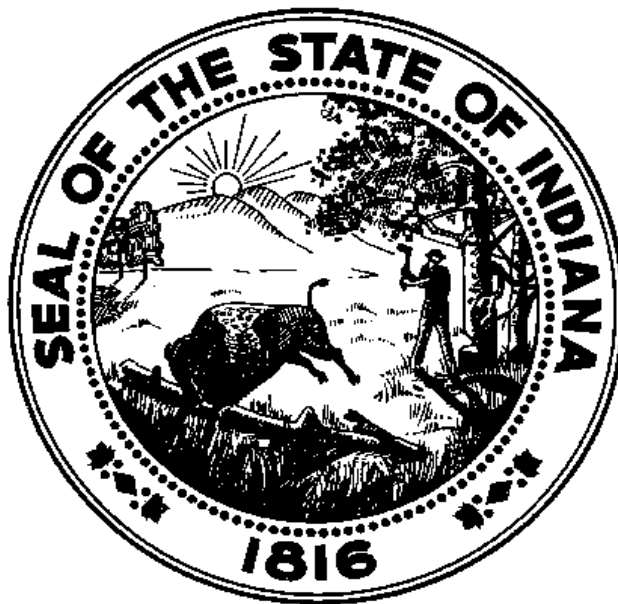


**SUMMARY OF 2001 LEGISLATION
AFFECTING
THE DEPARTMENT OF STATE REVENUE**



JUNE, 2001

**INDIANA DEPARTMENT OF STATE REVENUE
TAX POLICY DIVISION**

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DEPARTMENT OF REVENUE

ENROLLED ACTS

2001 GENERAL ASSEMBLY

SENATE ENROLLED ACTS

SEA 71: Provides that a person over the age of 65 can still receive the disability income tax deduction.

SEA 190: Require the Department to prescribe an affidavit form that may be used to state that no inheritance tax is due. Permits the transfer of personal property if no tax is due. Provides that no inheritance tax return is required if the affidavit is properly executed. Requires that an inheritance tax return must be filed within 9 months of the date of the decedent's death, instead of current law, which allows 12 months. Provides that the inheritance tax is due within 12 months of the decedent's death instead of current law, which allows 18 months.

SEA 269: Enacts the simplified sales and use tax administration act. Permits the Department to enter into the agreement with other states to simplify and modernize sales and use tax administration in order to reduce the burden of tax compliance for sellers and for all types of commerce. Authorizes the Department to act jointly with other states that are members of the agreement to establish standards for certification of certified service providers and certified automated systems, and to establish performance standards for multistate sellers. Specifies certain requirements that must be included in the agreement before the Department may enter into the agreement. Includes certain provisions concerning certified service providers (agents certified jointly by the states to perform all of the seller's sales tax functions). Provides that no provision of the agreement amends or invalidates any provision of Indiana law.

SEA 273: Allows a credit against state tax liability for certain voluntary environmental remediation costs. Provides that the maximum credit for a particular project is \$100,000. Limits the total amount of credits in each state fiscal year to \$1,000,000. Provides that the credit amount for each year shall be deducted from the environmental remediation revolving loan fund subaccount to replenish the state general fund. Provides that no new tax credits are allowed for tax years beginning after December 31, 2003.

SEA 457: Permits any county or municipality to adopt an ordinance creating a community revitalization enhancement district (CRED) if the county's annual rate of unemployment has been above the statewide average during 3 of the last 5 years, the county median income has declined over the past 10 years has grown at a lower rate than the statewide average in 3 of the last 5 years; or the population of the county has declined over the last 10 years. Other criteria include the size of empty buildings, job loss, and specified obstacles to redevelopment. Permits the executive of a municipality in St. Joseph County or Allen County to submit an application for the establishment of a CRED in the municipality. Provides that in second class cities in any county, a professional sports development area may be established if it is established before July 1, 2002.

SEA 464: Provides that a resolution approving a distribution of County Adjusted Gross Income Tax (CAGIT) or County Option Income Tax (COIT) revenue to a solid waste management district expires on the date specified in the ordinance, or remains in effect until the county fiscal body rescinds the resolution.

HOUSE ENROLLED ACTS

HEA 1001: Provides a credit against state income tax liability for property taxes paid on business personal property beginning in 2003. Specifies that the amount of credit is equal to the amount of business personal property taxes paid on property that has an assessed valuation of not more than \$37,500. Specifies that a utility company may not claim the credit. Repeals the existing personal property tax reduction credit in 2002. Provides a 5 year credit against state income tax liability for a percentage of property taxes paid by rerefined lubrication oil facilities. Requires the Department of Commerce to determine if the taxpayer is eligible for the credit. Extends the earned income tax credit through December 31, 2003. Provides a credit against a taxpayer's state tax liability for certain qualified capital investments made in Shelby County. Provides that the amount of the credit is equal to 14% of the amount of the qualified investment. Requires the Department of Commerce to certify the investments as being eligible for the credit. Provides that if a taxpayer receives a credit, and does not make the qualified investment for which the credit was granted within the time required, the Department of Commerce may require the taxpayer to repay the additional amount of state income tax liability that would have been paid by the taxpayer if the credit had not been granted. Authorizes Randolph County to impose an additional 0.25% County Economic Development Income Tax (CEDIT) rate for the purpose of financing the county courthouse and renovating the former county hospital for additional office space. Provides that the county's combined CEDIT and CAGIT rates may not exceed 1.5%. Authorizes the county to adopt an ordinance for the additional rate to take effect January 1, 2002.

HEA 1195: Eliminates quarterly filing of the sales tax return and only allows annual and semi-annual filing if the liability for the 6 month period is less than

\$25 per month. Eliminates a provision that if a taxpayer remits sales tax through electronic fund transfer they are required to file a quarterly report instead of a monthly report. Authorizes Randolph County to impose an additional 0.25% CEDIT rate for the purpose of financing the county courthouse and renovating the former county hospital for additional office space. Provides that the county's CEDIT rate plus the CAGIT rate may not exceed 1.5% if the county has imposed the additional CEDIT rate. Authorizes the county to adopt an ordinance that makes the CEDIT rate increase effective January 1, 2002. Allows the county to adopt the ordinance after March 31, 2001. Permits South Bend, Fort Wayne, and Evansville to establish economic development project districts. Provides that South Bend and Fort Wayne districts must contain a commercial retail facility that is at least 500,000 square feet. Provides that the Evansville district may not contain territory outside the boundaries of a redevelopment area established within the central business district before 1985. Provides that sales tax increment financing may only be used for certain purposes. Provides that no more than 50% of the net increment may be used each year for those purposes. Provides that not more than a total of \$1,000,000 of sales tax revenue increment may be captured during the existence of the district.

HEA 1479: Amends the adjusted gross income tax portion of the Indiana Code to bring it into conformity with the Internal Revenue Code for tax years 2000, and 2001.

HEA 1503: Provides that Jackson and Pulaski Counties are permitted to continue to impose additional CAGIT for the operating costs of a jail. The provision extends the additional tax for 8 years instead of the current 4 year statutory provision.

HEA 1553: Requires an independent contractor to file with the Department a statement and documentation in support of the independent contractor's status, pay a \$5 fee, and obtain clearance from the Department before a certificate of exemption is issued. Requires the filing fee to be deposited in the independent contractor information account. The certificate is valid for 1 year.

HEA 1578: Provides a credit against the adjusted gross income tax for a taxpayer that rehabilitates a registered historic structure to be used as the taxpayer's residence. Provides that for purposes of the financial institution tax, a unitary group does not include an entity that does not transact business in Indiana. Changes the dates by which estimated quarterly financial institution tax returns must be filed. Repeals the requirement that the Department must issue a transporter emblem for a vehicle transporting gasoline. Specifies that the Department may enter into the International Fuel Tax Agreement. Provides that if a notice of proposed assessment is returned because a taxpayer has moved and the Department is unable to determine the taxpayer's new address, the Department may make an assessment for taxes without providing certain notices that would otherwise be required. Provides that a passthrough entity is a

taxpayer for purposes of the prison investment credit. Provides that when a circuit court clerk enters a tax warrant in the judgment record, the total amount of the tax warrant becomes a judgment against the person owing the tax. Provides that a judgment arising from a tax warrant is enforceable in the same manner as any judgment issued by a court of general jurisdiction. Provides that the Department may initiate proceedings supplementary in any court of general jurisdiction in a county where a judgment arising from a tax warrant has been recorded. Requires the owners of commercial vehicles having a gross weight of more than 80,000, but less than 134,000 pounds to: (1) register annually with the Department; (2) install an electronic device for tracking the location of the vehicles; and (3) pay an annual registration fee. Allows a credit for commercial motor vehicle excise tax paid on a vehicle if: (1) the owner sells the vehicle and purchases a new vehicle of the same or greater weight; (2) the vehicle is destroyed and replaced with a vehicle of the same or greater weight; or (3) the vehicle was erroneously registered at a greater weight than required. Provides that if a qualified organization for purposes of charitable gaming meets certain requirements, the principal office of the qualified organization is deemed to be present in every county served by the organization.

HEA 1585: Changes the name of the Alcoholic Beverage Commission to the Alcohol and Tobacco Commission.

HEA 1608: Provides that the Vigo County Convention and Visitor's Commission may issue bonds and enter into leases for the construction, acquisition, enlarging, and equipping of a sports and recreational facility.

HEA 1710: Permits the Wayne County County Council to adopt an ordinance to finance, construct, renovate, and equip the county jail. Funds may also be used for lease payments and retiring bonds. Allows the county to adopt an additional CAGIT at a rate of 0.15%, 0.20%, or 0.25%. The tax may only be imposed until all the financing costs are paid off and the term of the bonds may not exceed 20 years. Provides that any excess funds available after the bonds are paid off shall be transferred to the county highway fund. Exempts the additional tax revenue from the formula for certified distribution of CAGIT revenue. Prohibits the General Assembly from amending or repealing this statute as long as there are bonds outstanding. Provides that the maximum CAGIT and CEDIT rate may not exceed 1.5%. Extends the usual time of adopting an ordinance from April 1 until September 19 for Wayne County.

HEA 1792: Authorizes the Department to issue an International Fuel Tax Agreement repair and maintenance permit to travel from another state into Indiana to repair and maintain the carrier's vehicles. The carrier can purchase a permit for \$40 per year in lieu of paying the motor carrier fuel use tax. Authorizes a carrier to obtain an International Registration Plan repair and maintenance permit for \$40 which authorizes the carrier to come from outside Indiana to inside

Indiana to maintain and repair vehicles. The permit is in lieu of paying apportioned or other authorized IRP fees.

HEA 1813: Changes the name of the Division of Mental Health to the Division of Mental Health and Addiction.

HEA 1821: Provides that the fee for a special weight permit for a vehicle or combination of vehicles having a total gross weight of more than 84,000 pounds and less than 134,000 pounds is \$41.50 for each trip on an extra heavy duty highway.

HEA 1841: Transfers from the Department to the Child Support Bureau of the Division of Family and Children the responsibility to operate a data match system with financial institutions to provide information to the Bureau concerning noncustodial parents who are delinquent in payment of child support.

HEA 1902: Permits municipalities in Lake County to impose a municipal option income tax. Requires a municipality to annually reduce its budget by at least 3% each year to retain the tax. Revenue from the tax is used to recoup the adopting municipality's lower property tax levy. Provides that the tax may not continue in effect after December 31, 2005. Provides a state income tax credit for property tax paid on homesteads for certain low-income taxpayers in Lake County. Provides that the tax credit is funded from gaming admissions tax revenue that would otherwise be paid to Lake County and the three largest cities by population in the county.

HEA 1948: Provides that an amount received from the sale or transfer by or to an electric utility or REMC of an interest in an electric generating facility, that at the time of the sale or transfer is subject to "safe harbor" sale leaseback provisions under the Internal Revenue Code, is exempt from the gross income tax to the extent of any mortgage on the interest in the facility.

The act also provides an exemption from the gross income tax for amounts received under a "qualified investment" that is acquired for the purpose of enabling a lessee to pay the basic rent and exercise the price of a purchase option under the lease of an interest in an electric generating facility that is subject to "safe harbor" sale and leaseback provisions.

HEA 2108: Exempts from the adjusted gross income tax distributions made from an Indiana family college savings account used to pay qualified higher education expenses.

HEA 2130: Provides that a person who resides in an enterprise zone and is an employee of a nonprofit entity, local, state, or federal government is eligible for the qualified employee wage deduction. Specifies that high technology business operations are eligible for a 5% enterprise zone investment cost credit. Eliminates the expiration dates of the individual development account program.

Reduces the maximum allowable credits for the individual development accounts from \$500,000 to \$200,000 per fiscal year.

CODE CITES AFFECTED

IC 6-2.1: GROSS INCOME TAX

IC 6-2.1-3-16, HB 1948, SECTION 1 [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] Provides that the amount received from the sale of an electric utility of an interest in an electric generating facility is exempt from the gross income tax to the extent of any mortgage, security interest or similar encumbrance that exists on the interest in the electric generating facility at the time of the sale, lease, or transfer.

IC 6-2.1-3-16.5, HB 1948, SECTION 2 [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] Provides a gross income tax exemption for amounts received under a "qualified investment" that is acquired for the purpose of enabling a lessee to pay the basic rent and exercise the price of a purchase option under the lease of an interest in an electric generating facility that is subject to "safe harbor" sales leaseback provisions of the Internal Revenue Code.

IC 6-2.5: SALES AND USE TAX

IC 6-2.5-6-1, HB 1195, SECTION 2 [EFFECTIVE JANUARY 1, 2002] Eliminates quarterly filing of a sales tax return and requires monthly filing if the average monthly liability exceeds \$25. Deletes the provision that allowed a taxpayer that remitted through electronic funds transfer to report quarterly instead of monthly.

IC 6-2.5-6-14, HB 1585, SECTION 13 [EFFECTIVE JULY 1, 2001] Changes the name of the Alcoholic Beverage Commission to the Alcohol and Tobacco Commission.

IC 6-2.5-6-14, HB 1813, SECTION 10 [EFFECTIVE JULY 1, 2001] Changes the name of the Division of Mental Health to Division of Mental Health and Addiction for purposes of receiving the list of retailers selling cigarettes.

IC 6-2.5-11, SB 269, SECTION 1 [EFFECTIVE JULY 1, 2001] Enacts the simplified sales and use tax administration act. Permits the Department to enter into the agreement with other states to simplify and modernize sales and use tax administration to substantially reduce the burden of tax compliance for sellers and for all types of commerce. Authorizes the Department to act jointly with other states that are members of the agreement to establish standards for certification of certified service providers and certified automated systems, and to establish performance standards for multistate sellers. Specifies certain requirements that must be included in the agreement before the State may enter into the agreement. Includes certain provisions concerning certified service providers (agents certified jointly by the states to perform all of the seller's sales tax

functions). Provides that no provision of the agreement amends or invalidates any provision of Indiana law.

IC 6-3: ADJUSTED GROSS INCOME TAX

IC 6-3-1-11, HB 1479, SECTION 1 [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] Amends references to the Internal Revenue Code in the Indiana Code to include the Internal Revenue Code in effect on January 1, 2001.

IC 6-3-2-8, HB 2130, SECTION 12 [EFFECTIVE JANUARY 1, 2002] Provides that a person who resides in an enterprise zone and is an employee of a nonprofit entity, local or state or federal government is eligible for the enterprise zone employee wage deduction.

IC 6-3-2-9, SB 71, SECTION 1 [EFFECTIVE JANUARY 1, 2002] Provides that an individual over the age of 65 will still be eligible for the disability income tax deduction.

IC 6-3-2-19, HB 2108, SECTION 1 [EFFECTIVE JANUARY 1, 2002] Provides that distributions from an Indiana family college savings account used to pay qualified higher education expenses are exempt from the adjusted gross income tax.

IC 6-3-7-5, HB 1553, SECTION 1 [EFFECTIVE JULY 1, 2001] Provides that an independent contractor must file a statement with the Department showing documentation of independent contractor status, and obtain a certificate of exemption. The independent contractor must file with the Department information containing the contractor's name, federal identification number or social security number. The contractor is required to file annually with the Department documentation in support of independent contractor status before being granted a certificate of exemption. The independent contractor shall pay a filing fee of \$5 to the Department to be deposited in the independent contractor information account. Money in the account is annually appropriated to the Department for carrying out these provisions. The Department is required to provide the certificate of exemption within 7 days after verifying the accuracy of the supporting documentation.

IC 6-3.1: TAX CREDITS

IC 6-3.1-6-1 & IC 6-3.1-6-6, HB 1578, SECTIONS 5 & 6 [EFFECTIVE JANUARY 1, 2002] Defines a taxpayer as a passthrough entity for purposes of the prison investment credit, and provides that members of a passthrough entity are entitled to their distributive share of the prison investment credit that is available.

IC 6-3.1-10-8, HB 2130, SECTION 13 [EFFECTIVE JANUARY 1, 2002] Provides that high technology business operations are eligible for a 5% enterprise zone investment cost credit.

IC 6-3.1-13.5, HB 1001, SECTION 177 [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] Provides a capital investment tax credit for Shelby County. In order to be eligible for the credit, the total project cost must exceed \$75,000,000. The amount of the credit is equal to 14% of the qualified investment. The taxpayer may claim the credit if the average wage paid by the taxpayer is higher than the average wage in the county, or the taxpayer certifies to the Department of Commerce that the average wage paid will exceed the average wage in the county. The total value of the credit shall be divided equally over 7 years beginning in the year in which the credit is granted. The credit must be claimed on the taxpayer's annual return. Passthrough entities are eligible for the credit.

IC 6-3.1-18-10, HB 2130, SECTION 14 [EFFECTIVE JULY 1, 2001] Provides that the maximum tax credit allowed in a fiscal year for the individual development account is \$200,000 instead of \$500,000.

IC 6-3.1-20, HB 1902, SECTION 5 [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] Provides an income tax credit for property taxes paid on homesteads in Lake County. A taxpayer is entitled to the credit if the taxpayer's earned income is less than \$18,600, and the individual pays property taxes on a homestead that the taxpayer is buying or owns, and is located in Lake County. For a taxpayer with earned income of less than \$18,000, the credit is equal to the lesser of \$300 or the amount of property taxes paid. If the individual's income is between \$18,000 and \$18,600, the credit is the lesser of: \$18,600 minus the taxpayer's earned income multiplied by 50%. A taxpayer that claims the \$2,500 deduction provided in IC 6-3-1-3.5(a)(17), is not eligible for this credit. If the credit exceeds the taxpayer's liability, the credit is refundable. The Department is required to calculate the total amount of credits taken in a tax year before July 1 of the following year. One-half of the amounts shall be deducted during the year from the riverboat admissions payable to the county; one-sixth shall be deducted from the riverboat admissions tax that would have been distributed to the three largest cities in the county.

IC 6-3.1-21-10, HB 1001, SECTION 152 [EFFECTIVE JULY 1, 2001] Extends the earned income tax credit until December 31, 2003.

IC 6-3.1-22, HB 1578, SECTION 7 [EFFECTIVE JANUARY 1, 2002] Provides an adjusted gross income tax credit for the repair and rehabilitation of residential property that will be used as a primary residence by the taxpayer, and is at least 50 years old. The credit is equal to 20% of the qualified expenditure, and the expenditure must exceed \$10,000. The amount of the credit can be carried forward for 15 years. There is no refund or carryback of the credit. The maximum credit in any state fiscal year may not exceed \$250,000.

IC 6-3.1-22.2, HB 1001, SECTION 149 [EFFECTIVE JANUARY 1, 2001 RETROACTIVE] Provides a tax credit for rerefined lubrication oil facilities. Provides that passthrough entities are eligible for the credit. A taxpayer is entitled to a credit for the amount of real and personal property taxes paid on the facility. The credit is initially 100% for 2001, and declines to 20% in 2005. A taxpayer can carry forward unused credits for a period of 2 years. The Department of Commerce is required to approve the credit.

IC 6-3.1-23, SB 273, SECTION 1 [EFFECTIVE JANUARY 1, 2002] Creates a voluntary remediation tax credit for qualified investments involving the remediation of a brownfield. The credit is equal to the lesser of \$100,000, or 10% of the qualified investment. A legislative body is required to approve the credit. The taxpayer claims the credit on the taxpayer's state tax return. The taxpayer must submit certification of the credit to the Department. The Department shall report the total credits granted in each fiscal year to the Indiana Development Finance Authority. The authority shall transfer to the state general fund an amount equal to the total credits granted from the subaccount of the environmental remediation revolving loan fund. A tax credit may not be allowed for a taxable year that begins after December 31, 2003.

IC 6-3.1-23.8, HB 1001, SECTION 122 [EFFECTIVE JANUARY 1, 2003] Provides an income tax credit for property taxes paid on inventory. Passthrough entities are eligible for the credit. The credit is available for the lesser of the assessed value of the property, or an assessed value of \$37,500. A utility company is not eligible to claim the credit. If the amount of the credit exceeds the taxpayer's tax liability, the excess can be carried over to the following taxable years. The taxpayer must claim the credit on the taxpayer's state tax return, and submit proof to the Department as to the amount of property taxes paid.

IC 6-3.5-1.1: COUNTY ADJUSTED GROSS INCOME TAX (CAGIT)

IC 6-3.5-1.1-1.3, SB 464, SECTION 1 [EFFECTIVE JULY 1, 2001] Provides that a resolution approving a distribution of money to a solid waste management district expires on a date specified in the resolution, or remains in effect until the county fiscal body revokes or rescinds the resolution.

IC 6-3.5-1.1-2.5, HB 1503, SECTION 3 [EFFECTIVE JULY 1, 2001] Provides that Jackson County may continue to impose an additional county adjusted gross income tax for 8 years (instead of 4 years) to fund the operating costs of a jail.

IC 6-3.5-1.1-2.7, HB 1710, SECTION 2 [EFFECTIVE UPON PASSAGE] Provides that Wayne County may adopt an ordinance to impose additional CAGIT to finance, construct, and equip a county jail and related facilities. The additional rate may be imposed at 0.15%, 0.20%, 0.25%. The tax may only be imposed until all the financing costs are paid, and the term of the bonds may not

exceed 20 years. Provides that any excess revenue available after all the bonds are paid off shall be transferred to the county highway fund. Exempts the additional tax revenue from the formula for certified distribution of CAGIT revenue.

IC 6-3.5-1.1-3.5, HB 1503, SECTION 4 [EFFECTIVE JULY 1, 2001] Provides that Pulaski County may continue to impose an additional county adjusted gross income tax for 8 years (instead of 4 years) to fund the operating costs of a jail.

IC 6-3.5-1.1-23, HB 1710, SECTION 5 [EFFECTIVE UPON PASSAGE] Prohibits the General Assembly from amending or repealing the Wayne County CAGIT law as long as there are bonds outstanding.

IC 6-3.5-6: COUNTY OPTION INCOME TAX (COIT)

IC 6-3.5-6-1.3, SB 464, SECTION 2, [EFFECTIVE JULY 1, 2001] Provides that a resolution to approving a distribution of money to a solid waste management district expires on a date specified in the ordinance, or remains in effect until the county fiscal body revokes or rescinds the resolution.

IC 6-3.5-7: COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)

IC 6-3.5-7-5, HB 1195, SECTION 3 AND HB 1001, SECTION 179 [EFFECTIVE UPON PASSAGE] Permits Randolph County to impose an additional 0.25% CEDIT rate for purposes of financing, constructing, and equipping the county courthouse, and renovating the former county hospital for additional office space. Provides that the maximum CEDIT and CAGIT combined rates may not exceed 1.5%.

IC 6-3.5-7-5, HB 1710, SECTION 6 [EFFECTIVE UPON PASSAGE] Provides that the maximum CAGIT and CEDIT rate for Wayne County is 1.5%.

IC 6-3.5-7-22.5, HB 1195, SECTION 4 AND HB 1001, SECTION 180 [EFFECTIVE UPON PASSAGE] Permits Randolph County to impose an ordinance to adopt an additional CEDIT rate.

IC 6-3.5-8: MUNICIPAL OPTION INCOME TAX (MOIT)

IC 6-3.5-8, HB 1902, SECTION 6, [EFFECTIVE UPON PASSAGE] Creates the municipal option income tax (MOIT) in Lake County. The tax is imposed on the income of residents of the municipality and nonresidents that are not subject to any other local option income tax. The tax will take effect on September 1, 2001, if the fiscal body adopts an ordinance before July 1, 2001. If the ordinance is not adopted in the first year, it will take effect on July 1 of the year in which the ordinance is adopted. A municipality may not impose a municipal option income tax for a calendar year that begins after December 31, 2005. The maximum rate

for the MOIT is 1% for residents and one half of the resident rate for nonresidents. In May 2003, the Department shall determine the amount of tax collected for each municipality from September 1, 2001 through June 30, 2002. The Department shall notify the municipality of the amount and the municipality shall within 30 days transfer the amount determined from the municipality's general fund to the county family and children's fund of the county. In subsequent years the Department during the month of May shall notify the municipalities of the amount of tax collected during the preceding period of July 1 two years earlier until June 30 of the prior year. The municipality will make the transfer to the county family and children's fund within 30 days of the notification of the Department. The fiscal body of a municipality may increase or decrease the rate by adopting an ordinance after January 1 but before May 1 to take effect July 1. The Department shall make a certified distribution on or before June 16 of each year. The distribution is an estimate of the amount of tax revenue generated during the period beginning July 1 of the immediately preceding calendar year and ending on June 30 of the immediate succeeding calendar year. The distribution will be made in 12 equal installments beginning January 1 after the certification is made. Requires all employers to withhold the tax and report annually to the Department.

IC 6-4.1: INHERITANCE TAX

IC 6-4.1-3-12.5, SB 190, SECTION 38 [EFFECTIVE JULY 1, 2001] Repeals the provision providing for an affidavit that states that no inheritance tax is due.

IC 6-4.1-4-0.5, SB 190, SECTION 1 [EFFECTIVE JULY 1, 2001] Reinstates the language that the Department is required to prescribe the affidavit form that is to be used to state that there is no inheritance tax due.

IC 6-4.1-4-1, SB 190, SECTION 2 [EFFECTIVE JULY 1, 2001] Requires the inheritance tax return to be filed with the appropriate probate court within 9 months after the decedent's death. Current law allows 12 months.

IC 6-4.1-9-1, SB 190, SECTION 6 [EFFECTIVE JULY 1, 2001] Provides that the inheritance tax is due 12 months after a decedent's death. Current law provides that the tax is due 18 months after the date of death.

IC 6-4.1-9-2, SB 190, SECTION 7 [EFFECTIVE JULY 1, 2001] Provides that if the tax is paid within 9 months of the decedent's death, the person making the payment is entitled to a 5% reduction in the amount of tax due.

IC 6-4.1-11-3, SB 190, SECTION 8 [EFFECTIVE JULY 1, 2001] Provides that the estate tax is due within 12 months of the decedent's date of death. Current law provides that the tax is due within 18 months.

IC 6-4.1-11.5-9, SB 190, SECTION 9 [EFFECTIVE JULY 1, 2001] Provides that the generation skipping tax is due within 12 months after the date of death of the person whose death resulted in the generation-skipping transfer. Current law provides that the tax is due within 18 months.

IC 6-5.5: FINANCIAL INSTITUTIONS TAX

IC 6-5.5-1-18, HB 1578, SECTION 8 [EFFECTIVE JANUARY 1, 2002] Provides that a unitary business only includes an entity that transacts business in Indiana.

IC 6-5.5-6-3, HB 1578, SECTION 9 [EFFECTIVE JULY 1, 2002] Changes the estimated payment dates for the financial institutions tax to correspond with the payment dates for other corporate taxpayers.

IC 6-6-1.1: GASOLINE TAX

IC 6-6-1.1-606.5, HB 1578, SECTION 10 [EFFECTIVE JANUARY 1, 2002] Eliminate the requirement for a transporter of gasoline with a capacity of more than 850 gallons to display a transporter permit.

IC 6-6-4.1: MOTOR CARRIER FUEL TAX

IC 6-6-4.1-13, HB 1792, SECTION 1 [EFFECTIVE JULY 1, 2001] Provides that a motor carrier may obtain an International Fuel Tax Agreement repair and maintenance permit to come into Indiana to repair vehicles owned by the carrier. The annual fee is \$40 and is in lieu of the motor carrier fuel tax. This section also provides for an International Registration Plan repair and maintenance permit to permit a carrier to come into Indiana to repair and maintain vehicles owned by the carrier. The \$40 annual fee is in lieu of apportioned or temporary IRP fees.

IC 6-6-4.1-14, HB 1578, SECTION 11 [EFFECTIVE JULY 1, 2001] Provides that the Commissioner or the Reciprocity Commission may enter into the International Fuel Tax Agreement or other reciprocal agreements with other jurisdictions.

IC 6-6-4.1-14.5, HB 1578, SECTION 12 [EFFECTIVE JULY 1, 2002] Spells out the respective authority of the General Assembly and the International Fuel Tax Agreement.

IC 6-6-4.1-16, HB 1578, SECTION 13 [EFFECTIVE JULY 1, 2001] Provides that the IFTA agreement can provide for the sharing of information with other jurisdictions.

IC 6-6-4.1-22; IC 6-6-4.1-23; IC 6-6-4.1-24; IC 6-6-4.1-25; & IC 6-6-4.1-26, HB 1578, SECTIONS 14, 15, 16, 17, & 18 [EFFECTIVE JULY 1, 2001] Changes the reference from the Base State Fuel Tax Agreement to the International Fuel Tax Agreement.

IC 6-6-5.5: COMMERCIAL VEHICLE EXCISE TAX

IC 6-6-5.5-8, HB 1578, SECTION 19 [EFFECTIVE JULY 1, 2001]

Provides a credit for the commercial vehicle excise tax if the owner sells the vehicle and purchases a new vehicle, the vehicle is destroyed and replaced, or the vehicle is registered in error at a greater weight than required. The credit applies to the tax due in the same registrant's year.

IC 6-7: CIGARETTE TAX

IC 6-7-1-32.1, HB 1813, SECTION 11 [EFFECTIVE JULY 1, 2001] Provides that cigarette tax money that is in the mental health centers fund is appropriated to the Division of Mental Health and Addiction.

IC 6-8.1: TAX ADMINISTRATION

IC 6-8.1-1-1, HB 1902, SECTION 7 [EFFECTIVE UPON PASSAGE] Makes the Lake County municipal option income tax a listed tax.

IC 6-8.1-7-1, HB 1585, SECTION 14 [EFFECTIVE JULY 1, 2001] Changes the name of the Alcoholic Beverage Commission to the Alcohol and Tobacco Commission.

IC 6-8.1-7-1, HB 1813, SECTION 12 [EFFECTIVE JULY 1, 2001] Changes the name of the Division of Mental Health to the Division of Mental Health and Addiction.

IC 6-8.1-3-14, HB 1578, SECTION 20 [EFFECTIVE JULY 1, 2001] Authorizes the Department to enter into the International Fuel Tax Agreement and provides that if there is a conflict between the agreement and rules of the Department, the provisions of the agreement prevail.

IC 6-8.1-5-3, HB 1578, SECTION 21 [EFFECTIVE JULY 1, 2001] Provides that if the Department has sent notice of a proposed assessment, and it is returned because the taxpayer has moved and the Department is unable to determine the new address, the Department may immediately make an assessment for the taxes owing and demand immediate payment without issuing the 10 day demand notice.

IC 6-8.1-8-2; IC 6-8.1-8-3; IC 6-8.1-8-4; IC 6-8.1-8-5 & IC 6-8.1-8-8, HB 1578, SECTIONS 22, 23, 24, 25 & 26 [EFFECTIVE JULY 1, 2001] Replaces the word "lien" with "judgment" throughout IC 6-8.1-8 to clarify the collection process and when a lien is valid.

IC 6-8.1-8-8.5, HB 1578, SECTION 27 [EFFECTIVE JULY 1, 2001] Provides that a judgment arising from a tax warrant is enforceable in the same manner as any judgment issued by a court of general jurisdiction. Also permits the Department to issue proceedings supplementary to execution in any court of general jurisdiction in a county in which a judgment arising from a tax warrant has been recorded.

IC 6-9: INNKEEPERS' TAXES; OTHER LOCAL TAXES

IC 6-9-11-3, HB 1608, SECTION 1 [EFFECTIVE UPON PASSAGE] Permits the Vigo County Convention and Visitor Commission to issue bonds for the construction and equipping of a sports and recreational facility. Also permits the Commission to enter into leases for the construction and equipping of a sports and recreational facility. Authorizes the Commission to exercise the power of eminent domain.

IC 6-9-11-3.5, HB 1608, SECTION 2 [EFFECTIVE UPON PASSAGE] Authorizes the Vigo County Convention and Visitor Commission to enter into agreements to pledge funds for the payment of obligations issued to construct and equip a sports and recreation facility.

IC 6-9-11-3.7, HB 1608, SECTION 3 [EFFECTIVE UPON PASSAGE] Authorizes the Vigo County Convention and Tourism Commission to issue bonds or enter into leases to pay the costs incurred in construction and equipping a sports and recreation facility. Establishes the parameters and rules concerning the terms of the financing or leasing.

IC 6-9-11-3.9, HB 1608, SECTION 4 [EFFECTIVE UPON PASSAGE] Provides that with respect to bonds and leases entered into by Vigo County, the General Assembly and the Convention and Visitor Commission covenant that this law will not be repealed or amended as long as there are bonds outstanding or payments are due under any lease.

IC 6-9-11-4.5, HB 1068, SECTION 5 [EFFECTIVE UPON PASSAGE] Provides that the financing and construction of a sports and recreation facility in Vigo County serves a public purpose and is a benefit to the general welfare of the county.

IC 6-9-11-9, HB 1068, SECTION 6 [EFFECTIVE UPON PASSAGE] Provides that the General Assembly finds that Vigo County possesses a unique opportunity to promote and encourage conventions in the county.

IC 8 AND IC 9: MOTOR CARRIER REGULATION

IC 8-2.1-23-2, HB 1578, SECTION 28 [EFFECTIVE JULY 1, 2001] Requires that civil penalties imposed for violations of the automated vehicle identifier statute

will be deposited in the motor carrier regulation fund. Provides that the annual fee and trip permit fee for the automated vehicle identifier will be deposited in the motor carrier regulation fund.

IC 9-13-2-6.5, HB 1578, SECTION 29 [EFFECTIVE JULY 1, 2001] Provides that an automated vehicle identifier is an electronic tracking device for use in conjunction with special weight permits for extra heavy-duty highways.

IC 9-18-2-47, HB 1792, SECTION 5 [EFFECTIVE JULY 1, 2001] Provides that license plates issued to a motor carrier are valid for 5 years.

IC 9-18-6-2, HB 1792, SECTION 6 [EFFECTIVE JULY 1, 2001] Requires a person who loses a license plate for a commercial motor vehicle to notify the law enforcement agency that has jurisdiction where the loss occurred, and the Bureau of Motor Vehicles.

IC 9-20-5-7, HB 1578, SECTION 30 [EFFECTIVE JULY 1, 2001] Requires an owner or operator of a vehicle operating on an extra heavy duty highway to register with the Department annually, pay a registration fee, and install an automated vehicle identifier in each vehicle operating with a special weight permit.

IC 9-20-18-14.5, HB 1578, SECTION 31 [EFFECTIVE JULY 1, 2001] Provides a civil penalty of up to \$500 for any violation of the provisions requiring the automated vehicle identifier system to be installed.

IC 9-24-6-6, HB 1578, SECTION 32 [EFFECTIVE JULY 1, 2001] Adds two violations to the definition of serious traffic violations if committed by a person with a commercial driver's license while driving a commercial motor vehicle. The violations concern safety procedures at railroad crossings and are intended to comply with federal law and regulations.

IC 9-24-6-7, HB 1578, SECTION 33 [EFFECTIVE JULY 1, 2001] Provides the penalties and the drivers license suspension for violations concerning railroad crossings in IC 9-24-6-6.

IC 9-29-6-1, HB 1578, SECTION 34 [EFFECTIVE JULY 1, 2001] Provides that the annual registration fee for an automated vehicle identifier is \$25. The additional permit fee imposed may not exceed \$1 on each trip.

IC 9-29-6-1, HB 1821, SECTION 3, [EFFECTIVE JULY 1, 2001] Provides a special weight permit fee of \$41.50 for vehicles with a total gross weight that exceeds 80,000 pounds and is less than 134,000 pounds.

IC 36: LOCAL GOVERNMENT FINANCES

IC 36-1-10-1, HB 1068, SECTION 7 [EFFECTIVE UPON PASSAGE] Provides that debt service and lease financing for the Vigo County sports and recreation facility are subject to the provisions of local government statutes concerning lease financing.

IC 36-7-13-10, SB 457, SECTION 5 [EFFECTIVE UPON PASSAGE] Permits a municipality located in Allen and St. Joseph Counties to adopt an ordinance to create a community revitalization enhancement district (CRED).

IC 36-7-13-10.5, SB 457, SECTION 6 [EFFECTIVE UPON PASSAGE] Permits any county or municipality within a county to designate a community revitalization enhancement district (CRED) if certain conditions are met. The criteria are that the county's annual rate of unemployment must have been higher than the statewide average of unemployment during 3 of the last 5 years. The median income of the county has declined over the last 10 years, or has grown at a lower rate than the average annual statewide growth of median income over 3 of the last 5 years. The population of the county has declined over the last 10 years. The area to be designated as a district must contain a vacant building that has at least 50,000 square feet of usable floor space. There must be fewer people employed in the district than there were 10 years ago, and there must be significant obstacles to redevelopment. The legislative body adopting the ordinance shall designate the duration of the district, which may not exceed 15 years. The legislative body must submit a copy of the ordinance to the state Budget Agency for approval.

IC 36-7-13-12, SB 457, SECTION 12 [EFFECTIVE UPON PASSAGE] Provides that a community revitalization district in South Bend must contain a building with at least 1,500,000 square feet of usable interior floor space. There must be fewer than 18,000 people employed in the area, and there must be significant obstacles to redevelopment of the area such as obsolete buildings, aging infrastructure, utility location requirements, or environmental contamination. The municipality must have pledged \$100,000 for purposes of addressing the redevelopment obstacles. Provides that such a district in Fort Wayne must contain a building with at least 800,000 square feet, having leasable floor space (at least 50% of which is vacant), and it must have significant obstacles to redevelopment. There must be at least 400 fewer persons employed in the area than were employed 15 years ago. The area has been designated as an economic development target area, the area must have pledged at least \$250,000 for purposes of addressing the redevelopment obstacles.

IC 36-7-26-1, HB 1195, SECTION 6 AND HB 1001, SECTION 200 [EFFECTIVE JULY 1, 2001] Permits the cities of South Bend, Fort Wayne, and Evansville to establish economic development project districts.

IC 36-7-26-14, HB 1195, SECTION 7 AND HB 1001, SECTION 201 [EFFECTIVE JULY 1, 2001] Provides that the South Bend and Fort Wayne

districts must contain a commercial retail facility with at least 500,000 square feet. Provides that the Evansville district may not contain any territory outside the boundaries of a redevelopment area established within the central business district of the city before 1985.

IC 36-7-26-23, HB 1195, SECTION 8 AND HB 1001 SECTION 202 [EFFECTIVE JULY 1, 2001] Provides that Evansville, Fort Wayne and South Bend may not receive more than 50% of the incremental sales tax amount in each year. Provides that each city may not receive a total of more than \$1,000,000 of increment financing during the time the district exists.

IC 36-7-26-24, HB 1195, SECTION 9 AND HB 1001, SECTION 203 [EFFECTIVE JULY 1, 2001] Provides that distributions of money from the South Bend district may only be used for road, interchange and right of way improvements for real property acquisition costs. Distributions to the Fort Wayne district may be used for roads and improvements and for the demolition of commercial property and any related expenses incurred before the demolition of the commercial property. Provides that distributions to the Evansville district may be used for acquisition, demolition and renovation of property and site preparation and financing.

IC 36-7-31.3-9, SB 457, SECTION 13 [EFFECTIVE JULY 1, 2001] Provides that a professional sports development area may be established in a second class city if it is established before July 1, 2002.

OTHER CODE SECTIONS

IC 4-32-9-21, HB 1578, SECTION 1 [EFFECTIVE JULY 1, 2001] If a qualified organization under the charity gaming statute is affiliated with a nationally recognized charitable organization that serves a majority of the counties in Indiana, and has been in existence for at least 25 years, the principal office shall be deemed to be present in every county served by the organization.

IC 12-17-2-33.1, HB 1841, SECTION 3 [EFFECTIVE JULY 1, 2001] Eliminates the requirement that the Family and Social Services Agency enter into an agreement with the Department to do cross checks with financial institutions to locate delinquent parents for child support purposes.

NON-CODE SECTIONS

HB 1479, SECTION 2 [EFFECTIVE JANUARY 1, 2000, (RETROACTIVE)] Amends the reference to the Internal Revenue Code to make the Indiana Code consistent with the Internal Revenue Code for tax year 2000.

HB 1195, SECTION 10 AND HB 1001, SECTION 181 [EFFECTIVE UPON PASSAGE] Eliminates the March 31 deadline for Randolph County to adopt an ordinance to impose an additional CEDIT rate.

HB 1710, SECTION 7 [EFFECTIVE UPON PASSAGE] Provides that Wayne County must decide by September 20, 2001 whether to adopt an ordinance to impose additional CAGIT for the construction of a county jail.