



February 24, 2014

---

---

## ENGROSSED SENATE BILL No. 161

---

DIGEST OF SB 161 (Updated February 20, 2014 4:26 pm - DI 84)

**Citations Affected:** IC 6-2.5.

**Synopsis:** Streamlined sales tax issues. Specifies that for purposes of computing sales tax, a seller may elect to round the tax on an item basis or an invoice basis. Removes blood glucose monitoring meters from the separate sales tax exemption for blood glucose supplies to comply with the Streamlined Sales and Use Tax Agreement. Provides that blood glucose meters and the packaging or literature for a blood glucose meter furnished without charge by a diabetic supply distributor are exempt from sales tax. (Blood glucose meters would also be exempt from sales tax as durable medical equipment if sold or rented under a prescription.) Provides that the sales tax exemption for blood glucose monitoring supplies applies only to supplies furnished without charge.

**Effective:** July 1, 2014.

---

---

### Kenley, Charbonneau, Hume, Tallian

(HOUSE SPONSORS — TURNER, BROWN T, GOODIN)

---

---

January 8, 2014, read first time and referred to Committee on Appropriations.

January 16, 2014, reported favorably — Do Pass.

January 21, 2014, read second time, ordered engrossed. Engrossed.

January 28, 2014, returned to second reading.

February 3, 2014, re-read second time, amended, ordered engrossed.

February 4, 2014, engrossed. Read third time, passed. Yeas 46, nays 2.

#### HOUSE ACTION

February 10, 2014, read first time and referred to Committee on Ways and Means.

February 24, 2014, reported — Do Pass.

---

---

ES 161—LS 6740/DI 58





February 24, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED SENATE BILL No. 161

---

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-2.5-2-2, AS AMENDED BY P.L.113-2010,  
2 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 2. (a) The state gross retail tax is measured by the  
4 gross retail income received by a retail merchant in a retail unitary  
5 transaction and is imposed at seven percent (7%) of that gross retail  
6 income.

7 (b) If the tax computed under subsection (a) carried to the third  
8 decimal place results in the numeral in the third decimal place being  
9 greater than four (4), the amount of the tax shall be rounded to the next  
10 additional cent.

11 (c) **A seller may elect to round the tax under subsection (b) on**  
12 **a transaction on an item basis or an invoice basis. However, a seller**  
13 **may not round the tax under subsection (b) to circumvent the tax**  
14 **that would otherwise be imposed on a transaction using an invoice**  
15 **basis.**

16 SECTION 2. IC 6-2.5-5-19.5, AS AMENDED BY P.L.265-2013,

ES 161—LS 6740/DI 58



1 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2014]: Sec. 19.5. (a) For purposes of this section, "drug  
3 sample" means a legend drug (as defined by IC 16-18-2-199) or a drug  
4 composed wholly or partly of insulin or an insulin analog that is  
5 furnished without charge.

6 (b) For purposes of this section, "blood glucose monitoring supply"  
7 means blood glucose ~~meters and~~ measuring strips, lancets, and other  
8 similar diabetic supplies furnished ~~with or~~ without charge.

9 (c) **For purposes of this section, "diabetic supply distributor"**  
10 **means a person that primarily sells blood glucose meters for resale**  
11 **and not for retail sale.**

12 ~~(c)~~ (d) Transactions involving the following are exempt from the  
13 state gross retail tax:

14 (1) A drug sample, the packaging and literature for a drug sample,  
15 a blood glucose monitoring supply, and the packaging and  
16 literature for a blood glucose monitoring supply.

17 (2) Tangible personal property that will be used as a drug sample  
18 or a blood glucose monitoring supply or that will be processed,  
19 manufactured, or incorporated into:

20 (A) a drug sample or a blood glucose monitoring supply; or

21 (B) the packaging or literature for a drug sample or a blood  
22 glucose monitoring supply.

23 (3) **Blood glucose meters and the packaging or literature for**  
24 **a blood glucose meter furnished without charge by a diabetic**  
25 **supply distributor.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 161, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 161 as introduced.)

Committee Vote: Yeas 11, Nays 0

Senator Kenley, Chairperson

---

 SENATE MOTION

Madam President: I move that Senate Bill 161 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-2-2, AS AMENDED BY P.L.113-2010, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) The state gross retail tax is measured by the gross retail income received by a retail merchant in a retail unitary transaction and is imposed at seven percent (7%) of that gross retail income.

(b) If the tax computed under subsection (a) carried to the third decimal place results in the numeral in the third decimal place being greater than four (4), the amount of the tax shall be rounded to the next additional cent.

**(c) A seller may elect to round the tax under subsection (b) on a transaction on an item basis or an invoice basis. However, a seller may not round the tax under subsection (b) to circumvent the tax that would otherwise be imposed on a transaction using an invoice basis."**

Page 1, line 9, strike "with or".

Page 1, between lines 9 and 10, begin a new paragraph and insert:

**"(c) For purposes of this section, "diabetic supply distributor" means a person that primarily sells blood glucose meters for resale and not for retail sale."**

Page 1, line 10, strike "(c)" and insert "(d)".

Page 2, after line 4, begin a new line block indented and insert:



**"(3) Blood glucose meters and the packaging or literature for a blood glucose meter furnished without charge by a diabetic supply distributor."**

Renumber all SECTIONS consecutively.

(Reference is to SB 161 as printed January 17, 2014.)

KENLEY

---

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 161, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 161 as printed February 4, 2014.)

Committee Vote: Yeas 17, Nays 0

Representative Brown T

