

SENATE BILL No. 172

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-39.

Synopsis: Sales tax on recreational vehicles. Provides that the purchase of a recreational vehicle or cargo trailer that is transported out of Indiana for registration and use in another state or country is exempt from the state gross retail tax regardless of whether the destination state or country provides a similar exemption for Indiana residents.

Effective: July 1, 2017.

Doriot

January 9, 2017, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 172

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 6-2.5-5-39, AS AMENDED BY P.L.211-2007,
2 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 39. (a) As used in this section, "cargo trailer"
4 means a vehicle:
5 (1) without motive power;
6 (2) designed for carrying property;
7 (3) designed for being drawn by a motor vehicle; and
8 (4) having a gross vehicle weight rating of at least two thousand
9 two hundred (2,200) pounds.
10 (b) As used in this section, "recreational vehicle" means a vehicle
11 with or without motive power equipped exclusively for living quarters
12 for persons traveling upon the highways. The term includes a travel
13 trailer, a motor home, a truck camper with a floor and facilities
14 enabling it to be used as a dwelling, and a fifth wheel trailer.
15 (c) A transaction involving a cargo trailer or a recreational vehicle
16 is exempt from the state gross retail tax if:
17 (1) the purchaser is a nonresident;



1 (2) upon receiving delivery of the cargo trailer or recreational
 2 vehicle, the person transports it within thirty (30) days to a
 3 destination outside Indiana;

4 (3) the cargo trailer or recreational vehicle will be titled or
 5 registered for use in another state or country; **and**

6 (4) the cargo trailer or recreational vehicle will not be titled or
 7 registered for use in Indiana. **and**

8 ~~(5) the cargo trailer or recreational vehicle will be titled or~~
 9 ~~registered in a state or country that provides an exemption from~~
 10 ~~sales, use, or similar taxes imposed on a cargo trailer or~~
 11 ~~recreational vehicle that is purchased in that state or country by~~
 12 ~~an Indiana resident and will be titled or registered in Indiana.~~

13 ~~A transaction involving a cargo trailer or recreational vehicle that does~~
 14 ~~not meet the requirements of subdivision (5) is not exempt from the~~
 15 ~~state gross retail tax.~~

16 (d) A purchaser must claim an exemption under this section by
 17 submitting to the retail merchant an affidavit stating the purchaser's
 18 intent to:

19 (1) transport the cargo trailer or recreational vehicle to a
 20 destination outside Indiana within thirty (30) days after delivery;
 21 and

22 (2) title or register the cargo trailer or recreational vehicle for use
 23 in another state or country.

24 The department shall prescribe the form of the affidavit, which must
 25 include an affirmation by the purchaser under the penalties for perjury
 26 that the information contained in the affidavit is true. The affidavit
 27 must identify the state or country in which the cargo trailer or
 28 recreational vehicle will be titled or registered.

29 (e) ~~The department shall provide the information necessary to~~
 30 ~~determine a purchaser's eligibility for an exemption claimed under this~~
 31 ~~section to retail merchants in the business of selling cargo trailers or~~
 32 ~~recreational vehicles.~~

33 **SECTION 2. [EFFECTIVE JULY 1, 2017] (a) IC 6-2.5-5-39, as**
 34 **amended by this act, applies only to retail transactions occurring**
 35 **after June 30, 2017.**

36 (b) **Except as provided in subsection (c), a retail transaction is**
 37 **considered to have occurred after June 30, 2017, if the property**
 38 **whose transfer constitutes selling at retail is delivered to the**
 39 **purchaser or to the place of delivery designated by the purchaser**
 40 **after June 30, 2017.**

41 (c) **Notwithstanding the delivery of the property constituting**
 42 **selling at retail after June 30, 2017, a transaction is considered to**



- 1 **have occurred before July 1, 2017, to the extent that:**
- 2 **(1) the agreement of the parties to the transaction is entered**
- 3 **into before July 1, 2017; and**
- 4 **(2) payment for the property furnished in the transaction is**
- 5 **made before July 1, 2017.**
- 6 **(d) This SECTION expires January 1, 2018.**

