

SENATE BILL No. 222

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-26.

Synopsis: Nonprofit sales tax exemption. Provides that concession sales by a volunteer group at periodic community or athletic not-for-profit events are included under the sales tax exemption for certain nonprofit organizations, regardless of whether the volunteer group is organized as a nonprofit entity or has been issued an exemption certificate.

Effective: Upon passage.

Walker G

January 10, 2023, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 222

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

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

1 SECTION 1. IC 6-2.5-5-26, AS AMENDED BY P.L.137-2022,
2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 26. (a) Sales of tangible personal property by
4 an organization described in section 25(a)(1) of this chapter are exempt
5 from the state gross retail tax, if:
6 (1) the organization makes the sale to make money to carry on a
7 not-for-profit purpose; and
8 (2) the organization does not make more than twenty thousand
9 dollars (\$20,000) in sales in a calendar year.
10 Once sales of an organization exceed the amount described in
11 subdivision (2), the organization is required to collect state gross retail
12 tax on sales on an ongoing basis for the remainder of the calendar year.
13 (b) For purposes of subsection (a), the sales of an organization
14 include sales made by all units operating under the organization's
15 registration pursuant to section 25(c) of this chapter.
16 (c) If the qualifications of subsection (a) are not met, sales of
17 tangible personal property by an organization described in section



- 1 25(a)(1) of this chapter are exempt from the state gross retail tax, if:
 2 (1) the organization is not operated predominantly for social
 3 purposes;
 4 (2) the property sold is designed and intended primarily either for
 5 the organization's educational, cultural, or religious purposes, or
 6 for improvement of the work skills or professional qualifications
 7 of the organization's members; and
 8 (3) the property sold is not designed or intended primarily for use
 9 in carrying on a private or proprietary business.
- 10 (d) Sales of tangible personal property by a public library, or a
 11 charitable organization described in section 25(a)(1) of this chapter
 12 formed to support a public library, are exempt from the state gross
 13 retail tax if the property sold consists of:
 14 (1) items in the library's circulated and publicly available
 15 collections, including items from the library's holdings; or
 16 (2) items that would typically be included in the library's
 17 circulated and publicly available collections and that are donated
 18 by individuals or organizations to a public library or to a
 19 charitable organization described in section 25(a)(1) of this
 20 chapter formed to support a public library.
- 21 The exemption provided by this subsection does not apply to any other
 22 sales of tangible personal property by a public library.
- 23 (e) The exemption provided by this section does not apply to an
 24 accredited college or university's sales of books, stationery,
 25 haberdashery, supplies, or other property.
- 26 (f) To obtain the exemption provided by this section, a taxpayer
 27 must follow the procedures set forth in section 25(c) of this chapter.
- 28 **(g) For purposes of this section, the term "sales of tangible**
 29 **personal property by an organization described in section 25(a)(1)**
 30 **of this chapter" includes concession sales by a volunteer group at**
 31 **periodic community or athletic not-for-profit events, regardless of**
 32 **whether the volunteer group is organized as a nonprofit entity or**
 33 **has been issued an exemption certificate.**
- 34 **SECTION 2. An emergency is declared for this act.**

