

HOUSE BILL No. 1029

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6-2.5; IC 6-6-4.1-28.

Synopsis: Fuel taxes on compressed natural gas. Provides a quarterly refund of the special fuel tax and the motor carrier surcharge tax paid on compressed natural gas that is not delivered to the fuel supply tank of a motor vehicle. Permits a retroactive refund claim to be made for special fuel taxes and for motor carrier surcharge taxes paid from July 1, 2017, through June 30, 2018. Makes corresponding changes to other refund provisions and the special fuel tax collection allowance.

Effective: Upon passage; July 1, 2018.

Frye R

January 3, 2018, read first time and referred to Committee on Ways and Means.



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. 1029



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 6-6-2.5-32 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 32. (a) Special fuel tax
 3 that has been collected by a supplier on special fuel used for an exempt
 4 purpose, including section 30(a)(4) through 30(a)(7) of this chapter and
 5 pretaxed exempt fuel under section 30(a)(8) of this chapter, but which
 6 was not dyed or marked, or both, in accordance with section 31 of this
 7 chapter, shall be refunded by the department to the user or the user's
 8 assignee under rules adopted by the department, in accordance with
 9 subsection (c), upon presentation of proof of exempt use by the end
 10 user in the form that the department prescribes. **A user that claims a**
 11 **refund under section 32.7 of this chapter for special fuel tax**
 12 **collected on compressed natural gas that is not delivered to the fuel**
 13 **supply tank of a motor vehicle may not claim a refund under this**
 14 **subsection for the same special fuel tax.**

15 (b) Special fuel tax that has been collected by a supplier on special
 16 fuel that was removed from a terminal or refinery for delivery in
 17 Indiana, and was exported by a licensed exporter shall be refunded by



1 the department to the licensed exporter in accordance with subsection
 2 (c), upon presentation of proof of export in the form that the
 3 department prescribes.

4 (c) Special fuel tax that has been erroneously paid by a person shall
 5 be refunded by the department in accordance with subsection (d).

6 (d) To claim a refund under ~~subsection~~ **subsections** (a) through (c),
 7 a person must present to the department a statement that contains a
 8 written verification that the claim is made under penalties of perjury
 9 and lists the total amount of special fuel purchased and used for
 10 non-highway purposes. The claim must be filed not more than three (3)
 11 years after the date the special fuel was purchased. The statement must
 12 show that payment for the purchase has been made and the amount of
 13 tax paid on the purchase has been remitted.

14 (e) The department may make any investigations it considers
 15 necessary before refunding the special fuel tax to a person.

16 SECTION 2. IC 6-6-2.5-32.7 IS ADDED TO THE INDIANA
 17 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 18 [EFFECTIVE JULY 1, 2018]: **Sec. 32.7. (a) A person is entitled to a**
 19 **quarterly refund of the special fuel tax paid under this chapter on**
 20 **compressed natural gas that is not delivered to the fuel supply tank**
 21 **of a motor vehicle. The refund amount is in addition to the**
 22 **collection allowance the person may receive under section 37 of**
 23 **this chapter. A person that claims a refund under section 32 of this**
 24 **chapter for special fuel tax may not claim a refund under this**
 25 **section for the same special fuel tax.**

26 (b) To qualify for a quarterly refund under this section, a
 27 person shall submit to the department a statement that contains a
 28 written verification that the claim is made under penalties of
 29 perjury and lists the total amount of natural gas purchased and the
 30 total amount of compressed natural gas for which the person
 31 claims a refund. The claim must be filed not later than the end of
 32 the third month following the end of the calendar quarter the
 33 compressed natural gas qualified for a special fuel tax refund
 34 under subsection (a). No interest may be paid on a refund made
 35 under this section.

36 (c) A refund claim must be in the form prescribed by the
 37 department and include any information reasonably requested by
 38 the department.

39 (d) The department may make any investigations it considers
 40 necessary before refunding the tax to a person.

41 SECTION 3. IC 6-6-2.5-37 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 37. (a) Every supplier**



1 and permissive supplier who properly remits tax under this chapter
 2 shall be allowed to retain one and six-tenths percent (1.6%) of the tax
 3 to cover the costs of collecting, reporting, and timely remitting the tax
 4 imposed by this chapter.

5 (b) The amount that the supplier is permitted to retain under
 6 subsection (a) shall be distributed by the supplier as follows:

7 (1) One-third (1/3) retained by the supplier.

8 (2) Two-thirds (2/3) to the wholesale distributor. If the special
 9 fuel is resold by that wholesale distributor or another wholesale
 10 distributor to an eligible purchaser, the last wholesale distributor
 11 in the distribution process shall pass on one-half (1/2) of the
 12 two-thirds (2/3) to the eligible purchaser.

13 (3) If an eligible purchaser is the direct purchaser from a supplier,
 14 and that retail dealer or bulk end user is responsible for shipping
 15 the product, then the supplier shall pass through two-thirds (2/3)
 16 to the retail dealer or bulk end user. If the supplier is responsible
 17 for shipping the product, the supplier shall retain two-thirds (2/3)
 18 and pass through one-third (1/3) to the eligible purchaser.

19 **The amount a person receives under this subsection is in addition**
 20 **to the amount of the person's refund claim under section 32.7 of**
 21 **this chapter on compressed natural gas that is not delivered to the**
 22 **fuel supply tank of a motor vehicle.**

23 (c) If a monthly report is filed or the amount due is remitted later
 24 than the time required by this chapter, the supplier shall pay to the
 25 department all of the special fuel tax the dealer collected from the sale
 26 of special fuel during the reporting period.

27 SECTION 4. IC 6-6-4.1-28 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2018]: **Sec. 28. (a) A person is entitled to a quarterly refund of**
 30 **the surcharge tax paid under this chapter on compressed natural**
 31 **gas that is not delivered to the fuel supply tank of a motor vehicle.**

32 (b) **To qualify for a quarterly refund under this section, a**
 33 **person shall submit to the department a statement that contains a**
 34 **written verification that the claim is made under penalties of**
 35 **perjury and lists the total amount of natural gas purchased and the**
 36 **total amount of compressed natural gas for which the person**
 37 **claims a refund. The claim must be filed not later than the end of**
 38 **the third month following the end of the calendar quarter the**
 39 **compressed natural gas qualified for a surcharge tax refund under**
 40 **subsection (a). No interest may be paid on a refund made under**
 41 **this section.**

42 (c) **A refund claim must be in the form prescribed by the**



1 department and include any information reasonably requested by
2 the department.

3 (d) The department may make any investigations it considers
4 necessary before refunding the surcharge tax to a person.

5 SECTION 5. [EFFECTIVE UPON PASSAGE] (a)
6 Notwithstanding the effective date of July 1, 2018, for
7 IC 6-6-2.5-32.7, as added by this act, a person that would have
8 qualified for a refund of special fuel taxes under IC 6-6-2.5-32.7, as
9 added by this act, for the period beginning July 1, 2017, through
10 June 30, 2018, may file a refund claim for that period in a single
11 claim.

12 (b) Notwithstanding the effective date of July 1, 2018, for
13 IC 6-6-4.1-28, as added by this act, a person that would have
14 qualified for a refund of motor carrier surcharge taxes under
15 IC 6-6-4.1-28, as added by this act, for the period beginning July 1,
16 2017, through June 30, 2018, may file a refund claim for that
17 period in a single claim.

18 (c) A claim for a refund under this SECTION must be filed
19 before September 30, 2018. A refund claim must be in the form
20 prescribed by the department and include any information
21 reasonably requested by the department.

22 (d) The department may make any investigations it considers
23 necessary before making a refund to a person.

24 (e) This SECTION expires June 30, 2019.

25 SECTION 6. An emergency is declared for this act.

