



Legislative Synopsis

2022



Revised October 2022

Introduction

The Legislative Synopsis contains a list of legislation passed by the 2022 Indiana General Assembly affecting the Indiana Department of Revenue (DOR).

DOR's synopsis has been divided into two parts with each presenting the same information but organized differently. The first part is organized by tax type and the second by bill number.

For each legislative change, the synopsis includes the heading (the relevant tax type in the first part; the Enrolled Act number in the second part), short Summary, Effective Date, affected Indiana Code cites and section of the bill where the language appears.

Finding Indiana Code and Legislation Online

To find laws contained in Indiana Code, acquire more information about recently passed legislation or to read the bills in their entirety, visit the [Indiana General Assembly's website](#).

Indiana Code is arranged by Title, Article, Chapter and Section. Follow the steps below to find information contained in Indiana Code on the Indiana General Assembly's website:

1. At the top of the webpage, click "Laws" and then click "Indiana Code." Every Title of the Indiana Code appears on this page.
2. Click the Title you want to review.
3. Next, choose the Article you want to review. All the Chapters in the Article are listed on the left side of the page.
4. Click the Chapter you want to review. All Sections of the Chapter will appear, including the Section of the Indiana Code you want to examine.

To view the bill containing the specific language, follow these steps:

1. Click the "Legislation" link on the top of the Indiana General Assembly's webpage.
2. From there, click "Bills" and scroll to the bill number you want. Bills which failed to pass will be displayed in a gray font.
3. When you find the bill, click "Latest Version" to pull up the most recent version of the bill which, if passed, will be titled as an Enrolled Act.
4. Click "Download" to open a PDF of the bill to find the relevant piece of legislation by looking for its SECTION number.

Disclaimer

Legislative synopses are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate Enrolled Acts. Any information or guidance not consistent with the appropriate Enrolled Acts is not binding on the department. The information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7.

Table of Contents

Introduction.....	1
Finding Indiana Code and Legislation Online	1
Part I: Legislation by Tax Type.....	3
Use of Excess Reserves (IC 4-10)	3
Indiana GIS Mapping Standards (IC 4-23)	3
Taxation and Distribution of Pari-Mutuel Revenues (IC 4-31).....	4
Wagering Taxes (IC 4-33).....	4
Gambling Games at Racetracks (IC 4-35).....	5
Public Purchasing (IC 5-22).....	5
Indiana Economic Development Corporation (IC 5-28)	5
Utility Receipts Tax/Utility Services Use Tax (IC 6-2.3).....	6
Sales & Use Tax (IC 6-2.5)	6
State Income Taxes (IC 6-3).....	10
Department of State Revenue Tax Administration (IC 6-8.1)	28
Innkeeper’s Taxes; Other Local Taxes (IC 6-9).....	29
Alcohol & Tobacco Taxes and Administration (IC 7.1)	30
Motor Carrier Regulation (IC 8-2.1).....	30
Certificates of Title (IC 9-17).....	31
Public Safety (IC 10-13).....	31
Local Government Planning and Development (IC 36-7).....	31
Miscellaneous and Non-Code Provisions	34
Part II: Legislation by Enrolled Act Number	35
SEA 1.....	35
SEA 37	35
SEA 74	35
SEA 166.....	35
SEA 361.....	36
SEA 382.....	43
HEA 1002	62
HEA 1045	63
HEA 1167	63
HEA 1246	64
HEA 1251	64
HEA 1299	64
HEA 1303	65
SEA 2(ss).....	65

Part I: Legislation by Tax Type

Use of Excess Reserves (IC 4-10)

Summary: Modifies the standing distribution allocation for a determination of excess reserves made in calendar year 2023. For a determination of excess reserves made in 2023, the first \$1 billion of excess reserves is transferred to the Indiana state teachers' pension stabilization fund. Any excess reserves beyond \$1 billion are to be distributed as an automatic taxpayer refund.

Effective Date: Upon passage

Code: IC 4-10-22-3

Enrolled Act: SEA 2(ss), Section 1

Summary: Provides that in order to qualify for the automatic taxpayer refund, a taxpayer must have filed a Tax Year 2020 Indiana resident individual adjusted gross income tax return no later than December 31, 2021. Eliminates the requirement that in order to qualify for the automatic taxpayer refund, a taxpayer must have adjusted gross income tax liability for Tax Year 2021. Establishes that the automatic taxpayer refund is subject to offset against outstanding Indiana tax liability, liability to other enumerated state and local entities, and federal tax liability.

Effective Date: Upon passage

Code: IC 4-10-22-4

Enrolled Act: SEA 1, Section 1

Summary: Establishes an additional \$200 automatic taxpayer refund to be distributed in 2022. Provides that any taxpayer eligible for the original \$125 automatic taxpayer refund is eligible to receive the additional \$200 automatic taxpayer refund. In addition, a taxpayer not eligible for the original \$125 automatic taxpayer refund may receive the \$200 automatic taxpayer refund if they meet all of the following requirements: the taxpayer was not claimed as a dependent of any other taxpayer for taxable year 2022; the taxpayer received Social Security benefits in calendar year 2022; and the taxpayer files, before January 1, 2024, an Indiana resident individual adjusted gross income tax return for the 2022 taxable year.

Authorizes the department to require a taxpayer to provide any other information the department deems necessary to verify a taxpayer's eligibility for the additional \$200 automatic taxpayer refund.

Effective Date: Upon passage

Code: IC 4-10-22-4.5

Enrolled Act: SEA 2(ss), Section 2

Indiana GIS Mapping Standards (IC 4-23)

Summary: Appropriates money to the Indiana mapping data and standards fund to be used for: the implementation of the geographic information system (GIS) for the state and local income taxes, as well as listed taxes, administrated by the department of state revenue; and the purposes of the Indiana Geographic Information Office.

Effective Date: Upon passage

Code: IC 4-23-7.3-19

Enrolled Act: SEA 382, Section 1

Summary: Directs that before July 1, 2023, the budget agency shall transfer \$7.1 million from the state general fund to the Indiana mapping standards fund to be used for: the implementation of the GIS for the state and local income taxes, as well as listed taxes, administrated by the department of state revenue; and the purposes of the Indiana Geographic Information Office.

Directs the budget agency to identify and create a report on the current GIS-related contract costs for all state agencies that could be eliminated in order to offset the required future state appropriations needed to fund the Indiana Geographic Information Office. The report shall be submitted to the interim study committee on fiscal policy before November 1, 2022.

Effective Date: Upon passage

Code: IC 4-23-7.3-23

Enrolled Act: SEA 382, Section 2

Taxation and Distribution of Pari-Mutuel Revenues (IC 4-31)

Summary: Requires the pari-mutuel wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-31-9-3

Enrolled Act: SEA 382, Section 3

Summary: Requires the pari-mutuel wagering breakage tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-31-9-10

Enrolled Act: SEA 382, Section 4

Wagering Taxes (IC 4-33)

Summary: Requires the supplemental riverboat wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-33-12-4

Enrolled Act: SEA 382, Section 5

Summary: Requires the riverboat wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-33-13-1.5

Enrolled Act: SEA 382, Section 6

Gambling Games at Racetracks (IC 4-35)

Summary: Requires the slot machine wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-35-8-1

Enrolled Act: SEA 382, Section 8

Summary: Requires the sports wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-35-10-5

Enrolled Act: SEA 382, Section 10

Public Purchasing (IC 5-22)

Summary: Requires any state agency that purchases goods, supplies, or services for the state to report by October 1 of each year to the budget committee the amount of Indiana business and Indiana small business preferences granted in the agency's procurement of goods, supplies, or services for the state.

Effective Date: July 1, 2022

Code: IC 5-22-14-12

Enrolled Act: SEA 74, Section 2

Indiana Economic Development Corporation (IC 5-28)

Summary: Defines "applicable tax credit" for purposes of the limit on the aggregate amount of applicable tax credits that the corporation may award for a state fiscal year to include the following credits: economic development for a growing economy (EDGE); community revitalization enhancement district (CRED); Hoosier business investment (HBI); headquarters relocation; redevelopment; and film and media production.

Effective Date: July 1, 2022

Code: IC 5-28-2-1.5

Enrolled Act: SEA 361, Section 2

Summary: Limits the aggregate amount of applicable tax credits that the Indiana Economic Development Corporation may award for a state fiscal year for all taxpayers to \$300 million. Requires that a credit be treated as awarded on the first day on which the credit can be claimed. Requires that certain credits awarded before July 1, 2022, be treated as being awarded for taxable years after June 30, 2022. Requires that an accelerated HBI credit be treated at the undiscounted value.

Effective Date: July 1, 2022

Code: IC 5-28-6-9

Enrolled Act: SEA 361, Section 3

Utility Receipts Tax/Utility Services Use Tax (IC 6-2.3)

Summary: Repeals the utility receipts tax and the utility services use tax.

Effective Date: July 1, 2022

Code: IC 6-2.3

Enrolled Act: HEA 1002, Section 3

Sales & Use Tax (IC 6-2.5)

Summary: Removes reference to IC 6-2.5-4-2, as that subsection is repealed as part of Section 29 later in the bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-1-2

Enrolled Act: SEA 382, Section 13

Summary: Defines "Children's diapers" to mean disposable or reusable diapers marketed to be worn by children.

Effective Date: Upon passage

Code: IC 6-2.5-1-12.5

Enrolled Act: SEA 2(ss), Section 4

Summary: Defines "Diaper" to mean an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements.

Effective Date: Upon passage

Code: IC 6-2.5-1-15.7

Enrolled Act: SEA 2(ss), Section 5

Summary: Defines, for purposes of sales and use tax, "power subsidiary" to mean a corporation which is owned or controlled by one or more public utilities that furnish or sell electrical energy, natural or artificial gas, water, steam, or steam heat and which produces power exclusively for the use of those public utilities.

Effective Date: July 1, 2022

Code: IC 6-2.5-1-22.5

Enrolled Act: SEA 382, Section 14

Summary: Defines, for purposes of sales and use tax, "public utility" to mean any organization of any kind or nature that: sells electricity, gas, or water for consumption; and has the right of eminent domain or is otherwise subject to governmental regulation in any phase of its operation.

Effective Date: July 1, 2022

Code: IC 6-2.5-1-25.5

Enrolled Act: SEA 382, Section 15

Summary: Removes reference to IC 6-2.5-5-24(b), as that subsection is repealed as part of Section 29 later in the bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-3-4

Enrolled Act: SEA 382, Section 16

Summary: Limits the gasoline use tax rate to no more than 29.5 cents per gallon through June 2023.

Effective Date: Upon passage

Code: IC 6-2.5-3.5-15

Enrolled Act: SEA 2(ss), Section 6

Summary: Removes reference to IC 6-2.5-4-2 and adds language from IC 6-2.5-4-2 (repealed in Section 18 of this bill) regarding industrial processing.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-1

Enrolled Act: SEA 382, Section 17

Summary: Repeals IC 6-2.5-4-2, which detailed how a person making wholesale sales was a retail merchant. This language was a remnant of the gross income tax and no longer relevant.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-2

Enrolled Act: SEA 382, Section 18

Summary: Removes every subsection from IC 6-2.5-4-5 except for the specific imposition of sales tax on utility services in subsection (b). The subsections are inserted into new statutes or existing statutes in Sections 14, 15, 19, 21, and 24 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-5

Enrolled Act: SEA 382, Section 19

Summary: Clarifies that a marketplace facilitator is considered the retail merchant of each retail transaction that is facilitated for sellers on its marketplace, regardless as to whether the marketplace facilitator has a contractual relationship with the seller, when it does any of the following: on behalf of the seller: collects the sales price or purchase price of the seller's products; provides access to payment processing services, either directly or indirectly; or charges, collects, or otherwise receives fees or other consideration from the purchaser for transactions made on its electronic marketplace.

Effective Date: July 1, 2022

Code: IC 6-2.5-4-18

Enrolled Act: SEA 382, Section 20

Summary: Adds a new subsection (e) which allows for a predominate use exemption when more than 50% of the utilities sold through a single meter qualify for exemption under this section. The predominate use exception was deleted from IC 6-2.5-4-5 pursuant to Section 19 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-5.1

Enrolled Act: SEA 382, Section 21

Summary: Deletes subsections (c) through (i), which address aircraft leasing. These subsections are made into a new statute as part of Section 23 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8

Enrolled Act: SEA 382, Section 22

Summary: Creates a new statute that contains revised versions of the subsections of IC 6-2.5-5-8 deleted by Section 23. The revisions clarify that an aircraft lessor does not owe any additional sales or use tax when they sell an aircraft if the leasing of the aircraft complied with the gross lease revenue requirements of this statute or all periods prior to the sale.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8.2

Enrolled Act: SEA 382, Section 23

Summary: Creates a new statute that exempts transactions involving the provision, installation, construction, servicing, or removal of tangible personal property in connection with the provision of utility services. Exempts sales of utility services between persons described in IC 6-2.5-4-5 and IC 6-2.5-4-6. Exempts qualified sales of utility services to qualified businesses located in a qualified military base enhancement area. The language for these exemptions were found in some of the subsections from IC 6-2.5-4-5 that were deleted pursuant to Section 19 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8.5

Enrolled Act: SEA 382, Section 24

Summary: Removes reference to power subsidiary definition in IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-10

Enrolled Act: SEA 382, Section 25

Summary: Removes reference to power subsidiary definition in IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-10.5

Enrolled Act: SEA 382, Section 26

Summary: Removes the list of nonprofit organizations, which has been moved to IC 6-2.5-5-25 in Section 30 of this bill. The procedure for such organizations to register with the department has been removed as well, which has also been moved to IC 6-2.5-5-25 in Section 30 of this bill. References to the list in IC 6-2.5-5-25 are inserted in their place.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-21

Enrolled Act: SEA 382, Section 27

Summary: Removes unnecessary reference to a date. Replaces reference to the list of nonprofits in IC 6-2.5-5-21 with reference to new list in IC 6-2.5-5-25.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-22

Enrolled Act: SEA 382, Section 28

Summary: Deletes subsection (b), which was a remnant of the gross income tax and no longer relevant.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-24

Enrolled Act: SEA 382, Section 29

Summary: Incorporates the list of nonprofit organizations that had previously been in IC 6-2.5-5-21, which was removed in Section 27. Removes the word "primarily" from the requirement that the tangible personal property purchased be used to carry on or raise money to carry on a not-for-profit purpose. Replaces reference to the list of nonprofits in IC 6-2.5-5-21 with reference to new list in IC 6-2.5-5-25.

Adds the requirement that a nonprofit file an application for exemption with the department not later than 120 days after the taxpayer's formation. In addition, the taxpayer must file a report with the department on or before the fifteenth day of the fifth month every five years following the date of its formation. The report must be filed electronically with the department in the manner determined by the department. If a taxpayer fails to file the report, the department shall notify the taxpayer of the failure. If within 60 days after receiving such notice the taxpayer does not provide the report, the taxpayer's exemption shall be canceled. However, the department may reinstate the taxpayer's exemption if the taxpayer shows by petition that the failure was due to reasonable cause. A taxpayer filing a report under this section or IC 6-2.5-5-21(d) of this chapter (prior to recodification as part of this legislation) after December 31, 2021, and before January 1, 2023, will be required to file the next required report at a specified date based on the last two digits of their FEIN.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-25

Enrolled Act: SEA 382, Section 30

Summary: Replaces references to the list of nonprofits in IC 6-2.5-5-21 with references to new list in IC 6-2.5-5-25. Removes the 30 selling day rule and replaces it with a \$20,000 threshold. Specifies that once sales of an organization exceed \$20,000, the nonprofit is required to collect sales tax on sales on an ongoing basis for the remainder of the calendar year. Further specifies that the sales of an organization include sales made by all units operating under the organization's registration pursuant to the next subsection.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-26

Enrolled Act: SEA 382, Section 31

Summary: Provides a sales tax exemption for transactions involving tangible personal property if the person acquiring the property acquires it for incorporation into a transportation facility (as defined in IC 5-23-2-17) under a public-private agreement executed in accordance with IC 5-23-8-1(a) or a development agreement executed in accordance with IC 5-23-8-1(b). The exemption does not apply to the extent that the applicable public-private agreement or development agreement is entered into before January 1, 2023.

Effective Date: January 1, 2023

Code: IC 6-2.5-5-56

Enrolled Act: SEA 166, Section 11

Summary: Exempts sales of children's diapers from the state sales and use taxes.

Effective Date: September 1, 2022

Code: IC 6-2.5-5-57

Enrolled Act: SEA 2(ss), Section 7

Summary: Changes the exemption certificate issuance procedure for nonprofits by requiring nonprofits listed in IC 6-2.5-5-21, IC 6-2.5-5-25, or IC 6-2.5-5-26 to be registered with the department first pursuant to IC 6-2.5-5-25(c), at which point the department will electronically issue an exemption certificate to the nonprofit. Replaces references to IC 6-2.5-4-5(b) that were recodified as part of this legislation.

Effective Date: July 1, 2022

Code: IC 6-2.5-8-8

Enrolled Act: SEA 382, Section 32

State Income Taxes (IC 6-3)

Summary: Clarifies that individuals who have student loans discharged due to death, total and permanent disability of the borrower, or bankruptcy are not required to add back the amounts of student loans discharged for those reasons. Allows a deduction for health insurance premiums paid by an employer for certain small-business health insurance plans, provided that the deduction is disallowed for federal purposes as a result of claiming the federal credit in the amount of those expenses, but only for taxable years beginning after December 31, 2022.

Effective Date: January 1, 2021 (retroactive)

Code: IC 6-3-1-3.5

Enrolled Act: SEA 382, Section 33

Summary: Allows the deduction of an annual grant amount distributed to an Indiana enrichment scholarship account under IC 20-52 that is used for qualified expenses (as defined in IC 20-52-2-6), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

Effective Date: Upon passage

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1251, Section 1

Summary: Provides a \$3,000 exemption in calculating Indiana adjusted gross income for each exemption allowed under Section 151(c) of the Internal Revenue Code (as in effect January 1, 2017) for an individual who is: an adopted child of the taxpayer; and less than 19 years of age or is a full-time student who is less than 24 years of age.

Effective Date: January 1, 2022 (retroactive)

Code: IC 6-3-1-3.5

Enrolled Act: SEA 2(ss), Section 8

Summary: Lowers the individual income tax rate from 3.23% to 3.15% for tax years 2023 and 2024. Lowers the individual income tax rate further in stages contingent on state revenue growth reviewed in July of each even-numbered year. The minimum the individual income tax rate can reach is 2.9%.

Directs the department, if a tax rate decrease is determined by the state budget agency, to provide notice of the determination and the new applicable tax rate on the department's internet website in a departmental notice.

Effective Date: July 1, 2022

Code: IC 6-3-2-1

Enrolled Act: HEA 1002, Section 4

Summary: Allows C corporations with an apportionment factor of greater than 10% and more than \$1 billion in certain tangible personal property sales source to Indiana to elect an alternative tax computation.

Effective Date: July 1, 2022

Code: IC 6-3-2-1.7

Enrolled Act: SEA 382, Section 34

Summary: Makes conforming code references as a result of the addition of the small-business health plan deduction.

Effective Date: January 1, 2023

Code: IC 6-3-2-2.5

Enrolled Act: SEA 382, Section 35

Summary: Makes conforming code references as a result of the addition of the small-business health plan deduction.

Effective Date: January 1, 2023

Code: IC 6-3-2-2.6

Enrolled Act: SEA 382, Section 36

Summary: Increases the maximum amount of the credit a taxpayer may claim against adjusted gross income tax for a contribution to a college choice 529 education savings plan starting in Tax Year 2023. The maximum amount of credit that may be claimed by a married couple filing jointly or an unmarried individual is increased from \$1,000 to \$1,500. The maximum amount of credit that may be claimed by a married person filing separately is increased from \$500 to \$750.

Effective Date: July 1, 2022

Code: IC 6-3-3-12

Enrolled Act: HEA 1045, Section 1

Summary: Creates a stand-alone credit for contributions to Indiana ABLE accounts. Provides that a taxpayer is entitled to a credit against adjusted gross income tax equal to the least of: 20% of the amount of the total contributions made by the taxpayer to an account or accounts of an Indiana ABLE 529A savings plan during the taxable year; \$500; or the amount of the taxpayer's adjusted gross income tax for the taxable year, reduced by the sum of all allowable credits.

Provides that a taxpayer is not entitled to a carryback, carryover, or refund of an unused credit. Further provides that a taxpayer may not sell, assign, convey, or otherwise transfer the tax credit. Provides that an account owner of an Indiana ABLE 529A savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made.

Effective Date: January 1, 2024

Code: IC 6-3-3-12.1

Enrolled Act: HEA 1303, Section 2

Summary: Modifies the adoption tax credit in several ways to make it more generous. Increases the limit on the amount of the credit to the lesser of 20% (from 10%) of the amount allowable under Section 23 of the Internal Revenue Code for each eligible child or \$2,500 (from \$1,000). Makes the adoption credit refundable. Eliminates the prohibition on carrying any unused credit forward, however it restricts the aggregate amount of credits claimed over the applicable taxable years to \$2,500 in situations where the federal adoption credit is carried forward.

Effective Date: January 1, 2022 (Retroactive)

Code: IC 6-3-3-13

Enrolled Act: SEA 2(ss), Section 9

Summary: Clarifies the due date for C corporate tax returns is the fifteenth day of the fifth month following the end of the taxpayer's taxable year if the federal due date is on or after April 15 (current law provides this due). Changes language regarding weekends and holidays affecting the corporate tax return due date. Provides that if the Internal Revenue Service extends the due date of a return, the department may extend its due date to reflect the federal extension. Provides that if the due date for a federal return is later than the otherwise applicable due date, the due date is the date otherwise provided in IC 6-3-4-3 or the federal due date, whichever is later.

Effective Date: January 1, 2023

Code: IC 6-3-4-3

Enrolled Act: SEA 382, Section 37

Summary: Changes “pass through entity” to “partnership” and “member” to “partner.”

Effective Date: July 1, 2022

Code: IC 6-3-4-12

Enrolled Act: SEA 382, Section 38

Summary: Provides rules governing certain situations in consolidated filings in the absence of a specific decision to change consolidated/non-consolidated filing status. Provides that, if a corporation that is part of a consolidated group is sold, the consolidated group continues without interruption. Provides that in the event of a merger, the filing status of the surviving member determines the ongoing consolidated filing status. Provides that an acquisition of a corporation does not change the previous filing status of the existing consolidated group. Provides that if a corporation ceases to be part of a consolidated group (e.g., no Indiana income or change in ownership), the consolidated status of the remaining corporations remains unchanged.

Effective Date: July 1, 2022

Code: IC 6-3-4-14

Enrolled Act: SEA 382, Section 39

Summary: Provides that the department may establish procedures and guidelines by which a partner may elect to not be subject to withholding. Provides rules governing the election to not be subject to withholding. Provides that a failure to obtain an election or to attach the election to the pass-through entity’s tax return shall be treated as if the election was not made for the taxable year.

Effective Date: July 1, 2022

Code: IC 6-3-4-15.1

Enrolled Act: SEA 382, Section 40

Summary: Provides that a review year includes a year covered by an administrative adjustment request and provides that a review year is determined without regard to the ultimate responsibility for tax due. Includes a form or schedule provided by a partnership in the definition of “statement.”

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-1

Enrolled Act: SEA 382, Section 41

Summary: Provides that reference to certain failures to issues statements includes partnership as well as other pass-through entities. Clarifies rules regarding the year to which certain federal adjustments are to be taken into account. Modifies wording to reflect final federal adjustments to be parallel with wording elsewhere in IC 6-3-4.5. Clarifies that a reference to the citation governing partnership elections and tax computations when a federal change occurs also governs elections made under other provisions of IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-2

Enrolled Act: SEA 382, Section 42

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-3

Enrolled Act: SEA 382, Section 43

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-5

Enrolled Act: SEA 382, Section 44

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-8

Enrolled Act: SEA 382, Section 45

Summary: Clarifies the computation for tax due for federal changes with regard to tiered partners if an election to be taxed at the partnership level is made. Clarifies the year for which tax rates are to apply for the highest rate if an election to be taxed at the partnership level is made. Provides that the computation for tax due includes credit disallowances if an election to be taxed at the partnership level is made. Removes duplicate language governing an election if a previous election to be taxed at the partnership level.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-9

Enrolled Act: SEA 382, Section 46

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-14

Enrolled Act: SEA 382, Section 47

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-15

Enrolled Act: SEA 382, Section 48

Summary: Clarifies the treatment of partner-level adjustments if the partnership makes a valid federal election to not be subject to partnership-level audits. Provides that in such situations, the consistent treatment between a partner and a partnership occurs only when the partner properly reports the federal adjustment and that, at the partner level, the adjustment is considered a final federal adjustment with regard to the partner.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-17

Enrolled Act: SEA 382, Section 49

Summary: Clarifies that the scope of the penalty for failure to reissue certain information includes amended statements or information. Clarifies the scope of the statute of limitations regarding failure to issue partner-level adjustments and the applicability to tiered partners.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-18

Enrolled Act: SEA 382, Section 50

Summary: Clarifies a statutory citation relating to extensions.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-20

Enrolled Act: SEA 382, Section 51

Summary: Permits recipients eligible to receive the EDGE tax credit to elect to forgo claiming the credit against any state tax liability and submit a request to the department to receive a payment equal to the credit. In order to receive a payment under IC 6-3-5-5 section, the taxpayer shall provide to the department: a copy of the taxpayer's agreement with the Indiana Economic Development Corporation; the credit awarded to the taxpayer for that taxable year; and any other information required by the department.

A payment by the department under IC 6-3-5-5 cannot exceed the actual incremental income tax withholdings collected by the department as a result of the employment of new employees subject to an agreement entered into under IC 6-3.1-13.

In the case of a credit awarded under IC 6-3.1-13 to a taxpayer that is a pass through entity, the: (1) pass through entity has the authority to make the election with regard to the credit; (2) shareholders, partners, members, and beneficiaries of the pass through entity may not make an election separate from the pass through entity with regard to the credit; (3) pass through entity is entitled to the payment allowable under this section; and (4) pass through entity may not pass through any portion of the credit for which the pass through entity requests payment as a tax credit to the shareholders, partners, members, or beneficiaries of the pass through entity.

If a payment under IC 6-3-5-5 is included in the federal adjusted gross income of an individual or the federal taxable income of any other entity, the payment must be treated as: adjusted gross income from Indiana sources under IC 6-3 and IC 6-5.5; business income for purposes of IC 6-3; and a receipt from Indiana sources for apportionment purposes under IC 6-3-2 and IC 6-5.5-4.

For purposes of offsetting refunds and overpayments, a payment under IC 6-3-5-5 is treated as an overpayment of tax under IC 6-3 and IC 6-5.5 for purposes of IC 6-8.1-9-2, IC 6-8.1-9.5, and IC 6-8.1-9.7.

A payment under IC 6-3-5-5 is subject to the noncompliance provisions of IC 6-3.1-13-22 in the same manner as if the payment had been claimed as a credit.

If all or a portion of a payment under IC 6-3-5-5 is determined to have been made in error or is subject to assessment under IC 6-3.1-13-22, the department may issue an assessment for repayment of such amount before the later of: 10 years from the date of the payment or three years from the date the Indiana Economic Development Corporation notifies the department of the taxpayer's noncompliance pursuant to IC 6-3.1-13-22.

An assessment for repayment shall be treated as a proposed assessment for purposes of administrative review and judicial appeal under IC 6-8.1-5. However, review of the Indiana Economic Development Corporation's determination of noncompliance shall be limited to an abuse of discretion by the Indiana Economic Development Corporation.

For purposes of IC 6-3-5-5, an election for payment in lieu of claiming the credit under IC 6-3.1-13 for a taxable year is not allowed if: (1) the taxpayer has claimed all or part of the credit for the taxable year; (2) in the case of a taxpayer who is a pass through entity, the taxpayer passes through all or part of the credit as a tax credit, regardless of whether the pass through entity subsequently provides information to the department, the Indiana Economic Development Corporation, or any other affected person or entity, that the credit should not be passed through as a tax credit or whether the credit otherwise has been claimed as a tax credit; or (3) the taxpayer makes the election after the due date of the taxpayer's return under IC 6-3, IC 6-5.5, IC 6-8-15, or IC 27-1-18-2, determined without regard to extensions, on which it would have claimed the credit for which the taxpayer is requesting payment under this section.

The amount needed to make a payment under IC 6-3-5-5 shall be paid from funds appropriated to the Indiana Economic Development Corporation for business promotion and innovation or from the statewide innovation development district fund established by IC 36-7-32.5-20. Payments made under this section are subject to available funding.

Effective Date: July 1, 2022

Code: IC 6-3-5-5

Enrolled Act: SEA 361, Section 6

State Tax Liability Credits (IC 6-3.1)

Summary: Extends the limitation on the duration of an EDGE credit from 10 years to 20 years and eliminates the \$10 million annual limit on the award of EDGE retention credits. EDGE credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-13-18

Enrolled Act: SEA 361, Section 8

Summary: Allows a taxpayer, with the approval of the Indiana Economic Development Corporation, to elect to forgo claiming the credit against any state tax liability and submit the credit to the department with a request to receive a payment from the corporation, to be paid from funds appropriated to the corporation for business promotion and innovation or from the statewide innovation development district fund established by IC 36-7-32.5-20, that is equal to the credit for that taxable year as provided in IC 6-3-5-5.

Effective Date: July 1, 2022

Code: IC 6-3.1-13-20

Enrolled Act: SEA 361, Section 9

Summary: Adds a veteran-owned business to minority business enterprise and women’s-owned enterprise as businesses to which an investor can provide qualified investment capital and qualify for the higher maximum amount of venture capital investment credit.

Effective Date: January 1, 2023

Code: IC 6-3.1-24-8

Enrolled Act: SEA 361, Section 10

Summary: Eliminates the annual fiscal year limit on the total amount of Hoosier investment tax credits that the Indiana Economic Development Corporation may approve for all taxpayers for all qualified investments. Prior to this change, the annual fiscal year limit was: \$50 million for credits based on a qualified investment that is not being claimed as a logistics investment; and \$5 million for credits based on a qualified investment that is being claimed as a logistics investment. Hoosier investment tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-26-20

Enrolled Act: SEA 361, Section 11

Summary: Eliminates the requirement that a business employ a certain number of Indiana employees in order to qualify for the headquarters relocation tax credit.

Effective Date: July 1, 2022

Code: IC 6-3.1-30-8

Enrolled Act: SEA 361, Section 12

Summary: Changes the definition of “qualified redevelopment site” for purposes of the redevelopment tax credit to be a vacant or underutilized property in Indiana as determined by the corporation. Eliminates the specific criteria used to determine whether a building or land is a qualified redevelopment site.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-6

Enrolled Act: SEA 361, Section 13

Summary: Modifies the definition of “rehabilitation” for purposes of the redevelopment tax credit.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-8

Enrolled Act: SEA 361, Section 14

Summary: Eliminates the requirement for a redevelopment tax credit award for a redevelopment site that the applicant provides evidence that the local unit having jurisdiction over the property made a determination that the qualified redevelopment site was unsafe, and the local unit took appropriate steps to remedy the unsafe conditions at the qualified redevelopment site, which led to its demolition.

Effective Date: July 1, 2022
Code: IC 6-3.1-34-16
Enrolled Act: SEA 361, Section 15

Summary: Establishes 30% as the applicable credit percentage for the redevelopment tax credit. Prior to this change, the applicable credit percentage was determined based on a combination of the age and the type of redevelopment site.

Effective Date: July 1, 2022
Code: IC 6-3.1-34-17
Enrolled Act: SEA 361, Section 16

Summary: Raises the threshold to \$20 million from \$7 million for the requirement that a redevelopment credit agreement include a provision that requires the taxpayer to repay the amount of the credit that exceeds the threshold. Eliminates the requirement for a repayment provision for any portion of the credit if the award is for a qualified redevelopment site subject to a proposal that will result in a qualified investment of at least \$100 million.

Effective Date: July 1, 2022
Code: IC 6-3.1-34-18
Enrolled Act: SEA 361, Section 17

Summary: Eliminates the annual fiscal year limit on the total amount of redevelopment credits that the Indiana Economic Development Corporation may approve for all taxpayers for all qualified investments. Prior to this change, the annual fiscal year limit was \$50 million. Redevelopment tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022
Code: IC 6-3.1-34-18
Enrolled Act: SEA 361, Section 18

Summary: Creates a new credit for affordable and workforce housing. Provides that the credit is available for taxable years beginning on or after January 1, 2024. Allows for applications to be submitted beginning July 1, 2023.

Effective Date: July 1, 2023
Code: IC 6-3.1-35-1
Enrolled Act: SEA 382, Section 52

Summary: Provides definitions for purposes of the affordable and workforce housing credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-2

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit for a taxable year is equal to the lesser of state tax credits awarded for the qualified project or the total federal credit allowed for the qualified project, divided by the number of taxable years in the state tax credit period for the qualified project. Deems that when an eligibility statement is issued to an eligible applicant, the applicant is considered to receive 100% of the state tax credit for each taxable year in the period for which the credit is allowable. Provides that a person is allowed to claim a credit in the amount of the credit acquired minus the amount of the credit transferred before the last day of the taxable year.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-3

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit cannot exceed a taxpayer's state tax liability. Allows an unused credit to be carried forward for nine years. Disallows the carry back or refund of any unused credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-4

Enrolled Act: SEA 382, Section 52

Summary: Provides that if an S corporation or partnership has an affordable and workforce housing credit under IC 6-3.1-35 and does not have a tax liability against which to apply the credit, the shareholders or partners may determine how the entity's credit is to be distributed among the shareholders or partners. Provides that the finally-determined distribution by the pass through entity is to be reported to the department.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-5

Enrolled Act: SEA 382, Section 52

Summary: Provides that a holder of an affordable and workforce housing tax credit may transfer, sell, or assign all or part of the tax credit for a taxable year. Requires the transferor to provide the holder's eligibility statement at the time of transfer, a declaration setting forth the transferor's portion of the credit before and after the transfer as well as the transferee's portion of the credit after transfer, and any other relevant documents related to the transaction. Requires the transferor to report the transfer in the manner prescribed by the Department of Revenue.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-6

Enrolled Act: SEA 382, Section 52

Summary: Provides that applications for the affordable and workforce housing tax credit be submitted between July 1, 2023, and December 31, 2027, inclusive. Requires that the application include the name and address of both the qualified project and the owner of the qualified project, as well as any other information required by the Indiana Housing and Community Development Authority (IHCDA). Provides that IHCDA may grant a credit if certain requirements are met. Allows IHCDA to award a credit for a qualified project of between 40 and 100% of the anticipated aggregate federal tax credits for the qualified credit under IRC § 42(m) and specified by IHCDA. Requires IHCDA to issue an eligibility certificate for any credit granted and specifies requirements for the contents of the eligibility letter. Requires IHCDA to transmit a copy of the eligibility letter to the Department of Revenue.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-7

Enrolled Act: SEA 382, Section 52

Summary: Limits the amount of affordable and workforce housing credits granted by IHCDA to \$30 million per state fiscal year for state fiscal years 2024 through 2028. Provides that the date on which the credit is awarded determines the fiscal year to which a particular credit is to be allocated. Permits IHCDA to prioritize credits that further the mission and purpose of IHCDA if the cap exceeds (or is reasonably expected to exceed) the annual limit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-8

Enrolled Act: SEA 382, Section 52

Summary: Requires a holder of an affordable and workforce housing tax credit to report the credit in the manner provided by the Department of Revenue. Requires a tax credit holder to submit to the Department of Revenue any information necessary for the calculation of the credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-9

Enrolled Act: SEA 382, Section 52

Summary: Permits the Department of Revenue or IHCDA (or both) to adopt rules for purposes of administering the affordable and workforce housing credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-10

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit is subject to annual review for effectiveness for the five-year duration of the credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-11

Enrolled Act: SEA 382, Section 52

Summary: Provides that IC 6-3.1-35 expires July 1, 2028, terminating the affordable and workforce housing credit except for last-year claims and carryforwards.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-12

Enrolled Act: SEA 382, Section 52

Summary: Establishes the film and production tax credit. If the Indiana Economic Development Corporation certifies a taxpayer under IC 6-3.1-36-7(c), the taxpayer is entitled to a tax credit equal to: the amount of the taxpayer's qualified production expenses multiplied by a percentage determined by the corporation, not to exceed 30%.

If a pass through entity is entitled to a credit under IC 6-3.1-36-8 but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, member, or beneficiary of the pass through entity is entitled to a tax credit equal to: the tax credit determined for the pass through entity for the taxable year multiplied by the percentage of the pass through entity's distributive income to which the shareholder, partner, member, or beneficiary is entitled.

To receive the credit provided by IC 6-3.1-36, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department.

The amount of the credit provided by IC 6-3.1-36 that a taxpayer uses during a particular taxable year may not exceed the state tax liability of the taxpayer.

If the credit provided by IC 6-3.1-36 exceeds the taxpayer's state tax liability for the first taxable year containing the taxable year for which the corporation awards the credit, then the excess may be carried over to up to nine succeeding taxable years and used as a credit against the state tax liability of the taxpayer during those taxable years.

The film and production tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-36

Enrolled Act: SEA 361, Section 19

Local Income Taxes (IC 6-3.6)

Summary: Provides that a correctional facility local income tax rate imposed in an ordinance on or before January 1, 2019, is limited to a 22-year imposition period, while a rate imposed on or after January 1, 2019, is limited to a 25-year imposition period.

Effective Date: July 1, 2022

Code: IC 6-3.6-6-2.7

Enrolled Act: SEA 382, Section 53

Summary: Permits the fiscal body of a county to adopt an ordinance to impose a local income tax rate for emergency medical services in the county if the county provides emergency medical services for all local units in the county and pays 100% of the costs to provide those services. Requires that the tax rate be in increments of 0.01% and may not exceed 0.2%. Limits the duration of the tax rate to 25 years. If a county fiscal body adopts an ordinance under IC 6-3.6-6-2.8, but subsequently ceases to meet the applicability provisions, the tax rate imposed under the ordinance shall expire on December 31 of the year in which the county ceases to be eligible to enact the ordinance.

Effective Date: July 1, 2022

Code: IC 6-3.6-6-2.8

Enrolled Act: SEA 1246, Section 4

Summary: Provides that certified distributions of local income tax are based on amounts attributed to the county (previous language was received from the county). Clarifies the language regarding returns to include returns filed by the Department of Revenue on behalf of a taxpayer and processed by the department. Deletes previous language related to refunds of local income tax for purposes of determining certified distributions (the refund is part of the amounts attributed to the county under the revised language).

Effective Date: July 1, 2022

Code: IC 6-3.6-9-4

Enrolled Act: SEA 382, Section 54

Taxation of Financial Institutions (IC 6-5.5)

Summary: Allows a deduction for health insurance premiums paid by an employer for certain small-business health insurance plans, provided that the deduction is disallowed for federal purposes as a result of claiming the federal credit in the amount of those expenses.

Effective Date: January 1, 2023

Code: IC 6-5.5-1-2

Enrolled Act: SEA 382, Section 55

Summary: Clarifies the due date for financial institutions tax returns is the fifteenth day of the fifth month following the end of the taxpayer's taxable year. Provides that an extension for financial institutions tax is to the day otherwise provided in IC 6-8.1-6-1 (previous law granted a similar extension to the federal extension). Provides that if the Internal Revenue Service extends the due date of a return, the department may extend its due date to reflect the federal extension. Provides that if the due date for a federal return is later than the due date otherwise provided for the financial institutions tax return, the due date is the date otherwise provided in IC 6-5.5-6-2 or the federal due date, whichever is later.

Effective Date: January 1, 2023

Code: IC 6-5.5-6-2

Enrolled Act: SEA 382, Section 56

Tobacco Taxes (IC 6-7)

Summary: Clarifies that a cigarette includes a roll for smoking “or heating,” and such roll has a wrapper or cover made of any paper or material “not containing tobacco.”

Effective Date: July 1, 2022

Code: IC 6-7-1-2

Enrolled Act: SEA 382, Section 57

Summary: Adds a violation of IC 24-3-5.4-7 (regarding compliance with the Master Settlement Agreement) to the list of reasons that the department may revoke a cigarette distributor’s license.

Effective Date: July 1, 2022

Code: IC 6-7-1-15

Enrolled Act: SEA 382, Section 58

Summary: Adds a penalty for retailers that purchase cigarettes from an unregistered distributor, or whose registration is suspended or revoked by the department. The penalty is the greater of 100% of the retail value of the cigarettes purchased or \$5,000 on each purchase.

Effective Date: July 1, 2022

Code: IC 6-7-1-38

Enrolled Act: SEA 382, Section 59

Summary: Provides a definition for “actual cost” and “actual cost list,” meaning essentially the wholesale price paid by the remote seller or the retail price charged by the remote seller, respectively.

Effective Date: July 1, 2023

Code: IC 6-7-2-0.1

Enrolled Act: SEA 382, Section 60

Summary: Provides a definition for “alternative nicotine product,” which are noncombustible products containing nicotine that are intended for human consumption, whether chewed, absorbed, dissolved, or ingested by any means. The term does not include cigarettes, tobacco products, closed system cartridges, vapor products, consumable material, open system containers, or any product regulated as a drug or device by the United States Food and Drug Administration under 21 U.S.C. 351 to 360fff-7.

Effective Date: July 1, 2022

Code: IC 6-7-2-0.2

Enrolled Act: SEA 382, Section 61

Summary: Provides a definition for “cigar,” which means a tobacco product that is a roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (other than any roll of tobacco that is a cigarette). The term includes tobacco products known as “little cigars”, which are cigars with an integrated cellulose acetate filter and that are wrapped in a substance containing tobacco.

Effective Date: July 1, 2023

Code: IC 6-7-2-0.3

Enrolled Act: SEA 382, Section 62

Summary: Provides a definition for “pipe tobacco,” which means a tobacco product that, because of its appearance, type, packaging, or labeling, is suitable and likely to be smoked in a pipe.

Effective Date: July 1, 2023

Code: IC 6-7-2-3.1

Enrolled Act: SEA 382, Section 63

Summary: Provides a definition for “remote sellers,” which means retail dealers that meet one or both of the economic thresholds for sales tax purposes and sells taxable products to an ultimate consumer by either selling through a telephone or other method of voice transmission, the mail, the internet or other electronic service, or when the taxable products are delivered to the consumer by common carrier, private delivery service, or other method of delivery.

Effective Date: July 1, 2023

Code: IC 6-7-2-3.3

Enrolled Act: SEA 382, Section 64

Summary: Add “alternative nicotine products” to the definition of “taxable products.”

Effective Date: July 1, 2022

Code: IC 6-7-2-3.5

Enrolled Act: SEA 382, Section 65

Summary: Clarifies that a retail dealer includes a merchant who meets one or both of the economic thresholds for sales tax purposes.

Effective Date: July 1, 2023

Code: IC 6-7-2-4

Enrolled Act: SEA 382, Section 66

Summary: Amends the definition of “tobacco product” to codify that the definition means any product containing, made, or derived from tobacco that is intended for human consumption, or is likely to be consumed, whether chewed, smoked, heated, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product. Includes new lists of what the term does or does not include, codifying prior interpretation.

Effective Date: July 1, 2023

Code: IC 6-7-2-5

Enrolled Act: SEA 382, Section 67

Summary: Adds a tax on alternative nicotine products at a rate of \$0.40 per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce, calculated based upon the product weight as listed by the manufacturer. If the tax calculated for a fractional part of an ounce carried to the third decimal place being greater than four, the amount of the tax shall be rounded to the next additional cent. Adds distributors of alternative products to the requirements of this section. Removes the language concerning sales through internet websites, catalog, or similar means, as this is now covered by the economic threshold language in the remote seller and retail dealer definitions. Clarifies that when there is a distributor-to-distributor sale of tobacco products or alternative nicotine products, the tax is imposed when the distributor first receives the tobacco products or alternative nicotine products in Indiana.

Effective Date: July 1, 2022

Code: IC 6-7-2-7

Enrolled Act: SEA 382, Section 68

Summary: Reduces the rate of the closed system cartridge tax from 25% to 15%. Clarifies that if a closed system cartridge is sold in the same package as a vapor product device, the tax imposed under this subsection shall only apply to the wholesale price of the closed system cartridge if the wholesale cost of the closed system cartridge can be isolated from the vapor product device on the invoice. Removes the language concerning sales through internet websites, catalog, or similar means, as this is now covered by the economic threshold language in the remote seller and retail dealer definitions.

Effective Date: July 1, 2022

Code: IC 6-7-2-7.5

Enrolled Act: SEA 382, Section 69

Summary: Creates a requirement that the taxes imposed in this chapter on tobacco products, alternative nicotine products, and closed system cartridges are also required to be collected by remote sellers. The taxes can be calculated using either the actual cost or actual cost list method. The taxes are imposed at the time of sale to the ultimate consumer, and the remote seller is liable for the taxes.

Effective Date: July 1, 2023

Code: IC 6-7-2-7.7

Enrolled Act: SEA 382, Section 70

Summary: Creates a licensing requirement on remote sellers of taxable products. The licensing requirements mirror the requirements for distributors in IC 6-7-2-8, with a few differences. The merchant must meet one or both of the economic threshold requirements for sales tax. They must also attest that they use third-party age verification technology through an independent, third-party age verification service that compares information available from a commercially available database (or aggregate of data bases) that are regularly used by government agencies and businesses for the purpose of age and identity verification, as well as personal information entered by the individual during the ordering process, that establishes the individual is of the required minimum age. Further, if a remote seller that collects tax using the actual cost list method to calculate the tax, they must provide the department with a certified actual cost list for each individual product offered for sale in the subsequent calendar year, which must be updated annually as new products are added to a remote seller's inventory. New products must also be added to the actual cost list using the actual cost first paid for each individual product.

Effective Date: July 1, 2023

Code: IC 6-7-2-8.5

Enrolled Act: SEA 382, Section 71

Summary: Amends the existing requirement to notify the department if there is a change of business location to impose such requirement on remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-9

Enrolled Act: SEA 382, Section 72

Summary: Repeals language imposing a floor and ceiling on the amount of a refund of a distributor's license fee, as the cost of a license is \$25, which is the same amount as the minimum threshold for issuing a refund.

Effective Date: July 1, 2022

Code: IC 6-7-2-10

Enrolled Act: SEA 382, Section 73

Summary: Adds a violation of IC 24-3-5.4-7 (regarding compliance with the Master Settlement Agreement) to the list of reasons that the department may revoke a distributor, manufacturer, or remote seller license.

Effective Date: July 1, 2022

Code: IC 6-7-2-11

Enrolled Act: SEA 382, Section 74

Summary: Creates a list of reasons for the department to refuse to issue or renew a distributor, manufacturer, or remote seller license. Provides that before being denied a license as a distributor, the applicant will be entitled to a hearing with five days written notice.

Effective Date: July 1, 2022

Code: IC 6-7-2-11.5

Enrolled Act: SEA 382, Section 75

Summary: Amends the statute dealing with the filing of returns and remittance of taxes to impose such provisions on remote sellers. Adds that the wholesale price of cigars, the actual cost of tobacco products (other than cigars and snuff), and the weight of alternative nicotine products are information required to be included on the return when such items are sold.

Effective Date: July 1, 2023

Code: IC 6-7-2-12

Enrolled Act: SEA 382, Section 76

Summary: Amends the existing collection allowance provision to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-13

Enrolled Act: SEA 382, Section 77

Summary: Amends the refund provision for returned or destroyed product to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-14

Enrolled Act: SEA 382, Section 78

Summary: Amends the record keeping provision to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-20

Enrolled Act: SEA 382, Section 79

Summary: Amends the distributor offense provisions to apply to remote sellers. Clarifies that violations of this chapter described in this section may be reported to the department or the Office of the Attorney General.

Effective Date: July 1, 2023

Code: IC 6-7-2-21

Enrolled Act: SEA 382, Section 80

Summary: Adds a penalty for retailers that purchase taxable products from an unregistered distributor, or whose registration is suspended or revoked by the department. The penalty is the greater of 100% of the retail value of the cigarettes purchased or \$5,000 on each purchase.

Effective Date: July 1, 2022

Code: IC 6-7-2-24

Enrolled Act: SEA 382, Section 81

Department of State Revenue Tax Administration (IC 6-8.1)

Summary: Provides that if a due date or a date required for an action by a taxpayer or the department falls on a weekend, a federal holiday, or a statewide holiday, the act is timely if it is performed on the next day that is not a weekend, a federal holiday, or a statewide holiday. Provides that if a due date for a particular act falls on a weekend, a federal holiday, or a statewide holiday, the last day for issuing a proposed assessment, issuing a demand notice, or filing a refund claim is to be determined without regard to the original due date falling on a weekend or holiday.

Effective Date: January 1, 2023

Code: IC 6-8.1-1-9

Enrolled Act: SEA 382, Section 82

Summary: Provides statute of limitations and other governing rules regarding COVID-related return and payment extensions. States that the section applies to the end of the statute of limitations for proposed assessments, the date by which payments were required to be made to meet safe harbor requirements, the end of the period by which a demand notice or warrant is required to be issued, the last date on which a refund claim is required to be filed, the first date for interest on refunds and assessments, and the due date for payments (including estimated tax payments). Provides that for estimated tax payments due between March 24, 2020, and July 14, 2020, the due date is considered to be July 15, 2020. Provides that utility receipts tax returns, individual income tax returns, corporate tax returns, and financial institutions tax returns due between March 24, 2020, and April 30, 2020, the due date for filing and payment is considered to be July 15, 2020. Provides that for corporations and financial institutions with due dates between May 1, 2020, and July 15, 2020, the due date is considered to be August 15 (for dates determined without regard to a weekend) and August 17 (for dates determined with regard to a weekend). Provides that the due date for safe harbor payments follows the due date for the payment set forth otherwise in this section. States that for individual tax returns for 2020, the due date is considered to be May 15 (for dates determined without a weekend) and May 17 (for dates determined with regard to a weekend).

Effective Date: January 1, 2020 (retroactive)

Code: IC 6-8.1-1-10

Enrolled Act: SEA 382, Section 83

Summary: Allows the Department of Revenue to request repayment of taxes distributed to local governments or to request that future distributions of local taxes be reduced if a listed tax is distributed to a local government and subsequently refunded to the taxpayer. Requires the department to notify the locality of the taxes for which a repayment or reduction in distribution is sought. Allows the department to notify the locality of the taxes against which a reimbursement of erroneous distributions will be sought if the department and the locality cannot agree to arrangements for repayment or offset with regard to an overdistribution. Provides that the department is to apply any offset of tax payments to a locality to most closely reflect other tax distributions to that locality. Requires that if a refund or offset cannot be applied as closely as possible, the department may request that the offset be applied to local income tax distributions and that the state budget agency report any reduction in certified distributions to the locality.

Effective Date: July 1, 2022

Code: IC 6-8.1-3-28

Enrolled Act: SEA 382, Section 84

Summary: Changes the due date for automatic federal extensions to the due date of the federal extension plus one month (previously same period as the federal extension plus 30 days). Clarifies that if the federal extended due date falls on a weekend or holiday, the one-month period begins on the date determined without regard to the weekend or holiday. Clarifies that if a person files a federal extension that is subsequently denied, the person will still be treated as having a federal extension unless a previous federal extension request for a taxable year had been denied. Provides that the 90% safe harbor rule does not apply to withholding payments for partnerships and S corporations (partnerships and S corporations have a different safe harbor).

Effective Date: January 1, 2023

Code: IC 6-8.1-6-1

Enrolled Act: SEA 382, Section 85

Summary: Repeals a statute relating to due dates when a due date otherwise falls on a weekend or holiday. This is now part of the new IC 6-8.1-1-9.

Effective Date: January 1, 2023

Code: IC 6-8.1-6-2

Enrolled Act: SEA 382, Section 86

Summary: Removes reference IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: January 1, 2022

Code: IC 6-8.1-7-1

Enrolled Act: SEA 382, Section 87

Summary: Provides that the penalty for failure to include all nonresidents on a composite return applies to all nonresident partners, shareholders, and beneficiaries (previous language applied to nonresident individuals). Extends the penalty for failure to include nonresidents on a composite return to estates and trusts.

Effective Date: January 1, 2023

Code: IC 6-8.1-6-2

Enrolled Act: SEA 382, Section 88

Innkeeper's Taxes; Other Local Taxes (IC 6-9)

Summary: Eliminates the provision that terminated the Nashville food and beverage tax January 1, 2023.

Effective Date: July 1, 2022

Code: IC 6-9-24-9

Enrolled Act: SEA 382, Section 90

Summary: Clarifies that the department shall begin collecting the county innkeeper's tax at the rate provided in the adopting ordinance unless the rate in the ordinance is not authorized under IC 6-9.

Effective Date: July 1, 2022

Code: IC 6-9-29-1.5

Enrolled Act: SEA 382, Section 91

Summary: Requires the adopting body of a food and beverage tax to immediately send a certified copy of the ordinance to the commissioner of the department. Provides guidance for the Effective Date of a food and beverage tax collected by the department. Notwithstanding any other provision in IC 6-9, if the department collects the revenue from the food and beverage tax, the department shall begin collecting the tax as provided in the ordinance for periods beginning on or after the later of: the first day of the month that is not less than 30 days after the ordinance is sent to the commissioner or the Effective Date specified in the ordinance. If an ordinance does not specify an Effective Date, the ordinance shall be considered effective on the earliest date allowable under IC 6-9-29.5-4.

Effective Date: July 1, 2022

Code: IC 6-9

Enrolled Act: SEA 382, Section 92

Summary: Authorizes Fishers to adopt a food and beverage tax through December 31, 2023.

Effective Date: July 1, 2022

Code: IC 6-9-44-1

Enrolled Act: SEA 382, Section 93

Alcohol & Tobacco Taxes and Administration (IC 7.1)

Summary: Authorizes the Alcohol and Tobacco Commission to issue any applicant for a renewal of a permit that is delinquent in the payment of a listed tax one 90-day extension of the term of the permit.

Effective Date: July 1, 2022

Code: IC 7.1-3-21-15

Enrolled Act: HEA 1299, Section 2

Summary: Adds a provision specifying that the department may require the reporting of any information reasonably necessary to determine the amount of excise tax due.

Effective Date: July 1, 2022

Code: IC 7.1-4-6-3.5

Enrolled Act: SEA 382, Section 100

Motor Carrier Regulation (IC 8-2.1)

Summary: Amends the subsection pertaining to federal motor carrier regulations not applying to private carriers of property operated only in intrastate commerce or any carriers of property operated only in intrastate commerce while employed in construction or construction-related service, providing that the driver's treating advanced practice registered nurse is amongst the medical professionals who can certify a waiver to physical qualifications when the driver is diabetic.

Effective Date: July 1, 2022

Code: IC 8-2.1-24-18

Enrolled Act: HEA 1167, Section 3

Certificates of Title (IC 9-17)

Summary: Amends the statute permitting the Bureau of Motor Vehicles to contract with one or more qualified vendors to develop and implement a statewide electronic lien and title system by pushing back several dates. Removes system provisions concerning qualified service provider payments, participation notification, and annual fees. Provides that the bureau and participating qualified service providers or lienholders may charge certain system fees, but sunsets the provisions on July 1, 2025. Amends dates concerning the voluntary or required use of the system.

Effective Date: July 1, 2022

Code: IC 9-17-5-6

Enrolled Act: HEA 1167, Section 6

Public Safety (IC 10-13)

Summary: Amends the time to once every five years from 10 years between subsequent required fingerprint based criminal history background checks of both national and state records databases for each current or new state employee, local government employee, contractor or subcontractor whose duties include access to confidential tax information.

Effective Date: July 1, 2022

Code: 10-13-3-38.5

Enrolled Act: SEA 382, Section 102

Local Government Planning and Development (IC 36-7)

Summary: Defines "gross retail base period amount" for purposes of the Innovation Development Districts to mean the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses: (1) operating in the territory comprising an innovation development district; and (2) that is, in the case of the: (A) state gross retail tax, collected by a business for sales occurring at a physical location of the business in the innovation development district; and (B) state use tax, incurred with regard to property used in the innovation development district; during the full state fiscal year that precedes the date on which the innovation development district was designated under IC 36-7-32.5-9.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-4

Enrolled Act: SEA 361, Section 28

Summary: Defines "gross retail incremental amount" for purposes of the Innovation Development Districts to mean the remainder of: (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses: (A) operating in the territory comprising an innovation development district; and (B) that is, in the case of the: (i) state gross retail tax, collected by a business for sales occurring at a physical location of the business in the innovation development district; and (ii) state use tax, incurred with regard to property used in the innovation development district; during a state fiscal year; minus (2) the gross retail base period amount; as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-5

Enrolled Act: SEA 361, Section 28

Summary: Defines “income tax base period amount” for purposes of the Innovation Development Districts to mean the aggregate amount of state adjusted gross income taxes paid by employees employed in the territory comprising an innovation development district with respect to wages and salary earned for work in the innovation development district for the state fiscal year that precedes the date on which the innovation development district was designated under IC 36-7-32.5-9.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-6

Enrolled Act: SEA 361, Section 28

Summary: Defines “income tax incremental amount” for purposes of the Innovation Development Districts to mean the remainder of: (1) the total amount of state adjusted gross income taxes paid by employees employed in the territory comprising the innovation development district with respect to wages and salary earned for work in the territory comprising the innovation development district for a particular state fiscal year; minus (2) the sum of the: (A) income tax base period amount; plus (B) tax credits awarded by the Indiana Economic Development Corporation under IC 6-3.1-13 to businesses operating in an innovation development district as the result of wages earned for work in the innovation development district for the state fiscal year; as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-7

Enrolled Act: SEA 361, Section 28

Summary: Defines “net increment” for purposes of the Innovation Development Districts to mean the sum of the gross retail incremental amount plus the income tax incremental amount as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-8

Enrolled Act: SEA 361, Section 28

Summary: Establishes rules and procedures for the designation of territory within a city, town or county as an innovation development district. Prohibits the designation of an innovation district under IC 36-7-32.5-9 after June 30, 2025.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-9

Enrolled Act: SEA 361, Section 28

Summary: Limits the initial term of an area’s designation as an innovation development district to 30 years. The term of an area’s designation as an innovation development district may be extended beyond the 30-year term after budget committee review.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-11

Enrolled Act: SEA 361, Section 28

Summary: Authorizes the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance to adopt rules under IC 4-22-2 and prescribe the forms and procedures that the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance considers appropriate for the implementation of an innovation development district. However, before adopting rules under this section, the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance shall submit a report to the budget committee that describes the rules proposed by the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance and recommends statutory changes necessary to implement the provisions of IC 36-7-32.5.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-16

Enrolled Act: SEA 361, Section 28

Summary: Requires that if an innovation development district is designated under IC 36-7-32.5-9, the Indiana Economic Development Corporation shall send the department: (1) a certified copy of the designation of the innovation development district; (2) if an agreement is entered into under IC 36-7-32.5-12, a certified copy of the agreement; and (3) a complete list of the employers in the innovation development district, the street names and the range of street numbers of each street in the innovation development district. The corporation shall update the list provided before July 1 of each year.

Directs the department, not later than 60 days after receiving a copy of the designation of the innovation development district, to determine the gross retail base period amount and the income tax base period amount.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-17

Enrolled Act: SEA 361, Section 28

Summary: Directs the department, before the first business day in October of each year, to calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each innovation development district designated under IC 36-7-32.5.

Requires taxpayers operating in an innovation development district to report annually, in the manner and form prescribed by the department, information that the department determines necessary to calculate the net increment.

Requires a taxpayer operating in an innovation development district that files a consolidated tax return with the department to also file an informational return annually for each business location of the taxpayer within the innovation development district.

Directs that, if a taxpayer fails to report the information required by IC 36-7-32.5-18 or file an informational return required by IC 36-7-32.5-18, the department shall use the best information available in calculating the income tax incremental amount and gross retail incremental amount.

Requires the department to transfer the calculated income tax incremental amount and gross retail incremental amount to the applicable local innovation development district fund established for the innovation development district under IC 36-7-32.5-19 by November 1 of each year.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-18

Enrolled Act: SEA 361, Section 28

Miscellaneous and Non-Code Provisions

Summary: Adjusts multiple population references in Indiana Code to account for the decennial census. Changes in qualifying population ranges may affect the description of specific food and beverage taxes, county innkeeper's taxes and professional sports development areas.

Effective Date: April 1, 2022

Code: Multiple code cites

Enrolled Act: SEA 37, Multiple sections

Summary: For taxable years that include June 30, 2022, the utility receipts tax imposed must be computed based on the taxable receipts of the taxpayer received before July 1, 2022. For purposes of calculating the deduction under IC 6-2.3-5-1 for the taxable year that includes June 30, 2022, the deduction allowed must be prorated based on: the number of days in the taxpayer's taxable year before July 1, 2022, divided by the total number of days in the taxpayer's taxable year.

Effective Date: Upon passage

Code: Non-Code

Enrolled Act: HEA 1002, Section 24

Part II: Legislation by Enrolled Act Number

SEA 1

Summary: Provides that in order to qualify for the automatic taxpayer refund, a taxpayer must have filed a Tax Year 2020 Indiana resident individual adjusted gross income tax return no later than December 31, 2021. Eliminates the requirement that in order to qualify for the automatic taxpayer refund, a taxpayer must have adjusted gross income tax liability for Tax Year 2021. Establishes that the automatic taxpayer refund is subject to offset against outstanding Indiana tax liability, liability to other enumerated state and local entities, and federal tax liability.

Effective Date: Upon passage

Code: IC 4-10-22-4

Enrolled Act: SEA 1, Section 1

SEA 37

Summary: Adjusts multiple population references in Indiana Code to account for the decennial census. Changes in qualifying population ranges may affect the description of specific food and beverage taxes, county innkeeper's taxes and professional sports development areas.

Effective Date: April 1, 2022

Code: Multiple code cites

Enrolled Act: SEA 37, Multiple sections

SEA 74

Summary: Requires any state agency that purchases goods, supplies, or services for the state to report by October 1 of each year to the budget committee the amount of Indiana business and Indiana small business preferences granted in the agency's procurement of goods, supplies, or services for the state.

Effective Date: July 1, 2022

Code: IC 5-22-14-12

Enrolled Act: SEA 74, Section 2

SEA 166

Summary: Provides a sales tax exemption for transactions involving tangible personal property if the person acquiring the property acquires it for incorporation into a transportation facility (as defined in IC 5-23-2-17) under a public-private agreement executed in accordance with IC 5-23-8-1(a) or a development agreement executed in accordance with IC 5-23-8-1(b). The exemption does not apply to the extent that the applicable public-private agreement or development agreement is entered into before January 1, 2023.

Effective Date: January 1, 2023

Code: IC 6-2.5-5-56

Enrolled Act: SEA 166, Section 11

SEA 361

Summary: Defines “applicable tax credit” for purposes of the limit on the aggregate amount of applicable tax credits that the corporation may award for a state fiscal year to include the following credits: economic development for a growing economy (EDGE); community revitalization enhancement district (CRED); Hoosier business investment (HBI); headquarters relocation; redevelopment; and film and media production.

Effective Date: July 1, 2022

Code: IC 5-28-2-1.5

Enrolled Act: SEA 361, Section 2

Summary: Limits the aggregate amount of applicable tax credits that the Indiana Economic Development Corporation may award for a state fiscal year for all taxpayers to \$300 million. Requires that a credit be treated as awarded on the first day on which the credit can be claimed. Requires that certain credits awarded before July 1, 2022, be treated as being awarded for taxable years after June 30, 2022. Requires that an accelerated HBI credit be treated at the undiscounted value.

Effective Date: July 1, 2022

Code: IC 5-28-6-9

Enrolled Act: SEA 361, Section 3

Summary: Permits recipients eligible to receive the EDGE tax credit to elect to forgo claiming the credit against any state tax liability and submit a request to the department to receive a payment equal to the credit. In order to receive a payment under IC 6-3-5-5 section, the taxpayer shall provide to the department: a copy of the taxpayer’s agreement with the Indiana Economic Development Corporation; the credit awarded to the taxpayer for that taxable year; and any other information required by the department.

A payment by the department under IC 6-3-5-5 cannot exceed the actual incremental income tax withholdings collected by the department as a result of the employment of new employees subject to an agreement entered into under IC 6-3.1-13.

In the case of a credit awarded under IC 6-3.1-13 to a taxpayer that is a pass through entity, the: (1) pass through entity has the authority to make the election with regard to the credit; (2) shareholders, partners, members, and beneficiaries of the pass through entity may not make an election separate from the pass through entity with regard to the credit; (3) pass through entity is entitled to the payment allowable under this section; and (4) pass through entity may not pass through any portion of the credit for which the pass through entity requests payment as a tax credit to the shareholders, partners, members, or beneficiaries of the pass through entity.

If a payment under IC 6-3-5-5 is included in the federal adjusted gross income of an individual or the federal taxable income of any other entity, the payment must be treated as: adjusted gross income from Indiana sources under IC 6-3 and IC 6-5.5; business income for purposes of IC 6-3; and a receipt from Indiana sources for apportionment purposes under IC 6-3-2 and IC 6-5.5-4.

For purposes of offsetting refunds and overpayments, a payment under IC 6-3-5-5 is treated as an overpayment of tax under IC 6-3 and IC 6-5.5 for purposes of IC 6-8.1-9-2, IC 6-8.1-9.5, and IC 6-8.1-9.7.

A payment under IC 6-3-5-5 is subject to the noncompliance provisions of IC 6-3.1-13-22 in the same manner as if the payment had been claimed as a credit.

If all or a portion of a payment under IC 6-3-5-5 is determined to have been made in error or is subject to assessment under IC 6-3.1-13-22, the department may issue an assessment for repayment of such amount before the later of: 10 years from the date of the payment or three years from the date the Indiana Economic Development Corporation notifies the department of the taxpayer's noncompliance pursuant to IC 6-3.1-13-22.

An assessment for repayment shall be treated as a proposed assessment for purposes of administrative review and judicial appeal under IC 6-8.1-5. However, review of the Indiana Economic Development Corporation's determination of noncompliance shall be limited to an abuse of discretion by the Indiana Economic Development Corporation.

For purposes of IC 6-3-5-5, an election for payment in lieu of claiming the credit under IC 6-3.1-13 for a taxable year is not allowed if: (1) the taxpayer has claimed all or part of the credit for the taxable year; (2) in the case of a taxpayer who is a pass through entity, the taxpayer passes through all or part of the credit as a tax credit, regardless of whether the pass through entity subsequently provides information to the department, the Indiana Economic Development Corporation, or any other affected person or entity, that the credit should not be passed through as a tax credit or whether the credit otherwise has been claimed as a tax credit; or (3) the taxpayer makes the election after the due date of the taxpayer's return under IC 6-3, IC 6-5.5, IC 6-8-15, or IC 27-1-18-2, determined without regard to extensions, on which it would have claimed the credit for which the taxpayer is requesting payment under this section.

The amount needed to make a payment under IC 6-3-5-5 shall be paid from funds appropriated to the Indiana Economic Development Corporation for business promotion and innovation or from the statewide innovation development district fund established by IC 36-7-32.5-20. Payments made under this section are subject to available funding.

Effective Date: July 1, 2022

Code: IC 6-3-5-5

Enrolled Act: SEA 361, Section 6

Summary: Extends the limitation on the duration of an EDGE credit from 10 years to 20 years and eliminates the \$10 million annual limit on the award of EDGE retention credits. EDGE credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-13-18

Enrolled Act: SEA 361, Section 8

Summary: Allows a taxpayer, with the approval of the Indiana Economic Development Corporation, to elect to forgo claiming the credit against any state tax liability and submit the credit to the department with a request to receive a payment from the corporation, to be paid from funds appropriated to the corporation for business promotion and innovation or from the statewide innovation development district fund established by IC 36-7-32.5-20, that is equal to the credit for that taxable year as provided in IC 6-3-5-5.

Effective Date: July 1, 2022

Code: IC 6-3.1-13-20

Enrolled Act: SEA 361, Section 9

Summary: Adds a veteran-owned business to minority business enterprise and women’s-owned enterprise as businesses to which an investor can provide qualified investment capital and qualify for the higher maximum amount of venture capital investment credit.

Effective Date: January 1, 2023

Code: IC 6-3.1-24-8

Enrolled Act: SEA 361, Section 10

Summary: Eliminates the annual fiscal year limit on the total amount of Hoosier investment tax credits that the Indiana Economic Development Corporation may approve for all taxpayers for all qualified investments. Prior to this change, the annual fiscal year limit was: \$50 million for credits based on a qualified investment that is not being claimed as a logistics investment; and \$5 million for credits based on a qualified investment that is being claimed as a logistics investment. Hoosier investment tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-26-20

Enrolled Act: SEA 361, Section 11

Summary: Eliminates the requirement that a business employ a certain number of Indiana employees in order to qualify for the headquarters relocation tax credit.

Effective Date: July 1, 2022

Code: IC 6-3.1-30-8

Enrolled Act: SEA 361, Section 12

Summary: Changes the definition of “qualified redevelopment site” for purposes of the redevelopment tax credit to be a vacant or underutilized property in Indiana as determined by the corporation. Eliminates the specific criteria used to determine whether a building or land is a qualified redevelopment site.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-6

Enrolled Act: SEA 361, Section 13

Summary: Modifies the definition of “rehabilitation” for purposes of the redevelopment tax credit.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-8

Enrolled Act: SEA 361, Section 14

Summary: Eliminates the requirement for a redevelopment tax credit award for a redevelopment site that the applicant provides evidence that the local unit having jurisdiction over the property made a determination that the qualified redevelopment site was unsafe, and the local unit took appropriate steps to remedy the unsafe conditions at the qualified redevelopment site, which led to its demolition.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-16

Enrolled Act: SEA 361, Section 15

Summary: Establishes 30% as the applicable credit percentage for the redevelopment tax credit. Prior to this change, the applicable credit percentage was determined based on a combination of the age and the type of redevelopment site.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-17

Enrolled Act: SEA 361, Section 16

Summary: Raises the threshold to \$20 million from \$7 million for the requirement that a redevelopment credit agreement include a provision that requires the taxpayer to repay the amount of the credit that exceeds the threshold. Eliminates the requirement for a repayment provision for any portion of the credit if the award is for a qualified redevelopment site subject to a proposal that will result in a qualified investment of at least \$100 million.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-18

Enrolled Act: SEA 361, Section 17

Summary: Eliminates the annual fiscal year limit on the total amount of redevelopment credits that the Indiana Economic Development Corporation may approve for all taxpayers for all qualified investments. Prior to this change, the annual fiscal year limit was \$50 million. Redevelopment tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-34-18

Enrolled Act: SEA 361, Section 18

Summary: Establishes the film and production tax credit. If the Indiana Economic Development Corporation certifies a taxpayer under IC 6-3.1-36-7(c), the taxpayer is entitled to a tax credit equal to: the amount of the taxpayer's qualified production expenses multiplied by a percentage determined by the corporation, not to exceed 30%.

If a pass through entity is entitled to a credit under IC 6-3.1-36-8 but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, member, or beneficiary of the pass through entity is entitled to a tax credit equal to: the tax credit determined for the pass through entity for the taxable year multiplied by the percentage of the pass through entity's distributive income to which the shareholder, partner, member, or beneficiary is entitled.

To receive the credit provided by IC 6-3.1-36, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department.

The amount of the credit provided by IC 6-3.1-36 that a taxpayer uses during a particular taxable year may not exceed the state tax liability of the taxpayer.

If the credit provided by IC 6-3.1-36 exceeds the taxpayer's state tax liability for the first taxable year containing the taxable year for which the corporation awards the credit, then the excess may be carried over to up to nine succeeding taxable years and used as a credit against the state tax liability of the taxpayer during those taxable years.

The film and production tax credits now count as applicable credits for purposes of the new global \$300 million annual fiscal year limit on credits in IC 5-28-6-9.

Effective Date: July 1, 2022

Code: IC 6-3.1-36

Enrolled Act: SEA 361, Section 19

Summary: Defines "gross retail base period amount" for purposes of the Innovation Development Districts to mean the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses: (1) operating in the territory comprising an innovation development district; and (2) that is, in the case of the: (A) state gross retail tax, collected by a business for sales occurring at a physical location of the business in the innovation development district; and (B) state use tax, incurred with regard to property used in the innovation development district; during the full state fiscal year that precedes the date on which the innovation development district was designated under IC 36-7-32.5-9.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-4

Enrolled Act: SEA 361, Section 28

Summary: Defines “gross retail incremental amount” for purposes of the Innovation Development Districts to mean the remainder of: (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses: (A) operating in the territory comprising an innovation development district; and (B) that is, in the case of the: (i) state gross retail tax, collected by a business for sales occurring at a physical location of the business in the innovation development district; and (ii) state use tax, incurred with regard to property used in the innovation development district; during a state fiscal year; minus (2) the gross retail base period amount; as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-5

Enrolled Act: SEA 361, Section 28

Summary: Defines “income tax base period amount” for purposes of the Innovation Development Districts to mean the aggregate amount of state adjusted gross income taxes paid by employees employed in the territory comprising an innovation development district with respect to wages and salary earned for work in the innovation development district for the state fiscal year that precedes the date on which the innovation development district was designated under IC 36-7-32.5-9.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-6

Enrolled Act: SEA 361, Section 28

Summary: Defines “income tax incremental amount” for purposes of the Innovation Development Districts to mean the remainder of: (1) the total amount of state adjusted gross income taxes paid by employees employed in the territory comprising the innovation development district with respect to wages and salary earned for work in the territory comprising the innovation development district for a particular state fiscal year; minus (2) the sum of the: (A) income tax base period amount; plus (B) tax credits awarded by the Indiana Economic Development Corporation under IC 6-3.1-13 to businesses operating in an innovation development district as the result of wages earned for work in the innovation development district for the state fiscal year; as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-7

Enrolled Act: SEA 361, Section 28

Summary: Defines “net increment” for purposes of the Innovation Development Districts to mean the sum of the gross retail incremental amount plus the income tax incremental amount as determined by the department.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-8

Enrolled Act: SEA 361, Section 28

Summary: Establishes rules and procedures for the designation of territory within a city, town or county as an innovation development district. Prohibits the designation of an innovation district under IC 36-7-32.5-9 after June 30, 2025.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-9

Enrolled Act: SEA 361, Section 28

Summary: Limits the initial term of an area's designation as an innovation development district to 30 years. The term of an area's designation as an innovation development district may be extended beyond the 30-year term after budget committee review.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-11

Enrolled Act: SEA 361, Section 28

Summary: Authorizes the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance to adopt rules under IC 4-22-2 and prescribe the forms and procedures that the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance considers appropriate for the implementation of an innovation development district. However, before adopting rules under this section, the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance shall submit a report to the budget committee that describes the rules proposed by the State Board of Accounts, the Department of Revenue, and the Department of Local Government Finance and recommends statutory changes necessary to implement the provisions of IC 36-7-32.5.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-16

Enrolled Act: SEA 361, Section 28

Summary: Requires that if an innovation development district is designated under IC 36-7-32.5-9, the Indiana Economic Development Corporation shall send the department: (1) a certified copy of the designation of the innovation development district; (2) if an agreement is entered into under IC 36-7-32.5-12, a certified copy of the agreement; and (3) a complete list of the employers in the innovation development district, the street names and the range of street numbers of each street in the innovation development district. The corporation shall update the list provided before July 1 of each year.

Directs the department, not later than 60 days after receiving a copy of the designation of the innovation development district, to determine the gross retail base period amount and the income tax base period amount.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-17

Enrolled Act: SEA 361, Section 28

Summary: Directs the department, before the first business day in October of each year, to calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each innovation development district designated under IC 36-7-32.5.

Requires taxpayers operating in an innovation development district to report annually, in the manner and form prescribed by the department, information that the department determines necessary to calculate the net increment.

Requires a taxpayer operating in an innovation development district that files a consolidated tax return with the department to also file an informational return annually for each business location of the taxpayer within the innovation development district.

Directs that, if a taxpayer fails to report the information required by IC 36-7-32.5-18 or file an informational return required by IC 36-7-32.5-18, the department shall use the best information available in calculating the income tax incremental amount and gross retail incremental amount.

Requires the department to transfer the calculated income tax incremental amount and gross retail incremental amount to the applicable local innovation development district fund established for the innovation development district under IC 36-7-32.5-19 by November 1 of each year.

Effective Date: July 1, 2022

Code: IC 36-7-32.5-18

Enrolled Act: SEA 361, Section 28

SEA 382

Summary: Appropriates money to the Indiana mapping data and standards fund to be used for: the implementation of the geographic information system (GIS) for the state and local income taxes, as well as listed taxes, administered by the department of state revenue; and the purposes of the Indiana Geographic Information Office.

Effective Date: Upon passage

Code: IC 4-23-7.3-19

Enrolled Act: SEA 382, Section 1

Summary: Directs that before July 1, 2023, the budget agency shall transfer \$7.1 million from the state general fund to the Indiana mapping standards fund to be used for: the implementation of the GIS for the state and local income taxes, as well as listed taxes, administered by the department of state revenue; and the purposes of the Indiana Geographic Information Office.

Directs the budget agency to identify and create a report on the current GIS-related contract costs for all state agencies that could be eliminated in order to offset the required future state appropriations needed to fund the Indiana Geographic Information Office. The report shall be submitted to the interim study committee on fiscal policy before November 1, 2022.

Effective Date: Upon passage

Code: IC 4-23-7.3-23

Enrolled Act: SEA 382, Section 2

Summary: Requires the pari-mutuel wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-31-9-3

Enrolled Act: SEA 382, Section 3

Summary: Requires the pari-mutuel wagering breakage tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-31-9-10

Enrolled Act: SEA 382, Section 4

Summary: Requires the supplemental riverboat wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-33-12-4

Enrolled Act: SEA 382, Section 5

Summary: Requires the riverboat wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-33-13-1.5

Enrolled Act: SEA 382, Section 6

Summary: Requires the slot machine wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-35-8-1

Enrolled Act: SEA 382, Section 8

Summary: Requires the sports wagering tax to be reported and remitted electronically through the department's online tax filing program.

Effective Date: July 1, 2022

Code: IC 4-35-10-5

Enrolled Act: SEA 382, Section 10

Summary: Removes reference to IC 6-2.5-4-2, as that subsection is repealed as part of Section 29 later in the bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-1-2

Enrolled Act: SEA 382, Section 13

Summary: Defines, for purposes of sales and use tax, "power subsidiary" to mean a corporation which is owned or controlled by one or more public utilities that furnish or sell electrical energy, natural or artificial gas, water, steam, or steam heat and which produces power exclusively for the use of those public utilities.

Effective Date: July 1, 2022

Code: IC 6-2.5-1-22.5

Enrolled Act: SEA 382, Section 14

Summary: Defines, for purposes of sales and use tax, "public utility" to mean any organization of any kind or nature that: sells electricity, gas, or water for consumption; and has the right of eminent domain or is otherwise subject to governmental regulation in any phase of its operation.

Effective Date: July 1, 2022

Code: IC 6-2.5-1-25.5

Enrolled Act: SEA 382, Section 15

Summary: Removes reference to IC 6-2.5-5-24(b), as that subsection is repealed as part of Section 29 later in the bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-3-4

Enrolled Act: SEA 382, Section 16

Summary: Removes reference to IC 6-2.5-4-2 and adds language from IC 6-2.5-4-2 (repealed in Section 18 of this bill) regarding industrial processing.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-1

Enrolled Act: SEA 382, Section 17

Summary: Repeals IC 6-2.5-4-2, which detailed how a person making wholesale sales was a retail merchant. This language was a remnant of the gross income tax and no longer relevant.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-2

Enrolled Act: SEA 382, Section 18

Summary: Removes every subsection from IC 6-2.5-4-5 except for the specific imposition of sales tax on utility services in subsection (b). The subsections are inserted into new statutes or existing statutes in Sections 14, 15, 19, 21, and 24 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-4-5

Enrolled Act: SEA 382, Section 19

Summary: Clarifies that a marketplace facilitator is considered the retail merchant of each retail transaction that is facilitated for sellers on its marketplace, regardless as to whether the marketplace facilitator has a contractual relationship with the seller, when it does any of the following: on behalf of the seller: collects the sales price or purchase price of the seller's products; provides access to payment processing services, either directly or indirectly; or charges, collects, or otherwise receives fees or other consideration from the purchaser for transactions made on its electronic marketplace.

Effective Date: July 1, 2022

Code: IC 6-2.5-4-18

Enrolled Act: SEA 382, Section 20

Summary: Adds a new subsection (e) which allows for a predominate use exemption when more than 50% of the utilities sold through a single meter qualify for exemption under this section. The predominate use exception was deleted from IC 6-2.5-4-5 pursuant to Section 19 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-5.1

Enrolled Act: SEA 382, Section 21

Summary: Deletes subsections (c) through (i), which address aircraft leasing. These subsections are made into a new statute as part of Section 23 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8

Enrolled Act: SEA 382, Section 22

Summary: Creates a new statute that contains revised versions of the subsections of IC 6-2.5-5-8 deleted by Section 23. The revisions clarify that an aircraft lessor does not owe any additional sales or use tax when they sell an aircraft if the leasing of the aircraft complied with the gross lease revenue requirements of this statute or all periods prior to the sale.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8.2

Enrolled Act: SEA 382, Section 23

Summary: Creates a new statute that exempts transactions involving the provision, installation, construction, servicing, or removal of tangible personal property in connection with the provision of utility services. Exempts sales of utility services between persons described in IC 6-2.5-4-5 and IC 6-2.5-4-6. Exempts qualified sales of utility services to qualified businesses located in a qualified military base enhancement area. The language for these exemptions were found in some of the subsections from IC 6-2.5-4-5 that were deleted pursuant to Section 19 of this bill.

Effective Date: July 1, 2021

Code: IC 6-2.5-5-8.5

Enrolled Act: SEA 382, Section 24

Summary: Removes reference to power subsidiary definition in IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-10

Enrolled Act: SEA 382, Section 25

Summary: Removes reference to power subsidiary definition in IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-10.5

Enrolled Act: SEA 382, Section 26

Summary: Removes the list of nonprofit organizations, which has been moved to IC 6-2.5-5-25 in Section 30 of this bill. The procedure for such organizations to register with the department has been removed as well, which has also been moved to IC 6-2.5-5-25 in Section 30 of this bill. References to the list in IC 6-2.5-5-25 are inserted in their place.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-21

Enrolled Act: SEA 382, Section 27

Summary: Removes unnecessary reference to a date. Replaces reference to the list of nonprofits in IC 6-2.5-5-21 with reference to new list in IC 6-2.5-5-25.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-22

Enrolled Act: SEA 382, Section 28

Summary: Deletes subsection (b), which was a remnant of the gross income tax and no longer relevant.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-24

Enrolled Act: SEA 382, Section 29

Summary: Incorporates the list of nonprofit organizations that had previously been in IC 6-2.5-5-21, which was removed in Section 27. Removes the word “primarily” from the requirement that the tangible personal property purchased be used to carry on or raise money to carry on a not-for-profit purpose. Replaces reference to the list of nonprofits in IC 6-2.5-5-21 with reference to new list in IC 6-2.5-5-25.

Adds the requirement that a nonprofit file an application for exemption with the department not later than 120 days after the taxpayer’s formation. In addition, the taxpayer must file a report with the department on or before the fifteenth day of the fifth month every five years following the date of its formation. The report must be filed electronically with the department in the manner determined by the department. If a taxpayer fails to file the report, the department shall notify the taxpayer of the failure. If within 60 days after receiving such notice the taxpayer does not provide the report, the taxpayer’s exemption shall be canceled. However, the department may reinstate the taxpayer’s exemption if the taxpayer shows by petition that the failure was due to reasonable cause. A taxpayer filing a report under this section or IC 6-2.5-5-21(d) of this chapter (prior to recodification as part of this legislation) after December 31, 2021, and before January 1, 2023, will be required to file the next required report at a specified date based on the last two digits of their FEIN.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-25

Enrolled Act: SEA 382, Section 30

Summary: Replaces references to the list of nonprofits in IC 6-2.5-5-21 with references to new list in IC 6-2.5-5-25. Removes the 30 selling day rule and replaces it with a \$20,000 threshold. Specifies that once sales of an organization exceed \$20,000, the nonprofit is required to collect sales tax on sales on an ongoing basis for the remainder of the calendar year. Further specifies that the sales of an organization include sales made by all units operating under the organization’s registration pursuant to the next subsection.

Effective Date: July 1, 2022

Code: IC 6-2.5-5-26

Enrolled Act: SEA 382, Section 31

Summary: Changes the exemption certificate issuance procedure for nonprofits by requiring nonprofits listed in IC 6-2.5-5-21, IC 6-2.5-5-25, or IC 6-2.5-5-26 to be registered with the department first pursuant to IC 6-2.5-5-25(c), at which point the department will electronically issue an exemption certificate to the nonprofit. Replaces references to IC 6-2.5-4-5(b) that were recodified as part of this legislation.

Effective Date: July 1, 2022

Code: IC 6-2.5-8-8

Enrolled Act: SEA 382, Section 32

Summary: Clarifies that individuals who have student loans discharged due to death, total and permanent disability of the borrower, or bankruptcy are not required to add back the amounts of student loans discharged for those reasons. Allows a deduction for health insurance premiums paid by an employer for certain small-business health insurance plans, provided that the deduction is disallowed for federal purposes as a result of claiming the federal credit in the amount of those expenses, but only for taxable years beginning after December 31, 2022.

Effective Date: January 1, 2021 (retroactive)

Code: IC 6-3-1-3.5

Enrolled Act: SEA 382, Section 33

Summary: Allows C corporations with an apportionment factor of greater than 10% and more than \$1 billion in certain tangible personal property sales source to Indiana to elect an alternative tax computation.

Effective Date: July 1, 2022

Code: IC 6-3-2-1.7

Enrolled Act: SEA 382, Section 34

Summary: Makes conforming code references as a result of the addition of the small-business health plan deduction.

Effective Date: January 1, 2023

Code: IC 6-3-2-2.5

Enrolled Act: SEA 382, Section 35

Summary: Makes conforming code references as a result of the addition of the small-business health plan deduction.

Effective Date: January 1, 2023

Code: IC 6-3-2-2.6

Enrolled Act: SEA 382, Section 36

Summary: Clarifies the due date for C corporate tax returns is the fifteenth day of the fifth month following the end of the taxpayer's taxable year if the federal due date is on or after April 15 (current law provides this due). Changes language regarding weekends and holidays affecting the corporate tax return due date. Provides that if the Internal Revenue Service extends the due date of a return, the department may extend its due date to reflect the federal extension. Provides that if the due date for a federal return is later than the otherwise applicable due date, the due date is the date otherwise provided in IC 6-3-4-3 or the federal due date, whichever is later.

Effective Date: January 1, 2023

Code: IC 6-3-4-3

Enrolled Act: SEA 382, Section 37

Summary: Changes “pass through entity” to “partnership” and “member” to “partner.”

Effective Date: July 1, 2022

Code: IC 6-3-4-12

Enrolled Act: SEA 382, Section 38

Summary: Provides rules governing certain situations in consolidated filings in the absence of a specific decision to change consolidated/non-consolidated filing status. Provides that, if a corporation that is part of a consolidated group is sold, the consolidated group continues without interruption. Provides that in the event of a merger, the filing status of the surviving member determines the ongoing consolidated filing status. Provides that an acquisition of a corporation does not change the previous filing status of the existing consolidated group. Provides that if a corporation ceases to be part of a consolidated group (e.g., no Indiana income or change in ownership), the consolidated status of the remaining corporations remains unchanged.

Effective Date: July 1, 2022

Code: IC 6-3-4-14

Enrolled Act: SEA 382, Section 39

Summary: Provides that the department may establish procedures and guidelines by which a partner may elect to not be subject to withholding. Provides rules governing the election to not be subject to withholding. Provides that a failure to obtain an election or to attach the election to the pass through entity’s tax return shall be treated as if the election was not made for the taxable year.

Effective Date: July 1, 2022

Code: IC 6-3-4-15.1

Enrolled Act: SEA 382, Section 40

Summary: Provides that a review year includes a year covered by an administrative adjustment request and provides that a review year is determined without regard to the ultimate responsibility for tax due. Includes a form or schedule provided by a partnership in the definition of “statement.”

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-1

Enrolled Act: SEA 382, Section 41

Summary: Provides that reference to certain failures to issues statements includes partnership as well as other pass through entities. Clarifies rules regarding the year to which certain federal adjustments are to be taken into account. Modifies wording to reflect final federal adjustments to be parallel with wording elsewhere in IC 6-3-4.5. Clarifies that a reference to the citation governing partnership elections and tax computations when a federal change occurs also governs elections made under other provisions of IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-2

Enrolled Act: SEA 382, Section 42

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-3

Enrolled Act: SEA 382, Section 43

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-5

Enrolled Act: SEA 382, Section 44

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-8

Enrolled Act: SEA 382, Section 45

Summary: Clarifies the computation for tax due for federal changes with regard to tiered partners if an election to be taxed at the partnership level is made. Clarifies the year for which tax rates are to apply for the highest rate if an election to be taxed at the partnership level is made. Provides that the computation for tax due includes credit disallowances if an election to be taxed at the partnership level is made. Removes duplicate language governing an election if a previous election to be taxed at the partnership level.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-9

Enrolled Act: SEA 382, Section 46

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-14

Enrolled Act: SEA 382, Section 47

Summary: Changes wording to be consistent with wording elsewhere in IC 6-3-4.5.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-15

Enrolled Act: SEA 382, Section 48

Summary: Clarifies the treatment of partner-level adjustments if the partnership makes a valid federal election to not be subject to partnership-level audits. Provides that in such situations, the consistent treatment between a partner and a partnership occurs only when the partner properly reports the federal adjustment and that, at the partner level, the adjustment is considered a final federal adjustment with regard to the partner.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-17

Enrolled Act: SEA 382, Section 49

Summary: Clarifies that the scope of the penalty for failure to reissue certain information include amended statements or information. Clarifies the scope of the statute of limitations regarding failure to issue partner-level adjustments and the applicability to tiered partners.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-18

Enrolled Act: SEA 382, Section 50

Summary: Clarifies a statutory citation relating to extensions.

Effective Date: July 1, 2021 (retroactive)

Code: IC 6-3-4.5-20

Enrolled Act: SEA 382, Section 51

Summary: Creates a new credit for affordable and workforce housing. Provides that the credit is available for taxable years beginning on or after January 1, 2024. Allows for applications to be submitted beginning July 1, 2023.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-1

Enrolled Act: SEA 382, Section 52

Summary: Provides definitions for purposes of the affordable and workforce housing credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-2

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit for a taxable year is equal to the lesser of state tax credits awarded for the qualified project or the total federal credit allowed for the qualified project, divided by the number of taxable years in the state tax credit period for the qualified project. Deems that when an eligibility statement is issued to an eligible applicant, the applicant is considered to receive 100% of the state tax credit for each taxable year in the period for which the credit is allowable. Provides that a person is allowed to claim a credit in the amount of the credit acquired minus the amount of the credit transferred before the last day of the taxable year.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-3

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit cannot exceed a taxpayer's state tax liability. Allows an unused credit to be carried forward for nine years. Disallows the carry back or refund of any unused credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-4

Enrolled Act: SEA 382, Section 52

Summary: Provides that if an S corporation or partnership has an affordable and workforce housing credit under IC 6-3.1-35 and does not have a tax liability against which to apply the credit, the shareholders or partners may determine how the entity's credit is to be distributed among the shareholders or partners. Provides that the finally-determined distribution by the pass through entity is to be reported to the department.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-5

Enrolled Act: SEA 382, Section 52

Summary: Provides that a holder of an affordable and workforce housing tax credit may transfer, sell, or assign all or part of the tax credit for a taxable year. Requires the transferor to provide the holder's eligibility statement at the time of transfer, a declaration setting forth the transferor's portion of the credit before and after the transfer as well as the transferee's portion of the credit after transfer, and any other relevant documents related to the transaction. Requires the transferor to report the transfer in the manner prescribed by the Department of Revenue.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-6

Enrolled Act: SEA 382, Section 52

Summary: Provides that applications for the affordable and workforce housing tax credit be submitted between July 1, 2023, and December 31, 2027, inclusive. Requires that the application include the name and address of both the qualified project and the owner of the qualified project, as well as any other information required by the Indiana Housing and Community Development Authority (IHCDA). Provides that IHCDA may grant a credit if certain requirements are met. Allows IHCDA to award a credit for a qualified project of between 40 and 100% of the anticipated aggregate federal tax credits for the qualified credit under IRC § 42(m) and specified by IHCDA. Requires IHCDA to issue an eligibility certificate for any credit granted and specifies requirements for the contents of the eligibility letter. Requires IHCDA to transmit a copy of the eligibility letter to the Department of Revenue.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-7

Enrolled Act: SEA 382, Section 52

Summary: Limits the amount of affordable and workforce housing credits granted by IHCDA to \$30 million per state fiscal year for state fiscal years 2024 through 2028. Provides that the date on which the credit is awarded determines the fiscal year to which a particular credit is to be allocated. Permits IHCDA to prioritize credits that further the mission and purpose of IHCDA if the cap exceeds (or is reasonably expected to exceed) the annual limit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-8

Enrolled Act: SEA 382, Section 52

Summary: Requires a holder of an affordable and workforce housing tax credit to report the credit in the manner provided by the Department of Revenue. Requires a tax credit holder to submit to the Department of Revenue any information necessary for the calculation of the credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-9

Enrolled Act: SEA 382, Section 52

Summary: Permits the Department of Revenue or IHCDA (or both) to adopt rules for purposes of administering the affordable and workforce housing credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-10

Enrolled Act: SEA 382, Section 52

Summary: Provides that the affordable and workforce housing credit is subject to annual review for effectiveness for the five-year duration of the credit.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-11

Enrolled Act: SEA 382, Section 52

Summary: Provides that IC 6-3.1-35 expires July 1, 2028, terminating the affordable and workforce housing credit except for last-year claims and carryforwards.

Effective Date: July 1, 2023

Code: IC 6-3.1-35-12

Enrolled Act: SEA 382, Section 52

Summary: Provides that a correctional facility local income tax rate imposed in an ordinance on or before January 1, 2019, is limited to a 22-year imposition period, while a rate imposed on or after January 1, 2019, is limited to a 25-year imposition period.

Effective Date: July 1, 2022

Code: IC 6-3.6-6-2.7

Enrolled Act: SEA 382, Section 53

Summary: Provides that certified distributions of local income tax are based on amounts attributed to the county (previous language was received from the county). Clarifies the language regarding returns to include returns filed by the Department of Revenue on behalf of a taxpayer and processed by the department. Deletes previous language related to refunds of local income tax for purposes of determining certified distributions (the refund is part of the amounts attributed to the county under the revised language).

Effective Date: July 1, 2022

Code: IC 6-3.6-9-4

Enrolled Act: SEA 382, Section 54

Summary: Allows a deduction for health insurance premiums paid by an employer for certain small-business health insurance plans, provided that the deduction is disallowed for federal purposes as a result of claiming the federal credit in the amount of those expenses.

Effective Date: January 1, 2023

Code: IC 6-5.5-1-2

Enrolled Act: SEA 382, Section 55

Summary: Clarifies the due date for financial institutions tax returns is the fifteenth day of the fifth month following the end of the taxpayer's taxable year. Provides that an extension for financial institutions tax is to the day otherwise provided in IC 6-8.1-6-1 (previous law granted a similar extension to the federal extension). Provides that if the Internal Revenue Service extends the due date of a return, the department may extend its due date to reflect the federal extension. Provides that if the due date for a federal return is later than the due date otherwise provided for the financial institutions tax return, the due date is the date otherwise provided in IC 6-5.5-6-2 or the federal due date, whichever is later.

Effective Date: January 1, 2023

Code: IC 6-5.5-6-2

Enrolled Act: SEA 382, Section 56

Summary: Clarifies that a cigarette includes a roll for smoking "or heating," and such roll has a wrapper or cover made of any paper or material "not containing tobacco."

Effective Date: July 1, 2022

Code: IC 6-7-1-2

Enrolled Act: SEA 382, Section 57

Summary: Adds a violation of IC 24-3-5.4-7 (regarding compliance with the Master Settlement Agreement) to the list of reasons that the department may revoke a cigarette distributor's license.

Effective Date: July 1, 2022

Code: IC 6-7-1-15

Enrolled Act: SEA 382, Section 58

Summary: Adds a penalty for retailers that purchase cigarettes from an unregistered distributor, or whose registration is suspended or revoked by the department. The penalty is the greater of 100% of the retail value of the cigarettes purchased or \$5,000 on each purchase.

Effective Date: July 1, 2022

Code: IC 6-7-1-38

Enrolled Act: SEA 382, Section 59

Summary: Provides a definition for "actual cost" and "actual cost list," meaning essentially the wholesale price paid by the remote seller or the retail price charged by the remote seller, respectively.

Effective Date: July 1, 2023

Code: IC 6-7-2-0.1

Enrolled Act: SEA 382, Section 60

Summary: Provides a definition for “alternative nicotine product,” which are noncombustible products containing nicotine that are intended for human consumption, whether chewed, absorbed, dissolved, or ingested by any means. The term does not include cigarettes, tobacco products, closed system cartridges, vapor products, consumable material, open system containers, or any product regulated as a drug or device by the United States Food and Drug Administration under 21 U.S.C. 351 to 360fff-7.

Effective Date: July 1, 2022
Code: IC 6-7-2-0.2
Enrolled Act: SEA 382, Section 61

Summary: Provides a definition for “cigar,” which means a tobacco product that is a roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (other than any roll of tobacco that is a cigarette). The term includes tobacco products known as “little cigars”, which are cigars with an integrated cellulose acetate filter and that are wrapped in a substance containing tobacco.

Effective Date: July 1, 2023
Code: IC 6-7-2-0.3
Enrolled Act: SEA 382, Section 62

Summary: Provides a definition for “pipe tobacco,” which means a tobacco product that, because of its appearance, type, packaging, or labeling, is suitable and likely to be smoked in a pipe.

Effective Date: July 1, 2023
Code: IC 6-7-2-3.1
Enrolled Act: SEA 382, Section 63

Summary: Provides a definition for “remote sellers,” which means retail dealers that meet one or both of the economic thresholds for sales tax purposes and sells taxable products to an ultimate consumer by either selling through a telephone or other method of voice transmission, the mail, the internet or other electronic service, or when the taxable products are delivered to the consumer by common carrier, private delivery service, or other method of delivery.

Effective Date: July 1, 2023
Code: IC 6-7-2-3.3
Enrolled Act: SEA 382, Section 64

Summary: Add “alternative nicotine products” to the definition of “taxable products.”

Effective Date: July 1, 2022
Code: IC 6-7-2-3.5
Enrolled Act: SEA 382, Section 65

Summary: Clarifies that a retail dealer includes a merchant who meets one or both of the economic thresholds for sales tax purposes.

Effective Date: July 1, 2023
Code: IC 6-7-2-4
Enrolled Act: SEA 382, Section 66

Summary: Amends the definition of “tobacco product” to codify that the definition means any product containing, made, or derived from tobacco that is intended for human consumption, or is likely to be consumed, whether chewed, smoked, heated, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product. Includes new lists of what the term does or does not include, codifying prior interpretation.

Effective Date: July 1, 2023

Code: IC 6-7-2-5

Enrolled Act: SEA 382, Section 67

Summary: Adds a tax on alternative nicotine products at a rate of \$0.40 per ounce, and a proportionate tax at the same rate on all fractional parts of an ounce, calculated based upon the product weight as listed by the manufacturer. If the tax calculated for a fractional part of an ounce carried to the third decimal place being greater than four, the amount of the tax shall be rounded to the next additional cent. Adds distributors of alternative products to the requirements of this section. Removes the language concerning sales through internet websites, catalog, or similar means, as this is now covered by the economic threshold language in the remote seller and retail dealer definitions. Clarifies that when there is a distributor-to-distributor sale of tobacco products or alternative nicotine products, the tax is imposed when the distributor first receives the tobacco products or alternative nicotine products in Indiana.

Effective Date: July 1, 2022

Code: IC 6-7-2-7

Enrolled Act: SEA 382, Section 68

Summary: Reduces the rate of the closed system cartridge tax from 25% to 15%. Clarifies that if a closed system cartridge is sold in the same package as a vapor product device, the tax imposed under this subsection shall only apply to the wholesale price of the closed system cartridge if the wholesale cost of the closed system cartridge can be isolated from the vapor product device on the invoice. Removes the language concerning sales through internet websites, catalog, or similar means, as this is now covered by the economic threshold language in the remote seller and retail dealer definitions.

Effective Date: July 1, 2022

Code: IC 6-7-2-7.5

Enrolled Act: SEA 382, Section 69

Summary: Creates a requirement that the taxes imposed in this chapter on tobacco products, alternative nicotine products, and closed system cartridges are also required to be collected by remote sellers. The taxes can be calculated using either the actual cost or actual cost list method. The taxes are imposed at the time of sale to the ultimate consumer and the remote seller is liable for the taxes.

Effective Date: July 1, 2023

Code: IC 6-7-2-7.7

Enrolled Act: SEA 382, Section 70

Summary: Creates a licensing requirement on remote sellers of taxable products. The licensing requirements mirror the requirements for distributors in IC 6-7-2-8, with a few differences. The merchant must meet one or both of the economic threshold requirements for sales tax. They must also attest that they use third-party age verification technology through an independent, third-party age verification service that compares information available from a commercially available database (or aggregate of databases) that are regularly used by government agencies and businesses for the purpose of age and identity verification, as well as personal information entered by the individual during the ordering process, that establishes that the individual is of the required minimum age. Further, if a remote seller that collects tax using the actual cost list method to calculate the tax, they must provide the department with a certified actual cost list for each individual product offered for sale in the subsequent calendar year, which must be updated annually as new products are added to a remote seller's inventory. New products must also be added to the actual cost list using the actual cost first paid for each individual product.

Effective Date: July 1, 2023

Code: IC 6-7-2-8.5

Enrolled Act: SEA 382, Section 71

Summary: Amends the existing requirement to notify the department if there is a change of business location to impose such requirement on remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-9

Enrolled Act: SEA 382, Section 72

Summary: Repeals language imposing a floor and ceiling on the amount of a refund of a distributor's license fee, as the cost of a license is \$25, which is the same amount as the minimum threshold for issuing a refund.

Effective Date: July 1, 2022

Code: IC 6-7-2-10

Enrolled Act: SEA 382, Section 73

Summary: Adds a violation of IC 24-3-5.4-7 (regarding compliance with the Master Settlement Agreement) to the list of reasons that the department may revoke a distributor, manufacturer, or remote seller license.

Effective Date: July 1, 2022

Code: IC 6-7-2-11

Enrolled Act: SEA 382, Section 74

Summary: Creates a list of reasons for the department to refuse to issue or renew a distributor, manufacturer, or remote seller license. Provides that before being denied a license as a distributor, the applicant will be entitled to a hearing with five days written notice.

Effective Date: July 1, 2022

Code: IC 6-7-2-11.5

Enrolled Act: SEA 382, Section 75

Summary: Amends the statute dealing with the filing of returns and remittance of taxes to impose such provisions on remote sellers. Adds that the wholesale price of cigars, the actual cost of tobacco products (other than cigars and snuff), and the weight of alternative nicotine products are information required to be included on the return when such items are sold.

Effective Date: July 1, 2023

Code: IC 6-7-2-12

Enrolled Act: SEA 382, Section 76

Summary: Amends the existing collection allowance provision to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-13

Enrolled Act: SEA 382, Section 77

Summary: Amends the refund provision for returned or destroyed product to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-14

Enrolled Act: SEA 382, Section 78

Summary: Amends the record keeping provision to apply to remote sellers.

Effective Date: July 1, 2023

Code: IC 6-7-2-20

Enrolled Act: SEA 382, Section 79

Summary: Amends the distributor offense provisions to apply to remote sellers. Clarifies that violations of this chapter described in this section may be reported to the department or the Office of the Attorney General.

Effective Date: July 1, 2023

Code: IC 6-7-2-21

Enrolled Act: SEA 382, Section 80

Summary: Adds a penalty for retailers that purchase taxable products from an unregistered distributor, or whose registration is suspended or revoked by the department. The penalty is the greater of 100% of the retail value of the cigarettes purchased or \$5,000 on each purchase.

Effective Date: July 1, 2022

Code: IC 6-7-2-24

Enrolled Act: SEA 382, Section 81

Summary: Provides that if a due date or a date required for an action by a taxpayer or the department falls on a weekend, a federal holiday, or a statewide holiday, the act is timely if it is performed on the next day that is not a weekend, a federal holiday, or a statewide holiday. Provides that if a due date for a particular act falls on a weekend, a federal holiday, or a statewide holiday, the last day for issuing a proposed assessment, issuing a demand notice, or filing a refund claim is to be determined without regard to the original due date falling on a weekend or holiday.

Effective Date: January 1, 2023

Code: IC 6-8.1-1-9

Enrolled Act: SEA 382, Section 82

Summary: Provides statute of limitations and other governing rules regarding COVID-related return and payment extensions. States that the section applies to end of the statute of limitations for proposed assessments, the date by which payments were required to be made to meet safe harbor requirements, the end of the period by which a demand notice or warrant is required to be issued, the last date on which a refund claim is required to be filed, the first date for interest on refunds and assessments, and the due date for payments (including estimated tax payments). Provides that for estimated tax payments due between March 24, 2020, and July 14, 2020, the due date is considered to be July 15, 2020. Provides that utility receipts tax returns, individual income tax returns, corporate tax returns, and financial institutions tax returns due between March 24, 2020, and April 30, 2020, the due date for filing and payment is considered to be July 15, 2020. Provides that for corporations and financial institutions with due dates between May 1, 2020, and July 15, 2020, the due date is considered to be August 15 (for dates determined without regard to a weekend) and August 17 (for dates determined with regard to a weekend). Provides that the due date for safe harbor payments follows the due date for the payment set forth otherwise in this section. States that for individual tax returns for 2020, the due date is considered to be May 15 (for dates determined without a weekend) and May 17 (for dates determined with regard to a weekend).

Effective Date: January 1, 2020 (retroactive)

Code: IC 6-8.1-1-10

Enrolled Act: SEA 382, Section 83

Summary: Allows the Department of Revenue to request repayment of taxes distributed to local governments or to request that future distributions of local taxes be reduced if a listed tax is distributed to a local government and subsequently refunded to the taxpayer. Requires the department to notify the locality of the taxes for which a repayment or reduction in distribution is sought. Allows the department to notify the locality of the taxes against which a reimbursement of erroneous distributions will be sought if the department and the locality cannot agree to arrangements for repayment or offset with regard to an overdistribution. Provides that the department is to apply any offset of tax payments to a locality to most closely reflect other tax distributions to that locality. Requires that if a refund or offset cannot be applied as closely as possible, the department may request that the offset be applied to local income tax distributions and that the state budget agency report any reduction in certified distributions to the locality.

Effective Date: July 1, 2022

Code: IC 6-8.1-3-28

Enrolled Act: SEA 382, Section 84

Summary: Changes the due date for automatic federal extensions to the due date of the federal extension plus one month (previously same period as the federal extension plus 30 days). Clarifies that if the federal extended due date falls on a weekend or holiday, the one-month period begins on the date determined without regard to the weekend or holiday. Clarifies that if a person files a federal extension that is subsequently denied, the person will still be treated as having a federal extension unless a previous federal extension request for a taxable year had been denied. Provides that the 90% safe harbor rule does not apply to withholding payments for partnerships and S corporations (partnerships and S corporations have a different safe harbor).

Effective Date: January 1, 2023

Code: IC 6-8.1-6-1

Enrolled Act: SEA 382, Section 85

Summary: Repeals a statute relating to due dates when a due date otherwise falls on a weekend or holiday. This is now part of the new IC 6-8.1-1-9.

Effective Date: January 1, 2023

Code: IC 6-8.1-6-2

Enrolled Act: SEA 382, Section 86

Summary: Removes reference IC 6-2.5-4-5, deleted as part of Section 19 of this bill, and replaces it with new location in IC 6-2.5-1-22.5, which was added in Section 14 of this bill.

Effective Date: January 1, 2022

Code: IC 6-8.1-7-1

Enrolled Act: SEA 382, Section 87

Summary: Provides that the penalty for failure to include all nonresidents on a composite return applies to all nonresident partners, shareholders, and beneficiaries (previous language applied to nonresident individuals). Extends the penalty for failure to include nonresidents on a composite return to estates and trusts.

Effective Date: January 1, 2023

Code: IC 6-8.1-6-2

Enrolled Act: SEA 382, Section 88

Summary: Eliminates the provision that terminated the Nashville food and beverage tax January 1, 2023.

Effective Date: July 1, 2022

Code: IC 6-9-24-9

Enrolled Act: SEA 382, Section 90

Summary: Clarifies that the department shall begin collecting the county innkeeper's tax at the rate provided in the adopting ordinance unless the rate in the ordinance is not authorized under IC 6-9.

Effective Date: July 1, 2022

Code: IC 6-9-29-1.5

Enrolled Act: SEA 382, Section 91

Summary: Requires the adopting body of a food and beverage tax to immediately send a certified copy of the ordinance to the commissioner of the department. Provides guidance for the Effective Date of a food and beverage tax collected by the department. Notwithstanding any other provision in IC 6-9, if the department collects the revenue from the food and beverage tax, the department shall begin collecting the tax as provided in the ordinance for periods beginning on or after the later of: the first day of the month that is not less than 30 days after the ordinance is sent to the commissioner or the Effective Date specified in the ordinance. If an ordinance does not specify an Effective Date, the ordinance shall be considered effective on the earliest date allowable under IC 6-9-29.5-4.

Effective Date: July 1, 2022

Code: IC 6-9

Enrolled Act: SEA 382, Section 92

Summary: Authorizes Fishers to adopt a food and beverage tax through December 31, 2023.

Effective Date: July 1, 2022

Code: IC 6-9-44-1

Enrolled Act: SEA 382, Section 93

Summary: Adds a provision specifying that the department may require the reporting of any information reasonably necessary to determine the amount of excise tax due.

Effective Date: July 1, 2022

Code: IC 7.1-4-6-3.5

Enrolled Act: SEA 382, Section 100

Summary: Amends the time to once every five years, from 10, between subsequent required fingerprint based criminal history background checks of both national and state records data bases for each current or new state employee, local government employee, contractor or subcontractor whose duties include access to confidential tax information.

Effective Date: July 1, 2022

Code: 10-13-3-38.5

Enrolled Act: SEA 382, Section 102

HEA 1002

Summary: Repeals the utility receipts tax and the utility services use tax.

Effective Date: July 1, 2022

Code: IC 6-2.3

Enrolled Act: HEA 1002, Section 3

Summary: Lowers the individual income tax rate from 3.23% to 3.15% for tax years 2023 and 2024. Lowers the individual income tax rate further in stages contingent on state revenue growth reviewed in July of each even-numbered year. The minimum the individual income tax rate can reach is 2.9%.

Directs the department, if a tax rate decrease is determined by the state budget agency, to provide notice of the determination and the new applicable tax rate on the department's internet website in a departmental notice.

Effective Date: July 1, 2022

Code: IC 6-3-2-1

Enrolled Act: HEA 1002, Section 4

Summary: For taxable years that include June 30, 2022, the utility receipts tax imposed must be computed based on the taxable receipts of the taxpayer received before July 1, 2022. For purposes of calculating the deduction under IC 6-2.3-5-1 for the taxable year that includes June 30, 2022, the deduction allowed must be prorated based on: the number of days in the taxpayer's taxable year before July 1, 2022, divided by the total number of days in the taxpayer's taxable year.

Effective Date: Upon passage

Code: Non-Code

Enrolled Act: HEA 1002, Section 24

HEA 1045

Summary: Increases the maximum amount of the credit a taxpayer may claim against adjusted gross income tax for a contribution to a college choice 529 education savings plan starting in Tax Year 2023. The maximum amount of credit that may be claimed by a married couple filing jointly or an unmarried individual is increased from \$1,000 to \$1,500. The maximum amount of credit that may be claimed by a married person filing separately is increased from \$500 to \$750.

Effective Date: July 1, 2022

Code: IC 6-3-3-12

Enrolled Act: HEA 1045, Section 1

HEA 1167

Summary: Amends the subsection pertaining to federal motor carrier regulations not applying to private carriers of property operated only in intrastate commerce or any carriers of property operated only in intrastate commerce while employed in construction or construction-related service, providing that the driver's treating advanced practice registered nurse is amongst the medical professionals who can certify a waiver to physical qualifications when the driver is diabetic.

Effective Date: July 1, 2022

Code: IC 8-2.1-24-18

Enrolled Act: HEA 1167, Section 3

Summary: Amends the statute permitting the Bureau of Motor Vehicles to contract with one or more qualified vendors to develop and implement a statewide electronic lien and title system by pushing back several dates. Removes system provisions concerning qualified service provider payments, participation notification, and annual fees. Provides that the bureau and participating qualified service providers or lienholders may charge certain system fees, but sunsets the provisions on July 1, 2025. Amends dates concerning the voluntary or required use of the system.

Effective Date: July 1, 2022

Code: IC 9-17-5-6

Enrolled Act: HEA 1167, Section 6

HEA 1246

Summary: Permits the fiscal body of a county to adopt an ordinance to impose a local income tax rate for emergency medical services in the county if the county provides emergency medical services for all local units in the county and pays 100% of the costs to provide those services. Requires that the tax rate be in increments of 0.01% and may not exceed 0.2%. Limits the duration of the tax rate to 25 years. If a county fiscal body adopts an ordinance under IC 6-3.6-6.2.8, but subsequently ceases to meet the applicability provisions, the tax rate imposed under the ordinance shall expire on December 31 of the year in which the county ceases to be eligible to enact the ordinance.

Effective Date: July 1, 2022

Code: IC 6-3.6-6-2.8

Enrolled Act: SEA 1246, Section 4

HEA 1251

Summary: Allows the deduction of an annual grant amount distributed to an Indiana enrichment scholarship account under IC 20-52 that is used for qualified expenses (as defined in IC 20-52-2-6), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

Effective Date: Upon passage

Code: IC 6-3-1-3.5

Enrolled Act: HEA 1251, Section 1

HEA 1299

Summary: Authorizes the alcohol and tobacco commission to issue any applicant for a renewal of a permit that is delinquent in the payment of a listed tax one 90-day extension of the term of the permit.

Effective Date: July 1, 2022

Code: IC 7.1-3-21-15

Enrolled Act: HEA 1299, Section 2

HEA 1303

Summary: Creates a stand-alone credit for contributions to Indiana ABLE accounts. It provides that a taxpayer is entitled to a credit against adjusted gross income tax equal to the least of: 20% of the amount of the total contributions made by the taxpayer to an account or accounts of an Indiana ABLE 529A savings plan during the taxable year; \$500; or the amount of the taxpayer's adjusted gross income tax for the taxable year, reduced by the sum of all allowable credits.

Provides that a taxpayer is not entitled to a carryback, carryover, or refund of an unused credit.

Further provides that a taxpayer may not sell, assign, convey, or otherwise transfer the tax credit.

Provides that an account owner of an Indiana ABLE 529A savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made.

Effective Date: January 1, 2024

Code: IC 6-3-3-12.1

Enrolled Act: HEA 1303, Section 2

SEA 2(ss)

Summary: Modifies the standing distribution allocation for a determination of excess reserves made in calendar year 2023. For a determination of excess reserves made in 2023, the first \$1 billion of excess reserves is transferred to the Indiana state teachers' pension stabilization fund. Any excess reserves beyond \$1 billion are to be distributed as an automatic taxpayer refund.

Effective Date: Upon passage

Code: IC 4-10-22-3

Enrolled Act: SEA 2(ss), Section 1

Summary: Establishes an additional \$200 automatic taxpayer refund to be distributed in 2022.

Provides that any taxpayer eligible for the original \$125 automatic taxpayer refund is eligible to receive the additional \$200 automatic taxpayer refund. In addition, a taxpayer not eligible for the original \$125 automatic taxpayer refund may receive the \$200 automatic taxpayer refund if they meet all of the following requirements: the taxpayer was not claimed as a dependent of any other taxpayer for taxable year 2022; the taxpayer received Social Security benefits in calendar year 2022; and the taxpayer files, before January 1, 2024, an Indiana resident individual adjusted gross income tax return for the 2022 taxable year.

Authorizes the department to require a taxpayer to provide any other information the department deems necessary to verify a taxpayer's eligibility for the additional \$200 automatic taxpayer refund.

Effective Date: Upon passage

Code: IC 4-10-22-4.5

Enrolled Act: SEA 2(ss), Section 2

Summary: Defines "Children's diapers" to mean disposable or reusable diapers marketed to be worn by children.

Effective Date: Upon passage

Code: IC 6-2.5-1-12.5

Enrolled Act: SEA 2(ss), Section 4

Summary: Defines "Diaper" to mean an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements.

Effective Date: Upon passage

Code: IC 6-2.5-1-15.7

Enrolled Act: SEA 2(ss), Section 5

Summary: Limits the gasoline use tax rate to no more than 29.5 cents per gallon through June 2023.

Effective Date: Upon passage

Code: IC 6-2.5-3.5-15

Enrolled Act: SEA 2(ss), Section 6

Summary: Exempts sales of children's diapers from the state sales and use taxes.

Effective Date: September 1, 2022

Code: IC 6-2.5-5-57

Enrolled Act: SEA 2(ss), Section 7

Summary: Provides a \$3,000 exemption in calculating Indiana adjusted gross income for each exemption allowed under Section 151(c) of the Internal Revenue Code (as in effect January 1, 2017) for an individual who is: an adopted child of the taxpayer; and less than 19 years of age or is a full-time student who is less than 24 years of age.

Effective Date: January 1, 2022 (retroactive)

Code: IC 6-3-1-3.5

Enrolled Act: SEA 2(ss), Section 8

Summary: Modifies the adoption tax credit in several ways to make it more generous. Increases the limit on the amount of the credit to the lesser of 20% (from 10%) of the amount allowable under Section 23 of the Internal Revenue Code for each eligible child or \$2,500 (from \$1,000). Makes the adoption credit refundable. Eliminates the prohibition on carrying any unused credit forward, however it restricts the aggregate amount of credits claimed over the applicable taxable years to \$2,500 in situations where the federal adoption credit is carried forward.

Effective Date: January 1, 2022 (Retroactive)

Code: IC 6-3-3-13

Enrolled Act: SEA 2(ss), Section 9