

#### **IC 6-8.1-4**

##### Chapter 4. Divisions of the Department

#### **IC 6-8.1-4-1**

##### **Establishment of division; division of audit; duties**

Sec. 1. (a) The commissioner may establish within the department various divisions to assist in the administration and collection of the listed taxes.

(b) Subject to the discretion of the commissioner as set forth in subsection (c), the commissioner shall establish within the department a division of audit, which shall:

- (1) upon the commissioner's request, conduct studies of the department's operations and recommend whatever changes seem advisable;
- (2) annually audit a statistical sampling of the returns filed for the listed taxes that are not administered by the special tax division;
- (3) review such federal tax returns and other data as may be helpful in performing the audit function;
- (4) furnish the commissioner, at the commissioner's request, with information showing the treatment that the Indiana tax statutes are given by the taxpayers and by the taxing officials and with other requested information; and
- (5) conduct audits requested by the commissioner or the commissioner's designee.

(c) Notwithstanding the requirements set forth in this chapter regarding the establishment and duties of divisions within the department, if the commissioner finds that a transfer of duties or functions will increase the efficiency of the department, the commissioner may transfer any duties or functions from one (1) division to another division within the department.

*As added by Acts 1980, P.L.61, SEC.1. Amended by P.L.72-1988, SEC.1; P.L.27-1992, SEC.3.*

#### **IC 6-8.1-4-1.5**

##### **Repealed**

*(Repealed by P.L.1-1990, SEC.84.)*

#### **IC 6-8.1-4-1.6**

##### **Special tax division; duties**

Sec. 1.6. Subject to the discretion of the commissioner as set forth in section 1 of this chapter, the commissioner shall establish within the department a special tax division. The division shall do the following:

- (1) Administer and enforce the following:
  - (A) Gasoline tax (IC 6-6-1.1).
  - (B) Special fuel tax (IC 6-6-2.5).
  - (C) Motor carrier fuel tax (IC 6-6-4.1).
  - (D) Hazardous waste disposal tax (IC 6-6-6.6).
  - (E) Cigarette tax (IC 6-7-1).

- (F) Tobacco products tax (IC 6-7-2).
  - (G) Alcoholic beverage tax (IC 7.1-4).
  - (H) Petroleum severance tax (IC 6-8-1).
  - (I) Any other tax the commissioner designates.
- (2) Upon the commissioner's request, conduct studies of the department's operations and recommend whatever changes seem advisable.
  - (3) Annually audit a statistical sampling of the returns filed for the taxes administered by the division.
  - (4) Annually audit a statistical sampling of registrants with the bureau of motor vehicles, international registration plan division.
  - (5) Review federal tax returns and other data that may be helpful in performing the division's function.
  - (6) Furnish, at the commissioner's request, information that the commissioner requires.
  - (7) Conduct audits requested by the commissioner or the commissioner's designee.
  - (8) Administer the statutes providing for motor carrier regulation (IC 8-2.1).

*As added by P.L.1-1990, SEC.85. Amended by P.L.27-1992, SEC.4; P.L.277-1993(ss), SEC.51; P.L.192-2002(ss), SEC.142.*

#### **IC 6-8.1-4-2**

##### **Audit and special tax divisions; powers and duties**

Sec. 2. (a) The division of audit may:

- (1) have full prompt access to all local and state official records;
- (2) have access, through the data processing offices of the various state agencies, to information from government and private sources that is useful in performing its functions;
- (3) inspect any books, records, or property of any taxpayer which is relevant to the determination of the taxpayer's tax liabilities;
- (4) detect and correct mathematical errors on taxpayer returns;
- (5) detect and correct tax evasion; and
- (6) employ the use of such devices and techniques as may be necessary to improve audit practices.

(b) Subject to the discretion of the commissioner as set forth in section 1 of this chapter, the special tax division shall do the following:

- (1) Develop and maintain a staff to perform the audit function necessary to monitor and enforce the taxes administered by the division.
- (2) Develop and maintain a staff to perform the audit function necessary to monitor and enforce the International Registration Plan authorized under IC 9-28-4-6.
- (3) Develop and maintain a staff to perform the administrative function of the division.

(c) The special tax division may do the following:

- (1) Have full prompt access to all local and state official records.
- (2) Have access, through the data processing offices of the various state agencies, to information from government and private sources that is useful in performing its functions.
- (3) Inspect any books, records, or property of any taxpayer that is relevant to the determination of the taxpayer's tax liabilities.
- (4) Detect and correct mathematical errors on taxpayer returns.
- (5) Detect and correct tax evasion.
- (6) Employ the use of the devices and techniques that are necessary to improve audit practices.

*As added by Acts 1980, P.L.61, SEC.1. Amended by P.L.72-1988, SEC.3; P.L.2-1991, SEC.53; P.L.27-1992, SEC.5; P.L.61-1996, SEC.8.*

### **IC 6-8.1-4-3**

#### **Personnel of divisions; competitive examination; administration of divisions; political affiliations and activities**

Sec. 3. (a) The requirements of this section are subject to the discretion of the commissioner as set forth in section 1 of this chapter.

(b) The commissioner shall assign an adequate number of personnel to the divisions created by this chapter to perform their required functions. All auditors and tax examiners who are assigned to these divisions must have passed an open, competitive, and practical examination which tests their fitness for and knowledge of the area in which they will be working. The department shall give the examinations at stated periods during the year after making announcements of the examinations through the news media. In addition, the commissioner, to the best of the commissioner's ability, and without impairing the quality of the divisions' staff, must assign the personnel so that no more than one-half (1/2) of the personnel are members of the same political party.

(c) The commissioner shall appoint a separate administrator and a deputy administrator to administer the operation of the division of audit. The administrator and the deputy administrator must have different political affiliations. However, the administrator and deputy administrator of the division of audit must each have at least five (5) years of audit experience and must each have met the examination qualifications required of all division of audit employees.

(d) This subsection applies to the division of audit. The commissioner shall divide the state into not more than twelve (12) audit districts. The commissioner may appoint district managers to manage one (1) or more of those audit districts. Each district manager must be proficient in auditing the various listed taxes, must have at least five (5) years of audit experience, and must have met the examination qualifications required of all division of audit employees.

(e) The commissioner shall appoint an administrator and two (2) deputy administrators to administer the operation of the special tax

division. The two (2) deputy administrators must have different political affiliations. The administrator of the special tax division shall assign and supervise staff to perform the division's audit function in each of the districts prescribed by subsection (d).

(f) The commissioner may appoint persons from the division of audit or the special tax division to the position of senior field auditor when those persons have demonstrated a proficiency in auditing the various taxes administered by their respective division. Senior field auditors shall be primarily responsible for audits done on a statewide basis or for audits done out of the state and shall also perform such other duties as the commissioner requests. Before a person may be appointed as a senior field auditor, the person must either:

- (1) have at least five (5) years of audit experience in the division;
- (2) be a certified public accountant; or
- (3) have performed duties similar to those of a senior field auditor for the federal government or another state for a period of at least ten (10) years.

The state personnel department shall establish and the budget agency shall approve an adequate number of senior field auditor positions to perform the functions required under this subsection.

(g) No employee of the divisions created by this chapter may be required to perform any political activity as a condition for getting or keeping the employee's position or as a condition for receiving promotions or salary increases.

(h) The commissioner and the budget agency shall set the compensation for the staff provided by this chapter.

*As added by Acts 1980, P.L.61, SEC.1. Amended by P.L.72-1988, SEC.4; P.L.3-1989, SEC.42; P.L.27-1992, SEC.6.*

#### **IC 6-8.1-4-4**

##### **Commercial motor vehicle owners registration center**

Sec. 4. (a) The department shall establish a registration center to service owners of commercial motor vehicles.

(b) The registration center is under the supervision of the department through the motor carrier services division.

(c) An owner or operator of a commercial motor vehicle may apply to the registration center for the following:

- (1) Vehicle registration (IC 9-18).
- (2) Motor carrier fuel tax annual permit.
- (3) Proportional use credit certificate (IC 6-6-4.1-4.7).
- (4) Certificate of operating authority.
- (5) Oversize vehicle permit (IC 9-20-3).
- (6) Overweight vehicle permit (IC 9-20-4).
- (7) Payment of the commercial vehicle excise tax imposed under IC 6-6-5.5.

(d) The commissioner may deny an application described in subsection (c) if the applicant fails to do any of the following with respect to a listed tax:

- (1) File all tax returns or information reports.

(2) Pay all taxes, penalties, and interest.

(e) The commissioner may suspend or revoke any registration, permit, certificate, or authority if the person to whom the registration, permit, certificate, or authority is issued fails to do any of the following with respect to a listed tax:

(1) File all tax returns or information reports.

(2) Pay all taxes, penalties, and interest.

(f) Funding for the development and operation of the registration center shall be taken from the motor carrier regulation fund (IC 8-2.1-23-1).

(g) The department shall recommend to the general assembly other functions that the registration center may perform.

*As added by P.L. 72-1988, SEC. 5. Amended by P.L. 2-1991, SEC. 54; P.L. 61-1996, SEC. 9; P.L. 119-1998, SEC. 16; P.L. 181-1999, SEC. 5; P.L. 222-1999, SEC. 7; P.L. 176-2006, SEC. 6.*