



January 29, 2018

HOUSE BILL No. 1290

DIGEST OF HB 1290 (Updated January 29, 2018 10:54 am - DI 84)

Citations Affected: IC 6-6; IC 8-14; IC 8-17; IC 8-23; IC 9-13; IC 9-18.1; IC 9-21.

Synopsis: Transportation finance. Repeals the motor carrier surcharge tax and increases the special fuel tax by \$0.21 per gallon. Distributes part of the special fuel tax revenue to the motor carrier regulation fund. Specifies how netted International Fuel Tax Agreement Clearinghouse refunds and receipts are deposited or credited. Specifies that the commercial vehicle excise tax rate calculation that must be done on or before October 1 of each year is effective on January 1 of the following year. Excludes the transportation infrastructure improvement fee and the supplemental fees for registering electric and hybrid vehicles from the calculation of the commercial vehicle excise tax. Changes various distribution percentages of revenue distributed from the motor vehicle highway account and highway, road and street fund. Provides that at least 50% of the revenue distributed to counties, cities, and towns must be used for the construction, reconstruction, and preservation of highways in the respective jurisdictions. Makes various changes to the
(Continued next page)

Effective: Upon passage; January 1, 2018 (retroactive); July 1, 2018.

Soliday, Brown T

January 11, 2018, read first time and referred to Committee on Roads and Transportation.
January 25, 2018, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
January 29, 2018, reported — Do Pass.

HB 1290—LS 7094/DI 113



Digest Continued

accounting system for local roads and streets. Provides that all registration fees collected under the International Registration Plan (IRP) or through an Indiana based IRP account (rather than only certain specified fees collected under the IRP or an Indiana based IRP account under current law) are covered by the statute providing for the first \$125,000 of such revenue each state fiscal year to be distributed to the state police building account and any remaining amounts to be distributed to the motor vehicle highway account. Specifies that the transportation infrastructure improvement fee shall be apportioned under the IRP. Specifies conditions under which a vehicle platoon may be operated in Indiana. Defines certain terms. Makes conforming changes.

HB 1290—LS 7094/DI 113



January 29, 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. 1290

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

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

- 1 SECTION 1. IC 6-6-2.5-28, AS AMENDED BY P.L.218-2017,
2 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 28. (a) A license tax is imposed on all special fuel
4 sold or used in producing or generating power for propelling motor
5 vehicles, except fuel used under section 30(a)(8) or 30.5 of this
6 chapter, at the applicable rate specified in subsection (b). The tax shall
7 be paid at those times, in the manner, and by those persons specified in
8 this section and section 35 of this chapter.
9 (b) The license tax described in subsection (a) is imposed at the
10 following applicable rate per special fuel gallon:
11 (1) Before July 1, 2017, sixteen cents (\$0.16).
12 (2) For July 1, 2017, through June 30, 2018, the lesser of:
13 (A) the rate resulting from using the factors determined under
14 IC 6-6-1.6-2; or
15 (B) twenty-six cents (\$0.26).
16 **(3) For July 1, 2018, through June 30, 2019, the product of:**
17 **(A) the sum of:**

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- 1 **(i) the rate in effect on June 30; and**
 2 **(ii) twenty-one cents (\$0.21); multiplied by**
 3 **(B) the factor determined under IC 6-6-1.6-3.**
 4 (3) **(4)** Beginning July 1, ~~2018~~, **2019**, and each July 1 through
 5 July 1, 2024, the department shall determine an applicable rate
 6 equal to the product of:
 7 (A) the rate in effect on June 30; multiplied by
 8 (B) the factor determined under IC 6-6-1.6-3.
 9 The rate shall be rounded to the nearest cent (\$0.01). **However, after**
 10 **June 30, 2018, and before July 1, 2019, the new applicable rate may**
 11 **not exceed the rate in effect on June 30 plus twenty-three cents**
 12 **(\$0.23). However, After June 30, ~~2018~~, 2019, the new applicable rate**
 13 **may not exceed the rate in effect on June 30 plus ~~one cent (\$0.01)~~ two**
 14 **cents (\$0.02).** The department shall publish the rate that will take effect
 15 on July 1 on the department's Internet web site not later than June 1.
 16 (c) The department shall consider it a rebuttable presumption that
 17 all undyed or unmarked special fuel, or both, received in Indiana is to
 18 be sold for use in propelling motor vehicles.
 19 (d) Except as provided in subsection (e), the tax imposed on special
 20 fuel by subsection (a) shall be measured by invoiced gallons (or diesel
 21 or gasoline gallon equivalents in the case of a special fuel described in
 22 section 22.5(2) or 22.5(3) of this chapter) of nonexempt special fuel
 23 received by a licensed supplier in Indiana for sale or resale in Indiana
 24 or with respect to special fuel subject to a tax precollection agreement
 25 under section ~~35(d)~~ **35(j)** of this chapter, such special fuel removed by
 26 a licensed supplier from a terminal outside of Indiana for sale for
 27 export or for export to Indiana and in any case shall generally be
 28 determined in the same manner as the tax imposed by Section 4081 of
 29 the Internal Revenue Code and Code of Federal Regulations.
 30 (e) The tax imposed by subsection (a) on special fuel imported into
 31 Indiana, other than into a terminal, is imposed at the time the product
 32 is entered into Indiana and shall be measured by invoiced gallons
 33 received at a terminal or at a bulk plant.
 34 (f) In computing the tax, all special fuel in process of transfer from
 35 tank steamers at boat terminal transfers and held in storage pending
 36 wholesale bulk distribution by land transportation, or in tanks and
 37 equipment used in receiving and storing special fuel from interstate
 38 pipelines pending wholesale bulk reshipment, shall not be subject to
 39 tax.
 40 (g) The department shall consider it a rebuttable presumption that
 41 special fuel consumed in a motor vehicle plated for general highway
 42 use is subject to the tax imposed under this chapter. A person claiming



1 exempt use of special fuel in such a vehicle must maintain adequate
 2 records as required by the department to document the vehicle's taxable
 3 and exempt use.

4 (h) A person that engages in blending fuel for taxable sale or use in
 5 Indiana is primarily liable for the collection and remittance of the tax
 6 imposed under subsection (a). The person shall remit the tax due in
 7 conjunction with the filing of a monthly report in the form prescribed
 8 by the department.

9 (i) A person that receives special fuel that has been blended for
 10 taxable sale or use in Indiana is secondarily liable to the state for the
 11 tax imposed under subsection (a).

12 (j) A person may not use special fuel on an Indiana public highway
 13 if the special fuel contains a sulfur content that exceeds five
 14 one-hundredths of one percent (0.05%). A person who knowingly:

15 (1) violates; or

16 (2) aids or abets another person to violate;

17 this subsection commits a Class A infraction. However, the violation
 18 is a Class A misdemeanor if the person has committed one (1) prior
 19 unrelated violation of this subsection, and a Level 6 felony if the person
 20 has committed more than one (1) unrelated violation of this subsection.

21 SECTION 2. IC 6-6-2.5-68, AS AMENDED BY P.L.218-2017,
 22 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2018]: Sec. 68. **(a) Each month, the first one and five tenths
 24 percent (1.5%) of revenue collected under this chapter shall be
 25 deposited in the motor carrier regulation fund administered by the
 26 department.**

27 **(b) All revenue collected under this chapter that remains after the
 28 distribution of revenue specified under subsection (a) shall be used
 29 in the same manner as the revenue collected under IC 6-6-1.1. The
 30 administrator shall deposit the revenues collected under this chapter
 31 that remain after the distribution of revenues specified under
 32 subsection (a) in the same manner that revenues are deposited under
 33 IC 6-6-1.1-802.**

34 SECTION 3. IC 6-6-4.1-1, AS AMENDED BY P.L.218-2017,
 35 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2018]: Sec. 1. As used in this chapter:

37 (a) "Carrier" means a person who operates or causes to be operated
 38 a commercial motor vehicle on any highway in Indiana.

39 (b) "Commercial motor vehicle" means a vehicle which is listed in
 40 section 2(a) of this chapter and which is not excluded from the
 41 application of this chapter under section 2(b) of this chapter.

42 (c) "Commissioner" means the commissioner of the Indiana



- 1 department of state revenue.
- 2 (d) "Declared gross weight" means the weight at which a motor
3 vehicle is registered with:
- 4 (1) the bureau of motor vehicles; or
5 (2) a state other than Indiana.
- 6 (e) "Department" means the Indiana department of state revenue.
- 7 (f) "Diesel gallon equivalent" means the amount of an alternative
8 fuel that produces the same number of British thermal units of energy
9 as a gallon of diesel fuel.
- 10 (g) "Gasoline gallon equivalent" means the amount of an alternative
11 fuel that produces the same number of British thermal units of energy
12 as a gallon of gasoline.
- 13 (h) "Highway" means the entire width between the boundary lines
14 of every publicly maintained way that is open in any part to the use of
15 the public for purposes of vehicular travel.
- 16 (i) "Motor fuel" means gasoline (as defined in IC 6-6-1.1), special
17 fuel (as defined in IC 6-6-2.5), and alternative fuel (as defined in
18 IC 6-6-2.5).
- 19 (j) "Quarter" means calendar quarter.
- 20 (k) "Motor vehicle" has the meaning set forth in IC 6-6-1.1-103.
- 21 (l) "Recreational vehicle" means motor homes, pickup trucks with
22 attached campers, and buses when used exclusively for personal
23 pleasure. A vehicle is not a recreational vehicle if the vehicle is used
24 in connection with a business.
- 25 (m) "Alternative fuel" has the meaning set forth in IC 6-6-2.5-1.
- 26 (n) "Special fuel" has the meaning set forth in IC 6-6-2.5-22.
- 27 ~~(o) "Surcharge gallon" means, as applicable:~~
- 28 ~~(1) a gallon of gasoline or special fuel (other than natural gas or~~
29 ~~an alternative fuel commonly or commercially known or sold as~~
30 ~~butane or propane);~~
- 31 ~~(2) a diesel gallon equivalent of a special fuel that is liquid natural~~
32 ~~gas; or~~
- 33 ~~(3) a gasoline gallon equivalent of a special fuel that is~~
34 ~~compressed natural gas or an alternative fuel commonly or~~
35 ~~commercially known or sold as butane or propane.~~
- 36 SECTION 4. IC 6-6-4.1-4, AS AMENDED BY P.L.218-2017,
37 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2018]: Sec. 4. (a) A tax is imposed on the consumption of
39 motor fuel by a carrier in its operations on highways in Indiana. The
40 rate of this tax is determined as follows:
- 41 (1) When imposed upon the consumption of gasoline or special
42 fuel (other than a special fuel that is an alternative fuel), the tax



1 rate is the same rate per gallon as the rate per gallon at which
 2 special fuel is taxed under IC 6-6-2.5. ~~plus, for a carrier that has~~
 3 ~~paid the surcharge tax at the time of purchasing special fuel that~~
 4 ~~is not an alternative fuel, the surcharge tax rate under section 4.5~~
 5 ~~of this chapter for those gallons purchased.~~

6 (2) When imposed upon the consumption of a special fuel that is
 7 an alternative fuel, the tax rate is either of the following:

8 (A) The same rate per diesel gallon equivalent as the rate per
 9 gallon at which special fuel is taxed under IC 6-6-2.5, in the
 10 case of liquid natural gas.

11 (B) The same rate per gasoline gallon equivalent at which
 12 special fuel is taxed under IC 6-6-2.5, in the case of
 13 compressed natural gas or an alternative fuel commonly or
 14 commercially known or sold as butane or propane.

15 The tax shall be paid quarterly by the carrier to the department on or
 16 before the last day of the month immediately following the quarter.

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

23 (c) The amount of tax that a carrier shall pay for a particular quarter
 24 under this section equals the product of the tax rate in effect for that
 25 quarter, multiplied by the amount of motor fuel consumed by the
 26 carrier in its operation on highways in Indiana and upon which the
 27 carrier has not paid tax imposed under IC 6-6-1.1, IC 6-6-2.5, or
 28 section 4.5 of this chapter **(before its repeal)**.

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

37 SECTION 5. IC 6-6-4.1-4.3 IS REPEALED [EFFECTIVE JULY 1,
 38 2018]. Sec. 4.3: (a) Persons having title to motor fuel in storage and
 39 held for sale to a carrier in the carrier's operations on highways in
 40 Indiana on the effective date of an increase in the surcharge tax rate
 41 imposed under section 4.5 of this chapter are subject to an inventory
 42 tax based on the surcharge gallons in storage as of the close of the



1 business day preceding the effective date of the increased surcharge tax
2 rate:

3 (b) Persons subject to the tax imposed under this section shall:

4 (1) take an inventory to determine the surcharge gallons in storage
5 for purposes of determining the inventory tax;

6 (2) report the surcharge gallons listed in subdivision (1) on forms
7 provided by the commissioner; and

8 (3) pay the tax due not more than thirty (30) days after the
9 prescribed inventory date.

10 In determining the amount of surcharge tax due under this section, the
11 person may exclude the amount of motor fuel that will not be pumped
12 out of the storage tank because the motor fuel is below the mouth of the
13 draw pipe. For this purpose, the person may deduct two hundred (200)
14 surcharge gallons for a storage tank with a capacity of less than ten
15 thousand (10,000) surcharge gallons; and four hundred (400) surcharge
16 gallons for a storage tank with a capacity that exceeds ten thousand
17 (10,000) surcharge gallons.

18 (c) The amount of the inventory tax is equal to the inventory tax rate
19 times the surcharge gallons in storage as determined under subsection
20 (b). The inventory tax rate is equal to the difference of the increased
21 surcharge tax rate minus the previous surcharge tax rate:

22 (d) The inventory tax shall be considered a listed tax for the
23 purposes of IC 6-8-1.

24 SECTION 6. IC 6-6-4.1-4.5 IS REPEALED [EFFECTIVE JULY 1,
25 2018]. Sec. 4-5: (a) A surcharge tax is imposed on the consumption of
26 motor fuel by a carrier in its operations on highways in Indiana at the
27 applicable rate specified in subsection (b). Beginning July 1, 2017, the
28 surcharge tax that applies to special fuel that is not an alternative fuel
29 shall be collected and remitted in the manner specified for the special
30 fuel tax under IC 6-6-2.5 as required by the department. A carrier shall
31 reconcile the amount owed under this section as part of the carrier's
32 motor fuel use tax reconciliation under this chapter. However, for a
33 carrier that has not paid any surcharge tax at the time of purchase, the
34 tax shall be paid quarterly by the carrier to the department on or before
35 the last day of the month immediately following the quarter:

36 (b) The surcharge tax described in subsection (a) is imposed at the
37 following applicable rate per surcharge gallon:

38 (1) Before July 1, 2017, eleven cents (\$0.11) per surcharge gallon:

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

40 (A) the rate resulting from using the factors determined under
41 IC 6-6-1.6-2; or

42 (B) twenty-one cents (\$0.21):



1 (3) Beginning July 1, 2018, and each July 1 through July 1, 2024,
 2 the department shall determine an applicable rate equal to the
 3 product of:

4 (A) the rate in effect on June 30; multiplied by

5 (B) the factor determined under IC 6-6-1.6-3.

6 The rate shall be rounded to the nearest cent (\$0.01). However, after
 7 June 30, 2018, the new applicable rate may not exceed the rate in effect
 8 on June 30 plus one cent (\$0.01). The department shall publish the rate
 9 that will take effect on July 1 on the department's Internet web site not
 10 later than June 1.

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

17 (d) The amount of tax that a carrier shall pay for a particular quarter
 18 under this section equals the product of the tax rate in effect for that
 19 quarter, multiplied by the amount of motor fuel consumed by the
 20 carrier in its operation on highways in Indiana.

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

29 SECTION 7. IC 6-6-4.1-4.7, AS AMENDED BY P.L.218-2017,
 30 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2018]: Sec. 4.7. (a) This section applies only to a claim for a
 32 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**
 33 **section 4.5(e) of this chapter (before its repeal)** for taxes first due
 34 and payable after July 31, 1999.

35 (b) A carrier must be certified by the department in order to qualify
 36 for a proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter
 37 **or section 4.5(e) of this chapter (before its repeal)**.

38 (c) A carrier must apply to the department for certification before
 39 April 1 of the first calendar year for which the proportional use credit
 40 will be claimed. An application for certification must be in writing
 41 upon forms prescribed by the department and must be signed and
 42 verified by the carrier. The department must include on all application



- 1 forms suitable spaces for a listing of the following:
- 2 (1) The carrier's federal Social Security number or federal tax
- 3 identification number.
- 4 (2) The address of the carrier's principal place of business.
- 5 (3) A description of each of the carrier's vehicles that has a
- 6 common fuel supply reservoir for both locomotion on a public
- 7 highway and a commercial purpose.
- 8 (4) The vehicle identification number for each vehicle described
- 9 in subdivision (3).
- 10 (d) The department may certify that a carrier is qualified to claim a
- 11 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**
- 12 **section 4.5(e) of this chapter (before its repeal)** only upon payment
- 13 by the carrier to the department of a one (1) time fee of seven dollars
- 14 (\$7). The carrier must pay the fee at the time the application for
- 15 certification is submitted to the department. The department shall
- 16 deposit the fee in the motor carrier regulation fund established by
- 17 IC 8-2.1-23-1.
- 18 (e) A carrier must notify the department, on forms prescribed by the
- 19 department, of any change of address by the carrier. The carrier must
- 20 provide the notice not more than ten (10) days after the change of
- 21 address. The department may revoke or suspend the certification of a
- 22 carrier that fails to comply with this subsection.
- 23 (f) All certificates issued under this section are personal and may
- 24 not be transferred.
- 25 (g) The department may require a carrier that has been issued a
- 26 certificate under this section to submit additional information from
- 27 time to time at reasonable intervals, as determined by the department.
- 28 (h) The department may adopt rules under IC 4-22-2 to carry out
- 29 this section.
- 30 SECTION 8. IC 6-6-4.1-4.8, AS AMENDED BY P.L.218-2017,
- 31 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2018]: Sec. 4.8. (a) This section applies only to a claim for a
- 33 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**
- 34 **section 4.5(e) of this chapter (before its repeal)** for taxes first due
- 35 and payable after July 31, 1999.
- 36 (b) In order to obtain a proportional use credit against taxes imposed
- 37 under section 4 ~~or 4.5~~ of this chapter **or section 4.5 of this chapter**
- 38 **(before its repeal)** a carrier must file a claim with the department. The
- 39 claim must be submitted on a form prescribed by the department and
- 40 must be filed with the quarterly return for the taxable period for which
- 41 the proportional use credit is claimed. A carrier is not entitled to a
- 42 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**



- 1 **section 4.5(e) of this chapter (before its repeal)** unless the carrier:
 2 (1) has paid in full the taxes to which the credit applies; and
 3 (2) has filed a claim for the credit on or before the due date of the
 4 corresponding quarterly return for the taxable period for which
 5 the proportional use credit is claimed.
- 6 A credit approved under this section shall, subject to this section, be
 7 refunded to the carrier without interest.
- 8 (c) The department shall determine the aggregate amount of
 9 proportional use credits claimed under section 4(d) ~~or 4.5(e)~~ of this
 10 chapter **or section 4.5(e) of this chapter (before its repeal)** for each
 11 quarter. The department may approve the full amount of a proportional
 12 use credit claimed by a carrier if the aggregate amount of proportional
 13 use credits claimed for the quarter and for the fiscal year do not exceed
 14 the limits set forth in subsection (d). If the aggregate amount of
 15 proportional use credits claimed in a quarter exceeds the limits set forth
 16 in subsection (d), the department shall pay the claims for that quarter
 17 on a pro rata basis.
- 18 (d) The department may not approve more than three million five
 19 hundred thousand dollars (\$3,500,000) of proportional use credits
 20 under this section in a state fiscal year. In addition, the amount of
 21 proportional use credits the department may approve under this section
 22 for a quarter may not exceed the following:
- 23 (1) For the quarter ending September 30 of a year, an amount
 24 equal to one million three hundred seventy-five thousand dollars
 25 (\$1,375,000).
- 26 (2) For the quarter ending December 31 of a year, an amount
 27 equal to:
- 28 (A) six hundred twenty-five thousand dollars (\$625,000); plus
 29 (B) the greater of zero (0) or the result of:
- 30 (i) the limit determined for the previous quarter under this
 31 subsection; minus
 32 (ii) the aggregate amount of claims approved for the
 33 previous quarter.
- 34 (3) For the quarter ending March 31 of a year, an amount equal
 35 to:
- 36 (A) six hundred twenty-five thousand dollars (\$625,000); plus
 37 (B) the greater of zero (0) or the result of:
- 38 (i) the limit determined for the previous quarter under this
 39 subsection; minus
 40 (ii) the aggregate amount of claims approved for the
 41 previous quarter.
- 42 (4) For the quarter ending June 30 of a year, an amount equal to:



- 1 (A) eight hundred seventy-five thousand dollars (\$875,000);
 2 plus
 3 (B) the greater of zero (0) or the result of:
 4 (i) the limit determined for the previous quarter under this
 5 subsection; minus
 6 (ii) the aggregate amount of claims approved for the
 7 previous quarter.
- 8 SECTION 9. IC 6-6-4.1-5, AS AMENDED BY P.L.218-2017,
 9 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2018]: Sec. 5. (a) The department shall deposit revenue
 11 collected under sections 4 and 12 of this chapter in the state highway
 12 fund (IC 8-23-9-54).
 13 (b) The department shall deposit revenue collected under sections
 14 4.3 and 4.5 of this chapter (**before their repeal**) as follows:
 15 (1) Forty-seven and seventy-five hundredths percent (47.75%) in
 16 the state highway fund (IC 8-23-9-54).
 17 (2) Forty-seven and seventy-five hundredths percent (47.75%) in
 18 the motor vehicle highway account (IC 8-14-1).
 19 (3) Four and five-tenths percent (4.5%) in the motor carrier
 20 regulation fund administered by the department.
 21 (c) The department shall deposit revenue collected under section 13
 22 of this chapter as follows:
 23 (1) Thirty-five percent (35%) in the motor vehicle highway
 24 account (IC 8-14-1).
 25 (2) Sixty-five percent (65%) in the state highway fund
 26 (IC 8-23-9-54).
- 27 SECTION 10. IC 6-6-4.1-6, AS AMENDED BY P.L.218-2017,
 28 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2018]: Sec. 6. (a) A carrier is entitled to a credit against the
 30 tax imposed under section 4 of this chapter if the carrier, or a lessor
 31 operating under the carrier's annual permit, has:
 32 (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and
 33 section 4.5 of this chapter (**before its repeal**) on motor fuel
 34 purchased in Indiana;
 35 (2) consumed the motor fuel outside Indiana; and
 36 (3) paid a gasoline, special fuel, or road tax with respect to the
 37 fuel in one (1) or more other states or jurisdictions.
 38 (b) The amount of credit for a quarter is equal to the tax paid under
 39 IC 6-6-1.1, IC 6-6-2.5, and section 4.5 of this chapter (**before its**
 40 **repeal**) on motor fuel that:
 41 (1) was purchased in Indiana;
 42 (2) was consumed outside Indiana; and



1 (3) with respect to which the carrier paid a gasoline, special fuel,
2 or road tax to another state or jurisdiction.

3 (c) To qualify for the credit, the carrier shall submit any evidence
4 required by the department of payment of the tax imposed under
5 IC 6-6-1.1 or IC 6-6-2.5 and section 4.5 of this chapter **(before its**
6 **repeal).**

7 (d) A credit earned by a carrier in a particular quarter shall be
8 applied against the carrier's tax liability under this chapter for that
9 quarter before any credit carryover is applied against that liability
10 under section 7 of this chapter.

11 SECTION 11. IC 6-6-4.1-7, AS AMENDED BY P.L.218-2017,
12 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2018]: Sec. 7. (a) As used in this section, the credit of a carrier
14 for any quarter is the amount by which the credit to which the carrier
15 is entitled under section 6 of this chapter for that quarter exceeds the
16 tax liability of the carrier under ~~sections~~ **section 4 and 4.5** of this
17 chapter **and section 4.5 of this chapter (before its repeal)** for that
18 quarter.

19 (b) The credit for any quarter shall be allowed as a credit against the
20 tax for which the carrier would otherwise be liable in the quarter in
21 which the credit accrued.

22 (c) A carrier is entitled to the refund of any credit not previously
23 used to offset a tax liability or for any erroneously paid tax or penalty.
24 To obtain the refund, the carrier shall submit to the department a
25 properly completed application in accordance with rules adopted by the
26 department under IC 4-22-2. The application must be submitted within
27 three (3) years after the end of:

- 28 (1) the quarter in which the credit accrued; or
29 (2) the calendar year that contains the taxable period in which the
30 tax or penalty was erroneously paid.

31 Along with the application, the carrier shall submit any evidence
32 required by the department and any reports required by the department
33 under this chapter.

34 (d) The department shall pay interest on any part of a refund that is
35 not made within ninety (90) days after the date on which all of the
36 following have been completed:

- 37 (1) The filing of:
38 (A) the properly completed application for refund; or
39 (B) the quarterly return on which a refund is claimed.
40 (2) The submission of any evidence required by the department
41 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and
42 section 4.5 of this chapter **(before its repeal).**



- 1 (3) The submission of reports required by the department under
 2 this chapter.
- 3 (4) The furnishing of a surety bond, letter of credit, or cash
 4 deposit under section 8 of this chapter.
- 5 (e) The department shall pay interest at the rate established under
 6 IC 6-8.1-9 from the date of:
- 7 (1) the refund application;
- 8 (2) the due date of a timely filed quarterly return on which a
 9 refund is claimed; or
- 10 (3) the filing date of a quarterly return on which a refund is
 11 claimed, if the quarterly refund is filed after the due date of the
 12 quarterly return;
- 13 to a date determined by the department that does not precede the date
 14 on which the refund is made by more than thirty (30) days.
- 15 SECTION 12. IC 6-6-4.1-14.5 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14.5. (a) The
 17 International Fuel Tax Agreement and any other agreement authorized
 18 under IC 6-6, IC 6-8.1, or IC 9-28 shall be limited to the following
 19 matters:
- 20 (1) Determining the base state for users.
- 21 (2) Specifying records requirements for users.
- 22 (3) Specifying audit procedures.
- 23 (4) Exchanging information.
- 24 (5) Defining persons eligible for tax licensing.
- 25 (6) Defining qualified motor vehicles.
- 26 (7) Determining if bonding is required.
- 27 (8) Specifying reporting requirements and periods, including the
 28 following:
- 29 (A) Establishing uniform penalties and interest rates for late
 30 reporting.
- 31 (B) Determining methods for collecting and forwarding motor
 32 fuel taxes, special fuel taxes, and penalties to another state or
 33 jurisdiction.
- 34 (9) Any other provisions designed to facilitate the administration
 35 of the agreement.
- 36 (b) The International Fuel Tax Agreement and any other agreement
 37 authorized under IC 6-6, IC 6-8.1, or IC 9-28 do not limit the authority
 38 of the general assembly to do any of the following:
- 39 (1) Determine whether to impose a tax.
- 40 (2) Determine tax rates.
- 41 (3) Define tax exemptions or deductions.
- 42 (4) Determine what constitutes a taxable event that results in the



- 1 imposition of a tax.
- 2 (5) Determine any other matters related to the powers described
- 3 in subdivisions (1) through (4).
- 4 **(c) If:**
- 5 **(1) Indiana becomes a member of the International Fuel Tax**
- 6 **Agreement;**
- 7 **(2) another member jurisdiction of the International Fuel Tax**
- 8 **Agreement nets all of its International Fuel Tax Agreement**
- 9 **returns received in a month according to the terms of the**
- 10 **International Fuel Tax Agreement; and**
- 11 **(3) the overall result of the netting is that:**
- 12 **(A) more of the tax prescribed in section 4 of this chapter**
- 13 **or section 4.5 of this chapter (before its repeal) was**
- 14 **collected and will be transmitted to the department; or**
- 15 **(B) more of the tax prescribed in IC 6-6-1.1 or IC 6-6-2.5**
- 16 **must be refunded to carriers and will be transmitted from**
- 17 **the department;**
- 18 **the transmittal described in subdivision (3) shall be done through**
- 19 **the International Fuel Tax Agreement Clearinghouse or its**
- 20 **successor program according to the terms of the International Fuel**
- 21 **Tax Agreement.**
- 22 **(d) The funds received or requested as part of a transmittal**
- 23 **described in subsection (c) shall be deposited or credited in the**
- 24 **following manner:**
- 25 **(1) A transmittal to the department from a member**
- 26 **jurisdiction of the International Fuel Tax Agreement of a**
- 27 **collection of the tax prescribed in section 4 of this chapter or**
- 28 **section 4.5 of this chapter (before its repeal) from carriers**
- 29 **based in that member jurisdiction shall be deposited in the**
- 30 **manner prescribed in section 5 of this chapter.**
- 31 **(2) A request to the department from a member jurisdiction**
- 32 **of the International Fuel Tax Agreement of amounts of the tax**
- 33 **prescribed in IC 6-6-1.1 or IC 6-6-2.5 to be refunded to**
- 34 **carriers based in that member jurisdiction shall be credited**
- 35 **in the manner prescribed in IC 6-6-1.1-803.**
- 36 **SECTION 13. IC 6-6-4.1-17, AS AMENDED BY P.L.45-2011,**
- 37 **SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
- 38 **JULY 1, 2018]: Sec. 17. If a carrier:**
- 39 **(1) fails to file a quarterly report required by this chapter;**
- 40 **(2) fails to pay the tax imposed under section 4 ~~or section 4.5~~ of**
- 41 **this chapter ~~or section 4.5 of this chapter (before its repeal)~~;**
- 42 **(3) files a report after the date established under this chapter;**



1 (4) with respect to a listed tax (as defined in IC 6-8.1-1-1), fails
 2 to file all tax returns or information reports or to pay all taxes,
 3 penalties, and interest;
 4 (5) fails to file a form or report required under this chapter or the
 5 International Fuel Tax Agreement in an electronic format
 6 prescribed by the department; or
 7 (6) fails to remit taxes under section 10(f) of this chapter;
 8 the commissioner may suspend or revoke any annual permit, trip
 9 permit, temporary authorization, or repair and maintenance permit
 10 issued to the carrier. The commissioner may reinstate a permit or
 11 temporary authorization if a carrier files all required returns and reports
 12 and pays all outstanding liabilities.

13 SECTION 14. IC 6-6-4.1-20 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 20. A person subject to
 15 the taxes imposed under ~~sections section 4 through 4.5~~ of this chapter
 16 **and section 4.5 of this chapter (before its repeal)** who fails to keep
 17 the books and records as required by IC 6-8.1-5 is subject to the penalty
 18 imposed under IC 6-8.1-10-4.

19 SECTION 15. IC 6-6-4.1-21, AS AMENDED BY P.L.218-2017,
 20 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2018]: Sec. 21. A carrier subject to the taxes imposed under
 22 ~~sections section 4 through 4.5~~ of this chapter **and section 4.5 of this**
 23 **chapter (before its repeal)** who fails to file a quarterly report as
 24 required by section 10 of this chapter shall pay a civil penalty of three
 25 hundred dollars (\$300) for each report that is not filed.

26 SECTION 16. IC 6-6-5.5-7, AS AMENDED BY P.L.256-2017,
 27 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2018]: Sec. 7. (a) The commercial vehicle excise tax for a
 29 vehicle to which this chapter applies will be determined by the
 30 department on or before October 1 of each year **to be effective on**
 31 **January 1 of the following year.**

32 **(b) The commercial vehicle excise tax factor is determined in**
 33 accordance with the following formula:

34 STEP ONE: Determine the total amount of base revenue for all
 35 taxing units using the base revenue determined for each taxing
 36 unit under section 19 of this chapter.

37 STEP TWO: Determine the sum of registration fees paid and
 38 collected under IC 9-29-5 (before its expiration) or IC 9-18.1 to
 39 register vehicles to which this chapter applies during the **state**
 40 fiscal year that ends June 30 immediately preceding the calendar
 41 year for which the tax is first due and payable, **excluding:**

42 **(A) the transportation infrastructure improvement fees**



1 **imposed under IC 9-18.1-15; and**
 2 **(B) the supplemental fees to register electric vehicles and**
 3 **hybrid vehicles imposed under IC 9-18.1-5-12;**
 4 **during the state fiscal year.**

5 STEP THREE: Determine the tax factor by dividing the STEP
 6 ONE result by the STEP TWO result.

7 ~~(b)~~ **(c)** Except as otherwise provided in this chapter, the annual
 8 **commercial vehicle** excise tax for commercial vehicles other than
 9 semitrailers is determined by multiplying the registration fee under
 10 IC 9-29-5 (before its expiration) or IC 9-18.1-5, **excluding the**
 11 **supplemental fee to register an electric or hybrid vehicle under**
 12 **IC 9-18.1-5-12**, by the tax factor determined in subsection ~~(a)~~: **(b)**.

13 ~~(c)~~ **(d)** The annual **commercial vehicle** excise tax for a semitrailer
 14 shall be determined by multiplying sixteen dollars and seventy-five
 15 cents (\$16.75) by the tax factor determined in subsection ~~(a)~~: **(b)**.

16 ~~(d)~~ **(e)** The amount of the commercial vehicle excise tax determined
 17 under this section shall be rounded upward to the next full dollar
 18 amount.

19 SECTION 17. IC 8-14-1-1, AS AMENDED BY P.L.257-2017,
 20 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2018]: Sec. 1. As used in this chapter:

22 (1) "Motor vehicle highway account" means the account of the
 23 general fund of the state known as the "motor vehicle highway
 24 account" to which is credited collections from motor vehicle
 25 registration fees, licenses, driver's and chauffeur's license fees,
 26 gasoline taxes, auto transfer fees, certificate of title fees, weight
 27 taxes or excise taxes and all other similar special taxes, duties or
 28 excises of all kinds on motor vehicles, trailers, motor vehicle fuel,
 29 or motor vehicle owners or operators. The account also includes
 30 amounts distributed to the fund by the bureau of motor vehicles
 31 under IC 9.

32 (2) The term "department" refers to the Indiana department of
 33 transportation.

34 (3) The term "highways" includes roadway, rights of way, bridges,
 35 drainage structures, signs, guard rails, protective structures in
 36 connection with highways, drains, culverts, and bridges and the
 37 substructure and superstructure of bridges and approaches thereto
 38 and streets and alleys of cities or towns.

39 (4) The term "construction" means the planning, supervising,
 40 inspecting, actual building, draining, and all expenses incidental
 41 to the construction of a highway.

42 (5) The term "reconstruction" means a widening or a rebuilding



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of the highway or any portion thereof.

(6) The term "maintenance" when used in reference to cities, towns, and counties as applied to that part of the highway other than bridges, means the constant making of needed repairs, to preserve a smooth surfaced highway, adequately drained, marked and guarded by protective structures for public safety and, as to bridges, means the constant making of needed repairs to preserve a smooth surfaced highway thereon and the safety and preservation of the bridge and its approaches, together with the substructure and superstructure thereof; and such term also means and includes the acquisition and use, in any manner, of all needed equipment, fuel, materials, and supplies essential and incident thereto.

(7) The term "preservation" means the preventative treatment, nonstructural treatment, rehabilitation, or structural repairs made to transportation infrastructure and related drainage that are included in an asset management plan approved by the Indiana department of transportation in collaboration with the local technical assistance program at Purdue University.

(7) (8) The term "vehicle registration" means the number of vehicles subject to registration under IC 9-18 (before January 1, 2017) or IC 9-18.1 (after December 31, 2016) which are registered thereunder, and, when used with respect to the state, shall mean the number of vehicles registered in the state and, when used in respect to a county, city, or town, shall mean the number of vehicles registered by owners resident in the county, city, or town.

SECTION 18. IC 8-14-1-3, AS AMENDED BY P.L.218-2017, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state the applicable percentage set forth in section 3.5(a) of this chapter: **twelve and thirteen hundredths percent (12.13%)**. This sum shall be allocated to the cities and towns upon the basis that the population of each city and town bears to the total



1 population of all the cities and towns and shall be used for the
 2 construction or reconstruction and maintenance of streets and
 3 alleys and shall be annually budgeted as now provided by law.
 4 However, no part of such sum shall be used for any other purpose
 5 than for the purposes defined in this chapter. If any funds
 6 allocated to any city or town shall be used by any officer or
 7 officers of such city or town for any purpose or purposes other
 8 than for the purposes as defined in this chapter, such officer or
 9 officers shall be liable upon their official bonds to such city or
 10 town in such amount so used for other purposes than for the
 11 purposes as defined in this chapter, together with the costs of said
 12 action and reasonable attorney fees, recoverable in an action or
 13 suit instituted in the name of the state of Indiana on the relation
 14 of any taxpayer or taxpayers resident of such city or town. A
 15 monthly distribution thereof of funds accumulated during the
 16 preceding month shall be made by the auditor of state.

17 (2) Of the net amount in the motor vehicle highway account, the
 18 auditor of state shall set aside for the counties of the state ~~the~~
 19 ~~applicable percentage set forth in section 3.5(b) of this chapter:~~
 20 **twenty-five and eighty-seven hundredths percent (25.87%).**
 21 However, as to the allocation to cities and towns under
 22 subdivision (1) and as to the allocation to counties under this
 23 subdivision, in the event that the amount in the motor vehicle
 24 highway account fund remaining after refunds and after the
 25 payment of all expenses incurred in the collection thereof is less
 26 than twenty-two million six hundred ~~and~~ fifty thousand dollars
 27 (\$22,650,000) in any fiscal year, then the amount so set aside in
 28 the next calendar year for distributions to counties shall be
 29 reduced fifty-four percent (54%) of such deficit and the amount
 30 so set aside for distribution in the next calendar year to cities and
 31 towns shall be reduced thirteen percent (13%) of such deficit.
 32 Such reduced distributions shall begin with the distribution
 33 January 1 of each year.

34 (3) The amount set aside for the counties of the state under the
 35 provisions of subdivision (2) shall be allocated monthly upon the
 36 following basis:

37 (A) Five percent (5%) of the amount allocated to the counties
 38 to be divided equally among the ninety-two (92) counties.

39 (B) Sixty-five percent (65%) of the amount allocated to the
 40 counties to be divided on the basis of the ratio of the actual
 41 miles, now traveled and in use, of county roads in each county
 42 to the total mileage of county roads in the state, which shall be



1 annually determined, accurately, by the department and
 2 submitted to the auditor of state before April 1 of each year.
 3 (C) Thirty percent (30%) of the amount allocated to the
 4 counties to be divided on the basis of the ratio of the motor
 5 vehicle registrations of each county to the total motor vehicle
 6 registration of the state.
 7 All money so distributed to the several counties of the state shall
 8 constitute a special road fund for each of the respective counties
 9 and shall be under the exclusive supervision and direction of the
 10 board of county commissioners in the construction,
 11 reconstruction, maintenance, or repair of the county highways or
 12 bridges on such county highways within such county.
 13 (4) Each month the remainder of the net amount in the motor
 14 vehicle highway account shall be credited to the state highway
 15 fund for the use of the department.
 16 (5) Money in the fund may not be used for any toll road or toll
 17 bridge project.
 18 (6) Notwithstanding any other provisions of this section, money
 19 in the motor vehicle highway account fund may be appropriated
 20 to the Indiana department of transportation from the amounts
 21 distributed to the political subdivisions of the state to pay the
 22 costs incurred by the department in providing services to those
 23 subdivisions.
 24 (7) Notwithstanding any other provisions of this section or of
 25 IC 8-14-8, for the purpose of maintaining a sufficient working
 26 balance in accounts established primarily to facilitate the
 27 matching of federal and local money for highway projects, money
 28 may be appropriated to the Indiana department of transportation
 29 as follows:
 30 (A) One-half (1/2) from the amounts set aside under
 31 subdivisions (1) and (2) for counties and for those cities and
 32 towns with a population greater than five thousand (5,000).
 33 (B) One-half (1/2) from the distressed road fund under
 34 IC 8-14-8.
 35 SECTION 19. IC 8-14-1-3.5 IS REPEALED [EFFECTIVE JULY
 36 1, 2018]. ~~Sec. 3-5: (a) The following percentages apply to the amounts~~
 37 ~~set aside for the cities and towns of the state under section 3(1) of this~~
 38 ~~chapter:~~
 39 (1) ~~Before July 1, 2017, fifteen percent (15%);~~
 40 (2) ~~After June 30, 2017, and before July 1, 2018; fourteen and~~
 41 ~~fifty-two hundredths percent (14.52%);~~
 42 (3) ~~After June 30, 2018, and before July 1, 2019; thirteen and one~~



- 1 hundredth percent (13.01%):
- 2 (4) After June 30, 2019, and before July 1, 2020, thirteen and one
- 3 hundredth percent (13.01%):
- 4 (5) After June 30, 2020, and before July 1, 2021, twelve and
- 5 ninety-three hundredths percent (12.93%):
- 6 (6) After June 30, 2021, and before July 1, 2022, twelve and
- 7 eighty-five hundredths percent (12.85%):
- 8 (7) After June 30, 2022, twelve and seventy-seven hundredths
- 9 percent (12.77%):
- 10 (b) The following percentages apply to the amounts set aside for the
- 11 counties of the state under section 3(2) of this chapter:
- 12 (1) Before July 1, 2017, thirty-two percent (32%):
- 13 (2) After June 30, 2017, and before July 1, 2018, thirty and
- 14 ninety-eight hundredths percent (30.98%):
- 15 (3) After June 30, 2018, and before July 1, 2019, twenty-seven
- 16 and seventy-four hundredths percent (27.74%):
- 17 (4) After June 30, 2019, and before July 1, 2020, twenty-seven
- 18 and seventy-four hundredths percent (27.74%):
- 19 (5) After June 30, 2020, and before July 1, 2021, twenty-seven
- 20 and fifty-seven hundredths percent (27.57%):
- 21 (6) After June 30, 2021, and before July 1, 2022, twenty-seven
- 22 and forty hundredths percent (27.40%):
- 23 (7) After June 30, 2022, twenty-seven and twenty-three
- 24 hundredths percent (27.23%):
- 25 SECTION 20. IC 8-14-1-4, AS AMENDED BY P.L.218-2017,
- 26 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2018]: Sec. 4. (a) The funds allocated to the respective
- 28 counties of the state from the motor vehicle highway account shall
- 29 annually be budgeted as provided by law, and, when distributed shall
- 30 be used for construction, reconstruction, and maintenance of the
- 31 highways of the respective counties, including highways which traverse
- 32 the streets of incorporated towns, the cost of the repair and
- 33 maintenance of which prior to the tenth day of September, 1932, was
- 34 paid from the county gravel road repair fund excepting where the
- 35 department is charged by law with the maintenance or construction of
- 36 any such highway so traversing such streets. Subject to subsection (b),
- 37 any surplus existing in the funds at the end of the year shall thereafter
- 38 continue as a part of the highway funds of the said counties and shall
- 39 be rebudgeted and used as already provided in this chapter. The
- 40 purchase, rental and repair of highway equipment, painting of bridges
- 41 and acquisition of grounds for erection and construction of storage
- 42 buildings, acquisition of rights of way and the purchase of fuel oil, and



1 supplies necessary to the performance of construction, reconstruction
2 and maintenance of highways, shall be paid out of the highway account
3 of the various counties.

4 (b) ~~For funds distributed to a county from the motor vehicle~~
5 ~~highway account after June 30, 2017, the A~~ county shall use at least
6 fifty percent (50%) of the money **distributed to the county from the**
7 **motor vehicle highway account** for the construction, reconstruction,
8 and **maintenance preservation** of the county's highways.

9 SECTION 21. IC 8-14-1-5, AS AMENDED BY P.L.218-2017,
10 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2018]: Sec. 5. (a) Subject to subsection (c), all funds allocated
12 to cities and towns from the motor vehicle highway account shall be
13 used by the cities and towns for the construction, reconstruction, repair,
14 maintenance, oiling, sprinkling, snow removal, weed and tree cutting
15 and cleaning of their highways as herein defined, and including also
16 any curbs, and the city's or town's share of the cost of the separation of
17 the grades of crossing of public highways and railroads, the purchase
18 or lease of highway construction and maintenance equipment, the
19 purchase, erection, operation and maintenance of traffic signs and
20 signals, and safety zones and devices, and the painting of surfaces in
21 highways for purposes of safety and traffic regulation. All of such
22 funds shall be budgeted as provided by law.

23 (b) In addition to purposes for which funds may be expended under
24 subsection (a), monies allocated to cities and towns under this chapter
25 may be expended for the payment of principal and interest on bonds
26 sold primarily to finance road, street, or thoroughfare projects.

27 (c) ~~For funds distributed to a city or town from the motor vehicle~~
28 ~~highway account after June 30, 2017, the A~~ city or town shall use at
29 least fifty percent (50%) of the money **distributed to the city or town**
30 **from the motor vehicle highway account** for the construction,
31 reconstruction, and **maintenance preservation** of the city's or town's
32 highways.

33 SECTION 22. IC 8-14-2-3 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The auditor of
35 state shall credit the state highway fund established under IC 8-23-9-54
36 monthly with ~~fifty-five~~ **sixty-three** percent (~~55%~~) (**63%**) of the money
37 deposited in the highway, road and street fund.

38 (b) Funds allocated to the department under this chapter must be
39 appropriated.

40 SECTION 23. IC 8-14-2-4, AS AMENDED BY P.L.182-2007,
41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2018]: Sec. 4. (a) The auditor of state shall establish a special



1 account to be called the "local road and street account" and credit this
 2 account monthly with ~~forty-five~~ **thirty-seven** percent (~~45%~~) (**37%**) of
 3 the money deposited in the highway, road and street fund.

4 (b) The auditor shall distribute to units of local government money
 5 from this account each month. Before making any other distributions
 6 under this chapter, the auditor shall distribute E85 incentive payments
 7 to all political subdivisions entitled to a payment under section 8 of this
 8 chapter.

9 (c) After distributing E85 incentive payments required under section
 10 8 of this chapter, the auditor of state shall allocate to each county the
 11 remaining money in this account on the basis of the ratio of each
 12 county's passenger car registrations to the total passenger car
 13 registrations of the state. The auditor shall further determine the
 14 suballocation between the county and the cities within the county as
 15 follows:

16 (1) In counties having a population of more than fifty thousand
 17 (50,000), sixty percent (60%) of the money shall be distributed on
 18 the basis of the population of the city or town as a percentage of
 19 the total population of the county and forty percent (40%)
 20 distributed on the basis of the ratio of city and town street mileage
 21 to county road mileage.

22 (2) In counties having a population of fifty thousand (50,000) or
 23 less, twenty percent (20%) of the money shall be distributed on
 24 the basis of the population of the city or town as a percentage of
 25 the total population of the county and eighty percent (80%)
 26 distributed on the basis of the ratio of city and town street mileage
 27 to county road mileage.

28 (3) For the purposes of allocating funds as provided in this
 29 section, towns which become incorporated as a town between the
 30 effective dates of decennial censuses shall be eligible for
 31 allocations upon the effectiveness of a corrected population count
 32 for the town under IC 1-1-3.5.

33 (4) Money allocated under the provisions of this section to
 34 counties containing a consolidated city shall be credited or
 35 allocated to the department of transportation of the consolidated
 36 city.

37 (d) Each month the auditor of state shall inform the department of
 38 the amounts allocated to each unit of local government from the local
 39 road and street account.

40 SECTION 24. IC 8-17-4.1-1 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) This chapter
 42 applies to:

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1 (1) all counties; and

2 (2) municipalities with a population of at least ~~twenty fifteen~~
3 thousand (~~20,000~~): **(15,000)**.

4 (b) As used in this chapter, "governing body" means the county
5 executive, the city executive, or the town legislative body.

6 SECTION 25. IC 8-17-4.1-8 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]:
8 Sec. 8. (a) On ~~March 1~~ **June 15** following the operational report year,
9 the state board of accounts shall prepare a certified list of counties and
10 municipalities that have **not** complied with this chapter.

11 **(b) The state board of accounts shall immediately apprise the**
12 **auditor of state when the certified list described in subsection (a)**
13 **is initially certified or revised for an operational report year.**

14 ~~(b)~~ **(c) The auditor of state shall withhold the distribution of motor**
15 **vehicle highway account funds from any county or municipality not**
16 **appearing on the state board of accounts certified list until its annual**
17 **operational report is certified. the state board of accounts certifies**
18 **the compliance of the county or municipality with this chapter. If**
19 **the auditor of state withholds distribution of motor vehicle**
20 **highway account funds from a county or municipality under this**
21 **subsection and the county or municipality is subsequently certified**
22 **to be in compliance with this chapter, the auditor of state shall**
23 **resume making distributions of motor vehicle highway account**
24 **funds to the county or municipality and also distribute those motor**
25 **vehicle highway account funds that were previously withheld.**

26 SECTION 26. IC 8-23-29-2, AS ADDED BY P.L.208-2014,
27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2018]: Sec. 2. The department shall contract with a third party
29 to study transportation infrastructure funding mechanisms. The contract
30 must include the following terms:

31 (1) A description of the funding mechanisms that will be studied.

32 The funding mechanisms must include the following:

33 (A) An option that is based on variables, including vehicle
34 gross weight and miles traveled.

35 (B) An option that accounts for variations in usage and degree
36 of damage caused to transportation infrastructure by vehicles
37 of different sizes and configurations.

38 (C) A flat per vehicle fee.

39 (D) Adjustments to one (1) or more of the following:

40 (i) The state gross retail tax on motor fuel imposed under
41 IC 6-2.5-7.

42 (ii) The gasoline tax imposed under IC 6-6-1.1.



1 (iii) The special fuel tax imposed under IC 6-6-2.5.

2 (iv) The motor carrier fuel tax imposed under IC 6-6-4.1.
3 including the surcharge tax imposed under ~~IC 6-6-4.1-4.5~~.

4 (E) Tolls.

5 (F) Any other mechanism the department determines is
6 appropriate.

7 (2) The duration of the study, which must be an adequate length
8 of time to ensure that a quality and comprehensive analysis of all
9 topics will be thoroughly reviewed, but is not to exceed two (2)
10 years.

11 (3) An inventory of the transportation infrastructure that will be
12 maintained through revenue generated by the funding
13 mechanisms included in the study. The inventory must include
14 state and local highways, roads, and streets.

15 (4) The rating system by which the maintenance of the
16 transportation infrastructure will be evaluated.

17 SECTION 27. IC 9-13-2-168.3, AS ADDED BY P.L.188-2015,
18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2018]: Sec. 168.3. "Solid waste hauler", for purposes of
20 IC 9-21-8, has the meaning set forth in ~~IC 9-21-8-0.4~~. **IC 9-21-8-0.5.**

21 SECTION 28. IC 9-13-2-196.2 IS ADDED TO THE INDIANA
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2018]: **Sec. 196.2. "Vehicle platoon", for**
24 **purposes of IC 9-21, has the meaning set forth in IC 9-21-8-0.5.**

25 SECTION 29. IC 9-18.1-5-4, AS AMENDED BY P.L.256-2017,
26 SECTION 113, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The fee to register a
28 not-for-hire bus is sixteen dollars and thirty-five cents (\$16.35). ~~The~~
29 ~~fee~~

30 (b) **Except as provided in subsection (c), a fee imposed and**
31 **collected under subsection (a) shall be distributed as follows:**

32 (1) Twenty-five cents (\$0.25) to the state police building account.

33 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.

34 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
35 street fund.

36 (4) Four dollars (\$4) to the crossroads 2000 fund.

37 (5) One dollar and twenty-five cents (\$1.25) to the integrated
38 public safety communications fund.

39 (6) Three dollars and ten cents (\$3.10) to the commission fund.

40 (7) Any remaining amount to the motor vehicle highway account.

41 (c) **A fee described in subsection (a) that is collected under the**
42 **International Registration Plan shall be distributed as set forth in**



1 **section 10.5 of this chapter.**

2 SECTION 30. IC 9-18.1-5-10.5, AS ADDED BY P.L.218-2017,
3 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2018]: Sec. 10.5. (a) This section applies after June 30, 2017.

5 (b) This section applies only to fees ~~described in sections 8(a); 9(a);~~
6 ~~and 10(b) of this chapter~~ that are collected under the International
7 Registration Plan or through an Indiana based International
8 Registration Plan account.

9 (c) The fees collected as described in subsection (b) during each
10 state fiscal year shall be distributed as follows:

11 (1) The first one hundred twenty-five thousand dollars (\$125,000)
12 to the state police building account.

13 (2) Any remaining amounts to the motor vehicle highway account.

14 SECTION 31. IC 9-18.1-6-4, AS AMENDED BY P.L.256-2017,
15 SECTION 117, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) Except as provided in
17 subsection ~~(d)~~; **(e)**, the fee to register a recovery vehicle with a gross
18 vehicle weight rating greater than sixteen thousand (16,000) pounds is
19 five hundred four dollars (\$504).

20 (b) Except as provided in subsection ~~(d)~~; **(e)**, the fee to register a
21 recovery vehicle with a gross vehicle weight rating equal to or less than
22 sixteen thousand (16,000) pounds is seventy-two dollars (\$72).

23 **(c) Except as provided in subsection (d)**, a fee imposed and
24 collected under subsection (a) or (b) shall be distributed as follows:

25 (1) Twenty-five cents (\$0.25) to the state police building account.

26 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.

27 (3) Two dollars and ninety cents (\$2.90) to the highway, road and
28 street fund.

29 (4) Four dollars (\$4) to the crossroads 2000 fund.

30 (5) One dollar and twenty-five cents (\$1.25) to the integrated
31 public safety communications fund.

32 (6) Three dollars and ten cents (\$3.10) to the commission fund.

33 (7) Any remaining amount to the motor vehicle highway account.

34 **(d) A fee described in subsection (a) that is collected under the**
35 **International Registration Plan shall be distributed as set forth in**
36 **IC 9-18.1-5-10.5.**

37 ~~(d)~~ **(e)** The fee to register a recovery vehicle for a period other than
38 twelve (12) months is the amount determined under the following
39 formula:

40 STEP ONE: Determine the number of months remaining until the
41 vehicle's next registration date under IC 9-18.1-11. A partial
42 month shall be rounded to one (1) month.



- 1 STEP TWO: Multiply the STEP ONE result by one-twelfth
 2 (1/12).
 3 STEP THREE: Multiply the STEP TWO product by the
 4 applicable registration fee under subsection (a) or (b) for the
 5 vehicle.
- 6 A fee imposed and collected under this subsection **that is not collected**
 7 **under the International Registration Plan** shall be distributed under
 8 subsection (c). **A fee imposed and collected under this subsection**
 9 **that is collected under the International Registration Plan shall be**
 10 **distributed under subsection (d).**
- 11 SECTION 32. IC 9-18.1-15-2, AS ADDED BY P.L.218-2017,
 12 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 2. (a) Each year, the owner of a motor vehicle
 14 that is registered in Indiana shall pay a transportation infrastructure
 15 improvement fee.
- 16 (b) The amount of the annual transportation infrastructure
 17 improvement fee is fifteen dollars (\$15).
- 18 **(c) The transportation infrastructure improvement fee specified**
 19 **in subsection (b) shall be apportioned if the vehicle for which the**
 20 **transportation infrastructure improvement fee applies is registered**
 21 **under the International Registration Plan.**
- 22 ~~(c)~~ **(d)** The transportation infrastructure improvement fee for a
 23 vehicle to which this chapter applies:
- 24 (1) is due and shall be paid each year at the time the vehicle is
 25 registered;
 26 (2) is a condition to the right to register or reregister the vehicle;
 27 and
 28 (3) is in addition to all other conditions, taxes, and fees prescribed
 29 by law.
- 30 ~~(d)~~ **(e)** Except as provided in IC 9-33-3, a person is not entitled to
 31 a refund of any unused transportation infrastructure improvement fee.
- 32 SECTION 33. IC 9-21-8-0.4 IS REPEALED [EFFECTIVE JULY
 33 1, 2018]. ~~Sec. 0.4. As used in this chapter, "solid waste hauler" means~~
 34 ~~a vehicle in which solid waste or recyclable materials are transported~~
 35 ~~to a:~~
- 36 ~~(1) transfer station for further transport to a final disposal facility;~~
 37 ~~(2) final disposal facility; or~~
 38 ~~(3) materials recovery facility.~~
- 39 SECTION 34. IC 9-21-8-0.5, AS ADDED BY P.L.185-2011,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2018]: Sec. 0.5. ~~As used in~~ **The following definitions apply**
 42 **throughout** this chapter:



- 1 (1) "Solid waste hauler" means a vehicle in which solid waste
- 2 or recyclable materials are transported to a:
- 3 (A) transfer station for further transport to a final disposal
- 4 facility;
- 5 (B) final disposal facility; or
- 6 (C) materials recovery facility.
- 7 (2) "Text message" means a communication in the form of
- 8 electronic text sent from a telecommunications device.
- 9 (3) "Vehicle platoon" means a group of motor vehicles that
- 10 are traveling in a unified manner under electronic
- 11 coordination at speeds and following distances that are faster
- 12 and closer than would be reasonable and prudent without
- 13 electronic coordination.

14 SECTION 35. IC 9-21-8-14 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14. (a) **This section**
 16 **does not apply to a person who drives a motor vehicle in a vehicle**
 17 **platoon with respect to another motor vehicle in the same vehicle**
 18 **platoon.**

19 (b) A person who drives a motor vehicle may not follow another
 20 vehicle more closely than is reasonable and prudent, having due regard
 21 for the speed of both vehicles, the time interval between vehicles, and
 22 the condition of the highway.

23 SECTION 36. IC 9-21-8-15 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 15. (a) **This section**
 25 **does not apply to a person who drives a motor vehicle in a vehicle**
 26 **platoon with respect to another motor vehicle in the same vehicle**
 27 **platoon.**

28 (b) Except when overtaking and passing, a person who drives a
 29 motor truck, motor truck drawing another vehicle, or tractor-trailer
 30 combination, when traveling upon a roadway outside of a business or
 31 residence district or upon a roadway that is a part of the interstate
 32 highway system, whether within or without a business or residence
 33 district, may not follow within three hundred (300) feet of another
 34 motor truck, motor truck drawing another vehicle, or a tractor-trailer
 35 combination.

36 SECTION 37. IC 9-21-8-16 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 16. (a) This section
 38 does not apply to **the following:**

- 39 (1) Funeral or marching band processions.
- 40 (2) **A person who drives a motor vehicle in a vehicle platoon**
- 41 **with respect to another motor vehicle in the same vehicle**
- 42 **platoon.**



1 (b) Motor vehicles being driven upon a roadway outside of a
 2 business or residence district in a caravan or motorcade, whether or not
 3 towing other vehicles, must be operated to allow sufficient space
 4 between each vehicle or combination of vehicles to enable another
 5 vehicle to enter and occupy the space without danger.

6 SECTION 38. IC 9-21-22 IS ADDED TO THE INDIANA CODE
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2018]:

9 **Chapter 22. Vehicle Platoons**

10 **Sec. 1. A person may operate a motor vehicle as part of a vehicle**
 11 **platoon on the streets and highways of Indiana if:**

- 12 (1) the person is authorized under Indiana law to operate a
 13 motor vehicle on the streets or highways of Indiana;
 14 (2) the motor vehicle is authorized under Indiana law to be
 15 operated on the streets or highways of Indiana;
 16 (3) the motor vehicle is properly equipped with necessary
 17 systems for participation in a vehicle platoon; and
 18 (4) the leader of the vehicle platoon is authorized under this
 19 chapter to lead the vehicle platoon.

20 **Sec. 2. A person may lead a vehicle platoon in Indiana if:**

- 21 (1) the person or the organization with which the person is
 22 associated has filed a plan for general vehicle platoon
 23 operations with the commissioner;
 24 (2) the commissioner has not rejected the plan for general
 25 vehicle platoon operations in Indiana; and
 26 (3) the person leads the vehicle platoon in accordance with the
 27 plan for general vehicle platoon operations in Indiana.

28 **Sec. 3. If the commissioner receives a plan for general vehicle**
 29 **platoon operations in Indiana, the commissioner may approve the**
 30 **plan, do nothing, or reject the plan. The commissioner may reject**
 31 **the plan only on or before the thirtieth day after the date on which**
 32 **the commissioner receives the plan.**

33 SECTION 39. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1290, 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:

Page 15, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 17. IC 8-14-1-1, AS AMENDED BY P.L.257-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. As used in this chapter:

- (1) "Motor vehicle highway account" means the account of the general fund of the state known as the "motor vehicle highway account" to which is credited collections from motor vehicle registration fees, licenses, driver's and chauffeur's license fees, gasoline taxes, auto transfer fees, certificate of title fees, weight taxes or excise taxes and all other similar special taxes, duties or excises of all kinds on motor vehicles, trailers, motor vehicle fuel, or motor vehicle owners or operators. The account also includes amounts distributed to the fund by the bureau of motor vehicles under IC 9.
- (2) The term "department" refers to the Indiana department of transportation.
- (3) The term "highways" includes roadway, rights of way, bridges, drainage structures, signs, guard rails, protective structures in connection with highways, drains, culverts, and bridges and the substructure and superstructure of bridges and approaches thereto and streets and alleys of cities or towns.
- (4) The term "construction" means the planning, supervising, inspecting, actual building, draining, and all expenses incidental to the construction of a highway.
- (5) The term "reconstruction" means a widening or a rebuilding of the highway or any portion thereof.
- (6) The term "maintenance" when used in reference to cities, towns, and counties as applied to that part of the highway other than bridges, means the constant making of needed repairs, to preserve a smooth surfaced highway, adequately drained, marked and guarded by protective structures for public safety and, as to bridges, means the constant making of needed repairs to preserve a smooth surfaced highway thereon and the safety and preservation of the bridge and its approaches, together with the substructure and superstructure thereof; and such term also means and includes the acquisition and use, in any manner, of all needed



equipment, fuel, materials, and supplies essential and incident thereto.

(7) The term "preservation" means the preventative treatment, nonstructural treatment, rehabilitation, or structural repairs made to transportation infrastructure and related drainage that are included in an asset management plan approved by the Indiana department of transportation in collaboration with the local technical assistance program at Purdue University.

~~(7)~~ **(8)** The term "vehicle registration" means the number of vehicles subject to registration under IC 9-18 (before January 1, 2017) or IC 9-18.1 (after December 31, 2016) which are registered thereunder, and, when used with respect to the state, shall mean the number of vehicles registered in the state and, when used in respect to a county, city, or town, shall mean the number of vehicles registered by owners resident in the county, city, or town."

Page 18, line 39, delete "construction" and insert "construction,".

Page 18, line 39, delete "and".

Page 18, line 40, delete "reconstruction" and insert "reconstruction,".

Page 18, line 40, reset in roman "and".

Page 18, line 40, after "maintenance" insert **"preservation"**.

Page 19, line 20, delete "construction" and insert "construction,".

Page 19, line 20, delete "and".

Page 19, line 21, delete "reconstruction" and insert "reconstruction,".

Page 19, line 21, reset in roman "and".

Page 19, line 21, after "maintenance" insert **"preservation"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1290 as introduced.)

SOLIDAY

Committee Vote: yeas 12, nays 0.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1290, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB1290 as printed January 26, 2018.)

BROWN T

Committee Vote: Yeas 18, Nays 0

