February 8, 2013

HOUSE BILL No. 1324

DIGEST OF HB 1324 (Updated February 6, 2013 6:16 pm - DI 96)

Citations Affected: IC 4-4; IC 5-22; IC 6-2.5; IC 6-3.1; IC 6-6; IC 9-20.

Synopsis: Motor fuels. Increases from 10% to 20% the amount by which the price of a clean energy vehicle may surpass the price of a similarly equipped vehicle that is not a clean energy vehicle for the purpose of determining whether a state agency must purchase or lease the clean energy vehicle. Provides an income tax credit for placing into service a natural gas powered vehicle that has a gross vehicle weight rating of more than 33,000 pounds. Provides for the collection and remittance of the state gross retail tax (by changing the definition of "special fuel") and the special fuel tax on natural gas, butane, and propane used as a motor fuel. Provides that a transaction involving alternative fuel acquired: (1) after December 31, 2013, and before January 1, 2017; and (2) to fuel a motor vehicle used in providing public transportation for persons or property; is not exempt from the state gross retail tax. Provides for the imposition of the motor carrier fuel tax upon alternative fuels by imposing the existing rates on the gasoline gallon equivalents of natural gas sold. Excludes certain alternative fueled vehicles from the alternative fuel decal law. Increases the maximum weight limitation for a vehicle that uses natural gas as a motor fuel by 2,000 pounds.

Effective: July 1, 2013.

Frye R, Davis, Ziemke, Goodin

January 17, 2013, read first time and referred to Committee on Roads and Transportation.
February 7, 2013, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

C o p y

February 8, 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.

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HOUSE BILL No. 1324

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

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

SECTION 1. IC 4-4-32.2-5, AS ADDED BY P.L.151-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) As used in this chapter, "motor fuel" has the meaning set forth in ~~IC 6-6-4.1-1(g).~~ **IC 6-6-4.1-1(h).**

(b) The term includes alternative fuel.

SECTION 2. IC 5-22-5-8.5, AS ADDED BY P.L.151-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8.5. (a) As used in this section, "clean energy vehicle" means any of the following:

(1) A vehicle that operates on one (1) or more of the following energy sources:

(A) A rechargeable energy storage system.

(B) Hydrogen.

(C) Compressed air.

(D) Compressed or liquid natural gas.

(E) Solar energy.

(F) Liquefied petroleum gas.

(G) Any other alternative fuel (as defined in IC 6-3.1-31.9-1).

(2) A vehicle that operates on gasoline and one (1) or more of the energy sources listed in subdivision (1).

(3) A vehicle that operates on diesel fuel and one (1) or more of the energy sources listed in subdivision (1).

(b) As used in this section, "state entity" means the following:

(1) A state agency.

(2) Any other authority, board, branch, commission, committee, department, division, or other instrumentality of the executive (including the administrative), legislative, or judicial department of state government.

The term includes a state elected official's office and excludes a state educational institution.

(c) As used in this section, "vehicle" includes the following:

(1) An automobile.

(2) A truck.

(3) A tractor.

(d) Except as provided in subsection (e), if a state entity purchases or leases a vehicle, ~~after December 31, 2009,~~ it must purchase or lease a clean energy vehicle unless the Indiana department of administration determines that the purchase or lease of a clean energy vehicle:

(1) is inappropriate because of the purposes for which the vehicle will be used; or

(2) would cost at least ~~ten~~ **twenty** percent ~~(10%)~~ **(20%)** more than the purchase or lease of a vehicle that:

(A) is not a clean energy vehicle; and

(B) is designed and equipped comparably to the clean energy vehicle.

(e) The requirements of subsection (d) do not apply to the:

(1) purchase or lease of vehicles by or for the state police department; and

(2) short term or temporary lease of vehicles.

(f) The Indiana department of administration shall ~~before January 1, 2010,~~ adopt rules or guidelines to provide a preference for the purchase or lease by state entities of clean energy vehicles manufactured wholly or partially in Indiana or containing parts manufactured in Indiana.

(g) Before August 1, ~~of 2010 and each year thereafter,~~ each state entity shall **annually** submit to the Indiana department of administration information regarding the use of clean energy vehicles by the state entity. The information must specify the following for the preceding state fiscal year:

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(1) The amount of alternative fuels purchased by the state entity.
(2) The amount of conventional fuels purchased by the state entity.
(3) The average price per gallon paid by the state entity for each type of fuel purchased by the state entity.
(4) The total number of vehicles purchased or leased by the state agency that were clean energy vehicles and the total number of vehicles purchased or leased by the state agency that were not clean energy vehicles.
(5) Any other information required by the Indiana department of administration.

(h) Before September 1, ~~of 2010 and each year thereafter,~~ the Indiana department of administration shall **annually** submit to the general assembly in an electronic format under IC 5-14-6 and to the governor a report that lists the information required under subsection (g) for each state entity and for all state agencies in the aggregate.

SECTION 3. IC 6-2.5-5-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 27. **(a) Except as provided in subsection (b),** transactions involving tangible personal property and services are exempt from the state gross retail tax, if the person acquiring the property or service directly uses or consumes it in providing public transportation for persons or property.

(b) A transaction involving alternative fuel (as defined by IC 6-6-2.5-1) acquired:

(1) after December 31, 2013, and before January 1, 2017; and
(2) to fuel a motor vehicle used in providing public transportation for persons or property;

is not exempt from the state gross retail tax.

SECTION 4. IC 6-2.5-7-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2.5. (a) **This section does not apply to alternative fuel (as defined by IC 6-6-2.5-1) dispensed after December 31, 2013, and before January 1, 2017.**

(b) A retail merchant may designate any metered pumps at a business location that dispense special fuel as being "for trucks only". To do this, a retail merchant must place on the pump a sign that states that fuel dispensed from the metered pump may only be placed in the fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is sufficient to meet the requirements of this subsection.

~~(b)~~ **(c)** A retail merchant may not dispense special fuel from a metered pump that is designated for trucks only into the supply tank of a vehicle that is not a truck.

~~(c)~~ **(d)** A retail merchant is not required to display the total price per

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unit of the special fuel on a metered pump if that particular metered pump is designated for trucks only.

~~(d)~~ **(e)** A retail merchant may advertise special fuel at a price that does not include gross retail taxes that may be due on the sale of the special fuel only if ~~he~~ **the retail merchant** maintains a metered pump that is designated for trucks only. If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering above or below the advertised price the words "EXEMPT TRUCKS ONLY".

SECTION 5. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 34. Tax Credit for Natural Gas Powered Vehicles

Sec. 1. (a) Subject to subsection (b), this chapter applies to taxable years beginning after December 31, 2013.

(b) A person is not entitled to a tax credit for placing a qualified vehicle into service after December 31, 2016. However, this subsection may not be construed to prevent a person from carrying an unused tax credit attributable to a qualified vehicle placed into service before January 1, 2017, forward to a taxable year beginning after December 31, 2016, in the manner provided by section 13 of this chapter.

Sec. 2. As used in this chapter, "department" refers to the department of state revenue.

Sec. 3. As used in this chapter, "natural gas" means compressed or liquid natural gas.

Sec. 4. As used in this chapter, "pass through entity" means:

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 5. As used in this chapter, "person" means an individual, a corporation, a limited liability company, a partnership, or another legal entity.

Sec. 6. As used in this chapter, "qualified vehicle" means a natural gas powered vehicle that has a gross vehicle weight rating of more than thirty-three thousand (33,000) pounds.

Sec. 7. As used in this chapter, "state tax liability" means a person's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

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(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premiums tax);

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

Sec. 8. (a) A person that places a qualified vehicle into service in a particular taxable year may claim a credit against the person's state tax liability for that taxable year.

(b) Subject to sections 9 and 10 of this chapter, the amount of the credit that may be claimed for placing a qualified vehicle into service is the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the difference between:

(A) the price of the qualified vehicle; and

(B) the price of a similarly equipped vehicle of the same make and model that is powered by a gasoline or diesel engine.

STEP TWO: Multiply the STEP ONE result by fifty percent (50%).

STEP THREE: Determine the lesser of:

(A) the STEP TWO result; or

(B) eighteen thousand dollars ($18,000).

Sec. 9. The total amount of the tax credits granted to a person under this chapter for a particular taxable year may not exceed one hundred eighty thousand dollars ($180,000).

Sec. 10. The total amount of the tax credits granted to all persons under this chapter may not exceed:

(1) three million six hundred thousand dollars ($3,600,000) per state fiscal year; and

(2) ten million eight hundred thousand dollars ($10,800,000) for all state fiscal years.

Sec. 11. (a) If a pass through entity places a qualified vehicle into service but does not have state tax liability against which a tax credit may be applied, an individual who is a shareholder, partner, or member of the pass through entity may claim a tax credit under this chapter equal to:

(1) the tax credit determined for the pass through entity under this chapter for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a

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tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and an individual who is a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same qualified vehicle placed into service.

Sec. 12. (a) To receive a credit under this chapter, a person must:

(1) claim the credit on the person's state tax return or returns in the manner prescribed by the department; and

(2) file with the department information that the department determines is necessary for the calculation of the credit under this chapter.

(b) The department shall record the time of filing of each return claiming a credit under this section and shall, except as provided in subsection (c), grant the credit to the person, if the person otherwise qualifies for a credit under this chapter, in the chronological order in which the return is filed in the state fiscal year.

(c) If the total credits granted under this section equal the maximum amount allowable in the state fiscal year, a return claiming the credit filed later in that same state fiscal year may not be approved.

Sec. 13. (a) If the amount of the credit determined under this chapter for a person in a taxable year exceeds the person's state tax liability for that taxable year, the person may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the person to obtain a credit under this chapter for any subsequent taxable year. A credit may not be carried forward for more than six (6) taxable years following the taxable year in which the person is first entitled to claim the credit.

(b) A person is not entitled to a carryback or refund of any unused credit.

Sec. 14. A person may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.

SECTION 6. IC 6-6-2.1-100 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 100. This chapter does not apply to a motor vehicle powered by alternative fuel after:**

(1) June 30, 2013, in the case of a motor vehicle owned by a person other than a public utility; or

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(2) March 31, 2014, in the case of a motor vehicle owned by a public utility.

SECTION 7. IC 6-6-2.5-1, AS AMENDED BY P.L.122-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. As used in this chapter, "alternative fuel" means a liquefied petroleum gas, **liquid or** compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product, not including a biodiesel fuel or biodiesel blend, used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. The term includes all forms of fuel commonly or commercially known or sold as butane, propane, or **liquid or** compressed natural gas.

SECTION 8. IC 6-6-2.5-22, AS AMENDED BY P.L.122-2006, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. As used in this chapter, "special fuel" means all combustible gases and liquids that are:

(1) suitable for the generation of power in an internal combustion engine or motor; or

(2) used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

Special fuel includes biodiesel and blended biodiesel (as defined in IC 6-6-2.5-1.5) **and alternative fuels.** However, the term does not include gasoline (as defined in IC 6-6-1.1-103), ethanol produced, stored, or sold for the manufacture of or compounding or blending with gasoline, ~~alternative fuels,~~ kerosene, and jet fuel (if the purchaser of the jet fuel has provided to the seller proof of the purchaser's federal jet fuel registration at or before the time of sale).

SECTION 9. IC 6-6-2.5-28, AS AMENDED BY P.L.33-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28. (a) A license tax of sixteen cents ($0.16) per:

(1) gallon; **or**

(2) gasoline gallon equivalent (as defined by IC 6-6-4.1-1(f)), in the case of a special fuel that is an alternative fuel;

is imposed on all special fuel sold or used in producing or generating power for propelling motor vehicles except fuel used under section 30(a)(8) or 30.5 of this chapter. The tax shall be paid at those times, in the manner, and by those persons specified in this section and section 35 of this chapter.

(b) The department shall consider it a rebuttable presumption that all undyed or unmarked special fuel, or both, received in Indiana is to be sold for use in propelling motor vehicles.

(c) Except as provided in subsection (d), the tax imposed on special

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fuel by subsection (a) shall be measured by invoiced gallons of nonexempt special fuel received by a licensed supplier in Indiana for sale or resale in Indiana or with respect to special fuel subject to a tax precollection agreement under section 35(d) of this chapter, such special fuel removed by a licensed supplier from a terminal outside of Indiana for sale for export or for export to Indiana and in any case shall generally be determined in the same manner as the tax imposed by Section 4081 of the Internal Revenue Code and Code of Federal Regulations.

(d) The tax imposed by subsection (a) on special fuel imported into Indiana, other than into a terminal, is imposed at the time the product is entered into Indiana and shall be measured by invoiced gallons received at a terminal or at a bulk plant.

(e) In computing the tax, all special fuel in process of transfer from tank steamers at boat terminal transfers and held in storage pending wholesale bulk distribution by land transportation, or in tanks and equipment used in receiving and storing special fuel from interstate pipelines pending wholesale bulk reshipment, shall not be subject to tax.

(f) The department shall consider it a rebuttable presumption that special fuel consumed in a motor vehicle plated for general highway use is subject to the tax imposed under this chapter. A person claiming exempt use of special fuel in such a vehicle must maintain adequate records as required by the department to document the vehicle's taxable and exempt use.

(g) A person that engages in blending fuel for taxable sale or use in Indiana is primarily liable for the collection and remittance of the tax imposed under subsection (a). The person shall remit the tax due in conjunction with the filing of a monthly report in the form prescribed by the department.

(h) A person that receives special fuel that has been blended for taxable sale or use in Indiana is secondarily liable to the state for the tax imposed under subsection (a).

(i) A person may not use special fuel on an Indiana public highway if the special fuel contains a sulfur content that exceeds five one-hundredths of one percent (0.05%). A person who knowingly:

(1) violates; or

(2) aids or abets another person to violate;

this subsection commits a Class A infraction. However, the violation is a Class A misdemeanor if the person has committed one (1) prior unrelated violation of this subsection, and a Class D felony if the person has committed more than one (1) unrelated violation of this

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subsection.

SECTION 10. IC 6-6-4.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. As used in this chapter:

(a) "Carrier" means a person who operates or causes to be operated a commercial motor vehicle on any highway in Indiana.

(b) "Commercial motor vehicle" means a vehicle which is listed in section 2(a) of this chapter and which is not excluded from the application of this chapter under section 2(b) of this chapter.

(c) "Commissioner" means the commissioner of the Indiana department of state revenue.

(d) "Declared gross weight" means the weight at which a motor vehicle is registered with:

(1) the bureau of motor vehicles; or

(2) a state other than Indiana.

(e) "Department" means the Indiana department of state revenue.

(f) "Gasoline gallon equivalent" means the amount of an alternative fuel that produces the same number of British thermal units of energy as a gallon of gasoline.

~~(f)~~ **(g)** "Highway" means the entire width between the boundary lines of every publicly maintained way that is open in any part to the use of the public for purposes of vehicular travel.

~~(g)~~ **(h)** "Motor fuel" means gasoline (as defined in IC 6-6-1.1), special fuel (as defined in IC 6-6-2.5), and alternative fuel (as defined in IC 6-6-2.5).

~~(h)~~ **(i)** "Quarter" means calendar quarter.

~~(i)~~ **(j)** "Motor vehicle" has the meaning set forth in IC 6-6-1.1-103.

~~(j)~~ **(k)** "Recreational vehicle" means motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure. A vehicle is not a recreational vehicle if the vehicle is used in connection with a business.

SECTION 11. IC 6-6-4.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana. The rate of this tax is **determined as follows:**

(1) When imposed upon the consumption of gasoline or special fuel, the tax rate is the same rate per gallon as the rate per gallon at which special fuel is taxed under IC 6-6-2.5.

(2) When imposed upon the consumption of a special fuel that is an alternative fuel, the tax rate is the same rate per gasoline gallon equivalent as the rate per gallon at which special fuel is taxed under IC 6-6-2.5.

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The tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.

(b) The amount of motor fuel consumed by a carrier in its operations on highways in Indiana is the total amount of motor fuel consumed in its entire operations within and without Indiana, multiplied by a fraction. The numerator of the fraction is the total number of miles traveled on highways in Indiana, and the denominator of the fraction is the total number of miles traveled within and without Indiana.

(c) The amount of tax that a carrier shall pay for a particular quarter under this section equals the product of the tax rate in effect for that quarter, multiplied by the amount of motor fuel consumed by the carrier in its operation on highways in Indiana and upon which the carrier has not paid tax imposed under IC 6-6-1.1 or IC 6-6-2.5.

(d) Subject to section 4.8 of this chapter, a carrier is entitled to a proportional use credit against the tax imposed under this section for that portion of motor fuel used to propel equipment mounted on a motor vehicle having a common reservoir for locomotion on the highway and the operation of the equipment, as determined by rule of the commissioner. An application for a proportional use credit under this subsection shall be filed on a quarterly basis on a form prescribed by the department.

SECTION 12. IC 6-6-4.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.5. (a) A surcharge tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana. The rate of this surcharge tax is:

(1) eleven cents ($0.11) per gallon **of gasoline or special fuel; or**

(2) eleven cents ($0.11) per gasoline gallon equivalent of a special fuel that is an alternative fuel.

The tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.

(b) The amount of motor fuel consumed by a carrier in its operations on highways in Indiana is the total amount of motor fuel consumed in its entire operations within and without Indiana, multiplied by a fraction. The numerator of the fraction is the total number of miles traveled on highways in Indiana, and the denominator of the fraction is the total number of miles traveled within and without Indiana.

(c) The amount of tax that a carrier shall pay for a particular quarter under this section equals the product of the tax rate in effect for that quarter, multiplied by the amount of motor fuel consumed by the carrier in its operation on highways in Indiana.

(d) Subject to section 4.8 of this chapter, a carrier is entitled to a proportional use credit against the tax imposed under this section for

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that portion of motor fuel used to propel equipment mounted on a motor vehicle having a common reservoir for locomotion on the highway and the operation of this equipment as determined by rule of the commissioner. An application for a proportional use credit under this subsection shall be filed on a quarterly basis on a form prescribed by the department.

SECTION 13. IC 9-20-4-1, AS AMENDED BY P.L.65-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Except as provided in subsections (b) and (c), a person may not operate or cause to be operated upon an Indiana highway a vehicle or combination of vehicles having weight in excess of one (1) or more of the following limitations:

(1) The total gross weight, with load, in pounds of any vehicle or combination of vehicles may not exceed an overall gross weight on a group of two (2) or more consecutive axles produced by application of the following formula:

$$W = 500 \{ [(LN) \div (N-1)] + 12N + 36 \}$$

where W equals the overall gross weight on any group of two (2) or more consecutive axles to the nearest five hundred (500) pounds, L equals the distance in feet between the extreme of any group of two (2) or more consecutive axles, and N equals the number of axles in the group under consideration, except that two (2) consecutive sets of tandem axles may carry a gross load of thirty-four thousand (34,000) pounds each, providing the overall distance between the first and last axles of the consecutive sets of tandem axles is thirty-six (36) feet or more. The overall gross weight limit, calculated under this subdivision, may not exceed eighty thousand (80,000) pounds.

(2) The weight concentrated on the roadway surface from any tandem axle group may not exceed the following:

(A) Thirty-four thousand (34,000) pounds total weight.

(B) Twenty thousand (20,000) pounds on an individual axle in a tandem group.

(3) A vehicle may not have a maximum wheel weight, unladen or with load, in excess of eight hundred (800) pounds per inch width of tire, measured between the flanges of the rim or an axle weight in excess of twenty thousand (20,000) pounds.

(b) The enforcement of weight limits under this section is subject to the following:

(1) It is lawful to operate within the scope of a permit, under weight limitations established by the Indiana department of transportation and in effect on July 1, 1956, as provided in

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IC 9-20-6.

(2) It is lawful to operate or cause to be operated a vehicle or combination of vehicles on a heavy duty highway or an extra heavy duty highway designated by the Indiana department of transportation if operated within the imposed limitations.

(3) Subsection (a) does not apply to any highway, road, street, or bridge for which a lesser weight limit is imposed by local authorities under IC 9-20-1-4 or IC 9-20-7-2. However, the local authority may by appropriate action establish and designate a county or city highway, road, or street or part of a highway, road, or street as a heavy duty highway subject to the weight limitations established under IC 9-20-5.

(4) Vehicles operated on toll road facilities are subject to rules of weight adopted for toll road facilities by the Indiana department of transportation under IC 8-15-2 and are not subject to subsection (a) when operated on a toll road facility.

(5) For purposes of a heavy duty vehicle that is equipped with an auxiliary power unit, the weight limitations provided in subsection (a) are increased by four hundred (400) pounds.

(6) For purposes of a vehicle that uses natural gas as a motor fuel, the weight limitations provided in subsection (a) are increased by two thousand (2,000) pounds.

(c) The greater of the weight limits imposed under subsection (a) or this subsection applies to vehicles operated upon an Indiana highway. The weight limits in effect on January 4, 1975, for any highway that is not designated as a heavy duty highway under IC 9-20-5 are the following:

(1) The total gross weight, with load, in pounds of a vehicle or combination of vehicles may not exceed seventy-three thousand two hundred eighty (73,280) pounds.

(2) The total weight concentrated on the roadway surface from a tandem axle group may not exceed sixteen thousand (16,000) pounds for each axle of a tandem assembly.

(3) A vehicle may not have a maximum wheel weight, unladen or with load, in excess of eight hundred (800) pounds per inch width of tire, measured between the flanges of the rim, or an axle weight greater than eighteen thousand (18,000) pounds.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1324, 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 3, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 3. IC 6-2.5-5-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 27. **(a) Except as provided in subsection (b),** transactions involving tangible personal property and services are exempt from the state gross retail tax, if the person acquiring the property or service directly uses or consumes it in providing public transportation for persons or property.

(b) A transaction involving alternative fuel (as defined by IC 6-6-2.5-1) acquired:

(1) after December 31, 2013, and before January 1, 2017; and

(2) to fuel a motor vehicle used in providing public transportation for persons or property;

is not exempt from the state gross retail tax.

SECTION 4. IC 6-2.5-7-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2.5. (a) **This section does not apply to alternative fuel (as defined by IC 6-6-2.5-1) dispensed after December 31, 2013, and before January 1, 2017.**

(b) A retail merchant may designate any metered pumps at a business location that dispense special fuel as being "for trucks only". To do this, a retail merchant must place on the pump a sign that states that fuel dispensed from the metered pump may only be placed in the fuel supply tanks of a truck. A sign that reads "TRUCKS ONLY" is sufficient to meet the requirements of this subsection.

~~(b)~~ **(c)** A retail merchant may not dispense special fuel from a metered pump that is designated for trucks only into the supply tank of a vehicle that is not a truck.

~~(c)~~ **(d)** A retail merchant is not required to display the total price per unit of the special fuel on a metered pump if that particular metered pump is designated for trucks only.

~~(d)~~ **(e)** A retail merchant may advertise special fuel at a price that does not include gross retail taxes that may be due on the sale of the special fuel only if ~~he~~ **the retail merchant** maintains a metered pump that is designated for trucks only. If a retail merchant advertises special fuel at a price that does not include any gross retail taxes that may be due on the sale of the special fuel, the retail merchant must display in easily read lettering above or below the advertised price the words

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"EXEMPT TRUCKS ONLY".".

Page 6, line 4, delete "natural gas" and insert "**alternative fuel**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1324 as introduced.)

SOLIDAY, Chair

Committee Vote: yeas 11, nays 0.

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