



February 27, 2018

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# ENGROSSED HOUSE BILL No. 1290

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DIGEST OF HB 1290 (Updated February 22, 2018 11:10 am - DI 120)

**Citations Affected:** IC 6-2.5; 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. Specifies that heating oil is not included in the sales tax exemption for special fuel.  
(Continued next page)

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

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**Soliday, Brown T, Lindauer,  
Taylor J**

(SENATE SPONSOR — MISHLER)

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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.  
January 31, 2018, read second time, ordered engrossed. Engrossed.  
February 1, 2018, read third time, passed. Yeas 89, nays 1.  
SENATE ACTION  
February 6, 2018, read first time and referred to Committee on Appropriations.  
February 26, 2018, amended, reported favorably — Do Pass.

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EH 1290—LS 7094/DI 113



## Digest Continued

Provides that for funds distributed to counties, cities, and towns from the motor vehicle highway account, each county, city, or town must use at least 50% of the money for the construction, reconstruction, and preservation of the unit's highways. (Under current law, at least 50% must be used for construction, reconstruction, and maintenance.) Makes various changes to the 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.



February 27, 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.

## ENGROSSED HOUSE BILL No. 1290

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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 6-2.5-5-51, AS ADDED BY P.L.218-2017,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 51. (a) As used in this section, "special fuel"  
4 has the meaning set forth in IC 6-6-2.5-22.

5 **(b) As used in this section, "heating oil" has the meaning set**  
6 **forth in IC 6-6-2.5-12.**

7 ~~(b)~~ **(c) Except for heating oil**, the sale of special fuel is exempt  
8 from the state gross retail tax.

9 SECTION 2. IC 6-6-1.6-2, AS ADDED BY P.L.218-2017,  
10 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2018]: Sec. 2. (a) The department shall determine a new tax  
12 rate for **the gasoline tax, the special fuel tax**, and the motor carrier  
13 surcharge tax **(before its repeal)** to take effect July 1, 2017. The  
14 department shall determine the new rate before June 1, 2017. The new  
15 rate shall be determined by using annual factors and applying a method  
16 that is based on an annual factor being in place each year from the  
17 beginning of the period specified for each factor and that uses the

**EH 1290—LS 7094/DI 113**



1 resulting rounded rate for purposes of determining the following year  
2 rate change.

3 (b) The gasoline tax index factor to be used each year equals the  
4 following:

5 STEP ONE: Determine the year over year change in the CPI-U  
6 beginning in 2003 through 2016.

7 STEP TWO: Determine the year over year change in the IPI  
8 beginning in 2003 through 2016.

9 STEP THREE: Add for each year:

10 (A) the STEP ONE result; and

11 (B) the STEP TWO result.

12 STEP FOUR: Divide the STEP THREE result by two (2).

13 (c) The special fuel index factor and motor carrier surcharge tax  
14 index factor (**before the repeal of the motor carrier surcharge tax**)  
15 to be used each year equals the following:

16 STEP ONE: Determine the year over year change in the CPI-U  
17 beginning in 1989 through 2016.

18 STEP TWO: Determine the year over year change in the IPI  
19 beginning in 1989 through 2016.

20 STEP THREE: Add for each year:

21 (A) the STEP ONE result; and

22 (B) the STEP TWO result.

23 STEP FOUR: Divide the STEP THREE result by two (2).

24 SECTION 3. IC 6-6-1.6-3, AS ADDED BY P.L.218-2017,  
25 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2018]: Sec. 3. (a) The department shall calculate an annual  
27 index factor to be used for the rate to take effect each July 1 beginning  
28 in 2018 through July 1, 2024. The department shall determine the index  
29 factor before June 1 of each year using the method described in  
30 subsection (b).

31 (b) The annual gasoline tax index factor **and** special fuel index  
32 factor **and** motor carrier surcharge tax index factor equals the  
33 following:

34 STEP ONE: Divide the annual CPI-U for the year preceding the  
35 determination year by the annual CPI-U for the year immediately  
36 preceding that year.

37 STEP TWO: Divide the annual IPI for the year preceding the  
38 determination year by the annual IPI for the year immediately  
39 preceding that year.

40 STEP THREE: Add:

41 (A) the STEP ONE result; and

42 (B) the STEP TWO result.



1 STEP FOUR: Divide the STEP THREE result by two (2).

2 SECTION 4. IC 6-6-2.5-28, AS AMENDED BY P.L.218-2017,  
3 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2018]: Sec. 28. (a) A license tax is imposed on all special fuel  
5 sold or used in producing or generating power for propelling motor  
6 vehicles, except fuel used under section 30(a)(8) or 30.5 of this  
7 chapter, at the applicable rate specified in subsection (b). The tax shall  
8 be paid at those times, in the manner, and by those persons specified in  
9 this section and section 35 of this chapter.

10 (b) The license tax described in subsection (a) is imposed at the  
11 following applicable rate per special fuel gallon:

12 (1) Before July 1, 2017, sixteen cents (\$0.16).

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

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

16 (B) twenty-six cents (\$0.26).

17 **(3) For July 1, 2018, through June 30, 2019, the product of:**

18 **(A) the sum of:**

19 **(i) the rate in effect on June 30; and**

20 **(ii) twenty-one cents (\$0.21); multiplied by**

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

22 ~~(3)~~ **(4) Beginning July 1, 2018, 2019, and each July 1 through**  
23 **July 1, 2024, the department shall determine an applicable rate**  
24 **equal to the product of:**

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

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

27 The rate shall be rounded to the nearest cent (\$0.01). **However, after**  
28 **June 30, 2018, and before July 1, 2019, the new applicable rate may**  
29 **not exceed the rate in effect on June 30 plus twenty-three cents**  
30 **(\$0.23). However, After June 30, 2018, 2019, the new applicable rate**  
31 **may not exceed the rate in effect on June 30 plus one cent (\$0.01). two**  
32 **cents (\$0.02).** The department shall publish the rate that will take effect  
33 on July 1 on the department's Internet web site not later than June 1.

34 (c) The department shall consider it a rebuttable presumption that  
35 all undyed or unmarked special fuel, or both, received in Indiana is to  
36 be sold for use in propelling motor vehicles.

37 (d) Except as provided in subsection (e), the tax imposed on special  
38 fuel by subsection (a) shall be measured by invoiced gallons (or diesel  
39 or gasoline gallon equivalents in the case of a special fuel described in  
40 section 22.5(2) or 22.5(3) of this chapter) of nonexempt special fuel  
41 received by a licensed supplier in Indiana for sale or resale in Indiana  
42 or with respect to special fuel subject to a tax precollection agreement



1 under section ~~35(d)~~ **35(j)** of this chapter, such special fuel removed by  
 2 a licensed supplier from a terminal outside of Indiana for sale for  
 3 export or for export to Indiana and in any case shall generally be  
 4 determined in the same manner as the tax imposed by Section 4081 of  
 5 the Internal Revenue Code and Code of Federal Regulations.

6 (e) The tax imposed by subsection (a) on special fuel imported into  
 7 Indiana, other than into a terminal, is imposed at the time the product  
 8 is entered into Indiana and shall be measured by invoiced gallons  
 9 received at a terminal or at a bulk plant.

10 (f) In computing the tax, all special fuel in process of transfer from  
 11 tank steamers at boat terminal transfers and held in storage pending  
 12 wholesale bulk distribution by land transportation, or in tanks and  
 13 equipment used in receiving and storing special fuel from interstate  
 14 pipelines pending wholesale bulk reshipment, shall not be subject to  
 15 tax.

16 (g) The department shall consider it a rebuttable presumption that  
 17 special fuel consumed in a motor vehicle plated for general highway  
 18 use is subject to the tax imposed under this chapter. A person claiming  
 19 exempt use of special fuel in such a vehicle must maintain adequate  
 20 records as required by the department to document the vehicle's taxable  
 21 and exempt use.

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

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

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

33 (1) violates; or

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

35 this subsection commits a Class A infraction. However, the violation  
 36 is a Class A misdemeanor if the person has committed one (1) prior  
 37 unrelated violation of this subsection, and a Level 6 felony if the person  
 38 has committed more than one (1) unrelated violation of this subsection.

39 SECTION 5. IC 6-6-2.5-68, AS AMENDED BY P.L.218-2017,  
 40 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2018]: Sec. 68. **(a) Each month, the first one and five tenths**  
 42 **percent (1.5%) of revenue collected under this chapter shall be**



1 **deposited in the motor carrier regulation fund administered by the**  
 2 **department.**

3 (b) All revenue collected under this chapter **that remains after the**  
 4 **distribution of revenue specified under subsection (a)** shall be used  
 5 in the same manner as the revenue collected under IC 6-6-1.1. The  
 6 administrator shall deposit the revenues collected under this chapter  
 7 **that remain after the distribution of revenues specified under**  
 8 **subsection (a)** in the same manner that revenues are deposited under  
 9 IC 6-6-1.1-802.

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

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

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

18 (c) "Commissioner" means the commissioner of the Indiana  
 19 department of state revenue.

20 (d) "Declared gross weight" means the weight at which a motor  
 21 vehicle is registered with:

- 22 (1) the bureau of motor vehicles; or
- 23 (2) a state other than Indiana.

24 (e) "Department" means the Indiana department of state revenue.

25 (f) "Diesel gallon equivalent" means the amount of an alternative  
 26 fuel that produces the same number of British thermal units of energy  
 27 as a gallon of diesel fuel.

28 (g) "Gasoline gallon equivalent" means the amount of an alternative  
 29 fuel that produces the same number of British thermal units of energy  
 30 as a gallon of gasoline.

31 (h) "Highway" means the entire width between the boundary lines  
 32 of every publicly maintained way that is open in any part to the use of  
 33 the public for purposes of vehicular travel.

34 (i) "Motor fuel" means gasoline (as defined in IC 6-6-1.1), special  
 35 fuel (as defined in IC 6-6-2.5), and alternative fuel (as defined in  
 36 IC 6-6-2.5).

37 (j) "Quarter" means calendar quarter.

38 (k) "Motor vehicle" has the meaning set forth in IC 6-6-1.1-103.

39 (l) "Recreational vehicle" means motor homes, pickup trucks with  
 40 attached campers, and buses when used exclusively for personal  
 41 pleasure. A vehicle is not a recreational vehicle if the vehicle is used  
 42 in connection with a business.



1 (m) "Alternative fuel" has the meaning set forth in IC 6-6-2.5-1.

2 (n) "Special fuel" has the meaning set forth in IC 6-6-2.5-22.

3 (o) "Surcharge gallon" means, as applicable:

4 (1) a gallon of gasoline or special fuel (other than natural gas or  
5 an alternative fuel commonly or commercially known or sold as  
6 butane or propane);

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

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

12 SECTION 7. IC 6-6-4.1-4, AS AMENDED BY P.L.218-2017,  
13 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 2018]: Sec. 4. (a) A tax is imposed on the consumption of  
15 motor fuel by a carrier in its operations on highways in Indiana. The  
16 rate of this tax is determined as follows:

17 (1) When imposed upon the consumption of gasoline or special  
18 fuel (other than a special fuel that is an alternative fuel), the tax  
19 rate is the same rate per gallon as the rate per gallon at which  
20 special fuel is taxed under IC 6-6-2.5. ~~plus, for a carrier that has  
21 paid the surcharge tax at the time of purchasing special fuel that  
22 is not an alternative fuel, the surcharge tax rate under section 4.5  
23 of this chapter for those gallons purchased.~~

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

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

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

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

35 (b) The amount of motor fuel consumed by a carrier in its operations  
36 on highways in Indiana is the total amount of motor fuel consumed in  
37 its entire operations within and without Indiana, multiplied by a  
38 fraction. The numerator of the fraction is the total number of miles  
39 traveled on highways in Indiana, and the denominator of the fraction is  
40 the total number of miles traveled within and without Indiana.

41 (c) The amount of tax that a carrier shall pay for a particular quarter  
42 under this section equals the product of the tax rate in effect for that





1 quarter, multiplied by the amount of motor fuel consumed by the  
 2 carrier in its operation on highways in Indiana and upon which the  
 3 carrier has not paid tax imposed under IC 6-6-1.1, IC 6-6-2.5, or  
 4 section 4.5 of this chapter **(before its repeal)**.

5 (d) Subject to section 4.8 of this chapter, a carrier is entitled to a  
 6 proportional use credit against the tax imposed under this section for  
 7 that portion of motor fuel used to propel equipment mounted on a  
 8 motor vehicle having a common reservoir for locomotion on the  
 9 highway and the operation of the equipment, as determined by rule of  
 10 the commissioner. An application for a proportional use credit under  
 11 this subsection shall be filed on a quarterly basis on a form prescribed  
 12 by the department.

13 SECTION 8. IC 6-6-4.1-4.3 IS REPEALED [EFFECTIVE JULY 1,  
 14 2018]. Sec. 4.3: (a) Persons having title to motor fuel in storage and  
 15 held for sale to a carrier in the carrier's operations on highways in  
 16 Indiana on the effective date of an increase in the surcharge tax rate  
 17 imposed under section 4.5 of this chapter are subject to an inventory  
 18 tax based on the surcharge gallons in storage as of the close of the  
 19 business day preceding the effective date of the increased surcharge tax  
 20 rate:

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

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

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

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

28 In determining the amount of surcharge tax due under this section, the  
 29 person may exclude the amount of motor fuel that will not be pumped  
 30 out of the storage tank because the motor fuel is below the mouth of the  
 31 draw pipe. For this purpose, the person may deduct two hundred (200)  
 32 surcharge gallons for a storage tank with a capacity of less than ten  
 33 thousand (10,000) surcharge gallons, and four hundred (400) surcharge  
 34 gallons for a storage tank with a capacity that exceeds ten thousand  
 35 (10,000) surcharge gallons:

36 (c) The amount of the inventory tax is equal to the inventory tax rate  
 37 times the surcharge gallons in storage as determined under subsection  
 38 (b). The inventory tax rate is equal to the difference of the increased  
 39 surcharge tax rate minus the previous surcharge tax rate:

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

42 SECTION 9. IC 6-6-4.1-4.5 IS REPEALED [EFFECTIVE JULY 1,



1 2018]. Sec. 4.5: (a) A surcharge tax is imposed on the consumption of  
 2 motor fuel by a carrier in its operations on highways in Indiana at the  
 3 applicable rate specified in subsection (b). Beginning July 1, 2017, the  
 4 surcharge tax that applies to special fuel that is not an alternative fuel  
 5 shall be collected and remitted in the manner specified for the special  
 6 fuel tax under IC 6-6-2.5 as required by the department. A carrier shall  
 7 reconcile the amount owed under this section as part of the carrier's  
 8 motor fuel use tax reconciliation under this chapter. However, for a  
 9 carrier that has not paid any surcharge tax at the time of purchase, the  
 10 tax shall be paid quarterly by the carrier to the department on or before  
 11 the last day of the month immediately following the quarter.

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

14 (1) Before July 1, 2017, eleven cents (\$0.11) per surcharge gallon.

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

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

18 (B) twenty-one cents (\$0.21).

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

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

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

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

29 (c) The amount of motor fuel consumed by a carrier in its operations  
 30 on highways in Indiana is the total amount of motor fuel consumed in  
 31 its entire operations within and without Indiana, multiplied by a  
 32 fraction. The numerator of the fraction is the total number of miles  
 33 traveled on highways in Indiana, and the denominator of the fraction is  
 34 the total number of miles traveled within and without Indiana.

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

39 (e) Subject to section 4.8 of this chapter, a carrier is entitled to a  
 40 proportional use credit against the tax imposed under this section for  
 41 that portion of motor fuel used to propel equipment mounted on a  
 42 motor vehicle having a common reservoir for locomotion on the



1 highway and the operation of this equipment as determined by rule of  
 2 the commissioner. An application for a proportional use credit under  
 3 this subsection shall be filed on a quarterly basis on a form prescribed  
 4 by the department.

5 SECTION 10. IC 6-6-4.1-4.7, AS AMENDED BY P.L.218-2017,  
 6 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2018]: Sec. 4.7. (a) This section applies only to a claim for a  
 8 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**  
 9 **section 4.5(e) of this chapter (before its repeal)** for taxes first due  
 10 and payable after July 31, 1999.

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

14 (c) A carrier must apply to the department for certification before  
 15 April 1 of the first calendar year for which the proportional use credit  
 16 will be claimed. An application for certification must be in writing  
 17 upon forms prescribed by the department and must be signed and  
 18 verified by the carrier. The department must include on all application  
 19 forms suitable spaces for a listing of the following:

- 20 (1) The carrier's federal Social Security number or federal tax  
 21 identification number.
- 22 (2) The address of the carrier's principal place of business.
- 23 (3) A description of each of the carrier's vehicles that has a  
 24 common fuel supply reservoir for both locomotion on a public  
 25 highway and a commercial purpose.
- 26 (4) The vehicle identification number for each vehicle described  
 27 in subdivision (3).

28 (d) The department may certify that a carrier is qualified to claim a  
 29 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**  
 30 **section 4.5(e) of this chapter (before its repeal)** only upon payment  
 31 by the carrier to the department of a one (1) time fee of seven dollars  
 32 (\$7). The carrier must pay the fee at the time the application for  
 33 certification is submitted to the department. The department shall  
 34 deposit the fee in the motor carrier regulation fund established by  
 35 IC 8-2.1-23-1.

36 (e) A carrier must notify the department, on forms prescribed by the  
 37 department, of any change of address by the carrier. The carrier must  
 38 provide the notice not more than ten (10) days after the change of  
 39 address. The department may revoke or suspend the certification of a  
 40 carrier that fails to comply with this subsection.

41 (f) All certificates issued under this section are personal and may  
 42 not be transferred.



1 (g) The department may require a carrier that has been issued a  
 2 certificate under this section to submit additional information from  
 3 time to time at reasonable intervals, as determined by the department.

4 (h) The department may adopt rules under IC 4-22-2 to carry out  
 5 this section.

6 SECTION 11. IC 6-6-4.1-4.8, AS AMENDED BY P.L.218-2017,  
 7 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2018]: Sec. 4.8. (a) This section applies only to a claim for a  
 9 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**  
 10 **section 4.5(e) of this chapter (before its repeal)** for taxes first due  
 11 and payable after July 31, 1999.

12 (b) In order to obtain a proportional use credit against taxes imposed  
 13 under section 4 ~~or 4.5~~ of this chapter **or section 4.5 of this chapter**  
 14 **(before its repeal)** a carrier must file a claim with the department. The  
 15 claim must be submitted on a form prescribed by the department and  
 16 must be filed with the quarterly return for the taxable period for which  
 17 the proportional use credit is claimed. A carrier is not entitled to a  
 18 proportional use credit under section 4(d) ~~or 4.5(e)~~ of this chapter **or**  
 19 **section 4.5(e) of this chapter (before its repeal)** unless the carrier:

- 20 (1) has paid in full the taxes to which the credit applies; and  
 21 (2) has filed a claim for the credit on or before the due date of the  
 22 corresponding quarterly return for the taxable period for which  
 23 the proportional use credit is claimed.

24 A credit approved under this section shall, subject to this section, be  
 25 refunded to the carrier without interest.

26 (c) The department shall determine the aggregate amount of  
 27 proportional use credits claimed under section 4(d) ~~or 4.5(e)~~ of this  
 28 chapter **or section 4.5(e) of this chapter (before its repeal)** for each  
 29 quarter. The department may approve the full amount of a proportional  
 30 use credit claimed by a carrier if the aggregate amount of proportional  
 31 use credits claimed for the quarter and for the fiscal year do not exceed  
 32 the limits set forth in subsection (d). If the aggregate amount of  
 33 proportional use credits claimed in a quarter exceeds the limits set forth  
 34 in subsection (d), the department shall pay the claims for that quarter  
 35 on a pro rata basis.

36 (d) The department may not approve more than three million five  
 37 hundred thousand dollars (\$3,500,000) of proportional use credits  
 38 under this section in a state fiscal year. In addition, the amount of  
 39 proportional use credits the department may approve under this section  
 40 for a quarter may not exceed the following:

- 41 (1) For the quarter ending September 30 of a year, an amount  
 42 equal to one million three hundred seventy-five thousand dollars



- 1 (\$1,375,000).
- 2 (2) For the quarter ending December 31 of a year, an amount
- 3 equal to:
- 4 (A) six hundred twenty-five thousand dollars (\$625,000); plus
- 5 (B) the greater of zero (0) or the result of:
- 6 (i) the limit determined for the previous quarter under this
- 7 subsection; minus
- 8 (ii) the aggregate amount of claims approved for the
- 9 previous quarter.
- 10 (3) For the quarter ending March 31 of a year, an amount equal
- 11 to:
- 12 (A) six hundred twenty-five thousand dollars (\$625,000); plus
- 13 (B) the greater of zero (0) or the result of:
- 14 (i) the limit determined for the previous quarter under this
- 15 subsection; minus
- 16 (ii) the aggregate amount of claims approved for the
- 17 previous quarter.
- 18 (4) For the quarter ending June 30 of a year, an amount equal to:
- 19 (A) eight hundred seventy-five thousand dollars (\$875,000);
- 20 plus
- 21 (B) the greater of zero (0) or the result of:
- 22 (i) the limit determined for the previous quarter under this
- 23 subsection; minus
- 24 (ii) the aggregate amount of claims approved for the
- 25 previous quarter.
- 26 SECTION 12. IC 6-6-4.1-5, AS AMENDED BY P.L.218-2017,
- 27 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 28 JULY 1, 2018]: Sec. 5. (a) The department shall deposit revenue
- 29 collected under sections 4 and 12 of this chapter in the state highway
- 30 fund (IC 8-23-9-54).
- 31 (b) The department shall deposit revenue collected under sections
- 32 4.3 and 4.5 of this chapter (**before their repeal**) as follows:
- 33 (1) Forty-seven and seventy-five hundredths percent (47.75%) in
- 34 the state highway fund (IC 8-23-9-54).
- 35 (2) Forty-seven and seventy-five hundredths percent (47.75%) in
- 36 the motor vehicle highway account (IC 8-14-1).
- 37 (3) Four and five-tenths percent (4.5%) in the motor carrier
- 38 regulation fund administered by the department.
- 39 (c) The department shall deposit revenue collected under section 13
- 40 of this chapter as follows:
- 41 (1) Thirty-five percent (35%) in the motor vehicle highway
- 42 account (IC 8-14-1).



1 (2) Sixty-five percent (65%) in the state highway fund  
2 (IC 8-23-9-54).

3 SECTION 13. IC 6-6-4.1-6, AS AMENDED BY P.L.218-2017,  
4 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2018]: Sec. 6. (a) A carrier is entitled to a credit against the  
6 tax imposed under section 4 of this chapter if the carrier, or a lessor  
7 operating under the carrier's annual permit, has:

8 (1) paid the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and  
9 section 4.5 of this chapter (**before its repeal**) on motor fuel  
10 purchased in Indiana;

11 (2) consumed the motor fuel outside Indiana; and

12 (3) paid a gasoline, special fuel, or road tax with respect to the  
13 fuel in one (1) or more other states or jurisdictions.

14 (b) The amount of credit for a quarter is equal to the tax paid under  
15 IC 6-6-1.1, IC 6-6-2.5, and section 4.5 of this chapter (**before its  
16 repeal**) on motor fuel that:

17 (1) was purchased in Indiana;

18 (2) was consumed outside Indiana; and

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

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

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

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

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

40 (c) A carrier is entitled to the refund of any credit not previously  
41 used to offset a tax liability or for any erroneously paid tax or penalty.  
42 To obtain the refund, the carrier shall submit to the department a



1 properly completed application in accordance with rules adopted by the  
 2 department under IC 4-22-2. The application must be submitted within  
 3 three (3) years after the end of:

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

7 Along with the application, the carrier shall submit any evidence  
 8 required by the department and any reports required by the department  
 9 under this chapter.

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

- 13 (1) The filing of:
  - 14 (A) the properly completed application for refund; or
  - 15 (B) the quarterly return on which a refund is claimed.
- 16 (2) The submission of any evidence required by the department  
 17 of payment of the tax imposed under IC 6-6-1.1 or IC 6-6-2.5 and  
 18 section 4.5 of this chapter **(before its repeal)**.
- 19 (3) The submission of reports required by the department under  
 20 this chapter.
- 21 (4) The furnishing of a surety bond, letter of credit, or cash  
 22 deposit under section 8 of this chapter.

23 (e) The department shall pay interest at the rate established under  
 24 IC 6-8.1-9 from the date of:

- 25 (1) the refund application;
- 26 (2) the due date of a timely filed quarterly return on which a  
 27 refund is claimed; or
- 28 (3) the filing date of a quarterly return on which a refund is  
 29 claimed, if the quarterly refund is filed after the due date of the  
 30 quarterly return;

31 to a date determined by the department that does not precede the date  
 32 on which the refund is made by more than thirty (30) days.

33 SECTION 15. IC 6-6-4.1-14.5 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14.5. (a) The  
 35 International Fuel Tax Agreement and any other agreement authorized  
 36 under IC 6-6, IC 6-8.1, or IC 9-28 shall be limited to the following  
 37 matters:

- 38 (1) Determining the base state for users.
- 39 (2) Specifying records requirements for users.
- 40 (3) Specifying audit procedures.
- 41 (4) Exchanging information.
- 42 (5) Defining persons eligible for tax licensing.



- 1 (6) Defining qualified motor vehicles.
- 2 (7) Determining if bonding is required.
- 3 (8) Specifying reporting requirements and periods, including the
- 4 following:
- 5 (A) Establishing uniform penalties and interest rates for late
- 6 reporting.
- 7 (B) Determining methods for collecting and forwarding motor
- 8 fuel taxes, special fuel taxes, and penalties to another state or
- 9 jurisdiction.
- 10 (9) Any other provisions designed to facilitate the administration
- 11 of the agreement.
- 12 (b) The International Fuel Tax Agreement and any other agreement
- 13 authorized under IC 6-6, IC 6-8.1, or IC 9-28 do not limit the authority
- 14 of the general assembly to do any of the following:
- 15 (1) Determine whether to impose a tax.
- 16 (2) Determine tax rates.
- 17 (3) Define tax exemptions or deductions.
- 18 (4) Determine what constitutes a taxable event that results in the
- 19 imposition of a tax.
- 20 (5) Determine any other matters related to the powers described
- 21 in subdivisions (1) through (4).
- 22 **(c) If:**
- 23 **(1) Indiana becomes a member of the International Fuel Tax**
- 24 **Agreement;**
- 25 **(2) another member jurisdiction of the International Fuel Tax**
- 26 **Agreement nets all of its International Fuel Tax Agreement**
- 27 **returns received in a month according to the terms of the**
- 28 **International Fuel Tax Agreement; and**
- 29 **(3) the overall result of the netting is that:**
- 30 **(A) more of the tax prescribed in section 4 of this chapter**
- 31 **or section 4.5 of this chapter (before its repeal) was**
- 32 **collected and will be transmitted to the department; or**
- 33 **(B) more of the tax prescribed in IC 6-6-1.1 or IC 6-6-2.5**
- 34 **must be refunded to carriers and will be transmitted from**
- 35 **the department;**
- 36 **the transmittal described in subdivision (3) shall be done through**
- 37 **the International Fuel Tax Agreement Clearinghouse or its**
- 38 **successor program according to the terms of the International Fuel**
- 39 **Tax Agreement.**
- 40 **(d) The funds received or requested as part of a transmittal**
- 41 **described in subsection (c) shall be deposited or credited in the**
- 42 **following manner:**





1 (1) A transmittal to the department from a member  
 2 jurisdiction of the International Fuel Tax Agreement of a  
 3 collection of the tax prescribed in section 4 of this chapter or  
 4 section 4.5 of this chapter (before its repeal) from carriers  
 5 based in that member jurisdiction shall be deposited in the  
 6 manner prescribed in section 5 of this chapter.

7 (2) A request to the department from a member jurisdiction  
 8 of the International Fuel Tax Agreement of amounts of the tax  
 9 prescribed in IC 6-6-1.1 or IC 6-6-2.5 to be refunded to  
 10 carriers based in that member jurisdiction shall be credited  
 11 in the manner prescribed in IC 6-6-1.1-803.

12 SECTION 16. IC 6-6-4.1-17, AS AMENDED BY P.L.45-2011,  
 13 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2018]: Sec. 17. If a carrier:

- 15 (1) fails to file a quarterly report required by this chapter;  
 16 (2) fails to pay the tax imposed under section 4 ~~or section 4.5~~ of  
 17 this chapter **or section 4.5 of this chapter (before its repeal)**;  
 18 (3) files a report after the date established under this chapter;  
 19 (4) with respect to a listed tax (as defined in IC 6-8.1-1-1), fails  
 20 to file all tax returns or information reports or to pay all taxes,  
 21 penalties, and interest;  
 22 (5) fails to file a form or report required under this chapter or the  
 23 International Fuel Tax Agreement in an electronic format  
 24 prescribed by the department; or  
 25 (6) fails to remit taxes under section 10(f) of this chapter;

26 the commissioner may suspend or revoke any annual permit, trip  
 27 permit, temporary authorization, or repair and maintenance permit  
 28 issued to the carrier. The commissioner may reinstate a permit or  
 29 temporary authorization if a carrier files all required returns and reports  
 30 and pays all outstanding liabilities.

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

37 SECTION 18. IC 6-6-4.1-21, AS AMENDED BY P.L.218-2017,  
 38 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2018]: Sec. 21. A carrier subject to the taxes imposed under  
 40 ~~sections section 4 through 4.5~~ of this chapter **and section 4.5 of this**  
 41 **chapter (before its repeal)** who fails to file a quarterly report as  
 42 required by section 10 of this chapter shall pay a civil penalty of three



1 hundred dollars (\$300) for each report that is not filed.

2 SECTION 19. IC 6-6-5.5-7, AS AMENDED BY P.L.256-2017,  
3 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2018]: Sec. 7. (a) The commercial vehicle excise tax for a  
5 vehicle to which this chapter applies will be determined by the  
6 department on or before October 1 of each year **to be effective on**  
7 **January 1 of the following year.**

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

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

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

18 **(A) the transportation infrastructure improvement fees**  
19 **imposed under IC 9-18.1-15; and**

20 **(B) the supplemental fees to register electric vehicles and**  
21 **hybrid vehicles imposed under IC 9-18.1-5-12;**  
22 **during the state fiscal year.**

23 STEP THREE: Determine the tax factor by dividing the STEP  
24 ONE result by the STEP TWO result.

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

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

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

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

40 (1) "Motor vehicle highway account" means the account of the  
41 general fund of the state known as the "motor vehicle highway  
42 account" to which is credited collections from motor vehicle



- 1 registration fees, licenses, driver's and chauffeur's license fees,  
 2 gasoline taxes, auto transfer fees, certificate of title fees, weight  
 3 taxes or excise taxes and all other similar special taxes, duties or  
 4 excises of all kinds on motor vehicles, trailers, motor vehicle fuel,  
 5 or motor vehicle owners or operators. The account also includes  
 6 amounts distributed to the fund by the bureau of motor vehicles  
 7 under IC 9.
- 8 (2) The term "department" refers to the Indiana department of  
 9 transportation.
- 10 (3) The term "highways" includes roadway, rights of way, bridges,  
 11 drainage structures, signs, guard rails, protective structures in  
 12 connection with highways, drains, culverts, and bridges and the  
 13 substructure and superstructure of bridges and approaches thereto  
 14 and streets and alleys of cities or towns.
- 15 (4) The term "construction" means the planning, supervising,  
 16 inspecting, actual building, draining, and all expenses incidental  
 17 to the construction of a highway.
- 18 (5) The term "reconstruction" means a widening or a rebuilding  
 19 of the highway or any portion thereof.
- 20 (6) The term "maintenance" when used in reference to cities,  
 21 towns, and counties as applied to that part of the highway other  
 22 than bridges, means the constant making of needed repairs, to  
 23 preserve a smooth surfaced highway, adequately drained, marked  
 24 and guarded by protective structures for public safety and, as to  
 25 bridges, means the constant making of needed repairs to preserve  
 26 a smooth surfaced highway thereon and the safety and  
 27 preservation of the bridge and its approaches, together with the  
 28 substructure and superstructure thereof; and such term also means  
 29 and includes the acquisition and use, in any manner, of all needed  
 30 equipment, fuel, materials, and supplies essential and incident  
 31 thereto.
- 32 **(7) The term "preservation" means the preventative**  
 33 **treatment, nonstructural treatment, rehabilitation, or**  
 34 **structural repairs made to transportation infrastructure and**  
 35 **related drainage that are included in an asset management**  
 36 **plan approved by the Indiana department of transportation**  
 37 **in collaboration with the local technical assistance program at**  
 38 **Purdue University.**
- 39 (7) (8) The term "vehicle registration" means the number of  
 40 vehicles subject to registration under IC 9-18 (before January 1,  
 41 2017) or IC 9-18.1 (after December 31, 2016) which are  
 42 registered thereunder, and, when used with respect to the state,



1 shall mean the number of vehicles registered in the state and,  
 2 when used in respect to a county, city, or town, shall mean the  
 3 number of vehicles registered by owners resident in the county,  
 4 city, or town.

5 SECTION 21. IC 8-14-1-3, AS AMENDED BY P.L.218-2017,  
 6 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2018]: Sec. 3. The money collected for the motor vehicle  
 8 highway account fund and remaining after refunds and the payment of  
 9 all expenses incurred in the collection thereof, and after the deduction  
 10 of the amount appropriated to the department for traffic safety, shall be  
 11 allocated to and distributed among the department and subdivisions  
 12 designated as follows:

13 (1) Of the net amount in the motor vehicle highway account the  
 14 auditor of state shall set aside for the cities and towns of the state  
 15 ~~the applicable percentage set forth in section 3.5(a) of this~~  
 16 ~~chapter.~~ **twelve and thirteen hundredths percent (12.13%).**  
 17 This sum shall be allocated to the cities and towns upon the basis  
 18 that the population of each city and town bears to the total  
 19 population of all the cities and towns and shall be used for the  
 20 construction or reconstruction and maintenance of streets and  
 21 alleys and shall be annually budgeted as now provided by law.  
 22 However, no part of such sum shall be used for any other purpose  
 23 than for the purposes defined in this chapter. If any funds  
 24 allocated to any city or town shall be used by any officer or  
 25 officers of such city or town for any purpose or purposes other  
 26 than for the purposes as defined in this chapter, such officer or  
 27 officers shall be liable upon their official bonds to such city or  
 28 town in such amount so used for other purposes than for the  
 29 purposes as defined in this chapter, together with the costs of said  
 30 action and reasonable attorney fees, recoverable in an action or  
 31 suit instituted in the name of the state of Indiana on the relation  
 32 of any taxpayer or taxpayers resident of such city or town. A  
 33 monthly distribution thereof of funds accumulated during the  
 34 preceding month shall be made by the auditor of state.

35 (2) Of the net amount in the motor vehicle highway account, the  
 36 auditor of state shall set aside for the counties of the state ~~the~~  
 37 ~~applicable percentage set forth in section 3.5(b) of this chapter.~~  
 38 **twenty-five and eighty-seven hundredths percent (25.87%).**  
 39 However, as to the allocation to cities and towns under  
 40 subdivision (1) and as to the allocation to counties under this  
 41 subdivision, in the event that the amount in the motor vehicle  
 42 highway account fund remaining after refunds and after the



1 payment of all expenses incurred in the collection thereof is less  
 2 than twenty-two million six hundred ~~and~~ fifty thousand dollars  
 3 (\$22,650,000) in any fiscal year, then the amount so set aside in  
 4 the next calendar year for distributions to counties shall be  
 5 reduced fifty-four percent (54%) of such deficit and the amount  
 6 so set aside for distribution in the next calendar year to cities and  
 7 towns shall be reduced thirteen percent (13%) of such deficit.  
 8 Such reduced distributions shall begin with the distribution  
 9 January 1 of each year.

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

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

15 (B) Sixty-five percent (65%) of the amount allocated to the  
 16 counties to be divided on the basis of the ratio of the actual  
 17 miles, now traveled and in use, of county roads in each county  
 18 to the total mileage of county roads in the state, which shall be  
 19 annually determined, accurately, by the department and  
 20 submitted to the auditor of state before April 1 of each year.

21 (C) Thirty percent (30%) of the amount allocated to the  
 22 counties to be divided on the basis of the ratio of the motor  
 23 vehicle registrations of each county to the total motor vehicle  
 24 registration of the state.

25 All money so distributed to the several counties of the state shall  
 26 constitute a special road fund for each of the respective counties  
 27 and shall be under the exclusive supervision and direction of the  
 28 board of county commissioners in the construction,  
 29 reconstruction, maintenance, or repair of the county highways or  
 30 bridges on such county highways within such county.

31 (4) Each month the remainder of the net amount in the motor  
 32 vehicle highway account shall be credited to the state highway  
 33 fund for the use of the department.

34 (5) Money in the fund may not be used for any toll road or toll  
 35 bridge project.

36 (6) Notwithstanding any other provisions of this section, money  
 37 in the motor vehicle highway account fund may be appropriated  
 38 to the Indiana department of transportation from the amounts  
 39 distributed to the political subdivisions of the state to pay the  
 40 costs incurred by the department in providing services to those  
 41 subdivisions.

42 (7) Notwithstanding any other provisions of this section or of



1 IC 8-14-8, for the purpose of maintaining a sufficient working  
 2 balance in accounts established primarily to facilitate the  
 3 matching of federal and local money for highway projects, money  
 4 may be appropriated to the Indiana department of transportation  
 5 as follows:

6 (A) One-half (1/2) from the amounts set aside under  
 7 subdivisions (1) and (2) for counties and for those cities and  
 8 towns with a population greater than five thousand (5,000).

9 (B) One-half (1/2) from the distressed road fund under  
 10 IC 8-14-8.

11 SECTION 22. IC 8-14-1-3.5 IS REPEALED [EFFECTIVE JULY  
 12 1, 2018]. Sec. 3-5: (a) The following percentages apply to the amounts  
 13 set aside for the cities and towns of the state under section 3(1) of this  
 14 chapter:

15 (1) Before July 1, 2017, fifteen percent (15%):

16 (2) After June 30, 2017, and before July 1, 2018, fourteen and  
 17 fifty-two hundredths percent (14.52%):

18 (3) After June 30, 2018, and before July 1, 2019, thirteen and one  
 19 hundredth percent (13.01%):

20 (4) After June 30, 2019, and before July 1, 2020, thirteen and one  
 21 hundredth percent (13.01%):

22 (5) After June 30, 2020, and before July 1, 2021, twelve and  
 23 ninety-three hundredths percent (12.93%):

24 (6) After June 30, 2021, and before July 1, 2022, twelve and  
 25 eighty-five hundredths percent (12.85%):

26 (7) After June 30, 2022, twelve and seventy-seven hundredths  
 27 percent (12.77%):

28 (b) The following percentages apply to the amounts set aside for the  
 29 counties of the state under section 3(2) of this chapter:

30 (1) Before July 1, 2017, thirty-two percent (32%):

31 (2) After June 30, 2017, and before July 1, 2018, thirty and  
 32 ninety-eight hundredths percent (30.98%):

33 (3) After June 30, 2018, and before July 1, 2019, twenty-seven  
 34 and seventy-four hundredths percent (27.74%):

35 (4) After June 30, 2019, and before July 1, 2020, twenty-seven  
 36 and seventy-four hundredths percent (27.74%):

37 (5) After June 30, 2020, and before July 1, 2021, twenty-seven  
 38 and fifty-seven hundredths percent (27.57%):

39 (6) After June 30, 2021, and before July 1, 2022, twenty-seven  
 40 and forty hundredths percent (27.40%):

41 (7) After June 30, 2022, twenty-seven and twenty-three  
 42 hundredths percent (27.23%):



1 SECTION 23. IC 8-14-1-4, AS AMENDED BY P.L.218-2017,  
 2 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2018]: Sec. 4. (a) The funds allocated to the respective  
 4 counties of the state from the motor vehicle highway account shall  
 5 annually be budgeted as provided by law, and, when distributed shall  
 6 be used for construction, reconstruction, **preservation**, and  
 7 maintenance of the highways of the respective counties, including  
 8 highways which traverse the streets of incorporated towns, the cost of  
 9 the repair and maintenance of which prior to the tenth day of  
 10 September, 1932, was paid from the county gravel road repair fund  
 11 excepting where the department is charged by law with the  
 12 maintenance or construction of any such highway so traversing such  
 13 streets. Subject to subsection (b), any surplus existing in the funds at  
 14 the end of the year shall thereafter continue as a part of the highway  
 15 funds of the said counties and shall be rebudgeted and used as already  
 16 provided in this chapter. The purchase, rental and repair of highway  
 17 equipment, painting of bridges and acquisition of grounds for erection  
 18 and construction of storage buildings, acquisition of rights of way and  
 19 the purchase of fuel oil, and supplies necessary to the performance of  
 20 construction, reconstruction, **preservation**, and maintenance of  
 21 highways, shall be paid out of the highway account of the various  
 22 counties.

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

27 SECTION 24. IC 8-14-1-5, AS AMENDED BY P.L.218-2017,  
 28 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2018]: Sec. 5. (a) Subject to subsection (c), all funds allocated  
 30 to cities and towns from the motor vehicle highway account shall be  
 31 used by the cities and towns for the construction, reconstruction,  
 32 **preservation**, repair, maintenance, oiling, sprinkling, snow removal,  
 33 weed and tree cutting and cleaning of their highways as herein defined,  
 34 and including also any curbs, and the city's or town's share of the cost  
 35 of the separation of the grades of crossing of public highways and  
 36 railroads, the purchase or lease of highway construction, **preservation**,  
 37 and maintenance equipment, the purchase, erection, operation and  
 38 maintenance of traffic signs and signals, and safety zones and devices,  
 39 and the painting of surfaces in highways for purposes of safety and  
 40 traffic regulation. All of such funds shall be budgeted as provided by  
 41 law.

42 (b) In addition to purposes for which funds may be expended under



1 subsection (a), monies allocated to cities and towns under this chapter  
2 may be expended for the payment of principal and interest on bonds  
3 sold primarily to finance road, street, or thoroughfare projects.

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

8 SECTION 25. IC 8-14-2-3 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The auditor of  
10 state shall credit the state highway fund established under IC 8-23-9-54  
11 monthly with ~~fifty-five~~ **sixty-three** percent (~~55%~~) (**63%**) of the money  
12 deposited in the highway, road and street fund.

13 (b) Funds allocated to the department under this chapter must be  
14 appropriated.

15 SECTION 26. IC 8-14-2-4, AS AMENDED BY P.L.182-2007,  
16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2018]: Sec. 4. (a) The auditor of state shall establish a special  
18 account to be called the "local road and street account" and credit this  
19 account monthly with ~~forty-five~~ **thirty-seven** percent (~~45%~~) (**37%**) of  
20 the money deposited in the highway, road and street fund.

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

26 (c) After distributing E85 incentive payments required under section  
27 8 of this chapter, the auditor of state shall allocate to each county the  
28 remaining money in this account on the basis of the ratio of each  
29 county's passenger car registrations to the total passenger car  
30 registrations of the state. The auditor shall further determine the  
31 suballocation between the county and the cities within the county as  
32 follows:

33 (1) In counties having a population of more than fifty thousand  
34 (50,000), sixty percent (60%) of the money shall be distributed on  
35 the basis of the population of the city or town as a percentage of  
36 the total population of the county and forty percent (40%)  
37 distributed on the basis of the ratio of city and town street mileage  
38 to county road mileage.

39 (2) In counties having a population of fifty thousand (50,000) or  
40 less, twenty percent (20%) of the money shall be distributed on  
41 the basis of the population of the city or town as a percentage of  
42 the total population of the county and eighty percent (80%)





1 distributed on the basis of the ratio of city and town street mileage  
2 to county road mileage.

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

8 (4) Money allocated under the provisions of this section to  
9 counties containing a consolidated city shall be credited or  
10 allocated to the department of transportation of the consolidated  
11 city.

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

15 SECTION 27. IC 8-17-4.1-1 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) This chapter  
17 applies to:

18 (1) all counties; and

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

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

23 SECTION 28. IC 8-17-4.1-8 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]:  
25 Sec. 8. (a) On ~~March + June 15~~ following the operational report year,  
26 the state board of accounts shall prepare a certified list of counties and  
27 municipalities that have **not** complied with this chapter.

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

31 ~~(b)~~ **(c) The auditor of state shall withhold the distribution of motor**  
32 **vehicle highway account funds from any county or municipality not**  
33 **appearing on the state board of accounts certified list until its annual**  
34 **operational report is certified: the state board of accounts certifies**  
35 **the compliance of the county or municipality with this chapter. If**  
36 **the auditor of state withholds distribution of motor vehicle**  
37 **highway account funds from a county or municipality under this**  
38 **subsection and the county or municipality is subsequently certified**  
39 **to be in compliance with this chapter, the auditor of state shall**  
40 **resume making distributions of motor vehicle highway account**  
41 **funds to the county or municipality and also distribute those motor**  
42 **vehicle highway account funds that were previously withheld.**



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

6 (1) A description of the funding mechanisms that will be studied.  
 7 The funding mechanisms must include the following:

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

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

13 (C) A flat per vehicle fee.

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

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

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

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

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

21 (E) Tolls.

22 (F) Any other mechanism the department determines is  
 23 appropriate.

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

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

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

34 SECTION 30. IC 9-13-2-168.3, AS ADDED BY P.L.188-2015,  
 35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2018]: Sec. 168.3. "Solid waste hauler", for purposes of  
 37 IC 9-21-8, has the meaning set forth in ~~IC 9-21-8-0.4.~~ **IC 9-21-8-0.5.**

38 SECTION 31. IC 9-13-2-196.2 IS ADDED TO THE INDIANA  
 39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2018]: **Sec. 196.2. "Vehicle platoon", for**  
 41 **purposes of IC 9-21, has the meaning set forth in IC 9-21-8-0.5.**

42 SECTION 32. IC 9-18.1-5-4, AS AMENDED BY P.L.256-2017,



1 SECTION 113, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The fee to register a  
 3 not-for-hire bus is sixteen dollars and thirty-five cents (\$16.35). ~~The~~  
 4 ~~fee~~

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

- 7 (1) Twenty-five cents (\$0.25) to the state police building account.  
 8 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.  
 9 (3) Two dollars and ninety cents (\$2.90) to the highway, road and  
 10 street fund.  
 11 (4) Four dollars (\$4) to the crossroads 2000 fund.  
 12 (5) One dollar and twenty-five cents (\$1.25) to the integrated  
 13 public safety communications fund.  
 14 (6) Three dollars and ten cents (\$3.10) to the commission fund.  
 15 (7) Any remaining amount to the motor vehicle highway account.

16 (c) **A fee described in subsection (a) that is collected under the**  
 17 **International Registration Plan shall be distributed as set forth in**  
 18 **section 10.5 of this chapter.**

19 SECTION 33. IC 9-18.1-5-10.5, AS ADDED BY P.L.218-2017,  
 20 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2018]: Sec. 10.5. (a) This section applies after June 30, 2017.

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

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

- 28 (1) The first one hundred twenty-five thousand dollars (\$125,000)  
 29 to the state police building account.  
 30 (2) Any remaining amounts to the motor vehicle highway account.

31 SECTION 34. IC 9-18.1-6-4, AS AMENDED BY P.L.256-2017,  
 32 SECTION 117, IS AMENDED TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) Except as provided in  
 34 subsection ~~(d)~~; (e), the fee to register a recovery vehicle with a gross  
 35 vehicle weight rating greater than sixteen thousand (16,000) pounds is  
 36 five hundred four dollars (\$504).

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

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

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



- 1 (2) Fifty cents (\$0.50) to the state motor vehicle technology fund.  
 2 (3) Two dollars and ninety cents (\$2.90) to the highway, road and  
 3 street fund.  
 4 (4) Four dollars (\$4) to the crossroads 2000 fund.  
 5 (5) One dollar and twenty-five cents (\$1.25) to the integrated  
 6 public safety communications fund.  
 7 (6) Three dollars and ten cents (\$3.10) to the commission fund.  
 8 (7) Any remaining amount to the motor vehicle highway account.

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

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

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

18 STEP TWO: Multiply the STEP ONE result by one-twelfth  
 19 (1/12).

20 STEP THREE: Multiply the STEP TWO product by the  
 21 applicable registration fee under subsection (a) or (b) for the  
 22 vehicle.

23 A fee imposed and collected under this subsection **that is not collected**  
 24 **under the International Registration Plan** shall be distributed under  
 25 subsection (c). **A fee imposed and collected under this subsection**  
 26 **that is collected under the International Registration Plan shall be**  
 27 **distributed under subsection (d).**

28 SECTION 35. IC 9-18.1-15-2, AS ADDED BY P.L.218-2017,  
 29 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 UPON PASSAGE]: Sec. 2. (a) Each year, the owner of a motor vehicle  
 31 that is registered in Indiana shall pay a transportation infrastructure  
 32 improvement fee.

33 (b) The amount of the annual transportation infrastructure  
 34 improvement fee is fifteen dollars (\$15).

35 **(c) The transportation infrastructure improvement fee specified**  
 36 **in subsection (b) shall be apportioned if the vehicle for which the**  
 37 **transportation infrastructure improvement fee applies is registered**  
 38 **under the International Registration Plan.**

39 ~~(c)~~ (d) The transportation infrastructure improvement fee for a  
 40 vehicle to which this chapter applies:

- 41 (1) is due and shall be paid each year at the time the vehicle is  
 42 registered;



1 (2) is a condition to the right to register or reregister the vehicle;  
 2 and  
 3 (3) is in addition to all other conditions, taxes, and fees prescribed  
 4 by law.

5 ~~(d)~~ (e) Except as provided in IC 9-33-3, a person is not entitled to  
 6 a refund of any unused transportation infrastructure improvement fee.

7 SECTION 36. IC 9-21-8-0.4 IS REPEALED [EFFECTIVE JULY  
 8 1, 2018]. Sec. 0.4. As used in this chapter, "solid waste hauler" means  
 9 a vehicle in which solid waste or recyclable materials are transported  
 10 to a:

11 ~~(1) transfer station for further transport to a final disposal facility;~~  
 12 ~~(2) final disposal facility; or~~  
 13 ~~(3) materials recovery facility.~~

14 SECTION 37. IC 9-21-8-0.5, AS ADDED BY P.L.185-2011,  
 15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2018]: Sec. 0.5. As used in **The following definitions apply**  
 17 **throughout** this chapter:

18 (1) "Solid waste hauler" means a vehicle in which solid waste  
 19 or recyclable materials are transported to a:

20 (A) transfer station for further transport to a final disposal  
 21 facility;  
 22 (B) final disposal facility; or  
 23 (C) materials recovery facility.

24 (2) "Text message" means a communication in the form of  
 25 electronic text sent from a telecommunications device.

26 (3) "Vehicle platoon" means a group of motor vehicles that  
 27 are traveling in a unified manner under electronic  
 28 coordination at speeds and following distances that are faster  
 29 and closer than would be reasonable and prudent without  
 30 electronic coordination.

31 SECTION 38. IC 9-21-8-14 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 14. (a) **This section**  
 33 **does not apply to a person who drives a motor vehicle in a vehicle**  
 34 **platoon with respect to another motor vehicle in the same vehicle**  
 35 **platoon.**

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

40 SECTION 39. IC 9-21-8-15 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 15. (a) **This section**  
 42 **does not apply to a person who drives a motor vehicle in a vehicle**



1 **platoon with respect to another motor vehicle in the same vehicle**  
 2 **platoon.**

3 (b) Except when overtaking and passing, a person who drives a  
 4 motor truck, motor truck drawing another vehicle, or tractor-trailer  
 5 combination, when traveling upon a roadway outside of a business or  
 6 residence district or upon a roadway that is a part of the interstate  
 7 highway system, whether within or without a business or residence  
 8 district, may not follow within three hundred (300) feet of another  
 9 motor truck, motor truck drawing another vehicle, or a tractor-trailer  
 10 combination.

11 SECTION 40. IC 9-21-8-16 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 16. (a) This section  
 13 does not apply to **the following:**

14 (1) Funeral or marching band processions.

15 (2) **A person who drives a motor vehicle in a vehicle platoon**  
 16 **with respect to another motor vehicle in the same vehicle**  
 17 **platoon.**

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

23 SECTION 41. IC 9-21-22 IS ADDED TO THE INDIANA CODE  
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2018]:

26 **Chapter 22. Vehicle Platoons**

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

29 (1) **the person is authorized under Indiana law to operate a**  
 30 **motor vehicle on the streets or highways of Indiana;**

31 (2) **the motor vehicle is authorized under Indiana law to be**  
 32 **operated on the streets or highways of Indiana;**

33 (3) **the motor vehicle is properly equipped with necessary**  
 34 **systems for participation in a vehicle platoon; and**

35 (4) **the leader of the vehicle platoon is authorized under this**  
 36 **chapter to lead the vehicle platoon.**

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

38 (1) **the person or the organization with which the person is**  
 39 **associated has filed a plan for general vehicle platoon**  
 40 **operations with the commissioner;**

41 (2) **the commissioner has not rejected the plan for general**  
 42 **vehicle platoon operations in Indiana; and**



1           **(3) the person leads the vehicle platoon in accordance with the**  
2           **plan for general vehicle platoon operations in Indiana.**

3           **Sec. 3. If the commissioner receives a plan for general vehicle**  
4           **platoon operations in Indiana, the commissioner may approve the**  
5           **plan, do nothing, or reject the plan. The commissioner may reject**  
6           **the plan only on or before the thirtieth day after the date on which**  
7           **the commissioner receives the plan.**

8           **SECTION 42. 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

## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1290, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-5-51, AS ADDED BY P.L.218-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 51. (a) As used in this section, "special fuel" has the meaning set forth in IC 6-6-2.5-22.

**(b) As used in this section, "heating oil" has the meaning set forth in IC 6-6-2.5-12.**

**(b) (c) Except for heating oil**, the sale of special fuel is exempt from the state gross retail tax.

SECTION 2. IC 6-6-1.6-2, AS ADDED BY P.L.218-2017, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 2. (a) The department shall determine a new tax rate for **the gasoline tax, the special fuel tax, and the motor carrier surcharge tax (before its repeal)** to take effect July 1, 2017. The department shall determine the new rate before June 1, 2017. The new rate shall be determined by using annual factors and applying a method that is based on an annual factor being in place each year from the beginning of the period specified for each factor and that uses the resulting rounded rate for purposes of determining the following year rate change.

(b) The gasoline tax index factor to be used each year equals the following:

STEP ONE: Determine the year over year change in the CPI-U

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beginning in 2003 through 2016.

STEP TWO: Determine the year over year change in the IPI beginning in 2003 through 2016.

STEP THREE: Add for each year:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2).

(c) The special fuel index factor and motor carrier surcharge tax index factor (**before the repeal of the motor carrier surcharge tax**) to be used each year equals the following:

STEP ONE: Determine the year over year change in the CPI-U beginning in 1989 through 2016.

STEP TWO: Determine the year over year change in the IPI beginning in 1989 through 2016.

STEP THREE: Add for each year:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2).

SECTION 3. IC 6-6-1.6-3, AS ADDED BY P.L.218-2017, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The department shall calculate an annual index factor to be used for the rate to take effect each July 1 beginning in 2018 through July 1, 2024. The department shall determine the index factor before June 1 of each year using the method described in subsection (b).

(b) The annual gasoline tax index factor **and** special fuel index factor **and motor carrier surcharge tax index factor** equals the following:

STEP ONE: Divide the annual CPI-U for the year preceding the determination year by the annual CPI-U for the year immediately preceding that year.

STEP TWO: Divide the annual IPI for the year preceding the determination year by the annual IPI for the year immediately preceding that year.

STEP THREE: Add:

- (A) the STEP ONE result; and
- (B) the STEP TWO result.

STEP FOUR: Divide the STEP THREE result by two (2)."

Page 19, line 30, after "reconstruction," insert "**preservation**,".

Page 20, line 1, after "reconstruction" insert "**preservation**,".

Page 20, line 4, reset in roman "For funds distributed to a county from the motor vehicle".



Page 20, line 5, reset in roman "highway account".  
Page 20, line 5, after "account" insert ",".  
Page 20, line 5, reset in roman "the".  
Page 20, line 5, delete "A".  
Page 20, line 6, delete "distributed to the county from the".  
Page 20, line 7, delete "motor vehicle highway account".  
Page 20, line 13, after "reconstruction," insert "**preservation,**".  
Page 20, line 18, after "construction" insert ", **preservation,**".  
Page 20, line 27, reset in roman "For funds distributed to a city or town from the motor vehicle".  
Page 20, line 28, reset in roman "highway account".  
Page 20, line 28, after "account" insert ",".  
Page 20, line 28, reset in roman "the".  
Page 20, line 28, delete "A".  
Page 20, line 29, delete "distributed to the city or town".  
Page 20, line 30, delete "from the motor vehicle highway account".  
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1290 as printed January 29, 2018.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 0.

