CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1324

Citations Affected: IC 2-5-36.3; IC 4-4-32.2-5; IC 5-22-5-8.5; IC 6-2.5; IC 6-3.1-34.6; IC 6-6; IC 6-8.1-1-1; IC 9-20-4-1.

Synopsis: Alternative fuels. Creates a study committee to study issues concerning the imposition of road impact fees on users of plug in, plug in hybrid, and hybrid vehicles. 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 to fuel a motor vehicle used in providing public transportation for persons or property is not exempt from the state gross retail tax for three years. Provides for the imposition of the motor carrier fuel tax upon alternative fuels by imposing the existing rates on the diesel or gasoline gallon equivalents of the various forms 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. Provides a refundable road tax credit to a carrier that uses compressed natural gas to fuel large trucks. **(This conference committee report: (1) restores the House passed version of the bill with the income tax credit based on $15,000 instead of $18,000, including corresponding changes to the tax credit caps and a new limit on the total credits to all persons based on a certain dollar amount or the revenue from the imposition of the gross retail and use tax involving alternative fuel to fuel a motor vehicle used in providing public transportation for persons or property; and (2) adds the road impact fee study committee.)**

Effective: July 1, 2013; January 1, 2014.

Adopted	Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1324 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 2-5-36.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 36.3. Interim Study Committee on Road Impact Fees

Sec. 1. As used in this chapter, "committee" refers to the interim study committee on road impact fees established by section 2 of this chapter.

Sec. 2. (a) The interim study committee on road impact fees is established.

(b) The committee shall, during the legislative interim in 2013, study issues concerning the imposition of road impact fees on users of any motor vehicle commonly referred to as a "plug in", "plug in hybrid", or "hybrid" vehicle, including the following:

(1) The amount of the fee and whether it should be based on gross vehicle weight, including the treatment of motor vehicles that are base registered in Indiana under the terms of the International Registration Plan.

(2) The collection of the fee.

(3) The use of the fee revenue.

(4) Any other related issue assigned to the committee by the

legislative council or as directed by the chairperson of the committee.

(c) Before November 1, 2013, the committee shall report its findings and recommendations to the legislative council in an electronic format under IC 5-14-6.

Sec. 3. Except as otherwise provided in this chapter, the committee shall operate under the policies governing study committees adopted by the legislative council.

Sec. 4. (a) The committee consists of eight (8) members of the general assembly appointed as follows:

(1) Two (2) members of the senate appointed by the president pro tempore.

(2) Two (2) members of the senate appointed by the minority leader of the senate.

(3) Two (2) members of the house of representatives appointed by the speaker.

(4) Two (2) members of the house of representatives appointed by the minority leader of the house of representatives.

(b) The chairperson of the legislative council shall, before August 1, 2013, appoint a member of the committee to serve as the chairperson of the committee.

Sec. 5. Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative members of interim study committees established by the legislative council.

Sec. 6. The affirmative votes of a majority of the members appointed to the committee are required for the committee to take action on any measure, including final reports.

Sec. 7. This chapter expires January 1, 2014.

SECTION 2. IC 4-4-32.2-5, AS ADDED BY P.L.151-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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(i).**

(b) The term includes alternative fuel.

SECTION 3. 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:

(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 4. IC 6-2.5-5-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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) Except as provided in subsection (c), 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.

(c) Subsection (b) does not apply to transactions involving alternative fuel purchased by a public transportation corporation to fuel a motor vehicle used to provide public transportation for persons.

SECTION 5. IC 6-2.5-7-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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 "EXEMPT TRUCKS ONLY".

SECTION 6. IC 6-3.1-34.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]:

Chapter 34.6. 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);

(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) fifteen thousand dollars ($15,000).

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 fifty thousand dollars ($150,000).

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

(1) Three million dollars ($3,000,000) per year; or

(2) the revenue, as estimated by the budget agency, that is attributable to the imposition of the gross retail and use tax on transactions involving alternative fuel (as defined by IC 6-6-2.5-1) to fuel a motor vehicle used in providing public transportation for persons or property as a result of IC 6-2.5-5-27(b) for the year the credit is claimed.

In addition, the tax credits granted for all years to all persons under this chapter may not exceed three (3) times the per year amount under subdivision (1) or (2), whichever applies for a particular year.

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, 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 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 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 year.

(c) If the total credits granted under this section equal the maximum amount allowable in the year, a return claiming the credit filed later in that 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 7. IC 6-6-2.1 IS REPEALED [EFFECTIVE JANUARY 1, 2014]. (Special Fuel Tax).

SECTION 8. IC 6-6-2.5-1, AS AMENDED BY P.L.122-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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 9. IC 6-6-2.5-22, AS AMENDED BY P.L.122-2006, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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 10. IC 6-6-2.5-28, AS AMENDED BY P.L.33-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 28. (a) A license tax of sixteen cents ($0.16) per:

(1) gallon;

(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or

(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas or a fuel commonly or commercially known or sold as butane or propane;

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 fuel by subsection (a) shall be measured by invoiced gallons **(or diesel or gasoline gallon equivalents in the case of a special fuel described in subsection (a)(2) or (a)(3))** 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 subsection.

SECTION 11. IC 6-6-4.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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) "Diesel gallon equivalent" means the amount of an alternative fuel that produces the same number of British thermal units of energy as a gallon of diesel fuel.

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

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

~~(j)~~ **(l)** "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.

(m) "Alternative fuel" has the meaning set forth in IC 6-6-2.5-1.

(n) "Special fuel" has the meaning set forth in IC 6-6-2.5-22.

SECTION 12. IC 6-6-4.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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 (other than a special fuel that is an alternative 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 either of the following:

(A) The same rate per diesel gallon equivalent as the rate per gallon at which special fuel is taxed under IC 6-6-2.5, in the case of liquid natural gas.

(B) The same rate per gasoline gallon equivalent at which special fuel is taxed under IC 6-6-2.5, in the case of compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

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 13. IC 6-6-4.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: 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 eleven cents ($0.11) per:

(1) gallon **of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as butane or propane);**

(2) diesel gallon equivalent of a special fuel that is liquid natural gas; or

(3) gasoline gallon equivalent of a special fuel that is compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

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 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 14. IC 6-6-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]:

Chapter 12. Road Tax Credit

Sec. 1. This chapter applies to a carrier that is taxed on the consumption of motor fuel under IC 6-6-4.1.

Sec. 2. This chapter applies to road taxes paid after December 31, 2013.

Sec. 3. As used in this chapter, "carrier" has the meaning set forth in IC 6-6-4.1-1(a).

Sec. 4. As used in this chapter, "road tax" means any of the following:

(1) The gasoline tax (IC 6-6-1.1).

(2) The special fuel tax (IC 6-6-2.5).

(3) The motor carrier fuel tax (IC 6-6-4.1).

Sec. 5. A carrier that consumes compressed natural gas to propel a vehicle described in IC 6-6-4.1-2(a) may claim a credit against the road taxes imposed upon the carrier's consumption of compressed natural gas in the previous state fiscal year.

Sec. 6. The amount of a credit allowed under this chapter is equal to twelve percent (12%) of the road taxes imposed upon the carrier's consumption of compressed natural gas in the previous state fiscal year.

Sec. 7. A carrier must claim the credit on a form and in the manner prescribed by the department of state revenue.

Sec. 8. A credit allowed under this chapter is refundable. Credits refunded under this section are payable from the motor vehicle highway account established under IC 8-14-1.

Sec. 9. A person who knowingly makes a false statement or knowingly presents a fraudulent receipt for the payment of a road tax for the purpose of:

(1) obtaining;

(2) attempting to obtain; or

(3) assisting any other person to obtain or attempt to obtain; a credit under this chapter commits a Class C infraction.

SECTION 15. IC 6-8.1-1-1, AS AMENDED BY P.L.182-2009(ss), SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); ~~the alternative fuel permit fee (IC 6-6-2.1);~~ the special fuel tax (IC 6-6-2.5); the motor

carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the regional transportation improvement income tax (IC 8-24-17); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 16. 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 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.

SECTION 17. [EFFECTIVE JULY 1, 2013] **(a) IC 6-6-2.5 and IC 6-6-4.1, both as amended by this act, and IC 6-6-12, as added by this act, apply after December 31, 2013.**

(b) This SECTION expires July 1, 2014.

(Reference is to EHB 1324 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed House Bill 1324

Signed by:

Representative Frye R Chairperson	Senator Eckerty
Representative Moseley	Senator Skinner
House Conferees	**Senate Conferees**