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**DEPARTMENT OF STATE REVENUE**  
**Departmental Notice #27**  
**May 2008**  
**Effective Date: July 1, 2008**  
**Sales Tax Collection Allowance Reduced for Retailers**

This document does not meet the definition of a "statement" required to be published in the Indiana Register under [IC 4-22-2-7](#). The purpose of this notice is to provide general information concerning the reduction in the sales tax collection allowance for certain retailers.

HEA 1001-2008 SECTION 313 amends [IC 6-2.5-6-10](#) to reduce the collection allowance for retailers effective for reporting periods beginning after June 30, 2008. The first payment that would reflect the reduced collection allowance will be due on August 20, 2008.

Retail merchants that had less than \$60,000 in sales tax liability for the period from July 1, 2006 through June 30, 2007, will have the collection allowance reduced from 0.83 percent to 0.73 percent for reporting periods beginning July 1, 2008 through December 31, 2008.

The amendment also provides that if a retailer's cumulative sales tax liability exceeded \$60,000 but was less than \$600,000 for the reporting periods from July 1, 2006 through June 30, 2007, the collection allowance for each reporting period from July 1, 2008 through December 31, 2008 is reduced from 0.6 percent to 0.53 percent.

If a retailer's cumulative sales tax liability exceeded \$600,000 for the reporting periods from July 1, 2006 through June 30, 2007, the collection allowance for each reporting period from July 1, 2008 through December 31, 2008 is reduced from 0.3 percent to 0.26 percent.

Retail merchants that use a four-week reporting period will calculate the collection allowance based on reporting periods beginning after July 1, 2006 through the period ending on or after June 30, 2007. The reduced collection allowance will be calculated for reporting periods beginning after June 30, 2008.

The collection allowance for the 2009 calendar year will be based on the total sales tax liability accrued for the period from July 1, 2007 through June 30, 2008. The retail merchant's coupons for the reporting periods beginning after June 30, 2008 will reflect the correct collection allowance as will sales tax and related online vouchers used by retail merchants who report and remit through INtax.

If you have any questions concerning these changes, please contact the Taxpayer Administration Division at (317) 233-4015.

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John Eckart  
Commissioner

*Posted: 05/28/2008 by Legislative Services Agency*  
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