

HOUSE BILL No. 1094

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6.

Synopsis: Motor carrier fuel taxes. Provides that biodiesel fuel that is manufactured in Indiana and shipped out of state is exempt from the special fuel tax and motor carrier fuel tax. (Under current law, a refund must be claimed.) Specifies that the motor carrier fuel surcharge tax must be paid on all motor fuel and at the same time the gasoline or special fuel tax is paid instead of being paid on only taxable motor fuel using a quarterly return. Provides for a refund for taxes paid on motor fuel used in vehicles exempt from the surcharge tax.

Effective: July 1, 2015.

Frye R

January 6, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1094



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 6-6-2.5-1.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 1.7. As used in this chapter, "biodiesel manufacturing
4 plant" means a facility that is located in Indiana and is used for the
5 production of biodiesel.**

6 SECTION 2. IC 6-6-2.5-20 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 20. As used in this
8 chapter, "received" means the removal from any refinery or terminal in
9 Indiana, **including a biodiesel manufacturing plant**, or the entry into
10 Indiana of any special fuel for consumption, use, sale, or warehousing,
11 except for transfers in bulk into or within a terminal in Indiana between
12 registered suppliers. The tax imposed under section 28 of this chapter
13 with respect to special fuel removed from terminals within Indiana and
14 with respect to special fuel which is the subject of a tax precollection
15 agreement pursuant to section 35(j) of this chapter, shall be imposed at



1 the same time and in the same manner as the tax imposed by Sections
2 4081 to 4083 of the Internal Revenue Code. The definitions of the
3 terms "removal", "entry", and "transfers in bulk" shall have the same
4 meanings described in the Internal Revenue Code or Code of Federal
5 Regulations.

6 SECTION 3. IC 6-6-2.5-20.5 IS ADDED TO THE INDIANA
7 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
8 [EFFECTIVE JULY 1, 2015]: **Sec. 20.5. As used in this chapter,**
9 **"refinery" has the meaning set forth in 26 CFR 48.4081-1. The**
10 **term also includes a biodiesel manufacturing plant.**

11 SECTION 4. IC 6-6-2.5-23 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 23. As used in this
13 chapter, "supplier" means a person that imports or acquires
14 immediately upon import into Indiana special fuel by pipeline or
15 marine vessel from within a state, territory, or possession of the United
16 States into a terminal or that imports special fuel into Indiana from a
17 foreign country, or that produces, manufactures, or refines special fuel
18 within Indiana, **including a person that produces biodiesel or both**
19 **biodiesel and blended biodiesel at a biodiesel manufacturing plant,**
20 or that owns special fuel in the pipeline and terminal distribution
21 system in Indiana, and is subject to the general taxing or police
22 jurisdiction of Indiana, and in any case is also registered under Section
23 4101 of the Internal Revenue Code for transactions in taxable motor
24 fuels in the bulk distribution system. A terminal operator shall not be
25 considered a supplier merely because the terminal operator handles
26 special fuel consigned to it within a terminal.

27 SECTION 5. IC 6-6-2.5-57.5 IS ADDED TO THE INDIANA
28 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
29 [EFFECTIVE JULY 1, 2015]: **Sec. 57.5. (a) Each person operating**
30 **a biodiesel manufacturing plant in Indiana shall file monthly**
31 **reports of operations within Indiana on forms prescribed by the**
32 **department. The department may require the reporting of any**
33 **information the department considers reasonably necessary.**

34 **(b) For purposes of reporting and determining tax liability**
35 **under this chapter, every licensee shall maintain inventory records**
36 **as required by the department.**

37 SECTION 6. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013,
38 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2015]: Sec. 4.5. (a) A surcharge tax is imposed on the
40 consumption of motor fuel by a carrier in its operations on highways in
41 Indiana. The rate of this surcharge tax is eleven cents (\$0.11) per:

42 (1) gallon of gasoline or special fuel (other than natural gas or an



1 alternative fuel commonly or commercially known or sold as
2 butane or propane);

3 (2) diesel gallon equivalent of a special fuel that is liquid natural
4 gas; or

5 (3) gasoline gallon equivalent of a special fuel that is compressed
6 natural gas or an alternative fuel commonly or commercially
7 known or sold as butane or propane.

8 **The tax shall be paid by the carrier at those times and in the**
9 **manner specified in IC 6-6-1.1 or IC 6-6-2.5. The exemptions set**
10 **forth in IC 6-6-2.5-30 apply to the tax imposed by this section. The**
11 **Any tax not paid as specified in IC 6-6-1.1 or IC 6-6-2.5 shall be**
12 **paid quarterly by the carrier to the department on or before the last day**
13 **of the month immediately following the quarter.**

14 (b) The amount of motor fuel consumed by a carrier in its operations
15 on highways in Indiana is the total amount of motor fuel consumed in
16 its entire operations within and without Indiana, multiplied by a
17 fraction. The numerator of the fraction is the total number of miles
18 traveled on highways in Indiana, and the denominator of the fraction is
19 the total number of miles traveled within and without Indiana.

20 (c) The amount of tax that a carrier shall pay for a particular quarter
21 under this section equals the product of the tax rate in effect for that
22 quarter, multiplied by the amount of motor fuel consumed by the
23 carrier in its operation on highways in Indiana **and upon which the**
24 **carrier has not paid tax imposed under IC 6-6-1.1 or IC 6-6-2.5.**

25 (d) Subject to section 4.8 of this chapter, a carrier is entitled to a
26 proportional use credit against the tax imposed under this section for
27 that portion of motor fuel used to propel equipment mounted on a
28 motor vehicle having a common reservoir for locomotion on the
29 highway and the operation of this equipment as determined by rule of
30 the commissioner. An application for a proportional use credit under
31 this subsection shall be filed on a quarterly basis on a form prescribed
32 by the department.

33 SECTION 7. IC 6-6-4.1-4.9 IS ADDED TO THE INDIANA CODE
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
35 1, 2015]: **Sec. 4.9. (a) A person is entitled to a refund against the tax**
36 **imposed under section 4.5 of this chapter if the person paid the tax**
37 **on motor fuel used in a vehicle described in section 2(b) of this**
38 **chapter.**

39 (b) **A refund may be claimed for each calendar quarter that the**
40 **person is entitled to a refund. The refund claim must be filed**
41 **before the fifteenth day following each calendar quarter on forms**
42 **and in the manner prescribed by the department. To receive a**



1 **refund, the person must file any evidence supporting the refund**
2 **that is required by the department.**

