



**SYNOPSIS OF 2015  
LEGISLATION  
AFFECTING THE  
INDIANA DEPARTMENT  
OF REVENUE**

**Tax Policy Division  
June 10, 2015**

## INTRODUCTION

This synopsis contains a list of legislation passed by the 2015 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. The first part is organized according to tax type; the second part 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 House Enrolled Act 1001 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 affected Indiana Code cites.

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 the bills in their entirety, go to the Indiana General Assembly's website at <https://iga.in.gov/>.

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

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

To 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 and scroll to the bill number you want.
3. 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.

## TABLE OF CONTENTS

### Part I Legislation by Tax Type

Wagering Taxes .....	6
Sales and Use Tax .....	6
Adjusted Gross Income Tax.....	10
Income Tax Credits .....	15
Local Option Income Taxes.....	19
Financial Institutions Tax .....	23
Miscellaneous and Vehicle Excise Taxes .....	24
Cigarette and Other Tobacco Products Tax .....	24
Miscellaneous Taxes .....	25
Tax Administration .....	25
Innkeepers and Other Local Taxes .....	27
Taxation of Internet Access.....	29
Alcoholic and Tobacco Taxes.....	29
Motor Carrier Regulation.....	30
Miscellaneous Provisions.....	32

**Part II**  
**Legislation by Enrolled Act Number**

SEA 80.....	34
SEA 171.....	34
SEA 199.....	35
SEA 317.....	35
SEA 374.....	35
SEA 436.....	36
SEA 441.....	36
SEA 484.....	42
SEA 500.....	42
HEA 1001.....	42
HEA 1044.....	45
HEA 1104.....	45
HEA 1142.....	46
HEA 1271.....	46
HEA 1278.....	46
HEA 1398.....	47
HEA 1403.....	48
HEA 1413.....	48
HEA 1432.....	48
HEA 1472.....	48
HEA 1475.....	55
HEA 1485.....	56
HEA 1540.....	57

## **PART I LEGISLATION BY TAX TYPE**

### **WAGERING TAXES (IC 4)**

**Summary:** Provides a credit against riverboat wagering taxes for a riverboat located in a historic hotel district. The credit is based on a sliding scale of the riverboat's adjusted gross receipts for the previous fiscal year, starting at 50% of the taxes otherwise due if the riverboat has not more than \$60,000,000 in adjusted gross receipts for the previous fiscal year and decreasing to zero if the adjusted gross receipts for the previous fiscal year are greater than \$80,000,000. Amounts claimed as a credit must be used for maintenance or operation of an historic hotel and surrounding grounds and facilities.

**Effective Date:** July 1, 2015

**Code:** IC 4-33-13-1.7

**Enrolled Act:** HEA 1540, SEC. 17

**Summary:** Reduces the percentage of adjusted gross receipts subject to slot machine wagering tax from 91% to 88%, applicable to casinos located on a racetrack's premises.

**Effective Date:** July 1, 2015

**Code:** IC 4-35-8-1

**Enrolled Act:** HEA 1540, SEC. 43

### **SALES AND USE TAX (IC 6-2.5)**

**Summary:** Deletes a reference to filing a refund claim for prepaid sales tax on gasoline.

**Effective Date:** July 1, 2014 (RETROACTIVE)

**Code:** IC 6-2.5-7-6.5

**Enrolled Act:** SEA 199, SEC. 24

**Summary:** Repeals the section that contains the procedures for filing a refund claim for prepaid sales tax on gasoline.

**Effective Date:** July 1, 2014 (RETROACTIVE)

**Code:** IC 6-2.5-7-12

**Enrolled Act:** SEA 199, SEC. 25

**Summary:** Provides that the purchases of labels are exempt from the sales tax if the labels will be affixed to other tangible personal property being sold by a retail merchant and if the person acquiring the label is required to affix the labels to other tangible personal property for the purpose of complying with any state or federal statute or regulation.

**Effective Date:** Upon Passage

**Code:** IC 6-2.5-5-50

**Enrolled Act:** HEA 1271, SEC. 1

**Summary:** Corrects ambiguous language and references in the sales tax bad debt deduction section.

**Effective Date:** Upon Passage

**Code:** IC 6-2.5-6-9

**Enrolled Act:** SEA 199, SEC. 23

**Summary:** Defines a “licensed practitioner,” for purposes of the sales tax, as an individual who is a doctor, dentist, veterinarian, or other practitioner who is licensed to prescribe, dispense, and administer drugs to human beings or animals.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-1-21.5

**Enrolled Act:** HEA 1472, SEC. 5

**Summary:** Eliminates the requirement that a refund claim for utilities consumed in production may not cover transactions that occur more than 36 months before the date of the refund claim. Thus, the statute of limitations for such refunds is the same as other sales tax refunds.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-5.1

**Enrolled Act:** HEA 1472, SEC. 7

**Summary:** Amends the sales tax exemption for medical equipment, supplies, and devices to restate the application of the sales tax exemption for medical equipment, supplies, and devices. Provides a sales tax exemption for food, food ingredients, and dietary supplements that are sold by a licensed practitioner or pharmacist.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-18

**Enrolled Act:** HEA 1472, SEC. 8

**Summary:** Amends the sales tax exemption for drugs, insulin, oxygen, blood, and blood plasma to restate the application of the sales tax exemption.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-19

**Enrolled Act:** HEA 1472, SEC. 9

**Summary:** Repeals the sales tax exemption for food and food ingredients prescribed as medically necessary by a physician and reinstates the exemption as food and food ingredients that are sold by a licensed practitioner or pharmacist.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-21.5

**Enrolled Act:** HEA 1472, SEC. 10

**Summary:** Amends the recycling exemption definition to exclude any collection of recycling materials, not just collection by licensed motor vehicles. Defines “occupationally engaged in recycling” to mean engaged in recycling with the intention of doing so at a profit. Defines “recycling cart” to be a manually propelled container with a capacity of not more than 100 gallons. Eliminates the double direct test for property acquired to be used in recycling. Provides

that recycling carts are exempt from the sales tax if the purchaser is occupationally engaged in recycling.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-45.8

**Enrolled Act:** HEA 1472, SEC. 12

**Summary:** Provides specific guidelines on when a retail merchant certificate may be revoked. The reasons include failure to file a return for sales tax or any other trust tax and failure to remit any trust tax. The certificate can also be revoked if the person is charged with any crime under Title 35 or is subject to a court order under IC 7.1-2-6-7 (public nuisance), IC 32-30-6-8 (nuisance actions), IC 32-30-7 (indecent nuisance), and IC 32-30-8 (drug nuisance). The department may revoke a certificate before a criminal adjudication or without a criminal charge being filed.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-8-7

**Enrolled Act:** HEA 1472, SEC. 13

**Summary:** Adds manufacturers who have a utility exemption to the list of persons authorized to issue an exemption certificate. If a utility accepts an exemption certificate issued by the department to a person who is exempt from utility purchases, the utility is relieved from the duty to collect sales or use tax on the commodity sold until notified by the department that the exemption certificate has expired or has been revoked. If expired or revoked, the utility is required to begin collecting the sales tax within 30 days of the department's notice. An exemption certificate remains valid if there is a one-for-one meter number change and the change was made, initiated, or required by the utility. A utility shall report to the department on a quarterly basis all one-for-one meter changes and distinguish between the one-for-one meter changes and the one-for-multiple meter changes made during the previous calendar year quarter. Any meter number changes that are not a one-for-one meter change will no longer be exempt and will require the person to submit a new utility exemption application for new meters.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-8-8

**Enrolled Act:** HEA 1472, SEC. 14

**Summary:** Makes a technical change in the sales tax statute to change the term "radio" to "radiotelephone" in reference to radio telecommunications from aircraft.

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-12-1

**Enrolled Act:** SEA 171, SEC. 6

**Summary:** Clarifies the definition of "storage" in the use tax such that temporary storage is defined as storage in Indiana for not more than 180 days with subsequent use solely outside Indiana.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-3-1

**Enrolled Act:** HEA 1472, SEC. 6



**Summary:** Expands the sales tax exemption for agricultural machinery, tools, and equipment to include material-handling equipment purchased for transporting materials into such activities from an onsite location.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-2

**Enrolled Act:** SEA 441, SEC. 9

**Summary:** Provides that the cutting of steel bars into billets and the felling of trees for further use in production or for sale in the ordinary course of business are treated as the processing of tangible personal property. Provides that the exemption for machinery, tools, and equipment used in the manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property includes material-handling equipment purchased for the purpose of transporting materials into such activities from an onsite location.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-3

**Enrolled Act:** SEA 441, SEC. 10

**Summary:** Provides that property used in producing machinery, tools, or equipment includes material-handling equipment purchased for the purpose of transporting materials into such activities from an onsite location.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-4

**Enrolled Act:** SEA 441, SEC. 11

**Summary:** Expands the definition of “research and development activities” to include the design, refinement, and testing of prototypes of new or improved commercial products before sales have begun for the purpose of determining facts, theories, or principles or for the purpose of increasing scientific knowledge that may lead to new or enhanced products. Expands the list of excluded items to nontechnical activities, including social sciences, economics, humanities, and psychology. The term also excludes market and sales research; product market testing; the acquisition, investigation, or evaluation of another’s patent, model, process, or product; and providing sales services. Defines items that are excluded from research and development property to be heating, cooling, or illumination of office buildings; capital improvements to real property; janitorial services; personnel services or accommodations; inventory-control functions; management or supervisory functions; marketing; training; accounting; or any other function that is incidental to experimental or laboratory research and development.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-40

**Enrolled Act:** HEA 1472, SEC. 11

**Summary:** Changes the date that the department is required to notify assessors of new retail merchant certificates issued. The date of notification is before March 15 of each year instead of before July of each year. The annual period of reporting new retail merchants is changed from March 2 of the prior year and March 1 of the current year to the previous calendar year.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-8-1

**Enrolled Act:** SEA 374, SEC. 19

### **ADJUSTED GROSS INCOME TAX (IC 6-3)**

**Summary:** Updates the Indiana Code to coincide with the Internal Revenue Code as in effect on Jan. 1, 2015.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-1-11

**Enrolled Act:** HEA 1472, SEC. 15

**Summary:** Provides that a pass-through entity is not required to withhold tax or file a composite adjusted gross income tax return for a nonresident member if the entity is a publicly traded partnership; meets the exception for partnerships under Section 7704(c) of the Internal Revenue Code; and has agreed to file an annual information return reporting the name, address, and taxpayer identification number of each unit holder. A partnership is subject to a late payment penalty for failure to file a return, pay the full tax due, or pay the deficiency of withholding taxes due on the balance of any tax due not paid on or before the due date (including extensions) of the return. Defines a “nonresident partner” as an individual who does not reside in Indiana; a trust or an estate that does not reside in Indiana; or a partnership, a C corporation, or an S corporation not domiciled in Indiana.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-12

**Enrolled Act:** HEA 1472, SEC. 18

**Summary:** If an S corporation is given an extension of time to file its annual return, it is automatically given an extension to file its withholding return for nonresident shareholders. An S corporation is subject to a late payment penalty for failure to file a return, pay the full tax due, or pay the deficiency of withholding taxes due on the balance of any tax due not paid on or before the due date (including extensions) of the return. Defines a “nonresident shareholder” as an individual, a trust, or an estate not residing in Indiana.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-13

**Enrolled Act:** HEA 1472, SEC. 19

**Summary:** Requires a trust or an estate to file a composite return on behalf of all nonresident beneficiaries. The composite return must include all nonresident beneficiaries regardless of whether they have other Indiana source income. If a trust or an estate is permitted an extension of

time to file its income tax return, then the composite return and payment due shall be allowed the same treatment as the extended income tax return.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-15

**Enrolled Act:** HEA 1472, SEC. 20

**Summary:** Makes a change to a federal code cite in the section defining “adjusted gross income.”

**Effective Date:** July 1, 2015

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 171, SEC. 7

**Summary:** Defines “eligible community foundation” in the AGI tax statute as an organization that: is exempt from federal income taxation under Section 501(c)(3) of the IRC; satisfies the public support test of Section 170(b)(1)(A)(vi) of the IRC; is an autonomous, nonsectarian philanthropic institution with permanent, component funds established by many separate donors; is accredited under national standards for United States Community Foundations; and supports a broad range of charitable activities within a specific geographic area in Indiana.

**Effective Date:** July 1, 2015

**Code:** IC 6-3-1-36

**Enrolled Act:** SEA 317, SEC. 1

**Summary:** Establishes parameters for notification to the department when there is a federal modification to a taxpayer’s income. A modification occurs on the date on which a taxpayer files an amended federal income tax return; a final determination is made concerning an assessment of deficiency; a final determination is made concerning a claim for refund; a taxpayer waives the restriction on assessment and collection of all, or any part, of an underpayment of federal income tax by signing a federal Form 870; a taxpayer enters into a closing agreement with the Internal Revenue Service concerning the taxpayer’s liability under Section 7121 of the Internal Revenue Code that is a final determination and the date of the closing agreement is the date the agreement is signed by a representative of the Internal Revenue Service; or a modification or alteration in an amount of tax is otherwise made that is a final determination. A “final determination” means an action or a decision by a taxpayer, the Internal Revenue Service, the United States Tax Court, or any other United States federal court concerning any disputed tax issue that is final and conclusive and cannot be reopened or appealed.

**Effective Date:** July 1, 2015

**Code:** IC 6-3-4-6

**Enrolled Act:** HEA 1472, SEC. 16

**Summary:** Requires an employer to file Form WH-3 annual withholding tax reports with the department not later than 31 days after the end of the calendar year. Eliminates the provision that a refund to an employee who fails to file the employee’s return within 2 years will not be granted. The 3-year statute of limitations will control on the refund of taxes withheld.

**Effective Date:** July 1, 2015

**Code:** IC 6-3-4-8

**Enrolled Act:** HEA 1472, SEC. 17

**Summary:** Increases the civil service annuity deduction from \$2,000 to \$8,000 for 2015 and further increases it to \$16,000 for 2016 and beyond. Expands the civil service annuity deduction to include a surviving spouse. This is effective for 2015 returns filed in 2016.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-2-3.7

**Enrolled Act:** SEA 441, SEC. 15

**Summary:** Provides for an individual income tax credit for classroom supplies that qualify for the educator expense deduction under Section 62(a)(2)(D) of the Internal Revenue Code. An individual employed as a teacher is entitled to a tax credit equal to the lesser of \$100 or the total amount expended for classroom supplies during a taxable year. The amount of any unused credit cannot be carried forward, carried back to a previous year, or refunded. This is effective for 2015 returns filed in 2016.

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-3-14.5

**Enrolled Act:** HEA 1001, SEC. 82

**Summary:** Makes several changes to the definition of “adjusted gross income” for individuals. Eliminates the subtract off for that part of an individual’s income that is subject to a tax imposed by a political subdivision of another state; eliminates the addback of the amount of the capital gain portion of a lump sum distribution; eliminates the subtract off of any federal credit allowed under 26 U.S.C. 6428 and included in the individual’s federal adjusted gross income; eliminates the addback of unemployment compensation excluded from federal gross income; eliminates the addback of the amount excluded from gross income for the discharge of debt on a qualified principal residence; eliminates the adjustment for an individual who claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a taxpayer made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a. Make several changes to the definition of “taxable income” for corporations. Eliminates the adjustment for a corporation that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a corporation made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. Makes several changes to the definition of “taxable income” for life insurance companies and other insurance companies organized under Indiana law. Eliminates the adjustment for an insurance company that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue

Code; eliminates the adjustment that an insurance company made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. Make several changes to the definition of “taxable income” for trusts and estates. Eliminates the adjustment for a trust or estate that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a trust or estate made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of the amount excluded from gross income for the discharge of debt on a qualified principal residence; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 441, SEC. 12

**Summary:** Changes the definition of “business income” to include all income that is apportionable to the state under the Constitution of the United States.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-1-20

**Enrolled Act:** SEA 441, SEC. 13

**Summary:** Eliminates the “throwback rule” for apportioning income to Indiana if the taxpayer is not taxable in the state of the purchaser. Also provides that the sale of computer software shall be treated as sales of tangible personal property for purposes of apportionment.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-2

**Enrolled Act:** SEA 441, SEC. 14

**Summary:** Changes a reference to a code cite within the military pay deduction.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-4

**Enrolled Act:** SEA 441, SEC. 16

**Summary:** Repeals the insulation deduction that was a maximum of \$1,000.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5

**Enrolled Act:** SEA 441, SEC. 17

**Summary:** Repeals the insulation deduction that was a maximum of \$1,000 (duplicates SEA 441, SEC. 17).

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5

**Enrolled Act:** HEA 1142, SEC. 3

**Summary:** Repeals the income tax deduction for solar-powered roof vents or fans.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5.3

**Enrolled Act:** SEA 441, SEC. 18

**Summary:** Repeals the income tax deduction for solar-powered roof vents or fans (duplicates SEA 441, SEC. 18).

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5.3

**Enrolled Act:** HEA 1142, SEC. 4

**Summary:** Repeals the tax deduction for export income derived from items that are manufactured at a maritime opportunity district and shipped through a port operated by the state. The repeal of the deduction is effective for tax years beginning after Dec. 31, 2015.

**Effective Date:** July 1, 2015

**Code:** IC 6-3-2-13

**Enrolled Act:** SEA 441, SEC. 19

**Summary:** Deletes a reference to a repealed code cite within the exemption for lottery winnings on drawings held before July 1, 2002.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-14.1

**Enrolled Act:** SEA 441, SEC 20

**Summary:** Repeals the deduction for the first \$1,200 of winnings from a lottery ticket purchased under IC 4-30.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-14.5

**Enrolled Act:** SEA 441, SEC. 21

**Summary:** Repeals the provision that provides an income tax exemption for the first \$1,000 of a reward received for information provided to law enforcement that assists in the arrest or indictment of or the filing of charges against a person.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-17

**Enrolled Act:** SEA 441, SEC. 22

**Summary:** Provides that funds put into a medical care savings account by an employer established for an employee are no longer exempt income to the employee in the taxable year that the money was deposited in the employee's account. **Note:** If the funds put into a medical

care savings account by an employer established for an employee are exempt income to the employee for federal income tax purposes, the federal exemption still applies.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-18

**Enrolled Act:** SEA 441, SEC. 23

**Summary:** Broadens the addback to adjusted gross income related to intercompany interest expenses.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-20

**Enrolled Act:** SEA 441, SEC. 24

**Summary:** Makes technical changes to internal references to IC 6-3-1-3.5.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-25

**Enrolled Act:** SEA 441, SEC. 25

**Summary:** Provides an income tax credit to a for-profit hospital that is licensed under IC 16-21-2; is subject to the adjusted gross income tax; provides health care, accommodations, facilities, and equipment in connection with the services of a physician to individuals who may need medical or surgical services; and is not primarily providing care and treatment of patients with a cardiac condition or orthopedic condition or who are receiving a surgical procedure. The credit is equal to 10% of the property taxes paid in Indiana for the taxable year on property used as a hospital. The credit cannot exceed the taxpayer's adjusted gross income tax liability for the taxable year. The amount of any unused credit may not be carried forward, carried back to a previous year, or refunded.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-3-14.6

**Enrolled Act:** HEA 1001, SEC. 83

### **INCOME TAX CREDITS (IC 6-3.1)**

**Summary:** This section applies to a taxpayer that is not a pass-through entity. Provides that in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year. Provides that the total amount of such accelerated tax credits that the IEDC may approve may not exceed \$17,000,000 in a state fiscal year.

**Effective Date:** Upon Passage

**Code:** IC 6-3.1-26-15

**Enrolled Act:** SEA 441, SEC. 32

**Summary:** This section applies to partners, members, or shareholders of a pass-through entity. Provides that in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year.

Provides that the total amount of such accelerated tax credits that the IEDC may approve may not exceed \$17,000,000 in a state fiscal year.

**Effective Date:** Upon Passage

**Code:** IC 6-3.1-26-16

**Enrolled Act:** SEA 441, SEC. 33

**Summary:** Provides that for the fiscal year ending on June 30, 2016, the maximum amount of EDGE credits that may be awarded during the fiscal year for job creation may not exceed \$225,000,000.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-13-18

**Enrolled Act:** HEA 1001, SEC. 84

**Summary:** Removes the requirement in the computer donations tax credit that a public or private elementary school must detail the school's computer education program and the school's planned use of the qualified computer equipment before the equipment can be purchased from a service center. Also removes the requirement that a parent prove to the service center that the child is a participant in the school's computer education program and the qualified equipment will be used by the child for an educational purpose.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-15-12

**Enrolled Act:** SEA 500, SEC. 20

**Summary:** Provides that after June 30, 2016, the maximum historic preservation credit for nonresidential historic property that can be certified will be zero. A taxpayer may carry forward any unused credit attributable to a qualified expenditure awarded before July 1, 2016.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-16-14

**Enrolled Act:** HEA 1001, SEC. 85

**Summary:** Changes a code cite reference in the income tax for property taxes paid on homesteads in Lake County and adds a provision that allows the supplemental distribution of admissions tax payable to the county to be used to reimburse the general fund for the cost of the credit.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-20-7

**Enrolled Act:** HEA 1398, SEC. 4

**Summary:** Changes a code cite reference in the income tax for property taxes paid on homesteads in Lake County (duplicated by HEA 1398, SEC. 4).

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-20-7

**Enrolled Act:** HEA 1540, SEC. 59



**Summary:** Removes outdated language concerning earned income tax advance payments in the earned income tax credit statute.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-21-6 and IC 6-3.1-21-8

**Enrolled Act:** HEA 1472, SEC. 23 and 24

**Summary:** Extends the time in which a venture capital tax credit can be awarded from the current law of Dec. 31, 2016 to Dec. 31, 2020.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-24-9

**Enrolled Act:** SEA 441, SEC. 30

**Summary:** Extends the expiration of the Hoosier business investment tax credit from Dec. 31, 2016 until Dec. 31, 2020.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-26-26

**Enrolled Act:** SEA 441, SEC. 35

**Summary:** Increases the maximum amount of school scholarship tax credits that can be awarded from the current amount of \$7,500,000 per fiscal year to \$8,500,000 for the fiscal year ending June 30, 2016, and \$9,500,000 for each fiscal year thereafter.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-30.5-13

**Enrolled Act:** HEA 1001, SEC. 86

**Summary:** Changes the effective date of the tax credit for natural gas-powered vehicles from Jan. 1, 2014 to Jan. 1, 2013.

**Effective Date:** Jan. 1, 2013 (RETROACTIVE)

**Code:** IC 6-3.1-34.6-1

**Enrolled Act:** HEA 1001, SEC. 87

**Summary:** Provides that, for a person who claims the credit for placing a qualified vehicle into service in 2013, the person may claim the credit only against sales and use tax liability incurred by the person on a transaction occurring after June 30, 2015, that involves a natural gas product that is subject to taxation for sales tax because the public transportation exemption for sales tax excludes those transactions involving a natural gas product.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-34.6-8

**Enrolled Act:** HEA 1001, SEC. 88

**Summary:** Provides that the maximum amount of tax credits that can be provided to a taxpayer in a taxable year is \$150,000; however, this limitation does not apply to a taxable year beginning after Dec. 31, 2012 and ending before Jan. 1, 2014.

**Effective Date:** Jan. 1, 2013 (RETROACTIVE)

**Code:** IC 6-3.1-34.6-9

**Enrolled Act:** HEA 1001, SEC. 89

**Summary:** Provides that the community revitalization enhancement district (CRED) tax credit is not allowed for expenditures on property classified as residential property, except for expenditures that were approved by the IEDC before Jan. 1, 2016.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-19-2

**Enrolled Act:** SEA 441, SEC. 28

**Summary:** Amends the research expense tax credit so that “base amount” and “qualified research” have the same definition as contained in Section 41 of the Internal Revenue Code.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-4-1 and IC 6-3.1-4-4

**Enrolled Act:** HEA 1472, SEC. 21 and 22

**Summary:** Provides that a taxpayer is not entitled to a tax credit for a donation of qualified computer equipment made after Dec. 31, 2015.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-15-7

**Enrolled Act:** SEA 441, SEC. 26

**Summary:** Provides that a taxpayer is not eligible for a historic preservation tax credit for any qualified expenditure made after Dec. 31, 2015. This provision applies only to nonresidential historic property.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-16-7

**Enrolled Act:** SEA 441, SEC. 27

**Summary:** Makes a technical correction to a code cite within the income tax credit for property taxes paid on homesteads within Lake County.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-20-4

**Enrolled Act:** SEA 441, SEC. 29

**Summary:** Expands the definition of a “logistics investment” within the Hoosier business investment tax credit to include upgrading or building passing lines or automated switches on a rail line.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-26-8.5

**Enrolled Act:** SEA 441, SEC. 31

**Summary:** Provides that the maximum credits that can be awarded in a fiscal year of \$50,000,000 for a non-logistics investment and \$10,000,000 for a logistics investment will be valued at the amount of the tax credit before the tax credit is discounted under Sec. 15(d) or 16(d).

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-26-20

**Enrolled Act:** SEA 441, SEC. 34

**LOCAL OPTION INCOME TAXES**  
**(IC 6-3.5-1.1; IC 6-3.5-6; IC 6-3.5-7; IC 6-3.6)**

**Summary:** Technical change to add new code cites to the exceptions for the standard CAGIT income tax rate.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2

**Enrolled Act:** HEA 1472, SEC. 25

**Summary:** Technical change to add a new code cite to the exceptions for the standard CAGIT income tax rate (duplicated by HEA 1472, SEC. 25).

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2

**Enrolled Act:** HEA 1485, SEC. 2

**Summary:** Provides that, when construction of jail facilities are complete and bonds and leases are fully paid, the county adjusted gross income tax rate in Marshall County shall be established at a rate such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2.8

**Enrolled Act:** HEA 1472, SEC. 26

**Summary:** Adds a new section to authorize Tipton County to impose an additional county adjusted gross income tax rate of not more than 0.4% for constructing and equipping a jail and related facilities and renovating the county courthouse.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.4

**Enrolled Act:** HEA 1472, SEC. 27

**Summary:** Adds a new section to authorize Rush County to impose an additional county adjusted gross income tax rate in the range of 0.15% up to 0.6% to fund a county jail including construction costs, repayment of bonds, and the operation and maintenance of the facility.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.7

**Enrolled Act:** HEA 1472, SEC. 28

**Summary:** Adds a new section to authorize Rush County to adopt an ordinance to impose additional county adjusted gross income tax rate in the range of 0.15% up to 0.6% to fund a county jail including construction costs, repayment of bonds, and the operation and maintenance of the facility (duplicated by HEA 1472, SEC. 28).

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.7

**Enrolled Act:** HEA 1485, SEC. 3

**Summary:** Excludes Tipton County and Rush County distributions for jail facilities that are outside of the regular certified distribution and the portion for certified shares.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-10 and IC 6-3.5-1.1-11

**Enrolled Act:** HEA 1472, SEC. 29 and 30

**Summary:** Excludes Rush County distribution for jail facilities that are outside of the regular certified distribution and the portion for certified shares (duplicated by HEA 1472, SEC 29 - 30).

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-10 and IC 6-3.5-1.1-11

**Enrolled Act:** HEA 1485, SEC. 4 and 5

**Summary:** Provides that the maximum combined CAGIT and CEDIT rate in Tipton County may not exceed 1.65%. Provides that the maximum CAGIT and CEDIT rate in Rush County may not exceed 1.85%. Provides that the maximum COIT and CEDIT rate in Greene County may not exceed 1.25%. However, if the COIT and CEDIT rate exceeds 1%, the maximum rate that may be imposed in the county for public safety purposes is equal to the difference between 0.25% minus the amount by which the COIT and CEDIT rate exceeds 1%.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-5

**Enrolled Act:** HEA 1472, SEC. 31

**Summary:** Provides that the maximum CAGIT and CEDIT rate in Rush County may not exceed 1.85% (duplicated by HEA 1472, SEC. 31).

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-5

**Enrolled Act:** HEA 1485, SEC. 9

**Summary:** Corrects a reference within IC 6-3.5-7-28.

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-28

**Enrolled Act:** HEA 1403, SEC. 2

**Summary:** Provides that any county can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief. Provides that if a county has not imposed a public safety LOIT rate on July 1, 2015, the county may adopt a resolution providing that up to 100% of revenue will be dedicated to a PSAP that is part of a statewide 911 system. If a county has imposed a public safety LOIT on July 1, 2015, and the rate is increased after July 1, 2015, the county may adopt a resolution providing that up to 100% of the revenue from the increased rate will be dedicated to a PSAP that is part of a statewide 911 system.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-1.1-25

**Enrolled Act:** HEA 1475, SEC. 2

**Summary:** Provides that Orange County can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-1.1-25

**Enrolled Act:** HEA 1540, SEC. 60

**Summary:** Provides that any county can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief. Provides that if a county has not imposed a public safety LOIT rate on July 1, 2015, the county may adopt a resolution providing that up to 100% of revenue will be dedicated to a PSAP that is part of a statewide 911 system. If a county has imposed a public safety LOIT on July 1, 2015, and the rate is increased after July 1, 2015, the county may adopt a resolution providing that up to 100% of the revenue from the increased rate will be dedicated to a PSAP that is part of a statewide 911 system.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-6-31

**Enrolled Act:** HEA 1475, SEC. 3

**Summary:** Provides that CEDIT funds may not be used by Hammond, Gary, East Chicago, and Lake County for transfers required to be made to the Northwest Indiana Regional Development Authority.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-7-13.1

**Enrolled Act:** HEA 1398, SEC. 5

**Summary:** Deletes the requirement for an annual audit by the State Board of Accounts.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-7-13.5 and IC 6-3.5-7-13.6

**Enrolled Act:** HEA 1104, SEC. 26 and 27

**Summary:** Repeals the county adjusted gross income tax credit for the elderly.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-1.1-7

**Enrolled Act:** SEA 441, SEC. 36

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-1.1-18

**Enrolled Act:** SEA 441, SEC. 37

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-6-22

**Enrolled Act:** SEA 441, SEC. 38

**Summary:** Repeals the county option income tax credit for the elderly.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-6-24

**Enrolled Act:** SEA 441, SEC. 39

**Summary:** Technical change noting a repealed section of property tax statute.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-5

**Enrolled Act:** SEA 374, SEC. 20

**Summary:** Repeals the county economic development income tax credit for the elderly.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-9

**Enrolled Act:** SEA 441, SEC. 40

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-18

**Enrolled Act:** SEA 441, SEC. 41

**Summary:** Deletes a repealed reference to property tax statute in the definition of “adopting entity.”

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-26

**Enrolled Act:** SEA 374, SEC. 21

**Summary:** County adjusted gross income tax (CAGIT) is repealed effective Jan. 1, 2017.

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-1.1

**Enrolled Act:** HEA 1485, SEC. 1

**Summary:** County option income tax (COIT) is repealed effective Jan. 1, 2017.

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-6

**Enrolled Act:** HEA 1485, SEC. 7

**Summary:** County economic development income tax (CEDIT) is repealed effective Jan. 1, 2017.

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-7

**Enrolled Act:** HEA 1485, SEC. 8

**Summary:** Adds a new article to consolidate and simplify the various local income tax laws that are in effect on May 1, 2016, into a uniform law that transitions each county from the former taxes (CAGIT, COIT, and CEDIT) to the tax created in this article. A county may not adopt any

ordinances under a former tax after June 30, 2016, and an adopting body may not take any action under this article before July 1, 2016. The uniform local income tax is effective Jan. 1, 2017.

**Effective Date:** July 1, 2015

**Code:** IC 6-3.6

**Enrolled Act:** HEA 1485, SEC. 10

### **FINANCIAL INSTITUTIONS TAX (IC 6-5.5)**

**Summary:** Establishes parameters for notification to the department when there is a federal modification to a taxpayer's income. A modification occurs on the date on which a taxpayer files an amended federal income tax return; a final determination is made concerning an assessment of deficiency; a final determination is made concerning a claim for refund; a taxpayer waives the tax by signing a federal Form 870; a taxpayer enters into a closing agreement with the Internal Revenue Service concerning the taxpayer's liability under Section 7121 of the Internal Revenue Code that is a final determination, and the date of the closing agreement is the date the agreement is signed by a representative of the Internal Revenue Service; or a modification or an alteration in an amount of tax is otherwise made that is a final determination. A final determination means an action or decision by a taxpayer, the Internal Revenue Service, the United States Tax Court, or any other United States federal court concerning any disputed tax issue that is final and conclusive and cannot be reopened or appealed. If the federal modification or alteration results in a change in the taxpayer's federal adjusted gross income or income within Indiana, the taxpayer shall file an amended financial institutions tax return and a copy of the amended federal income tax return with the department not later than 180 days after the modification or alteration is made.

**Effective Date:** July 1, 2015

**Code:** IC 6-5.5-6-6

**Enrolled Act:** HEA 1472, SEC. 32

**Summary:** Eliminates the adjustment for a financial institution that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a financial institution made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-5.5-1-2

**Enrolled Act:** SEA 441, SEC. 42

## MISCELLANEOUS AND VEHICLE EXCISE TAXES (IC 6-6)

**Summary:** Removes the provision that an aircraft held in inventory for 18 months is no longer considered aircraft inventory and provides that an aircraft that has a total time in service exceeding 50 hours is no longer considered in inventory and is subject to registration and all applicable taxes.

**Effective Date:** July 1, 2015

**Code:** IC 6-6-6.5-10.6

**Enrolled Act:** HEA 1413, SEC. 1

**Summary:** Provides that a dealer who has had an aircraft reclassified out of the dealer's aircraft inventory because of the 180-day provision may elect to return an aircraft to the dealer's aircraft inventory if it would have qualified under the amendment to IC 6-6-6.5-10.6 and then obtain a refund of the registration fees and sales or use taxes that were required to be paid when the statutory reclassification occurred (including any penalties and interest), if paid within three years.

**Effective Date:** July 1, 2015

**Code:** IC 6-6-6.5-26

**Enrolled Act:** HEA 1413, SEC. 2

**Summary:** Repeals the Local Emergency Planning and Right to Know Fund.

**Effective Date:** July 1, 2015

**Code:** IC 6-6-10

**Enrolled Act:** SEA 484, SEC. 1

**Summary:** Changes the regular annual registration date for aircraft from the last day of February to the last day of December.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-6-6.5-1

**Enrolled Act:** SEA 374, SEC. 22

**Summary:** Changes the date of assessment of aircraft held by a dealer from the last day of February to the last day of December.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-6-6.5-10.7

**Enrolled Act:** SEA 374, SEC. 23

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

**Summary:** Renames the Indiana Check-up Plan Trust Fund the Healthy Indiana Plan Trust Fund in the distribution of the cigarette tax.

**Effective Date:** Feb. 1, 2015 (RETROACTIVE)

**Code:** IC 6-7-1-28.1

**Enrolled Act:** HEA 1001, SEC. 90



## MISCELLANEOUS TAXES (IC 6-8)

**Summary:** Provides that the principal contributed by an employer to a medical care savings account before Jan. 1, 2016, is exempt from taxation as income of the employee.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-8-11-9

**Enrolled Act:** SEA 441, SEC. 45

**Summary:** Adds a new section to the medical care savings account statute to provide that if an employer contributes money to an account after Dec. 31, 2015, the money may be withdrawn from the account by the employee at any time and for any purpose without a penalty.

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-8-11-11.5

**Enrolled Act:** SEA 441, SEC. 46

## TAX ADMINISTRATION (IC 6-8.1)

**Summary:** Authorizes a tax amnesty program for unpaid tax liability for a listed tax that was due and payable for a tax period ending before Jan. 1, 2013. Taxpayers that participated in a previous amnesty program or the amnesty program for sales tax due on claimed racing horses are not eligible for the current amnesty program. The amnesty program cannot exceed eight weeks and must end before Jan. 1, 2017.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-17

**Enrolled Act:** HEA 1001, SEC. 91

**Summary:** The department may adopt emergency rules to carry out the tax amnesty program, and the rule adopted by the department expires on the date specified in the emergency rule.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-24

**Enrolled Act:** HEA 1001, SEC. 92

**Summary:** Revenue from the amnesty program shall be distributed as follows: the first \$84,000,000 collected will be deposited into the Indiana Regional Cities Development Fund; the next \$6,000,000 shall be transferred to the Indiana Department of Transportation for money expended by the Indiana Department of Transportation for the operation of the Hoosier State Rail Line; and any remaining amounts collected will be deposited into the state General Fund.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-25

**Enrolled Act:** HEA 1001, SEC. 93

**Summary:** Provides that the double penalty for not paying an outstanding liability during amnesty does not apply if the taxpayer has entered into a payment plan with the department by

May 12, 2015. Provides that the double penalty applies only if the tax liability was due and payable before Jan. 1, 2013.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-10-12

**Enrolled Act:** HEA 1001, SEC. 94

**Summary:** Deletes the requirement for an annual audit of the Department of Revenue.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-6

**Enrolled Act:** HEA 1104, SEC. 28

**Summary:** Requires the department to enter into an agreement with the fiscal officer of a capital improvement board of managers that is responsible for expenditures of funds from an innkeeper's tax, a food and beverage tax, an admissions tax, the supplemental auto rental excise tax, or the sales taxes allocated to a professional sports development area fund or a sports and convention facilities operating fund to furnish the fiscal officer annually with the name of each business collecting taxes listed above, as well as the amount of money collected from each business. The agreement must include a nondisclosure provision the same as is required for the fiscal officer of a governmental entity that has adopted the taxes.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-7.1

**Enrolled Act:** HEA 1472, SEC. 33

**Summary:** Provides that the department can deny an application for a motor carrier permit under certain circumstances.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-4-5

**Enrolled Act:** HEA 1472, SEC. 34

**Summary:** Eliminates the requirement that a letter of findings must be issued within 60 days after the hearing on the protest. Extends the time frame during which a taxpayer has the right to appeal to the tax court from 60 days to 90 days after a letter of findings is issued or a refund claim is denied. The 90-day limit can be extended upon agreement of the department and the taxpayer. Changes the time period for the department to issue a demand notice from 45 days to 60 days if the taxpayer does not respond to the proposed assessment.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-5-1

**Enrolled Act:** HEA 1472, SEC. 35

**Summary:** Clarifies language in the statute of limitations section concerning when there is a federal modification that affects Indiana income.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-5-2

**Enrolled Act:** HEA 1472, SEC. 36

**Summary:** Provides that the department can release information concerning an innkeeper's tax, a food and beverage tax, an admissions tax, the supplemental auto rental excise tax, or any covered taxes distributed to a professional sports development area fund or a sports and convention facilities operating fund. Also allows the department to disclose to a utility a person who is exempt from sales tax for utilities purchased.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-7-1

**Enrolled Act:** HEA 1472, SEC. 37

**Summary:** Provides that a tax judgment may be released and a tax warrant expunged if the commissioner determines that the release of the tax judgment and the expungement of the tax warrant are in the best interest of the state. Requires the department to adopt rules to define the circumstances under which a release and expungement may be granted based on a finding that the release and expungement would be in the best interest of the state.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-8-2

**Enrolled Act:** HEA 1472, SEC. 38

**Summary:** Provides that a taxpayer has 60 days from the date of a denial of a refund claim to file a written protest. If a hearing is requested, the department shall notify the person of the time, date, and location of the hearing. After conducting the hearing, the department shall issue a memorandum of decision or an order denying a refund. A person who disagrees with any part of the decision may request a rehearing not more than 30 days after the memorandum of decision or the order denying a refund was issued. The person has up to 90 days to appeal a decision to the Tax Court. The 90-day period can be extended upon agreement of the department and the taxpayer.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-9-1

**Enrolled Act:** HEA 1472, SEC. 39

**Summary:** Provides that a refund request will accrue interest from the date the refund claim is filed if it is filed before July 1, 2015. If the refund claim is filed after June 30, 2015, interest will accrue from the latest of the date the tax payment was due; the date the tax was paid; or July 1, 2015. The due date for payment of the sales tax, oil inspection fee, or petroleum severance tax is December 31 of the calendar year that contains the taxable period for which the payment is remitted. No interest is due on a refund claim before the return for the tax in question is filed.

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-9-2

**Enrolled Act:** HEA 1472, SEC. 40

## **INNKEEPERS AND OTHER LOCAL TAXES (IC 6-9)**

**Summary:** Provides for a food and beverage tax of 2% in Orange County. The tax is imposed only on food and beverage items served in an historic hotel resort including a riverboat and other properties operated in conjunction with the historic hotel, including golf courses. The amounts received from the tax shall be distributed monthly to the West Baden Springs Historic Hotel

Preservation and Maintenance Fund. If Orange County has another food and beverage tax levied in all or any part of the county, the other food and beverage tax does not apply to facilities where the 2% tax is imposed.

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45.5

**Enrolled Act:** HEA 1540, SEC. 61

**Summary:** Provides for an innkeeper's tax in Orange County at an historic hotel regardless of whether the county already imposes a tax on the same transactions. The tax is levied at a rate of 2% on the gross retail income derived from lodging. The amounts received from the tax shall be distributed monthly to the West Baden Springs Historic Hotel Preservation and Maintenance Fund. If the tax rate at which another innkeeper's tax is imposed is increased after Dec. 31, 2014, above the rate in effect on Jan. 1, 2015, the additional tax rate does not apply to the historic hotel.

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45.6

**Enrolled Act:** HEA 1540, SEC. 62

**Summary:** Authorizes the town of Rockville to adopt an ordinance imposing a food and beverage tax. The tax goes into effect on the day specified in the ordinance or on the last day of the month that succeeds the month in which the ordinance is adopted. The food and beverage tax does not apply in a transaction that is exempt from the sales tax. The food and beverage tax rate shall be imposed in an increment of 0.25% and may not exceed 1%. The tax will be collected in the same manner as the sales tax and remitted to the department. Money received from the tax shall be paid monthly by the treasurer of state to the fiscal officer of the town of Rockville. Money received from the tax may be used for the following purposes: to reduce the town's property tax levy for a particular year; for economic development purposes including bonds, leases, or other obligations; storm water, sidewalk, street, park, and parking improvements necessary to support tourism in the town; and public safety.

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45

**Enrolled Act:** HEA 1044, SEC. 1

**Summary:** Authorizes Orange County to adopt an ordinance imposing a food and beverage tax. The tax goes into effect on the day specified in the ordinance or on the last day of the month that succeeds the month in which the ordinance is adopted. The food and beverage tax does not apply in a transaction that is exempt from the sales tax. The tax also does not apply to a transaction that occurs at an historic hotel defined in IC 4-33-6.5 or other properties operated in conjunction with the historic hotel enterprise located in Orange County, including golf courses. The food and beverage tax rate shall be imposed in an increment of 0.25% and may not exceed 1%. The tax will be collected in the same manner as the sales tax and remitted to the department. Money received from the tax shall be paid monthly by the treasurer of state to the fiscal officer of the

county. Money received from the tax may be used for the following purposes: for economic development purposes including bonds, leases, or other obligations; storm water, sidewalk, street, park, and parking improvements necessary to support tourism in the county; public safety.

**Effective Date:** July 1, 2015

**Code:** IC 6-9-47.5

**Enrolled Act:** HEA 1044, SEC. 2

**Summary:** Deletes the requirement for an annual financial and compliance audit by the State Board of Accounts for a youth sports complex operating under this chapter.

**Effective Date:** July 1, 2015

**Code:** IC 6-9-42-9

**Enrolled Act:** HEA 1104, SEC. 29

### **TAXATION OF INTERNET ACCESS (IC 6-10)**

**Summary:** Adds a new article to the Indiana Code to prohibit state or local taxation of Internet access. The term “Internet access” means a service that enables users to connect to the Internet to access content, information, or other services offered over the Internet. The term does not include voice, audio, or video programming. The term “tax” means any charge that is imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and is not a fee imposed for a specific privilege, service, or benefit conferred. The term includes the imposition on a seller of an obligation to collect and remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by a governmental entity. The term does not include any franchise fee or similar fee imposed by the Indiana Utility Regulatory Commission or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934. The act does **not** prevent the imposition of a tax levied on or measured by net income, capital stock, net worth, or property value. Neither the state nor a political subdivision of the state may impose, assess, collect, or attempt to collect a tax on Internet access or use of Internet access.

**Effective Date:** Upon Passage

**Code:** IC 6-10-1

**Enrolled Act:** SEA 80

### **ALCOHOL AND TOBACCO TAXES (IC 7.1)**

**Summary:** Provides that the department shall deposit \$.0375 instead of \$.0475 of the beer excise gallonage tax into the Postwar Construction Fund.

**Effective Date:** July 1, 2015

**Code:** IC 7.1-4-8-1

**Enrolled Act:** HEA 1001, SEC. 95

**Summary:** Provides that the department shall deposit \$.0175 instead of \$.0075 of the beer excise gallonage tax into the Enforcement and Administration Fund.

**Effective Date:** July 1, 2015

**Code:** IC 7.1-4-10-1

**Enrolled Act:** HEA 1001, SEC. 96

**Summary:** Adds a requirement that an e-liquid retailer, distributor, and manufacturer that mixes, bottles, or sells e-liquid in Indiana before July 1, 2015 shall obtain a distributor's license from the Department for other tobacco product taxes before July 1, 2016.

**Effective Date:** July 1, 2015

**Code:** IC 7.1-7-5-1

**Enrolled Act:** HEA 1432, SEC. 9

### **MOTOR CARRIER REGULATION (IC 8-2.1)**

**Summary:** Repeals language concerning effective dates of previous amendments.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-0.1

**Enrolled Act:** SEA 171, SEC. 17

**Summary:** Defines a "digital network" as an online application, software, a website, or a system used by a transportation network company (TNC) to enable prearranged rides with TNC drivers.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-6.5

**Enrolled Act:** HEA 1278, SEC. 1

**Summary:** Defines "motor vehicle insurance" as any type of insurance described in IC 27-1-5-1, Class 2(f).

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-11.2

**Enrolled Act:** HEA 1278, SEC. 2

**Summary:** Defines "personal vehicle" as a vehicle that is used by a TNC driver to provide a prearranged ride; that is owned, leased, or authorized for use by a TNC driver; and that is not a taxicab, a limousine, or another for-hire vehicle.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-13.2

**Enrolled Act:** HEA 1278, SEC. 3

**Summary:** Defines "prearranged ride" to mean the provision of transportation by a TNC driver to a TNC rider beginning when the TNC driver accepts a TNC rider's request for a ride and ending when the last requesting TNC rider departs from the personal vehicle.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-13.5

**Enrolled Act:** HEA 1278, SEC. 4

**Summary:** Provides that a personal vehicle driven by a TNC driver is excluded from the definition of a "taxicab."

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-16

**Enrolled Act:** HEA 1278, SEC. 5

**Summary:** Defines a “TNC” as an entity that does business in Indiana and uses a digital network to connect TNC riders to TNC drivers to request prearranged rides.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-18

**Enrolled Act:** HEA 1278, SEC. 6

**Summary:** Defines a “TNC driver” as an individual who receives connections to potential TNC riders and related services from a TNC in exchange for payment of a fee to the TNC and uses a personal vehicle to offer or provide prearranged rides to TNC riders upon connection through a digital network controlled by a TNC and in exchange for compensation or payment of a fee.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-19

**Enrolled Act:** HEA 1278, SEC. 7

**Summary:** Defines a “TNC” rider as an individual who uses a TNC’s digital network to connect with a TNC driver who provides the individual a prearranged ride in the TNC’s personal vehicle and between points chosen by the individual.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-20

**Enrolled Act:** HEA 1278, SEC. 8

**Summary:** Provides that registration requirements by the department (under IC 8-2.1-19) do not apply to a personal vehicle operated by a TNC driver.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-19-3

**Enrolled Act:** HEA 1278, SEC. 9

**Summary:** Adds a new chapter regulating transportation network companies. Requires a TNC to have a permit issued by the department to provide a digital network for connection to prearranged rides in Indiana. Specifies requirements related to: (1) criminal and driving history; (2) drug and alcohol use; (3) vehicle equipment; (4) insurance; (5) fares; (6) privacy; (7) nondiscrimination and accessibility; (8) record maintenance; (9) TNC and TNC driver conduct; and (10) regulation.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-19.1

**Enrolled Act:** HEA 1278, SEC. 10

**Summary:** Corrects a reference to a federal code cite.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-22-18

**Enrolled Act:** SEA 171, SEC. 18

**Summary:** Repeals language concerning effective dates of previous amendments.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-24-0.1

**Enrolled Act:** SEA 171, SEC. 19

**Summary:** Corrects a reference to a federal code cite.

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-26-3

**Enrolled Act:** SEA 171, SEC. 20

## MISCELLANEOUS PROVISIONS

**Summary:** Provides that, for a certified technology park operating under a written agreement entered into by two or more redevelopment commissions, no more than \$5,000,000 may be deposited over the life of the certified technology park in the fund of each redevelopment commission. The aggregate funds distributed to the certified technology fund shall not exceed \$5,000,000 multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

**Effective Date:** July 1, 2015

**Code:** IC 36-7-32-22

**Enrolled Act:** SEA 436, SEC. 32

**Summary:** Adds a provision that, for two or more redevelopment commissions that enter into an agreement to jointly undertake economic development projects in the certified technology parks established by the redevelopment commission, a party may agree to allocate a part of the certified technology park's maximum incremental tax financing fund to one or more other parties to the agreement.

**Effective Date:** July 1, 2015

**Code:** IC 36-7-32-26

**Enrolled Act:** SEA 436, SEC. 33

**Summary:** Provides that the enhanced prepaid wireless charge on each retail transaction is \$1.00. The fee can be increased one time by \$0.10 between July 1, 2015, and June 30, 2020. The telecommunications carrier that provides service to end users is responsible for the enhanced prepaid wireless charge. The provider is required to pay a one-time charge by Aug. 1, 2015. The charge is equal to the product of the enhanced prepaid wireless charge multiplied by the number of unique end users for which the provider received reimbursement from the Universal Service Fund multiplied by the number of months the current service agreement between each end user and the provider has received reimbursement from the universal service fund before Aug. 1, 2015. Beginning Sept. 1, 2015, the charge that the provider is required to remit is the enhanced prepaid wireless charge multiplied by the number of unique end users for which the provider received reimbursement from the Universal Service Fund in the previous month.

**Effective Date:** July 1, 2015

**Code:** IC 36-8-16.6-11

**Enrolled Act:** HEA 1475, SEC. 4

**Summary:** Requires the department to do a study of the department's current information systems, develop a plan for modernizing the department's systems, and submit a report of the



study and the plan developed to the budget committee and the legislative council. The report must be completed by Dec. 31, 2016.

**Effective Date:** Upon Passage

**Code:** Non Code

**Enrolled Act:** HEA 1472, SEC. 45

## **PART II LEGISLATION BY ENROLLED ACT NUMBER**

### **SENATE BILLS**

#### **SEA 80**

**Summary:** Adds a new article to the Indiana Code to prohibit state or local taxation of Internet access. The term “Internet access” means a service that enables users to connect to the Internet to access content, information, or other services offered over the Internet. The term does not include voice, audio, or video programming. The term “tax” means any charge that is imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and is not a fee imposed for a specific privilege, service, or benefit conferred. The term includes the imposition on a seller of an obligation to collect and remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by a governmental entity. The term does not include any franchise fee or similar fee imposed by the Indiana Utility Regulatory Commission or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934. The act does not prevent the imposition of a tax levied on or measured by net income, capital stock, net worth, or property value. Neither the state nor a political subdivision of the state may impose, assess, collect, or attempt to collect a tax on Internet access or use of Internet access.

**Effective Date:** Upon Passage

**Code:** IC 6-10-1

#### **SEA 171**

**Summary:** Makes a technical change in the sales tax statute to change the term radio to radiotelephone in reference to radio telecommunications from aircraft. (SEC. 6)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-12-1

**Summary:** Makes a change to a federal code cite in the section defining “adjusted gross income.” (SEC. 7)

**Effective Date:** July 1, 2015

**Code:** IC 6-3-1-3.5

**Summary:** Repeals language concerning effective dates of previous amendments. (SEC. 17)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-0.1

**Summary:** Corrects a reference to a federal code cite. (SEC. 18)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-22-18

**Summary:** Repeals language concerning effective dates of previous amendments. (SEC. 19)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-24-0.1

**Summary:** Corrects a reference to a federal code cite. (SEC. 20)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-26-3

### **SEA 199**

**Summary:** Corrects ambiguous language and references in the sales tax bad debt deduction section. (SEC. 23)

**Effective Date:** Upon Passage

**Code:** IC 6-2.5-6-9

**Summary:** Deletes a reference to filing a refund claim for prepaid sales tax on gasoline. (SEC. 24)

**Effective Date:** July 1, 2014 (RETROACTIVE)

**Code:** IC 6-2.5-7-6.5

**Summary:** Repeals the section that contains the procedures for filing a refund claim for prepaid sales tax on gasoline. (SEC. 25)

**Effective Date:** July 1, 2014 (RETROACTIVE)

**Code:** IC 6-2.5-7-12

### **SEA 317**

**Summary:** Defines “eligible community foundation” in the adjusted gross income tax statute as an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; satisfies the public support test of Section 170(b)(1)(A)(vi) of the Internal Revenue Code; is an autonomous, nonsectarian philanthropic institution with permanent, component funds established by many separate donors; is accredited under national standards for United States Community Foundations; and supports a broad range of charitable activities within a specific area within Indiana. (SEC. 1)

**Effective Date:** July 1, 2015

**Code:** IC 6-3-1-36

### **SEA 374**

**Summary:** Changes the date that the department is required to notify assessors of new retail merchant certificates issued. The date of notification is before March 15 of each year instead of before July of each year. The annual period of reporting new retail merchants is changed from March 2 of the prior year and March 1 of the current year to the previous calendar year. (SEC. 19)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-8-1

**Summary:** Technical change noting a repealed section of property tax statute. (SEC. 20)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-5

**Summary:** Deletes a repealed reference to property tax statute in the definition of “adopting entity.” (SEC. 21)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-26

**Summary:** Changes regular annual registration date for aircraft from the last day of February to the last day of December. (SEC. 22)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-6-6.5-1

**Summary:** Changes the date of assessment of aircraft held by a dealer from the last day of February to the last day of December. (SEC. 23)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-6-6.5-10.7

### **SEA 436**

**Summary:** Provides that, for a certified technology park operating under a written agreement entered into by two or more redevelopment commissions, no more than \$5,000,000 may be deposited over the life of the certified technology park in the fund of each redevelopment commission. The aggregate funds distributed to the certified technology fund shall not exceed \$5,000,000 multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park. (SEC. 32)

**Effective Date:** July 1, 2015

**Code:** IC 36-7-32-22

**Summary:** Adds a provision that, for two or more redevelopment commissions that enter into an agreement to jointly undertake economic development projects in the certified technology parks established by the redevelopment commission, a party may agree to allocate a part of the certified technology park’s maximum incremental tax financing fund to one or more other parties to the agreement. (SEC. 33)

**Effective Date:** July 1, 2015

**Code:** IC 36-7-32-26

### **SEA 441**

**Summary:** Expands the sales tax exemption for agricultural machinery, tools, and equipment to include material-handling equipment purchased for transporting materials into such activities from an onsite location. (SEC. 9)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-2

**Summary:** Provides that the cutting of steel bars into billets and the felling of trees for further use in production or for sale in the ordinary course of business are treated as the processing of tangible personal property. Provides that the exemption for machinery, tools, and equipment used in the manufacturing, fabrication, assembly, extraction, mining, processing, refining, or

finishing of other tangible personal property includes material-handling equipment purchased for the purpose of transporting materials into such activities from an onsite location. (SEC. 10)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-3

**Summary:** Provides that property used in producing machinery, tools, or equipment includes material-handling equipment purchased for the purpose of transporting materials into such activities from an onsite location. (SEC. 11)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-4

**Summary:** Makes several changes to the definition of “adjusted gross income” for individuals. Eliminates the subtract off for that part of an individual’s income that is subject to a tax imposed by a political subdivision of another state; eliminates the addback of the amount of the capital gain portion of a lump sum distribution; eliminates the subtract off of any federal credit allowed under 26 U.S.C. 6428 and included in the individual’s federal adjusted gross income; eliminates the addback of unemployment compensation excluded from federal gross income; eliminates the addback of the amount excluded from gross income for the discharge of debt on a qualified principal residence; eliminates the adjustment for an individual that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a taxpayer made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a. Makes several changes to the definition of “taxable income” for corporations. Eliminates the adjustment for a corporation that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a corporation made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. Makes several changes to the definition of “taxable income” for life insurance companies and other insurance companies organized under Indiana law. Eliminates the adjustment for an insurance company that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that an insurance company made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual

was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. Makes several changes to the definition of “taxable income” for trusts and estates. Eliminates the adjustment for a trust or estate that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a trust or estate made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of the amount excluded from gross income for the discharge of debt on a qualified principal residence; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual, was during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. (SEC. 12)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-1-3.5

**Summary:** Changes the definition of “business income” to include all income that is apportionable to the state under the Constitution of the United States. (SEC. 13)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-1-20

**Summary:** Eliminates the “throwback rule” for apportioning income to Indiana if the taxpayer is not taxable in the state of the purchaser. Also provides that the sale of computer software shall be treated as sales of tangible personal property for purposes of apportionment. (SEC. 14)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-2

**Summary:** Increases the civil service annuity deduction from \$2,000 to \$8,000 for 2015 and further increases it to \$16,000 for 2016 and beyond. Expands the civil service annuity deduction to include a surviving spouse. This is effective for 2015 returns filed in 2016. (SEC. 15)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-2-3.7

**Summary:** Changes a reference to a code cite within the military pay deduction. (SEC. 16)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-4

**Summary:** Repeals the insulation deduction that was a maximum of \$1,000. (SEC. 17)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5

**Summary:** Repeals the income tax deduction for solar-powered roof vents or fans. (SEC. 18)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5.3

**Summary:** Repeals the tax deduction for export income derived from items that are manufactured at a maritime opportunity district and shipped through a port operated by the state.

The repeal of the deduction is effective for tax years beginning after Dec. 31, 2015.  
(SEC. 19)

**Effective Date:** July 1, 2015

**Code:** IC 6-3-2-13

**Summary:** Deletes a reference to a repealed code cite within the exemption for lottery winnings on drawings held before July 1, 2002. (SEC. 20)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-14.1

**Summary:** Repeals the deduction for the first \$1,200 of winnings from a lottery ticket purchased under IC 4-30. (SEC. 21)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-14.5

**Summary:** Repeals the provision that provides an income tax exemption for the first \$1,000 of a reward received for information provided to law enforcement that assists in the arrest or indictment of or the filing of charges against a person. (SEC. 22)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-17

**Summary:** Provides that funds put into a medical care savings account by an employer established for an employee are no longer exempt income to the employee in the taxable year that the money was deposited in the employee's account. **Note:** If the funds put into a medical care savings account by an employer established for an employee are exempt income to the employee for federal income tax purposes, the federal exemption still applies. (SEC. 23)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-18

**Summary:** Broadens the addback to adjusted gross income related to intercompany interest expenses. (SEC. 24)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-20

**Summary:** Makes technical changes to internal references to IC 6-3-1-3.5. (SEC. 25)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-25

**Summary:** Provides that a taxpayer is not entitled to a tax credit for a donation of qualified computer equipment made after Dec. 31, 2015. (SEC. 26)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-15-7

**Summary:** Provides that a taxpayer is not eligible for the historic preservation tax credit for any qualified expenditure made after Dec. 31, 2015. This provision applies only to nonresidential historic property. (SEC. 27)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-16-7

**Summary:** Provides that the community revitalization enhancement district (CRED) tax credit is not allowed for expenditures on property classified as residential property, except for expenditures that were approved by the IEDC before Jan. 1, 2016. (SEC. 28)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-19-2

**Summary:** Makes a technical correction to a code cite within the income tax credit for property taxes paid on homesteads within Lake County. (SEC. 29)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-20-4

**Summary:** Extends the time in which a venture capital tax credit can be awarded from the current law of Dec. 31, 2016, to Dec. 31, 2020. (SEC. 30)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-24-9

**Summary:** Expands the definition of a “logistics investment” within the Hoosier business investment tax credit to include upgrading or building passing lines or automated switches on a rail line. (SEC. 31)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-26-8.5

**Summary:** This section applies to a taxpayer that is not a pass-through entity. Provides that in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year. Provides that the total amount of such accelerated tax credits that the IEDC may approve may not exceed \$17,000,000 in a state fiscal year. (SEC. 32)

**Effective Date:** Upon Passage

**Code:** IC 6-3.1-26-15

**Summary:** This section applies to partners, members, or shareholders of a pass-through entity. Provides that in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year. Provides that the total amount of such accelerated tax credits that the IEDC may approve may not exceed \$17,000,000 in a state fiscal year. (SEC. 33)

**Effective Date:** Upon Passage

**Code:** IC 6-3.1-26-16



**Summary:** Provides that the maximum credits that can be awarded in a fiscal year of \$50,000,000 for a non-logistics investment and \$10,000,000 for a logistics investment will be valued at the amount of the tax credit before the tax credit is discounted under Sec. 15(d) or 16(d). (SEC. 34)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-26-20

**Summary:** Extends the expiration of the Hoosier business investment tax credit from Dec. 31, 2016 until Dec. 31, 2020. (SEC. 35)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-26-26

**Summary:** Repeals the county adjusted gross income tax credit for the elderly. (SEC. 36)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-1.1-7

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed. (SEC. 37)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-1.1-18

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed. (SEC. 38)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-6-22

**Summary:** Repeals the county option income tax credit for the elderly. (SEC. 39)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-6-24

**Summary:** Repeals the county economic development income tax credit for the elderly. (SEC. 40)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-9

**Summary:** Deletes a reference to IC 6-3-1-3.5(a)(6), which has been repealed. (SEC. 41)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.5-7-18

**Summary:** Eliminates the adjustment for a financial institution that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code; eliminates the adjustment that a financial institution made for an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property; eliminates the adjustment for expensing costs for a qualified film or television production; eliminates the adjustment for a loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; eliminates the addback of wages, reimbursements, or other payments made for services as an employee if the individual

was, during the period of service, prohibited from being hired as an employee 8 U.S.C. 1324a. (SEC. 42)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-5.5-1-2

**Summary:** Provides that the principal contributed by an employer to a medical care savings account before Jan. 1, 2016, is exempt from taxation as income of the employee. (SEC. 45)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-8-11-9

**Summary:** Adds a new section to the medical care savings account statute to provide that if an employer contributes money to an account after Dec. 31, 2015, the money may be withdrawn from the account by the employee at any time and for any purpose without a penalty. (SEC. 46)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-8-11-11.5

#### **SEA 484**

**Summary:** Repeals the Local Emergency Planning and Right to Know Fund. (SEC. 1)

**Effective Date:** July 1, 2015

**Code:** IC 6-6-10

#### **SEA 500**

**Summary:** Removes the requirement in the computer donations tax credit that a public or private elementary school must detail the school's computer education program and the school's planned use of the qualified computer equipment before the equipment can be purchased from a service center. Also removes the requirement that a parent prove to the service center that the child is a participant in the school's computer education program and the qualified equipment will be used by the child for an educational purpose. (SEC. 20)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-15-12

### **HOUSE BILLS**

#### **HEA 1001**

**Summary:** Provides for an individual income tax credit for classroom supplies that qualify for the educator expense deduction under Section 62(a)(2)(D) of the Internal Revenue Code. An individual employed as a teacher is entitled to a tax credit equal to the lesser of \$100 or the total amount expended for classroom supplies during a taxable year. The amount of any unused credit cannot be carried forward, carried back to a previous year, or refunded. This is effective for 2015 returns filed in 2016. (SEC. 82)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-3-14.5

**Summary:** Provides an income tax credit to a for-profit hospital that is licensed under IC 16-21-2, is subject to the adjusted gross income tax; provides health care, accommodations, facilities, and equipment in connection with the services of a physician to individuals who may need

medical or surgical services; and is not primarily providing care and treatment of patients with a cardiac condition or orthopedic condition or who are receiving a surgical procedure. The credit is equal to 10% of the property taxes paid in Indiana for the taxable year on property used as a hospital. The credit cannot exceed the taxpayer's adjusted gross income tax liability for the taxable year. The amount of any unused credit may not be carried forward, carried back to a previous year, or refunded. (SEC. 83)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-3-14.6

**Summary:** Provides that for the fiscal year ending on June 30, 2016, the maximum amount of EDGE credits that may be awarded during the fiscal year for job creation may not exceed \$225,000,000. (SEC. 84)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-13-18

**Summary:** Provides that after June 30, 2016, the maximum historic preservation credit for nonresidential historic property that can be certified will be zero. A taxpayer may carry forward any unused credit attributable to a qualified expenditure awarded before July 1, 2016. (SEC. 85)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-16-14

**Summary:** Increases the maximum amount of school scholarship tax credit that can be awarded from the current amount of \$7,500,000 per fiscal year to \$8,500,000 for the fiscal year ending June 30, 2016, and \$9,500,000 for each fiscal year thereafter. (SEC. 86)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-30.5-13

**Summary:** Changes the effective date of the tax credit for natural gas-powered vehicles from Jan. 1, 2014 to Jan. 1, 2013. (SEC. 87)

**Effective Date:** Jan. 1, 2013 (RETROACTIVE)

**Code:** IC 6-3.1-34.6-1

**Summary:** Provides that, for a person who claims the credit for placing a qualified vehicle into service in 2013, the person may claim the credit only against sales and use tax liability incurred by the person on a transaction occurring after June 30, 2015, that involves a natural gas product that is subject to taxation for sales tax because the public transportation exemption for sales tax excludes those transactions involving a natural gas product. (SEC. 88)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-34.6-8

**Summary:** Provides that the maximum amount of tax credits that can be provided to a taxpayer in a taxable year is \$150,000; however, this limitation does not apply to a taxable year beginning after Dec. 31, 2012 and ending before Jan. 1, 2014. (SEC. 89)

**Effective Date:** Jan. 1, 2013 (RETROACTIVE)

**Code:** IC 6-3.1-34.6-9

**Summary:** Renames the Indiana Check-up Plan Trust Fund the Healthy Indiana Plan Trust Fund in the distribution of the cigarette tax. (SEC. 90)

**Effective Date:** Feb. 1, 2015 (RETROACTIVE)

**Code:** IC 6-7-1-28.1

**Summary:** Authorizes a tax amnesty program for unpaid tax liability for a listed tax that was due and payable for a tax period ending before Jan. 1, 2013. Taxpayers that participated in a previous amnesty program or the amnesty program for sales tax due on claimed racing horses are not eligible for the current amnesty program. The amnesty program cannot exceed eight weeks and must end before Jan. 1, 2017. (SEC. 91)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-17

**Summary:** The department may adopt emergency rules to carry out the tax amnesty program, and the rule adopted by the department expires on the date specified in the emergency rule. (SEC. 92)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-24

**Summary:** Revenue from the amnesty program shall be distributed as follows: the first \$84,000,000 collected will be deposited into the Indiana Regional Cities Development Fund; the next \$6,000,000 shall be transferred to the Indiana Department of Transportation for money expended by the Indiana Department of Transportation for the operation of the Hoosier State Rail Line; and any remaining amounts collected will be deposited into the state general fund. (SEC. 93)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-25

**Summary:** Provides that the double penalty for not paying an outstanding liability during amnesty does not apply if the taxpayer has entered into a payment plan with the department by May 12, 2015. Provides that the double penalty applies only if the tax liability was due and payable before Jan. 1, 2013. (SEC. 94)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-10-12

**Summary:** Provides that the department shall deposit \$.0375 instead of \$.0475 of the beer excise gallonage tax into the Postwar Construction Fund. (SEC. 95)

**Effective Date:** July 1, 2015

**Code:** IC 7.1-4-8-1

**Summary:** Provides that the department shall deposit \$.0175 instead of \$.0075 of the beer excise gallonage tax into the Enforcement and Administration Fund. (SEC. 96)

**Effective Date:** July 1, 2015

**Code:** IC 7.1-4-10-1

#### **HEA 1044**

**Summary:** Authorizes the town of Rockville to adopt an ordinance imposing a food and beverage tax. The tax goes into effect on the day specified in the ordinance or on the last day of the month that succeeds the month in which the ordinance is adopted. The food and beverage tax does not apply in a transaction that is exempt from the sales tax. The food and beverage tax rate shall be imposed in an increment of 0.25% and may not exceed 1%. The tax will be collected in the same manner as the sales tax and remitted to the department. Money received from the tax shall be paid monthly by the treasurer of state to the fiscal officer of the town of Rockville. Money received from the tax may be used for the following purposes: to reduce the town's property tax levy for a particular year; for economic development purposes including bonds, leases, or other obligations; storm water, sidewalk, street, park, and parking improvements necessary to support tourism in the town; and public safety. (SEC. 1)

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45

**Summary:** Authorizes Orange County to adopt an ordinance imposing a food and beverage tax. The tax goes into effect on the day specified in the ordinance or on the last day of the month that succeeds the month in which the ordinance is adopted. The food and beverage tax does not apply in a transaction that is exempt from the sales tax. The tax also does not apply to a transaction that occurs at a historic hotel defined in IC 4-33-6.5 or other properties operated in conjunction with the historic hotel enterprise located in Orange County, including golf courses. The food and beverage tax rate shall be imposed in an increment of 0.25% and may not exceed 1%. The tax will be collected in the same manner as the sales tax and remitted to the department. Money received from the tax shall be paid monthly by the treasurer of state to the fiscal officer of the county. Money received from the tax may be used for the following purposes: for economic development purposes including bonds, leases, or other obligations; storm water, sidewalk, street, park, and parking improvements necessary to support tourism in the county; and public safety. (SEC. 2)

**Effective Date:** July 1, 2015

**Code:** IC 6-9-47.5

#### **HEA 1104**

**Summary:** Deletes the requirement for an annual audit by the State Board of Accounts. (SEC. 26 and 27)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-7-13.5 and IC 6-3.5-7-13.6

**Summary:** Deletes the requirement for an annual audit of the department of revenue. (SEC. 28)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-6

**Summary:** Deletes the requirement for an annual financial and compliance audit by the State Board of Accounts for a youth sports complex operating under this chapter. (SEC. 29)

**Effective Date:** July 1, 2015

**Code:** IC 6-9-42-9

**HEA 1142**

**Summary:** Repeals the insulation deduction that was a maximum of \$1,000 (duplicates SEA 441, SEC. 17). (SEC. 3)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5

**Summary:** Repeals the income tax deduction for solar-powered roof vents or fans (duplicates SEA 441, SEC. 18). (SEC. 4)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3-2-5.3

**HEA 1271**

**Summary:** Provides that the purchases of labels are exempt from the sales tax if the labels will be affixed to other tangible personal property being sold by a retail merchant and the person acquiring the label is required to affix the labels to other tangible personal property for the purpose of complying with any state or federal statute or regulation. (SEC. 1)

**Effective Date:** Upon Passage

**Code:** IC 6-2.5-5-50

**HEA 1278**

**Summary:** Defines a “digital network” as an online application, software, a website, or a system used by a transportation network company (TNC) to enable prearranged rides with TNC drivers. (SEC. 1)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-6.5

**Summary:** Defines “motor vehicle insurance” as any type of insurance described in IC 27-1-5-1, Class 2(f). (SEC. 2)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-11.2

**Summary:** Defines “personal vehicle” as a vehicle that is used by a TNC driver to provide a prearranged ride; that is owned leased or authorized for use by a TNC driver; and that is not a taxicab, a limousine, or another for-hire vehicle. (SEC. 3)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-13.2

**Summary:** Defines “prearranged ride” to mean the provision of transportation by a TNC driver to a TNC rider beginning when the TNC driver accepts a TNC rider’s request for a ride and ending when the last requesting TNC rider departs from the personal vehicle. (SEC. 4)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-13.5

**Summary:** Provides that a personal vehicle driven by a TNC driver is excluded from the definition of a “taxicab.” (SEC. 5)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-16

**Summary:** Defines a “TNC” as an entity that does business in Indiana and uses a digital network to connect TNC riders to TNC drivers to request prearranged rides. (SEC. 6)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-18

**Summary:** Defines a “TNC driver” as an individual who receives connections to potential TNC riders and related services from a TNC in exchange for payment of a fee to the TNC and who uses a personal vehicle to offer or provide prearranged rides to TNC riders upon connection through a digital network controlled by a TNC and in exchange for compensation or payment of a fee. (SEC. 7)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-19

**Summary:** Defines a “TNC rider” as an individual who uses a TNC’s digital network to connect with a TNC driver who provides the individual a prearranged ride in the TNC’s personal vehicle and between points chosen by the individual. (SEC. 8)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-17-20

**Summary:** Provides that registration requirements by the department (under IC 8-2.1-19) do not apply to a personal vehicle operated by a TNC driver. (SEC. 9)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-19-3

**Summary:** Adds a new chapter regulating transportation network companies. Require a TNC to have a permit issued by the department to provide a digital network for connection to prearranged rides in Indiana. Specifies requirements related to: (1) criminal and driving history; (2) drug and alcohol use; (3) vehicle equipment; (4) insurance; (5) fares; (6) privacy; (7) nondiscrimination and accessibility; (8) record maintenance; (9) TNC and TNC driver conduct; and (10) regulation. (SEC. 10)

**Effective Date:** July 1, 2015

**Code:** IC 8-2.1-19.1

### **HEA 1398**

**Summary:** Changes a code cite reference in the income tax for property taxes paid on homesteads in Lake County and adds a provision that allows the supplemental distribution of admissions tax payable to the county to be used to reimburse the general fund for the cost of the credit. (SEC. 4)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-20-7

**Summary:** Provides that CEDIT funds may not be used by Hammond, Gary, East Chicago, and Lake County for transfers required to be made to the Northwest Indiana Regional Development Authority. (SEC. 5)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-7-13.1

#### **HEA 1403**

**Summary:** Corrects a reference within IC 6-3.5-7-28. (SEC. 2)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-28

#### **HEA 1413**

**Summary:** Removes the provision that an aircraft held in inventory for 18 months is no longer considered aircraft inventory and provides that an aircraft that has total time in service exceeding 50 hours is no longer considered in inventory and is subject to registration and all applicable taxes. (SEC. 1)

**Effective Date:** July 1, 2015

**Code:** IC 6-6-6.5-10.6

**Summary:** Provides that a dealer who has had an aircraft reclassified out of the dealer's aircraft inventory because of the 180-day provision may elect to return an aircraft to the dealer's aircraft inventory if it would have qualified under the amendment to IC 6-6-6.5-10.6 and obtain a refund of the registration fees and sales or use taxes that were required to be paid when the statutory reclassification occurred (including penalties and interest), if paid within three years. (SEC. 2)

**Effective Date:** July 1, 2015

**Code:** IC 6-6-6.5-26

#### **HEA 1432**

**Summary:** Adds a requirement that an e-liquid retailer, distributor, and manufacturer that mixes, bottles, or sells e-liquid in Indiana before July 1, 2015 shall obtain a distributor's license from the Department for other tobacco product taxes before July 1, 2016. (SEC. 9)

**Effective Date:** July 1, 2015

**Code:** IC 7.1-7-5-1

#### **HEA 1472**

**Summary:** Defines a "licensed practitioner" for purposes of the sales tax as an individual who is a doctor, dentist, veterinarian, or other practitioner who is licensed to prescribe, dispense, and administer drugs to human beings or animals. (SEC. 5)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-1-21.5

**Summary:** Clarifies the definition of "storage" in the use tax to exclude temporary storage that is defined as storage in Indiana for not more than 180 days with subsequent use solely outside Indiana. (SEC. 6)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-3-1



**Summary:** Eliminates the requirement that a refund claim for utilities consumed in production may not cover transactions that occur more than 36 months before the date of the refund claim. Thus, the statute of limitations for such refunds is the same as other sales tax refunds. (SEC. 7)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-5.1

**Summary:** Amends the sales tax exemption for medical equipment, supplies, and devices to restate the application of the sales tax exemption for medical equipment, supplies, and devices and provides a sales tax exemption for food, food ingredients, and dietary supplements that are sold by a licensed practitioner or pharmacist. (SEC. 8)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-18

**Summary:** Amends the sales tax exemption for drugs, insulin, oxygen, blood, or blood plasma to restate the application of the sales tax exemption. (SEC. 9)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-19

**Summary:** Repeals the sales tax exemption for food and food ingredients prescribed as medically necessary by a physician and reinstates the exemption as food and food ingredients that are sold by a licensed practitioner or pharmacist. (SEC. 10)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-21.5

**Summary:** Expands the definition of “research and development activities” to include the design, refinement, and testing of prototypes of new or improved commercial products before sales have begun for the purpose of determining facts, theories, or principles or for the purpose of increasing scientific knowledge that may lead to new or enhanced products. Expands the items the term does not include to be nontechnical activities, including social sciences, economics, humanities, and psychology. The term also excludes market and sales research; product market testing; the acquisition, investigation, or evaluation of another’s patent, model, process, or product; and providing sales services. Define items that are excluded from research and development property to be heating, cooling, or illumination of office buildings; capital improvements to real property; janitorial services; personnel services or accommodations; inventory-control functions; management or supervisory functions; marketing; training; accounting; or any other function that is incidental to experimental or laboratory research and development. (SEC. 11)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-2.5-5-40

**Summary:** Amends the recycling exemption to exclude any collection of recycling materials from the definition of “recycling,” not limited to collection by licensed motor vehicles. Defines “occupationally engaged in recycling” to engage in recycling with the intention of doing so at a profit. Defines “recycling cart” to be a manually propelled container with a capacity of not more than 100 gallons. Eliminates the double direct test for property acquired to be used in recycling.

Provides that recycling carts are exempt from the sales tax if the purchaser is occupationally engaged in recycling. (SEC. 12)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-5-45.8

**Summary:** Provides specific guidelines on when a retail merchant certificate may be revoked. The reasons include failure to file a return for sales tax or any other trust tax and failure to remit any trust tax. The certificate can also be revoked if the person is charged with any crime under Title 35 or is subject to a court order under IC 7.1-2-6-7 (public nuisance), IC 32-30-6-8 (nuisance actions), IC 32-30-7 (indecent nuisance), or IC 32-30-8 (drug nuisance). The department may revoke a certificate before a criminal adjudication or without a criminal charge being filed. (SEC. 13)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-8-7

**Summary:** Adds manufacturers who have a utility exemption to the list of persons authorized to issue an exemption certificate. A utility that accepts an exemption certificate issued by the department to a person who is exempt from utility purchases is relieved from the duty to collect sales or use tax on the commodity sold until notified by the department that the exemption certificate has expired or has been revoked. If expired or revoked, the utility is required to begin collecting the sales tax within 30 days of the department's notice. An exemption certificate remains valid if there is a one-for-one meter number change and the change was made, initiated, or required by the utility. A utility shall report to the department on a quarterly basis all one-for-one meter changes and distinguish between the one-for-one meter changes and the one-for-multiple meter changes made during the previous calendar year quarter. Any meter number changes that are not one-for-one meter changes will no longer be exempt and will require the person to submit a new utility exemption application for new meters. (SEC. 14)

**Effective Date:** July 1, 2015

**Code:** IC 6-2.5-8-8

**Summary:** Updates the Indiana Code to coincide with the Internal Revenue Code as in effect on Jan. 1, 2015. (SEC. 15)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-1-11

**Summary:** Establishes parameters for notification to the department when there is a federal modification to a taxpayer's income. A modification occurs on the date on which a taxpayer files an amended federal income tax return; a final determination is made concerning an assessment of deficiency; a final determination is made concerning a claim for refund; a taxpayer waives the tax by signing a federal Form 870; a taxpayer enters into a closing agreement with the IRS concerning the taxpayer's liability under Section 7121 of the Internal Revenue Code that is a final determination and the date of the closing agreement is the date the agreement is signed by a representative of the IRS; or a modification or alteration in an amount of tax is otherwise made

that is a final determination. A final determination means an action or a decision by a taxpayer, the IRS, the United States Tax Court, or any other United States federal court concerning any disputed tax issue that is final and conclusive and cannot be reopened or appealed. (SEC. 16)

**Effective Date:** July 1, 2015

**Code:** IC 6-3-4-6

**Summary:** Requires an employer to file Form WH-3 annual withholding tax reports with the department not later than 31 days after the end of the calendar year. Eliminates the provision that a refund to an employee who fails to file the employee's return within 2 years will not be granted. The 3-year statute of limitations will control on the refund of taxes withheld. (SEC. 17)

**Effective Date:** July 1, 2015

**Code:** IC 6-3-4-8

**Summary:** Provides that a pass-through entity is not required to withhold tax or file a composite adjusted gross income tax return for a nonresident member if the entity is a publicly traded partnership; meets the exception for partnerships under Section 7704(c) of the Internal Revenue Code; and has agreed to file an annual information return reporting the name, address, and taxpayer identification number of each unit holder. A partnership is subject to a late payment penalty for failure to file a return, pay the full tax due, or pay the deficiency of withholding taxes due on the balance of any tax due not paid on or before the due date (including extensions) of the return. Defines a "nonresident partner" as an individual who does not reside in Indiana; a trust or an estate that does not reside in Indiana; or a partnership, a C corporation, or an S corporation not domiciled in Indiana. (SEC. 18)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-12

**Summary:** If an S corporation is given an extension of time to file its annual return, it is automatically given an extension to file its withholding return for nonresident shareholders. An S corporation is subject to a late payment penalty for failure to file a return, pay the full tax due, or pay the deficiency of withholding taxes due on the balance of any tax due not paid on or before the due date (including extensions) of the return. Define a "nonresident shareholder" as an individual, a trust, or an estate not residing in Indiana. (SEC. 19)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-13

**Summary:** Requires a trust or an estate to file a composite return on behalf of all nonresident beneficiaries. The composite return must include all nonresident beneficiaries regardless of whether they have other Indiana source income. If a trust or an estate is permitted an extension of time to file its income tax return, then the composite return and payment due shall be allowed the same treatment as the extended income tax return. (SEC. 20)

**Effective Date:** Jan. 1, 2015 (RETROACTIVE)

**Code:** IC 6-3-4-15

**Summary:** Amends the research expense tax credit so that “base amount” and “qualified research” have the same definition as contained in Section 41 of the Internal Revenue Code. (SEC. 21 and 22)

**Effective Date:** Jan. 1, 2016

**Code:** IC 6-3.1-4-1 and IC 6-3.1-4-4

**Summary:** Removes outdated language concerning earned income tax advance payments in the earned income tax credit statute. (SEC. 23 and 24)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-21-6 and IC 6-3.1-21-8

**Summary:** Technical change to add new code cites to the exceptions for the standard CAGIT income tax rate. (SEC. 25)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2

**Summary:** Provides that, when construction of jail facilities are complete and bonds and leases are fully paid, the county adjusted gross income tax rate in Marshall County shall be established at a rate such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities. (SEC. 26)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2.8

**Summary:** Adds a new section to authorize Tipton County to impose an additional county adjusted gross income tax rate of not more than 0.4% for constructing and equipping a jail and related facilities and renovating the county courthouse. (SEC. 27)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.4

**Summary:** Adds a new section to authorize Rush County to impose an additional county adjusted gross income tax rate in the range of 0.15% up to 0.6% to fund a county jail including construction costs, repayment of bonds, and the operation and maintenance of the facility. (SEC. 28)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.7

**Summary:** Excludes Tipton County and Rush County distributions for jail facilities are outside of the regular certified distribution and the portion for certified shares. (SEC. 29 and 30)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-10 and IC 6-3.5-1.1-11

**Summary:** Provides that the maximum combined CAGIT and CEDIT rate in Tipton County may not exceed 1.65%. Provides that the maximum CAGIT and CEDIT rate in Rush County may not exceed 1.85%. Provides that the maximum COIT and CEDIT rate in Greene County may not exceed 1.25%. However, if the COIT and CEDIT rate exceeds 1%, the maximum rate

that may be imposed in the county for public safety purposes is equal to the difference between 0.25% minus the amount by which the COIT and CEDIT rate exceeds 1%. (SEC. 31)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-5

**Summary:** Establishes parameters for notification to the department when there is a federal modification to a taxpayer's income. A modification occurs on the date on which a taxpayer files an amended federal income tax return; a final determination is made concerning an assessment of deficiency; a final determination is made concerning a claim for refund; a taxpayer waives the tax by signing a federal Form 870; a taxpayer enters into a closing agreement with the IRS concerning the taxpayer's liability under Section 7121 of the Internal Revenue Code that is a final determination and the date of the closing agreement is the date the agreement is signed by a representative of the IRS; or a modification or alteration in an amount of tax is otherwise made that is a final determination. A final determination means an action or a decision by a taxpayer, the IRS, the United States Tax Court, or any other United States federal court concerning any disputed tax issue that is final and conclusive and cannot be reopened or appealed. If the federal modification or alteration results in a change in the taxpayer's federal adjusted gross income or income within Indiana, the taxpayer shall file an amended financial institutions tax return and a copy of the amended federal income tax return with the department not later than 180 days after the modification or alteration is made. (SEC. 32)

**Effective Date:** July 1, 2015

**Code:** IC 6-5.5-6-6

**Summary:** Requires the department to enter into an agreement with the fiscal officer of a capital improvement board of managers that is responsible for expenditures of funds from an innkeeper's tax, a food and beverage tax, an admissions tax, the supplemental auto rental excise tax, or the sales taxes allocated to a professional sports development area fund or a sports and convention facilities operating fund to furnish the fiscal officer annually with the name of each business collecting taxes listed above and the amount of money collected from each business. The agreement must include a nondisclosure provision the same as is required for the fiscal officer of a governmental entity that has adopted the taxes. (SEC. 33)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-3-7.1

**Summary:** Provides that the department can deny an application for a motor carrier permit under certain circumstances. (SEC. 34)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-4-5

**Summary:** Eliminates the requirement that a letter of findings must be issued within 60 days after the hearing on the protest. Extends the time frame during which a taxpayer has the right to appeal to the tax court from 60 days to 90 days after a letter of findings is issued or a refund

claim is denied. The 90-day limit can be extended upon agreement of the department and the taxpayer. Changes the time period for the department to issue a demand notice from 45 days to 60 days if the taxpayer does not respond to the proposed assessment. (SEC. 35)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-5-1

**Summary:** Clarifies language in the statute of limitations section concerning when there is a federal modification that affects Indiana income. (SEC. 36)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-5-2

**Summary:** Provides that the department can release information concerning an innkeeper's tax, a food and beverage tax, an admissions tax, the supplemental auto rental excise tax, or any covered taxes distributed to a professional sports development area fund or a sports and convention facilities operating fund. Also allows the department to disclose to a utility a person who is exempt from sales tax for utilities purchased. (SEC. 37)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-7-1

**Summary:** Provides that a tax judgment may be released and a tax warrant expunged if the commissioner determines that the release of the tax judgment and the expungement of the tax warrant are in the best interest of the state. Requires the department to adopt rules to define the circumstances under which a release and an expungement may be granted based on a finding that the release and expungement would be in the best interest of the state. (SEC. 38)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-8-2

**Summary:** Provides that a taxpayer has 60 days from the date of a denial of a refund claim to file a written protest. If a hearing is requested, the department shall notify the person of the time, date, and location of the hearing. After conducting the hearing, the department shall issue a memorandum of decision or an order denying a refund. A person who disagrees with any part of the decision may request a rehearing not more than 30 days after the memorandum of decision or the order denying a refund was issued. The person has up to 90 days to appeal a decision to the Tax Court. The 90-day period can be extended upon agreement of the department and the taxpayer. (SEC. 39)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-9-1

**Summary:** Provides that a refund request will accrue interest from the date the refund claim is filed if it is filed before July 1, 2015. If the refund claim is filed after June 30, 2015, interest will accrue from the latest of the date the tax payment was due; the date the tax was paid; or July 1, 2015. The due date for payment of the sales tax, oil inspection fee, or petroleum severance tax is

December 31 of the calendar year that contains the taxable period for which the payment is remitted. No interest is due on a refund claim before the return for the tax in question is filed. (SEC. 40)

**Effective Date:** July 1, 2015

**Code:** IC 6-8.1-9-2

**Summary:** The department is required to do a study of the department's current information systems, develop a plan for modernizing the department's systems, and submit a report of the study and the plan developed to the budget committee and the legislative council. The report must be completed by Dec. 31, 2016. (SEC. 45)

**Effective Date:** Upon Passage

**Code:** Non Code

### **HEA 1475**

**Summary:** Provides that any county can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief. Provides that if a county has not imposed a public safety LOIT rate on July 1, 2015, the county may adopt a resolution providing that up to 100% of revenue will be dedicated to a PSAP that is part of a statewide 911 system. If a county has imposed a public safety LOIT on July 1, 2015, and the rate is increased after July 1, 2015, the county may adopt a resolution providing that up to 100% of the revenue from the increased rate will be dedicated to a PSAP that is part of a statewide 911 system. (SEC. 2)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-1.1-25

**Summary:** Provides that any county can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief. Provides that if a county has not imposed a public safety LOIT rate on July 1, 2015, the county may adopt a resolution providing that up to 100% of revenue will be dedicated to a PSAP that is part of a statewide 911 system. If a county has imposed a public safety LOIT on July 1, 2015, and the rate is increased after July 1, 2015, the county may adopt a resolution providing that up to 100% of the revenue from the increased rate will be dedicated to a PSAP that is part of a statewide 911 system. (SEC. 3)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-16-31

**Summary:** Provides that the enhanced prepaid wireless charge on each retail transaction is \$1.00. The fee can be increased one time by \$0.10 between July 1, 2015, and June 30, 2020. The telecommunications carrier that provides service to end users is responsible for the enhanced prepaid wireless charge. The provider is required to pay a one-time charge by August 1, 2015. The charge is equal to the product of the enhanced prepaid wireless charge multiplied by the number of unique end users for which the provider received reimbursement from the universal service fund multiplied by the number of months the current service agreement between each end user and the provider has received reimbursement from the universal service fund before Aug. 1, 2015. Beginning Sept. 1, 2015, the charge that the provider is required to remit is the enhanced

prepaid wireless charge multiplied by the number of unique end users for which the provider received reimbursement from the universal service fund in the previous month. (SEC. 4)

**Effective Date:** July 1, 2015

**Code:** IC 36-8-16.6-11

### **HEA 1485**

**Summary:** County adjusted gross income tax (CAGIT) is repealed effective Jan. 1, 2017. (SEC. 1)

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-1.1

**Summary:** Technical change to add a new code cite to the exceptions for the standard CAGIT income tax rate (duplicated by HEA 1472, SEC. 25). (SEC. 2)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-2

**Summary:** Adds a new section to authorize Rush County to adopt an ordinance to impose additional county adjusted gross income tax rate in the range of 0.15% up to 0.6% to fund a county jail including construction costs, repayment of bonds, and the operation and maintenance of the facility (duplicated by HEA 1472, SEC. 28). (SEC. 3)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-3.7

**Summary:** Excludes Rush County distribution for jail facilities that are outside of the regular certified distribution and the portion for certified shares (duplicated by HEA 1472, SEC. 29 and 30). (SEC. 4 and 5)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-1.1-10 and IC 6-3.5-1.1-11

**Summary:** County option income tax (COIT) is repealed effective Jan. 1, 2017. (SEC. 7)

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-6

**Summary:** County economic development income tax (CEDIT) is repealed effective Jan. 1, 2017. (SEC. 8)

**Effective Date:** Jan. 1, 2017

**Code:** IC 6-3.5-7

**Summary:** Provides that the maximum CAGIT and CEDIT rate in Rush County may not exceed 1.85% (duplicated by HEA 1472, SEC. 31). (SEC. 9)

**Effective Date:** Upon Passage

**Code:** IC 6-3.5-7-5

**Summary:** Add a new article to consolidate and simplify the various local income tax laws that are in effect on May 1, 2016, into a uniform law that transitions each county from the former taxes (CAGIT, COIT, and CEDIT) to the tax created in this article. A county may not adopt any



ordinances under a former tax after June 30, 2016, and an adopting body may not take any action under this article before July 1, 2016. The uniform local income tax law is effective Jan. 1, 2017. (SEC. 10)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.6

#### **HEA 1540**

**Summary:** Provides a credit against riverboat wagering taxes for a riverboat located in a historic hotel district. The credit is based on a sliding scale of the riverboat's adjusted gross receipts for the previous fiscal year, starting at 50% of the taxes otherwise due if the riverboat has not more than \$60,000,000 in adjusted gross receipts for the previous fiscal year and decreasing to zero if the adjusted gross receipts for the previous fiscal year are greater than \$80,000,000. Amounts claimed as a credit must be used for maintenance or operation of a historic hotel and surrounding grounds and facilities. (SEC. 17)

**Effective Date:** July 1, 2015

**Code:** IC 4-33-13-1.7

**Summary:** Reduces the percentage of adjusted gross receipts subject to slot machine wagering tax from 91% to 88%, applicable to casinos located on a racetrack's premises. (SEC. 43)

**Effective Date:** July 1, 2015

**Code:** IC 4-35-8-1

**Summary:** Changes a code cite reference in the income tax for property taxes paid on homesteads in Lake County (duplicated by HEA 1398, SEC. 4). (SEC. 59)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.1-20-7

**Summary:** Provides that Orange County can impose a public safety LOIT without having to impose a tax rate for a levy freeze and property tax relief. (SEC. 60)

**Effective Date:** July 1, 2015

**Code:** IC 6-3.5-1.1-25

**Summary:** Provides for a food and beverage tax of 2% in Orange County. The tax is imposed only on food and beverage items served in an historic hotel resort including a riverboat and other properties operated in conjunction with the historic hotel, including golf courses. The amounts received from the tax shall be distributed monthly to the West Baden Springs Historic Hotel Preservation and Maintenance Fund. If Orange County has another food and beverage tax levied in all or any part of the county, the other food and beverage tax does not apply to facilities where the 2% tax is imposed. (SEC. 61)

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45.5

**Summary:** Provides for an innkeeper's tax in Orange County at an historic hotel regardless of whether the county already imposes a tax on the same transactions. The tax is levied at a rate of 2% on the gross retail income derived from lodging. The amounts received from the tax shall be distributed monthly to the West Baden Springs Historic Hotel Preservation and Maintenance

Fund. If the tax rate at which another innkeeper's tax is imposed is increased after Dec. 31, 2014, above the rate in effect on Jan. 1, 2015, the additional tax rate does not apply to the historic hotel. (SEC. 62)

**Effective Date:** July 1, 2015

**Code:** IC 6-9-45.6