



# 2019 Indiana Legislative Update



# Welcome Message



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Hello, and welcome to KSM's annual Legislative Update. In the pages that follow, you'll find detail after detail about what legislative actions the 2019 Indiana General Assembly took in the world of tax and economic development. For example:

- Is Indiana moving to market-based sourcing for services? It is!
- Did Indiana pass marketplace facilitator provisions that will impact companies that have to collect and remit sales tax? It did!
- Were additional tweaks made to how federal tax reform affects Indiana? They were!
- Did Indiana really raise the small business property tax exemption from \$20,000 to \$40,000? I know!

These changes and more are covered in painstaking detail by our crack legislative and tax team. Find out what happened this session, when the new laws become effective, and who you can contact within the world of KSM to find out more about how these legislative changes might affect your business, community, or maybe even you personally.

Happy reading!



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# Sales and Use Tax

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**Affected Code Section: Ind. Code § 6-2.5-1-19.5 (deletion)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 105**

**Explanation:** Deletes the definition of “facilitator.”

**Affected Code Section: Ind. Code § 6-2.5-1-21.7 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 106**

**Explanation:** Adds definition of “marketplace” to mean forum, whether physical or electronic, that a marketplace facilitator uses to connect sellers to purchasers for the purpose of making retail transactions involving a seller’s products (including tangible personal property, specified digital products, rooms, lodgings, or accommodations, or enumerated services), by means of any of the following: (1) Listing, making available, or advertising products; (2) transmitting or otherwise communicating an offer or acceptance of a retail transaction of products between a seller and a purchaser; (3) providing or offering fulfillment or storage services for a seller; (4) setting prices for a seller’s sale of the seller’s products; (5) providing or offering customer service to a seller or a seller’s customers, or accepting or assisting with taking orders, returns, or exchanges of products sold by a seller; or (6) branding sales as those of the marketplace facilitator.

**Application Note:** *There are six different ways one can meet the definition of marketplace. It is not contained to online sales and is not just applicable to large, third-party platforms like Amazon.*

**Affected Code Section: Ind. Code § 6-2.5-1-21.9 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 107**

**Explanation:** Adds definition of “marketplace facilitator” to mean a person, including any affiliate (as determined by the relationship standards in section 267(b) of the Internal Revenue Code) of the person who: owns, operates, or otherwise controls a marketplace and facilitates a retail transaction pursuant to Ind. Code § 6-2.5-4-18. Provides that “marketplace facilitator” does not include a payment processor business that is appointed by a merchant to handle payment transactions from various channels, including credit cards and debit cards,

and whose sole activity with respect to marketplace sales is to handle payment transactions between two parties.

**Application Note:** *It is not enough to merely provide the platform; a person must also meet the second test in order to meet the definition of marketplace facilitator.*

**Affected Code Section:** Ind. Code § 6-2.5-2-1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 108

**Explanation:** Provides that a marketplace facilitator must include both transactions made on its own behalf and transactions facilitated for sellers under new Ind. Code § 6-2.5-4-18 for purposes of determining whether the marketplace facilitator has established economic nexus without having a physical presence in Indiana. Provides that except in instances where the marketplace facilitator has not met Indiana's economic nexus thresholds, the transactions of the seller made through the marketplace are not counted toward the seller's total transactions for purposes of determining whether the seller has established economic nexus without having a physical presence in Indiana.

**Application Note:** *If a seller sells through multiple channels, the seller will need to track sales by channel for purposes of determining its own nexus in Indiana.*

**Affected Code Section:** Ind. Code § 6-2.5-4-4 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 109

**Explanation:** Removes definition of a facilitator as a retail merchant making a retail transaction when the facilitator accepts payment from the consumer for a room, lodging, or accommodation rented or furnished in Indiana. Provides that the gross retail income derived from a transaction involving the rental of rooms, lodgings, or other accommodations is equal to the total amount of consideration paid by the purchaser, including the payment of any fee (including a facilitation fee), commission, or other charge by the retail merchant (including a marketplace facilitator), except that the gross retail income does not include any taxes on the transaction that are imposed directly on the consumer. Provides that a marketplace facilitator who is considered a retail merchant under new Ind. Code § 6-2.5-4-18 for a transaction involving the rental of rooms, lodgings, or other accommodations shall also collect and remit local innkeeper's taxes on the retail transaction, if applicable.

**Affected Code Section:** Ind. Code § 6-2.5-4-4.2 (deletion)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 110

**Explanation:** Deletes the provision requiring a person or facilitator who furnishes or rents rooms, lodgings, or accommodations to provide an itemized statement showing the amount that is charged for renting or furnishing the room, lodging, or accommodations, the state gross retail or

use tax and any innkeeper's tax collected, as well as any part of the charge that is a fee, commission, or other charge of a facilitator. Deletes the provision for a \$25 penalty for failure to separately state such information.

**Affected Code Section:** Ind. Code § 6-2.5-4-10 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 111

**Explanation:** Provides that the sharing of passenger motor vehicles and trucks through a peer-to-peer vehicle sharing program, as defined by new Ind. Code § 24-4-9.2-4, is a retail transaction subject to the gross retail sales tax.

**Affected Code Section:** Ind. Code § 6-2.5-4-18 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 112

**Explanation:** Provides that a marketplace facilitator shall be considered the retail merchant of each retail transaction that is facilitated for sellers on its marketplace when it does any of the following on behalf of the seller: (1) Collects the sales price or purchase price of the seller's products; (2) provides access to payment processing services, either directly or indirectly; or (3) charges, collects, or otherwise receives fees or other consideration for transactions made on its electronic marketplace. Provides that regardless of whether a transaction was made by the marketplace facilitator on its own behalf or facilitated on behalf of a seller, a marketplace facilitator is required to collect and remit the gross retail tax, even if a seller for whom a transaction was facilitated does not have an Indiana registered retail merchant certificate or would not have been required to collect gross retail tax had the transaction not been facilitated by the marketplace facilitator. Provides that the marketplace facilitator is also required to comply with all applicable procedures and requirements imposed as the retail merchant in such a transaction. Provides that the gross retail income from a transaction facilitated by a marketplace facilitator is equal to the total amount of consideration paid by the purchaser, including the payment of any fee, commission, or other charge by the marketplace facilitator, except any taxes on the transaction that are imposed directly on the consumer other than special fuel and tobacco or cigarette taxes under Ind. Code § 6-2.5-4-1(f)(2).

**Application Note:** *By creating a marketplace facilitator law, Indiana may have substantially shifted the collection point of Indiana sales tax and responsibility for filing sales and use tax returns.*

**Affected Code Section:** Ind. Code § 6-2.5-5-8 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 113

**Explanation:** Provides that the purchase of a new motor vehicle for rental or leasing in the ordinary course of the person's business as a rental company, as defined under new Ind. Code § 24-4-9-7, is exempt from the state gross retail

*Continued on page 18. See "Sales and Use Tax."*



# Income Tax

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**Affected Code Section: Ind. Code § 6-3-1-3.5 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 7**

**Explanation:** Modifies the definition of “adjusted gross income” for individuals by starting with federal adjusted gross income and then adding or subtracting an amount necessary to make the adjusted gross income of an individual who placed section 179 property in service equal to the adjusted gross income that would have been computed had an election for federal income tax purposes not been made to take deductions under Section 179 of the Internal Revenue Code (IRC) in a total amount exceeding the sum of (A) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in clause (B) plus (B) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this calculation may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Modifies the definition of “adjusted gross income” for individuals by starting with federal adjusted gross income and then subtracting the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

Modifies the definition of “taxable income” for corporations by starting with federal taxable income and then adding or subtracting an amount necessary to make the adjusted gross income of an individual who placed IRC § 179 property in service equal to the adjusted gross income that would have been computed had an election for federal income tax purposes not been made to take deductions under IRC § 179 in a total amount exceeding the sum of (A) \$25,000 to

the extent deductions under IRC § 179 were not elected as provided in clause (B), plus (B) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this calculation may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides that for purposes of calculating taxable income for corporations, any directly related interest expense that constitutes business interest within the meaning of IRC § 163(j) shall be considered to have reduced the taxpayer's federal taxable income only in the first taxable year in which the deduction otherwise would have been allowable under IRC § 163 if the limitation under IRC § 163(j) did not exist. Deletes references to the calculation of the amount of interest that was considered to have reduced the corporation's adjusted gross income.

Provides that for a corporation other than a real estate investment trust and for taxable years after Dec. 25, 2016, the corporation is required to add back the amount deducted under IRC § 965(c) if the taxpayer deducted an amount under IRC § 965(c) in determining the taxpayer's taxable income for purposes of the federal income tax.

Modifies the definition of "taxable income" for corporations by starting with federal taxable income and then subtracting the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

Modifies the definition of "taxable income" for life insurance companies by starting with federal life insurance company taxable income and then adding or subtracting an amount necessary to make the adjusted gross income of an individual who placed IRC § 179 property in service equal to the adjusted gross income that would have been computed had an election for federal income tax purposes not been made to take deductions under IRC § 179 in a total amount exceeding the sum of (A) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in clause (B) plus (B) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions

allowable for an item of property under this calculation may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides that for life insurance companies and taxable years after Dec. 25, 2016, the life insurance company is required to add back the amount deducted under IRC § 965(c) if the taxpayer deducted an amount under IRC § 965(c) in determining the taxpayer's taxable income for purposes of the federal income tax.

Modifies the definition of "taxable income" for life insurance companies by starting with federal life insurance company taxable income and then subtracting the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

Modifies the definition of "taxable income" for insurance companies by starting with federal taxable income and then adding or subtracting an amount necessary to make the adjusted gross income of an individual who placed IRC § 179 property in service equal to the adjusted gross income that would have been computed had an election for federal income tax purposes not been made to take deductions under IRC § 179 in a total amount exceeding the sum of (A) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in clause (B) plus (B) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this calculation may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides that for an insurance company other than a real estate investment trust and for taxable years after Dec. 25, 2016, the corporation is required to add back the amount deducted under IRC § 965(c) if the taxpayer deducted an amount under IRC § 965(c) in determining the taxpayer's taxable income for purposes of the federal income tax.

Modifies the definition of "taxable income" for insurance companies by starting with federal insurance company taxable income and then subtracting the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

Modifies the definition of "taxable income" for trusts and estates by starting with federal taxable income and then adding or subtracting an amount necessary to make the

*Continued on page 21. See "Income Tax."*

# Economic Development and Tax Credits

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### **Affected Code Section: Ind. Code § 2-5-3.2-1 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 171 § 1**

**Explanation:** Provides that the Legislative Services Agency's review, analysis, and evaluation of tax incentives will occur every seven years instead of every five years.

### **Affected Code Section: Ind. Code § 4-3-27-2.3 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 1**

**Explanation:** Defines "fund" as the Career Coaching Grant Fund.

### **Affected Code Section: Ind. Code § 4-3-27-3 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 2**

**Explanation:** Provides that the governor's workforce cabinet will not only advise the governor, but will advise the General Assembly, Commission for Higher Education, and State Board of Education as part of its duties. Provides that the governor's workforce cabinet shall conduct a systematic and comprehensive review, analysis, and evaluation of whether Indiana's primary, secondary, and postsecondary education systems are aligned with employer needs and whether Indiana's students and workforce are prepared for success in the 21st-century economy. Provides that the governor's workforce cabinet shall also create a comprehensive strategic plan to ensure alignment between Indiana's primary, secondary, and postsecondary education systems with Indiana's workforce training programs and employer needs.

### **Affected Code Section: Ind. Code § 4-3-27-3 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 607 § 1**

**Explanation:** Provides that the governor's workforce cabinet shall administer the new Workforce Diploma Reimbursement Program.

### **Affected Code Section: Ind. Code § 4-3-27-5 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 3**



**Explanation:** Increases the number of members on the governor's workforce cabinet from 21 to 23. Adds to the governor's workforce cabinet a member of the Indiana house of representatives who serves as a non-voting member and a member of the Indiana senate who serves as a non-voting member.

**Affected Code Section: Ind. Code § 4-3-27-6 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 4**

**Explanation:** Clarifies the term of years and replacement of members for those which are appointed by the governor to the governor's workforce cabinet.

**Affected Code Section: Ind. Code § 4-3-27-9 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 5**

**Explanation:** Provides that the governor's workforce cabinet meetings and advisory committee's meetings are now subject to Indiana's open door law.

**Affected Code Section: Ind. Code § 4-3-27-11 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 6**

**Explanation:** Deletes the requirement that the governor's workforce cabinet, no later than July 30, 2018, submit to the governor and legislative council a progress report concerning the cabinet's activities through June 30, 2019, to develop the comprehensive career navigation and coaching system. Provides that no later than July 1, 2019, the governor's workforce cabinet shall submit to the governor, Commission for Higher Education, the State Board of Education, and the General Assembly operating and funding recommendations to implement the comprehensive career navigation and coaching system.

**Application Note:** Extends the deadline for the governor's workforce cabinet to make its report to July 1, 2019.

**Affected Code Section: Ind. Code § 4-3-27-15 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 7**

**Explanation:** Establishes the Career Coaching Grant Fund for the purpose of providing grants to an eligible entity to implement specific programs. Provides that the fund will consist of appropriations made by the General Assembly and gifts, grants, devises, or bequests made to the governor's workforce cabinet to achieve the purposes of the fund. Provides that money in the career coaching grant fund at the end of the year does not revert to the state general fund.

**Affected Code Section: Ind. Code § 4-3-27-16 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1002 § 8**

**Explanation:** Defines "eligible entity" for the purposes of the Career Coaching Grant Fund as either (1) a group of local employers, educators, and community leaders, or (2) an industry credentialing organization certified under newly added Ind. Code Chapter 20-47-6 for the purpose of establishing and operating a career counseling program for students. Provides that the governor's workforce cabinet may award grants to an eligible entity to establish or implement a career coaching model. Provides that the governor's workforce cabinet shall establish eligibility requirements and parameters for an eligible entity to receive a grant. Provides also that to the extent possible, the governor's workforce cabinet must award grants under this section to eligible entities located in geographically diverse communities, which must include rural, suburban, and urban communities. Provides that to receive a grant, an eligible entity must apply to the cabinet in the manner prescribed by the cabinet. Provides additionally that not later than Dec. 1, 2019, and each Dec. 1 thereafter, the cabinet shall submit a report to the governor and the general assembly that describes the grants awarded from the career coaching grant fund. Allows the governor's workforce cabinet to establish administrative rules to implement this program.

**Affected Code Section: Ind. Code § 4-4-9.7-9 (amendment)**

**Effective Date: Upon Passage**

**Enacted By: Senate Bill 460 § 1**

**Explanation:** Provides that the Rural Economic Development Fund will no longer be used to award grants under Ind. Code Chapter 4-4-38 (Broadband Grants for Unserved Areas).

**Affected Code Section: Ind. Code § 4-4-37-3 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 191 § 1**

**Explanation:** Adds a nonprofit organization or nonprofit corporation to the definition of "person" for purposes of the Historic Preservation and Rehabilitation Grant Program.

**Affected Code Section: Ind. Code § 4-4-37-7 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 191 § 2**

**Explanation:** Increases the maximum amount of a Historic Preservation and Rehabilitation Grant from 35% to 50% of qualified expenditures.

**Affected Code Section: Ind. Code § 4-4-37-8 (amendment)**

**Effective Date: July 1, 2019**

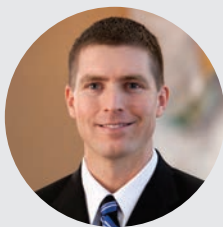
**Enacted By: Senate Bill 191 § 3**

**Explanation:** Amends the requirements of the Historic Preservation and Rehabilitation Grant to provide that if the person is a nonprofit organization or nonprofit corporation, the historic property must be used by the nonprofit organization or nonprofit corporation for the organization's or corporation's purposes and functions. Further amends the requirements of the Historic Preservation and Rehabilitation

*Continued on page 28. See "Economic Development and Tax Credits."*

# Property Tax

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### **Affected Code Section: Ind. Code § 6-1.1-2-7 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 565 § 1**

**Explanation:** Clarifies that for an assessment date after Dec. 31, 2018, heavy rental equipment that is rented or held in inventory for rental or sale, the rental of which is or would be subject to the heavy equipment rental excise tax provisions, except that a rentee that is exempt under Ind. Code § 6-6-15-4(a)(3) from such excise tax shall be subject to the personal property tax provisions of the Ind. Code.

### **Affected Code Section: Ind. Code § 6-1.1-3-2.5 (addition)**

**Effective Date: Upon Passage**

**Enacted By: House Bill 1427 § 12**

**Explanation:** Provides for a special treatment for a like-kind exchange of depreciable personal property for which the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code (IRC) in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or IRC § 1031 currently in effect, and the taxpayer made an election to take deductions under IRC § 179 or IRC § 168(k) with regard to the acquired property in the year that the property was placed into service. Provides that in determining the cost of such depreciable personal property that is used to determine the value of the depreciable personal property subject to an assessment, the acquisition cost of the depreciable personal property acquired in the like-kind exchange shall be reported as the net book value of the depreciable personal property traded in, plus any cash boot added to the exchange, as if the exchange was eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017.

### **Affected Code Section: Ind. Code § 6-1.1-3-6 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 233 § 1**

**Explanation:** Provides that instead of furnishing a personal property tax return, the appropriate township assessor, or the county assessor if there is no township assessor for the township, shall provide notification to each person whose personal property is subject to assessment for that year no later than 30 days before the filing date. Provides that the



notification must include the date that personal property tax returns are due, the telephone number and email address of the assessor's office, and instruction to the taxpayer on how to obtain the appropriate personal property tax forms. Provides that the notification must be sent by mail unless the taxpayer consents to receiving it by electronic mail.

**Affected Code Section: Ind. Code § 6-1.1-3-7 (amendment)**  
**Effective Date: July 1, 2019**

**Enacted By: House Bill 1001 § 101**

**Explanation:** Provides that a taxpayer shall, on or before the filing date of each year file a personal property tax return, and, after 2020, the taxpayer may file the return with the personal property online submission portal developed and maintained by the Department of Local Government Finance under Ind. Code § 6-1.1-3-26.

**Application Note:** *This will be an optional online filing and will not be required.*

**Affected Code Section: Ind. Code § 6-1.1-3-7.2 (amendment)**  
**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 233 § 2**

**Explanation:** Increases the exemption from property tax for business personal property from \$20,000 to \$40,000 based on the acquisition cost. Provides that taxpayers eligible for this exemption must file a property tax return by deleting the option to file a certification of the taxpayer's eligibility for the exemption in the place of a personal property tax return. Requires such taxpayers to include on their personal property tax return: (1) a declaration that the taxpayer's business personal property in the county is exempt from property taxation; (2) whether the taxpayer's business personal property within the county is in one location or multiple locations; and (3) an address for the location of the property. Provides that if the business personal property is in multiple locations within a county, the taxpayer shall provide an address for the location where the sum of acquisition costs for business personal property is greatest. If two or more addresses contain the greatest equivalent sum, the taxpayer shall choose only one address to list on the return.

**Application Note:** *This will extend the personal property tax exemption to additional businesses.*

**Affected Code Section: Ind. Code § 6-1.1-3-7.3 (deletion)**  
**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 233 § 3**

**Explanation:** Repeals the provision permitting county fiscal bodies to impose a local service fee on each person that files a personal property tax return indicating that the person is exempt from property tax or a certification of the taxpayer's eligibility for the property tax exemption because the taxpayer's business personal property in a county is exempt from taxation.

**Affected Code Section: Ind. Code § 6-1.1-3-26 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1001 § 102**

**Explanation:** Provides that the Department of Local Government Finance, in collaboration with county assessors, shall develop and maintain a personal property online submission portal through which a taxpayer is able to submit information through a single point of contact to accomplish the following tasks: (1) completing and submitting a personal property return with the assessor of each township in which the taxpayer's personal property is subject to assessment or the county assessor if there is no township assessor for a township in which the taxpayer's personal property is subject to assessment; (2) filing a complete disclosure of all information required by the department that is related to the value, nature, or location of personal property that the taxpayer owned or that the taxpayer held, possessed, or controlled on the assessment date of that year; (3) reviewing information submitted with a personal property return during previous years; (4) calculating the payment for any fee to be included with the tax statement that must be paid to the Department of Local Government Finance for a taxpayer to submit a personal property return. Provides that the department shall make the portal available for taxpayer use no later than Jan. 1, 2021.

**Affected Code Section: Ind. Code § 6-1.1-3-27 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1001 § 103**

**Explanation:** Provides that the Department of Local Government Finance shall adopt rules to set a fee for the submission of a personal property return using the personal property online submission portal. Requires a person filing a personal property return using the online portal to pay the fee set by the department of local government finance.

**Affected Code Section: Ind. Code § 6-1.1-3-28 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1001 § 104**

**Explanation:** Establishes the personal property online submission portal fund for the purpose of receiving fees for filing personal property returns through the online portal and provides that the fund shall be administered by the Department of Local Government Finance.

**Affected Code Section: Ind. Code § 6-1.1-4-12 (amendment)**

**Effective Date: Jan. 1, 2020**

**Enacted By: House Bill 1427 § 13**

**Explanation:** Provides that for purposes of the requirement that land in inventory held by a for-profit developer to be assessed as agricultural use and at the agricultural land base rate applies only to land in inventory that a for-profit land developer acquires from a: (1) school corporation; or (2) local unit of government, but only if the local unit of government acquired the land in a tax sale procedure under Ind. Code

*Continued on page 41. See "Property Tax."*

# Other Taxes

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**Affected Code Section:** Ind. Code § 4-31-2-5.8 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 1

**Explanation:** Defines “e-sports” as a single or multiplayer video game played competitively, typically by professional gamers.

**Affected Code Section:** Ind. Code § 4-31-2-20.9 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 2

**Explanation:** Defines “sports wagering” as wagering conducted under new Ind. Code Article 4-38 (Sports Wagering) on athletic and sporting events involving human competitors and does not include pari-mutuel wagering on horse racing or wagering on e-sports.

**Affected Code Section:** Ind. Code § 4-33-2-2 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 4

**Explanation:** Amends the definition of “adjusted gross receipts” for purposes of riverboat gambling by excluding from its definition the amounts received from sports wagering conducted by a licensee or operating agent under new Ind. Code Article 4-38 (Sports Wagering).

**Affected Code Section:** Ind. Code § 4-33-2-17.7 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 6

**Explanation:** Defines “sports wagering” as wagering conducted under new Ind. Code Article 4-38 on athletic and sporting events involving human competitors excluding money spent to participate in paid fantasy sports or wagering on e-sports.

**Affected Code Section:** Ind. Code § 4-33-12-0.5 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 22

**Explanation:** Provides that the Ind. Code Chapter governing admissions taxes does not apply to sports wagering conducted at a riverboat.



**Affected Code Section: Ind. Code § 4-33-12-0.7 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 23**

**Explanation:** Provides that adjusted gross receipts received by two riverboats operated by the licensed owner in accordance with Ind. Code § 4-33-6-1(d) must be taxed separately under this chapter regardless of the fact that the riverboats are operated under a single license. Provides that this provision applies to a state fiscal year ending before July 1, 2025. Provides for the calculation of the licensed owner's tax liability. Provides that for state fiscal years beginning after June 30, 2025, adjusted gross receipts received by a riverboat sited at a location approved under Ind. Code § 4-33-6-4.5 are subject to taxation as adjusted gross receipts received from a single riverboat.

**Affected Code Section: Ind. Code § 4-33-12-1.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 24**

**Explanation:** Provides that the supplemental wagering tax liability of a licensed owner operating an inland casino in Vigo County is equal to 2.9% of the riverboat's adjusted gross receipts for the day.

**Affected Code Section: Ind. Code § 4-33-13-0.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 28**

**Explanation:** Provides that the Ind. Code Chapter governing wagering taxes does not apply to sports wagering conducted under new Ind. Code Article 4-38 (Sports Wagering).

**Affected Code Section: Ind. Code § 4-33-13-0.7 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 29**

**Explanation:** Provides that adjusted gross receipts received by two riverboats operated by the licensed owner in accordance with Ind. Code § 4-33-6-1(d) must be taxed separately for purposes of the wagering tax regardless of the fact that the riverboats are operated under a single license. Provides that this requirement applies to a state fiscal year ending before July 1, 2025. Provides further that for state fiscal years beginning after June 30, 2025, adjusted gross receipts received by a riverboat sited at a location approved under Ind. Code § 4-33-6-4.5 are subject to taxation under this chapter as adjusted gross receipts received from a single riverboat.

**Affected Code Section: Ind. Code § 4-33-13-1.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 30**

**Explanation:** Adjusts the wagering tax rate on the first \$25,000,000 in adjusted gross receipts received from gambling games from 15% to 10% for state fiscal years beginning after June 30, 2021, for riverboats that receive

more than \$75,000,000 in adjusted gross receipts during the preceding state fiscal year. Adjusts the wagering tax rate as follows for riverboats that receive less than \$75,000,000 in adjusted gross receipts during the preceding state fiscal year: from 5% to 2.5% for state fiscal years beginning after June 30, 2021 on the first \$25,000,000 of adjusted gross receipts, from 20% to 10% for state fiscal years beginning after June 30, 2021, on the adjusted gross receipts between \$25,000,000 and \$50,000,000 of adjusted gross receipts, from 25% to 20% for state fiscal years beginning after June 30, 2021, on the adjusted gross receipts between \$50,000,000 and \$75,000,000.

**Affected Code Section: Ind. Code § 4-33-13-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 33**

**Explanation:** Increases the amount of allowed deduction that can be taken by a riverboat for adjusted gross receipts attributable to qualified wagering in a state fiscal year to \$9,000,000 beginning after June 30, 2021.

**Affected Code Section: Ind. Code § 4-35-2-2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 35**

**Explanation:** Modifies the definition of "adjusted gross receipts" for purposes of gambling games at racetracks to exclude amounts received from sports wagering conducted by a license under new Ind. Code Article 4-38 (Sports Wagering).

**Affected Code Section: Ind. Code § 4-35-2-5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 36**

**Explanation:** Modifies the definition of "gambling games" for purposes of gambling games at racetracks to exclude amounts received from sports wagering conducted under new Ind. Code Article 4-38 (Sports Wagering).

**Affected Code Section: Ind. Code § 4-35-8-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 38**

**Explanation:** Reduces the slot machine wagering tax rate on adjusted gross receipts received over \$100,000,000 to 30% beginning after June 30, 2021.

**Affected Code Section: Ind. Code § 4-35-8-5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1015 § 39**

**Explanation:** Increases the amount of allowed deduction that can be taken by a riverboat for adjusted gross receipts attributable to qualified wagering in a state fiscal year to \$9,000,000 beginning after June 30, 2021.

*Continued on page 50. See "Other Taxes."*

# Local Taxation

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**Affected Code Section:** Ind. Code § 6-3.5-4-0.5 (addition); Ind. Code § 6-3.5-5-0.5 (addition); Ind. Code § 6-3.5-10-0.5 (addition); Ind. Code § 6-3.5-11-0.5 (addition)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 1, 9, 13, 19

**Explanation:** Provides that for purposes of a county vehicle excise tax, a municipal vehicle excise tax, a county wheel tax, and a municipal wheel tax ordinance (ordinance) adopted and in effect on Jan. 1, 2020, an adopting entity is not required to amend the ordinance as a result of amendments to this chapter concerning vehicle type or weight class for purposes of determining vehicles that are subject to the tax imposed by the ordinance. Provides instead that the bureau of motor vehicles shall apply an ordinance as if it is in compliance with this chapter concerning vehicle type or weight class for purposes of determining vehicles that are subject to tax imposed by the ordinance.

**Affected Code Section:** Ind. Code § 6-3.5-4-2 (amendment); Ind. Code § 6-3.5-10-2 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 2, 14

**Explanation:** Replaces descriptions of specific vehicles subject to the county vehicle excise tax and the municipal vehicle excise tax with references to vehicles that are subject to the vehicle excise tax imposed by Ind. Code Chapter 6-6-5. Provides that if the county or municipal vehicle excise tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the excise tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section:** Ind. Code § 6-3.5-4-7.3 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 § 7

**Explanation:** Provides that the tax base for purposes of calculating the county motor vehicle excise tax equals the amount assessed under Ind. Code § 6-6-5-3.5. Provides a schedule to be used to determine tax base for a vehicle that is not described in Ind. Code § 6-6-5-3.5.



**Affected Code Section:** Ind. Code § 6-3.5-4-7.4 (amendment);  
Ind. Code § 6-3.5-10-8 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 8, 18

**Explanation:** Provides that an owner of a vehicle subject to the county vehicle excise tax or municipal vehicle excise tax who otherwise disposes the vehicle, as opposed to only selling the vehicle, is entitled to a credit if the vehicle is disposed of in the year in which the owner has paid the county vehicle excise tax or municipal vehicle excise tax. Provides that the owner of a vehicle who moves out of state in a year in which the owner has paid the county vehicle excise tax or municipal vehicle excise tax is entitled to receive a refund that is calculated in the same manner and subject to the same requirements as the credit for the excise tax under Ind. Code § 6-6-5-7.4.

**Affected Code Section:** Ind. Code § 6-3.5-5-2 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 § 10

**Explanation:** Provides that if the county wheel tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the wheel tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section:** Ind. Code § 6-3.5-5-3 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 § 11

**Explanation:** Limits the county wheel tax to trailers with a declared gross weight of more than 9,000 pounds and trucks and tractors with a declared gross weight of more than 11,000 pounds.

**Affected Code Section:** Ind. Code § 6-3.5-11-2 (amendment);  
Ind. Code § 6-6-5-2 (amendment); Ind. Code § 6-6-5.1-10  
(amendment); Ind. Code § 6-6-5.5-3 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 20, 23, 24, 25

**Explanation:** Provides that if the municipal wheel tax, the motor vehicle excise tax, the excise tax on recreational vehicles and truck campers, or the commercial vehicle excise tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the wheel tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section:** Ind. Code § 6-3.5-11-3 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 § 21

**Explanation:** Limits the county wheel tax to trailers with a declared gross weight of more than 9,000 pounds and trucks and tractors with a declared gross weight of more than 11,000 pounds.

**Affected Code Section:** Ind. Code § 6-6-9-8 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 125

**Explanation:** Provides that the sharing of a passenger motor vehicle or truck through a peer-to-peer vehicle sharing program, as defined in Ind. Code § 24-4-9.2-4 is exempt from the auto rental excise tax.

**Affected Code Section:** Ind. Code § 6-6-9.5-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 126

**Explanation:** Provides that the Vanderburg County supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles through a peer to peer vehicle sharing program as defined in Ind. Code § 24-4-9.2-4 in the county unless the legislative body of the most populous city in the county adopts an ordinance to impose the tax. Provides that such legislative body may adopt an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles registered in the county through a peer to peer vehicle sharing program. Provides that the amount of the tax is equal to the gross retail income received by the peer-to-peer vehicle sharing program from sharing the passenger motor vehicle multiplied by one percent. Provides that the ordinance must specify that the ordinance expires Dec. 31, 2036.

**Affected Code Section:** Ind. Code § 6-6-9.7-7 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 4

**Explanation:** Extends the time period for the imposition of a 2% increase in the Marion County supplemental auto rental excise tax from Feb. 28, 2023, to Dec. 31, 2040.

**Affected Code Section:** Ind. Code § 6-6-9.7-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 1001 § 127

**Explanation:** Provides that the Marion County supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles or trucks through a peer to peer vehicle sharing program as defined in Ind. Code § 24-4-9.2-4 in the county unless the city-county council adopts an ordinance, by a majority of the members, to impose the tax. Provides that such legislative body may adopt an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles or trucks registered in the county through a peer to peer vehicle sharing program. Provides that the amount of the tax is equal to the gross retail income received by the peer to peer vehicle sharing program for the sharing of the passenger motor vehicle or truck multiplied by one percent. Provides that the ordinance must specify that the ordinance expires Dec. 31, 2037.

**Affected Code Section:** Ind. Code § 6-6-11-8 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 § 26

*Continued on page 56. See "Local Taxation."*

# Tax Administration

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**Affected Code Section: Ind. Code § 4-6-3-2.4 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 54**

**Explanation:** Provides that in certain circumstances, the attorney general may not agree to a settlement agreement on behalf of the state of Indiana or a state agency unless the settlement agreement includes language specifying that all settlement funds may be used for any purpose allowable under Indiana law. Provides that the attorney general may agree to a settlement requiring settlement funds to be used for the specific purpose set forth in the settlement agreement if a federal statute, a federal regulation, a court having jurisdiction requires that settlement funds be used for the specific purpose set forth in the settlement agreement. Provides that the attorney general may agree to a settlement requiring settlement funds to be used for the specific purpose set forth in the settlement agreement if the governor, after consultation with the attorney general, has approved the proposed settlement in writing. Provides that if the specific purpose requirement described above only applies to a portion of the settlement funds, the attorney general may agree to the settlement only if the settlement agreement specifies that the remaining settlement funds may be used for any purpose allowable under Indiana law. Provides that not later than 30 days after the court approves a settlement requiring some or all settlement funds to be used for the specific purpose set forth in the settlement agreement, the attorney general shall provide the legislative council with a copy of the settlement agreement and a concise outline of the settlement agreement.

**Affected Code Section: Ind. Code § 6-1.1-15-3 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 5**

**Explanation:** Clarifies that a taxpayer may obtain review by the Indiana Board of Tax Review of a county board action with respect to a claim under Ind. Code § 6-1.1-15-1.1 (assessment of tangible personal property). Deletes provision allowing a taxpayer to obtain Indiana board review of a tangible personal property exemption if the taxpayer receives a notice of an exemption determination by the county board under Ind. Code 6-1.1-11-17. Provides that, for purposes of review under this section, the county auditor may appear as an additional



party to the review if the determination concerns a matter that is in the discretion of the county auditor. Provides that a county auditor who dissents from the determination of the county board concerning a matter that is in the discretion of the county auditor may obtain a review by the Indiana board of tax review. Deletes references to “an assessment determination or an exemption determination” by the county board.

**Affected Code Section: Ind. Code § 6-1.1-15-4 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 6**

**Explanation:** Provides that the Indiana Board of Tax Review may correct any errors related to a claim under Ind. Code § 6-1.1-15-1.1, as opposed to correct any errors that may have been made and to adjust the assessment or exemption in accordance with the correction.

**Affected Code Section: Ind. Code § 6-1.1-15-5 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 7**

**Explanation:** Provides that, for purposes of judicial review before the tax court, if the county auditor appeared before the Indiana Board of Tax Review concerning the matter, the county auditor may also petition for judicial review to the tax court.

**Affected Code Section: Ind. Code § 6-1.1-15-6 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 8**

**Explanation:** Provides that the Indiana Board of Tax Review shall file a notice of completion with the clerk of the tax court within 45 days after the filing of the petition indicating that the certified record of the proceedings is complete. Provides further that if the Indiana Board of Tax Review is unable to timely complete its preparation of the certified record, the Indiana board shall file a statement with the clerk of the tax court providing the reasons for the delay and the date the Indiana board will complete the preparation. Provides that if the reasons for the delay are due to circumstances within the Indiana board's control, the tax court may issue a revised due date for the Indiana board to file the notice of completion. Provides that if the reasons for the delay are due to circumstances within the control of the petitioner, the case may be subject to dismissal.

**Affected Code Section: Ind. Code § 6-1.1-15-8 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 9**

**Explanation:** Makes technical corrections to remove references to the Indiana Board of Tax Review's determination on assessments or exemptions. Provides that if Indiana Board of Tax Review's final determination is not affirmed by the tax court, the Indiana board may, on remand, conduct further proceedings or refer the matter to the Department of Local Government Finance or the county board to take action that is consistent with the court's

opinion as opposed to the department or county board making another assessment or exemption determination.

**Affected Code Section: Ind. Code § 6-1.5-1-4 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 16**

**Explanation:** Provides that a party may choose the small claims rules for purposes of an appeal before the Indiana board of tax review.

**Affected Code Section: Ind. Code § 6-1.5-6-2 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 18**

**Explanation:** Permits a party to an appeal at the Indiana board of tax review to elect out of the using small claims rules.

**Affected Code Section: Ind. Code § 6-8.1-1-1 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1001 § 132**

**Explanation:** Adds the vehicle sharing excise tax (Ind. Code Chapter 6-6-16) to the definition of “listed taxes.”

**Affected Code Section: Ind. Code § 6-8.1-3-7.1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 133**

**Explanation:** Provides that for an innkeeper's tax or a food and beverage tax remitted through a marketplace facilitator, the information must include the name of each business and the amount of money collected from each business by a marketplace facilitator acting on behalf of the business.

**Affected Code Section: Ind. Code § 6-8.1-3-26 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 76**

**Explanation:** Provides that the department of state revenue shall, before Sept. 1 of each year, submit a report to the interim study committee on the fiscal policy established by Ind. Code § 2-5-1.3-4 summarizing the department's systems modifications concerning geographic information systems mapping of local income tax collection for purposes of allocating local income tax based on the residency of a taxpayer.

**Affected Code Section: Ind. Code § 6-8.1-5-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 30**

**Explanation:** Provides that the notice of proposed assessment is prima facie evidence that the department of state revenue's claim for unpaid tax is valid, including during an action appealed to the tax court.

**Affected Code Section: Ind. Code § 6-8.1-5-4 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 31**

*Continued on page 60. See “Tax Administration.”*



## Sales and Use Tax *(continued from page 5)*

tax. Provides that the purchase of a motor vehicle for sharing through a peer-to-peer vehicle sharing program as defined in new Ind. Code § 24-4-9.2-4 is not exempt from the gross retail sales tax as the purchase of tangible personal property for resale, rental, or leasing in the ordinary course of the person's business.

**Affected Code Section:** Ind. Code § 6-2.5-5-53 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 114

**Explanation:** Provides that if at least one owner of a house, condominium, or apartment maintains the house, condominium, or apartment as the owner's primary personal residence, the owner rents or furnishes rooms, lodgings, or other accommodations in the house, condominium, or apartment for consideration for fewer than fifteen days in a calendar year, none of the payments for the room, lodging, or other accommodation are made through a marketplace facilitator, and the rental or furnishing of the room, lodging, or other accommodation qualifies for the special rule for certain use under section 280A(g) of the Internal Revenue Code, then Indiana will consider the transaction involving the renting or furnishing of the rooms, lodgings, or other accommodations in the house, condominium, or apartment for consideration during the calendar year as exempt from the state gross retail tax. Provides that if an owner described above rents or furnishes rooms, lodgings, or other accommodations in a house, condominium, or apartment for consideration for more than fourteen days in the current calendar year or in the preceding calendar year, the owner shall collect and remit any state gross retail tax, subject to the following conditions: (1) if the rental or furnishing for more than fourteen days occurred in the current calendar year, but not the preceding calendar year, then the tax collection must begin on the fifteenth day of rental or furnishing and each day thereafter in the current calendar year that the owner rents or furnishes rooms, lodgings, or other accommodations in the house, condominium, or apartment for consideration; (2) If the rental or furnishing for more than fourteen days occurred in the preceding calendar year, then the tax collection must begin on the first day of rental or furnishing and each day thereafter in the current calendar year that the owner rents or furnishes rooms, lodgings, or other accommodations in the house, condominium, or apartment.

**Application Note:** *If a property owner is offering the residence for lease via a third party site like Airbnb, it will be subject to the tax regardless of number of rental days because a facilitator was used. However, the facilitator*

*will be responsible for the tax collection and filing.*

**Affected Code Section:** Ind. Code § 6-2.5-5-54 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 115

**Explanation:** Provides that for individuals only, if an owner of one or more passenger motor vehicles shares the passenger motor vehicle or vehicles for consideration for fewer than fifteen days in a calendar year, and none of the payments for the sharing of the passenger motor vehicles are made through a marketplace facilitator, including a peer to peer vehicle sharing program as defined by the new Ind. Code § 24-4-9.2-4, the transactions involving the sharing of these passenger motor vehicles during the calendar year are exempt from the state gross retail tax. Provides that in the case of passenger motor vehicles that are jointly owned, each time a vehicle is shared by any owner counts toward the fifteen days of each owner. Provides that if an owner described above shares one or more passenger motor vehicles for consideration for more than fourteen days in the current calendar year or in the preceding calendar year, the owner is responsible for collecting and remitting any state gross retail tax imposed under Ind. Code § 6-2.5-4-10 on the sharing of passenger motor vehicles, subject to the following conditions: (1) If the sharing for more than fourteen days occurred in the current calendar year, but not the preceding year, the tax collection must begin on the fifteenth day of sharing and each day thereafter in the current calendar year that the owner shares their passenger motor vehicle or vehicles for consideration; (2) If the sharing for more than fourteen days occurred in the preceding calendar year, the tax collection must begin on the first day of sharing and each day thereafter in the current calendar year that the owner shares their passenger motor vehicle or vehicles.

**Affected Code Section:** Ind. Code § 6-2.5-6-13 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 116

**Explanation:** Provides that a person is not entitled to a refund from the department on any state gross retail tax paid on the purchase or lease of a motor vehicle if the motor vehicle was purchased or leased for sharing on a peer to peer vehicle sharing program as defined in Ind. Code § 24-4-9.2-4.

**Affected Code Section:** Ind. Code § 6-2.5-6-13.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 117

**Explanation:** Provides that any purchaser of tangible personal property or services who has overpaid gross retail or use tax to a marketplace facilitator may file a claim for refund with the department of state revenue. Provides that such purchaser shall not have a cause of action against the marketplace



facilitator for the recovery of the overpayment of gross retail tax. Provides that a purchaser wishing to file a claim for refund from the department of state revenue must file the claim on the form, in the manner, and with the supporting documentation prescribed by the department. Provides further that if a purchaser properly files a valid claim for refund, the department shall refund to the purchaser the amount of the overpayment of gross retail or use tax with respect to the transaction.

**Affected Code Section: Ind. Code § 6-2.5-8-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 5**

**Explanation:** Provides that the department of state revenue may deny an application for a registered retail merchant's certificate if the applicant's business is operated, managed, or otherwise controlled by or affiliated with a person, including a relative, family member, responsible officer, or owner, who the department of state revenue has determined failed to file all tax returns or information reports with the department for listed taxes or pay all taxes, penalties, and interest to the department of state revenue for listed taxes, and who the department of state revenue has determined the business of the person who has failed to file all tax returns or information reports above or who has failed to pay all taxes, penalties, and interest above is substantially similar to the business of the applicant.

**Affected Code Section: Ind. Code § 6-2.5-8-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 6**

**Explanation:** Provides that the department of state revenue may revoke a registered retail merchant certificate for good cause. Adds operating as a retail merchant where the certificate is issued under Ind. Code § 6-2.5-8-1 could have been denied under Ind. Code § 6-2.5-8-1(e) prior to its issuance to the definition of good cause for revoking a registered retail merchant certificate.

**Affected Code Section: Ind. Code § 6-2.5-8-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1186 § 2**

**Explanation:** Provides that if the department of state revenue finds in a public hearing by a preponderance of the evidence that the person has a conviction for an offense under Ind. Code Chapter 35-48-4 (previously a violation of Ind. Code § 35-48-4-10.5) and the conviction involved the sale of or the offer to sell, in the normal course of business, a synthetic drug, synthetic drug lookalike substance, a controlled substance analog, or a substance represented to be a controlled substance as defined in the Indiana Code, the department of state revenue shall suspend the registered retail merchant certificate for the place

of business for one year. The department of state revenue may not issue another retail merchant certificate for one year to any person that applied for or made a retail transaction under the suspended retail merchant certificate or to any person that owned or co-owned, directly or indirectly or was an officer, director, manager, or partner of the retail merchant that was issued the suspended retail merchant certificate.

**Affected Code Section: Ind. Code § 6-2.5-9-3 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 118**

**Explanation:** Provides that for calendar years beginning after Dec. 31, 2021, except in cases in which the marketplace facilitator and the seller are affiliated, a marketplace facilitator is not liable under this section for failure to collect and remit gross retail and use taxes if the marketplace facilitator demonstrates to the satisfaction of the department of state revenue that: the marketplace facilitator has a system in place to require the seller to provide accurate information and has made a reasonable effort to obtain accurate information from the seller about a retail transaction, the failure to collect and remit the correct tax was due to incorrect or insufficient information provided to the marketplace facilitator by the seller, and the marketplace facilitator provides information showing who the purchaser was in each transaction for which the tax had not been collected. Provides further that if the marketplace facilitator is relieved of liability under this subsection, the purchaser is liable for any amount of uncollected, unpaid, or unremitted tax.

**Affected Code Section: Ind. Code § 6-2.5-9-3.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 119**

**Explanation:** Provides that in the context of an audit or other investigation conducted by the department of state revenue of calendar years beginning after Dec. 31, 2018, and before Jan. 1, 2022, subject to specific liability relief limitations listed below, a marketplace facilitator is relieved of liability for the failure to collect and remit gross retail or use tax on taxable retail transactions to the extent that the marketplace facilitator can show to the department's satisfaction that the taxable retail transaction was made through the marketplace, the marketplace facilitator and the seller are not affiliated persons, the failure to collect gross retail or use tax was not due to an error in sourcing the transaction, and the transaction facilitated by the marketplace facilitator occurred before Jan. 1, 2022, regardless of when the purchased items are delivered to the purchaser. Provides for liability relief for a marketplace facilitator for any calendar year to which this section applies and limits it as follows: (1) For calendar year 2019, the liability relief may not exceed 5% of the total tax due on taxable retail transactions facilitated by the marketplace and sourced to



Indiana during 2019. (2) For calendar year 2020, the liability relief may not exceed 3% of the total tax due under this article on taxable retail transactions facilitated by the marketplace and sourced to Indiana during 2020. (3) For calendar year 2021, the liability relief may not exceed 2% of the total tax due under this article on taxable retail transactions facilitated by the marketplace and sourced to Indiana during 2021. Provides further that if a marketplace facilitator is relieved of liability under these circumstances, the seller is also relieved of liability for the amount of uncollected tax due. Clarifies however that nothing in this provision shall be construed to relieve any person of liability for collecting but failing to remit to the gross retail and use tax. Provides that if a marketplace facilitator exceeds the liability limits, the marketplace facilitator is liable for the payment of any remaining taxes, plus any penalties and interest attributable to those taxes. Provides finally that the marketplace facilitator shall also be considered a retail merchant for use tax purposes.

**Affected Code Section: Ind. Code Chapter 6-2.5-15 (addition)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1405 § 2**

**Explanation:** Adds the Gross Retail and Use Tax Exemption for Data Center Equipment chapter to the Indiana Code. Defines “data center equipment” as computer equipment or software purchased or leased for the processing, storage, retrieval, or communication of data that is preapproved by the Indiana economic development corporation. Provides a specific definition of what qualifies as “data center equipment.” Also provides definitions of other pertinent terms applicable to the new exemption.

**Affected Code Section: Ind. Code Chapter 6-9-29.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 143**

**Explanation:** Provides for the administration of food and beverage tax by all political subdivisions which have imposed one. Provides that a marketplace facilitator subject to the requirements to collect sales tax on its own transactions or on behalf of its sellers in accordance with Ind. Code § 6-2.5-4-18 is also required to collect any food and beverage tax on a transaction that it facilitates. Provides that a marketplace facilitator must source the food and beverage tax to the retail location of the seller in each transaction. Provides further that regardless of whether a food and beverage transaction is made by the marketplace facilitator on its own behalf or facilitated on behalf of a seller, a marketplace facilitator is required to do the following with each retail transaction made on its marketplace: (1) Collect and remit the tax imposed under this article to the department of state revenue, even if: (A) a seller for whom a transaction was facilitated: (i) does not have a registered retail merchant certificate; or (ii) would

not have been required to collect a food and beverage tax had the transaction not been facilitated by the marketplace facilitator; and (B) the food and beverage tax is normally remitted directly to a political subdivision of the state; (2) Comply with all applicable procedures and requirements imposed under this article or Ind. Code Article 6-2.5 as the retail merchant in the transaction. Provides that an individual who is an individual taxpayer or an employee, officer, or member of a corporate or partnership taxpayer and has a duty to remit food and beverage taxes to the department of state revenue or a political subdivision holds those food and beverage taxes in trust for the state or political subdivision and is personally liable for the payment of the food and beverage taxes, plus any penalties and interest attributable to the food and beverage taxes. Provides that an individual who knowingly fails to collect or remit the food and beverage taxes commits a Level 6 felony. Provides that upon the request of the department of state revenue or a political subdivision, a marketplace facilitator shall provide information listing the food and beverage tax collected by the marketplace facilitator on behalf of each of its sellers for the period specified by the requesting entity.

**Affected Code Section: Ind. Code § 36-1-24-20 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 245**

**Explanation:** Provides what is intended as notice to an owner, meaning a person that has an interest in title or a present possessory interest in property that is offered to the public as a short term rental. Provides that an owner of short term rental property who makes a short term rental in which payments for the room, lodging, or other accommodation are not made through a marketplace facilitator may be liable for collecting and remitting the state gross retail tax and innkeeper’s tax on consideration received by the owner for the short term rental.

**Affected Code Section: Non-Code Section**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 258**

**Explanation:** Provides that the provisions of this House Enrolled Act 1001 apply only to retail transactions occurring after June 30, 2019. Explains that a retail transaction is considered to have occurred after June 30, 2019, to the extent that delivery of the property or services constituting selling at retail is made after that date to the purchaser (or to the place of delivery designated by the purchaser). Explains further, however, that a transaction shall be considered to have occurred before July 1, 2019, to the extent that the agreement of the parties to the transaction was entered into before July 1, 2019, and payment for the property or services furnished in the transaction is made before July 1, 2019, notwithstanding the delivery of the property or services after June 30, 2019.



**Income Tax** *(continued from page 7)*

adjusted gross income of an individual who placed IRC § 179 property in service equal to the adjusted gross income that would have been computed had an election for federal income tax purposes not been made to take deductions under IRC § 179 in a total amount exceeding the sum of (A) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in clause (B) plus (B) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this calculation may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides that for trusts and estates and taxable years after Dec. 25, 2016, the trusts and estates are required to add back the amount deducted under IRC § 965(c) if the taxpayer deducted an amount under IRC § 965(c) in determining the taxpayer's taxable income for purposes of the federal income tax and with regard to any amounts of income under IRC § 965(c) attributable to such distributed amounts and not reported to the beneficiary.

Modifies the definition of "taxable income" for trusts and states by starting with federal taxable income and then subtracting the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

Provides that for the statutory definitions of "adjusted gross income" and "taxable income" for all entity types, for taxable years beginning after Dec. 25, 2016, if (1) a taxpayer is a shareholder, either directly or indirectly, in a corporation that is an E&P deficit foreign corporation as IRC § 965(b)(3)(B) and the earnings and profit deficit, or a portion of the earnings and profit deficit, of the E&P deficit foreign corporation is permitted to reduce the federal adjusted gross income or federal taxable income of the taxpayer, the deficit, or the portion of the deficit, shall also reduce the amount taxable under this section to the extent permitted under the IRC. Provides, however, in no case shall this permit a reduction in the amount taxable under IRC § 965 to be less than zero and (2) that if the IRS issues guidance that such an income or deduction is not reported directly on

a federal tax return or is to be reported in a manner different than specified in this section, this section shall be construed as if federal adjusted gross income or federal taxable income included the income or deduction.

**Application Note:** Clarifies the impact of the federal TCJA changes to Indiana tax calculations for all taxpayer types. Items addressed include the recalculation of the IRC § 179 deduction to include depreciation expense on assets historically eligible for a federal IRC § 1031 exchange, the deduction of governmental contributions in accordance with IRC § 118(b)(2), the deductibility of federally limited business interest under IRC § 163(j), and the required modification for foreign repatriation income under IRC § 965.

**Affected Code Section:** Ind. Code § 6-3-1-11 (amendment)  
**Effective Date:** Jan. 1, 2019 (retroactive)  
**Enacted By:** Senate Bill 565 § 8

**Explanation:** Updates the definition of the Internal Revenue Code to mean the Internal Revenue Code of 1986 of the United States as amended and in effect on Jan. 1, 2019.

**Application Note:** Allows for partial recalculation of the IRC § 168(k) special depreciation deduction to include depreciation expense on assets historically eligible for a federal IRC § 1031 exchange.

**Affected Code Section:** Ind. Code § 6-3-1-24 (amendment)  
**Effective Date:** Jan. 1, 2019 (retroactive)  
**Enacted By:** Senate Bill 563 § 4

**Explanation:** Amends the definition of the term "sales" to include in the case of the maturity, redemption, sale, exchange, loan, or other disposition of stocks, bonds, notes, options, forward contracts, future contracts, and similar instruments or securities, the net gain from the sale or exchange of such contracts, instruments, or securities; in the case of the maturity, sale, or exchange of two or more contracts, instruments, or securities as part of a hedging or substantially similar transaction, only the net gains from all such sales or exchanges; and all other gross receipts of the taxpayer; not allocated under Ind. Code § 6-3-2-2(g) through Ind. Code § 6-3-2-2(k), other than compensation, (as defined in Ind. Code § 6-3-2-23) or otherwise provided in this chapter. Also provides that if a taxpayer does not receive money or other property upon the maturity or redemption of a security, any includible amounts shall not be included unless and until the taxpayer actually receives money or other property. Explains that any reference to "receipts" shall have the same meaning as "sales" unless the context clearly requires otherwise.

**Affected Code Section:** Ind. Code § 6-3-1-33 (amendment)  
**Effective Date:** Jan. 1, 2019 (retroactive)



**Enacted By: Senate Bill 565 § 9**

**Explanation:** Revises the definition of bonus depreciation. Provides that for taxable years beginning after Dec. 31, 2017, the term does not include any amount of additional first-year special depreciation allowance under section 168(k) of the Internal Revenue Code (IRC) in the amount of adjusted gross income realized on the exchange of property that otherwise would have been deferred under IRC § 1031 in effect on Jan. 1, 2017, if: (1) the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, (2) the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and (3) the taxpayer claimed a deduction for the additional first-year special depreciation allowance under IRC § 168(k) with regard to the acquired property. Provides that if the taxpayer elected to claim a deduction under IRC § 179 with regard to an item of acquired property, the adjusted gross income realized on the exchange must be reduced (but not below zero dollars) by the amount of the deduction under IRC § 179 elected to be claimed on the acquired property.

**Affected Code Section: Ind. Code § 6-3-1-37 (amendment)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 563 § 5**

**Explanation:** Defines “telecommunications services” for Indiana adjusted gross income tax purposes. Provides that the term “telecommunication services” has the meaning set forth in Ind. Code § 6-2.5-1-27.5, except that telecommunication services also includes those items described in the following: (1) Ind. Code § 6-2.5-1-27.5(c)(1) associated with telecommunications services, (2) Ind. Code § 6-2.5-1-27.5(c)(4) associated with telecommunications services or the provision of services described in subdivision (4), (3) Ind. Code § 6-2.5-1-27.5(c)(6), (4) Ind. Code § 6-2.5-1-27.5(c)(7), (5) Ind. Code § 6-2.5-1-27.5(c)(8) associated with telecommunications services, (6) Ind. Code § 6-2.5-1-27.5(c)(9)(B) and Ind. Code § 6-2.5-1-27.5(c)(9)(C), except to the extent the item consists of specified digital products under Ind. Code § 6-2.5-1-26.5.

**Affected Code Section: Ind. Code § 6-3-1-38 (addition)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 563 § 6**

**Explanation:** Defines the term “broadcast services” for adjusted gross income tax purposes to include the transmission, conveyance, and routing of video broadcasts, regardless of the medium, including the furnishing of transmission, conveyance, and routing of the services by a television broadcast network, a cable program network, or a television distribution company. Provides that the term also includes any advertising or promotional activity furnished in conjunction with the broadcast services.

**Affected Code Section: Ind. Code § 6-3-2-2 (amendment)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 563 § 7**

**Explanation:** Amends the definition of adjusted gross income derived from sources within Indiana for corporations and nonresident persons to provide that income derived from Indiana shall be taxable to the fullest extent permitted by the Constitution of the United States and federal law, regardless of whether the taxpayer has a physical presence in Indiana. Deletes a provision stating that receipts from intangible personal property are derived from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under Ind. Code § 6-3-2-2.2. Deletes “computer” from the phrase “computer software” to provide that gross receipts from software shall be treated as sales of tangible personal property for purposes of the definition of adjusted gross income derived from sources within Indiana for corporations and nonresident persons. Deletes references to sourcing income-producing activity and replaces it with references to subdivisions (r), (s), or (t) of this section or Ind. Code § 6-3-2-2.2. Provides that sales are in Indiana if receipts are from the provision of telecommunications services and broadcast services, provided that all of the costs of performance related to the receipts are attributable to Indiana, or if the costs of performance are incurred both within and outside this state, the greater portion of such costs are incurred in this state than in any other state. Provides that sales are in Indiana if the receipts, other than receipts already described, are in this state if the taxpayer’s market for the sales is in this state. Provides that the taxpayer’s market for sales is in Indiana as follows: in the case of sale, rental, lease, or license of real property; if and to the extent the property is located in this state, in the case of rental, lease, or license of tangible personal property; if and to the extent the property is located in this state, in the case of sale of a service, if and to the extent the benefit of the service is received in this state; in the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this state, provided that intangible property used in marketing a good or service to a consumer is “used in this state” if that good or service is purchased by a consumer who is in this state; and in the case of intangible property that is sold, if and to the extent the property is used in this state, provided that: (i) a contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is “used in this state” if the geographic area includes all or part of this state; (ii) receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under the provision for the taxpayer’s market for sales is in this state; and (iii) all other receipts from a sale of intangible property shall



be excluded from the numerator and denominator of the receipts factor. Provides that if the state or states of attribution cannot be determined under the above rules, they shall be determined by the state in which the delivery of the service occurs. Provides further that if the state of attribution cannot be determined by the state in which the delivery of the service occurs, then such receipt shall be excluded from the denominator of the receipts factor.

Provides that the department of state revenue may adopt rules, including emergency rules, that shall be applied retroactively to Jan. 1, 2019, to specify where sales, receipts, income, transactions, or costs are attributable under this section and Ind. Code § 6-3-2-2.2. Provides that rules adopted by the department of state revenue must be consistent with the Multistate Tax Commission model regulations for income tax apportionment as in effect on Jan. 1, 2019, including any specialized industry provisions, except to the extent expressly inconsistent with this chapter. Provides that a rule is valid unless the rule is not consistent with the Multistate Tax Commission model regulations and that if a rule is partially valid and partially invalid, the rule remains in effect to the extent the rule is valid. Provides that in the absence of rules, or to the extent a rule is determined to be invalid, sales shall be sourced in the manner consistent with the Multistate Tax Commission model regulations for income tax apportionment as in effect on Jan. 1, 2019, including any specialized industry provisions, except to the extent expressly inconsistent with this chapter of the Indiana Code.

**Application Note:** *For tax years beginning on or after Jan. 1, 2019, service revenue should be sourced to Indiana if the market of the services is determined to be in Indiana whereas previously it was based upon the location of where the costs were incurred to provide the services. Additional guidance is provided in the enrolled act to help make that determination as to the market of the service.*

**Affected Code Section: Ind. Code § 6-3-2-2 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 10**

**Explanation:** Creates a separate section for the provision requiring a taxpayer who desires to discontinue filing a combined income tax return for any reason to petition the department of state revenue within thirty days after the end of the taxpayer's taxable year for permission to discontinue filing a combined income tax return.

**Affected Code Section: Ind. Code § 6-3-2-2.2 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 563 § 8**

**Explanation:** Provides that the receipts from the maturity,

redemption, sale, exchange, loan, or other disposition of stocks, bonds, notes, options, forward contracts, futures contracts, and similar instruments are attributable to this state if the taxpayer's commercial domicile is in Indiana. Provides further that for purposes of this subsection, only the portion of the receipts required to be included in the taxpayer's sales denominator are attributable to Indiana.

**Affected Code Section: Ind. Code § 6-3-2-2.5 (amendment)**  
**Effective Date: Jan. 1, 2018 (retroactive)**  
**Enacted By: Senate Bill 565 § 11**

**Explanation:** Modifies the calculation for an Indiana net operating loss for resident persons by providing that an Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code (IRC), adjusted for certain modifications required by Ind. Code § 6-3-1-3.5 as set forth in subsection (d)(1); plus, for taxable years beginning after Dec. 31, 2017, a loss for a taxable year disallowed because of IRC § 461(l), without any modifications under subsection (d).

**Application Note:** *Creates a new Indiana net operating loss equal to that of the loss disallowed for purposes of the federal IRC § 461 limitation.*

**Affected Code Section: Ind. Code § 6-3-2-2.6 (amendment)**  
**Effective Date: Jan. 1, 2018 (retroactive)**  
**Enacted By: Senate Bill 565 § 12**

**Explanation:** Modifies the calculation for an Indiana net operating loss for corporations and nonresident persons by providing that the Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code (IRC), derived from sources within Indiana and adjusted for certain modifications required by Ind. Code § 6-3-1-3.5 as set forth in subsection (d)(1); plus, for taxable years beginning after Dec. 31, 2017, the portion of the loss for a taxable year disallowed because of IRC § 461(l) and incurred from Indiana sources, without any modifications under subsection (d). Provides that any net operating loss under this subdivision shall be computed in a manner consistent with the computation of adjusted gross income under Ind. Code Article 6-3.

**Application Note:** *Creates a new Indiana net operating loss equal to that of the loss disallowed for purposes of the federal IRC § 461 limitation.*

**Affected Code Section: Ind. Code § 6-3-2-4 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1010 § 1**



**Explanation:** Revises the calculation of income tax deduction for income from retirement or survivor's benefits received during the taxable year by the individual, or the individual's surviving spouse, for the individual's service in an active or reserve component of the armed forces of the United States to the lesser of the benefits included in the adjusted gross income of the individual or the individual's surviving spouse; or \$6,250 plus the following (1) for taxable years beginning in 2019, 25% of the amount of the benefits in excess of \$6,250, (2) for taxable years beginning in 2020, 50% of the amount of the benefits in excess of \$6,250, (3) for taxable years beginning in 2021, 75% of the amount of the benefits in excess of \$6,250 (4) for taxable years beginning after 2021, 100% of the amount of the benefits in excess of \$6,250.

**Affected Code Section: Ind. Code § 6-3-3-9 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 13**

**Explanation:** With respect to the unified tax credit for the elderly, deletes the provision stating that no claim filed pursuant to this section shall be allowed unless filed within six months following the close of claimant's taxable year or within the extension period if an extension of time for filing the return has been granted under Ind. Code § 6-8.1-6-1, whichever is later.

**Affected Code Section: Ind. Code § 6-3-3-14.6 (deletion)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1001 § 120**

**Explanation:** Deletes a credit permitted for a hospital to take against its adjusted gross income liability for the taxable year equal to 20% of the property taxes paid in Indiana on real property for the taxable year on property used as a hospital.

**Affected Code Section: Ind. Code § 6-3-4-16.5 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 565 § 14**

**Explanation:** Deletes references to department of state revenue form WH-18, miscellaneous withholding tax statements for nonresidents for purposes of withholding and electronic filing.

**Affected Code Section: Ind. Code § 6-3-4-16.7 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 15**

**Explanation:** Provides that for taxable years ending after Dec. 31, 2019, a partnership that is required to provide twenty-five or more reports to partners under Ind. Code § 6-3-4-12(b) or a corporation that is required to provide twenty-five or more reports to shareholders under section Ind. Code § 6-3-4-13(b) must file all such reports in an electronic format specified by the department of state revenue. Provides that for taxable

years ending after Dec. 31, 2021, an estate or trust required to provide ten or more reports to beneficiaries under Ind. Code § 6-3-4-15(b) must file all such reports in an electronic format specified by the department of state revenue.

**Affected Code Section: Ind. Code § 6-3.1-4-8 (addition)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1001 § 121**

**Explanation:** Provides that if a taxpayer claims a credit for Indiana qualified research expenses for a taxable year, the taxpayer must report to the department of state revenue whether it has determined a credit for those Indiana qualified research expenses under either section 41(a)(1) of the Internal Revenue Code or section 41(c)(4) of the Internal Revenue Code (IRC) for that taxable year. Provides also that the taxpayer must report whether it claimed the determined credit for those Indiana qualified research expenses under either IRC § 41(a)(1) or IRC § 41(c)(4) for that taxable year. Provides that if a taxpayer claims a credit for those qualified research expenses for a taxable year and does not claim a credit for those qualified research expenses for federal tax purposes under IRC § 41(a)(1) or IRC § 41(c)(4) in that taxable year, the taxpayer must disclose to the department any reasons for not claiming the credit for those Indiana qualified research expenses for federal purposes for the taxable year. Provides the required disclosure shall be made in the manner specified by the department of state revenue. Provides that for purposes of Ind. Code § 6-3-4-6 and Ind. Code § 6-8.1-5-2, a change to the federal credit under IRC § 41(a)(1) or IRC § 41(c)(4) shall be considered a modification.

**Application Note:** Mandates disclosure to the Indiana Department of Revenue of the federal research expense tax credit method used, IRC § 41(a)(1) or IRC § 41(c)(4). In certain circumstances, requires a taxpayer to explain the reason it claimed a credit for Indiana research expenses but did not claim a federal research expense credit in the same tax period.

**Affected Code Section: Ind. Code § 6-3.1-11-25 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 10**

**Explanation:** Provides that a taxpayer is entitled to the Industrial Recovery Credit only for a qualified investment made before Jan. 1, 2020. Provides that a taxpayer is entitled to the Industrial Recovery Credit made after Dec. 31, 2010, and before Jan. 1, 2030, if the credit awarded under an application approved by the Indiana economic development corporation before Jan. 1, 2020, or an agreement entered into between the taxpayer and the economic development corporation before Jan. 1, 2021. Provides that this section may not be construed to prevent a taxpayer from carrying an unused Industrial Recovery Credit forward to a taxable year

beginning after Dec. 31, 2019, and before Jan. 1, 2030.

**Affected Code Section: Ind. Code § 6-3.1-24-11 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 13**

**Explanation:** Provides that if any or all of the venture capital investment tax credit is passed through to a shareholder, partner, or member of a pass through entity, the amount of the tax credit that is passed through may not be applied against the pass through entity's state tax liability, nor may the pass through entity assign any unused credit under Ind. Code § 6-3.1-24-12(b) as effective July 1, 2020.

**Affected Code Section: Ind. Code § 6-3.1-24-12 (amendment)**

**Effective Date: July 1, 2020**

**Enacted By: Senate Bill 563 § 14**

**Explanation:** Provides that if the Indiana economic development corporation certifies a venture capital investment tax credit for investment made after June 30, 2020 and before July 1, 2029, the taxpayer may assign all or part of the venture capital investment tax credit. Provides that the following limitations apply to the assignment of a venture capital investment tax credit (1) A taxpayer may not assign all or part of a credit or credits to a particular person in amounts that are less than \$10,000; (2) Before a credit may be assigned, the taxpayer must notify the Indiana economic development corporation of the assignment of the credit; (3) An assignment of a credit must be in writing, and both the taxpayer and assignee shall report the assignment on the taxpayer's and assignee's state tax returns for the year in which the assignment is made; (4) Once a particular credit is assigned, the assignee may not assign all or part of the credit to another person; (5) A taxpayer may not receive value in connection with an assignment of the tax credit that exceeds the value of that part of the credit assigned. Provides that the Indiana economic development corporation shall collect and compile data on the assignments of venture capital investment tax credits and determine the effectiveness of each assignment in getting projects completed. Requires the Indiana economic development corporation to report its findings to the legislative council before Nov. 1, 2022.

**Affected Code Section: Ind. Code § 6-3.1-24-14 (amendment)**

**Effective Date: July 1, 2020**

**Enacted By: Senate Bill 563 § 15**

**Explanation:** Provides that the issuance or assignment of a certificate or venture capital investment tax credit is not subject to the Indiana securities law under Ind. Code Title 23.

**Affected Code Section: Ind. Code § 6-3.1-26-3.1 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 16**

**Explanation:** Defines "digital manufacturing equipment" to mean any production equipment utilized within an integrated computer network system that provides for the onsite manufacturing of a three-dimensional part or product using material that is joined or solidified using multiple layers under computer control pursuant to a computer aided design for rapid or on demand production.

**Affected Code Section: Ind. Code § 6-3.1-26-8 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 17**

**Explanation:** Adds the following to the definition of "qualified investments" for purposes of the Hoosier Business Investment Tax Credit: the purchase of retooled or refurbished machinery, the purchase of new pollution control and abatement, energy conservation, or renewable energy generation equipment, and the purchase of new onsite digital manufacturing equipment. Provides that the definition of "qualified investments" does not include programmable logic controller property.

**Affected Code Section: Ind. Code § 6-3.1-26-14 (amendment)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 563 § 18**

**Explanation:** Provides that the total amount of the Hoosier Business Investment Tax Credit claimed for a taxable year is a percentage determined by the Indiana economic development corporation, not to exceed: for taxable years beginning after Dec. 31, 2018, and before Jan. 1, 2030, 15% of the amount of a qualified investment made by a taxpayer in Indiana during that taxable year, if the qualified investment made is described under Ind. Code § 6-3.1-26-8(a)(11).

**Affected Code Section: Ind. Code § 6-3.1-26-20 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 19**

**Explanation:** Provides that the total amount of Hoosier Business Investment Tax Credits that the Indiana economic development corporation may approve for all taxpayers for all qualified investments is \$5,000,000, as opposed to \$10,000,000, for credits based on qualified investment that is being claimed as a logistics investment.

**Affected Code Section: Ind. Code § 6-3.1-30-2 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 20**

**Explanation:** Revises the definition of "eligible business" for purposes of the Headquarters Relocation Tax Credit to mean a business that is engaged in either interstate or intrastate commerce, maintains a corporate headquarters at a location outside Indiana, has not previously maintained a corporate





headquarters at a location in Indiana, either received or closes on at least \$4,000,000 in venture capital in the six months immediately preceding the business's application the Headquarters Relocation Tax Credit, and commits contractually to relocating its corporate headquarters to Indiana or relocating the number of jobs that equals 80% of the business's total payroll during the immediately preceding quarter to a location in Indiana.

**Affected Code Section:** Ind. Code § 6-3.1-30-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 21

**Explanation:** Expands the definition of "taxpayer" for purposes of the Headquarters Relocation Tax Credit to include an individual or entity, in the case of an eligible business under the newly expanded definition of eligible business involving the receipt of or closing on \$4,000,000 in venture capital within six months of its application for the credit, that has any state tax liability or that submits incremental Indiana income tax withholdings.

**Affected Code Section:** Ind. Code § 6-3.1-30-7.1 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 22

**Explanation:** Defines "venture capital" for the purposes of the Headquarters Relocation Tax Credit as financing provided by investors that may include equity, convertible debt, or other forms of equity-like investment instruments.

**Affected Code Section:** Ind. Code § 6-3.1-30-8 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 23

**Explanation:** Provides that subject to entering into an agreement with the Indiana economic development corporation under Ind. Code § 6-3.1-30-14 or Ind. Code § 6-3.1-30-15, if the corporation certifies that a taxpayer employs at least ten employees in Indiana, in the case of a taxpayer that qualifies as an eligible business because of receipt of or closing on \$4,000,000 of venture capital within six months of its application for the Headquarters Relocation Tax Credit, the taxpayer is entitled to a credit against the taxpayer's state tax liability for the taxable year in which the relocation costs are incurred. Limits the total amount of Homestead Relocation Tax Credits that may be approved by the Indiana economic development corporation for such eligible businesses may not exceed \$5,000,000 in a state fiscal year.

**Affected Code Section:** Ind. Code § 6-3.1-30-9 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 24

**Explanation:** Provides that the headquarters Relocation Tax

Credit may reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs if the taxpayer is an eligible business that received or closed on \$4,000,000 of venture capital within six months of its application for the credit.

**Affected Code Section:** Ind. Code § 6-3.1-30-11 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 25

**Explanation:** Provides that if the taxpayer is an eligible business that received or closed on \$4,000,000 of venture capital within six months of its application for the credit and is granted the Headquarters Relocation Tax Credit, if the credit exceeds the taxpayer's state tax liability, the excess may at the discretion of the Indiana economic development corporation, be refunded to the taxpayer. Provides that such eligible business who is awarded this credit is not entitled to carryback any unused credit.

**Affected Code Section:** Ind. Code § 6-3.1-30-14 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 26

**Explanation:** Provides that to be awarded a Headquarters Relocation tax credit, a taxpayer must submit an application to and enter into an agreement with the Indiana economic development corporation ("corporation"). Provides that the corporation shall prescribe the form of the application. Provides that a taxpayer may claim a credit awarded after June 30, 2019, against the taxpayer's state tax liability for a taxable year only if the corporation awards a credit to the taxpayer and enters into an agreement with the taxpayer under Ind. Code § 6-3.1-30-15. Provides that the corporation may deny an application for a credit under this chapter in its sole discretion, and a taxpayer may not seek judicial review of a decision by the corporation to deny a taxpayer's application for a credit.

**Affected Code Section:** Ind. Code § 6-3.1-30-15 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 27

**Explanation:** Provides the requirements for the agreement between the taxpayer and Indiana economic development corporation for the Headquarters Relocation Tax Credit. Provides that the agreement must prescribe the method for certifying the taxpayer's qualified investment, include provisions that authorize the Indiana economic development corporation to work with the department of state revenue and the taxpayer to bring the taxpayer into compliance or to protect the interest of the state if the taxpayer is noncompliant with the agreement, and require the taxpayer to maintain its corporate headquarters at a location in Indiana for not

less than five years. Provides that for certain taxpayers, the last requirement in the agreement may be to maintain the number of jobs that equals 80% of the business's total payroll at a location in Indiana for not less than 5 years.

**Affected Code Section: Ind. Code § 6-3.1-30-16 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 28**

**Explanation:** Provides that if the taxpayer is not compliant with its agreement for the Headquarters Relocation Tax, the Indiana economic development corporation shall notify the state department of revenue of the noncompliance and request the department of state revenue to impose an assessment on the taxpayer in an amount of the previously allowed credits together with interest and penalties required or permitted by law. Provides that the state department of revenue shall impose the assessment unless the assessment is unsupported by law. Provides that regardless of other statutes, the proposed assessment will be considered timely if the department of state revenue issues the assessment within 180 days from the date the department is notified of the noncompliance or if it issues the assessment on a date on which the proposed assessment could otherwise be issued in a timely manner, whichever is later.

**Affected Code Section: Ind. Code Chapter 6-3.1-34 (addition)**

**Effective Date: Jan. 1, 2020**

**Enacted By: Senate Bill 563 § 29**

**Explanation:** Implements the Redevelopment Tax Credit.

**Affected Code Section: Ind. Code § 6-5.5-1-2 (amendment)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 565 § 16**

**Explanation:** Provides that for the purposes of the financial institutions tax the definition of “adjusted gross income” means taxable income as defined in Section 63 of the Internal Revenue Code (IRC) adjusted by adding back or subtracting the amount necessary to make the adjusted gross income of any taxpayer that placed IRC § 179 property in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under IRC § 179 in a total amount exceeding the sum of: (i) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in item (ii); and (ii) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition

of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this item may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides further to subtract the amount that would have been excluded from gross income but for the enactment of IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

**Affected Code Section: Ind. Code § 6-5.5-1-20 (amendment)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 565 § 17**

**Explanation:** Provides that for purposes of the financial institutions tax and “bonus depreciation,” for taxable years beginning after Dec. 31, 2017, the term does not include any amount of additional first-year special depreciation allowance under Section 168(k) of the Internal Revenue Code (IRC) in the amount of adjusted gross income realized on the exchange of property that otherwise would have been deferred under IRC § 1031 in effect on Jan. 1, 2017, if the following apply: (1) the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017; (2) the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031; and (3) the taxpayer claimed a deduction for the additional first-year special depreciation allowance under IRC § 168(k) with regard to the acquired property. Provides that if the taxpayer elected to claim a deduction under IRC § 179 with regard to an item of acquired property, the adjusted gross income realized on the exchange must be reduced (but not below \$0) by the amount of the deduction under IRC § 179 elected to be claimed on the acquired property.

**Affected Code Section: Non-Code Section**

**Effective Date: Upon Passage**

**Enacted By: Senate Bill 565 § 40**

**Explanation:** Urges the legislative council to assign to an appropriate interim study committee the task of studying the revision of criteria for which governmental entities may form a regional development authority and the imposition of taxes by a regional development authority.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: Senate Bill 565 § 41**

**Explanation:** Provides that Ind. Code § 6-3-1-3.5, Ind. Code § 6-3-1-33, Ind. Code § 6-3-2-2, Ind. Code § 6-3-3-9, Ind. Code



§ 6-5.5-1-2, and Ind. Code § 6-5.5-1-20, all as amended by this act, apply to taxable years beginning after Dec. 31, 2018. Further provides that Ind. Code § 6-3-2-2.5 and Ind. Code § 6-3-2-2.6, both as amended by this act, apply to taxable years beginning after Dec. 31, 2017. Provides, however, that if a different taxable year is specified for the application of any of the provisions referred to above, the specified taxable year applies.

### **Economic Development and Tax Credits** *(continued from page 9)*

Grant to reduce the minimum required qualified expenditures from \$10,000 to \$5,000.

**Affected Code Section:** Ind. Code § 4-4-38-0.1 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 2

**Explanation:** Restricts this Ind. Code Chapter 4-4-38 (Broadband Grants for Unserved Areas) to grants awarded from the Rural Broadband Fund before Aug. 1, 2019.

**Affected Code Section:** Ind. Code § 4-4-38-0.3 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 3

**Explanation:** Defines “fund” for purposes of Broadband Grants for Unserved Areas as the rural broadband fund established by Ind. Code § 4-4-38.5-11.

**Affected Code Section:** Ind. Code § 4-4-38-7 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 4

**Explanation:** Deletes references to the rural economic development fund.

**Affected Code Section:** Ind. Code § 4-4-38-10 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 5

**Explanation:** Provides that the reporting requirements of the Office of Community and Rural Affairs end as of Jan. 1, 2021. Deletes references to the Rural Economic Development Fund.

**Affected Code Section:** Ind. Code § 4-4-38-12 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 6

**Explanation:** Provides that before Aug. 1, 2019, the Office of

Community and Rural Affairs may award Broadband Grants for Unserved Areas to qualified broadband service providers for qualified broadband project expenses in connection with qualified broadband projects.

**Affected Code Section:** Ind. Code Chapter 4-4-38.5 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 460 § 7

**Explanation:** Creates the Broadband Grants for Rural Areas program. Defines “eligible broadband project” as a project for the deployment of broadband infrastructure for the provision of eligible broadband service, regardless of the delivery technology, in rural areas in Indiana. Provides that the Office of Community and Rural Affairs shall establish procedures for awarding of grants from the rural broadband fund after July 31, 2019, by state agencies to eligible broadband service providers for eligible broadband projects. Provides for the priorities for awarding broadband grants for rural areas, and provides that the Office of Community and Rural Affairs shall adopt guidelines to implement the grant program. Provides that the Office of Community and Rural Affairs shall submit a report to the General Assembly on the awarding of grants and specifies the contents of such report.

**Affected Code Section:** Ind. Code § 4-31-2-5.8 (addition); Ind. Code § 4-20.5-7-22 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** House Bill 1065 § 1

**Explanation:** Provides that the Department of Correction may enter into a regional holding facility lease with a local economic development organization which may be an urban enterprise association; an economic development commission; a nonprofit corporation whose primary purpose is the promotion of industrial or business development in Indiana, retention or expansion of Indiana businesses, or the development of entrepreneurial activities in Indiana, a regional planning commission; a nonprofit educational organization whose primary purpose is educating and developing local leadership for economic development initiatives; or other similar organizations whose purposes include economic development and that are approved by the Indiana Economic Development Corporation.

**Affected Code Section:** Ind. Code § 5-13-10.5-19 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 3

**Explanation:** Provides the rules for investment after July 1, 2025, if the capital improvement board of managers and a professional sports franchise that is part of the National Basketball Association enter into a new agreement of at least 25 years before April 20, 2019, the increase in the tax



rates imposed under Ind. Code § 6-6-9.7-7(e) (Marion County Supplemental Auto Rental Excise Tax) and Ind. Code § 6-9-13-2(c) (Marion County Admissions Tax) by the city-county council continues in effect through Dec. 31, 2040, and the tax rate in effect under Ind. Code § 6-9-8-3 (Marion County Innkeeper's Tax) is 10%. Provides that if these requirements are met, for each state fiscal year beginning after June 30, 2025, and ending before July 1, 2037, the state budget director shall, before Aug. 1, certify the amount of restricted deposits for the state fiscal year to the treasurer of state. Provides that "restricted deposits" refers to any amount deposited into an excess revenues account established under an agreement described in Ind. Code § 5-1-17-28.

**Affected Code Section: Ind. Code § 5-28-6-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 9**

**Explanation:** Provides that the Indiana Economic Development Corporation shall assemble and provide information to the Commission for Higher Education and the Department of Workforce Development concerning the economic benefits of residing and working in Indiana.

**Affected Code Section: Ind. Code § 5-28-7-5.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 10**

**Explanation:** Provides that for a Skills Enhancement Fund (SEF) grant initially awarded after June 30, 2019, eligibility is limited to cooperative arrangements or agreements that lead to a postsecondary credential, a nationally recognized industry credential, or specialized company training for new hires, or a postsecondary credential, a nationally recognized industry credential, or specialized company training and a wage increase for existing workers.

**Application Note:** *Prior to this change, SEF awards could be used to reimburse a wide variety of training costs associated with new and existing employees. New SEF awards will have limited use due to additional requirements restricting the type of training costs that would be reimbursable.*

**Affected Code Section: Ind. Code § 5-28-15-11 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 554 § 1**

**Explanation:** Provides that an Enterprise Zone established under the section for closed or inactive military bases are not subject to the expiration and renewal provisions under Ind. Code § 5-28-15-10. Provides instead that the Indiana Economic Development Corporation may review the success of an Enterprise Zone and may renew the Enterprise Zone for not more than 10 years based on the increases in capital

investment and job retention and creation in the zone.

**Affected Code Section: Ind. Code § 5-28-15.5-5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 554 § 2**

**Explanation:** Provides that for purposes of the Entrepreneur and Enterprise District pilot program, for each state fiscal year beginning June 30, 2019, until a district expires, if a district board applies for a grant, the Indiana Economic Development Corporation shall, before Sept. 1, make a determination on grants from the Indiana 21st Century Research and Technology Fund to a district board established in Lafayette and Fort Wayne. Provides further that a district board may use grant money awarded under this section to reimburse itself for costs incurred before the grant money was awarded if the costs are attributable to programs or projects that support entrepreneurship, small business development, technology development, and innovation.

**Affected Code Section: Ind. Code § 5-28-28-4 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 171 § 3**

**Explanation:** Revises the definition of "tax credit" for purposes of the economic incentives and compliance report to be created by the Indiana Economic Development Corporation by deleting a reference to the repealed Ind. Code Chapter on the Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit.

**Affected Code Section: Ind. Code § 5-28-28-4 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 563 § 1**

**Explanation:** Adds Ind. Code Chapter 6-3.1-34 (Redevelopment Tax Credit) to the definition of "tax credit" for purposes of the state economic incentives and compliance report to be created by the Indiana Economic Development Corporation.

**Affected Code Section: Ind. Code § 5-28-28-10 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 563 § 2**

**Explanation:** Provides that beginning in 2023, the economic incentives and compliance report created by the Indiana Economic Development Corporation must also include a detailed report on the Redevelopment Tax Credit under Ind. Code § 6-3.1-34-21.

**Affected Code Section: Ind. Code Chapter 5-28-40 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 3**

**Explanation:** Creates the Small Business Innovation Voucher



program to provide vouchers to eligible small businesses to be used by an eligible small business to purchase research and development support or other forms of technical assistance and services from an Indiana institution of higher education or other authorized research provider. Provides that the Indiana Economic Development Corporation will administer the program subject to an appropriation from the general assembly. Provides for the application and awarding of the voucher. Provides that to receive a voucher, the small business will enter into an agreement with the Indiana Economic Development Corporation, and the agreement will prescribe the method of claiming the voucher and include provisions that authorize the Indiana Economic Development Corporation to work with the department of state revenue and the eligible small business, if the corporation determines that the eligible small business is noncompliant with the terms of the agreement or the provisions of this chapter, to bring the eligible small business into compliance or to protect the interests of the state.

**Affected Code Section: Ind. Code § 5-29-4-8 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1115 § 4**

**Explanation:** Provides that the Ind. Code Chapter governing the Indiana Office of Tourism expires July 1, 2020.

**Affected Code Section: Ind. Code § 5-29-4-8 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1115 § 5**

**Explanation:** Establishes the Indiana Destination Development Corporation (corporation), and provides that it is a public body and an instrumentality of the state. Provides that the corporation shall assist in the development and promotion of Indiana's tourist resources, facilities, attractions, and activities. Provides that the corporation may do the following: cooperate with federal, state, and local governments and agencies in the coordination of programs to promote tourism; receive and expend funds, grants, gifts, and contributions or money, property, labor, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and federal government; request assistance, information, and advice regarding the duties and functions of the corporation from an officer, agent, or employee of the state; disseminate information concerning and advertise or contract to advertise the cultural, recreational, quality of life, and tourism advantages of Indiana; plan, direct, and conduct research activities; and accept and expend such moneys as may be received from any source, including income from the corporation's operations, for effectuating its corporate purposes. Provides that the corporation shall carry out the destination development functions of the state in conformity with the laws enacted by the general assembly. Provides that the corporation may

make grants to tourism groups for the promotion of tourist resources and facilities in Indiana.

**Affected Code Section: Ind. Code § 6-1.1-10-44 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1405 § 1**

**Explanation:** For purposes of the enterprise information technology equipment property tax exemption, modifies the definition of "eligible business" by providing that an eligible business's qualified property may be located in Indiana as opposed to having to be located in an area designated as a high technology district in Indiana and increasing the amount of aggregate investment from \$10,000,000 to \$25,000,000 in real and personal property at the facility or data center after June 30, 2012. Deletes the definition of "high technology district area." Deletes provisions outlining the process and requirements for designating a high technology district area, because this area is no longer part of the personal property tax exemption for enterprise information technology equipment.

**Affected Code Section: Ind. Code § 6-1.1-43-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1115 § 6**

**Explanation:** Provides that the economic development incentive accountability provisions of the Ind. Code apply to the new Indiana Destination Development Corporation after June 30, 2020.

**Affected Code Section: Ind. Code Chapter 6-2.5-15 (addition)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1405 § 2**

**Explanation:** Adds the Gross Retail and Use Tax Exemption for Data Center Equipment chapter to the Indiana Code. Defines "data center equipment" as computer equipment or software purchased or leased for the processing, storage, retrieval, or communication of data that is preapproved by the Indiana economic development corporation. Provides a specific definition of what qualifies as "data center equipment." Also provides definitions of other pertinent terms applicable to the new exemption.

**Affected Code Section: Ind. Code § 6-3-5-4 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 9**

**Explanation:** Provides that if the Indiana Economic Development Corporation enters into an agreement for mutual economic development with a similar agency or body of a state bordering Indiana, the department of state revenue may enter into a payment agreement with the bordering state or an authorized agency of that bordering Indiana. Provides that a payment

agreement must provide that the payment by the department of state revenue cannot exceed the incremental income tax withholdings collected by the department as a result of the compensation of new employees who are Indiana residents and whose jobs are being incentivized by that border state under an agreement for mutual economic development. Provides that the amount needed to make the payment is appropriated from the state general fund.

**Affected Code Section: Ind. Code § 6-3.1-4-8 (addition)**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: House Bill 1001 § 121**

**Explanation:** Provides that if a taxpayer claims a credit for Indiana qualified research expenses for a taxable year, the taxpayer must report to the department of state revenue whether it has determined a credit for those Indiana qualified research expenses under either section 41(a)(1) of the Internal Revenue Code or section 41(c)(4) of the Internal Revenue Code (IRC) for that taxable year. Provides also that the taxpayer must report whether it claimed the determined credit for those Indiana qualified research expenses under either IRC § 41(a)(1) or IRC § 41(c)(4) for that taxable year. Provides that if a taxpayer claims a credit for those qualified research expenses for a taxable year and does not claim a credit for those qualified research expenses for federal tax purposes under IRC § 41(a)(1) or IRC § 41(c)(4) in that taxable year, the taxpayer must disclose to the department any reasons for not claiming the credit for those Indiana qualified research expenses for federal purposes for the taxable year. Provides the required disclosure shall be made in the manner specified by the department of state revenue. Provides that for purposes of Ind. Code § 6-3-4-6 and Ind. Code § 6-8.1-5-2, a change to the federal credit under IRC § 41(a)(1) or IRC § 41(c)(4) shall be considered a modification.

**Affected Code Section: Ind. Code § 6-3.1-11-25 (addition)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 10**

**Explanation:** Provides that a taxpayer is entitled to the Industrial Recovery Credit only for a qualified investment made before Jan. 1, 2020. Provides that a taxpayer is entitled to the Industrial Recovery Credit made after Dec. 31, 2019, and before Jan. 1, 2030, if the credit awarded under an application approved by the Indiana Economic Development Corporation before Jan. 1, 2020, or an agreement entered into between the taxpayer and the economic development corporation before Jan. 1, 2021. Provides that this section may not be construed to prevent a taxpayer from carrying an unused Industrial Recovery Credit forward to a taxable year beginning after Dec. 31, 2019, and before Jan. 1, 2030.

**Affected Code Section: Ind. Code § 6-3.1-19-2 (amendment)**

**Effective Date: Jan. 1, 2020**

**Enacted By: Senate Bill 563 § 12**

**Explanation:** Provides that, for purposes of the Community Revitalization Enhancement District Tax Credit, expenditures for the redevelopment or rehabilitation of property that are made after the expiration of the community revitalization district designated under Ind. Code Chapter 36-7-13 may still be considered a qualified investment if the expenditures are for property located within a community revitalization enhancement district and were made under a plan adopted by an advisory commission on industrial development under Ind. Code Chapter 36-7-13, the Indiana Economic Development Corporation approves the taxpayer's application for a credit before the expiration of the Community Revitalization Enhancement District, and the taxpayer enters into an agreement with the Indiana Economic Development Corporation not later than one year after the expiration of the Community Revitalization Enhancement District.

**Affected Code Section: Ind. Code § 6-3.1-24-11 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 563 § 13**

**Explanation:** Provides that if any or all of the Venture Capital Investment Tax Credit is passed through to a shareholder, partner, or member of a pass through entity, the amount of the tax credit that is passed through may not be applied against the pass through entity's state tax liability, nor may the pass through entity assign any unused credit under Ind. Code § 6-3.1-24-12(b) as effective July 1, 2020.

**Affected Code Section: Ind. Code § 6-3.1-24-12 (amendment)**

**Effective Date: July 1, 2020**

**Enacted By: Senate Bill 563 § 14**

**Explanation:** Provides that if the Indiana Economic Development Corporation certifies a Venture Capital Investment tax credit for investment is made after June 30, 2020, and before July 1, 2029, the taxpayer may assign all or part of the venture capital investment tax credit. Provides that the following limitations apply to the assignment of a Venture Capital Investment Tax Credit: (1) a taxpayer may not assign all or part of a credit or credits to a particular person in amounts that are less than \$10,000; (2) before a credit may be assigned, the taxpayer must notify the Indiana economic development corporation of the assignment of the credit; (3) an assignment of a credit must be in writing, and both the taxpayer and assignee shall report the assignment on the taxpayer's and assignee's state tax returns for the year in which the assignment is made; (4) once a particular credit is assigned, the assignee may not assign all or part of the credit to another person; and (5) a taxpayer may not receive value in connection with an assignment of the tax credit that exceeds the value of that part of the credit assigned.





Provides that the Indiana Economic Development Corporation shall collect and compile data on the assignments of Venture Capital Investment Tax Credits and determine the effectiveness of each assignment in getting projects completed. Requires the Indiana Economic Development Corporation to report its findings to the legislative council before Nov. 1, 2022.

**Application Note:** *Provides flexibility for those with Venture Capital Investment Tax Credits who cannot recognize the benefit by applying them to a state tax liability to be able to transfer them for negotiated value up to the amount of the credit.*

**Affected Code Section:** Ind. Code § 6-3.1-24-14 (amendment)  
**Effective Date:** July 1, 2020  
**Enacted By:** Senate Bill 563 § 15

**Explanation:** Provides that the issuance or assignment of a Venture Capital Investment Tax Credit is not subject to the Indiana securities law under Ind. Code Title 23.

**Affected Code Section:** Ind. Code § 6-3.1-26-3.1 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 16

**Explanation:** Defines “digital manufacturing equipment” to mean any production equipment utilized within an integrated computer network system that provides for the onsite manufacturing of a three-dimensional part or product using material that is joined or solidified using multiple layers under computer control pursuant to a computer aided design for rapid or on demand production.

**Affected Code Section:** Ind. Code § 6-3.1-26-8 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 17

**Explanation:** Adds the following to the definition of “qualified investments” for purposes of the Hoosier Business Investment Tax Credit: the purchase of retooled or refurbished machinery, the purchase of new pollution control and abatement, energy conservation, or renewable energy generation equipment, and the purchase of new onsite digital manufacturing equipment. Provides that the definition of “qualified investments” does not include programmable logic controller property.

**Application Note:** *For companies interested in Hoosier Business Investment Tax Credits, this allows additional investment items to be included in this program.*

**Affected Code Section:** Ind. Code § 6-3.1-26-14 (amendment)  
**Effective Date:** Jan. 1, 2019 (retroactive)  
**Enacted By:** Senate Bill 563 § 18

**Explanation:** Provides that the total amount of the Hoosier

Business Investment Tax Credit claimed for a taxable year is a percentage determined by the Indiana Economic Development Corporation, not to exceed, for taxable years beginning after Dec. 31, 2018, and before Jan. 1, 2030, 15% of the amount of a qualified investment made by a taxpayer in Indiana during that taxable year, if the qualified investment made is described under Ind. Code § 6-3.1-26-8(a)(11).

**Affected Code Section:** Ind. Code § 6-3.1-26-20 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 19

**Explanation:** Provides that the total amount of Hoosier Business Investment Tax Credits that the Indiana Economic Development Corporation may approve for all taxpayers for all qualified investments is \$5,000,000, as opposed to \$10,000,000, for credits based on qualified investment that is being claimed as a logistics investment.

**Affected Code Section:** Ind. Code § 6-3.1-30-2 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 20

**Explanation:** Revises the definition of “eligible business” for purposes of the Headquarters Relocation Tax Credit to mean a business that is engaged in either interstate or intrastate commerce, maintains a corporate headquarters at a location outside Indiana, has not previously maintained a corporate headquarters at a location in Indiana, either received or closes on at least \$4,000,000 in venture capital in the six months immediately preceding the business’s application for the Headquarters Relocation Tax Credit, and commits contractually to relocating its corporate headquarters to Indiana or relocating the number of jobs that equals 80% of the business’s total payroll during the immediately preceding quarter to a location in Indiana.

**Application Note:** *Provides an additional method in which Headquarters Relocation Tax Credit could be applied.*

**Affected Code Section:** Ind. Code § 6-3.1-30-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 563 § 21

**Explanation:** Expands the definition of “taxpayer” for purposes of the Headquarters Relocation Tax Credit to include an individual or entity, in the case of an eligible business under the newly expanded definition of eligible business involving the receipt of or closing on \$4,000,000 in venture capital within six months of its application for the credit, that has any state tax liability or that submits incremental Indiana income tax withholdings.

**Affected Code Section:** Ind. Code § 6-3.1-30-7.1 (addition)

**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 22**

**Explanation:** Defines “venture capital” for the purposes of the Headquarters Relocation Tax Credit as financing provided by investors that may include equity, convertible debt, or other forms of equity-like investment instruments.

**Affected Code Section: Ind. Code § 6-3.1-30-8 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 23**

**Explanation:** Provides that subject to entering into an agreement with the Indiana Economic Development Corporation under Ind. Code § 6-3.1-30-14 or Ind. Code § 6-3.1-30-15, if the corporation certifies that a taxpayer employs at least 10 employees in Indiana, in the case of a taxpayer that qualifies as an eligible business because of receipt of or closing on \$4,000,000 of venture capital within six months of its application for the Headquarters Relocation Tax Credit, the taxpayer is entitled to a credit against the taxpayer’s state tax liability for the taxable year in which the relocation costs are incurred. Limits the total amount of Homestead Relocation Tax Credits that may be approved by the Indiana economic development corporation for such eligible businesses may not exceed \$5,000,000 in a state fiscal year.

**Affected Code Section: Ind. Code § 6-3.1-30-9 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 24**

**Explanation:** Provides that the Headquarters Relocation Tax Credit may reduce the taxpayer’s state tax liability below the amount of the taxpayer’s state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs if the taxpayer is an eligible business that received or closed on \$4,000,000 of venture capital within six months of its application for the credit.

**Affected Code Section: Ind. Code § 6-3.1-30-11 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 25**

**Explanation:** Provides that if the taxpayer is an eligible business that received or closed on \$4,000,000 of venture capital within six months of its application for the credit and is granted the Headquarters Relocation Tax Credit, if the credit exceeds the taxpayer’s state tax liability, the excess may at the discretion of the Indiana Economic Development Corporation, be refunded to the taxpayer. Provides that such eligible business who is awarded this credit is not entitled to carryback any unused credit.

**Affected Code Section: Ind. Code § 6-3.1-30-14 (addition)**

**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 26**

**Explanation:** Provides that to be awarded a Headquarters Relocation tax credit, a taxpayer must submit an application to and enter into an agreement with the Indiana Economic Development Corporation. Provides that a taxpayer may claim a credit awarded after June 30, 2019, against the taxpayer’s state tax liability for a taxable year only if the corporation awards a credit to the taxpayer and enters into an agreement with the taxpayer under Ind. Code § 6-3.1-30-15. Provides that the corporation may deny an application for a credit under this chapter in its sole discretion, and a taxpayer may not seek judicial review of a decision by the corporation to deny a taxpayer’s application for a credit.

**Affected Code Section: Ind. Code § 6-3.1-30-15 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 27**

**Explanation:** Provides the requirements for the agreement between the taxpayer and Indiana Economic Development Corporation for the Headquarters Relocation Tax Credit. Provides that the agreement must prescribe the method for certifying the taxpayer’s qualified investment, include provisions that authorize the Indiana Economic Development Corporation to work with the department of state revenue and the taxpayer to bring the taxpayer into compliance or to protect the interest of the state if the taxpayer is noncompliant with the agreement, and require the taxpayer to maintain its corporate headquarters at a location in Indiana for not less than five years. Provides that for certain taxpayers, the last requirement in the agreement may be to maintain the number of jobs that equals 80% of the business’s total payroll at a location in Indiana for not less than five years.

**Affected Code Section: Ind. Code § 6-3.1-30-16 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 563 § 28**

**Explanation:** Provides that if the taxpayer is not compliant with its agreement for the Headquarters Relocation Tax, the Indiana Economic Development Corporation shall notify the state department of revenue of the noncompliance and request the department of state revenue to impose an assessment on the taxpayer in an amount of the previously allowed credits together with interest and penalties required or permitted by law. Provides that the state department of revenue shall impose the assessment unless the assessment is unsupported by law. Provides that regardless of other statutes, the proposed assessment will be considered timely if the department of state revenue issues the assessment within 180 days from the date the department is notified of the noncompliance or if it issues the assessment on a date on



which the proposed assessment could otherwise be issued in a timely manner, whichever is later.

**Affected Code Section: Ind. Code § 6-3.1-30.5-13 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 123**

**Explanation:** Increases and extends the school scholarship tax credit to \$15,000,000 for the state fiscal year beginning July 1, 2019, and ending June 30, 2020, and \$16,500,000 for each state fiscal year beginning after June 30, 2020.

**Affected Code Section: Ind. Code Chapter 6-3.1-31.9 (deletion)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 171 § 25**

**Explanation:** Repeals the Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit.

**Affected Code Section: Ind. Code Chapter 6-3.1-34 (addition)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 563 § 29**

**Explanation:** Implements the Redevelopment Tax Credit. Defines “qualified investment” as the amount of taxpayer’s expenditures that are for the redevelopment or rehabilitation of real property located within a qualified redevelopment site and approved by the Indiana Economic Development Corporation before the expenditure is made. Defines “qualified redevelopment site” as: land on which a vacant building or complex of buildings was placed in service at least fifteen years before the date on which the application for credit is filed; land on which a vacant building or complex of buildings was placed in service at least fifteen years before the date on which the demolition of the vacant building or complex of buildings was completed and that was demolished in an effort to protect the health, safety, and welfare of the community; land on which a vacant building or complex of buildings was placed in service at least fifteen years before the date on which the demolition of the vacant building or complex of buildings was completed, was placed in service as a public building, was owned by a unit of local government, and has not been redeveloped since the building was taken out of service as a public building; vacant land; or brownfields consisting of more than fifty acres. Provides that a taxpayer may claim a credit against the taxpayer’s state tax liability for a taxable year only if the Indiana Economic Development Corporation awards a credit to the taxpayer and enters into an agreement with the taxpayer. Provides that the amount of the credit is equal to the qualified investment made by the taxpayer during the taxable year and approved by the Indiana Economic Development Corporation in an agreement multiplied by the applicable credit percentage determined by the corporation under Ind. Code § 6-3.1-34-17(b) and Ind. Code § 6-3.1-34-17(c). Provides that if a pass-through

entity may claim a credit but does not have a state tax liability, a shareholder, partner, beneficiary, or member of the pass-through entity may claim a credit equal to the pass-through entity’s credit multiplied by the percentage of distributive income the shareholder, partner, beneficiary, or member may claim or the pass-through entity and its partners, shareholders, beneficiaries, or members may allocate the credit among themselves as provided in a written agreement filed with the Indiana economic development corporation. Provides that a taxpayer may carry any excess credit for over a period not to exceed the taxpayer’s next nine taxable years, beginning with the taxable year after the year in which the Indiana Economic Development Corporation certifies the taxpayer’s expenditures as a qualified investment. Provides that a taxpayer is not entitled to a carryback or refund of the unused credit amount. However, provides that a taxpayer may assign any part of the credit in writing, so long as the taxpayer makes only one assignment of a credit after notifying the Indiana Economic Development Corporation in the manner prescribed. Provides that both the assignee and the taxpayer will report the assignment of the credit on their state tax returns. Provides that the total amount of credits for a state fiscal year for all taxpayers for all qualified investments is \$50,000,000.

**Application Note:** *New credit program available for vacant complexes.*

**Affected Code Section: Ind. Code Chapter 6-3.5-9 (deletion)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 171 § 26**

**Explanation:** Repeals the Local Option Hiring Incentive.

**Affected Code Section: Ind. Code § 6-3.6-9-5 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1473 § 8**

**Explanation:** Provides that for Lake County, when the Department of Local Government Finance notifies the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year, the department of local government finance shall also determine the amount of additional revenue allocated for economic development purposes that will be distributed to each civil taxing unit, reduced by specific percentages that would otherwise be allocated for economic development purposes and distributed to a civil taxing unit in Lake County. Outlines the specific percentages for reducing the amount distributed to each locality.

**Affected Code Section: Ind. Code § 6-3.6-11-5.5 (addition)**



**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 9**

**Explanation:** Provides that for Lake County and for purposes of categorizations, allocations, and distributions of additional revenue that is allocated each year for economic development purposes under Ind. Code § 6-3.6-6-9 and of certified shares under Ind. Code Chapter 6-3.6-6. Provides additional revenue that is allocated each year for economic development purposes by a civil taxing unit must first be used to provide funding for a rail project, as defined in Ind. Code § 36-7.5-1-13.5. Provides that before the auditor of state may make a certified distribution of additional revenue allocated for economic development purposes, the auditor of state shall withhold the total amount determined by the Department of Local Government Finance under from the certified distribution allocated to economic development. Provides that the amount withheld by the auditor of state under this section shall be paid to the secretary-treasurer of the Northwest Indiana Regional Development Authority before a certified distribution allocated to economic development is made to the county and before the county auditor may otherwise allocate or distribute tax revenue.

**Affected Code Section: Ind. Code § 6-3.6-11-5.7 (addition)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: House Bill 1427 § 10**

**Explanation:** Provides that before July 1, 2019, one or more of the municipalities of Cedar Lake, East Chicago, Griffith, and St. John may enter into an interlocal cooperation agreement or other agreement, adopt an ordinance or adopt a resolution, or take any other action, to agree to support and finance a rail project or rail projects. Provides that if one or more of the municipalities agrees to support and finance a rail project or rail projects as described in this subsection, tax revenue that would otherwise be allocated to the municipality under Ind. Code Chapter 6-3.6-11 shall be withheld and paid as described in Ind. Code § 6-3.6-11-5.5. Provides that neither the action nor inaction of Cedar Lake, East Chicago, Griffith, or St. John under this section affects the enforceability of any of the provisions of Ind. Code § 6-3.6-11-5.5.

**Affected Code Section: Ind. Code § 6-3.6-11-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1473 § 11**

**Explanation:** Deletes the provision providing that the civil taxing unit may use additional revenue that is allocated each year for economic development purposes under Ind. Code § 6-3.6-6-9 to provide funding for a rail project. Provides that the additional revenue that would otherwise be allocated to a civil taxing unit described above shall be withheld under Ind. Code § 6-3.6-11-5.5 by the auditor and shall be paid to the secretary-treasurer of the Northwest Indiana Regional

Development Authority.

**Affected Code Section: Ind. Code § 6-3.6-11-7.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1473 § 12**

**Explanation:** Provides an action challenging any action taken under section Ind. Code §§ 6-3.6-11-5.5, -5.7, -6, or -7 to withhold or transfer revenue to the secretary-treasurer of the Northwest Indiana Regional Developmental Authority from a county's certified distribution must be brought within ten days after the date on which the county auditor notifies the secretary-treasurer of the Northwest Indiana Regional Development Authority.

**Affected Code Section: Ind. Code § 6-6-9.7-7 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 4**

**Explanation:** Provides that a tax increase by the city-county council of the Marion County Supplemental Auto Rental Excise Tax may not continue in effect after Dec. 31, 2040, as opposed to Feb. 28, 2023.

**Affected Code Section: Ind. Code § 6-9-8-3 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 5**

**Explanation:** Provides that a tax increase by the city-county council of the Marion County Innkeeper's Tax may not continue in effect after Dec. 31, 2040, as opposed to Jan. 1, 2028.

**Affected Code Section: Ind. Code § 6-9-13-1 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 6**

**Explanation:** Expands the imposition of the Marion County Admissions Tax to any professional sporting event held in a facility financed in whole or in part by a lease or other agreement under new Ind. Code Chapter 36-7-31.5 (Additional professional sports development area in a county containing a consolidated city).

**Affected Code Section: Ind. Code § 6-9-13-2 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 7**

**Explanation:** Provides that a tax increase by the city-county council of the Marion County Admissions Tax may not continue in effect after Dec. 31, 2040, as opposed to Feb. 28, 2023.

**Affected Code Section: Ind. Code Chapter 8-14-14.3 (addition)**



**Effective Date: Sept. 1, 2018 (retroactive)**  
**Enacted By: House Bill 1001 § 155**

**Explanation:** Creates and provides for the regulation of the Next Level Connections Fund for the purpose of providing matching grants to local units of government and nonprofit organizations for trails, provided that the funding for trails may not exceed \$90,000,000, and incentivize and establish additional nonstop flights originating from Indiana airports, provided that the funding for nonstop flights may not exceed \$20,000,000, and accomplish the transportation plan of the Indiana department of transportation. Provides also that the department of transportation may transfer up to \$100,000,000 from this fund to the rural broadband fund for the purpose of awarding broadband grants for rural areas. Creates the Northern Indiana Commuter Rail Account and provides that the Indiana budget agency shall transfer \$185,000,000 from the next level connections fund to it. Provides that the Indiana Department of Transportation may not award additional grants after June 30, 2024.

**Affected Code Section: Ind. Code § 8-22-3.5-9 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 81**

**Explanation:** Revises definition of “base assessed value” for purposes of the Ind. Code chapter governing airports to mean the net assessed value of property that is assessed as residential property under the rules of the Department of Local Government Finance, within the airport development zone, as finally determined for the current assessment date. Provides that if the metropolitan development commission or board of the airport authority, confirms, or modifies and confirms, a resolution to create an airport development zone after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the airport development zone is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of: (1) the date on which the documents are filed with the county auditor; or (2) the date on which the documents are filed with the Department of Local Government Finance.

**Affected Code Section: Ind. Code § 8-23-2-4.1 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1001 § 156**

**Explanation:** Provides that the Indiana Department of Transportation is now responsible for a railroad project, as defined in Ind. Code § 8-5-15-1, in accordance with an authorization provided to it by the board of trustees of a commuter transportation district.

**Affected Code Section: Ind. Code § 8-23-2-6 (amendment)**  
**Effective Date: Upon Passage**

**Enacted By: House Bill 1001 § 157**

**Explanation:** Provides that the Indiana Department of Transportation may now enter into a contract with a contractor, operator, or design builder or construction manager as constructor for, or with any adviser, consultant, attorney, accountant, engineer, architect, or other person or entity in connection with, the construction, reconstruction, improvement, maintenance, repair, or operation of a railroad project, as defined in Ind. Code § 8-5-15-1, in accordance with an authorization provided by the board of trustees of a commuter transportation district.

**Affected Code Section: Ind. Code Chapter 14-13-9 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1270 § 8**

**Explanation:** Creates the Kankakee River Basin and Yellow River Basin Development Commission, abolishes the Kankakee River basin commission, and transfers all powers and duties of the old commission to the new development commission.

**Affected Code Section: Ind. Code § 20-19-2-19 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 11**

**Explanation:** Provides that the governor’s workforce cabinet, and not the state board of education, shall receive, distribute, and account for all funds received for career education under the federal Carl D. Perkins Vocational and Applied Technology Act. Provides further that the governor’s workforce cabinet may enter into agreements with the federal government for receiving federal funds providing that any agreement is subject to the approval of the budget agency. Provides that the governor’s workforce cabinet shall make recommendations to the budget committee concerning the allocation of federal funds it receives. Provides that the governor’s workforce cabinet may not expend or distribute these funds unless they have been allocated by the General Assembly.

**Affected Code Section: Ind. Code § 20-43-8-0.7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 28**

**Explanation:** For purposes of the Career and Technical Education Grants, adds “meaningful” to the definition of “work based learning course” delivered in an employment relationship that provides a worker with paid or meaningful work experience and corresponding classroom instruction.

**Affected Code Section: Ind. Code Chapter 20-47-6 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1002 § 29**

**Explanation:** Creates the Indiana Code chapter on Industry

Collaboration Organization; Certification; Administration of Contributions. Provides for certification by the governor's workforce cabinet of an industry collaboration organization (ICO). Provides that an organization may qualify as an ICO if the organization is exempt from federal income taxation, conducts activities for the purposes of enhancing career and technical education and work based learning opportunities for students in alignment with state and regional workforce needs, and is governed by a board of directors, the majority of which come from a high wage, high demand, priority industry sector. Provides that contributions to an ICO may be used by the ICO for the following purposes: to support the development and implementation of high school graduation pathways; to provide money to the ICO to establish and operate a career counseling program for students; to enhance career and technical education and training programs; to expand apprenticeships and work based learning opportunities; to provide grants to schools to be used by the school to pay the transportation costs for students to attend an eligible training program; to provide grants for any other course or program, if the course or program leads to the attainment of a specific employment related credential that documents the student's skills for employment success; to partner with other ICOs, nonprofits, public foundations, or other entities to provide workforce related educational programs or training for students. Requires that an ICO report certain information to the governor's workforce cabinet. Requires the cabinet to support an ICO in sharing and scaling best practices on a statewide basis by: conducting an annual survey of the business, education, and community organizations participating in the ICO, in consultation with the management performance hub; and convening the ICOs on an ongoing basis in collaboration with Indiana's statewide business and industry associations. Provides that the cabinet shall annually compile lists of the industry sectors and geographic regions in which ICOs are operating, disaggregated by industry category and region, and business, educational institutions, and community organizations affiliated with the ICOs established under this chapter, disaggregated by industry category and region.

**Affected Code Section: Ind. Code Chapter 21-18-15 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 32**

**Explanation:** Requires the Commission for Higher Education to establish, in coordination with the Department of Workforce Development and the Indiana Economic Development Corporation, the Let Indiana Work for You program to provide to colleges and universities information concerning workforce opportunities in Indiana and other benefits of residing and working in Indiana after graduating from the college or university. Provides that, if a college or university approves of the information under the program for distribution to

students of the college or university, the Commission for Higher Education, in coordination with the Department of Workforce Development and the Indiana Economic Development Corporation, shall provide the information to the college or university, and the college or university shall present in person or use other communication mediums to provide the information to its students. Requires the Indiana Economic Development Corporation to assemble and provide to the Commission for Higher Education and the Department of Workforce Development information concerning the economic benefits of residing and working in Indiana.

**Affected Code Section: Ind. Code § 22-4.1-20-4 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 34**

**Explanation:** Provides that money appropriated by the General Assembly for adult education and the Work Indiana program shall be used by the Department of Workforce Development as grants to employers for adult education purposes. Defines the qualifications to be an eligible employee which include that the individual be at least eighteen years old and not enrolled in school, be a resident of Indiana for at least thirty days before enrolling in a program of adult education, be employed on a part-time or full-time basis in Indiana, and when initially employed, the individual did not have sufficient high school credits to earn a high school diploma; or had not passed the examination to earn a high school equivalency diploma or a general educational development (GED) diploma. Provides that the department of workforce development will provide for reimbursement to an employer for instructor salaries and administrative and support costs for up to 15% of the total appropriation to the department of workforce development for this program. Provides for specific requirements to be met for the costs incurred by an employer for an instructor's salary to be eligible to be included as out-of-pocket expenditures.

**Affected Code Section: Ind. Code § 22-4.1-26-5.5 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 36**

**Explanation:** Provides that a high school student is eligible to participate in the Next Level Jobs Employer Training Grant Program if the student is enrolled in a work based learning course, as defined in Ind. Code § 20-43-8-0.7, that is aligned with the following sectors: manufacturing, technology business services, transportation and logistics, health sciences, building and construction, and agriculture.

**Application Note:** *Students can now receive workforce funding for training in specified sectors.*

**Affected Code Section: Ind. Code § 22-4.1-26-6 (amendment)**





**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 37**

**Explanation:** Provides that eligible training for the Next Level Jobs Employer Training Grant Program must tie to an in demand occupation and lead to, for an eligible employee or high school student that is a new hire, a postsecondary credential, a nationally recognized industry credential, or specialized company training or for an eligible employee that is an existing worker, a postsecondary credential, a nationally recognized industry credential, or specialized company training and an increase of wages.

**Affected Code Section: Ind. Code § 22-4.1-26-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1002 § 38**

**Explanation:** Limits the amount of a grant under the Next Level Jobs Employer Training Grant Program for an eligible employee who is a high school student to the lesser of \$1,000 or one-third of the cost of the student's work based learning course.

**Affected Code Section: Ind. Code Chapter 22-4.1-27 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 607 § 2**

**Explanation:** Establishes the workforce diploma reimbursement program. Provides that the governor's workforce cabinet, in coordination with the Department of Workforce Development, shall administer the program. Provides that the purpose of the workforce diploma reimbursement program fund is to provide payments to eligible program providers that assist adults who are more than 22 years of age in developing employability and career technical skills and obtaining high school diplomas. Provides that the governor's workforce cabinet shall approve eligible program providers to participate in the program, and provides that the Department of Workforce Development shall publish a list of approved eligible program providers and other information concerning the program online. Provides that the Department of Workforce Development shall reimburse approved eligible program providers that participate in the program certain amounts ranging from \$175-\$1,000 for the completion of the certain milestones for each student. Requires the cabinet to include in the report the cabinet submits concerning workforce related programs the cabinet's review, analysis, and evaluation of the workforce diploma reimbursement program, including the cabinet's and department's activities related to the development of the program.

**Affected Code Section: Ind. Code § 36-7-14-17 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 115**  
**Explanation:** Provides that if a redevelopment commission

adopts the resolution and the resolution includes a provision establishing or amending an allocation provision under Ind. Code § 36-7-14-39, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the Department of Local Government Finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within 30 days after the date on which the redevelopment commission takes final action on the resolution.

**Affected Code Section: Ind. Code § 36-7-14-17 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 171 § 32**

**Explanation:** Provides that if a redevelopment commission adopts a resolution and the resolution includes a provision establishing or amending an allocation provision, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the Department of Local Government Finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within 30 days after the date on which the redevelopment commission takes final action on the resolution.

**Affected Code Section: Ind. Code § 36-7-14-25.2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 118**

**Explanation:** Provides that a redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds with a lessor for a term not to exceed 35 years, for leases entered into after June 30, 2019, to finance a project that is located in a redevelopment project area, an economic development area, or an urban renewal project area and that includes, as part of the project, the use and repurposing of two or more buildings and structures that are at least 75 years old and located at a site at which manufacturing previously occurred over a period of at least 75 years.

**Affected Code Section: Ind. Code § 36-7-14-39 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 120**

**Explanation:** Provides that notwithstanding any other law, in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area, an economic development area, or an urban renewal project area described in Ind. Code § 36-7-14-25.1(c)(3)(C), the expiration date of the allocation provision may not be more than 35 years after the date on which the allocation provision is established.

**Affected Code Section:** Ind. Code § 36-7-15.1-10 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 171 § 38

**Explanation:** Provides that if the Marion County redevelopment commission adopts a resolution and the resolution includes a provision establishing or amending an allocation provision, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the Department of Local Government Finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within 30 days after the date on which the redevelopment commission takes final action on the resolution.

**Affected Code Section:** Ind. Code § 36-7-30-12 (amendment); Ind. Code § 36-7-30-13 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 171 §§ 45, 46

**Explanation:** Provides that if the federal military base reuse authority confirms, or modifies and confirms, the resolution and the resolution includes a provision establishing or amending an allocation provision, the reuse authority shall file a copy of the resolution with both the auditor of the county in which the proposed project is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the reuse authority takes final action on the resolution.

**Affected Code Section:** Ind. Code § 36-7-30-25.1 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 554 § 3

**Explanation:** Provides that this section applies for purposes of the reuse of federal military basis, to a reuse authority that had jurisdiction over an enterprise zone established under Ind. Code § 5-28-15-11 that is expired under Ind. Code Chapter 5-28-15. Defines “incentive” to mean a tax credit, deduction, or exemption available under Ind. Code Chapter 6-1.1-45 (Enterprise Zone Investment Deduction), Ind. Code § 6-3-3-10 (Enterprise Zone Employers; credit; employment expenditures); Ind. Code Chapter 6-3.1-7 (Enterprise Zone Loan Interest Credit) (before its expiration), and Ind. Code Chapter 6-3.1-10 (Enterprise Zone Investment Cost Credit) (before its expiration). Provides that subject to the approval of the Indiana Economic Development Corporation, a reuse authority may certify a business that is located within the boundaries of an Enterprise Zone (before its expiration) for one or more incentives.

**Affected Code Section:** Ind. Code § 36-7-30.5-17 (amendment); Ind. Code § 36-7-30.5-18 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 171 §§ 49, 50

**Explanation:** Provides that if the development authority of a multicounty federal military base confirms, or modifies and confirms, the resolution and the resolution includes a provision establishing or amending an allocation provision, the development authority shall file a copy of the resolution with both the auditor of the county in which the proposed project is located and the Department of Local Government Finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within 30 days after the date on which the development authority takes final action on the resolution.

**Affected Code Section:** Ind. Code § 36-7-31-10 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 9

**Explanation:** Provides that after June 30, 2019, and in addition to the tax area already described in this section, the tax area may include any facility or complex of facilities that consists of a hotel, motel, or multi-brand complex of hotels located in an area in Indianapolis, Indiana, and that provides convenient accommodations for consideration to the general public for periods of less than 30 days, especially for individuals attending professional sporting events, conventions, or similar events in the capital improvements that are owned, leased, or operated by the capital improvement board. Provides the specific location for the tax area.

**Affected Code Section:** Ind. Code § 36-7-31-13 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 11

**Explanation:** Adds references to new sections Ind. Code § 36-7-31-10(b)(3) and 10(c). Provides that when considering a resolution with respect to a tax area change, the budget committee and the budget agency must find that covered taxes, an innkeeper’s tax, or an admissions tax will not be used to finance or construct or in any way subsidize the construction of meeting or ballroom space that is located within the footprint of a privately owned hotel or that will be operated, maintained, or otherwise controlled by a privately owned hotel.

**Affected Code Section:** Ind. Code § 36-7-31-14.2 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 14

**Explanation:** Provides a maximum total of covered taxes attributable to the part of the tax area in which a facility or



complex of facilities is located that may be deposited in the sports and convention facilities operating fund during each state fiscal year as follows: \$8,000,000 for state fiscal years ending June 30, 2019, through June 30, 2021; \$17,000,000 for the state fiscal year ending June 30, 2022; \$20,000,000 for the state fiscal year ending June 30, 2023; \$24,000,000 for state fiscal years ending June 30, 2024, through June 30, 2033; \$26,000,000 for state fiscal years ending June 30, 2034, through June 30, 2041. Provides that no deposit shall be made after the state fiscal year ending June 30, 2041.

**Affected Code Section: Ind. Code § 36-7-31-21 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 15**

**Explanation:** Provides that revenues available for deposit in the sports and convention facilities operating fund may be pledged to secure and provide for the payment of bond or lease obligations of the capital improvement board related to the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including by a deposit or transfer of revenues into the capital improvement bond fund

**Affected Code Section: Ind. Code Chapter 36-7-31.5 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 16**

**Explanation:** Where a county has a consolidated city, provides the authority for the creation of a professional sports development area in addition to the professional sports development area created under Ind. Code Chapter 36-7-31. Provides that a tax area must initially be established not later than July 1, 2022, under the procedures for the establishment of an economic development area. Provides that the tax area is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit. Provides that in addition to other requirements, covered taxes may not be allocated unless the tax area is established, the budget committee has reviewed a resolution for the establishment of the tax area, the city-county council has adopted an ordinance to impose an admissions tax, the capital improvement board has adopted a resolution to apply revenue collected in the tax area from imposition of an innkeeper's tax and an admissions tax, the owners or owners of the professionals soccer team have provided at least 20% of the cost of the project to construct the facility that will be used to host the professional sporting events, and the Indiana finance authority has reviewed the capital improvement board's feasibility study. Provides that separate returns must be filed for the innkeeper's tax and food and beverage tax for locations in the tax area and locations outside the tax area. Provides that all of the salary,

wages, bonuses, and other compensation paid during a taxable year to a professional athlete for professional athletic services earned in the tax area shall be allocated to the tax area if the athlete is a member of the team that plays home games in the tax area. Provides that the total amount of state revenue captured by the tax area may not exceed \$9,500,000 per state fiscal year for not more than 32 years. Provides that the capital improvement board may use the money distributed from this tax area to pay costs related to a capital improvement including operation, maintenance or replacement of the capital improvement, constructing renovating, and equipping a capital improvement, financing or refinancing a capital improvement, or administering the capital improvement, related bonds, leases, agreements or related undertakings.

**Affected Code Section: Ind. Code § 36-7-32-8 (amendment)**  
**Effective Date: July 1, 2020**  
**Enacted By: Senate Bill 563 § 30**

**Explanation:** Defines "income tax base period amount" as, in the case of a certified technology park for which the amount limit has been exceeded, the aggregate amount of adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising a certified technology park with respect to wages earned for work in the certified technology park for the state fiscal year in which the total deposits in the incremental tax financing fund for the certified technology park first exceeded the amount limit, or the state fiscal year beginning July 1, 2019, and ending June 30, 2020, in the case of a certified technology park for which the amount limit was exceeded before July 1, 2020.

**Affected Code Section: Ind. Code § 36-7-32-8.5 (amendment)**  
**Effective Date: July 1, 2020**  
**Enacted By: Senate Bill 563 § 31**

**Explanation:** Defines "income tax incremental amount" to mean in the case of a certified technology park for which the amount limit has been exceeded, the remainder of the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the certified technology park for a particular state fiscal year, minus the sum of the (1) income tax base period amount and (2) tax credits awarded by the Indiana Economic Development Corporation under Ind. Code Chapter 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year. Provides that this amount shall be determined by the department of state revenue.

**Affected Code Section: Ind. Code § 36-7-32-11 (amendment)**  
**Effective Date: Jan. 1, 2020**



**Enacted By: Senate Bill 563 § 32**

**Explanation:** Provides that Certified Technology Park designations are to be reviewed every three years as opposed to every four years. Provides that this three-year recertification process goes into effect on Jan. 1, 2020.

**Affected Code Section: Ind. Code § 36-7-32-22 (amendment)**  
**Effective Date: July 1, 2020**

**Enacted By: Senate Bill 563 § 33**

**Explanation:** Provides that if a Certified Technology Park maintains its certification and the limit on deposits under this section has been reached for a period, an additional annual deposit amount shall, if applicable, be deposited in the incremental tax financing fund for the Certified Technology Park pursuant to a calculation of the amount of the deposit outlined in this section.

**Affected Code Section: Non-Code Section**

**Effective Date: Upon Passage**

**Enacted By: Senate Bill 563 § 35**

**Explanation:** Urges the legislative council to assign to an appropriate interim study committee the task of studying the development of regional airports throughout Indiana.

**Affected Code Section: Non-Code Section**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1001 § 1**

**Explanation:** Appropriates \$12,500,000 for each of the next two fiscal years for the Skills Enhancement Fund. Appropriates \$4,850,000 for each of the next two fiscal years for the Industrial Development Grant Program. Appropriates \$20,000,000 for each of the next two fiscal years for the Next Level Jobs Employer Training Grant Program.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: House Bill 1001 § 266**

**Explanation:** Ind. Code § 6-3.1-4-8 (research expense credit) as added by this act, applies to taxable years beginning after Dec. 31, 2018.

**Affected Code Section: Non-Code Section**

**Effective Date: Upon Passage**

**Enacted By: Senate Bill 546 § 1**

**Explanation:** Urges the legislative council to assign to the interim study committee on education the task of studying the following (1) the feasibility of integrating the membership of and merging the responsibilities of the Indiana State Board of Education, Commission for Higher Education, and

the governor's workforce cabinet to continue the process of aligning Indiana's education system; and (2) the governance structure and legislative oversight of education, including the composition of the State Board of Education, the governor's workforce cabinet, and the Commission for Higher Education.

**Affected Code Section: Non-Code Section**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1115 § 21**

**Explanation:** Provides that all the powers, duties, agreements, and liabilities as well as all records and property including appropriations and other funds of the Office of Tourism are transferred to the new Indiana Destination Development Corporation after June 30, 2020. Provides that after June 30, 2020, a reference to the Office of Tourism in any statute, rule, or other document is considered a reference to the Indiana Destination Development Corporation.

### **Property Tax** *(continued from page 11)*

Article 6-1.1 or the local unit has held the land for not less than three years prior to the date on which the for-profit land developer acquires it from the local unit of government.

**Affected Code Section: Ind. Code § 6-1.1-4-12 (amendment)**

**Effective Date: Jan. 1, 2020**

**Enacted By: House Bill 1345 § 1**

**Explanation:** Provides that if a for-profit land developer acquires land in inventory from a school corporation or a local unit of government, the land in inventory shall be assessed as agricultural land at the agricultural land base rate on the first assessment date immediately following the date on which the land developer acquires title to the land in inventory, and that thereafter the land in inventory will be subject to the usual provisions for reassessment of a land developer's land in inventory.

**Affected Code Section: Ind. Code § 6-1.1-4-12.6 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1305 § 1**

**Explanation:** Requires the owner or owner's agent of oil or gas interests or appurtenances to file the schedule prescribed by the department of local government finance for township and county assessors to use in assessing the oil and gas interests by May 15 of each year. Requires the schedule to be filed with the appropriate township assessor (if any) or the county assessor if there is no township assessor. Provides for



the imposition of a monetary penalty of \$25 to the person's next property tax installment and 10% of the taxes finally determined to be due against owners of oil or gas interests who fail to timely file a property schedule for gas and oil well assessments.

**Affected Code Section: Ind. Code § 6-1.1-4-17 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 14**

**Explanation:** Expands the authority of the department of local government finance with respect to a county assessor's employment of professional appraisers as technical advisors for assessments. Provides that the department may deny employment of professional appraisers.

**Affected Code Section: Ind. Code § 6-1.1-4-18.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 15**

**Explanation:** Provides that a county assessor who enters into a contract with a professional appraiser shall submit a contract to the department of local government finance not later than thirty days after execution of the contract. Provides that the department of local government finance may review any contracts to ensure compliance with Ind. Code § 6-1.1-4-19.5.

**Affected Code Section: Ind. Code § 6-1.1-4-19.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 16**

**Explanation:** Provides that a contract between a county assessor and a professional appraiser must include a provision stating that the contract is void and unenforceable if the appraiser is not certified by the department of local government finance on the date the contract is executed or if the department of local government finance subsequently revokes the professional appraiser's certification after the contract is executed.

**Affected Code Section: Ind. Code § 6-1.1-10-16 (amendment)**  
**Effective Date: Jan. 1, 2018 (retroactive)**  
**Enacted By: House Bill 1345 § 2**

**Explanation:** Restores the property tax exemption which had expired as of Jan. 2, 2017, for certain real property that is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold: (1) in a charitable manner; (2) by a nonprofit organization; and (3) to low income individuals who will use the land as a family residence.

**Affected Code Section: Ind. Code § 6-1.1-10-48 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1345 § 3**

**Explanation:** Provides a tangible property tax exemption for assessment dates occurring after Dec. 31, 2016, for certain property owned by an Indiana nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code if the property is used in the operation of a nonprofit health, fitness, aquatics, and community center, and funds for the acquisition and development of the property have been provided in part under the regional cities initiative of the Indiana economic development corporation. Provides that this exemption extends to any part of the property which is leased or licensed by the owner to another nonprofit or municipal entity for the specific exempt use. Provides that a tract of land is eligible for this exemption if not more than four years after the property is purchased, and for each year after the first four year period, the owner demonstrates substantial progress and active pursuit towards the use of the tract of land and any improvements as a nonprofit health, fitness, aquatics, and community center. Allows a refund for any property taxes paid in 2018 and 2019 for property that qualifies for the exemption, but does not allow interest to be paid on such a refund to the extent interest has not be paid by or on behalf of the owner. Provides that any claim for refund under this section shall be filed before Sept. 1, 2019.

**Affected Code Section: Ind. Code § 6-1.1-11-3 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1427 § 17**

**Explanation:** Permits a person seeking an exemption under Ind. Code § 6-1.1-10-16 to file an application for exemption up to thirty days following the deadline if the person pays a late fee equal to the lesser of \$25 for each day after the deadline or \$250.

**Application Note:** *This allows for the exemption application for nonprofit entities to be filed within 30 days after the April 1st deadline by paying a fee.*

**Affected Code Section: Ind. Code § 6-1.1-12-2 (amendment); Ind. Code § 6-1.1-12-10.1 (amendment); Ind. Code § 6-1.1-12-12 (amendment); Ind. Code § 6-1.1-12-15 (amendment); Ind. Code § 6-1.1-12-17 (amendment); Ind. Code § 6-1.1-12-27.1 (amendment); Ind. Code § 6-1.1-12-30 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 171 §§ 4-8, 10, 11**

**Explanation:** Makes the filing deadlines for property tax deductions applicable to mobile homes and manufactured homes that are not assessed as real property the same as the filing deadlines for property tax deductions applicable to real property.

**Affected Code Section: Ind. Code § 6-1.1-12-2 (amendment); Ind. Code § 6-1.1-12-10.1 (amendment); Ind. Code § 6-1.1-12-**

**12 (amendment); Ind. Code § 6-1.1-12-15 (amendment); Ind. Code § 6-1.1-12-17 (amendment); Ind. Code § 6-1.1-12-27.1 (amendment); Ind. Code § 6-1.1-12-30 (amendment); Ind. Code § 6-1.1-12-35.5 (amendment); Ind. Code § 6-1.1-12-37 (amendment); Ind. Code § 6-1.1-12-45 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1427 §§ 18-22, 25-29**

**Explanation:** Makes the filing deadlines for property tax deductions applicable to mobile homes and manufactured homes that are not assessed as real property the same as the filing deadlines for property tax deductions applicable to real property.

**Affected Code Section: Ind. Code § 6-1.1-12-9 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 280 § 1**

**Explanation:** Changes the eligibility requirements for individuals over the age of sixty-five to claim a property tax deduction for assessment dates after Dec. 31, 2019 to the following: (1) The individual had, in the case of an individual who filed a single return, adjusted gross income not exceeding \$30,000; (2) The individual had, in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income not exceeding \$40,000; or (3) The combined adjusted gross income of the individual and all other individuals with whom the individual shares ownership or with whom the individual is purchasing property under a contract as joint tenants or tenants in common did not exceed \$40,000 for a calendar year preceding by two years the calendar year in which the property taxes are first due and payable; (4) all such individuals reside on the real property, mobile home, or manufactured home, and (6) the assessed value of the real property, mobile home, or manufactured home does not exceed \$200,000, provided that for an individual who has received a deduction in a particular year, increases in assessed value due solely to an annual adjustment of the assessed value under Ind. Code § 6-1.1-4-4.5 that occur after the later of Dec. 31, 2019 or the first year that the individual has received the deduction are not considered. Increases the deduction limit to \$14,000 from \$12,480.

**Affected Code Section: Ind. Code § 6-1.1-12-14 (amendment)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 280 § 2**

**Explanation:** Increases the deduction from the assessed value of real property, mobile homes not assessed as real property, and manufactured homes not assessed as real property for total disabled veterans or veterans age sixty-two and partial disabled, and for surviving spouses of veterans to \$14,000 from \$12,480. Expands situations in which a surviving spouse may claim the deduction to include where the individual was

killed in action, died while serving on active duty in the military or naval forces of the United States, or died while performing inactive duty training in the military or naval forces of the United States. Increases the assessed value limit for this deduction from \$175,000 to \$200,000, provided that for purposes of determining the assessed value of the real property, mobile home, or manufactured home for an individual who has received a deduction in a particular year, increases in assessed value due solely to an annual adjustment of the assessed value under Ind. Code § 6-1.1-4-4.5 that occur after the later of Dec. 31, 2019, or the first year that the individual has received the deduction are not considered.

**Affected Code Section: Ind. Code § 6-1.1-12-17.5 (deletion)**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1427 § 23**

**Explanation:** Repeals section outlining method for World War I veteran to claim an available property tax deduction.

**Affected Code Section: Ind. Code § 6-1.1-12-17.5 (deletion)**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 171 § 9**

**Explanation:** Repeals section outlining method for World War I veteran to claim an available property tax deduction.

**Affected Code Section: Ind. Code § 6-1.1-12-17.8 (amendment)**

**Effective Date: July 1, 2017 (retroactive)**

**Enacted By: House Bill 1427 § 24**

**Explanation:** Eliminates (effective retroactive to July 1, 2017) several property tax deduction and credit reapplication requirements concerning unmarried taxpayers who married, married taxpayers who divorced, and taxpayers who came to own their property jointly or as tenants in common with another individual. Provides that if the county auditor terminated the deduction or credit because the taxpayer did not comply with the reapplication requirements, the county auditor shall reinstate the deduction or credit if the taxpayer provides proof that the taxpayer is eligible for the deduction or credit and is not claiming the deduction or credit for any other property.

**Affected Code Section: Ind. Code § 6-1.1-12-31 (deletion)**

**Effective Date: Jan. 1, 2020**

**Enacted By: Senate Bill 171 § 12**

**Explanation:** Deletes property tax deduction for a coal conversion system.

**Affected Code Section: Ind. Code § 6-1.1-12-34.5 (deletion)**

**Effective Date: Jan. 1, 2020**

**Enacted By: Senate Bill 171 § 13**





**Explanation:** Deletes the property tax deduction for owners of qualified coal combustion product buildings certified by the center for coal technology research.

**Affected Code Section:** Ind. Code § 6-1.1-12-35.5 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** Senate Bill 171 § 14

**Explanation:** Makes the filing deadlines for property tax deductions related to coal, hydroelectric, and geothermal applicable to mobile homes that are not assessed as real property the same as the filing deadlines for property tax deductions applicable to real property. Expands the requirement that the department of environmental management be involved in the deduction for use of coal combustion products. Deletes the requirement that an application for a deduction for coal combustion products shall be reviewed and certified by the center for coal technology research.

**Affected Code Section:** Ind. Code § 6-1.1-12-37 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 171 § 16

**Explanation:** Makes the filing deadlines for standard property tax deductions for homesteads applicable to mobile homes and manufactured homes that are not assessed as real property the same as the filing deadlines for property tax deductions applicable to real property.

**Affected Code Section:** Ind. Code § 6-1.1-12-45 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 171 § 18

**Explanation:** Makes the filing deadlines for one year carryover of property tax deductions applicable to mobile homes and manufactured homes that are not assessed as real property the same as the filing deadlines for property tax deductions applicable to real property.

**Affected Code Section:** Ind. Code Chapter 6-1.1-12.2 (deletion)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** Senate Bill 171 § 19

**Explanation:** Deletes the property tax deduction for aircraft.

**Affected Code Section:** Ind. Code Chapter 6-1.1-12.3 (deletion)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** Senate Bill 171 § 20

**Explanation:** Deletes the intrastate aircraft property tax deduction.

**Affected Code Section:** Ind. Code § 6-1.1-13-1 (amendment)  
**Effective Date:** July 1, 2019

**Enacted By:** Senate Bill 172 § 3

**Explanation:** Provides that the department of local government finance shall prescribe the state address confidentiality form to be used by a covered person (as defined in Ind. Code § 36-1-8.5-2) under Ind. Code Chapter 36-1-8.5 to restrict access to the person's address maintained in a public property data base.

**Affected Code Section:** Ind. Code § 6-1.1-15-1.1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 30

**Explanation:** Provides that the current deadlines for appealing the assessed value of the property apply only to real property assessments. Provides that for assessments of personal property, the deadline for filing an appeal of the assessed value is forty-five days after the date on which the county mails the notice under Ind. Code § 6-1.1-3-20.

**Application Note:** *The appeal deadline for real property assessments and personal property assessments will now be different.*

**Affected Code Section:** Ind. Code § 6-1.1-15-1.1 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1056 § 2

**Explanation:** Provides that when the township assessor or the county assessor receives written notice of an exemption appeal, they shall forward the notice to the county auditor, if the taxpayer raises a claim regarding a matter that is in the discretion of the county auditor.

**Affected Code Section:** Ind. Code § 6-1.1-15-1.1 (amendment)  
**Effective Date:** July 1, 2017 (retroactive)  
**Enacted By:** Senate Bill 582 § 1

**Explanation:** Provides that taxpayer may not raise any claim in an appeal for review and appeal of assessment and correction of errors related to the legality or constitutionality of a user fee as defined in newly enacted Ind. Code § 33-23-1-10.5, any other charge, fee, or rate imposed by a political subdivision under any other law, or any tax imposed by a political subdivision other than a property tax.

**Application Note:** *In the matter of Nancy A. Daw, Stephen L. Hoback, vs. Hancock County Assessor, the Indiana Tax Court ruled that the storm water fee charged under Ind. Code Article 8-1.5 is a tax not a user fee. This provision removes the impact this ruling could have had on storm water charges and penalties, as well as other fees imposed by political subdivisions. A taxpayer may not now appeal the legality or constitutionality of a user fee, or any other charge, fee, or rate other than a property tax to the assessor.*

**Affected Code Section: Ind. Code § 6-1.1-15-1.2 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 3**

**Explanation:** Provides that, for preliminary informal meetings to resolve taxpayer tangible property assessment appeals under Ind. Code § 6-1.1-15-1.2, if the taxpayer raises a claim regarding a matter that is in the discretion of the county auditor, the informal meeting must include the county auditor, and that the county auditor, if the matter is in the discretion of the county auditor, shall participate in the exchange of information at the informal meeting and in any exchange of additional or new information obtained after the informal meeting. Provides that if the county auditor, in addition to the township or county official and taxpayer, provides information at the hearing for the first time, the hearing will be continued unless waived by the receiving party.

**Affected Code Section: Ind. Code § 6-1.1-15-2.5 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1056 § 4**

**Explanation:** Provides that instead of a hearing before the county board, a taxpayer and a township or county official or, if the claim concerns a matter that is in the discretion of the county auditor, the county auditor may (1) agree to waive a determination by the county board and submit the dispute directly to the county board; or (2) stipulate to the assessed value of the tangible property in dispute as determined by an independent appraisal under specific terms. Provides that township or county official or county auditor, whichever applies shall immediately forward an agreement under this section to the county board.

**Affected Code Section: Ind. Code § 6-1.1-15-4 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 31**

**Explanation:** Provides that the Indiana board of tax review shall conduct a hearing within one year after a petition in proper form is filed. Provides further that the Indiana board of tax review shall issue a determination not later than ninety days after the hearing or the date set in an extension order issued by the Indiana board of tax review. Provides that this extension order may not extend the date more than 180 days. Removes the distinction for an appeal of a real property assessment that takes effect on the assessment date on which a reassessment of real property takes effect under Ind. Code § 6-1.1-4-4.2 (county reassessment plan). Provides that these time periods do not include any period of time that is attributable to a party's request for a continuance, stay, extension, or summary disposition; consent to a case management order, stipulated record, or proposed hearing date; failure to comply with the Indiana board's orders or rules; or waiver of a deadline. Provides that when the Indiana

board has not held a hearing, a person may not seek judicial review until the person requests a hearing in writing and sixty days have passed after the person requests the hearing and the matter has not been heard or otherwise extended.

**Affected Code Section: Ind. Code § 6-1.1-15-17.2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1056 § 13**

**Explanation:** Replaces the term "structural improvements" with "substantial renovations or new improvements" and provides that this section governing assessments increased more than 5% over the assessment for the prior tax year does not apply if the assessment representing the increased amount is based on substantial renovations or new improvements, as opposed to structural improvements, that were not considered in the assessment for the prior tax year.

**Application Note:** *Previously this was only for structural improvements. Now it has been changed to substantial renovations or new improvements. Neither term has been defined.*

**Affected Code Section: Ind. Code § 6-1.1-20-3.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 127 § 1**

**Explanation:** Provides that if any capital improvement components addressed in the most recent threat assessment of the buildings within the school corporation, or the school safety plan concerning a particular school have not been completed or require additional funding to be completed, before the school corporation may impose property taxes to pay debt service on bonds or lease rentals for a lease for a controlled project, and in addition to any other components of the controlled project, the controlled project must include any capital improvements necessary to complete the threat assessment or school safety plan that have not been completed or that require additional funding to be completed.

**Affected Code Section: Ind. Code § 6-1.1-20.6-8.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 280 § 4**

**Explanation:** Increases the assessed value limit for purposes of the additional credit for certain homesteads from \$175,000 to \$200,000 provided that for purposes of determining the assessed value of the homestead on the assessment date for which property taxes are imposed or for determining the assessed value of the individual's Indiana real property, for an individual who has received a credit under this section in a particular year, increases in assessed value due solely to an annual adjustment of the assessed value under Ind. Code § 6-1.1-4-4.5 that occur after the later of Dec. 31, 2019, or the



first year that the individual has received the credit are not considered.

**Affected Code Section:** Ind. Code § 6-1.1-20.6-9.5 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 127 § 2

**Explanation:** Provides that a political subdivision may increase its property tax levy to make up for a reduction created by application of a credit under the section on credit for excessive property taxes for purposes of the School Safety Referendum Tax Levy in the new Ind. Code Chapter 20-46-9.

**Affected Code Section:** Ind. Code § 6-1.1-23-1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 56

**Explanation:** Deletes the section limiting the timing of a written demand for delinquent property taxes served on a county resident by a county treasurer to annually, after May 10 but before Oct. 31. Permits the serving of such a written demand any time during the year.

**Affected Code Section:** Ind. Code § 6-1.1-23.5-9 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 57

**Explanation:** Provides that a notice issued by the county treasurer declaring the county treasurer's intent to sell the mobile home on the tentative auction list must include a statement that the county treasurer will apply for a court judgment against the mobile homes for an amount that is set by the county executive and includes collection expenses as opposed to an amount that is not less than the amount of the delinquent personal property taxes, penalties and collection expenses.

**Affected Code Section:** Ind. Code § 6-1.1-23.5-12 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 58

**Explanation:** Changes the time period from at least 21 to 30 days for the county treasurer's notice of the sale of a mobile home.

**Affected Code Section:** Ind. Code § 6-1.1-23.5-18 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 59

**Explanation:** Provides that the taxpayer who is delinquent in the payment of taxes causing the tax sale maintains ownership of the mobile home and liability for the delinquent taxes whenever a mobile home assessed as personal property is offered for sale and no bid is received.

**Affected Code Section:** Ind. Code § 6-1.1-26-3.1 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1056 § 14

**Explanation:** Clarifies that this section on the overpayment and resulting credit of tax applies to all appeals under Ind. Code Chapter 6-1.1-15 not just assessment appeals.

**Affected Code Section:** Ind. Code § 6-1.1-31.5-2.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 64

**Explanation:** Provides that for purposes of attributing the amount of a property tax deduction, an economic revitalization area deduction, an investment deduction, or a property tax exemption to the gross assessed value of a property, a deduction or exemption that is specific to an improvement shall be applied only to the assessed value allocation pertaining to that improvement. Provides further that to the extent that a deduction or exemption amount is not specific to an improvement, the deduction or exemption amount shall be applied to the gross assessed value of the property in the order that will maximize the benefit of the deduction or exemption to the taxpayer.

**Affected Code Section:** Ind. Code § 6-1.1-36-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1427 § 65

**Explanation:** Provides that the county executive (instead of the department of local government finance) may cancel any property taxes assessed against real property owned by a county, township, city, town, or body corporate and politic under certain circumstances.

**Affected Code Section:** Ind. Code § 6-1.1-37-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** Senate Bill 233 § 5

**Explanation:** Removes references to the certification of taxpayer's eligibility for the personal property tax return deleted from Ind. Code § 6-1.1-3-7.2. Inserts reference to new "declaration" required in the place of the certification of eligibility for the personal property tax return.

**Affected Code Section:** Ind. Code § 6-1.1-37-7 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1427 § 66

**Explanation:** Provides that a county shall include the penalty on a property tax bill associated with the tax district in which the majority value of the taxpayer's business personal property within the county is located, as determined by the county assessor.



**Affected Code Section: Ind. Code § 6-1.1-37-10 (amendment)****Effective Date: July 1, 2019****Enacted By: House Bill 1375 § 7**

**Explanation:** Makes changes to the procedure governing the payment of delinquent property taxes and specifies how delinquent property tax payments are to be applied by providing that a payment received shall be applied first to the delinquent tax amount and then to any associated penalties. Provides that if the taxpayer owes a penalty from a previous tax payment and the taxpayer does not pay the amount of personal property taxes due before thirty days after the due date, then the penalty shall be 10% applied to the total amount of taxes due and payable as of the tax date.

**Affected Code Section: Ind. Code § 6-1.1-39-3 (amendment)****Effective Date: July 1, 2019****Enacted By: House Bill 1427 § 67**

**Explanation:** Provides that if the fiscal body confirms, or modifies and confirms, the ordinance designating a unit area as an economic development district, the fiscal body shall file a copy of the ordinance with both the auditor of the county in which the unit is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the fiscal body takes final action on the ordinance.

**Affected Code Section: Ind. Code § 6-1.1-39-3 (amendment)****Effective Date: July 1, 2019****Enacted By: Senate Bill 171 § 21**

**Explanation:** Provides that if the fiscal body confirms, or modifies and confirms, the ordinance designating a unit area as an economic development district, the fiscal body shall file a copy of the ordinance with both the auditor of the county in which the unit is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the fiscal body takes final action on the ordinance.

**Affected Code Section: Ind. Code § 6-1.1-39-5 (amendment)****Effective Date: July 1, 2019****Enacted By: Senate Bill 171 § 22**

**Explanation:** Provides that the definition of base assessed value is subject to the following: if a fiscal body confirms, or modifies and confirms, an ordinance designating an economic development district and the fiscal body makes either of the filings required under Ind. Code § 6-1.1-39-3(d) after the first anniversary of the effective date of the allocation provision in the ordinance, the auditor of the

county in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of the date on which the documents are filed with the county auditor, or the date on which the documents are filed with the department of local government finance.

**Affected Code Section: Ind. Code § 6-1.1-39-5 (amendment)****Effective Date: July 1, 2019****Enacted By: House Bill 1427 § 68**

**Explanation:** Provides that base assessed value includes the assessed value that is assessed as residential property for the current assessment date, as opposed to after the effective date of the allocation provision, subject to the following: if a fiscal body confirms, or modifies and confirms, an ordinance designating an economic development district and the fiscal body makes either of the filings required under Ind. Code § 6-1.1-39-3(d) after the first anniversary of the effective date of the allocation provision in the ordinance, the auditor of the county in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of the date on which the documents are filed with the county auditor, or the date on which the documents are filed with the department of local government finance.

**Affected Code Section: Ind. Code Chapter 6-1.1-44 (deletion)****Effective Date: Jan. 1, 2020****Enacted By: Senate Bill 171 § 23**

**Explanation:** Deletes chapter on deduction for purchases of investment property by manufacturers of recycled components.

**Affected Code Section: Ind. Code § 6-1.5-1-4 (amendment)****Effective Date: July 1, 2019****Enacted By: House Bill 1056 § 16**

**Explanation:** Defines “small claim” as an appeal where the parties have elected to proceed under the small claims rules.

**Application Note:** Any appeal can go through small claims proceedings. Before, to go through small claims, the assessment could not exceed \$1,000,000.

**Affected Code Section: Ind. Code § 6-1.5-6-2 (amendment)****Effective Date: July 1, 2019****Enacted By: House Bill 1056 § 18**

**Explanation:** Permits a party to an appeal at the Indiana board of tax review to elect out of the using small claims rules.

**Application Note:** Any appeal can go through small claims



*proceedings. Before, to go through small claims, the assessment could not exceed \$1,000,000.*

**Affected Code Section: Ind. Code § 8-22-3.5-9 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 81**

**Explanation:** Revises definition of “base assessed value” for purposes of the Ind. Code chapter governing airports to mean the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the airport development zone, as finally determined for the current assessment date. Provides that if the metropolitan development commission or board of the airport authority, confirms, or modifies and confirms, a resolution to create an airport development zone after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the airport development zone is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of: (1) the date on which the documents are filed with the county auditor; or (2) the date on which the documents are filed with the department of local government finance.

**Affected Code Section: Ind. Code § 36-7-14-17 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1427 § 115**

**Explanation:** Provides that if a redevelopment commission adopts the resolution and the resolution includes a provision establishing or amending an allocation provision under Ind. Code § 36-7-14-39, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the redevelopment commission takes final action on the resolution.

**Affected Code Section: Ind. Code § 36-7-14-17 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 171 § 32**

**Explanation:** Provides that if a redevelopment commission adopts a resolution and the resolution includes a provision establishing or amending an allocation provision, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the redevelopment

commission takes final action on the resolution.

**Affected Code Section: Ind. Code § 36-7-15.1-10 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 171 § 38**

**Explanation:** Provides that if the Marion County redevelopment commission adopts a resolution and the resolution includes a provision establishing or amending an allocation provision, the redevelopment commission shall file a copy of the resolution with both the auditor of the county in which the unit is located and the department of local government finance, together with any supporting documents that are relevant to the computation of assessed values in the allocation area, within thirty days after the date on which the redevelopment commission takes final action on the resolution.

**Affected Code Section: Non-Code Section**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 171 § 55**

**Explanation:** Urges the legislative council to assign the following topics to an appropriate interim study committee: the advisability of eliminating the mortgage deduction and the advisability of increasing the homestead deduction.

**Affected Code Section: Non-Code Section**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 233 § 6**

**Explanation:** Provides that Ind. Code § 6-1.1-3-7.2, as amended by this act, applies to assessment dates after Dec. 31, 2019.

**Affected Code Section: Non-Code Section**  
**Effective Date: Jan. 1, 2018 (retroactive)**  
**Enacted By: Senate Bill 621 § 1**

**Explanation:** Defines “eligible taxpayer” for purposes of this non-code section as an Indiana nonprofit corporation that acquired qualified property before Jan. 1, 2019, and for any assessment date before Jan. 1, 2019, obtained a real property tax exemption under Ind. Code § 6-1.1-10-16 for all or part of the qualified real property, regardless of the parcel number applied to the qualified real property and regardless of whether the qualified real property has been combined with or split off from other real property. Defines “qualified real property” as real property that is located in Marion County and was acquired for the primary purpose of using the real property as part of a community redevelopment project in an economically distressed area. Provides that for each assessment date occurring after Dec. 31, 2017, and before Jan. 1, 2022, qualified real property that is owned by an eligible taxpayer and was acquired by the eligible taxpayer before Jan. 1, 2019, is exempt from property taxation. Provides that the real property tax exemption declared above applied

regardless of when a property tax exemption application was previously filed for or granted for the qualified real property. Provides that for any assessment date after Dec. 31, 2017, and before Jan. 1, 2022, on which an eligible taxpayer owns qualified real property acquired before Jan. 1, 2019: (1) the eligible taxpayer is not liable for property taxes, penalties, interest, fees, costs, or other amounts or charged with respect to the qualified real property; and (2) the real property tax exemption authorized by this section applies and shall be considered approved without further action being required by the eligible taxpayer, county assessor, or county property tax assessment board of appeals for the county in which the qualified real property subject to the property tax exemption is located.

**Affected Code Section: Non-Code Section**

**Effective Date: July 1, 2019**

**Enacted By: Senate Bill 280 § 5**

**Explanation:** Provides that Ind. Code § 6-1.1-12-9, Ind. Code § 6-1.1-12-14, Ind. Code § 6-1.1-12-15, and Ind. Code § 6-1.1-20.6-8.5, all as amended by this act, apply to assessment dates after Dec. 31, 2019.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2018 (retroactive)**

**Enacted By: House Bill 1345 § 4**

**Explanation:** Provides that Ind. Code § 6-1.1-10-16 as amended by this bill applies only to assessment dates occurring after Dec. 31, 2017.

**Affected Code Section: Non-Code Section**

**Effective Date: July 1, 2019**

**Enacted By: House Bill 1427 § 168**

**Explanation:** Urges the legislative council to assign the advisability of eliminating the mortgage deduction for property tax purposes and the advisability of increasing the home-stead standard deduction to the appropriate interim study committee.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2017 (retroactive)**

**Enacted By: House Bill 1427 § 169**

**Explanation:** Provides that this section applies to the Jan. 1, 2017, assessment date. Defines “eligible property” as any real property or personal property for which an exemption application was filed after April 1, 2017, and before April 10, 2017, and that would have been eligible for an exemption from property taxation under Ind. Code § 6-1.1-10-16 or any other law if an exemption application had been properly and timely filed under Ind. Code Article 6-1.1 for the property.

Provides that the owner of eligible property may, before Sept. 1, 2019, file a property tax exemption application and supporting documents claiming a property tax exemption under this section and Ind. Code § 6-1.1-10-16 or any other law for the eligible property for the 2017 assessment date.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: House Bill 1427 § 170**

**Explanation:** Provides that this section applies to assessment dates after Dec. 31, 2011, and before Jan. 1, 2017. Defines “eligible property” as real property and personal property for which an exemption application was filed before Aug. 1, 2017, and that would have been eligible for an exemption from property taxation for cemetery property under Ind. Code § 6-1.1-10-27 if an exemption application had been properly and timely filed under Ind. Code Article 6-1.1 for the property. Provides that the owner of eligible property may, before Sept. 1, 2019, file a property tax exemption application and supporting documents claiming a property tax exemption under this section and Ind. Code § 6-1.1-10-27 for the eligible property for an assessment date after Dec. 31, 2011, and before Jan. 1, 2017.

**Affected Code Section: Non-Code Section**

**Effective Date: Jan. 1, 2019 (retroactive)**

**Enacted By: House Bill 1427 § 171**

**Explanation:** Provides that this section applies to assessment dates after Dec. 31, 2003, and before March 1, 2015. Defines “eligible property” to mean any real property that is owned, occupied, and used by a taxpayer that is a church or religious society and is used for one or more of the purposes described in Ind. Code § 6-1.1-10-16 or Ind. Code § 6-1.1-10-21, consists of three parcels, and at least one of the parcels was purchased by the taxpayer in 2005, was exempt from property taxes under Ind. Code § 6-1.1-10-16 or Ind. Code § 6-1.1-10-21 for the March 1, 2015, assessment date, and would have been eligible for an exemption under Ind. Code § 6-1.1-10-16 or Ind. Code § 6-1.1-10-21 for assessment dates after Dec. 31, 2003, and before March 1, 2015, if an exemption application had been properly and timely filed under Ind. Code Article 6-1.1 for the property. Provides that before June 1, 2019, the owner of eligible property may file a property tax exemption application and supporting documents claiming a property tax exemption under this section for the eligible property for an assessment date after Dec. 31, 2003, and before March 1, 2015.





## Other Taxes *(continued from page 13)*

**Affected Code Section:** Ind. Code § 4-35-8.5-0.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 41

**Explanation:** Provides that the Ind. Code Chapter on county slot machine wagering fee does not apply to sports wagering conducted under new Ind. Code Article 4-38 (Sports Wagering).

**Affected Code Section:** Ind. Code Article 4-38 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 43

**Explanation:** Adds Ind. Code Article 4-38 governing sports wagering. Provides that the Indiana gaming commission will regulate and administer sports wagering conducted by a certificate holder or vendor, and lists the powers and duties of the gaming commission with respect to sports wagering. Imposes a sports wagering tax on the adjusted gross receipts received from authorized sports wagering offered by a certificate holder at a rate of 9.5%. Provides that the certificate holder shall pay the sports wagering tax to the state department of revenue on the twenty-fourth calendar day of each month on a form and in a manner prescribed by the department.

**Affected Code Section:** Ind. Code § 6-3.1-20-7 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1015 § 44

**Explanation:** Replaces references to the riverboat admissions tax with references to the riverboat supplemental wagering tax.

**Affected Code Section:** Ind. Code Article 4-32.3 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1517 § 4

**Explanation:** Establishes the Ind. Code Article on Charity Gaming. Provides that local taxes, regardless of type, may not be imposed upon the operations of the commission under this article or upon the sale of bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs, punchboards, or tip boards under this article. Provides for the Gaming Card Excise Tax. Provides that an excise tax is imposed on the distribution of pull tabs, punchboards, and tip boards in the amount of 10% of the price paid by the qualified organization that purchases the pull tabs, punchboards, and tip boards. Provides that a licensed entity distributing pull tabs, punchboards, or tip boards under this article is liable for the tax. Provides that the

tax is imposed at the time the licensed entity brings or causes the pull tabs, punchboards, or tip boards to be brought into Indiana for distribution; distributes pull tabs, punchboards, or tip boards in Indiana; or transports pull tabs, punchboards, or tip boards to qualified organizations in Indiana for resale by those qualified organizations.

**Affected Code Section:** Ind. Code § 6-2.3-2-2 (amendment)  
**Effective Date:** July 1, 2020  
**Enacted By:** Senate Bill 565 § 2

**Explanation:** For purposes of the utility receipts tax, the receipt of taxable gross receipts from transactions is subject to a tax rate of 1.4% for taxable years beginning before Jan. 1, 2021. Provides that for taxable years beginning after Dec. 31, 2020, the tax rate shall be determined by the department of state revenue as follows: before Sept. 1, 2020, and before Sept. 1 of each year thereafter, the department shall determine the tax rate by calculating a tax rate that if applied to the taxable gross receipts for the immediately preceding state fiscal year would have resulted in \$202,149,172 of net utility receipts and utility services use taxes, after the application of any coal gasification technology investment tax credit, being owed for the immediately preceding state fiscal year.

**Affected Code Section:** Ind. Code § 6-3.5-4-0.5 (addition); Ind. Code § 6-3.5-5-0.5 (addition); Ind. Code § 6-3.5-10-0.5 (addition); Ind. Code § 6-3.5-11-0.5 (addition)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 1, 9, 13, 19

**Explanation:** Provides that for purposes of a county vehicle excise tax, a municipal vehicle excise tax, a county wheel tax, and a municipal wheel tax ordinance (ordinance) adopted and in effect on Jan. 1, 2020, an adopting entity is not required to amend the ordinance as a result of amendments to this chapter concerning vehicle type or weight class for purposes of determining vehicles that are subject to the tax imposed by the ordinance. Provides instead that the bureau of motor vehicles shall apply an ordinance as if it is in compliance with this chapter concerning vehicle type or weight class for purposes of determining vehicles that are subject to tax imposed by the ordinance.

**Affected Code Section:** Ind. Code § 6-3.5-4-2 (amendment); Ind. Code § 6-3.5-10-2 (amendment)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** House Bill 1506 §§ 2, 14

**Explanation:** Replaces descriptions of specific vehicles subject to the county vehicle excise tax and the municipal vehicle excise tax with references to vehicles that are subject to the vehicle excise tax imposed by Ind. Code Chapter 6-6-5. Provides that if the county or municipal vehicle excise tax was not paid for

one or more preceding years, the motor vehicle bureau may collect only the excise tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section: Ind. Code § 6-3.5-4-7.3 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 7**

**Explanation:** Provides that the tax base for purposes of calculating the county motor vehicle excise tax equals the amount assessed under Ind. Code § 6-6-5-3.5. Provides a schedule to be used to determine tax base for a vehicle that is not described in Ind. Code § 6-6-5-3.5.

**Affected Code Section: Ind. Code § 6-3.5-4-7.4 (amendment); Ind. Code § 6-3.5-10-8 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 §§ 8, 18**

**Explanation:** Provides that an owner of a vehicle subject to the county vehicle excise tax or municipal vehicle excise tax who otherwise disposes the vehicle, as opposed to only selling the vehicle, is entitled to a credit if the vehicle is disposed of in the year in which the owner has paid the county vehicle excise tax or municipal vehicle excise tax. Provides that the owner of a vehicle who moves out of state in a year in which the owner has paid the county vehicle excise tax or municipal vehicle excise tax is entitled to receive a refund that is calculated in the same manner and subject to the same requirements as the credit for the excise tax under Ind. Code § 6-6-5-7.4.

**Affected Code Section: Ind. Code § 6-3.5-5-2 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 10**

**Explanation:** Provides that if the county wheel tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the wheel tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section: Ind. Code § 6-3.5-5-3 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 11**

**Explanation:** Limits the county wheel tax to trailers with a declared gross weight of more than 9,000 pounds and trucks and tractors with a declared gross weight of more than 11,000 pounds.

**Affected Code Section: Ind. Code § 6-3.5-11-2 (amendment); Ind. Code § 6-6-5-2 (amendment); Ind. Code § 6-6-5.1-10 (amendment); Ind. Code § 6-6-5.5-3 (amendment)**

**Effective Date: Jan. 1, 2020**

**Enacted By: House Bill 1506 §§ 20, 23, 24, 25**

**Explanation:** Provides that if the municipal wheel tax, the motor vehicle excise tax, the excise tax on recreational vehicles and truck campers, or the commercial vehicle excise tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the wheel tax for the registration year immediately preceding the current year, the current year, and the registration year immediately following the current registration year.

**Affected Code Section: Ind. Code § 6-3.5-11-3 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 21**

**Explanation:** Limits the county wheel tax to trailers with a declared gross weight of more than 9,000 pounds and trucks and tractors with a declared gross weight of more than 11,000 pounds.

**Affected Code Section: Ind. Code § 6-5.5-1-2 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 16**

**Explanation:** Provides that for the purposes of the financial institutions tax the definition of “adjusted gross income” means taxable income as defined in Section 63 of the Internal Revenue Code (IRC) adjusted by adding back or subtracting the amount necessary to make the adjusted gross income of any taxpayer that placed IRC § 179 property in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under IRC § 179 in a total amount exceeding the sum of: (i) \$25,000 to the extent deductions under IRC § 179 were not elected as provided in item (ii); and (ii) for taxable years beginning after Dec. 31, 2017, the deductions elected under IRC § 179 on property acquired in an exchange if the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017, the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031, and the taxpayer made an election to take deductions under IRC § 179 with regard to the acquired property in the year that the property was placed into service. Provides that the amount of deductions allowable for an item of property under this item may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the IRC in effect on Jan. 1, 2017.

Provides further to subtract the amount that would have been excluded from gross income but for the enactment of



IRC § 118(b)(2) for taxable years ending after Dec. 22, 2017.

**Affected Code Section: Ind. Code § 6-5.5-1-20 (amendment)**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 17**

**Explanation:** Provides that for purposes of the financial institutions tax and “bonus depreciation,” for taxable years beginning after Dec. 31, 2017, the term does not include any amount of additional first-year special depreciation allowance under Section 168(k) of the Internal Revenue Code (IRC) in the amount of adjusted gross income realized on the exchange of property that otherwise would have been deferred under IRC § 1031 in effect on Jan. 1, 2017, if the following apply: (1) the exchange would have been eligible for nonrecognition of gain or loss under IRC § 1031 in effect on Jan. 1, 2017; (2) the exchange is not eligible for nonrecognition of gain or loss under IRC § 1031; and (3) the taxpayer claimed a deduction for the additional first-year special depreciation allowance under IRC § 168(k) with regard to the acquired property. Provides that if the taxpayer elected to claim a deduction under IRC § 179 with regard to an item of acquired property, the adjusted gross income realized on the exchange must be reduced (but not below \$0) by the amount of the deduction under IRC § 179 elected to be claimed on the acquired property.

**Affected Code Section: Ind. Code § 6-6-4.1-1 (amendment)**  
**Effective Date: July 1, 2018 (retroactive)**  
**Enacted By: Senate Bill 565 § 22**

**Explanation:** Provides that for purposes of the motor carrier fuel tax, “diesel gallon equivalent” and “gasoline gallon equivalent” includes natural gas products in addition to alternative fuel. Provides that “natural gas product” has the meaning set forth in Ind. Code § 6-6-2.5-16.5.

**Affected Code Section: Ind. Code § 6-6-4.1-4 (amendment)**  
**Effective Date: July 1, 2018 (retroactive)**  
**Enacted By: Senate Bill 565 § 23**

**Explanation:** Provides that the rate of the motor fuel tax when imposed upon the consumption of special fuel (other than an alternative fuel or a natural gas product) is the same rate per gallon as the rate per gallon at which special fuel is taxed under Ind. Code Chapter 6-6-2.5. Provides that the tax rate of the motor fuel tax when imposed upon the consumption of gasoline is the same rate per gallon as the rate per gallon at which gasoline is taxed under Ind. Code Chapter 6-6-1.1. Provides that the motor fuel tax when imposed upon the consumption of a natural gas product or an alternative fuel is either the same rate per diesel gallon equivalent as the rate per gallon at which special fuel is taxed under Ind. Code Chapter 6-6-2.5, in the case of liquid natural gas; or it is the same rate per gasoline gallon equivalent at which special

fuel is taxed under Ind. Code Chapter 6-6-2.5, in the case of compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

**Affected Code Section: Ind. Code § 6-6-6.5-9 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 171 § 27**

**Explanation:** Provides that aircraft license excise tax applies to an aircraft owned or operated by a person who is either an air carrier certified under Federal Air Regulation Part 121 or a scheduled air taxi operator certified under Federal Air Regulation Part 135, if the person is a domestic corporation having a physical presence in Indiana that results in Indiana being the regular or principal place of business of its chief executive, operating, and financial officers.

**Affected Code Section: Ind. Code § 6-6-6.5-12 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 171 § 28**

**Explanation:** Deletes the provision stating that eligibility of aircraft for a deduction under Ind. Code Chapter 6-1.1-12.3 (Interstate Aircraft Deduction) does not exempt a taxpayer from the aircraft license excise tax.

**Affected Code Section: Ind. Code § 6-6-6.5-14 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 24**

**Explanation:** Provides that for purposes of the aircraft license excise tax, for a taxable period beginning after Dec. 31, 2020, whenever a taxpayer makes a partial payment on the taxpayer’s tax liability, the department of state revenue shall apply the partial payment in the following order: first, to any registration or transfer fee owed by the taxpayer; second, to any excise tax owed by the taxpayer; third, to any late penalty first and then toward interest on the excise tax owed by the taxpayer; forth, to any gross retail or use tax owed by the taxpayer; and finally, to any late penalty first and then toward interest on gross retail or use tax owed by the taxpayer.

**Affected Code Section: Ind. Code § 6-6-9-8 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 125**

**Explanation:** Provides that the sharing of a passenger motor vehicle or truck through a peer to peer vehicle sharing program, as defined in Ind. Code § 24-4-9.2-4 is exempt from the auto rental excise tax.

**Affected Code Section: Ind. Code § 6-6-9.5-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 126**



**Explanation:** Provides that the Vanderburg County supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles through a peer to peer vehicle sharing program as defined in Ind. Code § 24-4-9.2-4 in the county unless the legislative body of the most populous city in the county adopts an ordinance to impose the tax. Provides that such legislative body may adopt an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles registered in the county through a peer to peer vehicle sharing program. Provides that the amount of the tax is equal to the gross retail income received by the peer to peer vehicle sharing program from sharing the passenger motor vehicle multiplied by one percent. Provides that the ordinance must specify that the ordinance expires Dec. 31, 2036.

**Affected Code Section: Ind. Code § 6-6-9.7-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 1001 § 127**

**Explanation:** Provides that the Marion County supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles or trucks through a peer to peer vehicle sharing program as defined in Ind. Code § 24-4-9.2-4 in the county unless the city-county council adopts an ordinance, by a majority of the members, to impose the tax. Provides that such legislative body may adopt an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles or trucks registered in the county through a peer to peer vehicle sharing program. Provides that the amount of the tax is equal to the gross retail income received by the peer to peer vehicle sharing program for the sharing of the passenger motor vehicle or truck multiplied by one percent. Provides that the ordinance must specify that the ordinance expires Dec. 31, 2037.

**Affected Code Section: Ind. Code § 6-6-9.7-7 (amendment)**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 7 § 4**

**Explanation:** Extends the time period for the imposition of a 2% increase in the Marion County supplemental auto rental excise tax from Feb. 28, 2023, to Dec. 31, 2040.

**Affected Code Section: Ind. Code § 6-6-11-8 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 26**

**Explanation:** Revises the requirement for certain fees to be paid before a boat may be operated, used, docked, or stored in a county during any part of the boating year by deleting a reference to department of natural resources fees and lake and river enhancement fees and adding a reference to boat registration fees imposed by Ind. Code § 9-31-3-9.

**Affected Code Section: Ind. Code § 6-6-11-12 (deletion)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 28**

**Explanation:** Repeals the lake and river enhancement fee for boat owners.

**Affected Code Section: Ind. Code § 6-6-11-13 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 30**

**Explanation:** Revises the requirement for certain fees to be paid before a boat may be operated, used, docked, or stored in a county during any part of the boating year by deleting a reference to department of natural resources fees and lake and river enhancement fees. Provides that if the boat excise tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the boat excise tax for the boating year immediately preceding the current year, the current boating year, and the boating year immediately following the current registration year.

**Affected Code Section: Ind. Code § 6-6-15-2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 25**

**Explanation:** Revises the definition of “heavy rental equipment” to mean all rented tangible personal property that is owned by a person or business that primarily rents equipment described in 532412 of the North American Industry Classification System (NAICS) Manual in effect on Jan. 1, 2018, and is a retail merchant in the business of renting heavy equipment, including any attachments or accessories that is not intended to be permanently affixed to any real property and that is not subject to registration under Ind. Code Article 9-18.1 for use on a public highway. Provides further that a person is considered to primarily rent equipment described in 532412 of the NAICS Manual in effect on Jan. 1, 2018, if the rental of the equipment generates the largest portion of the person’s gross revenue and the person lists 532412 as the person’s principal business activity code on the person’s Indiana adjusted gross income tax return. Provides that in the case of a person who is an affiliate included in an Indiana consolidated or combined adjusted gross income tax return, the person may provide a copy of the federal Form 851 filed with the Internal Revenue Services that lists 532412 as the person’s principal business activity code. Provides that for purposes of the heavy rental equipment excise tax, the department of state revenue may rely on the principal business activity code listed for the person on the person’s Indiana adjusted gross income tax return of the federal Form 851, and the person may not apply any change to the listing on any amended return or subsequent return or federal form for purposes of the heavy rental equipment excise tax without the approval of the department of state revenue.



**Affected Code Section: Ind. Code § 6-6-15-3 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 26**

**Explanation:** Clarifies that the heavy rental equipment excise tax applies to heavy rental equipment rented from a retail merchant in Indiana and does not apply to equipment rented from a location outside Indiana. Provides that a retail merchant subject to the heavy rental equipment excise tax is required to collect and remit the excise tax on all rentals of tangible personal property.

**Affected Code Section: Ind. Code § 6-6-15-4 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 27**

**Explanation:** Provides for an additional exemption from the heavy rental equipment excise tax if the heavy rental equipment is rented for mining purposes or would be eligible for a property tax abatement deduction under Ind. Code Chapter 6-1.1-12.1 during the calendar year if the rentee was considered the owner of the equipment for income tax purposes or property tax purposes. Provides that a rentee asserting an exemption from the heavy rental equipment excise tax shall complete the form prescribed by the department of state revenue and the retail merchant may rely on the completed form.

**Affected Code Section: Ind. Code § 6-6-15-6 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 28**

**Explanation:** Provides that for purposes of the heavy rental equipment excise tax, in the event of a misclassification of heavy rental equipment, a person shall receive a credit for any Indiana property tax paid on the equipment for a calendar year against any excise tax owed on the equipment in the same calendar year, and a person shall receive a credit for any excise tax paid on the equipment for a calendar year against any Indiana property tax owed on the equipment in the same calendar year.

**Affected Code Section: Ind. Code Chapter 6-6-16 (addition)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: Senate Bill 1001 § 128**

**Explanation:** Establishes the vehicle sharing excise tax. Defines the “retail merchant” for purposes of this tax as the peer to peer vehicle sharing program when a vehicle is shared through a peer to peer vehicle sharing program; or the vehicle owner when a vehicle is not shared through a peer to peer vehicle sharing program. Provides that an excise tax of two percent, known as the vehicle sharing excise tax, is imposed upon the sharing of passenger motor vehicles and trucks in Indiana for periods of less than thirty days. Provides that the

gross retail income from each transaction is the total amount of consideration paid by the shared vehicle driver, including the payment of any fee, commission, or other charge by the peer to peer vehicle sharing program, except that it does not include any taxes on such a transaction. Provides that the sharing of a truck is exempt from the vehicle sharing excise tax if the declared gross vehicle weight of the truck exceeds 11,000 pounds. Provides for specific exemptions from the tax. Imposes the tax on the shared vehicle driver as defined in Ind. Code Chapter 24-4-9.2, and requires the shared vehicle driver to pay the tax to the peer to peer vehicle sharing program or to the vehicle owner if not shared through a peer to peer vehicle sharing program. Provides that the tax will be imposed, collected, and paid in the same manner as the gross retail tax. Provides that the return shall include information about the vehicle sharing taxes collected for each county in which a vehicle is registered and for vehicles registered outside Indiana but subject to the vehicle sharing excise tax.

**Affected Code Section: Ind. Code § 6-8-12-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 130**

**Explanation:** For purposes of a specific tax exempt event, adds the College Football Playoff Group and its affiliates to the list of eligible entities. Provides further that the College Football Playoff Group is comprised of the American Athletic Conference, Atlantic Coast Conference, the Big Ten Conference, Inc., the Big 12 Conference, Inc., Conference USA, Mid-American Conference, Mountain West Conference, Pac-12 Conference, Southeastern Conference, Sun Belt Conference, University of Notre Dame Du Lac, and BCS Properties, LLC.

**Affected Code Section: Ind. Code § 6-8-12-2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 131**

**Explanation:** For purposes of a specific tax exempt event, adds an event known as the College Football Playoff National Championship, including the ancillary events associated with the College Football Playoff National Championship, that is conducted after Dec. 31, 2021, by the College Football Playoff Group and its affiliates to the list of eligible events for the exemption.

**Affected Code Section: Ind. Code § 6-9-2.5-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 1**

**Explanation:** Clarifies that the Vanderburgh County Innkeeper’s Tax applies specifically to Vanderburgh County as opposed to applying to a county having a population of more than 175,000 but less than 185,000.

**Affected Code Section:** Ind. Code § 6-9-2.5-1.1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 2

**Explanation:** Provides additional definitions for purposes of the Vanderburgh County Innkeeper's Tax.

**Affected Code Section:** Ind. Code § 6-9-3-4 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 5

**Explanation:** Provides that the Floyd/Clark County Innkeeper's Tax may be increased to not more than 6% by the adoption of substantially similar ordinances by the county fiscal body of each of the counties.

**Affected Code Section:** Ind. Code § 6-9-8-3 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 5

**Explanation:** Extends the time period for the city-county council to increase in the Marion County innkeeper's tax from Jan. 1, 2028, to Dec. 31, 2040.

**Affected Code Section:** Ind. Code § 6-9-13-2 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 7

**Explanation:** Extends the time period for an increase in the Marion County admissions tax to continue from Jan. 1, 2028, to Dec. 31, 2040.

**Affected Code Section:** Ind. Code § 6-9-9-3 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 6

**Explanation:** Provides that the Allen County fiscal body may adopt an ordinance to increase the county's innkeeper's tax rate to eight percent.

**Affected Code Section:** Ind. Code Chapter 6-9-16 (deletion)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 8

**Explanation:** Repeals the Howard County Innkeeper's Tax.

**Application Note:** Moves administration of the Howard County Innkeeper's tax from Ind. Code Chapter 6-9-16 to Ind. Code Chapter 6-9-18, the Uniform County Innkeeper's Tax Code.

**Affected Code Section:** Ind. Code § 6-9-18-3 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 9

**Explanation:** Provides that the county innkeeper's tax may not exceed the rate of 8% in Howard County after June 30, 2019.

**Affected Code Section:** Ind. Code Chapter 6-9-29.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 143

**Explanation:** Provides for the administration of food and beverage tax by all political subdivisions which have imposed one. Provides that a marketplace facilitator subject to the requirements to collect sales tax on its own transactions or on behalf of its sellers in accordance with Ind. Code § 6-2.5-4-18 is also required to collect any food and beverage tax on a transaction that it facilitates. Provides that a marketplace facilitator must source the food and beverage tax to the retail location of the seller in each transaction. Provides further that regardless of whether a food and beverage transaction is made by the marketplace facilitator on its own behalf or facilitated on behalf of a seller, a marketplace facilitator is required to do the following with each retail transaction made on its marketplace: (1) Collect and remit the tax imposed under this article to the department, even if: (A) a seller for whom a transaction was facilitated: (i) does not have a registered retail merchant certificate; or (ii) would not have been required to collect a food and beverage tax had the transaction not been facilitated by the marketplace facilitator; and (B) the food and beverage tax is normally remitted directly to a political subdivision of the state; and (2) Comply with all applicable procedures and requirements imposed under this article or Ind. Code Article 6-2.5 as the retail merchant in the transaction. Provides that an individual who is an individual taxpayer or an employee, officer, or member of a corporate or partnership taxpayer and has a duty to remit food and beverage taxes to the department of state revenue or a political subdivision holds those food and beverage taxes in trust for the state or political subdivision and is personally liable for the payment of the food and beverage taxes, plus any penalties and interest attributable to the food and beverage taxes, to the state or political subdivision. Provides that an individual who knowingly fails to collect or remit the food and beverage taxes to the state or political subdivision commits a Level 6 felony. Provides that upon the request of the department or a political subdivision, a marketplace facilitator shall provide information listing the food and beverage tax collected by the marketplace facilitator on behalf of each of its sellers for the period specified by the requesting entity.

**Affected Code Section:** Ind. Code Chapter 6-9-46 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** House Bill 1402 § 11

**Explanation:** Provides that the Brown County fiscal body





may adopt an ordinance to impose a performing arts center admissions tax. Outlines governing provisions for the Brown County performing arts center admissions tax.

**Affected Code Section: Ind. Code Chapter 6-9-49 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 12**

**Explanation:** Establishes the Attica food and beverage tax. Outlines the governing provisions for the food and beverage tax if imposed in the city of Attica.

**Affected Code Section: Ind. Code Chapter 6-9-50 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 13**

**Explanation:** Establishes the Danville food and beverage tax. Outlines the governing provisions for the food and beverage tax if imposed in the city of Danville.

**Affected Code Section: Ind. Code Chapter 6-9-51 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1402 § 14**

**Explanation:** Establishes the Greenwood food and beverage tax. Outlines the governing provisions for the food and beverage tax if imposed in the city of Greenwood.

**Affected Code Section: Ind. Code Chapter 6-9-52 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1402 § 15**

**Explanation:** Establishes the Whitestown food and beverage tax. Outlines the governing provisions for the food and beverage tax if imposed in the city of Whitestown.

**Affected Code Section: Ind. Code Chapter 6-9-53 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 16**

**Explanation:** Establishes the Knox County Innkeeper's Tax. Outlines the governing provisions for the innkeeper's tax if imposed in the county of Knox.

**Affected Code Section: Ind. Code Chapter 7.1-4-5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1518 § 57**

**Explanation:** Repeals the Malt Excise Tax.

**Affected Code Section: Non-Code Section**  
**Effective Date: Upon Passage**  
**Enacted By: Senate Bill 565 § 40**

**Explanation:** Urges the legislative council to assign to an appropriate interim study committee the task of studying the revision of criteria for which governmental entities may form a regional development authority and the imposition of taxes by a regional development authority.

**Affected Code Section: Non-Code Section**  
**Effective Date: Jan. 1, 2019 (retroactive)**  
**Enacted By: Senate Bill 565 § 41**

**Explanation:** Provides that Ind. Code § 6-3-1-3.5, Ind. Code § 6-3-1-33, Ind. Code § 6-3-2-2, Ind. Code § 6-3-3-9, Ind. Code § 6-5.5-1-2, and Ind. Code § 6-5.5-1-20, all as amended by this act, apply to taxable years beginning after Dec. 31, 2018. Provides that Ind. Code § 6-3-2-2.5 and Ind. Code § 6-3-2-2.6, both as amended by this act apply to taxable years beginning after Dec. 31, 2017. Provides, however, if a different taxable year is specified for the application of any of the provisions referred to above, the specified taxable year applies.

## **Local Taxation** *(continued from page 15)*

**Explanation:** Revises the requirement for certain fees to be paid before a boat may be operated, used, docked, or stored in a county during any part of the boating year by deleting a reference to department of natural resources fees and lake and river enhancement fees and adding a reference to boat registration fees imposed by Ind. Code § 9-31-3-9.

**Affected Code Section: Ind. Code § 6-6-11-12 (deletion)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 28**

**Explanation:** Repeals the lake and river enhancement fee for boat owners.

**Affected Code Section: Ind. Code § 6-6-11-13 (amendment)**  
**Effective Date: Jan. 1, 2020**  
**Enacted By: House Bill 1506 § 30**

**Explanation:** Revises the requirement for certain fees to be paid before a boat may be operated, used, docked, or stored in a county during any part of the boating year by deleting a reference to department of natural resources fees and lake and river enhancement fees. Provides that if the boat excise tax was not paid for one or more preceding years, the motor vehicle bureau may collect only the boat excise tax for the boating year immediately preceding the current year, the current boating year, and the boating year immediately following the current registration year.

**Affected Code Section:** Ind. Code Chapter 6-6-16 (addition)  
**Effective Date:** Jan. 1, 2020  
**Enacted By:** Senate Bill 1001 § 128

**Explanation:** Establishes the vehicle sharing excise tax. Defines the “retail merchant” for purposes of this tax as the peer to peer vehicle sharing program when a vehicle is shared through a peer to peer vehicle sharing program; or the vehicle owner when a vehicle is not shared through a peer to peer vehicle sharing program. Provides that an excise tax of two percent, known as the vehicle sharing excise tax, is imposed upon the sharing of passenger motor vehicles and trucks in Indiana for periods of less than thirty days. Provides that the gross retail income from each transaction is the total amount of consideration paid by the shared vehicle driver, including the payment of any fee, commission, or other charge by the peer to peer vehicle sharing program, except that it does not include any taxes on such a transaction. Provides that the sharing of a truck is exempt from the vehicle sharing excise tax if the declared gross vehicle weight of the truck exceeds 11,000 pounds. Provides for specific exemptions from the tax. Imposes the tax on the shared vehicle driver as defined in Ind. Code Chapter 24-4-9.2, and requires the shared vehicle driver to pay the tax to the peer to peer vehicle sharing program or to the vehicle owner if not shared through a peer to peer vehicle sharing program. Provides that the tax will be imposed, collected, and paid in the same manner as the gross retail tax. Provides that the return shall include information about the vehicle sharing taxes collected for each county in which a vehicle is registered and for vehicles registered outside Indiana but subject to the vehicle sharing excise tax.

**Affected Code Section:** Ind. Code § 6-8-12-1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 130

**Explanation:** For purposes of a specific tax exempt event, adds the College Football Playoff Group and its affiliates to the list of eligible entities. Provides further that the College Football Playoff Group is comprised of the American Athletic Conference, Atlantic Coast Conference, the Big Ten Conference, Inc., the Big 12 Conference, Inc., Conference USA, Mid-American Conference, Mountain West Conference, Pac-12 Conference, Southeastern Conference, Sun Belt Conference, University of Notre Dame Du Lac, and BCS Properties, LLC.

**Affected Code Section:** Ind. Code § 6-8-12-2 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 131

**Explanation:** For purposes of a specific tax exempt event, adds an event known as the College Football Playoff National Championship, including the ancillary events associated with the College Football Playoff National Championship, that is

conducted after Dec. 31, 2021, by the College Football Playoff Group and its affiliates to the list of eligible events for the exemption.

**Affected Code Section:** Ind. Code § 6-9-1-5 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 136

**Explanation:** Gradually decreases the St. Joseph County Innkeeper’s tax from 6% to 5% over a specific period of time.

**Affected Code Section:** Ind. Code § 6-9-29-1.2 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 140

**Explanation:** Provides that an innkeeper’s tax imposed under this article applies, in addition to any other place explicitly specified in a statute, to rooms, lodgings, or other accommodations in a house, condominium, or apartment that are furnished for consideration for less than thirty days. Provides that the exemption provided by newly added Ind. Code § 6-2.5-5-53(a) from the state gross retail tax also applies to innkeeper’s taxes. Provides that this subsection is intended as notice to an owner that rooms, lodgings or other accommodations in a house, condominium, or apartment that are furnished for consideration for less than thirty days are subject to the innkeeper’s tax. Provides that the state gross retail tax may also apply to transactions in which an owner is required to collect and remit innkeeper’s taxes under an applicable innkeeper’s tax statute.

**Affected Code Section:** Ind. Code § 6-9-2.5-1 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 1

**Explanation:** Clarifies that the Vanderburgh County innkeeper’s tax chapter of the Indiana Code applies specifically to Vanderburgh County.

**Affected Code Section:** Ind. Code § 6-9-2.5-1.1 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 2

**Explanation:** Defines “county” and “new business” for purposes of the Vanderburgh County Innkeeper’s Tax chapter of the Indiana Code. Provides that “county” refers to Vanderburgh County and “new business” means a business entity, organization, or association that reasonably establishes an intent to have at least two hundred patrons to rent rooms, lodgings, or accommodations for periods of less than thirty days in any commercial hotel, motel, inn, tourist camp or tourist cabin located in the county and has not received a financial incentive from the county in the previous five calendar years.



**Affected Code Section:** Ind. Code § 6-9-3-4 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 5

**Explanation:** Provides that the Floyd/Clark County Innkeeper's Tax may be increased to not more than 6% by the adoption of substantially similar ordinances by the county fiscal body of each of the counties.

**Affected Code Section:** Ind. Code § 6-9-8-3 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 5

**Explanation:** Extends the time period for the city-county council to increase in the Marion County innkeeper's tax from Feb. 28, 2023, to Dec. 31, 2040.

**Affected Code Section:** Ind. Code § 6-9-9-3 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 6

**Explanation:** Provides that the Allen County fiscal body may adopt an ordinance to increase the county's innkeeper's tax rate to eight percent.

**Affected Code Section:** Ind. Code § 6-9-10.5-6 (amendment)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 7

**Explanation:** Adds "resort" to the list of establishments subject to tax on the renting and furnishing of rooms, lodgings, or accommodations in White County.

**Affected Code Section:** Ind. Code § 6-9-13-2 (amendment)  
**Effective Date:** Upon Passage  
**Enacted By:** Senate Bill 7 § 7

**Explanation:** Extends the time period for an increase in the Marion County admissions tax to continue from Jan. 1, 2028 to Dec. 31, 2040.

**Affected Code Section:** Ind. Code § 6-9-16 (deletion)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1402 § 8

**Explanation:** Repeals Ind. Code Chapter 6-9-16 (Howard County Innkeeper's tax).

**Application Note:** *Administration of Howard County Innkeeper's tax from Ind. Code Chapter 6-9-16 to Ind. Code Chapter 6-9-18, the uniform county innkeeper's tax code.*

**Affected Code Section:** Ind. Code § 6-9-18-3 (amendment)  
**Effective Date:** July 1, 2019

**Enacted By:** House Bill 1402 § 9

**Explanation:** Provides that the county innkeeper's tax may not exceed the rate of 8% in Howard County after June 30, 2019.

**Affected Code Section:** Ind. Code Chapter 6-9-29.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 143

**Explanation:** Provides for the administration of food and beverage tax by all political subdivisions which have imposed one. Provides that a marketplace facilitator subject to the requirements to collect sales tax on its own transactions or on behalf of its sellers in accordance with Ind. Code § 6-2.5-4-18 is also required to collect any food and beverage tax on a transaction that it facilitates. Provides that a marketplace facilitator must source the food and beverage tax to the retail location of the seller in each transaction. Provides further that regardless of whether a food and beverage transaction is made by the marketplace facilitator on its own behalf or facilitated on behalf of a seller, a marketplace facilitator is required to do the following with each retail transaction made on its marketplace: (1) Collect and remit the tax imposed under this article to the department, even if: (A) a seller for whom a transaction was facilitated: (i) does not have a registered retail merchant certificate; or (ii) would not have been required to collect a food and beverage tax had the transaction not been facilitated by the marketplace facilitator; and (B) the food and beverage tax is normally remitted directly to a political subdivision of the state; and (2) Comply with all applicable procedures and requirements imposed under this article or Ind. Code Article 6-2.5 as the retail merchant in the transaction. Provides that an individual who is an individual taxpayer or an employee, officer, or member of a corporate or partnership taxpayer and has a duty to remit food and beverage taxes to the department of state revenue or a political subdivision holds those food and beverage taxes in trust for the state or political subdivision and is personally liable for the payment of the food and beverage taxes, plus any penalties and interest attributable to the food and beverage taxes, to the state or political subdivision. Provides that an individual who knowingly fails to collect or remit the food and beverage taxes to the state or political subdivision commits a Level 6 felony. Provides that upon the request of the department or a political subdivision, a marketplace facilitator shall provide information listing the food and beverage tax collected by the marketplace facilitator on behalf of each of its sellers for the period specified by the requesting entity.

**Affected Code Section:** Ind. Code Chapter 6-9-46 (addition)  
**Effective Date:** Upon Passage  
**Enacted By:** House Bill 1402 § 11



**Explanation:** Provides for the Brown County Performing Arts Center Admissions Tax. Defines “indoor performing arts center” as an indoor facility providing space for entertainment events with a minimum capacity of 2,000 patrons and located in a geographic area that has not been annexed by a city before the adoption of the ordinance. Provides that after Jan. 1 but before June 1 of a year, Brown County may adopt an ordinance to impose an excise tax, known as the performing arts center admissions tax, for the privilege of attending any event held in an indoor performing arts center and to which tickets are offered for sale to the public by a box office or an authorized agent of the indoor performing arts center. Provides that the excise tax does not apply to (1) Events sponsored by educational institutions of associations representing educational institutions; (2) Events sponsored by religious organizations; (3) Events sponsored by an organization that is considered a charitable organization by the Internal Revenue Service for federal tax purposes; and (4) Events sponsored by political organizations. Provides that the performing arts center admissions tax equals \$1 for each admission at the time admission is paid. Provides that if the Brown County imposes a performing arts center admissions tax, the county legislative body shall establish a county performing arts center admissions tax fund. Provides that the county may enter into an operating lease with the convention and visitors commission and a contract with a nonprofit organization to operate the indoor performing arts center with respect to bonds, leases, or other obligations to which the county has pledged revenues under this chapter; and bonds issued by a lessor that are payable from lease rentals.

**Affected Code Section: Ind. Code Chapter 6-9-49 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 12**

**Explanation:** Provides for the Attica food and beverage tax. Provides that the fiscal body of the city may adopt an ordinance to impose a city food and beverage tax after holding at least one separate public hearing in which a discussion of the proposed ordinance to impose the city food and beverage tax is the only substantive issue on the agenda for the public hearing. Provides that the Attica food and beverage tax applies to a transaction in which food or beverage is furnished, prepared, or served for consumption at a location or on equipment provided by a retail merchant in the city by a retail merchant for consideration. Provides that the Attica food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt or to the extent that the transaction is exempt, from the state gross retail tax imposed by Ind. Code Article 6-2.5. Provides that Attica city food and beverage tax must be imposed in an increment of 0.25% and may not exceed 1% of the gross retail income received by the merchant from food or beverage transactions. Provides that if an Attica food and beverage tax is imposed, the city fiscal officer shall establish a food and beverage tax receipts fund into which all

amounts received shall be deposited.

**Affected Code Section: Ind. Code Chapter 6-9-50 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 13**

**Explanation:** Establishes the Danville food and beverage tax. Provides that Danville may adopt an ordinance to impose a town food and beverage tax after holding at least one separate public hearing in which a discussion of the proposed ordinance to impose the town food and beverage tax is the only substantive issue on the agenda for the public hearing. Provides that the Danville food and beverage tax applies to a transaction in which food or beverage is furnished, prepared, or served for consumption at a location or on equipment provided by a retail merchant in the town by a retail merchant for consideration. Provides that the Danville food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt or to the extent that the transaction is exempt, from the state gross retail tax imposed by Ind. Code Article 6-2.5. Provides that the Danville food and beverage tax must be imposed in an increment of 0.25% and may not exceed 1% of the gross retail income received by the merchant from food or beverage transactions. Provides that if the Danville food and beverage tax is imposed, the town fiscal officer shall establish a food and beverage tax receipts fund into which all amounts received shall be deposited.

**Affected Code Section: Ind. Code Chapter 6-9-51 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1402 § 14**

**Explanation:** Establishes the Greenwood food and beverage tax. Provides that Greenwood may adopt an ordinance to impose a city food and beverage tax after holding at least one separate public hearing in which a discussion of the proposed ordinance to impose the city food and beverage tax is the only substantive issue on the agenda for the public hearing. Provides that the Greenwood food and beverage tax applies to a transaction in which food or beverage is furnished, prepared, or served for consumption at a location or on equipment provided by a retail merchant in the city by a retail merchant for consideration. Provides that the city food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt or to the extent that the transaction is exempt, from the state gross retail tax imposed by Ind. Code Article 6-2.5. Provides that the Greenwood food and beverage tax must be imposed in an increment of 0.25% and may not exceed 1% of the gross retail income received by the merchant from food or beverage transactions. Provides that if a Greenwood food and beverage tax is imposed, the city fiscal officer shall establish a food and beverage tax receipts fund into which all amounts received shall be deposited.



**Affected Code Section: Ind. Code Chapter 6-9-52 (addition)**  
**Effective Date: Upon Passage**  
**Enacted By: House Bill 1402 § 15**

**Explanation:** Establishes the Whitestown food and beverage tax. Provides that Whitestown may adopt an ordinance to impose a town food and beverage tax after holding at least one separate public hearing in which a discussion of the proposed ordinance to impose the town food and beverage tax is the only substantive issue on the agenda for the public hearing. Provides that the Whitestown food and beverage tax applies to a transaction in which food or beverage is furnished, prepared, or served for consumption at a location or on equipment provided by a retail merchant in the town by a retail merchant for consideration. Provides that the Whitestown food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent that the transaction is exempt, from the state gross retail tax imposed by Ind. Code Article 6-2.5. Provides that the town food and beverage tax must be imposed in an increment of 0.25% and may not exceed 1% of the gross retail income received by the merchant from food or beverage transactions. Provides that if a food and beverage tax is imposed under this chapter, the town fiscal officer shall establish a food and beverage tax receipts fund into which all amounts received shall be deposited.

**Affected Code Section: Ind. Code Chapter 6-9-53 (addition)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1402 § 16**

**Explanation:** Applies only to a county having a population of more than 38,200 but less than 38,500 that had adopted an innkeeper's tax under Ind. Code Chapter 6-9-18 before July 1, 2019 (Knox County). Provides that the (1) convention, visitor, and tourism promotion fund; (2) convention and visitor commission; (3) innkeeper's tax rate; and (4) tax collection procedures established under Ind. Code Chapter 6-9-18 before July 1, 2019 remain in effect and govern the county innkeeper's tax until amended under this chapter. Provides that the fiscal body of the county may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than 30 days, any room or rooms, lodgings, or accommodations in any hotel, motel, boat motel, inn, college or university memorial union, college or university residence hall or dormitory, tourist cabin located in the county. Provides that the tax does not apply to gross income received in a transaction in which a student rents lodgings in a college or university residence hall while the student participates in a course of study for which the student receives college credit from a college or university located in the county, and does not apply to gross income received where a person rents a room, lodging, or accommodations for a period of thirty days

or more. Provides that the tax may not exceed 6% on the gross retail income derived from lodging income only and is in addition to the state gross retail tax imposed under Ind. Code Article 6-2.5. Provides that the tax rate imposed by the fiscal body of Knox County under this chapter may not exceed 5% if either (1) The Grouseland Foundation, Inc., is dissolved; or (2) Tours of the territorial mansion and presidential site of William Henry Harrison are no longer provided.

**Tax Administration** *(continued from page 17)*

**Explanation:** Provides that a person must retain the books and records so that the department can determine the amount, if any, of the person's liability for that tax for a period during which a judicial proceeding or appeal related to a listed tax is pending, whichever is later. Provides that the failure of a person to keep books and records in the ordinary course of business shall be considered for purposes of determining the weight of the evidence as it relates to the person's liability for a listed tax, and not for purposes of the admissibility of the evidence. Provides that in examining the evidence, the department of state revenue and the courts may take into account any federal law regarding the probative value of such evidence.

**Affected Code Section: Ind. Code § 6-8.1-7-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 32**

**Explanation:** Provides that the department of state revenue may release a statement of tax withholding or other tax information statement provided on behalf of a taxpayer to the department of state revenue to the taxpayer on whose behalf the tax withholding or other tax information statement was provided to the department, to the taxpayer's spouse, if the taxpayer is deceased or incapacitated and the taxpayer's spouse is filing a joint income tax return with the taxpayer, or to an administrator, executor, trustee, or other fiduciary acting on behalf of the taxpayer if the taxpayer is deceased.

**Affected Code Section: Ind. Code § 6-8.1-8-1.5 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 33**

**Explanation:** Provides that for a taxable period beginning after Dec. 31, 2020, whenever a taxpayer makes a partial payment on the taxpayer's tax liability, the department of state revenue shall apply the partial payment in the following order: first to the tax liability of the taxpayer; second to any penalty owed by the taxpayer, and third to any interest owed by the taxpayer.

Provides that in the case of a taxpayer with multiple liabilities, the department of state revenue may adopt rules to establish the manner in which payments are applied to the taxpayer's outstanding liabilities.

**Affected Code Section: Ind. Code § 6-8.1-8-2 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 34**

**Explanation:** Provides that the department of state revenue may not issue a demand notice for a liability more than nine years after the first date the department is permitted to issue a demand notice. Provides that if a taxpayer does not own property in Indiana, or if the department of state revenue is unable to determine whether the taxpayer owns property in Indiana, the department may file the tax warrant with the circuit court clerk of Marion County. Provides that the department of state revenue may domesticate a valid tax warrant in one or more other states or countries, or in the political subunits of other states or countries, in the manner that any other civil judgment may be domesticated in that jurisdiction. Provides that the department of state revenue shall be permitted all rights and remedies permitted in a jurisdiction in which a judgment is domesticated, even if the rights or remedies would not be permitted under Indiana law. Provides that the following apply to a judgment on a tax warrant: (1) A judgment on a tax warrant must be filed in at least one Indiana county not later than ten years after the first date on which a demand notice could be issued under this chapter; (2) Except as provided in subdivision (3), if a judgment on a tax warrant is entered in at least one Indiana county, the department of state revenue may file an additional tax warrant in one or more Indiana counties during the period in which one or more tax warrants are valid under this section. Provides that an amended tax warrant shall not constitute an alias tax warrant. Provides that the failure to renew a tax warrant in a particular county shall preclude the issuance of a new tax warrant. States that if the department does not issue a timely demand notice, file a timely tax warrant, or renew all tax warrants, the department of state revenue shall extinguish the tax liability from which the demand notice or judgment arose, and no state agency shall treat the tax liability as a delinquency for purposes of Indiana law.

**Affected Code Section: Ind. Code § 6-8.1-8-3 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 35**

**Explanation:** Provides that the sheriff shall notify the department of state revenue, in a manner specified by the department, of the name of the taxpayer and the amount of the payment for judgements collected that arose from tax warrants within seven days of receipt. Provides that in the event of an emergency, a taxpayer may direct the sheriff to make a payment on the

taxpayer's behalf using the department's electronic payment portal when certified funds have been received by the sheriff.

**Affected Code Section: Ind. Code § 6-8.1-9-7 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: House Bill 1001 § 134**

**Explanation:** Provides that a class action may not be brought against a marketplace facilitator on behalf of purchasers arising from or in any way related to an overpayment of gross retail tax or use tax collected by the marketplace facilitator, regardless of whether such action is characterized as a tax refund claim. Provides, however, that nothing in this subsection affects a purchaser's right to seek a refund from the department of state revenue.

**Affected Code Section: Ind. Code § 6-8.1-10-1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 36**

**Explanation:** Provides that the department of state revenue may waive interest for purposes of Ind. Code § 6-8.1-10-2.1(k).

**Affected Code Section: Ind. Code § 6-8.1-10-2.1 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 37**

**Explanation:** Provides that if a person subject to the penalty under this section provides the department of state revenue with documentation showing that the person is or has been subject to incarceration for a period of at least 180 days, the department of state revenue shall waive any penalty under this section and interest that accrues during the time the person was incarcerated, but not to an extent greater than the penalty or interest relief to which a person would otherwise have been entitled under the federal Servicemembers Civil Relief Act (50 U.S.C. 3901-4043), if the person was in military service. Provides that nothing in this subsection shall preclude the department from issuing a proposed assessment, demand notice, jeopardy proposed assessment, jeopardy demand notice, or warrant otherwise permitted by law.

**Affected Code Section: Ind. Code § 6-8.1-10-6 (amendment)**  
**Effective Date: July 1, 2019**  
**Enacted By: Senate Bill 565 § 38**

**Explanation:** Provides that if a person fails to electronically file an information return that is required by the department of state revenue to be filed in an electronic format, a penalty of \$10 for each failure to electronically file a timely return required by the department of state revenue to be in an electronic format not to exceed \$25,000 in any one calendar year, is imposed.



**Affected Code Section:** Ind. Code § 35-52-6-78.5 (addition)  
**Effective Date:** July 1, 2019  
**Enacted By:** House Bill 1001 § 242

**Explanation:** Provides that Ind. Code § 6-9-29.5-3 defines a crime concerning taxes.



