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# HOUSE BILL No. 1434

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-6-5-7.2.

**Synopsis:** Motor vehicle excise tax. Changes the calculation of tax reductions, credits, and refunds relating to the acquisition, trade, sale, or loss of a vehicle or a change in the owner's name that changes the owner's annual registration date. Requires the calculations to reference the days elapsed in a registration year rather than months. Applies the new methodology to the computation of certain credits and adjustments to the county motor vehicle excise surtax.

**Effective:** January 1, 2014.

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January 22, 2013, read first time and referred to Committee on Roads and Transportation.

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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. 1434



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 6-6-5-7.2, AS AMENDED BY P.L.3-2008,  
 2 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2014]: Sec. 7.2. (a) This section applies after December  
 4 31, 2007.

5 (b) In respect to a vehicle that has been acquired, or brought into the  
 6 state, or for any other reason becomes subject to registration after the  
 7 regular annual registration date in the year on or before which the  
 8 owner of the vehicle is required, under the motor vehicle registration  
 9 laws of Indiana, to register vehicles, the tax imposed by this chapter  
 10 shall become due and payable at the time the vehicle is acquired,  
 11 brought into the state, or otherwise becomes subject to registration, and  
 12 the amount of tax to be paid by the owner for the remainder of the year  
 13 shall be reduced by ~~eight and thirty-three~~ **twenty-seven** hundredths  
 14 percent (~~8.33%~~) **(0.27%)** for each ~~full calendar month~~ **day** that has  
 15 elapsed since the regular annual registration date in the year fixed by  
 16 the motor vehicle registration laws for annual registration by the owner.  
 17 The tax shall be paid at the time of the registration of the vehicle.



1 (c) In the case of a vehicle that is acquired, or brought into the state,  
 2 or for any other reason becomes subject to registration after January 1  
 3 of any year, then the owner may pay the applicable registration fee on  
 4 the vehicle as provided in the motor vehicle registration laws and any  
 5 excise tax due on the vehicle for the remainder of the annual  
 6 registration year and simultaneously register the vehicle and pay the  
 7 applicable registration fee and the excise tax due for the next  
 8 succeeding annual registration year.

9 (d) Except as provided in subsection (g), no reduction in the  
 10 applicable annual excise tax will be allowed to an Indiana resident  
 11 applicant upon registration of any vehicle that was owned by the  
 12 applicant on or prior to the registrant's annual registration period. A  
 13 vehicle owned by an Indiana resident applicant that was located in and  
 14 registered for use in another state during the same calendar year shall  
 15 be entitled to the same reduction when registered in Indiana.

16 (e) The owner of a vehicle who sells the vehicle in a year in which  
 17 the owner has paid the tax imposed by this chapter shall receive a  
 18 credit equal to the remainder of:

19 (1) the tax paid for the vehicle; reduced by

20 (2) ~~eight and thirty-three~~ **twenty-seven** hundredths percent  
 21 ~~(8.33%)~~ **(0.27%)** for each ~~full or partial calendar month~~ **day** that  
 22 has elapsed in the registrant's annual registration year before the  
 23 date of the sale.

24 The credit shall be applied to the tax due on any other vehicle  
 25 purchased or subsequently registered by the owner in the same  
 26 registrant's annual registration year. If the credit is not fully used and  
 27 the amount of the credit remaining is at least four dollars (\$4), the  
 28 owner is entitled to a refund in the amount of the unused credit. The  
 29 owner must pay a fee of three dollars (\$3) to the bureau to cover costs  
 30 of providing the refund, which may be deducted from the refund. The  
 31 bureau shall issue the refund. The bureau shall transfer to the bureau  
 32 of motor vehicles commission three dollars (\$3) of the fee to cover the  
 33 commission's costs in processing the refund. To claim the credit and  
 34 refund provided by this subsection, the owner of the vehicle must  
 35 present to the bureau proof of sale of the vehicle.

36 (f) Subject to the requirements of subsection (h), the owner of a  
 37 vehicle that is destroyed in a year in which the owner has paid the tax  
 38 imposed by this chapter, which vehicle is not replaced by a  
 39 replacement vehicle for which a credit is issued under this section,  
 40 shall receive a refund in an amount equal to ~~eight and thirty-three~~  
 41 **twenty-seven** hundredths percent ~~(8.33%)~~ **(0.27%)** of the tax paid for  
 42 each ~~full calendar month~~ **day** remaining in the registrant's annual

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1 registration year after the date of destruction, but only upon  
2 presentation or return to the bureau of the following:

- 3 (1) A request for refund on a form furnished by the bureau.  
4 (2) A statement of proof of destruction on an affidavit furnished  
5 by the bureau.  
6 (3) The license plate from the vehicle.  
7 (4) The registration from the vehicle.

8 However, the refund may not exceed ninety percent (90%) of the tax  
9 paid on the destroyed vehicle. The amount shall be refunded by a  
10 warrant issued by the auditor of the county that received the excise tax  
11 revenue and shall be paid out of the special account created for  
12 settlement of the excise tax collections under IC 6-6-5-10. For purposes  
13 of this subsection, a vehicle is considered destroyed if the cost of repair  
14 of damages suffered by the vehicle exceeds the vehicle's fair market  
15 value.

16 (g) If the name of the owner of a vehicle is legally changed and the  
17 change has caused a change in the owner's annual registration date, the  
18 excise tax liability of the owner shall be adjusted as follows:

19 (1) If the name change requires the owner to register sooner than  
20 the owner would have been required to register if there had been  
21 no name change, the owner shall, at the time the name change is  
22 reported, be authorized a refund from the county treasurer in the  
23 amount of the product of:

24 (A) ~~eight and thirty-three~~ **twenty-seven** hundredths percent  
25 ~~(8.33%)~~ **(0.27%)** of the owner's last preceding annual excise  
26 tax liability; and

27 (B) the number of ~~full calendar months~~ **days** between the  
28 owner's new regular annual registration ~~month date~~ and the  
29 next succeeding regular annual registration ~~month date~~ that is  
30 based on the owner's former name.

31 (2) If the name change required the owner to register later than  
32 the owner would have been required to register if there had been  
33 no name change, the vehicle shall be subject to excise tax for the  
34 period between the ~~month in~~ **annual registration date on** which  
35 the owner would have been required to register if there had been  
36 no name change and the new regular annual registration ~~month~~  
37 **date** in the amount of the product of:

38 (A) ~~eight and thirty-three~~ **twenty-seven** hundredths percent  
39 ~~(8.33%)~~ **(0.27%)** of the owner's excise tax liability computed  
40 as of the time the owner would have been required to register  
41 if there had been no name change; and

42 (B) the number of ~~full calendar months~~ **days** between the

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1           ~~month in annual registration date on~~ which the owner would  
2           have been required to register if there had been no name  
3           change and the owner's new regular annual registration ~~month-~~  
4           **date.**  
5           (h) In order to claim a credit under subsection (f) for a vehicle that  
6           is destroyed, the owner of the vehicle must present to the bureau of  
7           motor vehicles a valid registration for the vehicle within ninety (90)  
8           days of the date that it was destroyed. The bureau shall then fix the  
9           amount of the credit that the owner is entitled to receive.  
10          SECTION 2. [EFFECTIVE JANUARY 1, 2014] **(a) IC 6-6-5-7.2,**  
11          **as amended by this act, applies to transactions occurring after**  
12          **December 31, 2013.**  
13          **(b) This SECTION expires July 1, 2014.**

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