

SENATE BILL No. 210

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-2.5; IC 6-3-2-6; IC 6-6; IC 36-7.

Synopsis: Property taxes and sales and use taxes. Eliminates property taxes on primary residences for those who are at least 65 years of age (qualified homesteads) and on business personal property. Decreases the state sales and use tax rate from 7% to 6%, except for business to business transactions, in which case the rate is decreased from 7% to 2.75%. Provides that the sales and use tax applies to transactions involving services, except for legal services, health or mental health services (including insurance premiums for policies covering these services), and services provided for charitable tax exempt purposes. Deposits the increased sales and use tax revenue in the state general fund. Provides an annual state distribution to offset the property tax elimination for qualified homesteads and business personal property based on the amount of property taxes that otherwise would be due on the qualified homesteads and business personal property. Prohibits changes in qualified homestead and business personal property tax deductions, credits, and abatements that were in effect on December 31, 2023. Increases the maximum renter's deduction for income tax purposes from \$3,000 to \$8,000 per taxable year. Freezes the gasoline excise tax and the special fuel tax rates beginning on July 1, 2024, at the rates that were in effect on June 30, 2024. Makes conforming changes and technical corrections. Makes an ongoing appropriation.

Effective: Upon passage; July 1, 2024; November 1, 2024; January 1, 2025.

Young M

January 9, 2024, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 210



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-1.1-10.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2025]:
4 **Chapter 10.2. Homestead Exemption**
5 **Sec. 1. "Qualified homestead" means real property, including**
6 **curtilage, a house, or garage, used as a principal place of residence**
7 **by an:**
8 **(1) owner of the property who is at least sixty-five (65) years**
9 **of age;**
10 **(2) individual who is at least sixty-five (65) years of age and is**
11 **buying the property under a contract; or**
12 **(3) individual who is at least sixty-five (65) years of age and**
13 **has a beneficial interest in the owner of the property.**
14 **Sec. 2. To make a homestead exempt from property taxation**
15 **under this article, the part of the property tax liability on a**
16 **qualified homestead that remains after taking into account all**
17 **deductions and credits provided under any other law is eliminated.**



1 **Sec. 3. (a) A person who receives the deduction provided by**
 2 **IC 6-1.1-12-37 on a homestead is entitled to the exemption**
 3 **provided by this chapter and does not need to file a claim for the**
 4 **exemption under this chapter. A deduction, credit, or allocation of**
 5 **revenue that reduces the property tax liability on a qualified**
 6 **homestead using a local revenue source may not be changed after**
 7 **December 31, 2023.**

8 **(b) A qualified homestead owner must apply for the homestead**
 9 **exemption under this chapter, similar to the application process for**
 10 **a deduction under IC 6-1.1-12-37.**

11 **(c) The termination of the deduction provided by IC 6-1.1-12-37**
 12 **on a homestead terminates the exemption under this chapter.**

13 **Sec. 4. IC 6-1.1-11 does not apply to claiming the exemption**
 14 **provided by this chapter.**

15 SECTION 2. IC 6-1.1-10.4 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2025]:

18 **Chapter 10.4. Business Personal Property Exemption**

19 **Sec. 1. As used in this chapter, "business personal property"**
 20 **means personal property that:**

21 **(1) is otherwise subject to assessment and taxation under this**
 22 **article; and**

23 **(2) is used in a trade or business or otherwise held, used, or**
 24 **consumed in connection with the production of income.**

25 **The term does not include personal property held as an investment.**

26 **Sec. 2. To make business personal property exempt from**
 27 **property taxation under this article, the part of the property tax**
 28 **liability on business personal property, which remains after taking**
 29 **into account all deductions, credits, and abatements provided**
 30 **under any other law, is eliminated. A deduction, credit, abatement**
 31 **or allocation of revenue that reduces the property tax liability on**
 32 **business personal property may not be changed after December 31,**
 33 **2023.**

34 **Sec. 3. The exemption shall be applied by the taxpayer on the**
 35 **taxpayer's personal property tax return as prescribed by the**
 36 **department of local government finance.**

37 SECTION 3. IC 6-1.1-12-17.8, AS AMENDED BY P.L.182-2023,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2025]: Sec. 17.8. (a) An individual who receives a
 40 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before its
 41 expiration), or 37 of this chapter, **or exemption under IC 6-1.1-10.2,**
 42 in a particular year and who remains eligible for the deduction in the



1 following year is not required to file a statement to apply for the
2 deduction **or exemption** in the following year. However, for purposes
3 of a deduction under section 37 of this chapter, the county auditor may,
4 in the county auditor's discretion, terminate the deduction for
5 assessment dates after January 15, 2012, if the individual does not
6 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
7 1, 2015), as determined by the county auditor, before January 1, 2013.
8 Before the county auditor terminates the deduction because the
9 taxpayer claiming the deduction did not comply with the requirement
10 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
11 2013, the county auditor shall mail notice of the proposed termination
12 of the deduction to:

- 13 (1) the last known address of each person liable for any property
14 taxes or special assessment, as shown on the tax duplicate or
15 special assessment records; or
16 (2) the last known address of the most recent owner shown in the
17 transfer book.

18 (b) An individual who receives a deduction provided under section
19 9, 11, 13, 14, 16, or 17.4 (before its expiration) of this chapter in a
20 particular year and who becomes ineligible for the deduction in the
21 following year shall notify the auditor of the county in which the real
22 property, mobile home, or manufactured home for which the individual
23 claims the deduction is located of the individual's ineligibility in the
24 year in which the individual becomes ineligible. An individual who
25 becomes ineligible for a deduction under section 37 of this chapter
26 shall notify the county auditor of the county in which the property is
27 located in conformity with section 37 of this chapter.

28 (c) The auditor of each county shall, in a particular year, apply a
29 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before its
30 expiration), or 37 of this chapter, **or exemption under IC 6-1.1-10.2**,
31 to each individual who received the deduction **or exemption** in the
32 preceding year unless the auditor determines that the individual is no
33 longer eligible for the deduction.

34 (d) An individual who receives a deduction provided under section
35 9, 11, 13, 14, 16, 17.4 (before its expiration), or 37 of this chapter, **or**
36 **exemption under IC 6-1.1-10.2**, for property that is jointly held with
37 another owner in a particular year and remains eligible for the
38 deduction in the following year is not required to file a statement to
39 reapply for the deduction following the removal of the joint owner if:

- 40 (1) the individual is the sole owner of the property following the
41 death of the individual's spouse; or
42 (2) the individual is the sole owner of the property following the



1 death of a joint owner who was not the individual's spouse.
2 If a county auditor terminates a deduction under section 9 of this
3 chapter, a deduction under section 37 of this chapter, or a credit under
4 IC 6-1.1-20.6-8.5 after June 30, 2017, and before May 1, 2019, because
5 the taxpayer claiming the deduction or credit did not comply with a
6 requirement added to this subsection by P.L.255-2017 to reapply for
7 the deduction or credit, the county auditor shall reinstate the deduction
8 or credit if the taxpayer provides proof that the taxpayer is eligible for
9 the deduction or credit and is not claiming the deduction or credit for
10 any other property.

11 (e) A trust entitled to a deduction under section 9, 11, 13, 14, 16,
12 17.4 (before its expiration), or 37 of this chapter for real property
13 owned by the trust and occupied by an individual in accordance with
14 section 17.9 of this chapter is not required to file a statement to apply
15 for the deduction, if:

- 16 (1) the individual who occupies the real property receives a
17 deduction provided under section 9, 11, 13, 14, 16, 17.4 (before
18 its expiration), or 37 of this chapter in a particular year; and
19 (2) the trust remains eligible for the deduction in the following
20 year.

21 However, for purposes of a deduction under section 37 of this chapter,
22 the individuals that qualify the trust for a deduction must comply with
23 the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015)
24 before January 1, 2013.

25 (f) A cooperative housing corporation (as defined in 26 U.S.C. 216)
26 that is entitled to a deduction under section 37 of this chapter in the
27 immediately preceding calendar year for a homestead (as defined in
28 section 37 of this chapter) is not required to file a statement to apply for
29 the deduction for the current calendar year if the cooperative housing
30 corporation remains eligible for the deduction for the current calendar
31 year. However, the county auditor may, in the county auditor's
32 discretion, terminate the deduction for assessment dates after January
33 15, 2012, if the individual does not comply with the requirement in
34 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
35 county auditor, before January 1, 2013. Before the county auditor
36 terminates a deduction because the taxpayer claiming the deduction did
37 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
38 January 1, 2015) before January 1, 2013, the county auditor shall mail
39 notice of the proposed termination of the deduction to:

- 40 (1) the last known address of each person liable for any property
41 taxes or special assessment, as shown on the tax duplicate or
42 special assessment records; or



- 1 (2) the last known address of the most recent owner shown in the
 2 transfer book.
- 3 (g) An individual who:
- 4 (1) was eligible for a homestead credit under IC 6-1.1-20.9
 5 (repealed) for property taxes imposed for the March 1, 2007, or
 6 January 15, 2008, assessment date; or
- 7 (2) would have been eligible for a homestead credit under
 8 IC 6-1.1-20.9 (repealed) for property taxes imposed for the March
 9 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had
 10 not been repealed;
- 11 is not required to file a statement to apply for a deduction under section
 12 37 of this chapter if the individual remains eligible for the deduction in
 13 the current year. An individual who filed for a homestead credit under
 14 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 15 the property is real property), or after January 1, 2008 (if the property
 16 is personal property), shall be treated as an individual who has filed for
 17 a deduction under section 37 of this chapter. However, the county
 18 auditor may, in the county auditor's discretion, terminate the deduction
 19 for assessment dates after January 15, 2012, if the individual does not
 20 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 21 1, 2015), as determined by the county auditor, before January 1, 2013.
 22 Before the county auditor terminates the deduction because the
 23 taxpayer claiming the deduction did not comply with the requirement
 24 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 25 2013, the county auditor shall mail notice of the proposed termination
 26 of the deduction to the last known address of each person liable for any
 27 property taxes or special assessment, as shown on the tax duplicate or
 28 special assessment records, or to the last known address of the most
 29 recent owner shown in the transfer book.
- 30 (h) If a county auditor terminates a deduction because the taxpayer
 31 claiming the deduction did not comply with the requirement in
 32 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 33 the county auditor shall reinstate the deduction if the taxpayer provides
 34 proof that the taxpayer is eligible for the deduction and is not claiming
 35 the deduction for any other property.
- 36 SECTION 4. IC 6-1.1-22-8.1, AS AMENDED BY P.L.159-2020,
 37 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2025]: Sec. 8.1. (a) The county treasurer shall:
- 39 (1) except as provided in subsection (h), mail to the last known
 40 address of each person liable for any property taxes or special
 41 assessment, as shown on the tax duplicate or special assessment
 42 records, or to the last known address of the most recent owner



1 shown in the transfer book; and

2 (2) transmit by written, electronic, or other means to a mortgagee
3 maintaining an escrow account for a person who is liable for any
4 property taxes or special assessments, as shown on the tax
5 duplicate or special assessment records;

6 a statement in the form required under subsection (b).

7 (b) The department of local government finance shall prescribe a
8 form, subject to the approval of the state board of accounts, for the
9 statement under subsection (a) that includes at least the following:

10 (1) A statement of the taxpayer's current and delinquent taxes and
11 special assessments.

12 (2) A breakdown showing the total property tax and special
13 assessment liability and the amount of the taxpayer's liability that
14 will be distributed to each taxing unit in the county.

15 (3) An itemized listing for each property tax levy, including:

16 (A) the amount of the tax rate;

17 (B) the entity levying the tax owed; and

18 (C) the dollar amount of the tax owed.

19 (4) Information designed to show the manner in which the taxes
20 and special assessments billed in the tax statement are to be used.

21 (5) Information regarding how a taxpayer can obtain information
22 regarding the taxpayer's notice of assessment or reassessment
23 under IC 6-1.1-4-22.

24 (6) A comparison showing any change in the assessed valuation
25 for the property as compared to the previous year.

26 (7) A comparison showing any change in the property tax and
27 special assessment liability for the property as compared to the
28 previous year. The information required under this subdivision
29 must identify:

30 (A) the amount of the taxpayer's liability distributable to each
31 taxing unit in which the property is located in the current year
32 and in the previous year; and

33 (B) the percentage change, if any, in the amount of the
34 taxpayer's liability distributable to each taxing unit in which
35 the property is located from the previous year to the current
36 year.

37 (8) An explanation of the following:

38 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or
39 another law that are available in the taxing district where the
40 property is located **and the homestead exemption under**
41 **IC 6-1.1-10.2.**

42 (B) All property tax deductions that are available in the taxing



- 1 district where the property is located.
- 2 (C) The procedure and deadline for filing for any available
- 3 homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or another
- 4 law, **the homestead exemption under IC 6-1.1-10.2**, and
- 5 each deduction.
- 6 (D) The procedure that a taxpayer must follow to:
- 7 (i) appeal a current assessment; or
- 8 (ii) petition for the correction of an error related to the
- 9 taxpayer's property tax and special assessment liability.
- 10 (E) The forms that must be filed for an appeal or a petition
- 11 described in clause (D).
- 12 (F) The procedure and deadline that a taxpayer must follow
- 13 and the forms that must be used if a credit, **homestead**
- 14 **exemption**, or deduction has been granted for the property and
- 15 the taxpayer is no longer eligible for the credit, **homestead**
- 16 **exemption**, or deduction.
- 17 (G) Notice that an appeal described in clause (D) requires
- 18 evidence relevant to the true tax value of the taxpayer's
- 19 property as of the assessment date that is the basis for the taxes
- 20 payable on that property.
- 21 The department of local government finance shall provide the
- 22 explanation required by this subdivision to each county treasurer.
- 23 (9) A checklist that shows:
- 24 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or
- 25 another law, **the homestead exemption under IC 6-1.1-10.2**,
- 26 and all property tax deductions; and
- 27 (B) whether each homestead credit, **each homestead**
- 28 **exemption**, and **each** property tax deduction applies in the
- 29 current statement for the property transmitted under subsection
- 30 (a).
- 31 (10) A remittance coupon indicating the payment amounts due at
- 32 each payment due date and other information determined by the
- 33 department of local government finance.
- 34 (c) The county treasurer shall mail or transmit the statement one (1)
- 35 time each year on or before April 15. Whenever a person's tax liability
- 36 for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9
- 37 of this chapter, a statement that is mailed must include the date on
- 38 which the installment is due and denote the amount of money to be
- 39 paid for the installment. Whenever a person's tax liability is due in two
- 40 (2) installments, a statement that is mailed must contain the dates on
- 41 which the first and second installments are due and denote the amount
- 42 of money to be paid for each installment. If a statement is returned to



1 the county treasurer as undeliverable and the forwarding order is
 2 expired, the county treasurer shall notify the county auditor of this fact.
 3 Upon receipt of the county treasurer's notice, the county auditor may,
 4 at the county auditor's discretion, treat the property as not being eligible
 5 for any deductions under IC 6-1.1-12, **the homestead exemption**
 6 **under IC 6-1.1-10.2**, or any homestead credits under IC 6-1.1-20.4 and
 7 IC 6-3.6-5.

8 (d) All payments of property taxes and special assessments shall be
 9 made to the county treasurer. The county treasurer, when authorized by
 10 the board of county commissioners, may open temporary offices for the
 11 collection of taxes in cities and towns in the county other than the
 12 county seat.

13 (e) The county treasurer, county auditor, and county assessor shall
 14 cooperate to generate the information to be included in the statement
 15 under subsection (b).

16 (f) The information to be included in the statement under subsection
 17 (b) must be simply and clearly presented and understandable to the
 18 average individual.

19 (g) After December 31, 2007, a reference in a law or rule to
 20 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated
 21 as a reference to this section.

22 (h) Transmission of statements and other information under this
 23 subsection applies in a county only if the county legislative body adopts
 24 an authorizing ordinance. Subject to subsection (i), in a county in
 25 which an ordinance is adopted under this subsection for property taxes
 26 and special assessments, a person may, in any manner permitted by
 27 subsection (n), direct the county treasurer and county auditor to
 28 transmit the following to the person by electronic mail:

29 (1) A statement that would otherwise be sent by the county
 30 treasurer to the person by regular mail under subsection (a)(1),
 31 including a statement that reflects installment payment due dates
 32 under section ~~9.5~~ or 9.7 of this chapter.

33 (2) A provisional tax statement that would otherwise be sent by
 34 the county treasurer to the person by regular mail under
 35 IC 6-1.1-22.5-6.

36 (3) A reconciling tax statement that would otherwise be sent by
 37 the county treasurer to the person by regular mail under any of the
 38 following:

39 (A) Section 9 of this chapter.

40 (B) Section 9.7 of this chapter.

41 (C) IC 6-1.1-22.5-12, including a statement that reflects
 42 installment payment due dates under IC 6-1.1-22.5-18.5.



1 (4) Any other information that:

2 (A) concerns the property taxes or special assessments; and

3 (B) would otherwise be sent:

4 (i) by the county treasurer or the county auditor to the person
5 by regular mail; and

6 (ii) before the last date the property taxes or special
7 assessments may be paid without becoming delinquent.

8 The information listed in this subsection may be transmitted to a person
9 by using electronic mail that provides a secure Internet link to the
10 information.

11 (i) For property with respect to which more than one (1) person is
12 liable for property taxes and special assessments, subsection (h) applies
13 only if all the persons liable for property taxes and special assessments
14 designate the electronic mail address for only one (1) individual
15 authorized to receive the statements and other information referred to
16 in subsection (h).

17 (j) The department of local government finance shall create a form
18 to be used to implement subsection (h). The county treasurer and
19 county auditor shall:

20 (1) make the form created under this subsection available to the
21 public;

22 (2) transmit a statement or other information by electronic mail
23 under subsection (h) to a person who files, on or before March 15,
24 the form created under this subsection:

25 (A) with the county treasurer; or

26 (B) with the county auditor; and

27 (3) publicize the availability of the electronic mail option under
28 this subsection through appropriate media in a manner reasonably
29 designed to reach members of the public.

30 (k) The form referred to in subsection (j) must:

31 (1) explain that a form filed as described in subsection (j)(2)
32 remains in effect until the person files a replacement form to:

33 (A) change the person's electronic mail address; or

34 (B) terminate the electronic mail option under subsection (h);
35 and

36 (2) allow a person to do at least the following with respect to the
37 electronic mail option under subsection (h):

38 (A) Exercise the option.

39 (B) Change the person's electronic mail address.

40 (C) Terminate the option.

41 (D) For a person other than an individual, designate the
42 electronic mail address for only one (1) individual authorized



- 1 to receive the statements and other information referred to in
 2 subsection (h).
- 3 (E) For property with respect to which more than one (1)
 4 person is liable for property taxes and special assessments,
 5 designate the electronic mail address for only one (1)
 6 individual authorized to receive the statements and other
 7 information referred to in subsection (h).
- 8 (l) The form created under subsection (j) is considered filed with the
 9 county treasurer or the county auditor on the postmark date or on the
 10 date it is electronically submitted. If the postmark is missing or
 11 illegible, the postmark is considered to be one (1) day before the date
 12 of receipt of the form by the county treasurer or the county auditor.
- 13 (m) The county treasurer shall maintain a record that shows at least
 14 the following:
- 15 (1) Each person to whom a statement or other information is
 - 16 transmitted by electronic mail under this section.
 - 17 (2) The information included in the statement.
 - 18 (3) Whether the county treasurer received a notice that the
 - 19 person's electronic mail was undeliverable.
- 20 (n) A person may direct the county treasurer and county auditor to
 21 transmit information by electronic mail under subsection (h) on a form
 22 prescribed by the department submitted:
- 23 (1) in person;
 - 24 (2) by mail; or
 - 25 (3) in an online format developed by the county and approved by
 - 26 the department.
- 27 SECTION 5. IC 6-1.1-22-8.5, AS AMENDED BY P.L.3-2008,
 28 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2025]: Sec. 8.5. The county treasurer shall include on
 30 every statement mailed under section 8.1 of this chapter the following
 31 language: "If any circumstances have changed that would make you
 32 ineligible for a deduction **or exemption** that you have been allowed ~~in~~
 33 ~~the exemption block~~ on this tax bill, you must notify the county auditor.
 34 If such a change in circumstances has occurred and you have not
 35 notified the county auditor, the deduction **or exemption** will be
 36 disallowed and you will be liable for taxes, **interest**, and penalties on
 37 the amount deducted **or exempted**."
- 38 SECTION 6. IC 6-1.1-22-9, AS AMENDED BY P.L.218-2013,
 39 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2025]: Sec. 9. (a) Except as provided in subsection (b),
 41 the property taxes assessed for a year under this article are due in two
 42 (2) equal installments on May 10 and November 10 of the following



- 1 year.
- 2 (b) Subsection (a) does not apply if any of the following apply to the
3 property taxes assessed for the year under this article:
- 4 (1) Subsection (c).
5 (2) Subsection (d).
6 (3) IC 6-1.1-7-7.
7 ~~(4) Section 9.5 of this chapter.~~
8 ~~(5) (4) Section 9.7 of this chapter.~~
9 ~~(6) (5) Section 9.9 of this chapter.~~
- 10 (c) A county council may adopt an ordinance to require a person to
11 pay the person's property tax liability in one (1) installment, if the tax
12 liability for a particular year is less than twenty-five dollars (\$25). If the
13 county council has adopted such an ordinance, then whenever a tax
14 statement mailed under section 8.1 of this chapter shows that the
15 person's property tax liability for a year is less than twenty-five dollars
16 (\$25) for the property covered by that statement, the tax liability for
17 that year is due in one (1) installment on May 10 of that year.
- 18 (d) If the county treasurer receives a copy of an appeal petition
19 under IC 6-1.1-18.5-12(d) before the county treasurer mails or
20 transmits statements under section 8.1 of this chapter, the county
21 treasurer may:
- 22 (1) mail or transmit the statements without regard to the pendency
23 of the appeal and, if the resolution of the appeal by the department
24 of local government finance results in changes in levies, mail or
25 transmit reconciling statements under subsection (e); or
26 (2) delay the mailing or transmission of statements under section
27 8.1 of this chapter so that:
- 28 (A) the due date of the first installment that would otherwise
29 be due under subsection (a) is delayed by not more than sixty
30 (60) days; and
31 (B) all statements reflect any changes in levies that result from
32 the resolution of the appeal by the department of local
33 government finance.
- 34 (e) A reconciling statement under subsection (d)(1) must indicate:
35 (1) the total amount due for the year;
36 (2) the total amount of the installments paid that did not reflect
37 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the
38 department of local government finance;
39 (3) if the amount under subdivision (1) exceeds the amount under
40 subdivision (2), the adjusted amount that is payable by the
41 taxpayer:
42 (A) as a final reconciliation of all amounts due for the year;



- 1 and
 2 (B) not later than
 3 (i) November 10; or
 4 (ii) ~~the date or dates established under section 9.5 of this~~
 5 ~~chapter;~~ and
 6 (4) if the amount under subdivision (2) exceeds the amount under
 7 subdivision (1), that the taxpayer may claim a refund of the excess
 8 under IC 6-1.1-26.
- 9 (f) If property taxes are not paid on or before the due date, the
 10 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent
 11 taxes.
- 12 (g) Notwithstanding any other law, a property tax liability of less
 13 than five dollars (\$5) is increased to five dollars (\$5). The difference
 14 between the actual liability and the five dollar (\$5) amount that appears
 15 on the statement is a statement processing charge. The statement
 16 processing charge is considered a part of the tax liability.
- 17 (h) This subsection applies only if a statement for payment of
 18 property taxes and special assessments by electronic mail is transmitted
 19 to a person under section 8.1(h) of this chapter. If a response to the
 20 transmission of electronic mail to a person indicates that the electronic
 21 mail was not received, the county treasurer shall mail to the person a
 22 hard copy of the statement in the manner required by section 8.1(a) of
 23 this chapter for persons who do not opt to receive statements by
 24 electronic mail. The due date for the property taxes and special
 25 assessments under a statement mailed to a person under this subsection
 26 is the due date indicated in the statement transmitted to the person by
 27 electronic mail.
- 28 (i) In a county in which an authorizing ordinance is adopted under
 29 section 8.1(h) of this chapter, a person may direct the county treasurer
 30 to transmit a reconciling statement under subsection (d)(1) by
 31 electronic mail under section 8.1(h) of this chapter.
- 32 SECTION 7. IC 6-1.1-22.5-8, AS AMENDED BY P.L.197-2016,
 33 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2025]: Sec. 8. (a) Subject to subsection (c), a provisional
 35 statement must:
- 36 (1) be on a form prescribed by the department of local
 37 government finance;
 38 (2) except as provided in emergency rules adopted under section
 39 20 of this chapter and subsection (b):
 40 (A) for property taxes first due and payable after 2010 and
 41 billed using a provisional statement under section 6 of this
 42 chapter, indicate:



1 (i) that the first installment of the taxpayer's tax liability is
 2 an amount equal to fifty percent (50%) of the tax liability
 3 that was payable in the same year as the assessment date for
 4 the property for which the provisional statement is issued,
 5 subject to any adjustments to the tax liability authorized by
 6 the department of local government finance under
 7 subsection (e) and approved by the county treasurer; and
 8 (ii) that the second installment is either the amount specified
 9 in a reconciling statement or, if a reconciling statement is
 10 not sent until after the second installment is due, an amount
 11 equal to fifty percent (50%) of the tax liability that was
 12 payable in the same year as the assessment date for the
 13 property for which the provisional statement is issued,
 14 subject to any adjustments to the tax liability authorized by
 15 the department of local government finance under
 16 subsection (e) and approved by the county treasurer; and
 17 (B) for property taxes billed using a provisional statement
 18 under section 6.5 of this chapter, except as provided in
 19 subsection (d), indicate tax liability in an amount determined
 20 by the department of local government finance based on:
 21 (i) subject to subsection (c), for the cross-county entity, the
 22 property tax rate of the cross-county entity for taxes first due
 23 and payable in the immediately preceding calendar year; and
 24 (ii) for all other taxing units that make up the taxing district
 25 or taxing districts that comprise the cross-county area, the
 26 property tax rates of the taxing units for taxes first due and
 27 payable in the current calendar year;
 28 (3) indicate:
 29 (A) that the tax liability under the provisional statement is
 30 determined as described in subdivision (2); and
 31 (B) that property taxes billed on the provisional statement:
 32 (i) are due and payable in the same manner as property taxes
 33 billed on a tax statement under IC 6-1.1-22-8.1; and
 34 (ii) will be credited against a reconciling statement;
 35 (4) for property taxes billed using a provisional statement under
 36 section 6 of this chapter, include a statement in the following or
 37 a substantially similar form, as determined by the department of
 38 local government finance:
 39 "Under Indiana law, _____ County (insert county) has sent
 40 provisional statements. The statement is due to be paid in
 41 installments on _____ (insert date) and _____ (insert
 42 date). The first installment is equal to fifty percent (50%) of your



1 tax liability for taxes payable in _____ (insert year), subject to
 2 adjustment to the tax liability authorized by the department of
 3 local government finance and approved by the county treasurer.
 4 The second installment is either the amount specified in a
 5 reconciling statement that will be sent to you, or (if a reconciling
 6 statement is not sent until after the second installment is due) an
 7 amount equal to fifty percent (50%) of your tax liability for taxes
 8 payable in _____ (insert year), subject to adjustment to the tax
 9 liability authorized by the department of local government finance
 10 and approved by the county treasurer. After the abstract of
 11 property is complete, you will receive a reconciling statement in
 12 the amount of your actual tax liability for taxes payable in _____
 13 (insert year) minus the amount you pay under this provisional
 14 statement.";

15 (5) for property taxes billed using a provisional statement under
 16 section 6.5 of this chapter, include a statement in the following or
 17 a substantially similar form, as determined by the department of
 18 local government finance:

19 "Under Indiana law, _____ County (insert county) has elected
 20 to send provisional statements for the territory of
 21 _____ (insert cross-county entity) located in
 22 _____ County (insert county) because the property tax rate for
 23 _____ (insert cross-county entity) was not available
 24 in time to prepare final tax statements. The statement is due to be
 25 paid in installments on _____ (insert date) and _____
 26 (insert date). The statement is based on the property tax rate of
 27 _____ (insert cross-county entity) for taxes first
 28 due and payable in _____ (insert immediately preceding calendar
 29 year). After the property tax rate of _____ (insert
 30 cross-county entity) is determined, you will receive a reconciling
 31 statement in the amount of your actual tax liability for taxes
 32 payable in _____ (insert year) minus the amount you pay under
 33 this provisional statement.";

34 (6) indicate any adjustment to tax liability under subdivision (2)
 35 authorized by the department of local government finance under
 36 subsection (e) and approved by the county treasurer for:

- 37 (A) delinquent:
 - 38 (i) taxes; and
 - 39 (ii) special assessments;
- 40 (B) penalties; and
- 41 (C) interest;

42 (7) in the case of a reconciling statement only, include:



- 1 (A) a checklist that shows:
- 2 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5, or
- 3 another law, **the homestead exemption under**
- 4 **IC 6-1.1-10.2**, and all property tax deductions; and
- 5 (ii) whether each homestead credit, **homestead exemption,**
- 6 and **each** property tax deduction were applied in the current
- 7 provisional statement;
- 8 (B) an explanation of the procedure and deadline that a
- 9 taxpayer must follow and the forms that must be used if a
- 10 credit or deduction has been granted for the property and the
- 11 taxpayer is no longer eligible for the credit or deduction; and
- 12 (C) an explanation of the tax consequences and applicable
- 13 penalties if a taxpayer unlawfully claims a standard deduction
- 14 under IC 6-1.1-12-37 **or homestead exemption under**
- 15 **IC 6-1.1-10.2** on:
- 16 (i) more than one (1) parcel of property; or
- 17 (ii) property that is not the taxpayer's principal place of
- 18 residence or is otherwise not eligible for a standard
- 19 deduction; and
- 20 (8) include any other information the county treasurer requires.
- 21 (b) The county may apply a standard deduction, supplemental
- 22 standard deduction, **or** homestead credit, **or homestead exemption**
- 23 **under IC 6-1.1-10.2** calculated by the county's property system on a
- 24 provisional bill for a qualified property. If a provisional bill has been
- 25 used for property tax billings for two (2) consecutive years and a
- 26 property qualifies for a standard deduction, supplemental standard
- 27 deduction, **or** homestead credit, **or homestead exemption under**
- 28 **IC 6-1.1-10.2** for the second year a provisional bill is used, the county
- 29 shall apply the standard deduction, supplemental standard deduction,
- 30 **or** homestead credit, **or homestead exemption under IC 6-1.1-10.2**
- 31 calculated by the county's property system on the provisional bill.
- 32 (c) For purposes of this section, property taxes that are:
- 33 (1) first due and payable in the current calendar year on a
- 34 provisional statement under section 6 or 6.5 of this chapter; and
- 35 (2) based on property taxes first due and payable in the
- 36 immediately preceding calendar year or on a percentage of those
- 37 property taxes;
- 38 are determined after excluding from the property taxes first due and
- 39 payable in the immediately preceding calendar year property taxes
- 40 imposed by one (1) or more taxing units in which the tangible property
- 41 is located that are attributable to a levy that no longer applies for
- 42 property taxes first due and payable in the current calendar year.



1 (d) If there was no property tax rate of the cross-county entity for
 2 taxes first due and payable in the immediately preceding calendar year
 3 for use under subsection (a)(2)(B), the department of local government
 4 finance shall provide an estimated tax rate calculated to approximate
 5 the actual tax rate that will apply when the tax rate is finally
 6 determined.

7 (e) The department of local government finance shall:

8 (1) authorize the types of adjustments to tax liability that a county
 9 treasurer may approve under subsection (a)(2)(A) including:

10 (A) adjustments for any new construction on the property or
 11 any damage to the property;

12 (B) any necessary adjustments for credits, deductions, or the
 13 local income tax;

14 (C) adjustments to include current year special assessments or
 15 exclude special assessments payable in the year of the
 16 assessment date but not payable in the current year;

17 (D) adjustments to include delinquent:

18 (i) taxes; and

19 (ii) special assessments;

20 (E) adjustments to include penalties that are due and owing;
 21 and

22 (F) adjustments to include interest that is due and owing; and

23 (2) notify county treasurers in writing of the types of adjustments
 24 authorized under subdivision (1).

25 SECTION 8. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
 26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]:

28 **Chapter 51. Homestead and Business Personal Property Tax**
 29 **Replacement Distributions**

30 **Sec. 1. (a) Before July 1, 2024, and before July 1 each year**
 31 **thereafter, the department of local government finance shall**
 32 **determine for each county a homestead and business personal**
 33 **property tax replacement amount for the following year.**

34 **(b) A county's property tax replacement amount is the amount**
 35 **of net property taxes that would be first due and payable in the**
 36 **determination year in the county on all qualified homesteads (as**
 37 **defined in IC 6-1.1-10.2-1) and business personal property. This**
 38 **determination shall be made by using the net property tax liability**
 39 **on the property before applying the exemption provided by**
 40 **IC 6-1.1-10.2 or the exemption provided by IC 6-1.1-10.4 and after**
 41 **applying all assessed value deductions, credits, or abatements**
 42 **provided under any other law.**



1 (c) Before August 2 each year, the department of local
 2 government finance shall certify in writing to each county auditor
 3 the amount of the county's certified property tax replacement
 4 amount for the following year. Each taxing unit in a county is
 5 entitled to receive its allocation of the certified property tax
 6 replacement amount based on the amount that each taxing unit
 7 would have received in property taxes if the exemption under
 8 IC 6-1.1-10.2 and the exemption under IC 6-1.1-10.4 were not
 9 applied.

10 Sec. 2. A taxing unit shall treat the amount certified for a year
 11 as property tax revenue for the purpose of fixing the taxing unit's
 12 budget for that budget year.

13 Sec. 3. Each distribution under this chapter shall be made by the
 14 state comptroller to the appropriate county treasurer. The
 15 distribution for a year shall be made to the county treasurer in two
 16 (2) equal installments. The first installment shall be made on the
 17 first business day in May each year. The second installment shall
 18 be made on the first business day in November each year. The
 19 county auditor shall credit each installment to each taxing unit in
 20 the county at the same time and in the same manner as property
 21 taxes are credited.

22 Sec. 4. A taxing unit shall treat revenue received under this
 23 chapter as property tax revenue.

24 Sec. 5. In addition to the distributions to counties under this
 25 chapter, the state comptroller shall distribute from the state
 26 general fund to the commuter rail service fund established by
 27 IC 8-3-1.5-20.5 and the electric rail service fund established by
 28 IC 8-3-1.5-20.6 a business property tax replacement amount equal
 29 to the prior year's net property tax liability on the property before
 30 applying the exemption provided by IC 6-1.1-10.4 for taxes payable
 31 under IC 6-1.1-8-35 to be distributed at the same time and in the
 32 similar manner as the distributions to counties.

33 Sec. 6. There is appropriated from the state general fund the
 34 amount necessary to provide distributions under this chapter each
 35 year.

36 SECTION 9. IC 6-2.5-1-5, AS AMENDED BY P.L.199-2021,
 37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 NOVEMBER 1, 2024]: Sec. 5. (a) Except as provided in subsection
 39 (b), "gross retail income" means the total amount of consideration,
 40 including cash, credit, property, and services, for which tangible
 41 personal property is sold, leased, or rented, valued in money, whether
 42 received in money or otherwise, without any deduction for:



- 1 (1) the seller's cost of the property sold;
 2 (2) the cost of materials used, labor or service cost, interest,
 3 losses, all costs of transportation to the seller, all taxes imposed
 4 on the seller, and any other expense of the seller;
 5 (3) charges by the seller for any services necessary to complete
 6 the sale; ~~other than delivery and installation charges~~;
 7 (4) delivery charges; or
 8 (5) consideration received by the seller from a third party if:
 9 (A) the seller actually receives consideration from a party
 10 other than the purchaser and the consideration is directly
 11 related to a price reduction or discount on the sale;
 12 (B) the seller has an obligation to pass the price reduction or
 13 discount through to the purchaser;
 14 (C) the amount of the consideration attributable to the sale is
 15 fixed and determinable by the seller at the time of the sale of
 16 the item to the purchaser; and
 17 (D) the price reduction or discount is identified as a third party
 18 price reduction or discount on the invoice received by the
 19 purchaser or on a coupon, certificate, or other documentation
 20 presented by the purchaser.

21 For purposes of subdivision (4), delivery charges are charges by the
 22 seller for preparation and delivery of the property to a location
 23 designated by the purchaser of property, including but not limited to
 24 transportation, shipping, postage charges that are not separately stated
 25 on the invoice, bill of sale, or similar document, handling, crating, and
 26 packing. Delivery charges do not include postage charges that are
 27 separately stated on the invoice, bill of sale, or similar document.

28 (b) "Gross retail income" does not include that part of the gross
 29 receipts attributable to:

- 30 (1) the value of any tangible personal property received in a like
 31 kind exchange in the retail transaction, if the value of the property
 32 given in exchange is separately stated on the invoice, bill of sale,
 33 or similar document given to the purchaser;
 34 (2) the receipts received in a retail transaction which constitute
 35 interest ~~or~~ finance charges ~~or~~ ~~insurance premiums~~ on either a
 36 promissory note or an installment sales contract;
 37 (3) discounts, including cash, terms, or coupons that are not
 38 reimbursed by a third party that are allowed by a seller and taken
 39 by a purchaser on a sale;
 40 (4) interest, financing, and carrying charges from credit extended
 41 on the sale of personal property ~~or~~ ~~services~~ if the amount is
 42 separately stated on the invoice, bill of sale, or similar document



- 1 given to the purchaser;
- 2 (5) any taxes legally imposed directly on the consumer that are
- 3 separately stated on the invoice, bill of sale, or similar document
- 4 given to the purchaser, including an excise tax imposed under
- 5 IC 6-6-15;
- 6 ~~(6) installation charges that are separately stated on the invoice;~~
- 7 ~~bill of sale, or similar document given to the purchaser;~~
- 8 ~~(7) (6) telecommunications nonrecurring charges;~~
- 9 ~~(8) (7) postage charges that are separately stated on the invoice,~~
- 10 ~~bill of sale, or similar document; or~~
- 11 ~~(9) (8) charges for serving or delivering food and food ingredients~~
- 12 ~~furnished, prepared, or served for consumption at a location, or on~~
- 13 ~~equipment, provided by the retail merchant, to the extent that the~~
- 14 ~~charges for the serving or delivery are stated separately from the~~
- 15 ~~price of the food and food ingredients when the purchaser pays~~
- 16 ~~the charges.~~
- 17 (c) Notwithstanding subsection (b)(5):
- 18 (1) in the case of retail sales of special fuel (as defined in
- 19 IC 6-6-2.5-22), the gross retail income is the total sales price of
- 20 the special fuel minus the part of that price attributable to tax
- 21 imposed under IC 6-6-2.5 or Section 4041 or Section 4081 of the
- 22 Internal Revenue Code;
- 23 (2) in the case of retail sales of cigarettes (as defined in
- 24 IC 6-7-1-2), the gross retail income is the total sales price of the
- 25 cigarettes including the tax imposed under IC 6-7-1; and
- 26 (3) in the case of retail sales of consumable material (as defined
- 27 in IC 6-7-4-2), vapor products (as defined in IC 6-7-4-8), and
- 28 closed system cartridges (as defined in IC 6-7-2-0.5) under the
- 29 closed system cartridge tax, the gross retail income received from
- 30 selling at retail is the total sales price of the consumable material
- 31 (as defined in IC 6-7-4-2), vapor products (as defined in
- 32 IC 6-7-4-8), and closed system cartridges (as defined in
- 33 IC 6-7-2-0.5) including the tax imposed under IC 6-7-4 and
- 34 IC 6-7-2-7.5.
- 35 (d) Gross retail income is only taxable under this article to the
- 36 extent that the income represents:
- 37 (1) the price of the property transferred, without the rendition of
- 38 any services; and
- 39 (2) except as provided in subsection (b), any bona fide charges
- 40 which are made for preparation, fabrication, alteration,
- 41 modification, finishing, completion, delivery, or other service
- 42 performed in respect to the property transferred before its transfer



1 and which are separately stated on the transferor's records. For
 2 purposes of this subdivision, a transfer is considered to have
 3 occurred after the delivery of the property to the purchaser.

4 (e) A public utility's or a power subsidiary's gross retail income
 5 includes all gross retail income received by the public utility or power
 6 subsidiary, including any minimum charge, flat charge, membership
 7 fee, or any other form of charge or billing.

8 SECTION 10. IC 6-2.5-1-11.7 IS ADDED TO THE INDIANA
 9 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 10 [EFFECTIVE NOVEMBER 1, 2024]: **Sec. 11.7. "Business to business**
 11 **transactions" means transactions involving the wholesale sale of**
 12 **services by a business that has a valid registered retail merchant**
 13 **certificate to another business that has a valid retail merchant**
 14 **certificate for its use or consumption in the production of tangible**
 15 **personal property or the delivery of other services that are for sale.**

16 SECTION 11. IC 6-2.5-1-25.7 IS ADDED TO THE INDIANA
 17 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 18 [EFFECTIVE NOVEMBER 1, 2024]: **Sec. 25.7. "Service" includes**
 19 **any activity engaged in for another person for consideration.**

20 SECTION 12. IC 6-2.5-2-1, AS AMENDED BY P.L.146-2020,
 21 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 NOVEMBER 1, 2024]: Sec. 1. (a) An excise tax, known as the state
 23 gross retail tax, is imposed on retail transactions made in Indiana.

24 (b) The person who acquires property **or receives a service** in a
 25 retail transaction is liable for the tax on the transaction and, except as
 26 otherwise provided in this chapter, shall pay the tax to the retail
 27 merchant as a separate added amount to the consideration in the
 28 transaction. A retail merchant that has either physical presence in
 29 Indiana as described in subsection (c) or that meets one (1) or both of
 30 the thresholds in subsection (d) shall collect the tax as agent for the
 31 state.

32 (c) A retail merchant has physical presence in Indiana when the
 33 retail merchant:

34 (1) maintains an office, place of distribution, sales location,
 35 sample location, warehouse, storage place, or other place of
 36 business which is located in Indiana and which the retail
 37 merchant maintains, occupies, or uses, either permanently or
 38 temporarily, either directly or indirectly, and either by the retail
 39 merchant or through a representative, agent, or subsidiary;

40 (2) maintains a representative, agent, salesperson, canvasser, or
 41 solicitor who, while operating in Indiana under the authority of
 42 and on behalf of the retail merchant or a subsidiary of the retail



1 merchant, sells, delivers, installs, repairs, assembles, sets up,
 2 accepts returns of, bills, invoices, or takes orders for sales of
 3 tangible personal property or services to be used, stored, or
 4 consumed in Indiana; or

5 (3) is otherwise required to register as a retail merchant under
 6 IC 6-2.5-8-1.

7 (d) A retail merchant that does not have a physical presence in
 8 Indiana shall, as an agent for the state, collect the gross retail tax on a
 9 retail transaction made in Indiana, remit the gross retail tax as provided
 10 in this article, and comply with all applicable procedures and
 11 requirements of this article as if the retail merchant has a physical
 12 presence in Indiana, if the retail merchant meets either of the following
 13 conditions for the calendar year in which the retail transaction is made
 14 or for the calendar year preceding the calendar year in which the retail
 15 transaction is made:

16 (1) The retail merchant's gross revenue from any combination of:

17 (A) the sale of tangible personal property that is delivered into
 18 Indiana;

19 (B) a product transferred electronically into Indiana; or

20 (C) a service delivered in Indiana;

21 exceeds one hundred thousand dollars (\$100,000).

22 (2) The retail merchant sells any combination of:

23 (A) tangible personal property that is delivered into Indiana;

24 (B) a product transferred electronically into Indiana; or

25 (C) a service delivered in Indiana;

26 in two hundred (200) or more separate transactions.

27 (e) A marketplace facilitator must include both transactions made
 28 on its own behalf and transactions facilitated for sellers under
 29 IC 6-2.5-4-18 for purposes of establishing the requirement to collect
 30 gross retail tax without having a physical presence in Indiana for
 31 purposes of subsection (d). In addition, except in instances where the
 32 marketplace facilitator has not met the thresholds in subsection (d), the
 33 transactions of the seller made through the marketplace are not counted
 34 toward the seller for purposes of determining whether the seller has
 35 met the thresholds in subsection (d).

36 SECTION 13. IC 6-2.5-2-2, AS AMENDED BY P.L.146-2020,
 37 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 NOVEMBER 1, 2024]: Sec. 2. (a) The state gross retail tax is
 39 measured by the gross retail income received by a retail merchant in a
 40 retail unitary or bundled transaction and is imposed at:

41 **(1) except as provided in subdivision (2), seven** six percent ~~(7%)~~
 42 **(6%)** of that gross retail income; **and**



- 1 **(2) in the case of business to business transactions, two and**
 2 **seventy-five hundredths percent (2.75%) of that gross retail**
 3 **income.**
- 4 (b) If the tax computed under subsection (a) carried to the third
 5 decimal place results in the numeral in the third decimal place being
 6 greater than four (4), the amount of the tax shall be rounded to the next
 7 additional cent.
- 8 (c) A seller may elect to round the tax under subsection (b) on a
 9 transaction on an item basis or an invoice basis. However, a seller may
 10 not round the tax under subsection (b) to circumvent the tax that would
 11 otherwise be imposed on a transaction using an invoice basis.
- 12 SECTION 14. IC 6-2.5-3-1, AS AMENDED BY P.L.146-2020,
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 NOVEMBER 1, 2024]: Sec. 1. For purposes of this chapter:
- 15 (a) "Use" means **either of the following:**
- 16 **(1)** The exercise of any right or power of ownership over tangible
 17 personal property.
- 18 **(2) The employment of a service for its intended purpose.**
- 19 (b) "Storage" means the keeping or retention of tangible personal
 20 property in Indiana for any purpose except temporary storage.
- 21 (c) "Temporary storage" means the keeping or retention of tangible
 22 personal property in Indiana for a period of not more than one hundred
 23 eighty (180) days and only for the purpose of the subsequent use of that
 24 property solely outside Indiana.
- 25 (d) Notwithstanding any other provision of this section, tangible or
 26 intangible property that is:
- 27 (1) owned or leased by a person that has contracted with a
 28 commercial printer for printing; and
- 29 (2) located at the premises of the commercial printer;
- 30 shall not be considered to be, or to create, an office, a place of
 31 distribution, a sales location, a sample location, a warehouse, a storage
 32 place, or other place of business maintained, occupied, or used in any
 33 way by the person. A commercial printer with which a person has
 34 contracted for printing shall not be considered to be in any way a
 35 representative, an agent, a ~~salesman~~, **salesperson**, a canvasser, or a
 36 solicitor for the person.
- 37 SECTION 15. IC 6-2.5-3-2, AS AMENDED BY P.L.181-2016,
 38 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 NOVEMBER 1, 2024]: Sec. 2. (a) An excise tax, known as the use tax,
 40 is imposed on the storage, use, or consumption of tangible personal
 41 property **or the use of a service** in Indiana if the property **or service**
 42 was acquired in a retail transaction, regardless of the location of that



- 1 transaction or of the retail merchant making that transaction.
- 2 (b) The use tax is also imposed on the storage, use, or consumption
- 3 of a vehicle, an aircraft, or a watercraft, if the vehicle, aircraft, or
- 4 watercraft:
- 5 (1) is acquired in a transaction that is an isolated or occasional
- 6 sale; and
- 7 (2) is required to be titled, licensed, or registered by this state for
- 8 use in Indiana.
- 9 (c) The use tax is imposed on a contractor's conversion of
- 10 construction material into real property if that construction material
- 11 was purchased by the contractor. However, the use tax does not apply
- 12 to conversions of construction material described in this subsection, if:
- 13 (1) the state gross retail or use tax has been previously imposed
- 14 on the contractor's acquisition or use of that construction material;
- 15 (2) the person for whom the construction material is being
- 16 converted could have purchased the material exempt from the
- 17 state gross retail and use taxes, as evidenced by a properly issued
- 18 exemption certificate, if that person had directly purchased the
- 19 construction material from a retail merchant in a retail
- 20 transaction; or
- 21 (3) the conversion of the construction material into real property
- 22 is governed by a time and material contract as described in
- 23 IC 6-2.5-4-9(b).
- 24 (d) The use tax is imposed on a person who:
- 25 (1) manufactures, fabricates, or assembles tangible personal
- 26 property from materials either within or outside Indiana; and
- 27 (2) uses, stores, distributes, or consumes tangible personal
- 28 property in Indiana.
- 29 (e) Notwithstanding any other provision of this section, the use tax
- 30 is not imposed on the keeping, retaining, or exercising of any right or
- 31 power over tangible personal property, if:
- 32 (1) the property is delivered into Indiana by or for the purchaser
- 33 of the property;
- 34 (2) the property is delivered in Indiana for the sole purpose of
- 35 being processed, printed, fabricated, or manufactured into,
- 36 attached to, or incorporated into other tangible personal property;
- 37 and
- 38 (3) the property is subsequently transported out of state for use
- 39 solely outside Indiana.
- 40 (f) As used in subsection (g) and IC 6-2.5-5-42:
- 41 (1) "completion work" means the addition of tangible personal
- 42 property to or reconfiguration of the interior of an aircraft, if the



- 1 work requires the issuance of an airworthiness certificate from
 2 the:
- 3 (A) Federal Aviation Administration; or
 4 (B) equivalent foreign regulatory authority;
- 5 due to the change in the type certification basis of the aircraft
 6 resulting from the addition to or reconfiguration of the interior of
 7 the aircraft;
- 8 (2) "delivery" means the physical delivery of the aircraft
 9 regardless of who holds title; and
- 10 (3) "prepurchase evaluation" means an examination of an aircraft
 11 by a potential purchaser for the purpose of obtaining information
 12 relevant to the potential purchase of the aircraft.
- 13 (g) Notwithstanding any other provision of this section, the use tax
 14 is not imposed on the keeping, retaining, or exercising of any right or
 15 power over an aircraft, if:
- 16 (1) the aircraft is or will be titled, registered, or based (as defined
 17 in IC 6-6-6.5-1(m)) in another state or country;
- 18 (2) the aircraft is delivered to Indiana by or for a nonresident
 19 owner or purchaser of the aircraft;
- 20 (3) the aircraft is delivered to Indiana for the sole purpose of
 21 being repaired, refurbished, remanufactured, or subjected to
 22 completion work or a prepurchase evaluation; and
- 23 (4) after completion of the repair, refurbishment, remanufacture,
 24 completion work, or prepurchase evaluation, the aircraft is
 25 transported to a destination outside Indiana.
- 26 (h) The amendments made to this section by P.L.153-2012 shall be
 27 interpreted to specify and not to change the general assembly's intent
 28 with respect to this section.
- 29 SECTION 16. IC 6-2.5-3-4, AS AMENDED BY P.L.137-2022,
 30 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 NOVEMBER 1, 2024]: Sec. 4. (a) The storage, use, and consumption
 32 of tangible personal property **or the use of a service** in Indiana is
 33 exempt from the use tax if:
- 34 (1) the property **or service** was acquired in a retail transaction and
 35 the state gross retail tax has been paid on the acquisition of that
 36 property **or service**; or
- 37 (2) the property **or service** was acquired in a transaction that is
 38 wholly or partially exempt from the state gross retail tax under
 39 any part of IC 6-2.5-5 and the property **or service** is being used,
 40 stored, or consumed for the purpose for which it was exempted.
- 41 (b) If a person issues a state gross retail or use tax exemption
 42 certificate for the acquisition of tangible personal property **or a service**



1 and subsequently uses, stores, or consumes that property **or service** for
 2 a nonexempt purpose, then the person shall pay the use tax.

3 SECTION 17. IC 6-2.5-3-5 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE NOVEMBER 1, 2024]: Sec. 5. A person is
 5 entitled to a credit against the use tax imposed on the use, storage, or
 6 consumption of a particular item of tangible personal property **or the**
 7 **use of a service** equal to the amount, if any, of sales tax, purchase tax,
 8 or use tax paid to another state, territory, or possession of the United
 9 States for the acquisition of that property **or service**.

10 SECTION 18. IC 6-2.5-3-6, AS AMENDED BY P.L.146-2020,
 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 NOVEMBER 1, 2024]: Sec. 6. (a) For purposes of this section,
 13 "person" includes an individual who is personally liable for use tax
 14 under IC 6-2.5-9-3.

15 (b) The person who uses, stores, or consumes the tangible personal
 16 property **or uses the service** acquired in a retail transaction is
 17 personally liable for the use tax.

18 (c) The person liable for the use tax shall pay the use tax to the
 19 department.

20 (d) Notwithstanding subsection (c), a person liable for the use tax
 21 imposed in respect to a vehicle, watercraft, or aircraft under section
 22 2(b) of this chapter shall pay the tax:

23 (1) to the titling agency when the person applies for a title for the
 24 vehicle or the watercraft;

25 (2) to the registering agency when the person registers the
 26 aircraft; or

27 (3) to the registering agency when the person registers the
 28 watercraft because it is a United States Coast Guard documented
 29 vessel;

30 unless the person presents proof to the agency that the use tax or state
 31 gross retail tax has already been paid with respect to the purchase of
 32 the vehicle, watercraft, or aircraft or proof that the taxes are
 33 inapplicable because of an exemption under this article.

34 (e) At the time a person pays the use tax for the purchase of a
 35 vehicle to a titling agency pursuant to subsection (d), the titling agency
 36 shall compute the tax due based on the presumption that the sale price
 37 was the average selling price for that vehicle, as determined under a
 38 used vehicle buying guide to be chosen by the titling agency. However,
 39 the titling agency shall compute the tax due based on the actual sale
 40 price of the vehicle if the buyer, at the time the buyer pays the tax to the
 41 titling agency, presents documentation to the titling agency sufficient
 42 to rebut the presumption set forth in this subsection and to establish the



1 actual selling price of the vehicle.

2 SECTION 19. IC 6-2.5-3-7, AS AMENDED BY P.L.211-2007,
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 NOVEMBER 1, 2024]: Sec. 7. (a) A person who acquires tangible
5 personal property **or a service, or both**, from a retail merchant for
6 delivery in Indiana is presumed to have:

7 (1) acquired the property for storage, use, or consumption in
8 Indiana; **and**

9 (2) **received the service in Indiana.**

10 However, the person or the retail merchant can produce evidence to
11 rebut that presumption.

12 (b) A retail merchant is not required to produce evidence of
13 nontaxability under subsection (a) if the retail merchant receives from
14 the person who acquired the property **or service** an exemption
15 certificate which certifies, in the form prescribed by the department,
16 that the acquisition is exempt from the use tax.

17 (c) A retail merchant that sells tangible personal property **or a**
18 **service** to a person that purchases the tangible personal property **or**
19 **service** for use or consumption in providing public transportation under
20 IC 6-2.5-5-27 may verify the exemption by obtaining the person's:

21 (1) name;

22 (2) address; and

23 (3) motor carrier number, United States Department of
24 Transportation number, or any other identifying number
25 authorized by the department.

26 The person engaged in public transportation shall provide a signature
27 to affirm under penalties of perjury that the information provided to the
28 retail merchant is correct and that the tangible personal property **or**
29 **service** is being purchased for an exempt purpose.

30 SECTION 20. IC 6-2.5-3-8 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE NOVEMBER 1, 2024]: Sec. 8. (a) When a
32 retail merchant collects the use tax from a person, ~~he~~ **the retail**
33 **merchant** shall, upon request, issue a receipt to that person for the use
34 tax collected.

35 (b) If the department assesses the use tax against a person for the
36 person's storage, use, or consumption of tangible personal property **or**
37 **use of a service** in Indiana, and if the person has already paid the use
38 tax in relation to that property **or service** to a retail merchant who is
39 registered under IC 6-2.5-6, to the department, or, in the case of a
40 vehicle or aircraft, to the proper state agency, then the person may
41 avoid paying the use tax to the department if ~~he~~ **the person** can
42 produce a receipt or other written evidence showing that ~~he~~ **the person**



1 has so made the use tax payment.

2 SECTION 21. IC 6-2.5-4-1, AS AMENDED BY P.L.137-2022,
3 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 NOVEMBER 1, 2024]: Sec. 1. (a) A person is a retail merchant
5 making a retail transaction when the person engages in selling at retail.

6 (b) A person is engaged in selling at retail when, in the ordinary
7 course of the person's regularly conducted trade or business, the person
8 **does either of the following:**

9 (1) **The person:**

10 (A) acquires tangible personal property for the purpose of
11 resale; and

12 ~~(2)~~ (B) transfers that property to another person for
13 consideration.

14 (2) **The person performs a service for consideration.**

15 (c) For purposes of determining what constitutes selling at retail, it
16 does not matter whether:

17 (1) the property is transferred **or the service is performed** in the
18 same form as when it was acquired;

19 (2) the property is transferred **or the service is performed** alone
20 or in conjunction with other property or services; or

21 (3) the property is transferred **or the service is performed**
22 conditionally or otherwise.

23 (d) Notwithstanding any provision of this article, a person is not
24 making a retail transaction when the person:

25 (1) acquires tangible personal property owned by another person;

26 ~~(2) provides industrial processing or servicing, including~~
27 ~~enameling or plating, on the property; and~~

28 ~~(3)~~ (2) transfers the property back to the owner to be sold by that
29 owner either in the same form or as a part of other tangible
30 personal property produced by that owner in the owner's business
31 of manufacturing, assembling, constructing, refining, or
32 processing.

33 SECTION 22. IC 6-2.5-4-3 IS REPEALED [EFFECTIVE
34 NOVEMBER 1, 2024]. Sec. 3: (a) ~~A person is a retail merchant making~~
35 ~~a retail transaction when he regularly and occupationally engages in the~~
36 ~~business of softening and conditioning water.~~

37 (b) ~~For purposes of this section, the business of softening and~~
38 ~~conditioning water includes the exchange of water softening and~~
39 ~~conditioning tanks in the ordinary course of the business; but does not~~
40 ~~include the preparatory plumbing and work necessary for the first~~
41 ~~installation of tanks.~~

42 SECTION 23. IC 6-2.5-4-6, AS AMENDED BY P.L.84-2011,



1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 NOVEMBER 1, 2024]: Sec. 6. (a) A person is a retail merchant
3 making a retail transaction when the person:

- 4 (1) furnishes or sells an intrastate telecommunication service; and
5 (2) receives gross retail income from billings or statements
6 rendered to customers.

7 (b) Notwithstanding subsection (a), a person is not a retail merchant
8 making a retail transaction when:

9 (1) the person furnishes or sells telecommunication services to
10 another person described in this section or in section 5 of this
11 chapter; **or**

12 ~~(2) the person furnishes telecommunications services to another
13 person who is providing prepaid calling services or prepaid
14 wireless calling services in a retail transaction to customers who
15 access the services described in section 13 of this chapter;~~

16 ~~(3) (2) the person furnishes intrastate mobile telecommunications
17 service (as defined in IC 6-8.1-15-7) to a customer with a place of
18 primary use that is not located in Indiana (as determined under
19 IC 6-8.1-15). **or**~~

20 ~~(4) the person furnishes or sells value added nonvoice data
21 services in a retail transaction to a customer.~~

22 (c) Subject to IC 6-2.5-12 and IC 6-8.1-15, and notwithstanding
23 subsections (a) and (b), if charges for telecommunication services,
24 ancillary services, Internet access, audio services, or video services that
25 are not taxable under this article are aggregated with and not separately
26 stated from charges subject to taxation under this article, the charges
27 for nontaxable telecommunication services, ancillary services, Internet
28 access, audio services, or video services are subject to taxation unless
29 the service provider can reasonably identify the charges not subject to
30 the tax from the service provider's books and records kept in the regular
31 course of business.

32 SECTION 24. IC 6-2.5-4-9, AS AMENDED BY P.L.181-2016,
33 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 NOVEMBER 1, 2024]: Sec. 9. (a) A person is a retail merchant
35 making a retail transaction:

36 (1) when the person sells tangible personal property ~~which:~~ **or**
37 **services;**

38 ~~(1) (2) when the tangible personal property is to be added to a
39 structure or facility **or the service is used to add tangible
40 personal property to a structure or facility** by the purchaser;
41 and~~

42 ~~(2) (3) after its~~ **the** addition to the structure or facility, **the**



1 **tangible personal property** would become a part of the real
 2 estate on which the structure or facility is located.

3 (b) A contractor is a retail merchant making a retail transaction
 4 when the contractor:

5 (1) disposes of tangible personal property; or
 6 (2) converts tangible personal property into real property;
 7 under a time and material contract. As such a retail merchant, a
 8 contractor described in this subsection shall collect, as an agent of the
 9 state, the state gross retail tax on the resale of the construction material
 10 and remit the state gross retail tax as provided in this article.

11 (c) Notwithstanding subsections (a) and (b), a transaction described
 12 in subsection (a) or (b) is not a retail transaction, if the ultimate
 13 purchaser or recipient of the property to be added to a structure or
 14 facility would be exempt from the state gross retail and use taxes if that
 15 purchaser or recipient had directly purchased the property from the
 16 supplier for addition to the structure or facility.

17 SECTION 25. IC 6-2.5-4-10, AS AMENDED BY P.L.108-2019,
 18 SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2024]: Sec. 10. (a) A person, other than
 19 a public utility, is a retail merchant making a retail transaction when
 20 the person rents or leases tangible personal property to another person.
 21 ~~other than for subrent or sublease.~~

22 (b) A person is a retail merchant making a retail transaction when
 23 the person sells any tangible personal property which has been rented
 24 or leased in the regular course of the person's rental or leasing business.

25 (c) ~~Notwithstanding subsection (a), a person is not a retail merchant~~
 26 ~~making a retail transaction when the person rents or leases motion~~
 27 ~~picture film, audio tape, or video tape to another person. However, this~~
 28 ~~exclusion only applies if:~~

29 (1) ~~the person who pays to rent or lease the film charges~~
 30 ~~admission to those who view the film; or~~
 31 (2) ~~the person who pays to rent or lease the film or tape~~
 32 ~~broadcasts the film or tape for home viewing or listening.~~

33 ~~(c)~~ (c) The sharing of passenger motor vehicles and trucks through
 34 a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4) is
 35 a retail transaction.

36 SECTION 26. IC 6-2.5-4-11, AS AMENDED BY P.L.2-2005,
 37 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 NOVEMBER 1, 2024]: Sec. 11. (a) A person is a retail merchant
 39 making a retail transaction when the person furnishes cable television
 40 or radio service or satellite television or radio service that terminates
 41 in Indiana.
 42



1 (b) ~~Notwithstanding subsection (a)~~; A person is ~~not~~ a retail merchant
 2 making a retail transaction when the person provides, installs,
 3 constructs, services, or removes tangible personal property which is
 4 used in connection with the furnishing of cable television or radio
 5 service or satellite television or radio service.

6 SECTION 27. IC 6-2.5-4-13 IS REPEALED [EFFECTIVE
 7 NOVEMBER 1, 2024]. ~~Sec. 13: A person is a retail merchant making~~
 8 ~~a retail transaction when a person sells:~~

9 (1) ~~a prepaid calling service or prepaid wireless calling service at~~
 10 ~~retail;~~

11 (2) ~~a prepaid calling service authorization number or prepaid~~
 12 ~~wireless calling service authorization number at retail;~~

13 (3) ~~the reauthorization of a prepaid calling service or prepaid~~
 14 ~~wireless calling service; or~~

15 (4) ~~the reauthorization of a prepaid calling service authorization~~
 16 ~~number or prepaid wireless calling service authorization number.~~

17 SECTION 28. IC 6-2.5-5-21, AS AMENDED BY P.L.137-2022,
 18 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 NOVEMBER 1, 2024]: Sec. 21. (a) For purposes of this section,
 20 "private benefit or gain" does not include reasonable compensation
 21 paid to an employee for work or services actually performed.

22 (b) Sales of food, ~~and~~ food ingredients, **and delivery of food or**
 23 **food ingredients** are exempt from the state gross retail tax if:

24 (1) the seller meets the filing requirements under subsection (d)
 25 and is an organization described in section 25(a)(1) of this
 26 chapter;

27 (2) the purchaser is a person confined to the purchaser's home
 28 because of age, sickness, or infirmity;

29 (3) the seller delivers the food and food ingredients to the
 30 purchaser; and

31 (4) the delivery is prescribed as medically necessary by a
 32 physician licensed to practice medicine in Indiana.

33 (c) Sales of food, ~~and~~ food ingredients, **and delivery of food or**
 34 **food ingredients** are exempt from the state gross retail tax if the seller
 35 is an organization described in section 25(a)(1) of this chapter, and the
 36 purchaser is a patient in a hospital operated by the seller.

37 (d) To obtain the exemption provided by this section, a taxpayer
 38 must follow the procedures set forth in section 25(c) of this chapter.

39 SECTION 29. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 NOVEMBER 1, 2024]: Sec. 26. (a) Sales of tangible personal property
 42 **or the rendering of services** by an organization are exempt from the



1 state gross retail tax if either of the following apply:

2 (1) The organization:

3 (A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of
4 this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of
5 this chapter, or section 25(a)(1)(D)(ix) of this chapter;

6 (B) makes the sale to make money to carry on a not-for-profit
7 purpose; and

8 (C) did not make more than one hundred thousand dollars
9 (\$100,000) in sales in the current calendar year or the previous
10 calendar year.

11 (2) The organization:

12 (A) is described in section 25(a)(1)(D)(iv) through
13 25(a)(1)(D)(viii) of this chapter; or

14 (B) is a youth organization focused on agriculture.

15 Once sales of an organization that meets the qualifications under
16 subdivision (1), but does not meet the qualifications under subdivision
17 (2), exceed the amount described in subdivision (1), the organization
18 is required to collect state gross retail tax on sales on an ongoing basis
19 for the remainder of the calendar year and each calendar year thereafter
20 until the organization makes less than one hundred thousand dollars
21 (\$100,000) in sales for two (2) consecutive years.

22 (b) For purposes of subsection (a), the sales of an organization
23 include sales made by all units operating under the organization's
24 registration pursuant to section 25(c) of this chapter.

25 (c) If the qualifications of subsection (a) are not met, sales of
26 tangible personal property **or services** by an organization described in
27 section 25(a)(1) of this chapter are exempt from the state gross retail
28 tax, if:

29 (1) the organization is not operated predominantly for social
30 purposes;

31 (2) the property **or service** sold is designed and intended
32 primarily either for the organization's educational, cultural, or
33 religious purposes, or for improvement of the work skills or
34 professional qualifications of the organization's members; and

35 (3) the property **or service** sold is not designed or intended
36 primarily for use in carrying on a private or proprietary business.

37 (d) Sales of tangible personal property by a public library, or a
38 charitable organization described in section 25(a)(1) of this chapter
39 formed to support a public library, are exempt from the state gross
40 retail tax if the property sold consists of:

41 (1) items in the library's circulated and publicly available
42 collections, including items from the library's holdings; or



1 (2) items that would typically be included in the library's
 2 circulated and publicly available collections and that are donated
 3 by individuals or organizations to a public library or to a
 4 charitable organization described in section 25(a)(1) of this
 5 chapter formed to support a public library.

6 The exemption provided by this subsection does not apply to any other
 7 sales of tangible personal property by a public library.

8 (e) The exemption provided by this section does not apply to an
 9 accredited college or university's sales of books, stationery,
 10 haberdashery, supplies, or other property **or noneducational services.**

11 (f) To obtain the exemption provided by this section, a taxpayer
 12 must follow the procedures set forth in section 25(c) of this chapter.

13 SECTION 30. IC 6-2.5-5-33 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE NOVEMBER 1, 2024]: Sec. 33. Sales of
 15 tangible personal property **or services** purchased with food stamps are
 16 exempt from the state gross retail tax.

17 SECTION 31. IC 6-2.5-5-57.5 IS ADDED TO THE INDIANA
 18 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 19 [EFFECTIVE NOVEMBER 1, 2024]: **Sec. 57.5. (a) Sales of any of**
 20 **the following health services are exempt from the state gross retail**
 21 **and use tax:**

- 22 (1) **Preventive care.**
- 23 (2) **Inpatient and outpatient hospital and physician care.**
- 24 (3) **Diagnostic laboratory care.**
- 25 (4) **Diagnostic and therapeutic radiological services.**
- 26 (5) **Emergency care.**
- 27 (6) **Mental health services.**
- 28 (7) **Services for alcohol and drug abuse.**
- 29 (8) **Dental services.**
- 30 (9) **Vision services.**
- 31 (10) **Long term rehabilitation treatment.**
- 32 (11) **Home health services.**

33 (b) **Sales of insurance coverage that will pay for services listed**
 34 **in subsection (a) are exempt from the state gross retail and use tax.**

35 SECTION 32. IC 6-2.5-5-58 IS ADDED TO THE INDIANA CODE
 36 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 37 NOVEMBER 1, 2024]: **Sec. 58. Transactions involving professional**
 38 **legal advice are exempt from the state gross retail tax.**

39 SECTION 33. IC 6-2.5-5-59 IS ADDED TO THE INDIANA CODE
 40 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 41 NOVEMBER 1, 2024]: **Sec. 59. Transactions involving the leasing**
 42 **or rental of real property for at least thirty (30) consecutive days**



1 **are exempt from the state gross retail tax.**

2 SECTION 34. IC 6-2.5-5-60 IS ADDED TO THE INDIANA CODE
3 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
4 NOVEMBER 1, 2024]: **Sec. 60. Transactions involving labor
5 furnished to a person by the person's employee are exempt from
6 the state gross retail tax.**

7 SECTION 35. IC 6-2.5-6-7, AS AMENDED BY P.L.146-2008,
8 SECTION 311, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE NOVEMBER 1, 2024]: Sec. 7. Except as otherwise
10 provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to
11 the department, for a particular reporting period, an amount equal to
12 the product of:

13 (1) **except as provided in subdivision (2):**

14 (A) ~~seven six~~ percent (~~7%~~); **(6%)**; multiplied by

15 ~~(2)~~ **(B)** the retail merchant's total gross retail income from
16 taxable transactions made during the reporting period; **and**

17 **(2) in the case of business to business transactions:**

18 (A) **two and seventy-five hundredths percent (2.75%);**
19 **multiplied by**

20 **(B) the retail merchant's total gross retail income from**
21 **taxable business to business transactions made during the**
22 **reporting period.**

23 The amount determined under this section is the retail merchant's state
24 gross retail and use tax liability regardless of the amount of tax the
25 retail merchant actually collects.

26 SECTION 36. IC 6-2.5-6-8, AS AMENDED BY P.L.146-2008,
27 SECTION 312, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE NOVEMBER 1, 2024]: Sec. 8. (a) For purposes of
29 determining the amount of state gross retail and use taxes which a retail
30 merchant must remit under section 7 of this chapter, the retail merchant
31 may exclude from the retail merchant's gross retail income from retail
32 transactions made during a particular reporting period, an amount equal
33 to the product of:

34 (1) the amount of that gross retail income; multiplied by

35 (2) the retail merchant's "income exclusion ratio" for the tax year
36 which contains the reporting period.

37 (b) A retail merchant's "income exclusion ratio" for a particular tax
38 year equals a fraction, the numerator of which is the retail merchant's
39 estimated total gross retail income for the tax year from unitary retail
40 transactions which produce gross retail income of less than ~~eight nine~~
41 ~~cents (\$0.08)~~ **(\$0.09)** each, and the denominator of which is the retail
42 merchant's estimated total gross retail income for the tax year from all



1 retail transactions.

2 (c) In order to minimize a retail merchant's recordkeeping
3 requirements, the department shall prescribe a procedure for
4 determining the retail merchant's income exclusion ratio for a tax year,
5 based on a period of time, not to exceed fifteen (15) consecutive days,
6 during the first quarter of the retail merchant's tax year. However, the
7 period of time may be changed if the change is requested by the retail
8 merchant because of the retail merchant's peculiar accounting
9 procedures or marketing factors. In addition, if a retail merchant has
10 multiple sales locations or diverse types of sales, the department shall
11 permit the retail merchant to determine the ratio on the basis of a
12 representative sampling of the locations and types of sales.

13 SECTION 37. IC 6-2.5-6-9, AS AMENDED BY P.L.109-2015,
14 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 NOVEMBER 1, 2024]: Sec. 9. (a) In determining the amount of state
16 gross retail and use taxes which a retail merchant must remit under
17 section 7 of this chapter, the retail merchant shall, subject to
18 subsections (c) and (d), deduct from the retail merchant's gross retail
19 income from retail transactions made during a particular reporting
20 period, an amount equal to the retail merchant's receivables which:

21 (1) resulted from retail transactions in which the retail merchant
22 did not collect the state gross retail or use tax from the purchaser;
23 (2) resulted from retail transactions on which the retail merchant
24 has previously paid the state gross retail or use tax liability to the
25 department; and
26 (3) were written off as an uncollectible debt for federal tax
27 purposes under Section 166 of the Internal Revenue Code during
28 the particular reporting period.

29 (b) If a retail merchant deducts a receivable under subsection (a)
30 and subsequently collects all or part of that receivable, then the retail
31 merchant shall, subject to subsection (d)(6), include the amount
32 collected as part of the retail merchant's gross retail income from retail
33 transactions for the particular reporting period in which the retail
34 merchant makes the collection.

35 (c) This subsection applies only to retail transactions occurring after
36 December 31, 2006. As used in this subsection, "affiliated group"
37 means any combination of the following:

38 (1) An affiliated group within the meaning provided in Section
39 1504 of the Internal Revenue Code (except that the ownership
40 percentage in Section 1504(a)(2) of the Internal Revenue Code
41 shall be determined using fifty percent (50%) instead of eighty
42 percent (80%)) or a relationship described in Section 267(b)(11)



1 of the Internal Revenue Code.

2 (2) Two (2) or more partnerships (as defined in IC 6-3-1-19),
3 including limited liability companies and limited liability
4 partnerships, that have the same degree of mutual ownership as
5 an affiliated group described in subdivision (1), as determined
6 under the rules adopted by the department.

7 The right to a deduction under this section is not assignable to an
8 individual or entity that is not part of the same affiliated group as the
9 assignor.

10 (d) The following provisions apply to a deduction for a receivable
11 treated as uncollectible debt under subsection (a):

12 (1) The deduction does not include interest.

13 (2) The amount of the deduction shall be determined in the
14 manner provided by Section 166 of the Internal Revenue Code for
15 bad debts but shall be adjusted to exclude:

16 (A) financing charges or interest;

17 (B) sales or use taxes charged on the purchase price;

18 (C) uncollectible amounts on property that remain in the
19 possession of the seller **or a service that is not delivered** until
20 the full purchase price is paid;

21 (D) expenses incurred in attempting to collect any debt; and

22 (E) repossessed property.

23 (3) The deduction shall be claimed on the return for the period
24 during which the receivable is written off as uncollectible in the
25 claimant's books and records and is eligible to be deducted for
26 federal income tax purposes. For purposes of this subdivision, a
27 claimant who is not required to file federal income tax returns
28 may deduct an uncollectible receivable on a return filed for the
29 period in which the receivable is written off as uncollectible in the
30 claimant's books and records and would be eligible for a bad debt
31 deduction for federal income tax purposes if the claimant were
32 required to file a federal income tax return.

33 (4) If the amount of uncollectible receivables claimed as a
34 deduction by a retail merchant for a particular reporting period
35 exceeds the amount of the retail merchant's taxable sales for that
36 reporting period, the retail merchant may file a refund claim
37 under IC 6-8.1-9. However, the deadline for the refund claim shall
38 be measured from the due date of the return for the reporting
39 period on which the deduction for the uncollectible receivables
40 could first be claimed.

41 (5) If a retail merchant's filing responsibilities have been assumed
42 by a certified service provider (as defined in IC 6-2.5-11-2), the



1 certified service provider may claim, on behalf of the retail
 2 merchant, any deduction or refund for uncollectible receivables
 3 provided by this section. The certified service provider must
 4 credit or refund the full amount of any deduction or refund
 5 received to the retail merchant.

6 (6) For purposes of reporting a payment received on a previously
 7 claimed uncollectible receivable, any payments made on a debt or
 8 account shall be applied first proportionally to the taxable price
 9 of the property **or service** and the state gross retail tax or use tax
 10 thereon, and secondly to interest, service charges, and any other
 11 charges.

12 (7) A retail merchant claiming a deduction for an uncollectible
 13 receivable may allocate that receivable among the states that are
 14 members of the streamlined sales and use tax agreement if the
 15 books and records of the retail merchant support that allocation.

16 SECTION 38. IC 6-2.5-6-10, AS AMENDED BY P.L.218-2017,
 17 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 NOVEMBER 1, 2024]: Sec. 10. (a) In order to compensate retail
 19 merchants and those required to remit gasoline use tax for collecting
 20 and timely remitting the state gross retail tax, the state use tax, and the
 21 gasoline use tax, every retail merchant or person required to remit the
 22 gasoline use tax, except as provided in subsection (c), is entitled to
 23 deduct and retain from the amount of those taxes otherwise required to
 24 be remitted under IC 6-2.5-3.5 or under this chapter, if timely remitted,
 25 a retail merchant's collection allowance.

26 (b) The allowance equals a percentage of the retail merchant's state
 27 gross retail and use tax or the person's gasoline use tax liability accrued
 28 during a calendar year, specified as follows:

29 (1) ~~Seventy-three~~ **Ninety-three** hundredths percent (~~0.73%~~;
 30 **0.93%**), if the retail merchant's state gross retail and use tax or
 31 gasoline use tax liability accrued during the state fiscal year
 32 ending on June 30 of the immediately preceding calendar year did
 33 not exceed sixty thousand dollars (\$60,000).

34 (2) ~~Fifty-three~~ **Sixty-seven** hundredths percent (~~0.53%~~); **0.67%**,
 35 if the retail merchant's state gross retail and use tax or gasoline
 36 use tax liability accrued during the state fiscal year ending on
 37 June 30 of the immediately preceding calendar year:

38 (A) was greater than sixty thousand dollars (\$60,000); and

39 (B) did not exceed six hundred thousand dollars (\$600,000).

40 (3) ~~Twenty-six~~ **Thirty-three** hundredths percent (~~0.26%~~);
 41 **0.33%**, if the retail merchant's state gross retail and use tax
 42 liability or the person's gasoline use tax accrued during the state



1 fiscal year ending on June 30 of the immediately preceding
 2 calendar year was greater than six hundred thousand dollars
 3 (\$600,000).

4 (c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
 5 entitled to the allowance provided by this section. A retail merchant is
 6 not entitled to the allowance provided by this section with respect to
 7 gasoline use taxes imposed by IC 6-2.5-3.5.

8 SECTION 39. IC 6-2.5-7-3, AS AMENDED BY P.L.218-2017,
 9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 NOVEMBER 1, 2024]: Sec. 3. With respect to the sale of kerosene
 11 which is dispensed from a metered pump, unless the purchaser
 12 provides an exemption certificate in accordance with IC 6-2.5-8-8, a
 13 retail merchant shall collect, for each unit of kerosene sold, state gross
 14 retail tax in an amount equal to the product, rounded to the nearest
 15 one-tenth of one cent (\$0.001), of:

16 (1) the price per unit before the addition of state and federal taxes;
 17 multiplied by

18 (2) **the following:**

19 (A) **Except as provided in clause (B), seven six percent (7%);**
 20 (6%).

21 (B) **In the case of business to business transactions, two**
 22 **and seventy-five hundredths percent (2.75%).**

23 Unless the exemption certificate is provided, the retail merchant shall
 24 collect the state gross retail tax prescribed in this section even if the
 25 transaction is exempt from taxation under IC 6-2.5-5.

26 SECTION 40. IC 6-2.5-8-4 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE NOVEMBER 1, 2024]: Sec. 4. (a) An
 28 organization exempt from the state gross retail tax under IC 6-2.5-5-21,
 29 IC 6-2.5-5-25, or IC 6-2.5-5-26 may register with the department as a
 30 purchaser of property **or services** in exempt transactions. An exempt
 31 organization wishing to register must file an application listing its
 32 principal location, but the organization is not required to pay the fee.

33 (b) Upon receiving the application, the department may issue an
 34 exempt organization certificate containing a serial number and the
 35 principal location of the exempt organization.

36 SECTION 41. IC 6-2.5-10-1, AS AMENDED BY P.L.201-2023,
 37 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 NOVEMBER 1, 2024]: Sec. 1. (a) The department shall account for all
 39 state gross retail and use taxes that it collects.

40 (b) Of all the state gross retail and use taxes that the department
 41 collects, the department shall determine separately the parts that:

42 (1) the department collects under IC 6-2.5-3.5 (gasoline use tax);



- 1 and
- 2 (2) the department collects under this article, less the amount
- 3 described in subdivision (1).
- 4 (c) The department shall deposit the collections described in
- 5 subsection (b)(1) in the following manner:
- 6 (1) For state fiscal year 2017, the following:
- 7 (A) Fourteen and two hundred eighty-six thousandths percent
- 8 (14.286%) of the collections shall be deposited in the motor
- 9 vehicle highway account established under IC 8-14-1.
- 10 (B) Eighty-five and seven hundred fourteen thousandths
- 11 percent (85.714%) to the state general fund.
- 12 (2) For state fiscal year 2018, the following:
- 13 (A) Fourteen and two hundred eighty-six thousandths percent
- 14 (14.286%) of the collections shall be deposited in the motor
- 15 vehicle highway account established under IC 8-14-1.
- 16 (B) Fourteen and two hundred eighty-six thousandths percent
- 17 (14.286%) of the collections shall be deposited in the local
- 18 road and bridge matching grant fund established under
- 19 IC 8-23-30.
- 20 (C) Seventy-one and four hundred twenty-eight thousandths
- 21 percent (71.428%) to the state general fund.
- 22 (3) For state fiscal year 2019, the following:
- 23 (A) Fourteen and two hundred eighty-six thousandths percent
- 24 (14.286%) of the collections shall be deposited in the motor
- 25 vehicle highway account established under IC 8-14-1.
- 26 (B) Twenty-one and four hundred twenty-nine thousandths
- 27 percent (21.429%) of the collections shall be deposited in the
- 28 local road and bridge matching grant fund established under
- 29 IC 8-23-30.
- 30 (C) Sixty-four and two hundred eighty-five thousandths
- 31 percent (64.285%) shall be deposited in the state general fund.
- 32 (4) For state fiscal year 2020 and for each state fiscal year
- 33 thereafter, the following:
- 34 (A) Fourteen and two hundred eighty-six thousandths percent
- 35 (14.286%) of the collections shall be deposited in the motor
- 36 vehicle highway account established under IC 8-14-1.
- 37 (B) Twenty-one and four hundred twenty-nine thousandths
- 38 percent (21.429%) of the collections shall be deposited in the
- 39 local road and bridge matching grant fund established under
- 40 IC 8-23-30.
- 41 (C) The following shall be deposited in the state general fund:
- 42 (i) For state fiscal year 2020, fifty-three and five hundred



- 1 seventy-five thousandths percent (53.575%) shall be
2 deposited in the state general fund.
- 3 (ii) For state fiscal year 2021, forty-two and eight hundred
4 sixty-five thousandths percent (42.865%) shall be deposited
5 in the state general fund.
- 6 (iii) For state fiscal year 2022, thirty-two and one hundred
7 fifty-five thousandths percent (32.155%) shall be deposited
8 in the state general fund.
- 9 (iv) For state fiscal year 2023, twenty-one and four hundred
10 forty-five thousandths percent (21.445%) shall be deposited
11 in the state general fund.
- 12 (D) The following shall be deposited in the special
13 transportation flexibility fund established by IC 4-12-16.5-2:
- 14 (i) For state fiscal year 2020, eight and five hundred
15 sixty-eight thousandths percent (8.568%) of the collections
16 shall be deposited in the special transportation flexibility
17 fund established by IC 4-12-16.5-2.
- 18 (ii) For state fiscal year 2021, twelve and eight hundred
19 fifty-two thousandths percent (12.852%) of the collections
20 shall be deposited in the special transportation flexibility
21 fund established by IC 4-12-16.5-2.
- 22 (iii) For state fiscal year 2022, twelve and eight hundred
23 fifty-two thousandths percent (12.852%) of the collections
24 shall be deposited in the special transportation flexibility
25 fund established by IC 4-12-16.5-2.
- 26 (iv) For state fiscal year 2023, eight and five hundred
27 sixty-eight thousandths percent (8.568%) of the collections
28 shall be deposited in the special transportation flexibility
29 fund established by IC 4-12-16.5-2.
- 30 (E) The following shall be deposited in the state highway fund:
- 31 (i) For state fiscal year 2020, two and one hundred forty-two
32 thousandths percent (2.142%) of the collections shall be
33 deposited in the state highway fund.
- 34 (ii) For state fiscal year 2021, eight and five hundred
35 sixty-eight thousandths percent (8.568%) of the collections
36 shall be deposited in the state highway fund.
- 37 (iii) For state fiscal year 2022, nineteen and two hundred
38 seventy-eight thousandths percent (19.278%) of the
39 collections shall be deposited in the state highway fund.
- 40 (iv) For state fiscal year 2023, thirty-four and two hundred
41 seventy-two thousandths percent (34.272%) of the
42 collections shall be deposited in the state highway fund.



1 (v) For state fiscal year 2024 and for each state fiscal year
 2 thereafter, sixty-four and two hundred eighty-five
 3 thousandths percent (64.285%) of the collections shall be
 4 deposited in the state highway fund.

5 (d) The department shall deposit those collections described in
 6 subsection (b)(2) in the following manner:

7 **(1) Beginning after October 31, 2024, and ending before July**
 8 **1, 2025:**

9 ~~(1) (A)~~ **(A)** Ninety-nine and eight hundred ~~thirty-eight~~ **sixty-six**
 10 thousandths percent ~~(99.838%)~~ **(99.866%)** of the collections
 11 shall be paid into the state general fund.

12 ~~(2) (B)~~ **(B)** ~~Thirty-one~~ **One hundred eight** thousandths of one
 13 percent ~~(0.031%)~~ **(0.108%)** of the collections shall be
 14 deposited into the industrial rail service fund established under
 15 IC 8-3-1.7-2.

16 ~~(3) (C)~~ **(C)** ~~One hundred thirty-one~~ **Twenty-six** thousandths of one
 17 percent ~~(0.131%)~~ **(0.026%)** of the collections shall be
 18 deposited into the commuter rail service fund established
 19 under IC 8-3-1.5-20.5.

20 **(2) For state fiscal years beginning after June 30, 2025:**

21 **(A) Ninety-nine and eight hundred seventy thousandths**
 22 **percent (99.870%) of the collections shall be paid into the**
 23 **state general fund.**

24 **(B) One hundred five thousandths of one percent (0.105%)**
 25 **of the collections shall be deposited into the industrial rail**
 26 **service fund established under IC 8-3-1.7-2.**

27 **(C) Twenty-five thousandths of one percent (0.025%) of**
 28 **the collections shall be deposited into the commuter rail**
 29 **service fund established under IC 8-3-1.5-20.5.**

30 SECTION 42. IC 6-3-2-6, AS AMENDED BY P.L.146-2020,
 31 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2025]: Sec. 6. (a) Each taxable year, an individual who
 33 rents a dwelling for use as the individual's principal place of residence
 34 may deduct from the individual's adjusted gross income (as defined in
 35 IC 6-3-1-3.5(a)), the lesser of:

36 (1) the amount of rent paid by the individual with respect to the
 37 dwelling during the taxable year; or

38 (2) ~~three eight~~ thousand dollars ~~(\$3,000)~~; **(\$8,000)**.

39 (b) Notwithstanding subsection (a):

40 (1) a married couple filing a joint return for a particular taxable
 41 year may not claim a deduction under this section of more than
 42 ~~three eight~~ thousand dollars ~~(\$3,000)~~; **(\$8,000)**; and



1 (2) a married individual filing a separate return for a particular
 2 taxable year may not claim a deduction under this section of more
 3 than ~~one four thousand five hundred~~ dollars (~~\$1,500~~). **(\$4,000).**

4 (c) The deduction provided by this section does not apply to an
 5 individual who rents a dwelling that is exempt from Indiana property
 6 tax.

7 (d) For purposes of this section, a "dwelling" includes a single
 8 family dwelling and unit of a multi-family dwelling.

9 SECTION 43. IC 6-6-1.1-201, AS AMENDED BY P.L.201-2023,
 10 SECTION 106, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2024]: Sec. 201. (a) A license tax is imposed on
 12 the use of all gasoline used in Indiana at the applicable rate specified
 13 in subsection (b), except as otherwise provided by this chapter. The
 14 distributor shall initially pay the tax on the billed gallonage of all
 15 gasoline the distributor receives in this state, less any deductions
 16 authorized by this chapter. The distributor shall then add the per gallon
 17 amount of tax to the selling price of each gallon of gasoline sold in this
 18 state and collected from the purchaser so that the ultimate consumer
 19 bears the burden of the tax.

20 (b) The license tax described in subsection (a) is imposed at the
 21 following applicable rate per gallon:

22 (1) Before July 1, 2017, eighteen cents (\$0.18).

23 (2) For July 1, 2017, through June 30, 2018, the lesser of:

24 (A) the rate resulting from using the factors determined under
 25 IC 6-6-1.6-2; or

26 (B) twenty-eight cents (\$0.28).

27 (3) Beginning July 1, 2018, and each July 1 through ~~July 1, 2027,~~
 28 **June 30, 2024**, the department shall determine an applicable rate
 29 equal to the product of:

30 (A) the rate in effect on June 30; multiplied by

31 (B) the factor determined under IC 6-6-1.6-3.

32 **(4) Beginning July 1, 2024, and notwithstanding any other**
 33 **provision or previous department publication, the applicable**
 34 **rate shall be equal to the rate that was in effect on June 30,**
 35 **2024.**

36 The rate shall be rounded to the nearest cent (\$0.01). After June 30,
 37 2018, **and before July 1, 2024**, the new applicable rate **under**
 38 **subdivision (3)** may not exceed the rate in effect on June 30 plus one
 39 cent (\$0.01). However, the new rate may not be less than the rate in
 40 effect on June 30. If the calculation of a new rate would produce a rate
 41 that is less than the rate in effect on June 30, the new rate shall be the
 42 rate in effect on June 30. The department shall publish the rate that will



1 take effect on July 1 on the department's website not later than June 1.

2 SECTION 44. IC 6-6-1.6-3, AS AMENDED BY P.L.201-2023,
3 SECTION 107, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) The department shall
5 calculate an annual index factor to be used for the rate to take effect
6 each July 1 beginning in 2018 through July 1, ~~2027~~ **2024**. The
7 department shall determine the index factor before June 1 of each year
8 using the method described in subsection (b).

9 (b) The annual gasoline tax index factor and special fuel index
10 factor equals the following:

11 STEP ONE: Divide the annual CPI-U for the year preceding the
12 determination year by the annual CPI-U for the year immediately
13 preceding that year.

14 STEP TWO: Divide the annual IPI for the year preceding the
15 determination year by the annual IPI for the year immediately
16 preceding that year.

17 STEP THREE: Add:

18 (A) the STEP ONE result; and

19 (B) the STEP TWO result.

20 STEP FOUR: Divide the STEP THREE result by two (2).

21 (c) If the CPI-U or IPI for a preceding year is revised, corrected, or
22 updated after May 31 of that year, the department shall use the CPI-U
23 or IPI as published for the preceding year prior to revision.

24 **(d) Beginning after June 30, 2024, an annual gasoline tax index
25 factor and special fuel index factor described in this section shall
26 not be applied under IC 6-6-1.1-201 or IC 6-6-2.5-28.**

27 SECTION 45. IC 6-6-2.5-28, AS AMENDED BY P.L.201-2023,
28 SECTION 108, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2024]: Sec. 28. (a) A license tax is imposed on
30 all special fuel sold or used in producing or generating power for
31 propelling motor vehicles, except fuel used under section 30(a)(8) or
32 30.5 of this chapter, at the applicable rate specified in subsection (b).
33 The tax shall be paid at those times, in the manner, and by those
34 persons specified in this section and section 35 of this chapter.

35 (b) The license tax described in subsection (a) is imposed at the
36 following applicable rate per special fuel gallon:

37 (1) Before July 1, 2017, sixteen cents (\$0.16).

38 (2) For July 1, 2017, through June 30, 2018, the lesser of:

39 (A) the rate resulting from using the factors determined under
40 IC 6-6-1.6-2; or

41 (B) twenty-six cents (\$0.26).

42 (3) For July 1, 2018, through June 30, 2019, the product of:



- 1 (A) the sum of:
 2 (i) the rate in effect on June 30; and
 3 (ii) twenty-one cents (\$0.21); multiplied by
 4 (B) the factor determined under IC 6-6-1.6-3.
 5 (4) Beginning July 1, 2019, and each July 1 through ~~July 1, 2027;~~
 6 **June 30, 2024**, the department shall determine an applicable rate
 7 equal to the product of:
 8 (A) the rate in effect on June 30; multiplied by
 9 (B) the factor determined under IC 6-6-1.6-3.
 10 **(5) Beginning July 1, 2024, and notwithstanding any other**
 11 **provision or previous department publication, the applicable**
 12 **rate shall be equal to the rate that was in effect on June 30,**
 13 **2024.**

14 The rate **calculated under subdivisions (1) through (4)** shall be
 15 rounded to the nearest cent (\$0.01). However, after June 30, 2018, and
 16 before July 1, 2019, the new applicable rate **under subdivision (3)** may
 17 not exceed the rate in effect on June 30 plus twenty-three cents (\$0.23).
 18 After June 30, 2019, **and before July 1, 2024**, the new applicable rate
 19 **under subdivision (4)** may not exceed the rate in effect on June 30
 20 plus two cents (\$0.02). However, the new rate may not be less than the
 21 rate in effect on June 30. If the calculation of a new rate would produce
 22 a rate that is less than the rate in effect on June 30, the new rate shall
 23 be the rate in effect on June 30. The department shall publish the rate
 24 that will take effect on July 1 on the department's website not later than
 25 June 1.

26 (c) The department shall consider it a rebuttable presumption that
 27 all undyed or unmarked special fuel, or both, received in Indiana is to
 28 be sold for use in propelling motor vehicles.

29 (d) Except as provided in subsection (e), the tax imposed on special
 30 fuel by subsection (a) shall be measured by invoiced gallons (or diesel
 31 or gasoline gallon equivalents in the case of a special fuel described in
 32 section 22.5(2) or 22.5(3) of this chapter) of nonexempt special fuel
 33 received by a licensed supplier in Indiana for sale or resale in Indiana
 34 or with respect to special fuel subject to a tax precollection agreement
 35 under section 35(j) of this chapter, such special fuel removed by a
 36 licensed supplier from a terminal outside of Indiana for sale for export
 37 or for export to Indiana and in any case shall generally be determined
 38 in the same manner as the tax imposed by Section 4081 of the Internal
 39 Revenue Code and Code of Federal Regulations.

40 (e) The tax imposed by subsection (a) on special fuel imported into
 41 Indiana, other than into a terminal, is imposed at the time the product
 42 is entered into Indiana and shall be measured by invoiced gallons



1 received at a terminal or at a bulk plant.

2 (f) In computing the tax, all special fuel in process of transfer from
3 tank steamers at boat terminal transfers and held in storage pending
4 wholesale bulk distribution by land transportation, or in tanks and
5 equipment used in receiving and storing special fuel from interstate
6 pipelines pending wholesale bulk reshipment, shall not be subject to
7 tax.

8 (g) The department shall consider it a rebuttable presumption that
9 special fuel consumed in a motor vehicle plated for general highway
10 use is subject to the tax imposed under this chapter. A person claiming
11 exempt use of special fuel in such a vehicle must maintain adequate
12 records as required by the department to document the vehicle's taxable
13 and exempt use.

14 (h) A person that engages in blending fuel for taxable sale or use in
15 Indiana is primarily liable for the collection and remittance of the tax
16 imposed under subsection (a). The person shall remit the tax due in
17 conjunction with the filing of a monthly report in the form prescribed
18 by the department.

19 (i) A person that receives special fuel that has been blended for
20 taxable sale or use in Indiana is secondarily liable to the state for the
21 tax imposed under subsection (a).

22 (j) A person may not use special fuel on an Indiana public highway
23 if the special fuel contains a sulfur content that exceeds five
24 one-hundredths of one percent (0.05%). A person who knowingly:

25 (1) violates; or

26 (2) aids or abets another person to violate;

27 this subsection commits a Class A infraction. However, the violation
28 is a Class A misdemeanor if the person has committed one (1) prior
29 unrelated violation of this subsection, and a Level 6 felony if the person
30 has committed more than one (1) unrelated violation of this subsection.

31 SECTION 46. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,
32 SECTION 180, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JANUARY 1, 2025]: Sec. 48. (a) Notwithstanding
34 section 39(a) of this chapter, with respect to the allocation and
35 distribution of property taxes for the accomplishment of a program
36 adopted under section 45 of this chapter, "base assessed value" means,
37 subject to section 39(j) of this chapter, the net assessed value of all of
38 the property, other than personal property, as finally determined for the
39 assessment date immediately preceding the effective date of the
40 allocation provision, as adjusted under section 39(h) of this chapter.

41 (b) The allocation fund established under section 39(b) of this
42 chapter for the allocation area for a program adopted under section 45



1 of this chapter may be used only for purposes related to the
2 accomplishment of the program, including the following:

3 (1) The construction, rehabilitation, or repair of residential units
4 within the allocation area.

5 (2) The construction, reconstruction, or repair of any
6 infrastructure (including streets, sidewalks, and sewers) within or
7 serving the allocation area.

8 (3) The acquisition of real property and interests in real property
9 within the allocation area.

10 (4) The demolition of real property within the allocation area.

11 (5) The provision of financial assistance to enable individuals and
12 families to purchase or lease residential units within the allocation
13 area. However, financial assistance may be provided only to those
14 individuals and families whose income is at or below the county's
15 median income for individuals and families, respectively.

16 (6) The provision of financial assistance to neighborhood
17 development corporations to permit them to provide financial
18 assistance for the purposes described in subdivision (5).

19 (7) For property taxes first due and payable before January 1,
20 2009, providing each taxpayer in the allocation area a credit for
21 property tax replacement as determined under subsections (c) and
22 (d). However, the commission may provide this credit only if the
23 municipal legislative body (in the case of a redevelopment
24 commission established by a municipality) or the county
25 executive (in the case of a redevelopment commission established
26 by a county) establishes the credit by ordinance adopted in the
27 year before the year in which the credit is provided.

28 (c) The maximum credit that may be provided under subsection
29 (b)(7) to a taxpayer in a taxing district that contains all or part of an
30 allocation area established for a program adopted under section 45 of
31 this chapter shall be determined as follows:

32 STEP ONE: Determine that part of the sum of the amounts
33 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
34 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
35 attributable to the taxing district.

36 STEP TWO: Divide:

37 (A) that part of each county's eligible property tax replacement
38 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
39 that year as determined under IC 6-1.1-21-4(a)(1) (before its
40 repeal) that is attributable to the taxing district; by

41 (B) the amount determined under STEP ONE.

42 STEP THREE: Multiply:



- 1 (A) the STEP TWO quotient; by
 2 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before
 3 its repeal) levied in the taxing district allocated to the
 4 allocation fund, including the amount that would have been
 5 allocated but for the credit.
- 6 (d) The commission may determine to grant to taxpayers in an
 7 allocation area from its allocation fund a credit under this section, as
 8 calculated under subsection (c). ~~Except as provided in subsection (g);~~
 9 One-half (1/2) of the credit shall be applied to each installment of taxes
 10 (as defined in IC 6-1.1-21-2) (before its repeal) that under
 11 IC 6-1.1-22-9 are due and payable in a year. The commission must
 12 provide for the credit annually by a resolution and must find in the
 13 resolution the following:
- 14 (1) That the money to be collected and deposited in the allocation
 15 fund, based upon historical collection rates, after granting the
 16 credit will equal the amounts payable for contractual obligations
 17 from the fund, plus ten percent (10%) of those amounts.
 18 (2) If bonds payable from the fund are outstanding, that there is
 19 a debt service reserve for the bonds that at least equals the amount
 20 of the credit to be granted.
 21 (3) If bonds of a lessor under section 25.2 of this chapter or under
 22 IC 36-1-10 are outstanding and if lease rentals are payable from
 23 the fund, that there is a debt service reserve for those bonds that
 24 at least equals the amount of the credit to be granted.
- 25 If the tax increment is insufficient to grant the credit in full, the
 26 commission may grant the credit in part, prorated among all taxpayers.
- 27 (e) Notwithstanding section 39(b) of this chapter, the allocation
 28 fund established under section 39(b) of this chapter for the allocation
 29 area for a program adopted under section 45 of this chapter may only
 30 be used to do one (1) or more of the following:
- 31 (1) Accomplish one (1) or more of the actions set forth in section
 32 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter
 33 for property that is residential in nature.
 34 (2) Reimburse the county or municipality for expenditures made
 35 by the county or municipality in order to accomplish the housing
 36 program in that allocation area.
- 37 The allocation fund may not be used for operating expenses of the
 38 commission.
- 39 (f) Notwithstanding section 39(b) of this chapter, the commission
 40 shall, relative to the allocation fund established under section 39(b) of
 41 this chapter for an allocation area for a program adopted under section
 42 45 of this chapter, do the following before June 15 of each year:



1 (1) Determine the amount, if any, by which the assessed value of
 2 the taxable property in the allocation area for the most recent
 3 assessment date minus the base assessed value, when multiplied
 4 by the estimated tax rate of the allocation area, will exceed the
 5 amount of assessed value needed to produce the property taxes
 6 necessary to:

7 (A) make the distribution required under section 39(b)(2) and
 8 39(b)(3) of this chapter;

9 (B) make, when due, principal and interest payments on bonds
 10 described in section 39(b)(4) of this chapter;

11 (C) pay the amount necessary for other purposes described in
 12 section 39(b)(4) of this chapter; and

13 (D) reimburse the county or municipality for anticipated
 14 expenditures described in subsection (e)(2).

15 (2) Provide a written notice to the county auditor, the fiscal body
 16 of the county or municipality that established the department of
 17 redevelopment, and the officers who are authorized to fix budgets,
 18 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
 19 taxing units that is wholly or partly located within the allocation
 20 area. The county auditor, upon receiving the notice, shall forward
 21 this notice (in an electronic format) to the department of local
 22 government finance not later than June 15 of each year. The
 23 notice must:

24 (A) state the amount, if any, of excess property taxes that the
 25 commission has determined may be paid to the respective
 26 taxing units in the manner prescribed in section 39(b)(1) of
 27 this chapter; or

28 (B) state that the commission has determined that there is no
 29 excess assessed value that may be allocated to the respective
 30 taxing units in the manner prescribed in subdivision (1).

31 The county auditor shall allocate to the respective taxing units the
 32 amount, if any, of excess assessed value determined by the
 33 commission.

34 (3) If:

35 (A) the amount of excess assessed value determined by the
 36 commission is expected to generate more than two hundred
 37 percent (200%) of the amount of allocated tax proceeds
 38 necessary to make, when due, principal and interest payments
 39 on bonds described in subdivision (1); plus

40 (B) the amount necessary for other purposes described in
 41 subdivision (1);

42 the commission shall submit to the legislative body of the unit its



1 determination of the excess assessed value that the commission
 2 proposes to allocate to the respective taxing units in the manner
 3 prescribed in subdivision (2). The legislative body of the unit may
 4 approve the commission's determination or modify the amount of
 5 the excess assessed value that will be allocated to the respective
 6 taxing units in the manner prescribed in subdivision (2).

7 (g) This subsection applies to an allocation area only to the extent
 8 that the net assessed value of property that is assessed as residential
 9 property under the rules of the department of local government finance
 10 is not included in the base assessed value. If property tax installments
 11 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
 12 installments established by the department of local government finance
 13 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 14 allocation area is entitled to an additional credit under subsection (d)
 15 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
 16 installments. The credit shall be applied in the same proportion to each
 17 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal):

18 SECTION 47. IC 36-7-15.1-35, AS AMENDED BY P.L.257-2019,
 19 SECTION 128, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JANUARY 1, 2025]: Sec. 35. (a) Notwithstanding
 21 section 26(a) of this chapter, with respect to the allocation and
 22 distribution of property taxes for the accomplishment of a program
 23 adopted under section 32 of this chapter, "base assessed value" means,
 24 subject to section 26(j) of this chapter, the net assessed value of all of
 25 the land as finally determined for the assessment date immediately
 26 preceding the effective date of the allocation provision, as adjusted
 27 under section 26(h) of this chapter. However, "base assessed value"
 28 does not include the value of real property improvements to the land.

29 (b) The special fund established under section 26(b) of this chapter
 30 for the allocation area for a program adopted under section 32 of this
 31 chapter may be used only for purposes related to the accomplishment
 32 of the program, including the following:

- 33 (1) The construction, rehabilitation, or repair of residential units
 34 within the allocation area.
- 35 (2) The construction, reconstruction, or repair of infrastructure
 36 (such as streets, sidewalks, and sewers) within or serving the
 37 allocation area.
- 38 (3) The acquisition of real property and interests in real property
 39 within the allocation area.
- 40 (4) The demolition of real property within the allocation area.
- 41 (5) To provide financial assistance to enable individuals and
 42 families to purchase or lease residential units within the allocation



1 area. However, financial assistance may be provided only to those
 2 individuals and families whose income is at or below the county's
 3 median income for individuals and families, respectively.

4 (6) To provide financial assistance to neighborhood development
 5 corporations to permit them to provide financial assistance for the
 6 purposes described in subdivision (5).

7 (7) For property taxes first due and payable before 2009, to
 8 provide each taxpayer in the allocation area a credit for property
 9 tax replacement as determined under subsections (c) and (d).
 10 However, this credit may be provided by the commission only if
 11 the city-county legislative body establishes the credit by
 12 ordinance adopted in the year before the year in which the credit
 13 is provided.

14 (c) The maximum credit that may be provided under subsection
 15 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 16 allocation area established for a program adopted under section 32 of
 17 this chapter shall be determined as follows:

18 STEP ONE: Determine that part of the sum of the amounts
 19 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 20 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
 21 attributable to the taxing district.

22 STEP TWO: Divide:

23 (A) that part of each county's eligible property tax replacement
 24 amount (as defined in IC 6-1.1-21-2 (before its repeal)) for
 25 that year as determined under IC 6-1.1-21-4(a)(1) (before its
 26 repeal) that is attributable to the taxing district; by

27 (B) the amount determined under STEP ONE.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; by

30 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its
 31 repeal)) levied in the taxing district allocated to the allocation
 32 fund, including the amount that would have been allocated but
 33 for the credit.

34 (d) ~~Except as provided in subsection (g);~~ The commission may
 35 determine to grant to taxpayers in an allocation area from its allocation
 36 fund a credit under this section, as calculated under subsection (c), by
 37 applying one-half (1/2) of the credit to each installment of taxes (as
 38 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9
 39 are due and payable in a year. ~~Except as provided in subsection (g);~~
 40 One-half (1/2) of the credit shall be applied to each installment of taxes
 41 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must
 42 provide for the credit annually by a resolution and must find in the



- 1 resolution the following:
- 2 (1) That the money to be collected and deposited in the allocation
- 3 fund, based upon historical collection rates, after granting the
- 4 credit will equal the amounts payable for contractual obligations
- 5 from the fund, plus ten percent (10%) of those amounts.
- 6 (2) If bonds payable from the fund are outstanding, that there is
- 7 a debt service reserve for the bonds that at least equals the amount
- 8 of the credit to be granted.
- 9 (3) If bonds of a lessor under section 17.1 of this chapter or under
- 10 IC 36-1-10 are outstanding and if lease rentals are payable from
- 11 the fund, that there is a debt service reserve for those bonds that
- 12 at least equals the amount of the credit to be granted.
- 13 If the tax increment is insufficient to grant the credit in full, the
- 14 commission may grant the credit in part, prorated among all taxpayers.
- 15 (e) Notwithstanding section 26(b) of this chapter, the special fund
- 16 established under section 26(b) of this chapter for the allocation area
- 17 for a program adopted under section 32 of this chapter may only be
- 18 used to do one (1) or more of the following:
- 19 (1) Accomplish one (1) or more of the actions set forth in section
- 20 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
- 21 (2) Reimburse the consolidated city for expenditures made by the
- 22 city in order to accomplish the housing program in that allocation
- 23 area.
- 24 The special fund may not be used for operating expenses of the
- 25 commission.
- 26 (f) Notwithstanding section 26(b) of this chapter, the commission
- 27 shall, relative to the special fund established under section 26(b) of this
- 28 chapter for an allocation area for a program adopted under section 32
- 29 of this chapter, do the following before June 15 of each year:
- 30 (1) Determine the amount, if any, by which the assessed value of
- 31 the taxable property in the allocation area, when multiplied by the
- 32 estimated tax rate of the allocation area, will exceed the amount
- 33 of assessed value needed to produce the property taxes necessary
- 34 to:
- 35 (A) make the distribution required under section 26(b)(2) of
- 36 this chapter;
- 37 (B) make, when due, principal and interest payments on bonds
- 38 described in section 26(b)(3) of this chapter;
- 39 (C) pay the amount necessary for other purposes described in
- 40 section 26(b)(3) of this chapter; and
- 41 (D) reimburse the consolidated city for anticipated
- 42 expenditures described in subsection (e)(2).



1 (2) Provide a written notice to the county auditor, the legislative
 2 body of the consolidated city, the officers who are authorized to
 3 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each
 4 of the other taxing units that is wholly or partly located within the
 5 allocation area, and (in an electronic format) the department of
 6 local government finance. The notice must:

7 (A) state the amount, if any, of excess assessed value that the
 8 commission has determined may be allocated to the respective
 9 taxing units in the manner prescribed in section 26(b)(1) of
 10 this chapter; or

11 (B) state that the commission has determined that there is no
 12 excess assessed value that may be allocated to the respective
 13 taxing units in the manner prescribed in section 26(b)(1) of
 14 this chapter.

15 The county auditor shall allocate to the respective taxing units the
 16 amount, if any, of excess assessed value determined by the
 17 commission.

18 ~~(g) This subsection applies to an allocation area only to the extent
 19 that the net assessed value of property that is assessed as residential
 20 property under the rules of the department of local government finance
 21 is not included in the base assessed value. If property tax installments
 22 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its
 23 repeal)) are due in installments established by the department of local
 24 government finance under IC 6-1.1-22-9.5; each taxpayer subject to
 25 those installments in an allocation area is entitled to an additional
 26 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2
 27 (before its repeal)) due in installments. The credit shall be applied in
 28 the same proportion to each installment of taxes (as defined in
 29 IC 6-1.1-21-2 (before its repeal)).~~

30 SECTION 48. [EFFECTIVE JULY 1, 2024] **(a) For purposes of
 31 IC 6-2.5, as amended by this act, with respect to a transaction:**

32 **(1) constituting the furnishing of public utility, telephone, or
 33 cable television services and commodities by retail merchants
 34 described in IC 6-2.5-4-6 and IC 6-2.5-4-11, both as amended
 35 by this act; or**

36 **(2) in which services are delivered before November 1, 2024,
 37 and after October 31, 2024, by a retail merchant;**

38 **only transactions for which the charges are collected on original
 39 statements and billings dated after October 31, 2024, shall be
 40 considered as having occurred after October 31, 2024.**

41 **(b) This SECTION expires July 1, 2025.**

42 SECTION 49. An emergency is declared for this act.

