

# **Summary of 1997 Legislation**

## **Affecting the Indiana Department of Revenue by Code Cite**



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## **IC 4 State Offices and Administration**

IC 4-4-6.1-1.7, SB 278, SECTION 2. Allows a person that holds a beer wholesaler permit, liquor wholesaler permit, or a wine wholesaler permit to qualify for the benefits of an enterprise zone. Allows a person who holds an alcoholic beverage permit and who receives at least 60% of the person's annual revenue from retail food sales to qualify for the benefits of an enterprise zone. Effective July 1, 1995 (Retroactive).

IC 4-4-28-14 AND IC 4-4-28-16, HB 1425, SECTION 1. Provides that individuals may establish individual development accounts and can deposit up to \$300 of their own funds to the account with a match from the state equal to another \$900 per year. Interest earned on the account is exempt from taxation as is any money deposited by the state and withdrawn to be used for costs for higher education, accredited licensed training program, to purchase a residence, or to start a business.

Effective July 1, 1997.

IC 4-22-7-7, HB 1784, SECTION 1. Clarifies that letters of findings will be printed in the Indiana Register in accordance with IC 6-8.1-3-3.5.

Effective July 1, 1998.

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### **IC 6-2.1 Gross Income Tax**

IC 6-2.1-1-10, HB 1784, SECTION 2. Clarifies in the definition of receipts that it will include a limited liability company that is not itself a taxpayer as defined in IC 6-2.1-1-16(27).

Effective July 1, 1997.

IC 6-2.1-1-16, HB 1784, SECTION 3. Includes limited liability company in the definition of taxpayer unless it is a limited liability company that has a single member and is disregarded as an entity for federal income tax purposes.

Effective July 1, 1993 (RETROACTIVE).

IC 6-2.1-3-21, HB 1784, SECTION 4. Clarifies the definition of membership fees for a not for profit organization so that fees charged for use of golf, tennis, swimming, or other athletic facilities are not subject to gross income tax.

Effective Upon Passage

IC 6-2.1-5-1.1, SB 6(ss), SECTION 50. Provides that after December 31, 1997, estimated payments of gross income tax will be made by electronic funds transfer if the average liability is \$10,000. Currently the limit is \$20,000 for electronic funds transfer. Makes the quarterly corporate payment dates established in 1994 permanent.

Effective July 1, 1997.

IC 6-2.1-8-5, HB 1784, SECTION 7. Provides that the quarterly remittance of gross income tax on the sales of real estate that is remitted by the county treasurer to the Department shall be made by electronic funds transfer if the average monthly remittance exceeds \$10,000.

Effective January 1, 1998.

## **IC 6-2.5 Sales and Use Tax**

IC 6-2.5-3-6, HB 1784, SECTION 8. Provides that when an individual wants to title a vehicle, they must present documentation sufficient to rebut the presumption that the price was the average price as determined in a used vehicle buying guide and to establish the actual selling price of the vehicle.

Effective January 1, 1998.

IC 6-2.5-5-19.5, HB 1829, SECTION 1. Provides an exemption from the sales tax for prescription drug and insulin drug samples and the packaging and literature for a drug sample.

Effective January 1, 1997 (Retroactive).

IC 6-2.5-5-27.5, HB 1829, SECTION 2. Provides a sales tax exemption for the lease or purchase of any rail transportation equipment, including spare, replacement, and rebuilding parts or accessories, components, materials, or supplies, including lubricants and fuels for rail transportation equipment. Also provides that the Department shall cancel and shall no longer issue proposed assessments against any person for rolling stock equipment.

Effective Upon Passage.

IC 6-2.5-5-30, HB 1784, SECTION 9. Deletes archaic language that phased in the sales tax exemption for pollution control equipment.

Effective January 1, 1998.

IC 6-2.5-5-38.1, SB 5(ss), SECTION 37. Provides that if an education service center sells qualified computer equipment to the parent or guardian of a student enrolled in grades one through twelve, the computer equipment sold will be exempt from the sales tax.

Effective July 1, 1997.

IC 6-2.5-5-38.2, SB 5(ss), SECTION 38. Provides that the value of an owned vehicle is exempt from the sales tax in a vehicle lease transaction when the vehicle is exchanged for a like kind vehicle.

Effective July 1, 1997.

IC 6-2.5-6-1, HB 1784, SECTION 11. Provides that the sales tax will be remitted by electronic funds transfer if the average monthly remittance exceeds \$10,000.

Effective January 1, 1998.

IC 6-2.5-6-10, HB 1784, SECTION 12. Deletes archaic language that describes the phase in of the collection allowance for the sales tax.

Effective January 1, 1998.

## **IC 6-3 Adjusted Gross Income Tax**

IC 6-3-1-3.5, HB 1777, SECTION 2. Increases the deduction for certain dependent children of a taxpayer from \$1,000 to \$1,500 for the years 1997 through 2000.

Effective January 1, 1997 (Retroactive).

IC 6-3-1-11, HB 1781, SECTION 2. Incorporates all references to the Internal Revenue Code as in effect on January 1, 1997 into the Indiana Code for determining state tax liabilities.

Effective January 1, 1997 (Retroactive).

IC 6-3-2-2, SB 170, SECTION 1. Provides that team members that are non residents, their Indiana source income will be determined in accordance with section 2.7 of this chapter.

Effective January 1, 1998.

IC 6-3-2-2.7, SB 170, SECTION 2. Allocates the income of non resident professional athletes based on duty days performed in a state. Excludes signing bonuses from the allocation factor. Takes total salaries and performance bonuses and calculates a duty day allocation, the numerator is the number of days in Indiana and the denominator is the number of total duty days in a taxable year. Provides that the team may file a composite return on behalf of all players and staff required to file.

Effective January 1, 1998.

IC 6-3-2-18, HB 1781, SECTION 3. Provides that if a taxpayer takes a federal deduction from income for a medical care savings account, then the taxpayer is prohibited from taking an Indiana deduction for a medical care savings account.

Effective January 1, 1998.

IC 6-3-2.5-1 through 10, HB 1777, SECTION 3. Provides an earned income tax deduction for taxpayers with dependent children. The deduction is allowed if 80% of your total income is earned income, you have at least one dependent child, and your total Indiana income is less than \$12,000. The allowed deduction is \$12,000 minus the taxpayer's total Indiana income. Requires a return to be filed in the same method as the federal income tax return is filed. The deduction is permitted for taxable years 1997 through 2000.

Effective January 1, 1997 (Retroactive).

IC 6-3-4-1, SB 170, SECTION 3. Provides that a team member that is covered by a composite return filed in accordance with IC 6-3-2-2.7 is not required to file an individual return.

Effective January 1, 1998.

IC 6-3-4-4.1, SB 6(ss), SECTION 51. Provides that after December 31, 1997, quarterly adjusted gross income tax payments by corporations will be remitted by electronic funds transfer if the average remittance exceeds \$10,000. Provides that the quarterly payment dates established in 1994 are permanent.

Effective July 1, 1997.

IC 6-3-4-8.1, HB 1784, SECTION 15. Requires monthly employer withholding of employee taxes to be remitted by electronic funds transfer if the average remittance exceeds \$10,000.

Effective January 1, 1998.

IC 6-3-4-8.2, HB 1784, SECTION 16. Requires river boat operators to withhold Indiana adjusted gross income tax whenever the operator is required to withhold federal income tax.

Effective January 1, 1998.

## **IC 6-3.1 Tax Credits**

IC 6-3.1-9-5, HB 1570, SECTION 1. Increases the maximum value of neighborhood assistance credits from \$1,500,000 to \$2,500,000 per fiscal year.

Effective July 1, 1997.

IC 6-3.1-15-8, SB 375, SECTION 2. Provides that the computer donation tax credit shall be \$100 instead of the current \$125.

Effective July 1, 1997.

IC 6-3.1-15-12, SB 375, SECTION 3. Permits education service centers to sell computers to the parents or guardians of school children enrolled in computer education programs, if the computer will be used for educational purposes.

Effective July 1, 1997.

IC 6-3.1-15-13, SB 375, SECTION 4. Removes the prohibition of the service center selling a computer for more than \$500, but does permit the education service center to include the center's operating expenses in purchasing, inspecting, testing, and refurbishing the computer equipment, plus a reasonable allowance for operating overhead.

Effective July 1, 1997.

IC 6-3.1-15-17, SB 375, SECTION 5. Deletes a requirement that when the board of education performs an annual review of the program, that the review include the board's recommendation regarding the continuation of the program and tax credits.

Effective July 1, 1997.

IC 6-3.1-16-6.1, HB 1633, SECTION 2. Defines a taxpayer for purposes of the historic preservation tax credit as an individual, corporation, S corporation, a partnership, limited liability company, limited liability partnership, nonprofit organization, or joint venture.

Effective July 1, 1997.

IC 6-3.1-16-7.5, HB 1633, SECTION 3. Clarifies that a pass through entity is eligible for the historic preservation tax credit.

Effective July 1, 1997.

IC 6-3.1-16-8, HB 1633, SECTION 4. Removes the requirement that a facility must have 2,000 square feet on the ground floor, eliminates a requirement for prior approval from the division of historic preservation, and requires the expenditure to exceed \$10,000 instead of \$5,000.

Effective July 1, 1997.

IC 6-3.1-16-14, HB 1633, SECTION 5. Increases the maximum credit for FY 98 and FY 99 to \$750,000. This amount reverts to \$450,000 for years beginning after June 30, 1999.

Effective July 1, 1997.

IC 6-3.1-18, HB 1425, SECTION 2. Provides an individual development account tax credit. The credit is equal to 50% of the contribution if it is not less than \$1,000 and not more than \$50,000. Provides that the

credit applies to pass through entities. A contribution that will result in a tax credit must be pre-approved by the Department. Upon notification of approval the taxpayer has thirty days to make the contribution. The credit is limited to \$500,000 in any state fiscal year.

Effective January 1, 1998.

## **IC 6-3.5 Local Options Tax**

IC 6-3.5-1.1-3.1, HB 1542, SECTION 13. Permits LaPorte County to adopt an increase in the County Economic Development Income Tax (CEDIT) in the same year that the county decreases the County Adjusted Gross Income Tax (CAGIT) if the CEDIT rate plus the CAGIT rate is less than the CAGIT rate in effect before the adoption of an ordinance decreasing the CAGIT rate.

Effective Upon Passage.

NON CODE, HB 1542, SECTION 40. Permits LaPorte County to adopt CEDIT if it reduced its CAGIT rate in 1997.

Effective Upon Passage.

IC 6-3.5-1.1-18, HB 1777, SECTION 4. Makes a technical change in CAGIT in cross referencing back to adjusted gross income tax definitions.

Effective January 1, 1997 ( Retroactive).

IC 6-3.5-6-5, HB 1784, SECTION 17. Requires that members of an income tax council must vote on any ordinance to change COIT, instead of the presumption that if a member does not vote, then it is considered a no vote.

Effective January 1, 1998.

IC 6-3.5-6-12, HB 1784, SECTION 18. Provides that an ordinance to rescind COIT in a county must be adopted by April 1 of the year instead of June 1.

Effective January 1, 1998.

IC 6-3.5-6-22, HB 1777, SECTION 5. Makes a technical change in COIT in cross referencing back to adjusted gross income tax definitions.

Effective January 1, 1997 (Retroactive).

IC 6-3.5-7-7, HB 1784, SECTION 19. Provides that an ordinance to rescind CEDIT in a county must be approved by April 1 of the year instead of June 1.

Effective January 1, 1998.

IC 6-3.5-7-18, HB 1777, SECTION 6. Makes a technical change in CEDIT in cross referencing back to the adjusted gross income tax definitions.

Effective January 1, 1997 (Retroactive).

## **IC 6-4.1 Inheritance and Estate Taxes**

IC 6-4.1-3-10, SB 9(ss), SECTION 9. Provides that the first one hundred thousand dollars (\$100,000) transferred to a Class A transferee is exempt from the inheritance tax. Effective for decedents who die after June 30, 1997.

Effective July 1, 1997.

IC 6-4.1-3-12.5, SB 9 (ss), SECTION 10. Requires the Department to prescribe an affidavit that may be used to state that no inheritance tax is due after applying the exemptions under this article.

Effective July 1, 1997.

IC 6-4.1-11-6, SB 9(ss), SECTION 11. Requires the Department to determine the average inheritance tax retained by each county for fiscal years beginning July 1, 1990 through June 30, 1997, excluding the lowest and highest year from the average calculation. The average minus the amount retained by the county in the immediately preceding fiscal year shall be distributed to the county by August 15.

Effective July 1, 1997.

## **IC 6-5.5 Financial Institutions Tax**

IC 6-5.5-1-2, HB 1784, SECTION 20. Clarifies the add back for financial institutions tax for recovery of a bad debt that was previously deducted from income.

Effective January 1, 1998.

IC 6-5.5-6-3, HB 1784, SECTION 21. Provides that if a financial institution tax liability exceeds \$10,000 per quarter, then the tax shall be remitted via electronic funds transfer.

Effective January 1, 1998.

## **IC 6-6 Motor Fuel and Vehicle Excise Taxes**

IC 6-6-1.1-5502, HB 1784, SECTION 22. Provides that if the average monthly remittance for gasoline tax exceeds \$10,000, then the remittance must be made by electronic funds transfer.

Effective January 1, 1998.

IC 6-6-2.5-35, HB 1785, SECTION 1. Requires that special fuel suppliers remit 100% of the tax remitted for the month preceding the previous calendar month, or 95% of the prior month's actual liability by the fifteenth of the month. Requires any additional remittance by the twentieth of the month when the monthly reports are due.

Effective January 1, 1998.

IC 6-6-2.5-56.5, HB 1785, SECTION 2. Clarifies the reporting requirements for special fuel suppliers and importers regarding the amount of special fuel tax due on a monthly basis.

Effective January 1, 1998.

IC 6-6-2.5-63, HB 1785, SECTION 3. Adds importers and blenders to the suppliers as an entity that is subject to penalty provisions for failure to properly report and remit special fuel tax.

Effective January 1, 1998.

IC 6-6-6.5-1, HB 1785, SECTION 4. Adds the definitions of "establishing a base", "inventory aircraft", and "established place of business" to the aircraft excise tax and registration chapter.

Effective January 1, 1998.

IC 6-6-6.5-2, HB 1785, SECTION 5. Clarifies that a person is required to register an aircraft within thirty-one after the purchase date, or within sixty days of establishing a base in Indiana.

Effective January 1, 1998.

IC 6-6-6.5-3, HB 1785, SECTION 6. Clarifies that a non resident who owns an aircraft and establishes a base in Indiana is required to register the aircraft in Indiana.

Effective January 1, 1998.

IC 6-6-6.5-7, HB 1785, SECTION 7. Deletes the requirement that a duplicate certificate of registration for an aircraft have the word duplicate printed or stamped on the registration.

Effective January 1, 1998.

IC 6-6-6.5-8, HB 1785, SECTION 8. Deletes the provision that voids a certificate of registration fifteen days after the sale or transfer of an aircraft. Also provides that a person shall pay the sales or use tax on an aircraft at the time the aircraft is registered or within thirty-one days of the date of purchase, unless the purchaser provides proof to the Department that the tax has already been paid.

Effective January 1, 1998.

IC 6-6-6.5-9, HB 1785, SECTION 9. Clarifies that a non resident is not exempt from registration and excise tax once the non resident establishes a base for the aircraft in Indiana. Requires a non resident to file with the Department within thirty-one days of purchase proof the aircraft is based and registered in another state. Adds a university or college supported in part by state funds to the entities that are exempt from the aircraft excise tax.

Effective January 1, 1998.

IC 6-6-6.5-10, HB 1785, SECTION 10. Deletes current dealer registration certificate requirements.

Effective January 1, 1998.

IC 6-6-6.5-10.1, HB 1785, SECTION 11. Imposes new requirements for an aircraft dealer to be registered with the Department. The \$25.00 registration fee remains the same.

Effective January 1, 1998.

IC 6-6-6.5-10.2, HB 1785, SECTION 12. Establishes December 15 as the annual renewal date for an aircraft dealer registration certificate. Allows the Department to request additional information at the time of renewal if a dealer has changed its address or significantly altered its facilities. Allows the Department to revoke a dealer's certificate for non compliance with tax statutes, rules and requirements of the Department.

Effective January 1, 1998.

IC 6-6-6.5-10.3, HB 1785, SECTION 13. Permits the department to revoke an aircraft dealer's license if it is determined that the dealer is not a bona fide aircraft dealer. Allows the dealer to appeal the revocation.

Effective January 1, 1998.

IC 6-6-6.5-10.4, HB 1785, SECTION 14. Requires that a seller notify the Department when an aircraft is sold within five days of the date of the sale.

Effective January 1, 1998.

IC 6-6-6.5-10.5, HB 1785, SECTION 15. Provides notification procedures for the aircraft excise tax once the Department is notified of the transfer.

Effective January 1, 1998.

IC 6-6-6.5-10.6, HB 1785, SECTION 16. Provides that a dealer may not use aircraft in inventory for anything else other than for demonstration flights unless the dealer charges the fair market value rental.

Effective January 1, 1998.

IC 6-6-6.5-10.7, HB 1785, SECTION 17. Clarifies the reporting requirements of a dealer for purposes of the aircraft excise tax, and establishes the last day of February as the due date.

Effective January 1, 1998.

IC 6-6-6.5-14, HB 1785, SECTION 18. Establishes the priority of any partial payment that is received. The payment is applied against the registration fee and then against any penalty or interest that is owed.

Effective January 1, 1998.

IC 6-6-6.5-15, HB 1785, SECTION 19. Deletes registration dates that have been replaced in SECTION 17.

Effective January 1, 1998.

IC 6-6-6.5-19, HB 1785, SECTION 20. Provides a penalty if the owner of the aircraft does not pay the sales tax when it is due.

Effective January 1, 1998.

IC 6-6-6.5-21, HB 1785, SECTION 21. Requires the Department to distribute to each county treasurer an excise tax report that includes aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation.

Effective January 1, 1998.

IC 6-6-6.6-2, HB 1784, SECTION 23. Delete archaic language that phased in the tax rate per ton for hazardous waste disposal.

Effective January 1, 1998.

IC 6-6-9.7, SB 4(ss), SECTION 1. Permits Marion County to adopt a supplemental auto rental excise tax on the rental of passenger motor vehicles and trucks in the county for a period of less than 30 days. The rental rate is 2% of the gross retail income received by the retail merchant for the rental. Temporary leases of vehicles as the result of automobile insurance reimbursements are exempt from the tax. Vehicles rented as part of a funeral service are exempt from the tax. Revenue from the tax is paid to the capital improvement board of managers.

Effective Upon Passage

IC 6-6-10-7, HB 1811, SECTION 1. Provides that the Department may not make a distribution to a county of the emergency planning and right to know fund until the Department receives notice from the emergency response commission that a county has complied with IC 13-25-1-6(b).

Effective July 1, 1997.

## **IC 6-8.1 Tax Administration**

IC 6-8.1-3-3.5, HB 1784, SECTION 24. Provides that a taxpayer can review a letter of findings before it is published in the Indiana Register to sanitize it for information that is considered a trade secret or otherwise confidential in the taxpayer's view.

Effective July 1, 1997.

IC 6-8.1-3-17, HB 1784, SECTION 25. Allows the commissioner to settle a tax dispute before it is filed in tax court if there is doubt as to the constitutionality of the tax, the right to impose the tax, the correct amount due, the collectibility of the tax, or whether the person was a resident of the state.

Effective January 1, 1998.

IC 6-8.1-5-2, HB 1784, SECTION 26. Extends the period in which the Department may issue a proposed assessment if a taxpayer's federal income tax liability is adjusted due to an assessment of a federal deficiency or the filing of an amended tax return. Provides that the period is extended to six months after the date the taxpayer files notice of the modification.

Effective January 1, 1998.

IC 6-8.1-9-2, HB 1784, SECTION 27. Provides that an excess tax payment that is not credited against current or future tax liabilities within 90 days, accrues interest from the later of the date the tax payment was due or the day the tax was paid.

Effective January 1, 1998.

## **IC 6-9 Innkeeper Taxes and Other Local Taxes**

IC 6-9-1-5, SB 234, SECTION 1. Provides that sales tax exemptions flow through to the St. Joseph County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-2-1, SB 234, SECTION 2. Provides that sales tax exemptions flow through to the Lake County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-2.5-6, SB 234, SECTION 3. Provides that the sales tax exemptions flow through to the Vanderburgh County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-3-4, SB 234, SECTION 4. Provides that sales tax exemptions flow through to the Floyd/Clark County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-4-6, SB 234, SECTION 5. Provides that sales tax exemptions flow through to the Monroe County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-5-6, SB 234, SECTION 6. Provides that sales tax exemptions flow through to the Knox County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-6-6, SB 234, SECTION 7. Provides that sales tax exemptions flow through to the LaPorte County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-7-6, SB 234, SECTION 8. Provides that sales tax exemptions flow through to the Tippecanoe Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-8-2, SB 234, SECTION 9. Provides that sales tax exemptions flow through to the Marion County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-8-3, SB 4(ss), SECTION 2. Allows Marion County to increase the innkeeper's tax from 5% to 6% with the increase dedicated to the payment of obligations to expand the convention center.

Effective Upon Passage.

IC 6-9-9-2, SB 234, SECTION 10. Provides that the sales tax exemptions flow through to the Allen County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-10-6, SB 234, SECTION 11. Provides that the sales tax exemption flow through to the Wayne County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-10.5, HB 1501, SECTION 1. Allows White County to impose an innkeeper's tax at a rate up to three percent of gross retail income derived from lodging. Revenue from the tax is to be deposited in a lake enhancement fund for use in enhancing lakes located in the county, and for silt trap maintenance.

Effective Upon Passage.

IC 6-9-10.5-6, SB 234, SECTION 12. Provides that sales tax exemptions flow through for the White County Innkeeper's Tax.

Effective Upon Passage.

IC 6-9-11-6, SB 234, SECTION 13. Provides that sales tax exemptions flow through to the Vigo County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-13-1, SB 4(ss), SECTION 3. Provides that the Marion County admissions tax does not apply to events sponsored by an educational institution or an association representing an educational institution, an event sponsored by a religious organization, or an event sponsored by a charitable organization.

Effective Upon Passage.

IC 6-9-13-1, IC 6-9-13-2 AND IC 6-9-13-3, SB 4(ss), SECTION 4 AND SECTION 5. Expands the admissions tax to include any event and not just a professional sporting event held in a facility operated by the capital improvements board of Marion County..

Effective Upon Passage.

IC 6-9-14-6, SB 234, SECTION 14. Provides that sales tax exemptions flow through for the Brown County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-15-6, SB 234, SECTION 15. Provides that sales tax exemptions flow through to the Jefferson County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-16-2, SB 200, SECTION 1. Increases the size of the Howard County convention and tourism commission from five to seven members.

Effective July 1, 1997.

IC 6-9-16-3, SB 200, SECTION 2. Permits Howard County to use its innkeeper's tax funds for the acquisition, construction, improvement, maintenance, financing or refinancing of land, facilities, or equipment for conventions, trade shows, visitors, or special events.

Effective Upon Passage.

IC 6-9-16-6, SB 200, SECTION 3. Permits Howard County to increase its innkeeper's tax from four percent to five percent until June 30, 2007, and then it reverts back to four percent..

Effective July 1, 1997.

IC 6-9-16-6, SB 234, SECTION 16. Provides that sales tax exemptions flow through to the Howard County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-17-3, SB 234, SECTION 17. Provides that sales tax exemptions flow through to the Madison County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-18-3, SB 234, SECTION 18. Provides that sales tax exemptions flow through to the Uniform County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-18-4, SB 234, SECTION 19. Expands the usage of the Uniform County Innkeeper's Tax to include expenses for tourism, and this will include expenditures for advertising, promotional activities, trade shows, special events, and recreation.

Effective July 1, 1997.

IC 6-9-18-5, SB 234, SECTION 20. Makes it a requirement that the county executive create a commission to promote convention visitor and tourism in a county.

Effective July 1, 1997.

IC 6-9-18-6, SB 234, SECTION 21. Further clarify that the Uniform Innkeeper's Tax funds can be used to promote tourism in the county.

Effective July 1, 1997.

IC 6-9-19-3, SB 234, SECTION 22. Provides that sales tax exemptions flow through for the Elkhart County Innkeeper's Tax.

Effective July 1, 1997.

IC 6-9-28-7, HB 1784, SECTION 28. Establishes the Hendricks County Admission Tax Fund for deposit if the admissions tax. The funds will be used to fund private enterprise economic development projects.

Effective July 1, 1997.

IC 6-9-31, SB 4(ss), SECTION 6. Allows Marion County to impose a capital improvement board revenue replacement supplemental tax to replace revenue that is lost from the withdrawal of a contract providing an entity the right to name a facility owned by the capital improvement board that displaces workers. The supplemental tax may be imposed on the innkeepers tax, the admissions tax or the supplemental auto rental excise tax. Permits the Marion County treasurer to collect the tax. The maximum tax rate is 1%.

Effective July 1, 1997

## **Motor Carriers and Vehicle Registration**

IC 8-2.1-24-18, HB 1846, SECTION 1. Provides that intrastate motor carriers not operating under authority issued by the United States Department of Transportation are required to register with the Department, and display a certification number issued by the Department.

Effective July 1, 1997.

IC 9-18-2-7, HB 1929, SECTION 3. Allows the Department to stagger the issuing of registration permits for vehicles subject to the International Registration Plan.

Effective July 1, 1997.

IC 9-18-7-2, HB 1929, SECTION 6. Specifies that the Department may issue temporary trip permits for tractor-trailers.

Effective July 1, 1997.

IC 9-18-7-6, HB 1929, SECTION 8. Permits the Department to issue hunter's permits to a common carrier that contracts with an owner/operator of a tractor-trailer so that when the owner/operator ceases working

for the common carrier, if the registration was in the name of the common carrier, the owner may have a hunter's permit transferred to the owner and the owner may move the tractor-trailer within Indiana for thirty days to look for employment without first registering the tractor-trailer.

Effective July 1, 1998.

NON CODE HB 1929, SECTION 15. Allows the Department to issue a temporary registration for a tractor-trailer when all communication with a person seeking the temporary registration has been done by telephone and fax machine.

Effective July 1, 1997.

IC 9-21-5-5, HB 1846, SECTION 2. Provides that a vehicle longer than eighty-five feet or wider than ten feet six inches may not be operated at a speed greater than forty-five miles per hour. Current length and width requirements are eighty feet and eight feet six inches respectfully.

Effective July 1, 1997.

## **Miscellaneous Provisions**

IC 3-7-23-3, HB 1844, SECTION 71. Provides that if a voter registration form is returned to the Department, the Department is required to forward the affidavit to the county voter registration office of the county of the taxpayer that sent the affidavit to the Department.

Effective Upon Passage.

IC 12-17-2-33.1, SB 13 (ss), SECTION 22. Requires the child support bureau to enter into an agreement with the Department to operate a data match system with each financial institution doing business in the state. Requires each financial institution doing business in the state to provide the Department with information on non custodial parents that have an account with the financial institution and are delinquent. Permits the financial institution to submit the information to the Department or allows the Department to furnish the list of non custodial parents to the financial institution. When the Department determines that there is a match, the Department is required to notify the individual, the financial institution, and the bureau the intent to encumber against the account and that the individual has twenty (20) days to protest the child custody lien. A lien issued under this provision will be in effect for one hundred twenty days. The matches are required to be done on a quarterly basis. The bureau shall reimburse the Department for the actual costs incurred.

Effective July 1, 1997.

IC 13-23-11-2, SB 359, SECTION 4. Provides that the commissioner or his designee is a member of the underground storage tank financial assurance board.

Effective Upon Passage.

IC 16-44-2-18, HB 1784, SECTION 28. Increases the gasoline inspection fee from \$.04 to \$.40 per fifty gallons.

Effective July 1, 1997.

IC 36-7-31, SB 3(ss), SECTION 19. Creates a Professional Sports Development Area (PSDA) in Marion County. Permits the metropolitan development commission to establish a PSDA where any professional sports team engages in training, or where a facility is located to hold a professional sporting event. Requires the commission to submit the resolution to the budget committee for approval. Upon approval of

the budget committee, sales and use taxes, individual income taxes, county option income taxes, and food and beverage taxes generated from within the area will be allocated to the area. All of the salary, wages and bonuses paid to a professional athlete for services taxable in Indiana and earned in the tax area shall be allocated to Indiana if the athlete is a member of a team that plays the majority of its events in the area. The total amount of state revenue captured by the tax area may not exceed five million dollars (\$5,000,000) per year. The commission is required to notify the Department annually who the employers are in the tax area, and the street names and range of street numbers in the tax area. The Department is required to make a monthly distribution to the capital improvement board of the amount in the fund.

Effective Upon Passage.

IC 36-7-31.3, SB 3(ss), SECTION 20. Permits any city or county to create a professional sports development area similar to the one described above. Caps the amount of revenue that can be designated annually to five dollars (\$5.00) per resident of the city or county.

Effective Upon Passage.

NON CODE, HB 1633, SECTION 11. Provides that the historic preservation tax credit applies to pass through entities for any claims filed after December 31, 1993.

Effective Upon Passage.

NON CODE, HB 1784, SECTION 30. Repeals:

IC 4-32-13-5 concerning the commissioner hiring an independent firm to do a security study of the Department concerning charity gaming.

IC 6-2.1-3-17 concerning joint venture and pool income being subject to the gross income tax.

IC 6-2.1-7-6 concerning interrogatories required by a township assessor.

IC 6-2.1-8-3 concerning changes in interpretation of law which is already contained in IC 6-8.1 which applies to all listed taxes.

IC 6-2.1-8-8 concerning interrogatories required by a township assessor.

IC 6-2.1-8-9 AND IC 6-2.1-8-10 concerning cites to laws prior to the recodification and to rules adopted prior to the recodification.

IC 6-2.5-10-3 AND IC 6-2.5-10-4 concerning cites to laws prior to the recodification and to rules adopted prior to the recodification.

IC 6-3-5-2 which set the dates for reciprocity with other states for the individual adjusted gross income tax at June 30, 1962.

IC 6-3-8-3 which set the effective date for the supplemental net income tax at January 1, 1972.

IC 6-3.1-3 which was the credit for donations of high technology equipment to schools. This credit only applied to donations made before January 1, 1986.

IC 6-3.5-3 which was the occupation income tax which was declared unconstitutional by the Supreme Court.

Effective July 1, 1997.

NON CODE, SB 6(ss), SECTION 95. Repeals:

IC 6-2.1-5-1 concerning quarterly estimated gross income tax payment dates.

IC 6-3-4-4 concerning quarterly estimated adjusted gross income tax payment dates.

Effective July 1, 1997.