

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1059

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AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-2.5-2-5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2020]: **Sec. 5. (a) As used in this section, "cargo trailer" has the meaning set forth in IC 6-2.5-5-39.**

**(b) As used in this section, "nonreciprocal state" means a state that does not provide an exemption from sales, use, or similar taxes imposed on a cargo trailer or recreational vehicle that is purchased in that state or country by an Indiana resident and will be titled or registered in Indiana.**

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

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

- (1) is not exempt from taxation under IC 6-2.5-5-39; and**
- (2) involves a cargo trailer or recreational vehicle that:**
  - (A) is purchased by a:**
    - (i) resident of a nonreciprocal state; or**
    - (ii) resident of a foreign country;**
  - (B) the purchaser intends to:**
    - (i) transport to a destination outside Indiana within thirty (30) days after delivery; and**

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(ii) title or register for use in the nonreciprocal state or foreign country; and

(C) will not be titled or registered for use in Indiana; the state gross retail tax rate on the cargo trailer or recreational vehicle is the rate of the nonreciprocal state or foreign country (excluding any locally imposed tax rates) in which the cargo trailer or recreational vehicle will be titled or registered, as certified by the seller and purchaser in an affidavit satisfying the requirements of subsection (e).

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

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

(f) The department shall create a certificate of sales tax paid form for a cargo trailer or recreational vehicle that may be completed by the dealer and provided to the purchaser of a cargo trailer or recreational vehicle sold in Indiana.

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

SECTION 2. IC 6-2.5-10-6 IS REPEALED [EFFECTIVE JULY 1, 2020]. Sec. 6: The department, with the approval of the governor and the budget agency after the review of the state budget committee, may enter into an agreement with another state to provide that:

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

SECTION 3. [EFFECTIVE JULY 1, 2020] (a) IC 6-2.5-2-5, as



added by this act, applies only to retail transactions occurring after June 30, 2020.

(b) Except as provided in subsection (c), a retail transaction is considered to have occurred after June 30, 2020, if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser after June 30, 2020.

(c) Notwithstanding the delivery of the property constituting selling at retail after June 30, 2020, a transaction is considered to have occurred before July 1, 2020, to the extent that:

(1) the agreement of the parties to the transaction is entered into before July 1, 2020; and

(2) payment for the property furnished in the transaction is made before July 1, 2020.

(d) This SECTION expires January 1, 2021.



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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

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Governor of the State of Indiana

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

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