

**SYNOPSIS OF 2014
LEGISLATION
AFFECTING THE
INDIANA DEPARTMENT
OF REVENUE**

APRIL 2014

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Indiana Department of Revenue
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INTRODUCTION

This synopsis contains a summary of legislation passed by the 2014 Indiana General Assembly that affects the Department of Revenue.

How This Synopsis Is Organized

This synopsis has been divided into two parts. Both parts present the same information, but they are organized differently. In the first part the legislation is organized according to the tax type to which it pertains; in the second part it is organized by bill number. This way, readers can search for information in whichever way suits them best. If you're looking for new legislation pertaining to cigarette tax, look in the first part for the section labeled "Cigarette and Other Tobacco Taxes." If you need to know which provisions in Senate Enrolled Act 1 affect the department, and how, look in the second part for that bill.

For each piece of legislation, we've provided a heading (the relevant tax type in the first part; the enrolled act number in the second part), a short summary of what the legislation says, the date it goes into effect, and the Indiana Code cites affected by this legislation.

In addition, in the first part, we've included the House or Senate enrolled act number so you'll know in which bill you can find that piece of legislation. Because the second part is organized by enrolled act number, we've simply included the SECTION of the bill where you can find that piece of legislation.

How to Find Code Cites and Enrolled Acts Online

To get more information about all the recently passed legislation or to read a bill in its entirety, go to the Indiana General Assembly's website at <http://www.iga.in.gov>.

On the Indiana General Assembly's website, do the following:

1. At the top of the page, click Laws.
2. Select Indiana Code. Every title of the Indiana Code appears on this page.
3. Click the title you want to review.
4. Next, select the article you want to review. All the chapters in the article are listed on the left side of the page.
5. Click the appropriate chapter you want to review. All sections of the chapter will appear, including the section of the Indiana Code you want to review.

To see the bill containing the specific language, do the following:

1. Click the Legislation link on the top of the Indiana General Assembly's webpage.
2. From there, click Bills.
3. Scroll to the bill number for which you are searching. When you find the bill, click Latest Version to pull up the Enrolled Act.
4. Open the 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.

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PART I
LEGISLATION BY TAX TYPE

SALES AND USE TAX (IC 6-2.5)

Summary: Specifies that for purposes of computing the sales tax, a seller may elect to round the tax on an item basis or an invoice basis. However, the seller may not round the tax on an item basis to circumvent the tax that otherwise would be imposed on a transaction using an invoice basis.

Effective Date: July 1, 2014

Code: IC 6-2.5-2-2

Enrolled Act: SEA 161, Sec. 1

Summary: Provides that the sales tax rate on a motor vehicle that a purchaser intends to transport outside Indiana within 30 days and title or register for use in another state or country is the rate of that state or country.

Effective Date: July 1, 2014

Code: IC 6-2.5-2-3

Enrolled Act: SEA 367, Sec. 9

Summary: Repeals the section defining “E85” in the use tax on gasoline chapter because the term is never used.

Effective Date: Upon Passage

Code: IC 6-2.5-3.5-2

Enrolled Act: SEA 24, Sec. 27

Summary: Repeals the section defining “price per unit before the addition of state and federal taxes” in the use tax on gasoline chapter because the term is never used.

Effective Date: July 1, 2014

Code: IC 6-2.5-3.5-7

Enrolled Act: SEA 24, Sec. 28

Summary: Removes blood glucose monitoring meters from the separate sales tax exemption for blood glucose supplies to comply with the Streamlined Sales and Use Tax Agreement. Provides that blood glucose meters and the packaging or literature for a blood glucose meter furnished without charge by a diabetic supply distributor are exempt from tax.

Effective Date: July 1, 2014

Code: IC 6-2.5-5-19.5

Enrolled Act: SEA 161, Sec. 2

Summary: Expands the sales tax exemption for aircraft materials, parts, and engines to allow the exemption if the retail merchant has leased a facility at a public use airport, the retail merchant meets the airport's minimum standards for an aircraft maintenance facility, and the work is performed by a mechanic who is certified by the Federal Aviation Administration.

Effective Date: July 1, 2014

Code: IC 6-2.5-5-46

Enrolled Act: SEA 367, Sec. 10

Summary: Provides that a retail merchant engaged in selling bulk propane at retail in Indiana shall claim a credit before June 30, 2014, equal to the sales tax paid by the retail merchant's customers after Dec. 31, 2013, and before April 1, 2014, on that part of the price of bulk propane that exceeded \$2.50 per gallon. Requires the retail merchant to provide a credit to its customers on their next purchase of bulk propane occurring after the retail merchant claims the credit. Specifies that retail merchants are entitled to a collection allowance of 1% for administering the credits provided to customers.

Effective Date: Upon Passage

Code: IC 6-2.5-5-49.5

Enrolled Act: SEA 1, Sec. 8

Summary: Resolves technical conflicts between differing 2013 amendments to this section of the Indiana Code pertaining to the sales tax on special fuel.

Effective Date: July 1, 2014

Code: IC 6-2.5-7-5

Enrolled Act: SEA 24, Sec. 29

ADJUSTED GROSS INCOME TAX (IC 6-3)

Summary: Phases down the corporate income tax rate from 6.5% in FY 2016 to 4.9% after June 30, 2021. Specifically, the rate decrease is as follows:

FY 2017	6.25%
FY 2018	6.0%
FY 2019	5.75%
FY 2020	5.5%
FY 2021	5.25%
After June 30, 2021	4.9%

Effective Date: July 1, 2014

Code: IC 6-3-2-1

Enrolled Act: SEA 1, Sec. 9

Summary: Provides that an entity is not considered to have Indiana income for purposes of the state income tax merely because of certain logistics activities concerning the distribution of legend drugs, medical devices, or medical supplies that are conducted in Indiana by a third-party logistics provider.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3-2-2.1

Enrolled Act: HEA 1380, Sec. 13

Summary: Provides that a captive insurer subject to the tax under IC 27-1-2-2.3 is not subject to the adjusted gross income tax.

Effective Date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3-2-2.8

Enrolled Act: HEA 1206, Sec. 1

Summary: Provides that the value of an Olympic medal and prize money paid by the United States Olympic Committee to the winner of an Olympic medal are exempt from adjusted gross income tax.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3-2-24

Enrolled Act: SEA 161, Sec. 3

Summary: Provides an individual income tax credit for an individual who is eligible to claim the federal adoption credit. The credit is equal to the lesser of 10% of the amount of federal credit allowed per child or \$1,000 for each eligible child. The credit may not exceed the amount of the taxpayer's adjusted gross income tax liability for the taxable year. The amount of any unused credit cannot be carried forward, carried back, or refunded. If all or part of the federal credit is required to be claimed in or carried forward to a taxable year after the taxable year in which the credit is first allowed, then the credit shall be treated as allowable for Indiana purposes.

Effective Date: Jan. 1, 2015

Code: IC 6-3-3-13

Enrolled Act: HEA 1222, Sec. 1

INCOME TAX CREDITS (IC 6-3.1)

Summary: Provides that a taxpayer may carry forward any unused tax credit from a prior taxable year to a taxable year that begins after the repeal of the statute that provided the tax credits. Provisions concerning the amount of carryforward or the number of years to which an unused credit can be carried forward still apply as though the statute allowing the carryforward had not been repealed.

Effective Date: July 1, 2014

Code: IC 6-3.1-1-4

Enrolled Act: HEA 1380, Sec. 14

Summary: Allows a taxpayer whose qualified investment to build or refurbish a riverboat is certified by the Indiana Economic Development Corporation (IEDC) before Jan. 1, 2015, to claim a tax credit in the year that the qualified investment is made as if the Riverboat Building Tax Credit had not been repealed.

Effective Date: July 1, 2014

Code: IC 6-3.1-1-5

Enrolled Act: HEA 1380, Sec. 15

Summary: The Prison Investment Credit is repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-6

Enrolled Act: HEA 1380, Sec. 16

Summary: Specifies that contributions to organizations that provide services to individuals who are ex-offenders are eligible for the Neighborhood Assistance Credit.

Effective Date: July 1, 2014

Code: IC 6-3.1-9-1; IC 6-3.1-9-2

Enrolled Act: SEA 367, Sec. 11 and 12

Summary: Authorizes a shareholder, partner, or member of a pass-through entity to claim the Industrial Recovery Tax Credit.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-11-24

Enrolled Act: SEA 367, Sec. 13

Summary: Provides that, for taxable years beginning after Dec. 31, 2014, and before Jan. 1, 2019, an Economic Development for a Growing Economy (EDGE) tax credit may be awarded to a business that employs students who have participated in a course of study that includes a cooperative arrangement between the business and an educational institution for the training of students in high-wage, high-demand jobs that require industry certifications.

Effective Date: July 1, 2014

Code: IC 6-3.1-13-13

Enrolled Act: HEA 1003, Sec. 5

Summary: Provides that a person who proposes to employ students who have participated in a course of study as provided in IC 6-3.1-13-15.7 is required to apply to the IEDC to enter into an agreement for a tax credit.

Effective Date: July 1, 2014

Code: IC 6-3.1-13-14

Enrolled Act: HEA 1003, Sec. 6

Summary: Provides that the aggregate amount of tax credits for all taxpayers employing students who have participated in a course of study that includes a cooperative arrangement between the business and an educational institution for the training of students in high-wage, high-demand jobs that require industry certifications may not exceed \$2,500,000 per fiscal year.

Effective Date: July 1, 2014

Code: IC 6-3.1-13-15.7

Enrolled Act: HEA 1003, Sec. 7

Summary: Provides that the taxpayer and the IEDC shall enter into an agreement. The agreement shall include the following information: a detailed description of the applicant's arrangements between the applicant and educational institutions for the training of students, the duration of the credit and the first taxable year that the credit will be allowed, the credit amount that will be allowed for each year, an agreement that the taxpayer will continue its program with

the educational institution for two years after the last taxable year that the taxpayer can claim the credit, the method for determining the number of students who participated in the program, the number of employees who participated, the income tax withheld for the employees, and any other information that the IEDC requires.

Effective Date: July 1, 2014

Code: IC 6-3.1-13-19.7

Enrolled Act: HEA 1003, Sec. 8

Summary: Provides that beginning in 2015, the Office of Community and Rural Affairs administers the Historic Rehabilitation Income Tax Credit. Provides that appeals of final determinations by the Office of Community and Rural Affairs are to be made to the Indiana Tax Court.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-16-1; IC 6-3.1-16-2; IC 6-3.1-16-7; IC 6-3.1-16-8; IC 6-3.1-16-9; IC 6-3.1-16-10; IC 6-3.1-16-12; IC 6-3.1-16-15

Enrolled Act: SEA 367, Sec. 14-21

Summary: The Indiana Riverboat Building Credit is repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-17

Enrolled Act: HEA 1380, Sec. 17

Summary: For purposes of the income tax credit for property taxes paid on homesteads in Lake County, income is defined as adjusted gross income for the taxpayer or the taxpayer and the spouse.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-20-1; IC 6-3.1-20-4; IC 6-3.1-20-5

Enrolled Act: SEA 367, Sec. 22-24

Summary: Provides that if the cost of the credit is less than \$8,500,000, riverboat admissions tax revenue equal to the difference between \$8,500,000 and the cost of the credits shall be paid to the Northwest Indiana Regional Development Authority and used for public mass rail transportation in Lake County.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-20-7

Enrolled Act: SEA 367, Sec. 25

Summary: Provides that beginning in 2015, the Office of Community and Rural Affairs administers the Residential Historic Rehabilitation Income Tax Credit. Provides that appeals of final determinations of the Office of Community and Rural Affairs are to be made to the Indiana Tax Court.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-22-1; IC 6-3.1-22-2; IC 6-3.1-22-8; IC 6-3.1-22-9; IC 6-3.1-22-10; IC 6-3.1-22-11; IC 6-3.1-22-13

Enrolled Act: SEA 367, Sec. 26-32

Summary: The Voluntary Remediation Tax Credit is repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-23

Enrolled Act: HEA 1380, Sec. 18

Summary: Provides that a Venture Capital Investment Tax Credit is not a security subject to IC 23 (Indiana Uniform Securities Act).

Effective Date: July 1, 2014

Code: IC 6-3.1-24-14

Enrolled Act: SEA 375, Sec. 1

Summary: The Blended Biodiesel Tax Credits are repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-27

Enrolled Act: HEA 1380, Sec. 19

Summary: The Ethanol Production Tax Credit is repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-28

Enrolled Act: HEA 1380, Sec. 20

Summary: Provides that a taxpayer is not entitled to a School Scholarship Tax Credit for a contribution to a scholarship-granting organization that is used to provide a scholarship or other assistance to a child participating in the Early Education Grant Pilot Program.

Effective Date: July 1, 2014

Code: IC 6-3.1-30.5-7

Enrolled Act: HEA 1004, Sec. 1

Summary: The Energy Savings Tax Credit is repealed effective July 1, 2014.

Effective Date: July 1, 2014

Code: IC 6-3.1-31.5

Enrolled Act: HEA 1380, Sec. 21

Summary: The New Employer Tax Credit is repealed effective Jan. 1, 2015.

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-33

Enrolled Act: HEA 1380, Sec. 22

Summary: Provides that a vehicle must be purchased or leased from a dealer in Indiana to be eligible for the tax credit for natural gas-powered vehicles.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-6

Enrolled Act: HEA 1180, Sec. 1

Summary: Provides that the credit for natural gas-powered vehicles no longer applies to vehicles using alternative fuel, but applies to vehicles using a natural gas product as defined in IC 6-6-2.5-16. No longer requires the vehicle to be used in providing public transportation to be eligible for the credit.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-10

Enrolled Act: HEA 1180, Sec. 2

Summary: Requires the taxpayer to apply to the Department of Revenue for approval of the credit for natural gas-powered vehicles at the time of the purchase or lease of a qualified vehicle. Requires the taxpayer to submit proof of purchase or lease and attach the department's approval of the tax credit to the person's tax return. The department will approve credits in the chronological order that the applications for the credit are received. If the total amount of credits approved reaches the maximum amount of credits allowable, the department may not approve any additional credits in that year.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-12

Enrolled Act: HEA 1180, Sec. 3

LOCAL OPTION INCOME TAXES (IC 6-3.5-1.1; IC 6-3.5-6; IC 6-3.5-7)

Summary: Provides a method of funding for central Indiana transportation. Provides that Hancock and Johnson counties can impose additional county adjusted gross income tax (CAGIT) to fund central Indiana transportation. The counties can adopt an ordinance to use CAGIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum.

Effective Date: July 1, 2014

Code: IC 6-3.5-1.1-9; IC 6-3.5-1.1-23; IC 6-3.5-1.1-24; IC 6-3.5-1.1-29

Enrolled Act: SEA 176, Sec. 2-5

Summary: Provides a method of funding for central Indiana transportation. Provides that Delaware and Madison counties can impose additional county option income tax (COIT) to fund central Indiana transportation. The counties can adopt an ordinance to use COIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum.

Effective Date: July 1, 2014

Code: IC 6-3.5-6-17; IC 6-3.5-6-18; IC 6-3.5-6-26; IC 6-3.5-6-30; IC 6-3.5-6-34

Enrolled Act: SEA 176, Sec. 7-11

Summary: Provides a method of funding for central Indiana transportation. Provides that Hamilton and Marion counties can impose additional county economic development income tax (CEDIT) to fund central Indiana transportation. The counties can adopt an ordinance to use CEDIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum.

Effective Date: July 1, 2014

Code: IC 6-3.5-7-5; IC 6-3.5-7-5.5; IC 6-3.5-7-26; IC 6-3.5-7-29

Enrolled Act: SEA 176, Sec. 12-15

Summary: Provides that for taxable years beginning after Dec. 31, 2014, there is a credit against county economic development income tax (CEDIT) for taxes paid to local governments outside Indiana.

Effective Date: July 1, 2014

Code: IC 6-3.5-7-8.1

Enrolled Act: HEA 1380, Sec. 23

FINANCIAL INSTITUTIONS TAX (IC 6-5.5)

Summary: Phases down the financial institutions tax rate to 4.9% in calendar year 2023. Specifically, the rate decrease is as follows:

CY 2019	6.25%
CY 2020	6.0%
CY 2021	5.5%
CY 2022	5.0%
After Dec. 31, 2022	4.9%

Effective Date: July 1, 2014

Code: IC 6-5.5-2-1

Enrolled Act: SEA 1, Sec. 10

Summary: Provides that a captive insurer subject to tax under IC 27-1-2-2.3 is not subject to the financial institutions tax.

Effective Date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-5.5-2-7

Enrolled Act: HEA 1206, Sec. 2

GASOLINE AND SPECIAL FUEL TAXES (IC 6-6-1.1; IC 6-6-2.5)

Summary: Eliminates liquid or compressed natural gas, or a combination of liquefied petroleum gas and a compressed natural gas product, from the definition of “alternative fuel.”

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-1

Enrolled Act: HEA 1180, Sec. 4

Summary: Adds a new section to define “natural gas product” as a liquid or compressed natural gas product or a combination of liquefied petroleum gas and a compressed natural gas product used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-16.5

Enrolled Act: HEA 1180, Sec. 5

Summary: Eliminates alternative fuel from the definition of “special fuel” and includes natural gas products as a special fuel.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-22

Enrolled Act: HEA 1180, Sec. 6

Summary: Removes a reference to propane and butane in the special fuel tax law in conformance with HEA 1180-2014. This is a technical correction.

Effective Date: July 1, 2014

Code: IC 6-6-2.5-28

Enrolled Act: HEA 1380, Sec. 24

MOTOR CARRIER FUEL USE TAX (IC 6-6-4.1)

Summary: Amends the definitions of “farm product” and “farm vehicle” for purposes of the motor vehicle statutes. This is a technical change in the motor carrier fuel use tax statute. In essence, it provides that a farm product does not include logs, wood chips, bark, or sawdust. A vehicle hauling these products cannot be licensed as a farm vehicle.

Effective Date: July 1, 2014

Code: IC 6-6-4.1-2

Enrolled Act: HEA 1219, Sec. 1

MISCELLANEOUS AND VEHICLE EXCISE TAXES (IC 6-6)

Summary: Makes technical corrections to the commercial vehicle excise tax statute.

Effective Date: Jan. 1, 2015

Code: IC 6-6-5.5-7

Enrolled Act: HEA 1237, Sec. 6

Summary: Repeals the hazardous waste disposal tax in IC 6-6-6.6 and replaces it with the hazardous waste disposal fee in IC 13-22-12.

Effective Date: July 1, 2014

Code: IC 6-6-6.6

Enrolled Act: HEA 1342, Sec. 1

Summary: Provides that after June 30, 2014, a carrier claiming the road tax credit for consumption of compressed natural gas must claim the credit on a quarterly basis in the manner prescribed by the Department of Revenue. The credits must be claimed before Oct. 30, Jan. 30, April 30, and July 30.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-12-5

Enrolled Act: HEA 1180, Sec. 7

Summary: Clarifies that the credit is 12% of the road taxes paid for the consumption of compressed natural gas in the previous quarter.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-12-6

Enrolled Act: HEA 1180, Sec. 8

Summary: Technical change to the aviation fuel excise tax to clarify that it is a Level 6 felony instead of a Class D felony to intentionally fail to remit the tax to the Department of Revenue.

Effective Date: July 1, 2014

Code: IC 6-6-13-13

Enrolled Act: HEA 1006, Sec. 11

Summary: Adds a new chapter concerning alternative fuel decals. Provides that the owner of a vehicle that is propelled by alternative fuel shall obtain an annual alternative fuel decal for the vehicle. The fee for the decal is based on the weight and type of vehicle. The annual fee may be prorated on a quarterly basis if the application is made after June 30 of a year. The owner of an alternative fuel vehicle that is registered outside Indiana but operated on a public highway in Indiana is required to get a temporary trip permit. The permit costs \$5.50 and is valid for 72 hours. A person who wants to make alternative fuel sales in Indiana must be licensed by the Department of Revenue as a propane dealer. The fee for a propane dealer license is \$50. The department can rescind the license if the propane dealer fails to comply with any requirement of IC 6-6-14. The department shall issue a decal to the owner of a vehicle propelled by alternative fuel. The decal is effective from April 1 of each year through March 31 of the next year. A dealer may place alternative fuel in a vehicle only if the vehicle has a valid alternative fuel decal affixed in the lower-left side of the vehicle's front windshield.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-14

Enrolled Act: HEA 1180, Sec. 9

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX (IC 6-7-1; IC 6-7-2)

Summary: Provides that all reports and taxes relating to cigarette taxes are required to be filed or remitted to the Department of Revenue in an electronic format prescribed by the department.

Effective Date: July 1, 2014

Code: IC 6-7-1-37

Enrolled Act: SEA 367, Sec. 33

Summary: Provides that all reports and taxes relating to other tobacco products taxes are required to be filed or remitted to the Department of Revenue in an electronic format prescribed by the department.

Effective Date: July 1, 2014

Code: IC 6-7-2-12

Enrolled Act: SEA 367, Sec. 34

TAX ADMINISTRATION (IC 6-8.1)

Summary: Resolves technical conflicts between differing 2013 amendments to IC 6-8.1-1-1 pertaining to the Department of Revenue's listed taxes.

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-8.1-1-1

Enrolled Act: SEA 24, Sec. 30

Summary: Amends the section concerning listed taxes that the Department of Revenue administers to eliminate the reference to the alternative fuel permit fee, the underground storage tank fee, and the solid waste management fee.

Effective Date: July 1, 2014

Code: IC 6-8.1-1-1

Enrolled Act: HEA 1342, Sec. 2

Summary: Repeals the provision that required the Department of Revenue to include a voter registration form in all individual income tax booklets that were mailed to taxpayers using preprinted labels with Indiana addresses.

Effective Date: July 1, 2014

Code: IC 6-8.1-3-19

Enrolled Act: SEA 385, Sec. 73

Summary: Requires the Department of Revenue to coordinate with the Secretary of State to use an Internet website to share information with other state agencies and to provide a single point of contact for a person to accomplish various requirements to transact business in the state, including completing and submitting an application for a license that is issued by the department; filing with the department documents that are required to transact business in the state; and remitting any fee that must be paid to the department by the person, including application fees, filing fees, permit fees, and registration fees.

Effective Date: July 1, 2014

Code: IC 6-8.1-3-23

Enrolled Act: HEA 1198, Sec. 2

Summary: Provides that the special tax section of the Department of Revenue will no longer administer and enforce the hazardous waste disposal tax.

Effective Date: July 1, 2014

Code: IC 6-8.1-4-1.6

Enrolled Act: HEA 1342, Sec. 3

Summary: Allows the Department of Revenue to deny or suspend certain oversize and overweight vehicle permits if the applicant or permit holder is delinquent in paying escort fees to the State Police Department.

Effective Date: July 1, 2014

Code: IC 6-8.1-4-4

Enrolled Act: HEA 1380, Sec. 25

Summary: Provides that all Indiana adjusted gross income tax return and financial institutions tax return due date extensions are treated the same as extensions granted because of a federal income tax due date extension. Also provides that any penalties shall be based on the amount of tax not paid on or before the end of the extension period.

Effective Date: Jan. 1, 2015

Code: IC 6-8.1-6-1

Enrolled Act: HEA 1380, Sec. 26

Summary: Resolves technical conflicts between differing 2013 amendments to IC 6-8.1-7-1 pertaining to the Department of Revenue's confidentiality statute.

Effective Date: Upon Passage

Code: IC 6-8.1-7-1

Enrolled Act: SEA 24, Sec. 31

Summary: Provides that the adjusted rate of interest as determined by the Commissioner of the Department of Revenue shall be based on the average investment yield on State General Fund money, instead of including the earnings from all funds.

Effective Date: July 1, 2014

Code: IC 6-8.1-10-1

Enrolled Act: HEA 1005, Sec. 13

ALCOHOLIC BEVERAGE TAXES (IC 7.1-4)

Summary: Provides that all returns and payments of all taxes related to alcoholic beverages shall be filed or remitted to the Department of Revenue in an electronic format prescribed by the department.

Effective Date: July 1, 2014

Code: IC 7.1-4-6-3.5

Enrolled Act: SEA 367, Sec. 36

ENHANCED PREPAID WIRELESS TELECOMMUNICATIONS SERVICE CHARGE (IC 36-8-16.6)

Summary: Clarifies that certain eligible telecommunications providers are not considered federal agencies for purposes of the exemption provided to federal government purchasers.

Effective Date: Upon Passage

Code: IC 36-8-16.6-11

Enrolled Act: SEA 396, Sec. 6

MISCELLANEOUS PROVISIONS

Summary: Requires the Commission on State Tax and Financing Policy to review, analyze, and evaluate state and local tax incentives that are provided to encourage economic development or to alter, reward, or subsidize a particular action or behavior by a tax incentive recipient.

Effective Date: July 1, 2014

Code: IC 2-5-3.2

Enrolled Act: HEA 1020, Sec. 1

Summary: Specifies that state agencies, including the Department of Revenue, shall provide assistance at no cost to the Secretary of State in developing and maintaining a one-stop Internet website for businesses to use.

Effective Date: July 1, 2014

Code: IC 4-5-10-1

Enrolled Act: HEA 1198, Sec. 1

Summary: Eliminates the requirement that excess State General Fund reserves are to be carried over each year for purposes of determining a transfer to the Pension Stabilization Fund and an automatic taxpayer refund.

Effective Date: July 1, 2014

Code: IC 4-10-22-3

Enrolled Act: SEA 225, Sec. 1

Summary: Provides that the gross retail (i.e., sales) base period amount for the motorsports investment district is the amount of sales tax remitted by a taxpayer during calendar year 2012.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-5

Enrolled Act: HEA 1380, Sec. 1

Summary: Provides that the gross retail (i.e., sales) incremental amount is the amount of sales tax remitted by a taxpayer during a calendar year minus the retail base period amount.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-6

Enrolled Act: HEA 1380, Sec. 2

Summary: Provides that the income tax base period amount for the motorsports investment district is the amount of adjusted gross income taxes paid during calendar year 2012.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-7

Enrolled Act: HEA 1380, Sec. 3

Summary: Provides that the income tax incremental amount is the amount of income tax remitted by a taxpayer during a calendar year minus the income tax base period amount.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-8

Enrolled Act: HEA 1380, Sec. 4

Summary: Provides that the Department of Revenue’s calculation of the income tax and sales tax incremental amount for the motorsports investment district will be the incremental amount for the preceding calendar year instead of the fiscal year.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-10

Enrolled Act: HEA 1380, Sec. 5

Summary: Requires the Department of Revenue by the first day of November to determine the amount of income tax incremental amount, sales tax incremental amount, and motorsports admission fee collected in the prior calendar year.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-11

Enrolled Act: HEA 1380, SEC. 6

Summary: Clarifies that the Department Revenue shall annually notify the Indiana Finance Authority, the State Budget Agency, and the owners of a qualified motorsports facility of the amounts determined in IC 4-10-23-11 and the amount reverted to the State General Fund from the motorsports facility fund established under IC 5-1-17.5-30.5.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-12

Enrolled Act: HEA 1380, Sec. 7

Summary: Provides that a person who wins a prize payable in installments from the State Lottery Commission may assign the future prize payments under certain circumstances upon court approval. Requires the director of the State Lottery Commission to investigate and certify whether a person who petitions for a lottery prize payment assignment has or has not satisfied debts to state agencies including the Department of Revenue.

Effective Date: July 1, 2014

Code: IC 4-30-5-6

Enrolled Act: SEA 312, Sec. 1

Summary: Requires the motorsports commission to establish a Motorsports Facility Fund for the district. The commission shall in each state fiscal year deposit in the fund \$2,000,000 from payments established under IC 5-1-17.5-37(f)(1). The commission shall request an appropriation equal to the amount of money that the commission is required to deposit into the fund for that state fiscal year. Money in the fund will revert to the State General Fund on June 30 of each year.

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 5-1-17.5-30.5

Enrolled Act: HEA 1380, Sec. 8

Summary: Provides that after Dec. 31, 2015, “commercial vehicle” means a motor vehicle used in commerce to transport property if the vehicle has a declared gross weight of at least 16,000 pounds and is subject to the commercial vehicle excise tax.

Effective Date: July 1, 2014

Code: IC 9-13-2-31.5

Enrolled Act: HEA 1180, Sec. 10

Summary: Provides that until Jan. 1, 2016, the Department of Revenue can continue to register vehicles even if the owner's fleet falls below the 25-vehicle minimum of commercial vehicles.

Effective Date: July 1, 2014

Code: IC 9-18-2-4.5

Enrolled Act: HEA 1180, Sec. 11

Summary: After Dec. 31, 2015, the Department of Revenue may issue a license plate for each commercial vehicle that has paid the registration fee and commercial vehicle excise tax if there are more than 25 commercial vehicles in the owner's fleet. The license plate issued under this section for a commercial motor vehicle is permanently valid. The application for the commercial vehicles must be submitted on an aggregate basis by electronic means. The certificate of registration must be carried at all times in the vehicle for which it is issued. Permanent registration does not relieve the owner of a vehicle from the payment of any applicable commercial vehicle excise taxes due on an annual basis. All vehicles subject to the commercial vehicle excise tax, including trailers and semi-trailers, must be registered with the department and issued a permanent license plate.

Effective Date: July 1, 2014

Code: IC 9-18-2-4.6

Enrolled Act: HEA 1180, Sec. 12

Summary: Eliminates the provision that prohibited a vehicle using compressed natural gas as a fuel from operating at night outside the corporate limits of a municipality.

Effective Date: July 1, 2014

Code: IC 9-19-5-6

Enrolled Act: HEA 1180, Sec. 14

Summary: Specifies the amount that shall be collected by the Department of Revenue for registrations of vehicles in a commercial fleet, if the department adopts rules to implement staggered registration.

Effective Date: Jan. 1, 2015

Code: IC 9-29-5-42

Enrolled Act: HEA 1380, Sec. 31

Summary: Provides that the responsibility for collection of the underground storage tank fee is transferred from the Department of Revenue to the Indiana Department of Environmental Management.

Effective Date: July 1, 2014

Code: IC 13-23-12-1

Enrolled Act: SEA 217, Sec. 3

Summary: Provides that a person may not sell, lease, or rent a hearing aid in Indiana unless the hearing aid has been fitted in person by a hearing aid dealer or an audiologist.

Effective Date: July 1, 2014

Code: IC 25-35.6-4

Enrolled Act: HEA 1139, Sec. 4

Summary: Allows a professional sports development area (PSDA) in Allen County to be amended after April 30, 2014, and before Jan. 1, 2015.

Effective Date: Upon Passage

Code: IC 36-7-31.3-9.7

Enrolled Act: SEA 308, Sec. 9

Summary: Provides that a PSDA in Allen County must terminate before the later of Jan. 1, 2028, or (if the designating body takes final action on the financing before Jan. 1, 2015) a date agreed to jointly by the State Budget Agency and the designating body that established the tax area. Specifies that the expiration date may not be later than 25 years after the debt to finance the facility or proposed facility is issued and that the State Budget Agency must approve the final financing for the facility or proposed facility.

Effective Date: Upon Passage

Code: IC 36-7-31.3-10

Enrolled Act: SEA 308, Sec. 10

PART II LEGISLATION BY ENROLLED ACT NUMBER

SENATE BILLS

SEA 1

Summary: Provides that a retail merchant engaged in selling bulk propane at retail in Indiana shall claim a credit before June 30, 2014, equal to the sales tax paid by the retail merchant's customers after Dec. 31, 2013, and before April 1, 2014, on that part of the price of bulk propane that exceeded \$2.50 per gallon. Requires the retail merchant to provide a credit to its customers on their next purchase of bulk propane occurring after the retail merchant claims the credit. Specifies that retail merchants are entitled to a collection allowance of 1% for administering the credits provided to customers. (Sec. 8)

Effective Date: Upon Passage

Code: IC 6-2.5-5-49.5

Summary: Phases down the corporate income tax rate from 6.5% in FY 2016 to 4.9% after June 30, 2021. Specifically, the rate decrease is as follows:

FY 2017	6.25%
FY 2018	6.0%
FY 2019	5.75%
FY 2020	5.5%
FY 2021	5.25%
After June 30, 2021	4.9% (Sec. 9)

Effective Date: July 1, 2014

Code: IC 6-3-2-1

Summary: Phases down the financial institutions tax rate to 4.9% in calendar year 2023. Specifically the rate decrease is as follows:

CY 2019	6.25%
CY 2020	6.0%
CY 2021	5.5%
CY 2022	5.0%
After Dec. 31, 2022	4.9% (Sec. 10)

Effective Date: July 1, 2014

Code: IC 6-5.5-2-1

SEA 24

Summary: Repeals the section defining “E85” in the use tax on gasoline chapter because the term is never used. Repeals the section defining “price per unit before the addition of state and federal taxes” in the use tax on gasoline chapter because the term is never used. (Sec. 27 and 28)

Effective Date: Upon Passage, and July 1, 2014

Code: IC 6-2.5-3.5-2; IC 6-2.5-3.5-7

Summary: Resolves technical conflicts between differing 2013 amendments to IC 6-2.5-7-5 pertaining to the sales tax on special fuel, the Department of Revenue's listed taxes, and the department's confidentiality statute. (Sec. 29-31)

Effective Date: July 1, 2014; Jan. 1, 2014 (RETROACTIVE); and Upon Passage

Code: IC 6-2.5-7-5; IC 6-8.1-1-1; IC 6-8.1-7-1

SEA 161

Summary: Specifies that for purposes of computing the sales tax, a seller may elect to round the tax on an item basis or an invoice basis. However, the seller may not round the tax on an item basis to circumvent the tax that otherwise would be imposed on a transaction using an invoice basis. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 6-2.5-2-2

Summary: Removes blood glucose monitoring meters from the separate sales tax exemption for blood glucose supplies to comply with the Streamlined Sales and Use Tax Agreement. Provides that blood-glucose meters and the packaging or literature for a blood-glucose meter furnished without charge by a diabetic supply distributor is exempt from tax. (Sec. 2)

Effective Date: July 1, 2014

Code: IC 6-2.5-5-19.5

Summary: Provides that the value of an Olympic medal and prize money paid by the United States Olympic Committee to the winner of an Olympic medal are exempt from adjusted gross income tax. (Sec. 3)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3-2-24

SEA 176

Summary: Provides a method of funding for central Indiana transportation. Provides that Hancock and Johnson counties can impose additional county adjusted gross income tax (CAGIT) to fund central Indiana transportation. The counties can adopt an ordinance to use CAGIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum. (Sec. 2-5)

Effective Date: July 1, 2014

Code: IC 6-3.5-1.1-9; IC 6-3.5-1.1-23; IC 6-3.5-1.1-24; IC 6-3.5-1.1-29

Summary: Provides a method of funding for central Indiana transportation. Provides that Delaware and Madison counties can impose additional county option income tax (COIT) to fund central Indiana transportation. The counties can adopt an ordinance to use COIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county

or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum. (Sec. 7-11)

Effective Date: July 1, 2014

Code: IC 6-3.5-6-17; IC 6-3.5-6-18; IC 6-3.5-6-26; IC 6-3.5-6-30; IC 6-3.5-6-34

Summary: Provides a method of funding for central Indiana transportation. Provides that Hamilton and Marion counties can impose additional county economic development income tax (CEDIT) to fund central Indiana transportation. The counties can adopt an ordinance to use CEDIT revenue attributable to an additional tax rate that may be imposed at a rate of at least 0.1 percent and not more than 0.25 percent. If the counties do not adopt an ordinance to have a referendum, a township in the county can request a referendum if the township is located adjacent to a county or another township where a public transportation project has been approved. If a township approves the referendum, the additional tax rate applies to only county taxpayers who reside in the township where the voters have approved a referendum. (Sec. 12-15)

Effective Date: July 1, 2014

Code: IC 6-3.5-7-5; IC 6-3.5-7-5.5; IC 6-3.5-7-26; IC 6-3.5-7-29

SEA 217

Summary: Provides that the responsibility for collection of the underground storage tank fee is transferred from the Department of Revenue to the Indiana Department of Environmental Management. (Sec. 3)

Effective Date: July 1, 2014

Code: IC 13-23-12-1

SEA 225

Summary: Eliminates the requirement that excess State General Fund reserves are to be carried over each year for purposes of determining a transfer to the Pension Stabilization Fund and an automatic taxpayer refund. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 4-10-22-3

SEA 308

Summary: Allows a professional sports development area (PSDA) in Allen County to be amended after April 30, 2014, and before Jan. 1, 2015. (Sec. 9)

Effective Date: Upon Passage

Code: IC 36-7-31.3-9.7

Summary: Provides that a PSDA in Allen County must terminate before the later of either Jan. 1, 2028, or (if the designating body takes final action on the financing before Jan. 1, 2015) a date agreed to jointly by the State Budget Agency and the designating body that established the tax area. Specifies that the expiration date may not be later than 25 years after the debt to finance the facility or proposed facility is issued and that the State Budget Agency must approve the final financing for the facility or proposed facility. (Sec. 10)

Effective Date: Upon Passage

Code: IC 36-7-31.3-10

SEA 312

Summary: Provides that a person who wins a prize payable in installments from the State Lottery Commission may assign the future prize payments under certain circumstances upon court approval. Requires the director of the State Lottery Commission to investigate and certify whether a person who petitions for a lottery prize payment assignment has or has not satisfied debts to state agencies including the Department of Revenue. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 4-30-5-6

SEA 367

Summary: Provides that the sales tax rate on a motor vehicle that a purchaser intends to transport outside Indiana within 30 days and title or register for use in another state or country is the rate of that state or country. (Sec. 9)

Effective Date: July 1, 2014

Code: IC 6-2.5-2-3

Summary: Expands the sales tax exemption for aircraft materials, parts, and engines to allow the exemption if the retail merchant has leased a facility at a public use airport, the retail merchant meets the airport's minimum standards for an aircraft maintenance facility, and the work is performed by a mechanic who is certified by the Federal Aviation Administration. (Sec. 10)

Effective Date: July 1, 2014

Code: IC 6-2.5-5-46

Summary: Specifies that contributions to organizations that provide services to individuals who are ex-offenders are eligible for the Neighborhood Assistance Credit. (Sec. 11 and 12)

Effective Date: July 1, 2014

Code: IC 6-3.1-9-1 and IC 6-3.1-9-2

Summary: Authorizes a shareholder, partner, or member of a pass-through entity to claim the Industrial Recovery Tax Credit. (Sec. 13)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-11-24

Summary: Provides that beginning in 2015, the Office of Community and Rural Affairs administers the Historic Rehabilitation Income Tax Credit. Provides that appeals of final determinations by the Office of Community and Rural Affairs are to be made to the Indiana Tax Court. (Sec. 14-21; 26-32)

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-16-1; IC 6-3.1-16-2; IC 6-3.1-16-7; IC 6-3.1-16-8; IC 6-3.1-16-9; IC 6-3.1-16-10; IC 6-3.1-16-12; IC 6-3.1-16-15; IC 6-3.1-22-1; IC 6-3.1-22-2; IC 6-3.1-22-8; IC 6-3.1-22-9; IC 6-3.1-22-10; IC 6-3.1-22-11; IC 6-3.1-22-13

Summary: For purposes of the income tax credit for property taxes paid on homesteads in Lake County, income is defined as adjusted gross income for the taxpayer or the taxpayer and the spouse. (Sec. 22-24)

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-20-1; IC 6-3.1-20-4; IC 6-3.1-20-5

Summary: Provides that if the cost of the credit is less than \$8,500,000, riverboat admissions tax revenue equal to the difference between \$8,500,000 and the cost of the credits shall be paid to the northwest Indiana regional development authority and used for public mass rail transportation in Lake County. (Sec. 25)

Effective Date: Jan. 1, 2015

Code: IC 6-3.1-20-7

Summary: Provides that all reports and all taxes relating to cigarette taxes are required to be filed or remitted to the Department of Revenue in an electronic format prescribed by the department. (Sec. 33)

Effective Date: July 1, 2014

Code: IC 6-7-1-37

Summary: Provides that all reports and all taxes relating to other tobacco products taxes are required to be filed or remitted to the Department of Revenue in an electronic format prescribed by the department. (Sec. 34)

Effective Date: July 1, 2014

Code: IC 6-7-2-12

Summary: Provides that all returns and payment of all taxes related to alcoholic beverages shall be filed or remitted to the Department of Revenue in an electronic format prescribed by the department. (Sec. 36)

Effective Date: July 1, 2014

Code: IC 7.1-4-6-3.5

SEA 375

Summary: Provides that a Venture Capital Investment Tax Credit is not a security subject to IC 23 (Indiana Uniform Securities Act). (Sec. 1)

Effective Date: July 1, 2014

Code: IC 6-3.1-24-14

SEA 385

Summary: Repeals the provision that required the Department of Revenue to include a voter registration form in all individual income tax booklets that were mailed to taxpayers using preprinted labels with Indiana addresses. (Sec. 73)

Effective Date: July 1, 2014

Code: IC 6-8.1-3-19

SEA 396

Summary: Clarifies that certain eligible telecommunications providers are not considered federal agencies for purposes of the exemption provided to federal government purchasers. (Sec. 6)

Effective Date: Upon Passage

Code: IC 36-8-16.6-11

HOUSE BILLS

HEA 1003

Summary: Provides that, for taxable years beginning after Dec. 31, 2014, and before Jan. 1, 2019, an Economic Development for a Growing Economy (EDGE) tax credit may be awarded to a business that employs students who have participated in a course of study that includes a cooperative arrangement between the business and an educational institution for the training of students in high-wage, high-demand jobs that require industry certifications. (Sec. 5)

Effective Date: July 1, 2014

Code: IC 6-3.1-13-13

Summary: Provides that a person who proposes to employ students who have participated in a course of study as provided in IC 6-3.1-13-15.7 is required to apply to the IEDC to enter into an agreement for a tax credit. (Sec. 6)

Effective Date: July 1, 2014

Code: IC 6-3.1-13-14

Summary: Provides that the aggregate amount of tax credits for all taxpayers employing students who have participated in a course of study that includes a cooperative arrangement between the business and an educational institution for the training of students in high-wage, high-demand jobs that require industry certifications may not exceed \$2,500,000 per fiscal year. (Sec. 7)

Effective Date: July 1, 2014

Code: IC 6-3.1-13-15.7

Summary: Provides that the taxpayer and the IEDC shall enter into an agreement. The agreement shall include the following information: a detailed description of the arrangements between the applicant and educational institutions for the training of students, the duration of the credit and the first taxable year that the credit will be allowed, the credit amount that will be allowed for each year, an agreement that the taxpayer will continue its program with the educational institution for two years after the last taxable year that the taxpayer can claim the credit, the method for determining the number of students who participated in the program, the number of employees who participated, the income tax withheld for the employees, and any other information the IEDC requires. (Sec. 8)

Effective Date: July 1, 2014

Code: IC 6-3.1-13-19.7

HEA 1004

Summary: Provides that a taxpayer is not entitled to a School Scholarship Tax Credit for a contribution to a scholarship-granting organization that is used to provide a scholarship or other assistance to a child participating in the Early Education Grant Pilot Program. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 6-3.1-30.5-7

HEA 1005

Summary: Provides that the adjusted rate of interest as determined by the Commissioner of the Department of Revenue shall be based on the average investment yield on State General Fund money, instead of including the earnings from all funds. (Sec. 13)

Effective Date: July 1, 2014

Code: IC 6-8.1-10-1

HEA 1006

Summary: Technical change to the aviation fuel excise tax to clarify that it is a Level 6 felony instead of a Class D felony to intentionally fail to remit the tax to the Department of Revenue. (Sec. 11)

Effective Date: July 1, 2014

Code: IC 6-6-13-13

HEA 1020

Summary: Requires the Commission on State Tax and Financing Policy to review, analyze, and evaluate state and local tax incentives that are provided to encourage economic development or to alter, reward, or subsidize a particular action or behavior by a tax incentive recipient. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 2-5-3.2

HEA 1139

Summary: Provides that a person may not sell, lease, or rent a hearing aid in Indiana unless the hearing aid has been fitted in person by a hearing aid dealer or an audiologist. (Sec. 4)

Effective Date: July 1, 2014

Code: IC 25-35.6-4

HEA 1180

Summary: Provides that a vehicle must be purchased or leased from a dealer in Indiana to be eligible for the tax credit for natural gas-powered vehicles. (Sec. 1)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-6

Summary: Provides that the credit for natural gas-powered vehicles no longer applies to vehicles using alternative fuel, but applies to vehicles using a natural gas product as defined in IC 6-6-2.5-16. No longer requires the vehicle to be used in providing public transportation to be eligible for the credit. (Sec. 2)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-10

Summary: Requires the taxpayer to apply to the Department of Revenue for approval of the credit for natural gas-powered vehicles at the time of the purchase or lease of a qualified vehicle. Requires the taxpayer to submit proof of purchase or lease and attach the department's approval of the tax credit to the taxpayer's return. The department will approve credits in the chronological order in which the applications for the credit are received. If the total amount of credits approved reaches the maximum amount of credits allowable, the department may not approve any additional credits in that year. (Sec. 3)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3.1-34.6-12

Summary: Eliminates liquid or compressed natural gas, or a combination of liquefied petroleum gas and a compressed natural gas product, from the definition of "alternative fuel." (Sec. 4)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-1

Summary: Adds a new section to define "natural gas product" as a liquid or compressed natural gas product or a combination of liquefied petroleum gas and a compressed natural gas product used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. (Sec. 5)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-16.5

Summary: Eliminates alternative fuel from the definition of "special fuel" and includes natural gas products as a special fuel. (Sec. 6)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-2.5-22

Summary: Provides that after June 30, 2014, a carrier claiming the Road Tax Credit for consumption of compressed natural gas must claim the credit on a quarterly basis in the manner prescribed by the Department of Revenue. The credits must be claimed before Oct. 30, Jan. 30, April 30, and July 30. (Sec. 7)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-12-5

Summary: Clarifies that the credit is 12% of the road taxes paid for the consumption of compressed natural gas in the previous quarter. (Sec. 8)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-12-6

Summary: Adds a new chapter concerning alternative fuel decals. Provides that the owner of a vehicle that is propelled by alternative fuel shall obtain an annual alternative fuel decal for the vehicle. The fee for the decal is based on the weight and type of vehicle. The annual fee may be prorated on a quarterly basis if the application is made after June 30 of a year. The owner of an alternative fuel vehicle that is registered outside Indiana but operated on a public highway in Indiana is required to get a temporary trip permit. The permit costs \$5.50 and is valid for 72 hours. A person who wants to make alternative fuel sales in Indiana must be licensed by the

Department of Revenue as a propane dealer. The fee for a propane dealer license is \$50. The department can rescind the license if the propane dealer fails to comply with any requirement of this chapter. The department shall issue a decal to the owner of a vehicle propelled by alternative fuel. The decal is effective from April 1 of each year through March 31 of the next year. A dealer may place alternative fuel in a vehicle only if the vehicle has a valid alternative fuel decal affixed in the lower-left side of the vehicle's front windshield. (Sec. 9)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-6-14

Summary: Provides that after Dec. 31, 2015, "commercial vehicle" means a motor vehicle used in commerce to transport property if the vehicle has a declared gross weight of at least 16,000 pounds and is subject to the commercial vehicle excise tax. (Sec. 10)

Effective Date: July 1, 2014

Code: IC 9-13-2-31.5

Summary: Provides that until Jan. 1, 2016, the Department of Revenue can continue to register vehicles even if the owner's fleet falls below the 25-vehicle minimum of commercial vehicles. (Sec. 11)

Effective Date: July 1, 2014

Code: IC 9-18-2-4.5

Summary: After Dec. 31, 2015, the Department of Revenue may issue a license plate for each commercial vehicle that has paid the registration fee and commercial vehicle excise tax if there are more than 25 commercial vehicles in the owner's fleet. The license plate issued under this section for a commercial motor vehicle is permanently valid. The application for the commercial vehicles must be submitted on an aggregate basis by electronic means. The certificate of registration must be carried at all times in the vehicle for which it is issued. Permanent registration does not relieve the owner of a vehicle from the payment of any applicable commercial vehicle excise taxes due on an annual basis. All vehicles subject to the commercial vehicle excise tax, including trailers and semi-trailers, must be registered with the department and issued a permanent license plate. (Sec. 12)

Effective Date: July 1, 2014

Code: IC 9-18-2-4.6

Summary: Eliminates the provision that prohibited a vehicle using compressed natural gas as a fuel from operating at night outside the corporate limits of a municipality. (Sec. 14)

Effective Date: July 1, 2014

Code: IC 9-19-5-6

HEA 1198

Summary: Specifies that state agencies, including the Department of Revenue, shall provide assistance at no cost to the Secretary of State in developing and maintaining a one-stop Internet website for businesses to use. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 4-5-10-1

Summary: Requires the Department of Revenue to coordinate with the Secretary of State to use an Internet website to share information with other state agencies and to provide a single point of contact for a person to accomplish various requirements to transact business in the state, including completing and submitting an application for a license that is issued by the department; filing with the department documents that are required to transact business in the state; and remitting any fee that must be paid to the department by the person, including application fees, filing fees, permit fees, and registration fees. (Sec. 2)

Effective Date: July 1, 2014

Code: IC 6-8.1-3-23

HEA 1206

Summary: Provides that a captive insurer subject to the tax under IC 27-1-2-2.3 is not subject to the adjusted gross income tax. (Sec. 1)

Effective Date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-3-2-2.8

Summary: Provides that a captive insurer subject to tax under IC 27-1-2-2.3 is not subject to the financial institutions tax. (Sec. 2)

Effective Date: Jan. 1, 2013 (RETROACTIVE)

Code: IC 6-5.5-2-7

HEA 1219

Summary: Amends the definitions of “farm product” and “farm vehicle” for purposes of the motor vehicle statutes. This is a technical change in the motor carrier fuel use tax statute. In essence, it provides that a farm product does not include logs, wood chips, bark, or sawdust. A vehicle hauling these products cannot be licensed as a farm vehicle. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 6-6-4.1-2

HEA 1222

Summary: Provides an individual income tax credit for an individual who is eligible to claim the federal adoption credit. The credit is equal to the lesser of 10% of the amount of federal credit allowed per child or \$1,000 for each eligible child. The credit may not exceed the amount of the taxpayer’s adjusted gross income tax liability for the taxable year. The amount of any unused credit cannot be carried forward, carried back, or refunded. If all or part of the federal credit is required to be claimed in or carried forward to a taxable year after the taxable year in which the credit is first allowed, then the credit shall be treated as allowable for Indiana purposes. (Sec. 1)

Effective Date: Jan. 1, 2015

Code: IC 6-3-3-13

HEA 1237

Summary: Makes technical corrections to the commercial vehicle excise tax statute. (Sec. 6)

Effective Date: Jan. 1, 2015

Code: IC 6-6-5.5-7

HEA 1342

Summary: Repeals the hazardous waste disposal tax in IC 6-6-6.6 and replaces it with the hazardous waste disposal fee in IC 13-22-12. (Sec. 1)

Effective Date: July 1, 2014

Code: IC 6-6-6.6

Summary: Amends the section concerning listed taxes that the Department of Revenue administers to eliminate the reference to the alternative fuel permit fee, the underground storage tank fee, and the solid waste management fee. (Sec. 2)

Effective Date: July 1, 2014

Code: IC 6-8.1-1-1

Summary: Provides that the special tax section of the Department of Revenue will no longer administer and enforce the hazardous waste disposal tax. (Sec. 3)

Effective Date: July 1, 2014

Code: IC 6-8.1-4-1.6

HEA 1380

Summary: Provides that the gross retail (i.e., sales) base period amount for the motorsports investment district is the amount of sales tax remitted by a taxpayer during calendar year 2012. (Sec. 1)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-5

Summary: Provides that the gross retail (i.e., sales) incremental amount is the amount of sales tax remitted by a taxpayer during a calendar year minus the retail base period amount. (Sec. 2)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-6

Summary: Provides that the income tax base period amount for the motorsports investment district is the amount of adjusted gross income taxes paid during calendar year 2012. (Sec. 3)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-7

Summary: Provides that the income tax incremental amount is the amount of income tax remitted by a taxpayer during a calendar year minus the income tax base period amount. (Sec. 4)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-8

Summary: Provides that the Department of Revenue's calculation of the income tax and sales tax incremental amount for the motorsports investment district will be the incremental amount for the preceding calendar year instead of the fiscal year. (Sec. 5)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-10

Summary: Requires the Department of Revenue by the first day of November to determine the amount of income tax incremental amount, sales tax incremental amount, and motorsports admission fee collected in the prior calendar year. (Sec. 6)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-11

Summary: Clarifies that the Department of Revenue shall annually notify the Indiana Finance Authority, the State Budget Agency, and the owners of a qualified motorsports facility of the amounts determined in IC 4-10-23-11 and the amount reverted to the State General Fund from the Motorsports Facility Fund established under IC 5-1-17.5-30.5 (Sec. 7)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 4-10-23-12

Summary: Requires the motorsports commission to establish a Motorsports Facility Fund for the district. The commission shall in each state fiscal year deposit in the fund \$2,000,000 from payments established under section IC 5-1-17.5-37(f)(1). The commission shall request an appropriation equal to the amount of money that the commission is required to deposit into the Motorsports Facility Fund for that state fiscal year. Money in the Motorsports Facility Fund reverts to the State General Fund on June 30 of each year. (Sec. 8)

Effective Date: May 15, 2013 (RETROACTIVE)

Code: IC 5-1-17.5-30.5

Summary: Provides that an entity is not considered to have Indiana income for purposes of the state income tax merely because of certain logistics activities concerning the distribution of legend drugs, medical devices, or medical supplies that are conducted in Indiana by a third-party logistics provider. (Sec. 13)

Effective Date: Jan. 1, 2014 (RETROACTIVE)

Code: IC 6-3-2-2.1

Summary: Provides that a taxpayer may carry forward any unused tax credit from a prior taxable year to a taxable year that begins after the repeal of the statute that provided the tax credits. Provisions concerning the amount of carryforward or the number of years to which an unused credit can be carried forward still apply as though the statute allowing the carryforward had not been repealed. (Sec. 14)

Effective Date: July 1, 2014

Code: IC 6-3.1-1-4

Summary: Allows a taxpayer whose qualified investment to build or refurbish a riverboat is certified by the Indiana Economic Development Corporation before Jan. 1, 2015, to claim a tax credit in the year that the qualified investment is made as if the Riverboat Building Tax Credit had not been repealed. (Sec. 15)

Effective Date: July 1, 2014

Code: IC 6-3.1-1-5

Summary: The Prison Investment Credit is repealed effective Jan. 1, 2015. (Sec. 16)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-6

Summary: The Indiana Riverboat Building Credit is repealed effective Jan. 1, 2015. (Sec. 17)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-17

Summary: The Voluntary Remediation Tax Credit is repealed effective Jan. 1, 2015. (Sec. 18)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-23

Summary: The Blended Biodiesel Tax Credits are repealed effective Jan. 1, 2015. (Sec. 19)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-27

Summary: The Ethanol Production Tax Credit is repealed effective Jan. 1, 2015. (Sec. 20)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-28

Summary: The Energy Savings Tax Credit is repealed effective July 1, 2014. (Sec. 21)
Effective Date: July 1, 2014
Code: IC 6-3.1-31.5

Summary: The New Employer Tax Credit is repealed effective Jan. 1, 2015. (Sec. 22)
Effective Date: Jan. 1, 2015
Code: IC 6-3.1-33

Summary: Provides that for taxable years beginning after Dec. 31, 2014, there is a credit against county economic development income tax (CEDIT) for taxes paid to local governments outside Indiana. (Sec. 23)
Effective Date: July 1, 2014
Code: IC 6-3.5-7-8.1

Summary: Removes a reference to propane and butane in the special fuel tax law in conformance with HEA 1180-2014. This is a technical correction. (Sec. 24)
Effective Date: July 1, 2014
Code: IC 6-6-2.5-28

Summary: Allows the Department of Revenue to deny or suspend certain oversize and overweight vehicle permits if the applicant or permit holder is delinquent in paying escort fees to the State Police Department. (Sec. 25)
Effective Date: July 1, 2014
Code: IC 6-8.1-4-4

Summary: Provides that all Indiana adjusted gross income tax return and financial institutions tax return due date extensions are treated the same as extensions granted because of a federal income tax due date extension. Also provides that any penalties shall be based on the amount of tax not paid on or before the end of the extension period. (Sec. 26)

Effective Date: Jan. 1, 2015

Code: IC 6-8.1-6-1

Summary: Specifies the amount that shall be collected by the Department of Revenue for registrations of vehicles in a commercial fleet if the department adopts rules to implement staggered registration. (Sec. 31)

Effective Date: Jan. 1, 2015

Code: IC 9-29-5-42

Tax or Fee Type	Existing Tax or Fee Rate	New Tax or Fee Rate	Existing IDOR Distribution	New IDOR Distribution	Act Number	Effective Date of Act	Indiana Code Reference for Tax or Fee Rate	Indiana Code Reference for Distribution	Other Impacted Agency	Notes
Motorsports Investment District	Base period amounts and increment amounts based on fiscal year periods.	Base period amounts and increment amounts based on calendar year periods.	None (calculation is strictly for accounting purposes).	No change	HEA 1380	5/15/2013 (retroactive)	4-10-23-7; 4-10-23-8; 4-10-23-10; 4-10-23-11; 5-17-30.5	IC 4-10-23-11; IC 5-1-17-30.5	Indiana Motorsports Commission	Changes computation from fiscal year to calendar year.
Sales and Use Tax	7.00%	Variable; based on the sales tax rate where the motor vehicle will be titled or registered.	98.848% to the State General Fund; 1% to the Motor Vehicle Highway Account established under IC 8-14-1; .029% to the Industrial Rail Service Fund; .123% to the Commuter Rail Service Fund.	No change	SEA 367	07/01/2014	6-2.5-2-3	6-2.5-10-1		Rate TBD.
Adjusted Gross Income Tax (corporate)	7.5%, to be reduced to 6.5% effective July 1, 2015.	6.25% for FY 2017, 6.0% for FY 2018, 5.75% for FY 2019, 5.5% for FY 2020, 5.25% for FY 2021, and 4.9% after 6/30/21.	100% to the State General Fund.	No change	SEA 1	07/01/2014	6-3-2-1	4-33-12-6		
Adjusted Gross Income Tax (Lake County residential property tax credit)	n/a (credit)	n/a (credit)	100% to the General Fund (amount equal to credit deducted from riverboat admissions taxes otherwise payable to Lake County, Gary, Hammond, and East Chicago); no minimum amount.	100% to the General Fund (amount equal to credit deducted from riverboat admissions taxes otherwise payable to Lake County, Gary, Hammond, and East Chicago); if the credit is less than \$8,500,000, the deficit (\$8,500,000 minus the credit determined by DOR) is to be paid to the Northwest Indiana Regional Development Authority; this amount is also deducted from riverboat admissions taxes otherwise payable to Lake County, Gary, Hammond, and East Chicago	SEA 367	01/01/2015	6-3.1-20-5	6-3.1-20-7	State Auditor's Office	DOR role limited to credit determination.

County Adjusted Gross Income Tax (special rate)	n/a	0.10% to 0.25%	100% to CAGIT fund for county (actual distribution determined by State Budget Agency).	No change (if enacted)	SEA 176	07/01/2014	6-3.5-1.1-9; 6-3.5-1.1-23; 6-3.5-1.1-24; 6-3.5-1.1-29	6-3.5-1.1-9; IC 6-3.5-1.1-24	State Budget Agency	Authorizes Hancock and Johnson counties (or certain townships upon referendum) to enact a public transportation CAGIT.
County Option Income Tax (special rate)	n/a	0.10% to 0.25%	100% to COIT fund for county (actual distribution determined by State Budget Agency).	No change (if enacted)	SEA 176	07/01/2014	6-3.5-6-17; 6-3.5-6-18; 6-3.5-6-26; 6-3.5-6-30; 6-3.5-6-34	6-3.5-6-17; 6-3.5-6-30	State Budget Agency	Authorizes Delaware and Madison counties (or certain townships upon referendum) to enact a public transportation COIT.
County Economic Development Income Tax (special rate)	n/a	0.10% to 0.25%	n/a	If enacted, 100% to CEDIT fund for county (actual distribution determined by State Budget Agency)	SEA 176	07/01/2014	6-3.5-7-5; 6-3.5-7-5.5; 6-3.5-7-26; 6-3.5-7-29	6-3.5-7-16; 6-3.5-7-26	State Budget Agency	Authorizes Hamilton and Marion counties (or certain townships upon referendum) to enact a public transportation CEDIT.
Financial Institutions Tax	8% for TY beginning after 12/31/13; 7.5% for TY beginning after 12/31/14; 7% for TY beginning after 12/31/15; 6.5% for TY beginning after 12/31/16.	6.25% for CY 2019; 6.0% for CY 2020; 5.5% for CY 2021; 5% for CY 2022; 4.9% after 12/31/22.	100% to Financial Institutions Tax Fund.	No change	SEA 1	07/01/2014	6-5.5-2-1	6-5.5-8-2		
Alternative Fuel Permit Fee	\$100 to \$500 for annual fee.	\$100 to \$500 for annual fee; \$5.50 for temporary trip permit.	Same as Special Fuel--The first \$25,000,000 is distributed 60% to local units and 40% to the Department of Transportation. The remainder is deposited 75% to the Motor Vehicle Highway Account and 25% to the Highway, Road, and Street Fund.	Not specified; will be distributed the same as Special Fuel	HEA 1180	1/1/2014 (retroactive)	6-6-14-4; 6-6-14-5	IC 6-6-2.5-67, IC 6-6-2.5-68		Tax amount depends on vehicle type and weight (IC 6-6-14-4); this is a replacement of IC 6-6-2.1, which was repealed 1/1/2014.

Propane Dealer Fee	n/a	\$50	n/a	Same as Special Fuel--The first \$25,000,000 is distributed 60% to local units and 40% to the Department of Transportation. The remainder is deposited 75% to the Motor Vehicle Highway Account and 25% to the Highway, Road, and Street Fund.	HEA 1180	1/1/2014 (retroactive)	6-6-14-6	IC 6-6-14-6; IC 6-6-2.5-67, IC 6-6-2.5-68		
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