit of service of the notice to file an action to foreclose the lien with the circuit court clerk in the county in which the property is located. The affidavit must state the following:

- (1) The facts of the notice.
- (2) That more than one hundred eighty (180) days have passed since the notice was received by the department.
- (3) That no action for foreclosure of the lien is pending.
- (4) That no unsatisfied judgment has been rendered on the lien.

(o) Upon receipt of the affidavit described in subsection (n), the circuit court clerk shall make an entry showing the release of the judgment lien in the judgment records for tax warrants.

SECTION 40. IC 6-8.1-8-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17. (a) This section applies when the department issues a tax warrant to a taxpayer who has not filed a tax return with respect to the reporting period for which the taxpayer's unpaid tax liability has accrued.**

(b) A taxpayer described in subsection (a) is not entitled to a demand notice under section 2(a) of this chapter that would negate the tax warrant if the taxpayer:

- (1) files a tax return subsequent to the issuance of the tax warrant; and**
- (2) fails to remit the amount of the tax liability identified on an applicable tax return.**

SECTION 41. IC 6-8.1-9.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 9.7. Treasury Offset Program

Sec. 1. As used in this chapter, "debt" means a delinquent state tax or non-tax debt certified by the treasurer of state or a federal non-tax debt certified by a federal official. The term includes, but is not limited to, fines, fees, penalties, and other non-tax assessments imposed by or payable to the state or federal government that are finally determined to be due and owing.

Sec. 2. As used in this chapter, "federal official" means a unit or official of the federal government that:

- (1) is charged with the collection of non-tax liabilities payable to the federal government; and**
- (2) has the authority to make offsets under an offset agreement.**

COPY



1 **Sec. 3.** As used in this chapter, "offset agreement" means an
2 agreement between the office of management and budget and the
3 Secretary of the Treasury of the United States authorized by this
4 chapter.

5 **Sec. 4.** As used in this chapter, "person" means an individual,
6 vendor, contractor, partnership, society, association, joint stock
7 company, limited liability company, corporation, estate, receiver,
8 trustee, or assignee, any other person acting in a fiduciary or
9 representative capacity whether appointed by a court or otherwise,
10 or any combination of such individuals or entities.

11 **Sec. 5. (a)** As used in this chapter, "state payments" includes tax
12 refunds and any vendor or contractor payments made by the state
13 to any person, including expense reimbursements to an employee
14 of the state.

15 **(b)** The term does not include salary, wages, pension payments,
16 and any other type, class, or amount of payment that the office of
17 management and budget determines has an impact on the health
18 or welfare of the citizens of Indiana and should not be subject to an
19 offset agreement.

20 **Sec. 6.** As used in this chapter, "tax refund" means an amount
21 described as a refund of tax under the provision of the state tax law
22 that authorized the payment of the refund.

23 **Sec. 7.** Notwithstanding any other law, the office of management
24 and budget may enter into an offset agreement with the Secretary
25 of the Treasury of the United States government to participate in
26 a reciprocal Treasury Offset Program under 31 U.S.C. 3716 for the
27 collection of any debts owed to the state or to state agencies from
28 federal payments to vendors, contractors, and taxpayers. The
29 offset agreement may provide for the federal government to submit
30 non-tax debts owed to federal agencies for offset against state
31 payments otherwise due and owing to taxpayers and to vendors
32 and contractors providing goods or services to the state or to the
33 state's departments, agencies, or institutions.

34 **Sec. 8.** If the office of management and budget enters into an
35 offset agreement, a federal official may do the following as
36 provided in the offset agreement:

37 **(1)** Certify to the office of management and budget the
38 existence of a person's delinquent non-tax debt owed by the
39 person to the federal government, by providing:

40 **(A)** the full name and address of the person and any other
41 names known to be used by the person;

42 **(B)** the person's Social Security number or federal tax

C
O
P
Y



- 1 identification number;
- 2 (C) the amount of the person's federal non-tax debt;
- 3 (D) a statement certifying that the person's federal non-tax
- 4 debt is past due, that due process has been provided to the
- 5 person, and that the person's federal non-tax debt is legally
- 6 enforceable in the amount certified, which may be
- 7 provided in procedures for certifying payments as
- 8 specified in the offset agreement; and
- 9 (E) any other information required by the offset
- 10 agreement.
- 11 (2) Request the office of management and budget to withhold
- 12 any state payment to which the person is entitled.
- 13 (3) Retain a part of the proceeds of any federal administrative
- 14 setoff authorized by the federal offset program.
- 15 **Sec. 9. The following apply if the office of management and**
- 16 **budget enters into an offset agreement:**
- 17 (1) The office of management and budget shall do the
- 18 following as provided in the offset agreement:
- 19 (A) Determine if a person whose name has been certified
- 20 by a federal official as provided in the offset agreement is
- 21 due a state payment.
- 22 (B) Withhold a state payment that is due a person whose
- 23 name has been certified by a federal official as provided in
- 24 the offset agreement.
- 25 (C) Notify the person from whom a state payment is
- 26 withheld under this section of the amount withheld in
- 27 accordance with the offset agreement.
- 28 (D) Pay to the federal official making the certification
- 29 under section 8 of this chapter the lesser of:
- 30 (i) the entire state payment withheld; or
- 31 (ii) the amount certified by the federal official.
- 32 If the amount certified by the federal official is less than a
- 33 state payment due to the person, the office of management
- 34 and budget shall pay to the person the part of the state
- 35 payment due to the person that exceeds the certified
- 36 amount, less any fee under section 10 of this chapter.
- 37 (2) If an individual filed a joint income tax return and the
- 38 debt certified by a federal official is not the liability of both
- 39 parties to the joint income tax return, the office of
- 40 management and budget may not withhold or pay to the
- 41 federal official the part of the income tax refund attributable
- 42 to the individual not owing the debt. The department shall

C
O
P
Y



1 notify taxpayers filing a joint income tax return of a proposed
 2 offset of a state income tax refund for a debt certified by a
 3 federal official. A taxpayer that filed a joint income tax return
 4 and that receives such a notice may, not more than sixty (60)
 5 days after the notice is sent, notify the department in writing
 6 that the taxpayer asserts that a part of the income tax refund
 7 is attributable to the individual not owing the debt. If a
 8 taxpayer that is a party to the joint income tax return does
 9 not notify the department of such an assertion not more than
 10 sixty (60) days after the department's notice is sent, all of the
 11 income tax refund is considered attributable to the individual
 12 owing the debt.

13 (3) The office of management and budget may do the
 14 following as provided in the offset agreement:

15 (A) Certify to a federal official a person's delinquent debt
 16 owed to the state by providing the federal official:

17 (i) the full name and address of the person and any other
 18 names known to be used by the person;

19 (ii) the person's Social Security number or federal tax
 20 identification number;

21 (iii) the amount of the person's debt owed to the state;

22 (iv) a statement certifying that the person's debt is past
 23 due, that due process has been provided to the person,
 24 and that the person's debt is legally enforceable in the
 25 amount certified, which may be provided in procedures
 26 for certifying payments as specified in the offset
 27 agreement; and

28 (v) any other information required by state law or rules
 29 applicable to the collection of the debt by offset of federal
 30 payments or required by the offset agreement.

31 (B) Request that the federal official withhold from any
 32 federal payment to which the person is entitled the lesser
 33 of:

34 (i) the entire federal payment; or

35 (ii) the amount certified by the office of management and
 36 budget;

37 as provided in the offset agreement. If the amount certified
 38 by the office of management and budget is less than a
 39 federal payment due to the person, the federal official may
 40 pay to the person the part of the federal payment due to
 41 the person that exceeds the certified amount, less any fee
 42 under section 10 of this chapter.

C
O
P
Y



1 **Sec. 10. (a) The office of management and budget may, by rule,**
 2 **establish a reasonable administrative fee to be charged to a person**
 3 **for the provision of the state offset of a federal debt or the federal**
 4 **offset of a state debt.**

5 **(b) A fee authorized by this section is a separate debt and may**
 6 **be withheld from any refund, reimbursement, or other money held**
 7 **for the person.**

8 **(c) The office of management and budget may charge the person**
 9 **who is the subject of state offset of a federal debt or the federal**
 10 **offset of a state debt the fee authorized by this section.**

11 **(d) Any fees collected under this section may be retained by the**
 12 **office of management and budget and used for the costs of the**
 13 **intercept program, including reporting, and for costs associated**
 14 **with other revenue generation and cost savings initiatives as**
 15 **determined by the office of management and budget.**

16 SECTION 42. IC 6-8.1-10-2.1, AS AMENDED BY
 17 P.L.182-2009(ss), SECTION 258, IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2.1. (a) ~~If~~ **Except as**
 19 **provided in IC 6-3-4-12(j) and IC 6-3-4-13(l), a person that:**

- 20 (1) fails to file a return for any of the listed taxes;
- 21 (2) fails to pay the full amount of tax shown on the person's return
- 22 on or before the due date for the return or payment;
- 23 (3) incurs, upon examination by the department, a deficiency that
- 24 is due to negligence;
- 25 (4) fails to timely remit any tax held in trust for the state; or
- 26 (5) is required to make a payment by electronic funds transfer (as
- 27 defined in IC 4-8.1-2-7), overnight courier, or personal delivery
- 28 and the payment is not received by the department by the due date
- 29 in funds acceptable to the department;

30 ~~the person~~ is subject to a penalty.

31 (b) Except as provided in subsection (g), the penalty described in
 32 subsection (a) is ten percent (10%) of:

- 33 (1) the full amount of the tax due if the person failed to file the
- 34 return;
- 35 (2) the amount of the tax not paid, if the person filed the return
- 36 but failed to pay the full amount of the tax shown on the return;
- 37 (3) the amount of the tax held in trust that is not timely remitted;
- 38 (4) the amount of deficiency as finally determined by the
- 39 department; or
- 40 (5) the amount of tax due if a person failed to make payment by
- 41 electronic funds transfer, overnight courier, or personal delivery
- 42 by the due date.

C
O
P
Y



1 (c) For purposes of this section, the filing of a substantially blank or
2 unsigned return does not constitute a return.

3 (d) If a person subject to the penalty imposed under this section can
4 show that the failure to file a return, pay the full amount of tax shown
5 on the person's return, timely remit tax held in trust, or pay the
6 deficiency determined by the department was due to reasonable cause
7 and not due to willful neglect, the department shall waive the penalty.

8 (e) A person who wishes to avoid the penalty imposed under this
9 section must make an affirmative showing of all facts alleged as a
10 reasonable cause for the person's failure to file the return, pay the
11 amount of tax shown on the person's return, pay the deficiency, or
12 timely remit tax held in trust, in a written statement containing a
13 declaration that the statement is made under penalty of perjury. The
14 statement must be filed with the return or payment within the time
15 prescribed for protesting departmental assessments. A taxpayer may
16 also avoid the penalty imposed under this section by obtaining a ruling
17 from the department before the end of a particular tax period on the
18 amount of tax due for that tax period.

19 (f) The department shall adopt rules under IC 4-22-2 to prescribe the
20 circumstances that constitute reasonable cause and negligence for
21 purposes of this section.

22 (g) A person who fails to file a return for a listed tax that shows no
23 tax liability for a taxable year, other than an information return (as
24 defined in section 6 of this chapter), on or before the due date of the
25 return shall pay a penalty of ten dollars (\$10) for each day that the
26 return is past due, up to a maximum of two hundred fifty dollars
27 (\$250).

28 (h) A:

- 29 (1) corporation which otherwise qualifies under IC 6-3-2-2.8(2);
30 (2) partnership; or
31 (3) trust;

32 that fails to withhold and pay any amount of tax required to be withheld
33 under IC 6-3-4-12, IC 6-3-4-13, or IC 6-3-4-15 shall pay a penalty
34 equal to twenty percent (20%) of the amount of tax required to be
35 withheld under IC 6-3-4-12, IC 6-3-4-13, or IC 6-3-4-15. This penalty
36 shall be in addition to any penalty imposed by section 6 of this chapter.

37 (i) Subsections (a) through (c) do not apply to a motor carrier fuel
38 tax return.

39 (j) If a partnership or an S corporation fails to include all
40 nonresidential individual partners or nonresidential individual
41 shareholders in a composite return as required by IC 6-3-4-12(h) or
42 IC 6-3-4-13(j), a penalty of five hundred dollars (\$500) per partnership

C
o
p
y



1 or S corporation is imposed on the partnership or S corporation.

2 SECTION 43. IC 6-8.1-10-5, AS AMENDED BY P.L.182-2009(ss),
 3 SECTION 259, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JANUARY 1, 2014]: Sec. 5. (a) If a person makes a tax
 5 payment with a check, credit card, debit card, or electronic funds
 6 transfer, and the department is unable to obtain payment on the check,
 7 credit card, debit card, or electronic funds transfer for its full face
 8 amount when the check, credit card, debit card, or electronic funds
 9 transfer is presented for payment through normal banking channels, a
 10 penalty of ten percent (10%) of the unpaid tax or the value of the
 11 check, credit card, debit card, or electronic funds transfer, whichever
 12 is smaller, is imposed.

13 (b) When a penalty is imposed under subsection (a), the department
 14 shall notify the person by mail that the check, credit card, debit card,
 15 or electronic funds transfer was not honored and that the person has ten
 16 (10) days after the date the notice is mailed to pay the tax and the
 17 penalty either in cash, by certified check, or other guaranteed payment.
 18 If the person fails to make the payment within the ten (10) day period,
 19 the penalty is increased to ~~one hundred thirty percent (100%)~~ **(30%)**
 20 multiplied by the value of the check, credit card, debit card, or
 21 electronic funds transfer, or the unpaid tax, whichever is smaller.

22 (c) If a person has been assessed a penalty under subsection (a)
 23 more than one (1) time, the department may require all future payments
 24 for all listed taxes to be remitted with guaranteed funds.

25 (d) If the person subject to the penalty under this section can show
 26 that there is reasonable cause for the check, credit card, debit card, or
 27 electronic funds transfer not being honored, the department may waive
 28 the penalty imposed under this section.

29 SECTION 44. IC 7.1-3-21-15, AS AMENDED BY P.L.172-2011,
 30 SECTION 112, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) The commission shall not
 32 issue, renew, or transfer a wholesaler, retailer, dealer, or other permit
 33 of any type if the applicant:

34 (1) is seeking a renewal and the applicant has not paid all the
 35 property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9
 36 that are due currently;

37 (2) is seeking a transfer and the applicant has not paid all the
 38 property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for
 39 the assessment periods during which the transferor held the
 40 permit; ~~or~~

41 **(3) is seeking a renewal or transfer and is at least thirty (30)**
 42 **days delinquent in remitting state gross retail taxes under**

C
o
p
y



1 **IC 6-2.5 or withholding taxes required to be remitted under**
2 **IC 6-3-4; or**
3 (3) **(4)** is on the most recent tax warrant list supplied to the
4 commission by the department of state revenue.

5 (b) The commission shall issue, renew, or transfer a permit that the
6 commission denied under subsection (a) when the appropriate one (1)
7 of the following occurs:

8 (1) The person, if seeking a renewal, provides to the commission
9 a statement from the county treasurer of the county in which the
10 property of the applicant was assessed indicating that all the
11 property taxes under IC 6-1.1 and, in a county where the county
12 treasurer collects the innkeeper's tax, the innkeeper's tax under
13 IC 6-9 that were delinquent have been paid.

14 (2) The person, if seeking a transfer of ownership, provides to the
15 commission a statement from the county treasurer of the county
16 in which the property of the transferor was assessed indicating
17 that all the property taxes under IC 6-1.1 and, in a county where
18 the county treasurer collects the innkeeper's tax, the innkeeper's
19 tax under IC 6-9 have been paid for the assessment periods during
20 which the transferor held the permit.

21 (3) The person provides to the commission a statement from the
22 commissioner of the department of state revenue indicating that
23 the person's tax warrant has been satisfied, including any
24 delinquency in innkeeper's tax if the state collects the innkeeper's
25 tax for the county in which the person seeks the permit.

26 (4) The commission receives a notice from the commissioner of
27 the department of state revenue under IC 6-8.1-8-2(k).

28 **(5) The commission receives a notice from the commissioner**
29 **of the department of state revenue stating that the state gross**
30 **retail and withholding taxes described in subsection (a)(3)**
31 **have been remitted to the department.**

32 (c) An applicant may not be considered delinquent in the payment
33 of listed taxes if the applicant has filed a proper protest under
34 IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant
35 shall be considered delinquent in the payment of those taxes if the
36 applicant does not remit the taxes owed to the state department of
37 revenue after a ~~final determination on the protest is made by the~~
38 ~~department of state revenue.~~ **the later of the following:**

39 **(1) The expiration of the period in which the applicant may**
40 **appeal the listed tax to the tax court, in the case of an**
41 **applicant who does not file a timely appeal of the listed tax.**

42 **(2) When a decision of the tax court concerning the**

C
o
p
y



applicant's appeal of the listed tax becomes final, in the case of an applicant who files a timely appeal of the listed tax.

(d) The commission may require that an applicant for the issuance, renewal, or transfer of a wholesaler's, retailer's, or dealer's, or other permit of any type furnish proof of the payment of a listed tax (as defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1.

SECTION 45. IC 9-18-2-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 4.5. (a) Upon payment of the annual registration fee under IC 9-29-5, and any applicable commercial vehicle excise tax under IC 6-6-5.5, the ~~bureau~~ **department of state revenue** may issue a license plate for each commercial vehicle registered to the registered owner of at least twenty-five (25) commercial vehicles. The license plate issued under this section for a commercial vehicle is **permanently** valid. ~~for five (5) years:~~

(b) If the registered owner of at least twenty-five (25) commercial vehicles submits the application of registration for the commercial vehicles on an aggregate basis by electronic means, the ~~bureau~~ **department of state revenue** shall issue a certificate of registration that shall be carried at all times in the vehicle for which it is issued.

(c) The registration for a commercial vehicle is void when the registered owner:

- (1) sells;
- (2) disposes of; or
- (3) does not renew the registration of;

the commercial vehicle. Neither the certificate of registration nor the plate may be transferred to another vehicle.

(d) This section does not relieve the owner of the vehicle from payment of any applicable commercial vehicle excise tax under IC 6-6-5.5 on a yearly basis.

(e) The ~~bureau~~ **department of state revenue** shall adopt rules under IC 4-22-2 necessary to administer this section.

(f) The following apply to rules adopted by the bureau before January 1, 2014, under subsection (e):

(1) The rules are transferred to the department of state revenue on January 1, 2014, and are considered, after December 31, 2013, rules of the department of state revenue.

(2) After December 31, 2013, the rules are treated as if they had been adopted by the department of state revenue.

SECTION 46. IC 9-18-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 14. (a) A:

- (1) government agency, dealer, or person who owns a bus shall

C
O
P
Y



1 apply directly to the bureau in the state central office to register
 2 a vehicle; and
 3 (2) person who is registered under the International Registration
 4 Plan shall apply to the department of state revenue under rules
 5 adopted under IC 4-22-2.

6 (b) A person who registers a vehicle under subsection (a)(1) shall
 7 file with the bureau or a license branch an application for the
 8 registration of the vehicle upon an appropriate form furnished by the
 9 bureau.

10 (c) A person who registers a vehicle under subsection (a)(2) shall
 11 file **electronically** with the department of state revenue an application
 12 for the registration of the vehicle. ~~upon an appropriate form furnished~~
 13 ~~by the department of state revenue.~~

14 SECTION 47. IC 34-24-1-1, AS AMENDED BY P.L.125-2012,
 15 SECTION 411, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The following may be seized:

17 (1) All vehicles (as defined by IC 35-31.5-2-346), if they are used
 18 or are intended for use by the person or persons in possession of
 19 them to transport or in any manner to facilitate the transportation
 20 of the following:

21 (A) A controlled substance for the purpose of committing,
 22 attempting to commit, or conspiring to commit any of the
 23 following:

- 24 (i) Dealing in or manufacturing cocaine or a narcotic drug
 25 (IC 35-48-4-1).
- 26 (ii) Dealing in methamphetamine (IC 35-48-4-1.1).
- 27 (iii) Dealing in a schedule I, II, or III controlled substance
 28 (IC 35-48-4-2).
- 29 (iv) Dealing in a schedule IV controlled substance
 30 (IC 35-48-4-3).
- 31 (v) Dealing in a schedule V controlled substance
 32 (IC 35-48-4-4).
- 33 (vi) Dealing in a counterfeit substance (IC 35-48-4-5).
- 34 (vii) Possession of cocaine or a narcotic drug (IC 35-48-4-6).
- 35 (viii) Possession of methamphetamine (IC 35-48-4-6.1).
- 36 (ix) Dealing in paraphernalia (IC 35-48-4-8.5).
- 37 (x) Dealing in marijuana, hash oil, hashish, salvia, or a
 38 synthetic cannabinoid (IC 35-48-4-10).

39 (B) Any stolen (IC 35-43-4-2) or converted property
 40 (IC 35-43-4-3) if the retail or repurchase value of that property
 41 is one hundred dollars (\$100) or more.

42 (C) Any hazardous waste in violation of IC 13-30-10-1.5.

C
o
p
y



- 1 (D) A bomb (as defined in IC 35-31.5-2-31) or weapon of
 2 mass destruction (as defined in IC 35-31.5-2-354) used to
 3 commit, used in an attempt to commit, or used in a conspiracy
 4 to commit an offense under IC 35-47 as part of or in
 5 furtherance of an act of terrorism (as defined by
 6 IC 35-31.5-2-329).
- 7 (2) All money, negotiable instruments, securities, weapons,
 8 communications devices, or any property used to commit, used in
 9 an attempt to commit, or used in a conspiracy to commit an
 10 offense under IC 35-47 as part of or in furtherance of an act of
 11 terrorism or commonly used as consideration for a violation of
 12 IC 35-48-4 (other than items subject to forfeiture under
 13 IC 16-42-20-5 or IC 16-6-8.5-5.1 before its repeal):
- 14 (A) furnished or intended to be furnished by any person in
 15 exchange for an act that is in violation of a criminal statute;
 16 (B) used to facilitate any violation of a criminal statute; or
 17 (C) traceable as proceeds of the violation of a criminal statute.
- 18 (3) Any portion of real or personal property purchased with
 19 money that is traceable as a proceed of a violation of a criminal
 20 statute.
- 21 (4) A vehicle that is used by a person to:
- 22 (A) commit, attempt to commit, or conspire to commit;
 23 (B) facilitate the commission of; or
 24 (C) escape from the commission of;
 25 murder (IC 35-42-1-1), kidnapping (IC 35-42-3-2), criminal
 26 confinement (IC 35-42-3-3), rape (IC 35-42-4-1), child molesting
 27 (IC 35-42-4-3), or child exploitation (IC 35-42-4-4), or an offense
 28 under IC 35-47 as part of or in furtherance of an act of terrorism.
- 29 (5) Real property owned by a person who uses it to commit any of
 30 the following as a Class A felony, a Class B felony, or a Class C
 31 felony:
- 32 (A) Dealing in or manufacturing cocaine or a narcotic drug
 33 (IC 35-48-4-1).
 34 (B) Dealing in methamphetamine (IC 35-48-4-1.1).
 35 (C) Dealing in a schedule I, II, or III controlled substance
 36 (IC 35-48-4-2).
 37 (D) Dealing in a schedule IV controlled substance
 38 (IC 35-48-4-3).
 39 (E) Dealing in marijuana, hash oil, hashish, salvia, or a
 40 synthetic cannabinoid (IC 35-48-4-10).
- 41 (6) Equipment and recordings used by a person to commit fraud
 42 under IC 35-43-5-4(10).

C
 o
 p
 y



- 1 (7) Recordings sold, rented, transported, or possessed by a person
 2 in violation of IC 24-4-10.
- 3 (8) Property (as defined by IC 35-31.5-2-253) or an enterprise (as
 4 defined by IC 35-45-6-1) that is the object of a corrupt business
 5 influence violation (IC 35-45-6-2).
- 6 (9) Unlawful telecommunications devices (as defined in
 7 IC 35-45-13-6) and plans, instructions, or publications used to
 8 commit an offense under IC 35-45-13.
- 9 (10) Any equipment, including computer equipment and cellular
 10 telephones, used for or intended for use in preparing,
 11 photographing, recording, videotaping, digitizing, printing,
 12 copying, or disseminating matter in violation of IC 35-42-4.
- 13 (11) Destructive devices used, possessed, transported, or sold in
 14 violation of IC 35-47.5.
- 15 (12) Tobacco products that are sold in violation of IC 24-3-5,
 16 tobacco products that a person attempts to sell in violation of
 17 IC 24-3-5, and other personal property owned and used by a
 18 person to facilitate a violation of IC 24-3-5.
- 19 (13) Property used by a person to commit counterfeiting or
 20 forgery in violation of IC 35-43-5-2.
- 21 (14) After December 31, 2005, if a person is convicted of an
 22 offense specified in IC 25-26-14-26(b) or IC 35-43-10, the
 23 following real or personal property:
- 24 (A) Property used or intended to be used to commit, facilitate,
 25 or promote the commission of the offense.
- 26 (B) Property constituting, derived from, or traceable to the
 27 gross proceeds that the person obtained directly or indirectly
 28 as a result of the offense.
- 29 (15) Except as provided in subsection (e), a vehicle used by a
 30 person who operates the vehicle:
- 31 (A) while intoxicated, in violation of IC 9-30-5-1 through
 32 IC 9-30-5-5, if in the previous five (5) years the person has two
 33 (2) or more prior unrelated convictions:
- 34 (i) for operating a motor vehicle while intoxicated in
 35 violation of IC 9-30-5-1 through IC 9-30-5-5; or
 36 (ii) for an offense that is substantially similar to IC 9-30-5-1
 37 through IC 9-30-5-5 in another jurisdiction; or
- 38 (B) on a highway while the person's driving privileges are
 39 suspended in violation of IC 9-24-19-2 through IC 9-24-19-4,
 40 if in the previous five (5) years the person has two (2) or more
 41 prior unrelated convictions:
- 42 (i) for operating a vehicle while intoxicated in violation of

C
 o
 p
 y



- 1 IC 9-30-5-1 through IC 9-30-5-5; or
 2 (ii) for an offense that is substantially similar to IC 9-30-5-1
 3 through IC 9-30-5-5 in another jurisdiction.
 4 If a court orders the seizure of a vehicle under this subdivision,
 5 the court shall transmit an order to the bureau of motor vehicles
 6 recommending that the bureau not permit a vehicle to be
 7 registered in the name of the person whose vehicle was seized
 8 until the person possesses a current driving license (as defined in
 9 IC 9-13-2-41).
- 10 (16) The following real or personal property:
 11 (A) Property used or intended to be used to commit, facilitate,
 12 or promote the commission of an offense specified in
 13 IC 23-14-48-9, IC 30-2-9-7(b), IC 30-2-10-9(b), or
 14 IC 30-2-13-38(f).
 15 (B) Property constituting, derived from, or traceable to the
 16 gross proceeds that a person obtains directly or indirectly as a
 17 result of an offense specified in IC 23-14-48-9, IC 30-2-9-7(b),
 18 IC 30-2-10-9(b), or IC 30-2-13-38(f).
- 19 **(17) An automated sales suppression device (as defined in**
 20 **IC 35-43-5-4.6(a)(1)) or phantom-ware (as defined in**
 21 **IC 35-43-5-4.6(a)(3)).**
- 22 (b) A vehicle used by any person as a common or contract carrier in
 23 the transaction of business as a common or contract carrier is not
 24 subject to seizure under this section, unless it can be proven by a
 25 preponderance of the evidence that the owner of the vehicle knowingly
 26 permitted the vehicle to be used to engage in conduct that subjects it to
 27 seizure under subsection (a).
- 28 (c) Equipment under subsection (a)(10) may not be seized unless it
 29 can be proven by a preponderance of the evidence that the owner of the
 30 equipment knowingly permitted the equipment to be used to engage in
 31 conduct that subjects it to seizure under subsection (a)(10).
- 32 (d) Money, negotiable instruments, securities, weapons,
 33 communications devices, or any property commonly used as
 34 consideration for a violation of IC 35-48-4 found near or on a person
 35 who is committing, attempting to commit, or conspiring to commit any
 36 of the following offenses shall be admitted into evidence in an action
 37 under this chapter as prima facie evidence that the money, negotiable
 38 instrument, security, or other thing of value is property that has been
 39 used or was to have been used to facilitate the violation of a criminal
 40 statute or is the proceeds of the violation of a criminal statute:
 41 (1) IC 35-48-4-1 (dealing in or manufacturing cocaine or a
 42 narcotic drug).

C
o
p
y

- 1 (2) IC 35-48-4-1.1 (dealing in methamphetamine).
 2 (3) IC 35-48-4-2 (dealing in a schedule I, II, or III controlled
 3 substance).
 4 (4) IC 35-48-4-3 (dealing in a schedule IV controlled substance).
 5 (5) IC 35-48-4-4 (dealing in a schedule V controlled substance)
 6 as a Class B felony.
 7 (6) IC 35-48-4-6 (possession of cocaine or a narcotic drug) as a
 8 Class A felony, Class B felony, or Class C felony.
 9 (7) IC 35-48-4-6.1 (possession of methamphetamine) as a Class
 10 A felony, Class B felony, or Class C felony.
 11 (8) IC 35-48-4-10 (dealing in marijuana, hash oil, hashish, salvia,
 12 or a synthetic cannabinoid) as a Class C felony.
 13 (e) A vehicle operated by a person who is not:
 14 (1) an owner of the vehicle; or
 15 (2) the spouse of the person who owns the vehicle;
 16 is not subject to seizure under subsection (a)(15) unless it can be
 17 proven by a preponderance of the evidence that the owner of the
 18 vehicle knowingly permitted the vehicle to be used to engage in
 19 conduct that subjects it to seizure under subsection (a)(15).
 20 SECTION 48. IC 35-43-5-4.6 IS ADDED TO THE INDIANA
 21 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. (a) The following definitions**
 23 **apply throughout this section:**
 24 (1) **"Automated sales suppression device"** means a software
 25 **program:**
 26 (A) **carried on a memory stick or removable compact disc;**
 27 (B) **accessed through an Internet link; or**
 28 (C) **accessed through any other means;**
 29 **that falsifies the electronic records of electronic cash registers**
 30 **and other point-of-sale systems, including transaction data**
 31 **and transaction reports.**
 32 (2) **"Electronic cash register"** means a device that keeps a
 33 **register or supporting documents through the means of an**
 34 **electronic device or a computer system designed to record**
 35 **transaction data for the purpose of computing, compiling, or**
 36 **processing retail sales transaction data in any manner.**
 37 (3) **"Phantom-ware"** means a hidden, a pre-installed, or an
 38 **installed at a later time programming option embedded in the**
 39 **operating system of an electronic cash register or hardwired**
 40 **into the electronic cash register that:**
 41 (A) **can be used to create a virtual second till; or**
 42 (B) **may eliminate or manipulate transaction records that**

C
o
p
y

- 1 may or may not be preserved in digital formats to
 2 represent the true or manipulated record of transactions
 3 in the electronic cash register.
- 4 (4) "Transaction data" includes information regarding:
 5 (A) items purchased by a customer;
 6 (B) the price for each item;
 7 (C) a taxability determination for each item;
 8 (D) a segregated tax amount for each of the taxed items;
 9 (E) the amount of cash or credit tendered;
 10 (F) the net amount returned to the customer in change;
 11 (G) the date and time of the purchase;
 12 (H) the name, address, and identification number of the
 13 vendor; and
 14 (I) the receipt or invoice number of the transaction.
- 15 (5) "Transaction report" means:
 16 (A) a report that includes:
 17 (i) the sales;
 18 (ii) taxes collected;
 19 (iii) media totals; and
 20 (iv) discount voids;
 21 at an electronic cash register that is printed on cash
 22 register tape at the end of a day or shift; or
 23 (B) a report documenting every action at an electronic cash
 24 register that is stored electronically.
- 25 (6) "Zapper" refers to an automated sales suppression device.
 26 (b) A person who knowingly or intentionally sells, purchases,
 27 installs, transfers, or possesses:
 28 (1) an automated sales suppression device or a zapper; or
 29 (2) phantom-ware;
 30 after June 30, 2013, commits unlawful sale or possession of a
 31 transaction manipulation device, a Class C felony.
- 32 SECTION 49. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-13
 33 and IC 6-1.1-12-14, both as amended by this act, apply to
 34 assessment dates after December 31, 2011.
- 35 (b) A deceased veteran's surviving spouse who was denied a
 36 property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 for
 37 the March 1, 2012, or March 1, 2013, assessment date but who
 38 qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14,
 39 both as amended by this act, may, before September 1, 2013, file
 40 with the county auditor a statement under IC 6-1.1-12-15 for the
 41 property tax deduction.
- 42 (c) If a deceased veteran's surviving spouse demonstrates in the

C
 O
 P
 Y



1 statement filed under subsection (b) that the property that is the
2 subject of the deduction statement qualifies for a deduction under
3 IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended by this act, the
4 deceased veteran's surviving spouse is entitled to:
5 (1) the deduction from assessed value for the 2012 or 2013
6 assessment date, or both; and
7 (2) a refund of the property taxes paid with respect to the
8 denied amount for these assessment dates.
9 The county auditor shall make the property tax refund to the
10 deceased veteran's surviving spouse within thirty (30) days after
11 the deceased veteran's surviving spouse files a statement that
12 satisfies the requirements of IC 6-1.1-12-15. No interest is owed by
13 the county on the refund.
14 (d) This SECTION expires July 1, 2014.
15 SECTION 50. An emergency is declared for this act.

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1546, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, delete lines 7 through 13.

Page 16, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 13. IC 6-4.1-1-4 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 4: ~~"Federal death tax credit" means the maximum federal estate tax credit provided, with respect to estate, inheritance, legacy, or succession taxes, under Section 2011 or Section 2102 of the Internal Revenue Code."~~

Page 17, delete lines 1 through 3.

Page 17, line 7, after "inheritance" insert "tax".

Page 17, line 8, after "tax" insert "**(paid before its repeal)**".

Page 17, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 15. IC 6-4.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A person who files a claim for the refund of inheritance **tax** or Indiana estate tax **(paid before its repeal)** may appeal any refund order which the department of state revenue enters with respect to ~~his~~ **the person's** claim. To initiate the appeal, the person must, within ninety (90) days after the department enters the order, file a complaint in which the department is named as the defendant.

(b) The court which has jurisdiction over an appeal initiated under this section is:

(1) the probate court of the county in which administration of the estate is pending, if the appeal involves either a resident or a nonresident decedent's estate and administration of the estate is pending;

(2) the probate court of the county in which the decedent was domiciled at the time of ~~his~~ **the decedent's** death, if the appeal involves a resident decedent's estate and no administration of the estate is pending in Indiana; or

(3) the probate court of any county in which any of the decedent's property was located at the time of ~~his~~ **the decedent's** death, if the appeal involves a nonresident decedent's estate and no administration of the estate is pending in Indiana.

SECTION 16. IC 6-4.1-11-0.1 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. ~~0.1~~: The following amendments to this chapter apply as

C
O
P
Y



follows:

(1) The amendments made to section 2 of this chapter by P.L.78-1993 do not apply to individuals who die before July 1, 1993.

(2) The amendments made to section 3 of this chapter by P.L.252-2001 apply to the estate of an individual who dies after June 30, 2001.

SECTION 17. IC 6-4.1-11-1 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 1: A tax to be known as the "Indiana estate tax" is imposed upon a resident or nonresident decedent's estate.

SECTION 18. IC 6-4.1-11-2 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 2: (a) The Indiana estate tax is the amount determined in STEP FOUR of the following formula:

STEP ONE: Divide:

- (A) the value of the decedent's Indiana gross estate; by
- (B) the value of the decedent's total gross estate for federal estate tax purposes.

STEP TWO: Multiply:

- (A) the quotient determined under STEP ONE; by
- (B) the federal state death tax credit allowable against the decedent's federal estate tax.

The product is the Indiana portion of the federal state death tax credit.

STEP THREE: Subtract:

- (A) the amount of all Indiana inheritance taxes actually paid as a result of the decedent's death; from
- (B) the product determined under STEP TWO.

STEP FOUR: Determine the greater of the following:

- (A) The remainder determined under STEP THREE.
- (B) Zero (0).

(b) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the total fair market value on the appraisal date of tangible personal property and real estate which had an actual situs in Indiana at the time of the decedent's death and which is included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(c) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total fair market value on the appraisal date of personal property and real estate that had an actual situs in Indiana at the time of the decedent's death and all intangible personal property wherever located that is included in the decedent's gross estate for federal estate tax purposes.

EH 1546—LS 7151/DI 92+



C
o
p
y

(d) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for federal estate tax purposes equals the total fair market value on the appraisal date of the property included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(e) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total gross estate, the appraisal date for each property interest is the date on which the property interest is valued for federal estate tax purposes.

(f) The estate tax does not apply to a property interest transfer made by a resident decedent if the interest transferred is in:

(1) real property located outside Indiana, regardless of whether the property is held in a trust or whether the trustee is required to distribute the property in-kind; or

(2) real property located in Indiana, if:

(A) the real property was transferred to an irrevocable trust during the decedent's lifetime;

(B) the transfer to the trust was not made in contemplation of the transferor's death, as determined under IC 6-4.1-2-4; and

(C) the decedent does not have a retained interest in the trust.

SECTION 19. IC 6-4.1-11-3 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 3: (a) The Indiana estate tax accrues at the time of the decedent's death. Except as provided in subsection (b) of this section, the Indiana estate tax is due twelve (12) months after the date of the decedent's death:

(b) Any Indiana estate tax that results from a final change in the amount of federal estate tax is due:

(1) eighteen (18) months after the date of the decedent's death; or

(2) one (1) month after final notice of the federal estate tax due is given to the person liable for the tax;

whichever is later.

SECTION 20. IC 6-4.1-11-4 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 4: If Indiana estate tax is not paid on or before the due date, the person liable for the tax shall pay interest on the delinquent portion of the tax from the due date until it is paid at the rate of six percent (6%) per year.

SECTION 21. IC 6-4.1-11-5 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 5: A person is entitled to claim the amount of Indiana estate tax paid under this chapter as a credit against inheritance tax imposed under this article if:

(1) the inheritance tax is imposed after the Indiana estate tax is paid; and

C
O
P
Y



(2) both taxes are imposed as a result of the same decedent's death."

Page 17, line 38, strike "(a) The department of state revenue shall".

Page 17, strike lines 39 through 42.

Page 18, line 1, strike "(b)" and insert "(a)".

Page 18, line 1, delete "(d)," and insert "(b),".

Run in page 17, line 38, through page 18, line 1.

Page 18, line 3, strike "(c)".

Page 18, line 3, after "(d)" insert "(b)".

Page 18, line 8, strike "(c)" and insert "(b)".

Page 19, line 10, delete "(d)" and insert "(c)".

Page 19, line 10, strike "(b)" and insert "(a)".

Page 19, between lines 12 and 13, begin a new paragraph and insert:
"SECTION 23. IC 6-4.1-11-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 7: A probate court's final determination concerning the amount of Indiana estate tax owing under this chapter may be appealed to the tax court in accordance with the rules of appellate procedure.

SECTION 24. IC 6-4.1-11.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Indiana Generation-Skipping Transfer Tax)."

Page 23, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 23. IC 6-8-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 13. Disaster Recovery Exemptions

Sec. 1. As used in this chapter, "department" refers to the department of state revenue.

Sec. 2. As used in this chapter, "disaster emergency" means the following:

- (1) A disaster emergency declared under IC 10-14-3-12.
- (2) A state of energy emergency declared under IC 10-14-3-13.
- (3) A local disaster emergency declared under IC 10-14-3-29.
- (4) A request by a registered business for disaster or emergency assistance under a mutual assistance agreement.

Sec. 3. As used in this chapter, "disaster period" means the period:

- (1) beginning on the date ten (10) days before the day on which a disaster emergency is declared; and
- (2) ending sixty (60) days after the date on which the disaster emergency declaration ends.

Sec. 4. As used in this chapter, "disaster emergency related work" means:

- (1) repairing, renovating, installing, or building; or



C
o
p
y

(2) rendering services or transacting other business activities related to;
 infrastructure that is damaged, impaired, or destroyed by an event that caused a disaster emergency to be declared.

Sec. 5. As used in this chapter, "registered business" means an entity that is registered with the department to do business in Indiana before a disaster emergency is declared.

Sec. 6. As used in this chapter, "entity" has the meaning set forth in IC 23-1-20-10.

Sec. 7. As used in this chapter, "infrastructure" means the following:

- (1) Real or personal property or equipment owned or used by:
 - (A) a public utility (as defined in IC 8-1-2-1(a) or IC 8-1-8.5-1(a));
 - (B) a municipally owned utility (as defined in IC 8-1-2-1(h));
 - (C) a joint agency (as defined in IC 8-1-2.2-2(e)); or
 - (D) a communications service provider (as defined in IC 8-1-32.6-3).
- (2) Public roads and bridges and related support facilities.

Sec. 7.5. As used in this chapter, "mutual assistance agreement" means an agreement to which one (1) or more registered businesses and one (1) or more out-of-state businesses are parties and under which a public utility, municipally owned utility, or joint agency owning, operating, or owning and operating infrastructure in Indiana may request and receive assistance from an out-of-state business to perform disaster or emergency related work during a disaster period.

Sec. 8. (a) As used in this chapter, "out-of-state business" means an entity that:

- (1) is not:
 - (A) a registered business;
 - (B) incorporated in Indiana; or
 - (C) otherwise authorized to do business in Indiana; on the date on which a disaster period begins; and
 - (2) does not maintain a physical presence in Indiana during the taxable year in which a disaster emergency is declared.
- (b) The term includes the following:
- (1) A business whose services are requested by a registered business or by a state or local government for performing disaster emergency related work in Indiana.
 - (2) A business entity that is affiliated with a registered

C
O
P
Y



business in Indiana solely through common ownership.

Sec. 9. As used in this chapter, "out-of-state employee" means an individual who is:

- (1) employed by an out-of-state business at any time during a disaster period; and
- (2) for purposes of section 14 of this chapter, not a resident of Indiana.

Sec. 10. (a) An out-of-state business that enters Indiana shall, upon request, provide the department a statement that the business is in Indiana for purposes of responding to a disaster emergency. The statement must include:

- (1) the name of the business;
- (2) the state in which the business is domiciled;
- (3) the principal business address of the business;
- (4) the federal tax identification number of the business;
- (5) the date the business entered Indiana; and
- (6) contact information for the business.

(b) A registered business shall, upon request, provide the information required by subsection (a) for any affiliate that enters Indiana as an out-of-state business. The notification must include contact information for the registered business.

Sec. 11. An out-of-state business that performs disaster emergency related work in Indiana during a disaster period is exempt from paying state or local income taxes during the disaster period, regardless of the manner in which the out-of-state business reports, files, or remits the taxes. For purposes of any state or local tax on or measured by, in whole or in part, gross or net income or receipts, all activity of the out-of-state business that is conducted in Indiana in accordance with this chapter is disregarded with respect to any filing requirement of the tax, including a filing requirement for a unitary or combined group of which the out-of-state business may be a part.

Sec. 12. An out-of-state employee is not considered to have established residency or a presence in Indiana that would require the employee or the employee's employer to:

- (1) file and pay state or local income taxes; or
- (2) become subject to income tax withholding;

during a disaster period. This includes any related state or local employer withholding or remittance obligations.

Sec. 13. An out-of-state employee is exempt from state and local licensing and registration requirements with respect to disaster emergency work performed during a disaster period.



C
O
P
Y

Sec. 14. Unless otherwise exempted during a disaster period, an out-of-state business or an out-of-state employee shall pay transaction taxes and fees, including:

- (1) fuel taxes;**
- (2) gross retail taxes or use taxes;**
- (3) hotel taxes;**
- (4) car rental taxes; or**
- (5) other taxes or fees imposed upon the purchase of property or services for use or consumption in Indiana during the disaster period.**

Sec. 15. An out-of-state business or out-of-state employee that performs work or services or otherwise transacts business:

- (1) unrelated to a disaster emergency during a disaster period; or**
- (2) after the expiration of a disaster period;**

establishes nexus with Indiana for purposes of all taxes, fees, and other requirements or obligations attributable to the work, services, or transactions.

SECTION 24. IC 6-8.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. **(a) As used in this section, "secure electronic delivery service" means a service that:**

- (1) employs security procedures to provide, send, deliver, or otherwise communicate electronic records to the intended recipient using:**

(A) security methods such as passwords, encryption, and matching electronic addresses to United States postal addresses; or

(B) other security methods that are consistent with applicable law or industry standards; and

- (2) operates subject to the applicable requirements of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001 et seq.) or IC 5-24.**

(a) (b) When a statute specifies that the department is required to send a document by mail, and the particular statute is silent as to the class or type of mailing to be used, the department satisfies the mailing requirement by mailing the document through the United States mail in any of the following methods:

- (1) first-class mail;**
- (2) registered mail, return receipt requested;**
- (3) certified mail; or**
- (4) certificate of mailing; or**
- (5) a secure electronic delivery service, if the use of the secure**



C
O
P
Y

electronic delivery service is authorized under IC 6-8.1-6-7(b). Subject to IC 6-8.1-6-7(b), the choice of the method is at the department's discretion.

~~(b)~~ (c) The department may use any form of mailing in cases where a mailing is not required by statute.

SECTION 25. IC 6-8.1-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Notwithstanding any other provisions of this title, the commissioner may permit the filing of any return or document by electronic data submission.

(b) This subsection applies to a taxpayer required to report and remit state gross retail taxes or amounts withheld under IC 6-3-4-8 electronically. If the taxpayer provides written consent to the department, the department may provide the taxpayer with any documents that would otherwise require delivery by mail by using a secure electronic delivery service developed by the department under IC 6-8.1-3-11.

(c) The department may adopt rules to establish procedures to implement this section."

Page 29, line 15, delete "subject to the" and insert "**identified on an applicable tax return.**"

Page 29, delete lines 16 through 42.

Page 30, delete lines 1 through 41.

Page 34, line 21, strike "a final determination on the protest is made by the".

Page 34, line 22, strike "department of state revenue." and insert "**the later of the following:**

(1) The expiration of the period in which the applicant may appeal the listed tax to the tax court, in the case of an applicant who does not file a timely appeal of the listed tax.

(2) When a decision of the tax court concerning the applicant's appeal of the listed tax becomes final, in the case of an applicant who files a timely appeal of the listed tax."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1546 as introduced.)

BROWN T, Chair

Committee Vote: yeas 20, nays 0.

EH 1546—LS 7151/DI 92+



C
O
P
Y

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1546, 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 16, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 12. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L. 119-2012, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2.5. (a) This section applies only to Jackson County.

~~(b)~~ As used in this section, "fiscal year" means a twelve (12) month period beginning July 1 and ending June 30.

~~(c)~~ **(b)** The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and juvenile detention center opened after July 1, 1998.

~~(d)~~ **(c)** Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection ~~(c)~~; **(b)**, the county council may impose the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) on adjusted gross income for ~~fiscal~~ **calendar** years beginning ~~ending~~ before July 1, 2011. **January 1, 2024.** For ~~fiscal~~ **calendar** years beginning after June 30, 2011, **December 31, 2023,** the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

~~(e)~~ **(d)** If the county imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under this section, the revenue derived from a tax rate of one-tenth percent (0.1%) on adjusted gross income:

- (1) shall be paid to the county treasurer;
- (2) may be used only to pay the costs of operating a jail and juvenile detention center opened after July 1, 1998; and
- (3) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

SECTION 13. IC 6-3.5-1.1-27 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 27. (a) This section applies only to an additional tax rate imposed in Jackson County under section 2.5 of this chapter.**

EH 1546—LS 7151/DI 92+



C
O
P
Y

(b) This subsection applies to an additional tax rate imposed after June 30, 2011, and before July 1, 2013. Notwithstanding section 2.5 of this chapter (as in effect on January 1, 2013), the imposition, collection, and distribution of county adjusted gross income taxes attributable to the additional tax rate is legalized and validated.

(c) Any action described in subsection (b) of:

- (1) the department;
- (2) the budget agency; or
- (3) an officer or employee of Jackson County;

is legalized and validated.

(d) The additional tax rate:

- (1) authorized by the county council under section 2.5 of this chapter (as in effect on January 1, 2013); and
- (2) legalized and validated by subsection (c);

remains in effect for the calendar years specified in section 2.5(c) of this chapter without additional county council action. However, this subsection may not be construed to limit the ability of the county council to decrease the rate or rescind the tax in the manner provided under this chapter."

Page 22, line 30, after "0" strike "lbs".

Page 26, line 30, delete "or".

Page 27, line 27, after "from" insert "**the following during the disaster period:**".

Page 27, line 27, delete "paying state or local income taxes during the disaster".

Page 27, line 28, delete "period," begin a new line block indented and insert:

"(1) Paying any state or local taxes, including ad valorem and payroll taxes,".

Page 27, between lines 35 and 36, begin a new line block indented and insert:

"(2) Paying state gross retail and use tax on equipment used or consumed during the disaster period.

(3) Complying with any state or local business, occupational licensing, or registration requirements.

(4) Providing worker's compensation insurance under IC 22-3-5.

(5) Making employer contributions to the unemployment compensation system under IC 22-4-10."

Page 27, line 39, after ";" delete "or".

Page 27, line 40, delete "become" and insert "be".

C
O
P
Y



Page 27, line 40, after ";" insert "**or**".

Page 27, between lines 40 and 41, begin a new line block indented and insert:

"(3) file and pay any other state or local tax or fee;".

Page 28, line 3, after "emergency" insert "**related**".

Page 28, delete line 8.

Page 28, line 9, delete "(3)" and insert "**(2)**".

Page 28, line 10, delete "(4)" and insert "**(3)**".

Page 28, delete lines 11 through 21, begin a new line block indented and insert:

"(4) gross retail taxes or use taxes on a purchase of materials or services by the out-of-state business or out-of-state employee for use or consumption during the disaster period, unless the purchase is otherwise exempt during a disaster period."

Page 28, line 39, strike "the United States mail".

Page 28, line 40, strike "in".

Page 28, line 41, after "(1)" insert "**United States**".

Page 28, line 42, after "(2)" insert "**United States**".

Page 29, line 1, after "(3)" insert "**United States**".

Page 29, line 2, after "(4)" insert "**a**".

Page 35, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 38. IC 6-8.1-9.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 9.7. Treasury Offset Program

Sec. 1. As used in this chapter, "debt" means a delinquent state tax or non-tax debt certified by the treasurer of state or a federal non-tax debt certified by a federal official. The term includes, but is not limited to, fines, fees, penalties, and other non-tax assessments imposed by or payable to the state or federal government that are finally determined to be due and owing.

Sec. 2. As used in this chapter, "federal official" means a unit or official of the federal government that:

- (1) is charged with the collection of non-tax liabilities payable to the federal government; and**
- (2) has the authority to make offsets under an offset agreement.**

Sec. 3. As used in this chapter, "offset agreement" means an agreement between the office of management and budget and the Secretary of the Treasury of the United States authorized by this chapter.



C
O
P
Y

Sec. 4. As used in this chapter, "person" means an individual, vendor, contractor, partnership, society, association, joint stock company, limited liability company, corporation, estate, receiver, trustee, or assignee, any other person acting in a fiduciary or representative capacity whether appointed by a court or otherwise, or any combination of such individuals or entities.

Sec. 5. (a) As used in this chapter, "state payments" includes tax refunds and any vendor or contractor payments made by the state to any person, including expense reimbursements to an employee of the state.

(b) The term does not include salary, wages, pension payments, and any other type, class, or amount of payment that the office of management and budget determines has an impact on the health or welfare of the citizens of Indiana and should not be subject to an offset agreement.

Sec. 6. As used in this chapter, "tax refund" means an amount described as a refund of tax under the provision of the state tax law that authorized the payment of the refund.

Sec. 7. Notwithstanding any other law, the office of management and budget may enter into an offset agreement with the Secretary of the Treasury of the United States government to participate in a reciprocal Treasury Offset Program under 31 U.S.C. 3716 for the collection of any debts owed to the state or to state agencies from federal payments to vendors, contractors, and taxpayers. The offset agreement may provide for the federal government to submit non-tax debts owed to federal agencies for offset against state payments otherwise due and owing to taxpayers and to vendors and contractors providing goods or services to the state or to the state's departments, agencies, or institutions.

Sec. 8. If the office of management and budget enters into an offset agreement, a federal official may do the following as provided in the offset agreement:

(1) Certify to the office of management and budget the existence of a person's delinquent non-tax debt owed by the person to the federal government, by providing:

- (A)** the full name and address of the person and any other names known to be used by the person;
- (B)** the person's Social Security number or federal tax identification number;
- (C)** the amount of the person's federal non-tax debt;
- (D)** a statement certifying that the person's federal non-tax debt is past due, that due process has been provided to the

C
O
P
Y



person, and that the person's federal non-tax debt is legally enforceable in the amount certified, which may be provided in procedures for certifying payments as specified in the offset agreement; and

(E) any other information required by the offset agreement.

(2) Request the office of management and budget to withhold any state payment to which the person is entitled.

(3) Retain a part of the proceeds of any federal administrative setoff authorized by the federal offset program.

Sec. 9. The following apply if the office of management and budget enters into an offset agreement:

(1) The office of management and budget shall do the following as provided in the offset agreement:

(A) Determine if a person whose name has been certified by a federal official as provided in the offset agreement is due a state payment.

(B) Withhold a state payment that is due a person whose name has been certified by a federal official as provided in the offset agreement.

(C) Notify the person from whom a state payment is withheld under this section of the amount withheld in accordance with the offset agreement.

(D) Pay to the federal official making the certification under section 8 of this chapter the lesser of:

- (i) the entire state payment withheld; or
- (ii) the amount certified by the federal official.

If the amount certified by the federal official is less than a state payment due to the person, the office of management and budget shall pay to the person the part of the state payment due to the person that exceeds the certified amount, less any fee under section 10 of this chapter.

(2) If an individual filed a joint income tax return and the debt certified by a federal official is not the liability of both parties to the joint income tax return, the office of management and budget may not withhold or pay to the federal official the part of the income tax refund attributable to the individual not owing the debt. The department shall notify taxpayers filing a joint income tax return of a proposed offset of a state income tax refund for a debt certified by a federal official. A taxpayer that filed a joint income tax return and that receives such a notice may, not more than sixty (60)

C
O
P
Y



days after the notice is sent, notify the department in writing that the taxpayer asserts that a part of the income tax refund is attributable to the individual not owing the debt. If a taxpayer that is a party to the joint income tax return does not notify the department of such an assertion not more than sixty (60) days after the department's notice is sent, all of the income tax refund is considered attributable to the individual owing the debt.

(3) The office of management and budget may do the following as provided in the offset agreement:

(A) Certify to a federal official a person's delinquent debt owed to the state by providing the federal official:

- (i) the full name and address of the person and any other names known to be used by the person;
- (ii) the person's Social Security number or federal tax identification number;
- (iii) the amount of the person's debt owed to the state;
- (iv) a statement certifying that the person's debt is past due, that due process has been provided to the person, and that the person's debt is legally enforceable in the amount certified, which may be provided in procedures for certifying payments as specified in the offset agreement; and
- (v) any other information required by state law or rules applicable to the collection of the debt by offset of federal payments or required by the offset agreement.

(B) Request that the federal official withhold from any federal payment to which the person is entitled the lesser of:

- (i) the entire federal payment; or
- (ii) the amount certified by the office of management and budget;

as provided in the offset agreement. If the amount certified by the office of management and budget is less than a federal payment due to the person, the federal official may pay to the person the part of the federal payment due to the person that exceeds the certified amount, less any fee under section 10 of this chapter.

Sec. 10. (a) The office of management and budget may, by rule, establish a reasonable administrative fee to be charged to a person for the provision of the state offset of a federal debt or the federal offset of a state debt.



C
O
P
Y

(b) A fee authorized by this section is a separate debt and may be withheld from any refund, reimbursement, or other money held for the person.

(c) The office of management and budget may charge the person who is the subject of state offset of a federal debt or the federal offset of a state debt the fee authorized by this section.

(d) Any fees collected under this section may be retained by the office of management and budget and used for the costs of the intercept program, including reporting, and for costs associated with other revenue generation and cost savings initiatives as determined by the office of management and budget."

Page 40, between lines 1 and 2, begin a new paragraph and insert:

"(f) The following apply to rules adopted by the bureau before January 1, 2014, under subsection (e):

(1) The rules are transferred to the department of state revenue on January 1, 2014, and are considered, after December 31, 2013, rules of the department of state revenue.

(2) After December 31, 2013, the rules are treated as if they had been adopted by the department of state revenue."

Page 43, line 24, delete "IC 35-43-5-4.4(a)(1)" and insert "**IC 35-43-5-4.6(a)(1)**".

Page 43, line 25, delete "IC 35-43-5-4.4(a)(3)." and insert "**IC 35-43-5-4.6(a)(3)**".

Page 44, line 24, delete "IC 35-43-5-4.4" and insert "IC 35-43-5-4.6".

Page 44, line 26, delete "Sec. 4.4." and insert "**Sec. 4.6**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1546 as printed February 18, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 2.

C
o
p
y



SENATE MOTION

Madam President: I move that Engrossed House Bill 1546 be amended to read as follows:

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

"SECTION 1. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have twenty-four thousand nine hundred sixty dollars (\$24,960) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

- (1) the individual served in the military or naval forces of the United States during any of its wars;
- (2) the individual received an honorable discharge;
- (3) the individual has a disability with a service connected disability of ten percent (10%) or more;
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and
- (5) the individual:
 - (A) owns the real property, mobile home, or manufactured home; or
 - (B) is buying the real property, mobile home, or manufactured home under contract;

on the date the statement required by section 15 of this chapter is filed.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual ~~would qualify for the deduction if the individual were alive.~~ **satisfied the requirements of**

EH 1546—LS 7151/DI 92+



C
O
P
Y

subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars (\$12,480) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

- (1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) has a total disability; or
 - (B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%);
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the

C
o
p
y



individual's disability qualifies the individual to receive a deduction under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under contract;

on the date the statement required by section 15 of this chapter is filed.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual ~~would qualify for the deduction if the individual were alive.~~ **satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.**

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred forty-three thousand one hundred sixty dollars (\$143,160).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in which the individual resides. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes

EH 1546—LS 7151/DI 92+



C
O
P
Y

to obtain the deduction. 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. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section. **If a deceased veteran's surviving spouse is claiming the deduction, the surviving spouse shall provide the documentation necessary to establish that at the time of death the deceased veteran satisfied the requirements of section 13(a)(1) through 13(a)(4) of this chapter or section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.**

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded."

Page 51, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 49. [EFFECTIVE UPON PASSAGE] (a) **IC 6-1.1-12-13 and IC 6-1.1-12-14, both as amended by this act, apply to assessment dates after December 31, 2011.**

(b) **A deceased veteran's surviving spouse who was denied a property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 for the March 1, 2012, or March 1, 2013, assessment date but who qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended by this act, may, before September 1, 2013, file with the county auditor a statement under IC 6-1.1-12-15 for the property tax deduction.**

(c) **If a deceased veteran's surviving spouse demonstrates in the**

C
O
P
Y



statement filed under subsection (b) that the property that is the subject of the deduction statement qualifies for a deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14, both as amended by this act, the deceased veteran's surviving spouse is entitled to:

- (1) the deduction from assessed value for the 2012 or 2013 assessment date, or both; and
- (2) a refund of the property taxes paid with respect to the denied amount for these assessment dates.

The county auditor shall make the property tax refund to the deceased veteran's surviving spouse within thirty (30) days after the deceased veteran's surviving spouse files a statement that satisfies the requirements of IC 6-1.1-12-15. No interest is owed by the county on the refund.

(d) This SECTION expires July 1, 2014."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1546 as printed April 5, 2013.)

HUME

C
O
P
Y

