



January 29, 2016

HOUSE BILL No. 1168

DIGEST OF HB 1168 (Updated January 27, 2016 3:28 pm - DI 107)

Citations Affected: IC 4-31; IC 6-8.1.

Synopsis: Horse racing matters. Imposes a wagering tax on amounts wagered through advance deposit wagering by account holders in Indiana. Provides for the distribution of advance deposit wagering tax revenues.

Effective: July 1, 2016.

Morrison, Eberhart, Klinker

January 7, 2016, read first time and referred to Committee on Public Policy.
January 28, 2016, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1168—LS 6847/DI 92



January 29, 2016

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1168

A BILL FOR AN ACT to amend the Indiana Code concerning horses and horse racing.

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

1 SECTION 1. IC 4-31-2-1.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 1.1. "Account holder" means an individual who has**
4 **established an advanced deposit wagering account with a**
5 **secondary pari-mutuel organization.**

6 SECTION 2. IC 4-31-2-1.3 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2016]: **Sec. 1.3. "Advance deposit wagering" means a system of**
9 **pari-mutuel wagering in which wagers are debited and payouts are**
10 **credited to an account established by an individual and held by a**
11 **secondary pari-mutuel organization, regardless of whether the**
12 **wagers are made in person, by telephone, or through**
13 **communication by other electronic means. The term does not**
14 **include an approved limited mobile gaming system.**

15 SECTION 3. IC 4-31-2-5.3 IS ADDED TO THE INDIANA CODE
16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2016]: **Sec. 5.3. "Communication by other electronic means"**

HB 1168—LS 6847/DI 92



1 means communication by any electronic communication device,
2 including any of the following:

- 3 (1) A personal computer or other device enabling
4 communication through the Internet.
5 (2) A private network.
6 (3) An interactive television.
7 (4) A wireless communication technology.
8 (5) An interactive computer service (as defined in
9 IC 35-45-5-1).

10 SECTION 4. IC 4-31-2-20.6 IS ADDED TO THE INDIANA CODE
11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2016]: Sec. 20.6. "Secondary pari-mutuel organization" means
13 a person that offers advance deposit wagering in Indiana. A person
14 that offers advance deposit wagering is presumed, subject to
15 rebuttal, to be offering advance deposit wagering in Indiana if the
16 person:

- 17 (1) holds, debits, or credits advance deposit wagering accounts
18 for Indiana residents;
19 (2) regularly solicits business from potential patrons located
20 in Indiana; or
21 (3) regularly solicits and receives deposits or wagers from
22 account holders located in Indiana.

23 SECTION 5. IC 4-31-2-20.8 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2016]: Sec. 20.8. "Simulcast" means the communication by other
26 electronic means of a horse race contested at a recognized meeting
27 and other information related to the horse race, including the
28 transmission of pari-mutuel wagering odds, amounts wagered, and
29 payoffs on amounts wagered.

30 SECTION 6. IC 4-31-9.5 IS ADDED TO THE INDIANA CODE
31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2016]:

33 **Chapter 9.5. Advance Deposit Wagering Tax**

34 **Sec. 1. (a)** A secondary pari-mutuel organization shall pay to the
35 department of state revenue a tax on the total amount of money
36 wagered by account holders located in Indiana as follows:

- 37 (1) Six percent (6%) of the total amount of money wagered on
38 live races conducted at a permit holder's racetrack.
39 (2) Six percent (6%) of the total amount of money wagered on
40 live races conducted in another state or on simulcasts that
41 originate from another state.



1 (b) The secondary pari-mutuel organization shall remit the tax
2 on money wagered by account holders located in Indiana during a
3 particular month before the fifteenth day of the following month.

4 (c) The tax imposed by this section is a listed tax for purposes of
5 IC 6-8.1-1.

6 Sec. 2. A secondary pari-mutuel organization is entitled to a
7 credit against the tax imposed under this chapter equal to the
8 amount, if any, of wagering tax paid to any other state, territory,
9 or possession of the United States for the same money wagered.

10 Sec. 3. The department of state revenue shall distribute one
11 hundred percent (100%) of the wagering taxes it receives from a
12 secondary pari-mutuel organization to the commission for deposit
13 in the equine industry infrastructure fund established under
14 section 4 of this chapter.

15 Sec. 4. (a) The equine industry infrastructure fund is
16 established.

17 (b) The fund shall be administered by commission.

18 (c) The fund consists of advanced deposit wagering tax revenue
19 deposited in the fund under this chapter.

20 (d) The treasurer of state shall invest the money in the fund not
21 currently needed to meet the obligations of the fund in the same
22 manner as other public funds may be invested.

23 (e) Money in the fund at the end of a state fiscal year does not
24 revert to the state general fund.

25 (f) Money in the fund may be used by the commission only for
26 the following purposes:

27 (1) To provide grants to permit holders for the improvement
28 and maintenance of the permit holders' horse racing facilities.

29 (2) To provide grants to:

30 (A) the state fair commission;

31 (B) county fairs;

32 (C) the department of parks and recreation in Johnson
33 County; and

34 (D) colleges and universities located in Indiana that offer
35 a bachelor of science degree in equine studies;

36 for the improvement and maintenance of horse racing or
37 horse training facilities at the state fairgrounds, county
38 fairgrounds, county park tracks, and colleges and universities.

39 Sec. 5. The payment of the tax imposed under this chapter does
40 not make the secondary pari-mutuel organization immune from
41 criminal prosecution. However, confidential information acquired
42 by the department of state revenue may not be used to initiate or



1 **facilitate prosecution for an offense other than an offense based on**
 2 **a violation of this chapter.**

3 SECTION 7. IC 6-8.1-1-1, AS AMENDED BY P.L.220-2014,
 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2016]: Sec. 1. "Listed taxes" or "taxes" includes only the
 6 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); **the advance**
 7 **deposit wagering tax (IC 4-31-9.5)**; the riverboat admissions tax
 8 (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine
 9 wagering tax (IC 4-35-8); the type II gambling game excise tax
 10 (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility
 11 receipts and utility services use taxes (IC 6-2.3); the state gross retail
 12 and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the
 13 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted
 14 gross income tax (IC 6-3.5-1.1); the county option income tax
 15 (IC 6-3.5-6); the county economic development income tax
 16 (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial
 17 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the special fuel
 18 tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax
 19 collected under a reciprocal agreement under IC 6-8.1-3; the motor
 20 vehicle excise tax (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13);
 21 the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed
 22 on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous
 23 waste disposal tax (IC 6-6-6.6) (repealed); the cigarette tax (IC 6-7-1);
 24 the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the
 25 wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5);
 26 the malt excise tax (IC 7.1-4-5); the petroleum severance tax
 27 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and
 28 beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and
 29 IC 6-9-28); the regional transportation improvement income tax
 30 (IC 8-24-17); the oil inspection fee (IC 16-44-2); ~~the emergency and~~
 31 ~~hazardous chemical inventory form fee (IC 6-6-10)~~; the penalties
 32 assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and
 33 penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); and
 34 any other tax or fee that the department is required to collect or
 35 administer.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1168, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning horses and horse racing.

Page 3, delete lines 25 through 35, begin a new paragraph and insert:

"(f) Money in the fund may be used by the commission only for the following purposes:

(1) To provide grants to permit holders for the improvement and maintenance of the permit holders' horse racing facilities.

(2) To provide grants to:

(A) the state fair commission;

(B) county fairs;

(C) the department of parks and recreation in Johnson County; and

(D) colleges and universities located in Indiana that offer a bachelor of science degree in equine studies;

for the improvement and maintenance of horse racing or horse training facilities at the state fairgrounds, county fairgrounds, county park tracks, and colleges and universities."

Delete pages 4 through 7.

Page 8, delete lines 1 through 32.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1168 as introduced.)

DERMODY

Committee Vote: yeas 13, nays 0.

