HOUSE BILL No. 1019

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-1.1-201.

Synopsis: Gasoline tax. Provides for a monthly determination of the gasoline tax rate per gallon that will be used in the following month. Provides that the gasoline tax rate is to be reduced if the statewide average retail price per gallon is greater than \$3 using the same price that is used to convert the 7% tax on gasoline to a per gallon rate under the gasoline use tax. Specifies that the gasoline tax rate is to be reduced by \$0.01 for each \$0.01 the statewide average retail price per gallon exceeds \$3.

Effective: July 1, 2018.

Bauer

January 9, 2018, read first time and referred to Committee on Ways and Means.



2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1019

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

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

SECTION 1. IC 6-6-1.1-201, AS AMENDED BY P.L.218-2017,
SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2018]: Sec. 201. (a) A license tax is imposed on the use of all
gasoline used in Indiana at the applicable rate specified in subsection
(b), this section, except as otherwise provided by this chapter. The
distributor shall initially pay the tax on the billed gallonage of all
gasoline the distributor receives in this state, less any deductions
authorized by this chapter. The distributor shall then add the per gallon
amount of tax to the selling price of each gallon of gasoline sold in this
state and collected from the purchaser so that the ultimate consumer
bears the burden of the tax.
(b) The license tax described in subsection (a) is imposed at the
following applicable rate per gallon:
(1) Before July 1, 2017, eighteen cents (\$0.18).

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

(A) the rate resulting from using the factors determined under



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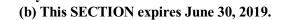
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IC 6-6-1.6-2; or

1	(B) twenty-eight cents (\$0.28).
2	(3) Beginning July 1, 2018, and each July 1 through July 1, 2024,
3	the department shall determine an applicable rate equal to the
4	product of:
5	(A) the rate in effect on June 30; multiplied by
6	(B) the factor determined under IC 6-6-1.6-3.
7	The rate shall be rounded to the nearest cent (\$0.01). However, after
8	June 30, 2018, the new applicable rate may not exceed the rate in effect
9	on June 30 plus one cent (\$0.01). The department shall publish the rate
10	that will take effect on July 1 on the department's Internet web site not
11	later than June 1.
12	(c) The department shall monthly determine the tax rate per
13	gallon to be used for the following month under this section. The
14	department shall use the same statewide average retail price per
15	gallon that is being used to determine the gasoline use tax rate
16	under IC 6-2.5-3.5-15 in determining the tax rate under this
17	section. If the statewide average retail price per gallon is three
18	dollars (\$3) or less per gallon, the tax rate specified under
19	subsection (b) shall be used for the following month. If the
20	statewide average retail price of gasoline is greater than three
21	dollars (\$3) per gallon, the tax rate shall be adjusted for the
22	following month by decreasing the tax rate by one cent ($\$0.01$) for
23	each one cent ($\$0.01$) that the statewide average retail price exceeds
24	three dollars (\$3) per gallon. However, the tax rate per gallon may
25	not be reduced to less than zero (0). The department shall specify
26	the tax rate as part of the notice published under IC 6-2.5-3.5-15
27	that sets forth the gasoline use tax rate for the following month.
28	SECTION 2. [EFFECTIVE JULY 1, 2018] (a) IC 6-6-1.1-201, as
29	amended by this act, first applies to the gasoline tax rate to be used





in July 2018.