

**INDIANA DEPARTMENT OF REVENUE
DEPARTMENTAL NOTICE #26
MARCH, 2008**

**Transition of the Indiana Sales Tax Increase
Effective for Transactions Occurring After
March 31, 2008**

This document does not meet the definition of a “statement” required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this Notice is to provide general information about the transition of the sales tax and the applicable rate to be applied when the rate increases from six percent (6%) to seven percent (7%) on April 1, 2008.

HEA 1001, SECTION 845 provides transitional language for transactions subject to the sales tax. The language outlines the time and circumstances under which a registered retail merchant will collect the seven percent (7%) sales tax effective April 1, 2008.

Utility and Related Transactions: Services constituting the furnishing of public utility, telephone and related services, or cable television services and commodities, and satellite television services and commodities will only be billed for the seven percent (7%) sales tax for original statements and billings that are dated after **April 30, 2008**.

Other Retail Transactions:

A. Sales subject to 6% tax rate occur when:

1. The agreement (sales order), payment (in full) and delivery occur prior to April 1, 2008;

2. The agreement (sales order) and payment (in full) occur prior to April 1, 2008.

B. Sales subject to 7% tax rate occur when:

1. The agreement (sales order), payment and delivery all occur after March 31, 2008; or

2. The payment and delivery occur after March 31, 2008.

3. For contracts and ongoing purchases or leases, payment transactions made after March 31, 2008, will be subject to the seven percent (7%) rate.

Retail establishments: Retail establishments transacting business on March 31, 2008 at midnight, are required to collect the seven percent (7%) sales tax beginning at 12:01 AM, April 1, 2008.

A handwritten signature in black ink that reads "John Eckart". The signature is written in a cursive style with a large, looping initial "J".

John Eckart
Commissioner