

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 ENROLLED ACT No. 172

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AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-2.5-2-4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 4. (a) As used in this section, "cargo trailer" has the meaning set forth in IC 6-2.5-5-39.**

**(b) As used in this section, "recreational vehicle" has the meaning set forth in IC 6-2.5-5-39.**

**(c) Notwithstanding section 2 of this chapter, in the case of a transaction that:**

**(1) is not exempt from taxation under IC 6-2.5-5-39; and**

**(2) involves a cargo trailer or recreational vehicle that:**

**(A) is purchased by a nonresident;**

**(B) the purchaser intends to:**

**(i) transport to a destination outside Indiana within thirty (30) days after delivery; and**

**(ii) title or register for use in another state or country; and**

**(C) will not be titled or registered for use in Indiana;**

**the state gross retail tax rate on the cargo trailer or recreational vehicle is the rate of the other state or other country (excluding any locally imposed tax rates) in which the cargo trailer or recreational vehicle will be titled or registered, as certified by the seller and purchaser in an affidavit satisfying the requirements of subsection**



(d).

(d) The department shall prescribe the form of the affidavit required by subsection (c). In addition to the certification required by subsection (c), the affidavit must include the following:

- (1) The name of the state or country in which the cargo trailer or recreational vehicle will be titled or registered.
- (2) An affirmation by the purchaser under the penalties for perjury that the information contained in the affidavit is true.
- (3) Any other information required by the department for the purpose of verifying the information contained in the affidavit.

(e) The department may audit affidavits submitted under this section and make a proposed assessment of the amount of unpaid tax due with respect to any incorrect information submitted in an affidavit required by this section.

(f) This section expires June 30, 2019.

SECTION 2. IC 6-2.5-10-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 6.** The department, with the approval of the governor and the budget agency after the review of the state budget committee, may enter into an agreement with another state to provide that:

- (1) Indiana residents who purchase a cargo trailer or recreational vehicle in the other state and will title or register the cargo trailer or recreational vehicle in Indiana will be exempt from sales, use, or similar taxes in the other state on the purchase of the cargo trailer or recreational vehicle; and
- (2) the residents of the other state who purchase a cargo trailer or recreational vehicle in Indiana and will title or register the cargo trailer or recreational vehicle in the other state will be exempt from sales, use, or similar taxes in Indiana on the purchase of the cargo trailer or recreational vehicle.

SECTION 3. [EFFECTIVE JULY 1, 2017] (a) IC 6-2.5-2-4, as added by this act, applies only to retail transactions occurring after June 30, 2017, and before July 1, 2019.

(b) Except as provided in subsections (c) and (d), a retail transaction is considered to have occurred after June 30, 2017, and before July 1, 2019, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after June 30, 2017, and before July 1, 2019.

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(c) Notwithstanding the delivery of the property constituting selling at retail after June 30, 2017, a transaction is considered to have occurred before July 1, 2017, to the extent that:

- (1) the agreement of the parties to the transaction is entered into before July 1, 2017; and
- (2) payment for the property furnished in the transaction is made before July 1, 2017.

(d) Notwithstanding the delivery of the property constituting selling at retail after June 30, 2019, a transaction is considered to have occurred before July 1, 2019, to the extent that:

- (1) the agreement of the parties to the transaction is entered into before July 1, 2019; and
- (2) payment for the property furnished in the transaction is made before July 1, 2019.

(e) This SECTION expires January 1, 2020.

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) The department of state revenue shall do the following:

(1) Attempt to enter into a reciprocity agreement under IC 6-2.5-10-6, as added by this act, with the appropriate officers of each state that does not allow an exemption from sales, use, or similar taxes on cargo trailers or recreational vehicles that are purchased in that state by Indiana residents and will be titled or registered in Indiana.

(2) Report to the interim study committee on fiscal policy before November 1, 2017, concerning:

- (A) the efforts of the department of state revenue to enter into reciprocity agreements under IC 6-2.5-10-6, as added by this act;
- (B) the reciprocity agreements that have been entered into by the department of state revenue; and
- (C) if applicable, the reasons why the department of state revenue has been unable to enter into a reciprocity agreement with one (1) or more states.

(b) This SECTION expires July 1, 2018.

SECTION 5. An emergency is declared for this act.



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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