



April 10, 2019

ENGROSSED HOUSE BILL No. 1362

DIGEST OF HB 1362 (Updated April 9, 2019 12:00 pm - DI 125)

Citations Affected: IC 6-2.5; IC 6-3; IC 6-6; IC 6-8.1; IC 9-25; IC 24-4.

Synopsis: Peer to peer vehicle sharing. Defines peer to peer vehicle sharing. Provides requirements for a peer to peer vehicle sharing program. Provides that a shared vehicle may not be shared on a peer to peer vehicle program if any safety recalls have not been repaired. Provides insurance requirements for a shared vehicle if the vehicle will be shared on a peer to peer vehicle sharing program. Provides that a
(Continued next page)

Effective: July 1, 2019; January 1, 2020.

**Eberhart, VanNatter, Forestal,
Lehman**

(SENATE SPONSOR — CRIDER)

January 14, 2019, read first time and referred to Committee on Roads and Transportation.
February 14, 2019, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

February 18, 2019, amended, reported — Do Pass.

February 21, 2019, read second time, ordered engrossed.

February 22, 2019, engrossed.

February 25, 2019, read third time, passed. Yeas 84, nays 12.

SENATE ACTION

March 7, 2019, read first time and referred to Committee on Homeland Security and Transportation.

March 26, 2019, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

April 9, 2019, amended, reported favorably — Do Pass.

EH 1362—LS 7521/DI 132



Digest Continued

P2P vehicle sharing program is responsible for maintaining liability insurance coverage during the car sharing period for a vehicle shared through the P2P vehicle sharing program. Provides that a P2P vehicle sharing program shall assume liability of a shared vehicle owner for any bodily injury or property damage to third parties or uninsured and underinsured motorist losses during the car sharing period in an amount stated in the car sharing agreement, which may not be less than the minimum amount set forth in the financial responsibility statute. Provides that the bureau of motor vehicles may not suspend the driving privileges of a shared vehicle owner for failure to submit proof of financial responsibility at the time an accident occurred if the vehicle was shared through a peer to peer vehicle sharing program at the time the accident occurred. Imposes an income tax on gross income received from the sharing of passenger motor vehicles and trucks through a peer to peer vehicle sharing program. Provides that a person who purchases a motor vehicle for sharing through a peer to peer vehicle sharing program is not eligible for a state gross retail tax exemption. Authorizes the Evansville legislative body to adopt an ordinance to impose the Vanderburgh County supplemental auto rental excise tax on passenger motor vehicles shared through a peer to peer vehicle sharing program. Authorizes the Marion County city-county council to adopt an ordinance to impose the Marion County supplemental auto rental excise tax on passenger motor vehicles shared through a peer to peer vehicle sharing program. Provides that a political subdivision may not enact or enforce an ordinance, resolution, policy, or rule to regulate peer to peer vehicle sharing. Allows the board of an airport authority or a board of aviation commissioners to enact or enforce an ordinance, resolution, policy, or rule regulating P2P vehicle sharing.

EH 1362—LS 7521/DI 132



April 10, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1362

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

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

- 1 SECTION 1. IC 6-2.5-4-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. (a) A person, other
3 than a public utility, is a retail merchant making a retail transaction
4 when ~~he~~ **the person** rents or leases tangible personal property to
5 another person other than for subrent or sublease.
6 (b) A person is a retail merchant making a retail transaction when
7 the person sells any tangible personal property which has been rented
8 or leased in the regular course of the person's rental or leasing business.
9 (c) Notwithstanding subsection (a), a person is not a retail merchant
10 making a retail transaction when the person rents or leases motion
11 picture film, audio tape, or video tape to another person. However, this
12 exclusion only applies if:
13 (1) the person who pays to rent or lease the film charges
14 admission to those who view the film; or
15 (2) the person who pays to rent or lease the film or tape
16 broadcasts the film or tape for home viewing or listening.
17 **(d) The sharing of passenger motor vehicles and trucks through**

EH 1362—LS 7521/DI 132



1 **a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)**
2 **is a retail transaction.**

3 SECTION 2. IC 6-2.5-5-8, AS AMENDED BY P.L.182-2009(ss),
4 SECTION 176, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) As used in this section, "new
6 motor vehicle" has the meaning set forth in IC 9-13-2-111.

7 (b) **Except as provided in subsection (j)**, transactions involving
8 tangible personal property other than a new motor vehicle are exempt
9 from the state gross retail tax if the person acquiring the property
10 acquires it for resale, rental, or leasing in the ordinary course of the
11 person's business without changing the form of the property.

12 (c) The following transactions involving a new motor vehicle are
13 exempt from the state gross retail tax:

14 (1) A transaction in which a person that has a franchise in effect
15 at the time of the transaction for the vehicle trade name, trade or
16 service mark, or related characteristics acquires a new motor
17 vehicle for resale, rental, or leasing in the ordinary course of the
18 person's business.

19 (2) A transaction in which a person that is a franchisee appointed
20 by a manufacturer or converter manufacturer licensed under
21 IC 9-23 acquires a new motor vehicle that has at least one (1)
22 trade name, service mark, or related characteristic as a result of
23 modification or further manufacture by the manufacturer or
24 converter manufacturer for resale, rental, or leasing in the
25 ordinary course of the person's business.

26 (3) A transaction in which a person acquires a new motor vehicle
27 for rental or leasing in the ordinary course of the person's business
28 **as a rental company (as defined in IC 24-4-9-7).**

29 (d) The rental or leasing of accommodations to a promoter by a
30 political subdivision (including a capital improvement board) or the
31 state fair commission is not exempt from the state gross retail tax, if the
32 rental or leasing of the property by the promoter is exempt under
33 IC 6-2.5-4-4.

34 (e) This subsection applies only to aircraft acquired after June 30,
35 2008. Except as provided in subsection (h), a transaction in which a
36 person acquires an aircraft for rental or leasing in the ordinary course
37 of the person's business is not exempt from the state gross retail tax
38 unless the person establishes, under guidelines adopted by the
39 department in the manner provided in IC 4-22-2-37.1 for the adoption
40 of emergency rules, that the annual amount of the gross lease revenue
41 derived from leasing or rental of the aircraft, which may include
42 revenue from related party transactions, is equal to or greater than



1 seven and five-tenths percent (7.5%) of the:

- 2 (1) book value of the aircraft, as published in the Vref Aircraft
3 Value Reference guide for the aircraft; or
4 (2) net acquisition price for the aircraft.

5 If a person acquires an aircraft below the Vref Aircraft Value
6 Reference guide book value, the person may appeal to the department
7 for a lower lease or rental threshold equal to the actual acquisition price
8 paid if the person demonstrates that the transaction was completed in
9 a commercially reasonable manner based on the aircraft's age,
10 condition, and equipment. The department may request the person to
11 submit to the department supporting documents showing the aircraft is
12 available for general public lease or rental, copies of business and
13 aircraft insurance policies, and other documents that assist the
14 department in determining if an aircraft is exempt from the state gross
15 retail tax.

16 (f) A person is required to meet the requirements of subsection (e)
17 until the earlier of the date the aircraft has generated sales tax on leases
18 or rental income that is equal to the amount of the original sales tax
19 exemption or the elapse of thirteen (13) years. If the aircraft is sold by
20 the person before meeting the requirements of this section and before
21 the sale the aircraft was exempt from gross retail tax under subsection
22 (e), the sale of the aircraft shall not result in the assessment or
23 collection of gross retail tax for the period from the date of acquisition
24 to the date of sale by the person.

25 (g) The person is required to remit the gross retail tax on taxable
26 lease and rental transactions no matter how long the aircraft is used for
27 lease and rental.

28 (h) This subsection applies only to aircraft acquired after December
29 31, 2007. A transaction in which a person acquires an aircraft to rent
30 or lease the aircraft to another person for predominant use in public
31 transportation by the other person or by an affiliate of the other person
32 is exempt from the state gross retail tax. The department may not
33 require a person to meet the revenue threshold in subsection (e) with
34 respect to the person's leasing or rental of the aircraft to receive or
35 maintain the exemption. To maintain the exemption provided under
36 this subsection, the department may require the person to submit only
37 annual reports showing that the aircraft is predominantly used to
38 provide public transportation.

39 (i) The exemptions allowed under subsections (e) and (h) apply
40 regardless of the relationship, if any, between the person or lessor and
41 the lessee or renter of the aircraft.

42 **(j) A person who purchases a motor vehicle for sharing through**



1 **a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)**
 2 **is not eligible for the exemption under this section.**

3 SECTION 3. IC 6-2.5-6-13 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. **(a) Except as**
 5 **provided in subsection (b),** a person is entitled to a refund from the
 6 department if:

7 (1) a retail merchant erroneously or illegally collects state gross
 8 retail or use taxes under this article from the person;

9 (2) the retail merchant remits the taxes to the department;

10 (3) the retail merchant does not refund the taxes to the person;
 11 and

12 (4) the person properly applies for the refund under the refund
 13 provisions contained in IC 6-8.1-9.

14 **(b) A person is not entitled to a refund from the department on**
 15 **any state gross retail tax paid on the purchase or lease of a motor**
 16 **vehicle if the motor vehicle was purchased or leased for sharing on**
 17 **a peer to peer vehicle sharing program (as defined in**
 18 **IC 24-4-9.2-4).**

19 SECTION 4. IC 6-3-8.5 IS ADDED TO THE INDIANA CODE AS
 20 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2020]:

22 **Chapter 8.5. Peer to Peer Vehicle Sharing Tax**

23 **Sec. 1. The following definitions apply throughout this chapter:**

24 (1) "Department" refers to the department of state revenue.

25 (2) "Passenger motor vehicle" has the meaning set forth in
 26 IC 9-13-2-123.

27 (3) "Peer to peer gross income" means the gross amount
 28 received by a shared vehicle owner in consideration for the
 29 sharing of the shared vehicle owner's vehicle through a peer
 30 to peer vehicle sharing program.

31 (4) "Peer to peer vehicle sharing program" has the meaning
 32 set forth in IC 24-4-9.2-4.

33 (5) "Person" means a person (as defined in IC 6-2.5-1-3) who
 34 owns, leases, or otherwise possesses, either individually or
 35 jointly, a passenger motor vehicle or truck for sharing in one
 36 (1) or more peer to peer vehicle sharing programs.

37 (6) "Shared vehicle owner" has the meaning set forth in
 38 IC 24-4-9.2-8.

39 (7) "Truck" has the meaning set forth in IC 9-13-2-188(a).

40 **Sec. 2. A supplemental gross income tax, known as the peer to**
 41 **peer vehicle sharing tax, is imposed:**

42 (1) on peer to peer gross income received during a calendar



1 year by a shared vehicle owner based on the sharing of a
 2 passenger motor vehicle or truck in a peer to peer vehicle
 3 sharing program; and

4 (2) in addition to any other adjusted gross income tax that the
 5 person owes to the state.

6 **Sec. 3. (a) The peer to peer vehicle sharing tax equals:**

7 (1) the taxable peer to peer gross income determined under
 8 subsection (b) for the calendar year; multiplied by

9 (2) two percent (2%).

10 (b) Taxable peer to peer gross income for a taxable year is the
 11 total amount of the taxpayer's peer to peer gross income in the
 12 taxable year that exceeds two thousand dollars (\$2,000).

13 (c) The department may adopt rules under IC 4-22-2, including
 14 emergency rules under IC 4-22-2-37.1, to implement the tax under
 15 this chapter, including rules:

16 (1) concerning vehicles owned by more than one (1) person;
 17 and

18 (2) to prevent the use of multiple exemptions under this
 19 chapter by affiliated persons.

20 **Sec. 4. Notwithstanding any other provision of this chapter, the**
 21 **peer to peer gross income received from the sharing of the**
 22 **following passenger motor vehicles and trucks is not subject to the**
 23 **peer to peer vehicle sharing tax:**

24 (1) A truck if the declared gross weight of the truck being
 25 shared exceeds eleven thousand (11,000) pounds.

26 (2) A passenger motor vehicle or truck shared by a funeral
 27 director licensed under IC 25-15 if the sharing is part of the
 28 services provided by the director for a funeral.

29 **Sec. 5. (a) Except as provided in subsection (b), the payment of**
 30 **the peer to peer vehicle sharing tax must be made in coordination**
 31 **with the reporting and payment of adjusted gross income tax under**
 32 **IC 6-3.**

33 (b) If the person subject to the peer to peer vehicle sharing tax:

34 (1) is otherwise required to make quarterly estimated
 35 payments of Indiana adjusted gross income tax under IC 6-3;
 36 or

37 (2) has taxable peer to peer gross income in the immediately
 38 preceding year that exceeds fifty thousand dollars (\$50,000);
 39 the person is required to make quarterly estimated payments of the
 40 peer to peer vehicle sharing tax. The estimated tax payments must
 41 be equal to at least twenty-five percent (25%) of the person's
 42 estimated peer to peer vehicle sharing tax liability for the taxable



1 year. The estimated tax payments under this subsection must be
 2 made on the same date as estimated payments for corporations
 3 under IC 6-3-4-4.1(c). If the person fails to make an estimated
 4 payment on or before the required date, the person shall be subject
 5 to a penalty under IC 6-8.1-10-2.1 in the amount determined under
 6 subsection (c).

7 (c) The penalty described in subsection (b) is an amount equal
 8 to:

9 (1) the lesser of:

10 (A) twenty-five percent (25%) of the person's current
 11 year's peer to peer vehicle sharing tax liability; or

12 (B) twenty-five percent (25%) of the person's previous
 13 year's peer to peer vehicle sharing tax liability; minus

14 (2) the amount of the estimated quarterly tax payment made
 15 on or before the required due date.

16 (d) The form or schedule for reporting the peer to peer vehicle
 17 sharing tax must require information and be in a format (including
 18 electronic format) prescribed by the department. If the department
 19 determines that the return for the peer to peer vehicle sharing tax
 20 must be filed separately from the person's income tax return as
 21 otherwise required under this article or IC 6-5.5, the due date is
 22 the fifteenth day of the fourth month after the end of the calendar
 23 year for which the tax is due.

24 Sec. 6. (a) Not later than January 10 each year, each peer to
 25 peer vehicle sharing program shall provide the department with
 26 the following information for the preceding calendar year:

27 (1) A list of the shared vehicle owners who participated in the
 28 peer to peer vehicle sharing program.

29 (2) The shared vehicle owners' respective shared vehicles that
 30 were shared or offered for sharing on the peer to peer vehicle
 31 sharing program in the preceding year.

32 (3) The amount of peer to peer gross income received by each
 33 shared vehicle owner for each shared vehicle.

34 (b) The information required to be provided by subsection (a)
 35 must be provided in a format (including electronic format)
 36 prescribed by the department.

37 Sec. 7. All revenues collected from the peer to peer vehicle
 38 sharing tax shall be deposited in a special account of the state
 39 general fund known as the peer to peer vehicle sharing account.

40 Sec. 8. The record keeping requirements and penalties for
 41 adjusted gross income tax imposed under IC 6-3 apply to the tax
 42 imposed under this chapter.



1 SECTION 5. IC 6-6-9-8 IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) The rental of a truck is
 3 exempt from the auto rental excise tax if the declared gross weight of
 4 the truck being rented exceeds eleven thousand (11,000) pounds.

5 (b) The rental of a passenger motor vehicle or truck by a funeral
 6 director licensed under IC 25-15 is exempt from the auto rental excise
 7 tax if the rental is part of the services provided by the director for a
 8 funeral.

9 **(c) The sharing of a passenger motor vehicle or truck through**
 10 **a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)**
 11 **is exempt from the auto rental excise tax.**

12 SECTION 6. IC 6-6-9.5-7, AS ADDED BY P.L.214-2005,
 13 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2019]: Sec. 7. (a) The legislative body of the most populous
 15 city in the county may adopt an ordinance to impose an excise tax,
 16 known as the county supplemental auto rental excise tax, upon the
 17 rental of passenger motor vehicles in the county for periods of less than
 18 thirty (30) days. The ordinance must specify that the tax expires
 19 December 31, 2036.

20 (b) **Except as provided in subsection (c)**, the county supplemental
 21 auto rental excise tax that may be imposed upon the rental of a
 22 passenger motor vehicle is two percent (2%) of the gross retail income
 23 received by the retail merchant for the rental.

24 **(c) The county supplemental auto rental excise tax does not**
 25 **apply to the sharing of passenger motor vehicles through a peer to**
 26 **peer vehicle sharing program (as defined in IC 24-4-9.2-4) in the**
 27 **county unless the legislative body of the most populous city in the**
 28 **county adopts an ordinance to impose the tax as provided in this**
 29 **section. The legislative body of the most populous city in the county**
 30 **may adopt an ordinance to impose the county supplemental auto**
 31 **rental excise tax on the sharing of passenger motor vehicles**
 32 **registered in the county for purposes of IC 6-6-5 through a peer to**
 33 **peer vehicle sharing program. The amount of the tax is equal to:**

34 (1) the gross retail income received by the shared vehicle
 35 owner (as defined in IC 24-4-9.2-8) for the sharing of the
 36 passenger motor vehicle; multiplied by

37 (2) one percent (1%).

38 **The ordinance must specify that the ordinance expires December**
 39 **31, 2036.**

40 ~~(e)~~ (d) If the city legislative body adopts an ordinance under
 41 subsection (a) **or (c)**, the city legislative body shall immediately send
 42 a certified copy of the ordinance to the commissioner of the



1 department.

2 ~~(d)~~ (e) If the city legislative body adopts an ordinance under
 3 subsection (a) before June 1 of a year, the county supplemental auto
 4 rental excise tax applies to auto rentals after June 30 of the year in
 5 which the ordinance is adopted. If the city legislative body adopts an
 6 ordinance under subsection (a) **or (c)** on or after June 1 of a year, the
 7 county supplemental auto rental excise tax applies to auto rentals after
 8 the last day of the month in which the ordinance is adopted.

9 SECTION 7. IC 6-6-9.7-7, AS AMENDED BY P.L.205-2013,
 10 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) The city-county council of a
 12 county that contains a consolidated city may adopt an ordinance to
 13 impose an excise tax, known as the county supplemental auto rental
 14 excise tax, upon the rental of passenger motor vehicles and trucks in
 15 the county for periods of less than thirty (30) days. The ordinance must
 16 specify that the tax expires December 31, 2027.

17 (b) Except as provided in ~~subsection~~ **subsections (c) and (f)**, the
 18 county supplemental auto rental excise tax that may be imposed upon
 19 the rental of a passenger motor vehicle or truck equals two percent
 20 (2%) of the gross retail income received by the retail merchant for the
 21 rental.

22 (c) On or before June 30, 2005, the city-county council may, by
 23 ordinance adopted by a majority of the members elected to the
 24 city-county council, increase the tax imposed under subsection (a) from
 25 two percent (2%) to four percent (4%). The ordinance must specify
 26 that:

27 (1) if on December 31, 2027, there are obligations owed by the
 28 capital improvement board of managers to the Indiana stadium
 29 and convention building authority or any state agency under
 30 IC 5-1-17-26, the original two percent (2%) rate imposed under
 31 subsection (a) continues to be levied after its original expiration
 32 date set forth in subsection (a) and through December 31, 2040;
 33 and

34 (2) the additional rate authorized under this subsection expires on:

35 (A) January 1, 2041;

36 (B) January 1, 2010, if on that date there are no obligations
 37 owed by the capital improvement board of managers to the
 38 Indiana stadium and convention building authority or to any
 39 state agency under IC 5-1-17-26; or

40 (C) October 1, 2005, if on that date there are no obligations
 41 owed by the capital improvement board of managers to the
 42 Indiana stadium and convention building authority or to any



1 state agency under a lease or a sublease of an existing capital
 2 improvement entered into under IC 5-1-17, unless waived by
 3 the budget director.

4 (d) The amount collected from that portion of county supplemental
 5 auto rental excise tax imposed under:

6 (1) subsection (b) and collected after December 31, 2027; ~~and~~

7 (2) ~~under~~ subsection (c); **and**

8 **(3) subsection (f);**

9 shall, in the manner provided by section 11 of this chapter, be
 10 distributed to the capital improvement board of managers operating in
 11 a consolidated city or its designee. So long as there are any current or
 12 future obligations owed by the capital improvement board of managers
 13 to the Indiana stadium and convention building authority created by
 14 IC 5-1-17 or any state agency pursuant to a lease or other agreement
 15 entered into between the capital improvement board of managers and
 16 the Indiana stadium and convention building authority or any state
 17 agency under IC 5-1-17-26, the capital improvement board of managers
 18 or its designee shall deposit the revenues received under this
 19 subsection in a special fund, which may be used only for the payment
 20 of the obligations described in this subsection.

21 (e) After January 1, 2013, and before March 1, 2013, the city-county
 22 council may, by ordinance adopted by a majority of the members
 23 elected to the city-county council, increase the tax rate imposed under
 24 subsection (a) by not more than two percent (2%). The amount
 25 collected from an increase adopted under this subsection shall be
 26 deposited in the sports and convention facilities operating fund
 27 established by IC 36-7-31-16. An increase in the tax rate under this
 28 subsection continues in effect unless the increase is rescinded.
 29 However, any increase in the tax rate under this subsection may not
 30 continue in effect after February 28, 2023.

31 **(f) The county supplemental auto rental excise tax does not**
 32 **apply to the sharing of passenger motor vehicles or trucks through**
 33 **a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)**
 34 **in the county unless the city-county council adopts an ordinance,**
 35 **by a majority of the members elected to the city-county council, to**
 36 **impose the tax as provided in this section. The city-county council**
 37 **may adopt an ordinance to impose the county supplemental auto**
 38 **rental excise tax on the sharing of passenger motor vehicles or**
 39 **trucks registered in the county for purposes of IC 6-6-5 through a**
 40 **peer to peer vehicle sharing program. The amount of the tax is**
 41 **equal to:**

42 (1) the gross retail income received by the shared vehicle



1 owner (as defined in IC 24-4-9.2-8) for the sharing of the
 2 passenger motor vehicle or truck; multiplied by
 3 (2) one percent (1%).

4 **The ordinance must specify that the ordinance expires December**
 5 **31, 2027.**

6 ~~(f)~~ (g) If a city-county council adopts an ordinance under subsection
 7 (a), (c), ~~or~~ (e), **or (f)**, the city-county council shall immediately send a
 8 certified copy of the ordinance to the commissioner of the department
 9 of state revenue.

10 ~~(g)~~ (h) If a city-county council adopts an ordinance under subsection
 11 (a), (c), ~~or~~ (e), **or (f)** on or before the fifteenth day of a month, the
 12 county supplemental auto rental excise tax applies to auto rentals after
 13 the last day of the month in which the ordinance is adopted. If the
 14 city-county council adopts an ordinance under subsection (a), (c), ~~or~~
 15 (e), **or (f)** after the fifteenth day of a month, the county supplemental
 16 auto rental excise tax applies to auto rentals after the last day of the
 17 month following the month in which the ordinance is adopted.

18 SECTION 8. IC 6-8.1-1-1, AS AMENDED BY P.L.212-2018(ss),
 19 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2019]: Sec. 1. "Listed taxes" or "taxes" includes only the
 21 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the supplemental
 22 wagering tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the
 23 slot machine wagering tax (IC 4-35-8); the type II gambling game
 24 excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the
 25 utility receipts and utility services use taxes (IC 6-2.3); the state gross
 26 retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3);
 27 the supplemental net income tax (IC 6-3-8) (repealed); **the peer to**
 28 **peer vehicle sharing tax (IC 6-3-8.5)**; the county adjusted gross
 29 income tax (IC 6-3.5-1.1) (repealed); the county option income tax
 30 (IC 6-3.5-6) (repealed); the county economic development income tax
 31 (IC 6-3.5-7) (repealed); the local income tax (IC 6-3.6); the auto rental
 32 excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the
 33 gasoline tax (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor
 34 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
 35 reciprocal agreement under IC 6-8.1-3; the vehicle excise tax
 36 (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13); the commercial
 37 vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational
 38 vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal
 39 tax (IC 6-6-6.6) (repealed); the heavy equipment rental excise tax
 40 (IC 6-6-15); the cigarette tax (IC 6-7-1); the beer excise tax
 41 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 42 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise



1 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 2 innkeeper's taxes (IC 6-9); the various food and beverage taxes
 3 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 4 inspection fee (IC 16-44-2); the penalties assessed for oversize vehicles
 5 (IC 9-20-3 and IC 9-20-18); the fees and penalties assessed for
 6 overweight vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or
 7 fee that the department is required to collect or administer.

8 SECTION 9. IC 9-25-6-3, AS AMENDED BY P.L.120-2017,
 9 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2019]: Sec. 3. (a) If the bureau:

11 (1) does not receive a certificate of compliance during the
 12 applicable compliance response period for a person identified
 13 under IC 9-25-5-2; or

14 (2) receives a certificate that does not indicate that financial
 15 responsibility was in effect with respect to the motor vehicle
 16 operated by the person or operation of the motor vehicle by the
 17 person on the date of the accident referred to in IC 9-25-5-2;

18 the bureau shall take action under subsection (d).

19 (b) If the bureau:

20 (1) does not receive a certificate of compliance during the
 21 applicable compliance response period for a person presented
 22 with a request for evidence of financial responsibility under
 23 IC 9-25-9-1; or

24 (2) receives a certificate that does not indicate that financial
 25 responsibility was in effect with respect to the motor vehicle or
 26 operation of the motor vehicle that the person was operating when
 27 the person committed the violation described in the judgment or
 28 abstract received by the bureau under IC 9-25-9-1;

29 the bureau shall take action under subsection (d).

30 (c) If the bureau:

31 (1) does not receive a certificate of compliance during the
 32 applicable compliance response period for a person presented
 33 with a request under IC 9-25-10 (before its repeal); or

34 (2) receives a certificate that does not indicate that financial
 35 responsibility was in effect on the date requested;

36 the bureau shall take action under subsection (d).

37 (d) Under the conditions set forth in subsection (a), (b), or (c), the
 38 bureau shall immediately suspend the person's driving privileges or
 39 motor vehicle registration, or both, as determined by the bureau, for at
 40 least ninety (90) days and not more than one (1) year. The suspension
 41 of a person's driving privileges or motor vehicle registration, or both,
 42 may be imposed only one (1) time under this subsection or IC 9-25-8-2



- 1 for the same incident.
- 2 (e) Except as provided in subsection (f), if subsection (a), (b), or (c)
- 3 applies to a person, the bureau shall suspend the driving privileges of
- 4 the person irrespective of the following:
- 5 (1) The sale or other disposition of the motor vehicle by the
- 6 owner.
- 7 (2) The cancellation or expiration of the registration of the motor
- 8 vehicle.
- 9 (3) An assertion by the person that the person did not own the
- 10 motor vehicle and therefore had no control over whether financial
- 11 responsibility was in effect with respect to the motor vehicle.
- 12 (f) The bureau shall not suspend the driving privileges of a person
- 13 to which subsection (a), (b), or (c) applies if the person, through a
- 14 certificate of compliance or another communication with the bureau,
- 15 establishes to the satisfaction of the bureau that the motor vehicle that
- 16 the person was operating when the accident referred to in subsection
- 17 (a) took place or when the violation referred to in subsection (b) or (c)
- 18 was committed was:
- 19 (1) rented from a rental company; ~~or~~
- 20 **(2) shared through a peer to peer vehicle sharing program (as**
- 21 **defined in IC 24-4-9.2-4); or**
- 22 ~~(2)~~ **(3) owned by the person's employer and operated by the**
- 23 **person in the normal course of the person's employment.**
- 24 SECTION 10. IC 9-25-8-2, AS AMENDED BY P.L.198-2016,
- 25 SECTION 547, IS AMENDED TO READ AS FOLLOWS
- 26 [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) A person that knowingly:
- 27 (1) operates; or
- 28 (2) permits the operation of;
- 29 a motor vehicle on a public highway in Indiana without financial
- 30 responsibility in effect as set forth in IC 9-25-4-4 commits a Class A
- 31 infraction. However, the offense is a Class C misdemeanor if the
- 32 person knowingly or intentionally violates this section and has a prior
- 33 unrelated conviction or judgment under this section.
- 34 (b) Subsection (a)(2) applies to:
- 35 (1) the owner of a rental company under IC 9-25-6-3(f)(1); ~~and~~
- 36 **(2) the owner of a peer to peer sharing program under**
- 37 **IC 9-25-6-3(f)(2); and**
- 38 ~~(2)~~ **(3) an employer under ~~IC 9-25-6-3(f)(2)~~: IC 9-25-6-3(f)(3).**
- 39 (c) In addition to any other penalty imposed on a person for
- 40 violating this section, the court shall recommend the suspension of the
- 41 person's driving privileges for at least ninety (90) days but not more
- 42 than one (1) year. However, if, within the five (5) years preceding the



1 conviction under this section, the person had a prior unrelated
 2 conviction under this section, the court shall recommend the
 3 suspension of the person's driving privileges and motor vehicle
 4 registration for one (1) year.

5 (d) Upon receiving the recommendation of the court under
 6 subsection (c), the bureau shall suspend the person's driving privileges
 7 and motor vehicle registration, as applicable, for the period
 8 recommended by the court. If no suspension is recommended by the
 9 court, or if the court recommends a fixed term that is less than the
 10 minimum term required by statute, the bureau shall impose the
 11 minimum period of suspension required under this article. The
 12 suspension of a person's driving privileges or motor vehicle
 13 registration, or both, may be imposed only one (1) time under this
 14 subsection or IC 9-25-6 for the same incident.

15 SECTION 11. IC 24-4-9.2 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2019]:

18 **Chapter 9.2. Peer to Peer Vehicle Sharing**

19 **Sec. 1. As used in this chapter, "delivery period" means a period**
 20 **during which a shared vehicle is delivered to a location identified**
 21 **in the shared vehicle agreement before the vehicle sharing start**
 22 **time.**

23 **Sec. 2. As used in this chapter, "motor vehicle insurance policy"**
 24 **means an insurance policy that provides:**

- 25 (1) the types of insurance described in Class 2(f) of
 26 IC 27-1-5-1; and
 27 (2) coverage in not less than the minimum amounts required
 28 by IC 9-25-4-5.

29 **Sec. 3. As used in this chapter, "peer to peer vehicle sharing" or**
 30 **"P2P vehicle sharing" means the authorized use of a shared vehicle**
 31 **by a person other than the shared vehicle's owner as part of a P2P**
 32 **vehicle sharing program.**

33 **Sec. 4. As used in this chapter, "peer to peer vehicle sharing**
 34 **program" or "P2P vehicle sharing program" means an online**
 35 **platform operated by an entity under which a shared vehicle owner**
 36 **is connected with a shared vehicle driver to facilitate P2P vehicle**
 37 **sharing. The term does not include the following:**

- 38 (1) A shared vehicle owner.
 39 (2) A rental company (as defined in IC 24-4-9-7).

40 **Sec. 5. As used in this chapter, "person" means an individual, a**
 41 **corporation, a limited liability company, a partnership, or another**
 42 **legal entity.**



1 **Sec. 6.** As used in this chapter, "shared vehicle" means a vehicle
 2 that a shared vehicle owner has made available for P2P vehicle
 3 sharing with a shared vehicle driver through a P2P vehicle sharing
 4 program. The term does not include a vehicle obtained from a
 5 rental company under a rental agreement under IC 24-4-9.

6 **Sec. 7.** As used in this chapter, "shared vehicle driver" means
 7 a person who:

- 8 (1) has entered into a shared vehicle agreement with a P2P
 9 vehicle sharing program to drive a shared vehicle; and
 10 (2) is authorized to drive a shared vehicle.

11 The term does not include a renter (as defined in IC 24-4-9-6).

12 **Sec. 8.** As used in this chapter, "shared vehicle owner" means
 13 an individual who makes a shared vehicle available for P2P vehicle
 14 sharing with a shared vehicle driver through a P2P vehicle sharing
 15 program.

16 **Sec. 9.** As used in this chapter, "start time" means the time, as
 17 identified in the shared vehicle agreement, when the shared vehicle
 18 driver is authorized to use a shared vehicle.

19 **Sec. 10.** As used in this chapter, "termination time" means the
 20 earliest of the following events:

- 21 (1) The end of the vehicle sharing period identified in the
 22 shared vehicle agreement if the shared vehicle is delivered to
 23 the location agreed upon in the shared vehicle agreement.
 24 (2) The end of the vehicle sharing period identified in the
 25 shared vehicle agreement if the shared vehicle is delivered to
 26 an agreed alternative location and the alternative location has
 27 been communicated through the P2P vehicle sharing
 28 program.
 29 (3) The shared vehicle owner or the shared vehicle owner's
 30 designee takes possession and control of the shared vehicle.

31 **Sec. 11.** As used in this chapter, "shared vehicle agreement"
 32 means a written contract:

- 33 (1) that provides terms and conditions governing the conduct
 34 of the shared vehicle owner and shared vehicle driver;
 35 (2) that authorizes a shared vehicle driver to use a shared
 36 vehicle under a shared vehicle agreement made available by
 37 a shared vehicle owner through a P2P vehicle sharing
 38 program for a period of thirty (30) days or less;
 39 (3) under which a charge for use of the shared vehicle is made
 40 at a periodic rate; and
 41 (4) under which the title to the shared vehicle is not
 42 transferred to the shared vehicle driver.



1 The term does not include a rental agreement (as defined in
2 IC 24-4-9-5).

3 Sec. 12. As used in this chapter, "vehicle sharing period" means
4 a period beginning with:

5 (1) the delivery period; or

6 (2) if there is no delivery period, the start time;

7 and ending with the termination time.

8 Sec. 13. A P2P vehicle sharing program, for each shared vehicle
9 agreement completed through the P2P shared vehicle program,
10 shall do the following:

11 (1) Provide the language of the shared vehicle agreement to
12 the shared vehicle owner and shared vehicle driver.

13 (2) Disclose:

14 (A) to the shared vehicle driver any:

15 (i) rates, fees, and costs that are charged under the
16 shared vehicle agreement to the shared vehicle driver;
17 and

18 (ii) conditions under which the shared vehicle driver is
19 required to maintain primary coverage under a personal
20 motor vehicle insurance policy, including the specific
21 required coverage limits to enter into a shared vehicle
22 agreement; and

23 (B) to the shared vehicle owner any rates, fees, and costs
24 that are charged under the shared vehicle agreement to the
25 shared vehicle driver.

26 (3) Provide an emergency telephone number for the shared
27 vehicle driver to use during the vehicle sharing period to
28 contact the person tasked with providing roadside assistance
29 to the shared vehicle driver.

30 Sec. 14. (a) When a vehicle owner registers as a shared vehicle
31 owner on a P2P vehicle sharing program, and before a shared
32 vehicle owner makes a shared vehicle available for sharing on the
33 P2P vehicle sharing program, a P2P vehicle sharing program shall:

34 (1) verify that the shared vehicle does not have any safety
35 recalls appearing on the National Highway Traffic Safety
36 Administration recall data base created under 49 CFR 573.15
37 for which repairs have not been made; and

38 (2) notify the shared vehicle owner of the requirements stated
39 under subsection (b).

40 (b) If the shared vehicle owner has received a safety recall
41 notice required under 49 U.S.C. 30118 through 30120:

42 (1) for a vehicle not yet available as a shared vehicle on a P2P



1 vehicle sharing program, a shared vehicle owner may not
 2 make the vehicle available as a shared vehicle on a P2P
 3 vehicle sharing program until the safety recall repair has been
 4 made; or

5 (2) for a vehicle while the vehicle is available for P2P vehicle
 6 sharing through the P2P vehicle sharing program, the shared
 7 vehicle owner shall, not later than seventy-two (72) hours
 8 after the shared vehicle owner receives the safety recall
 9 notice, remove the shared vehicle from P2P vehicle sharing
 10 until repairs related to the safety recall are finished.

11 (c) If a shared vehicle owner receives a safety recall notice
 12 required under 49 U.S.C. 30118 through 30120 while the vehicle is
 13 in possession of a shared vehicle driver, the shared vehicle owner
 14 shall, not later than seventy-two (72) hours after the shared vehicle
 15 owner receives the safety recall notice, notify the P2P vehicle
 16 sharing program and shared vehicle driver about the safety recall.

17 Sec. 15. (a) A shared vehicle that is the subject of a shared
 18 vehicle agreement must be insured during a vehicle sharing period
 19 by a motor vehicle insurance policy that is maintained by any of
 20 the following:

- 21 (1) The shared vehicle owner.
- 22 (2) The shared vehicle driver.
- 23 (3) The P2P vehicle sharing program.
- 24 (4) Any combination of the persons described in subdivisions
- 25 (1) through (3).

26 (b) A motor vehicle insurance policy described in subsection (a)
 27 must:

- 28 (1) provide coverage in an amount equal to or greater than
- 29 the minimum amounts required by IC 9-25-4-5; and
- 30 (2) be issued by one (1) of the following:

31 (A) An insurance company granted a certificate of
 32 authority to engage in insurance business in Indiana under
 33 IC 27-1-3-20.

34 (B) A surplus lines insurer through a surplus lines
 35 producer licensed under IC 27-1-15.8.

36 (c) A P2P vehicle sharing program must ensure that during each
 37 vehicle sharing period the shared vehicle owner and the shared
 38 vehicle driver are insured under a motor vehicle insurance policy
 39 that:

- 40 (1) either:
- 41 (A) specifies that the motor vehicle insurance policy
- 42 provides coverage if the insured vehicle is made available



- 1 and used in a P2P vehicle sharing program; or
 2 **(B)** does not exclude coverage if the insured vehicle is used
 3 as a shared vehicle; and
 4 **(2)** provides coverage in an amount equal to or greater than
 5 the minimum amounts required under IC 9-25-4-5.
 6 **(d)** The insurance described in subsection (a) that is satisfying
 7 the insurance requirement shall be primary during each vehicle
 8 sharing period.
 9 **(e)** The P2P vehicle sharing program shall assume primary
 10 liability for a claim when:
 11 **(1)** it is in whole or in part providing the insurance required
 12 under subsection (a);
 13 **(2)** a dispute exists as to who was in control of the shared
 14 motor vehicle at the time of the loss; and
 15 **(3)** the P2P vehicle sharing program does not have available,
 16 did not retain, or fails to provide the information required by
 17 section 17 of this chapter.
 18 **(f)** The shared motor vehicle's insurer shall indemnify the P2P
 19 vehicle sharing program to the extent of its obligation, if any,
 20 under the applicable insurance policy, if it is determined the shared
 21 motor vehicle's owner was in control of the shared motor vehicle
 22 at the time of the loss.
 23 **(g)** If insurance maintained by a shared vehicle owner or shared
 24 vehicle driver in subsection (a) has lapsed or does not provide the
 25 required coverage, insurance maintained by a P2P vehicle sharing
 26 program shall provide the coverage required by subsection (c)
 27 beginning with the first dollar of a claim and have the duty to
 28 defend such claim.
 29 **(h)** Coverage under a motor vehicle insurance policy maintained
 30 by the P2P vehicle sharing program does not depend on whether
 31 a personal motor vehicle insurer first denies a claim and does not
 32 require a personal motor vehicle insurer to first deny a claim.
 33 **Sec. 16. (a)** During a vehicle sharing period, the P2P vehicle
 34 sharing program has an insurable interest in the shared vehicle.
 35 **(b)** A P2P vehicle sharing program may maintain, as the named
 36 insured, one **(1)** or more motor vehicle insurance policies that
 37 provide coverage in an amount equal to or greater than the
 38 minimum amounts required by IC 9-25-4-5, including coverage for
 39 the following:
 40 **(1)** Liability assumed by the P2P vehicle sharing program
 41 under a shared vehicle agreement.
 42 **(2)** Liability of a shared vehicle owner.



- 1 (3) Liability of a shared vehicle driver.
- 2 (4) Damage or loss to a shared vehicle.
- 3 (c) Nothing in this section creates a liability on a P2P vehicle
- 4 sharing program to maintain the coverage mandated under section
- 5 16 of this chapter.
- 6 (d) A P2P vehicle sharing program shall assume liability, except
- 7 as provided in subsection (e), of a shared vehicle owner for any:
- 8 (1) bodily injury or property damage to third parties;
- 9 (2) uninsured and underinsured motorist losses; and
- 10 (3) personal injuries;
- 11 during the vehicle sharing period in an amount that is at least
- 12 equal to the amount required by IC 9-25-4-5 and is specified in the
- 13 shared vehicle agreement.
- 14 (e) The assumption of liability in subsection (d) does not apply
- 15 if:
- 16 (1) the shared vehicle owner made an intentional or
- 17 fraudulent material misrepresentation to the P2P vehicle
- 18 sharing program before the vehicle sharing period in which
- 19 the loss occurred; or
- 20 (2) acting jointly with the shared vehicle owner, the shared
- 21 vehicle driver fails to return the shared vehicle under the
- 22 terms of the shared vehicle agreement.
- 23 (f) Notwithstanding the definition of "termination time" under
- 24 section 10 of this chapter, the assumption of liability under
- 25 subsection (d) would apply to:
- 26 (1) bodily injury or property damage to third parties;
- 27 (2) uninsured and underinsured motorist losses; and
- 28 (3) personal injuries;
- 29 in an amount required by IC 9-25-4-5.
- 30 (g) This chapter does not:
- 31 (1) limit the liability of a P2P vehicle sharing program for any
- 32 act or omission of the P2P vehicle sharing program itself that
- 33 results in injury to any person as a result of the use of a
- 34 shared vehicle through the P2P vehicle sharing program; or
- 35 (2) limit the ability of the P2P vehicle sharing program to seek
- 36 indemnification by contract from the shared vehicle owner or
- 37 the shared vehicle driver for economic loss sustained by the
- 38 P2P vehicle sharing program that results from a breach of the
- 39 terms and conditions of the shared vehicle agreement.
- 40 Sec. 17. (a) A P2P vehicle sharing program and a shared vehicle
- 41 owner are exempt from vicarious liability:
- 42 (1) as if the P2P vehicle sharing program were a vehicle rental



1 or leasing business, in accordance with 49 U.S.C. 30106; and
2 (2) under any state or local law that imposes liability based
3 solely on vehicle ownership.

4 (b) In an insurance claim investigation concerning a vehicle
5 accident, a P2P vehicle sharing program shall cooperate in
6 exchanging information between directly involved parties to the
7 accident and the insurer of a shared vehicle owner concerning the
8 shared vehicle's use in the P2P vehicle sharing program. This
9 subsection does not make the P2P vehicle sharing program subject
10 to civil or criminal liability.

11 (c) Records described in this section must be retained for a
12 period of two (2) years.

13 Sec. 18. When a vehicle owner registers as a shared vehicle
14 owner on a P2P vehicle sharing program and before a shared
15 vehicle owner makes a shared vehicle available for sharing on the
16 P2P vehicle sharing program, a P2P vehicle sharing program shall
17 notify the shared vehicle owner that if the shared vehicle has a lien
18 against it, the use of the shared vehicle through a P2P vehicle
19 sharing program, including use without physical damage coverage,
20 may violate the terms of the contract with the lienholder.

21 Sec. 19. (a) Except as otherwise provided in subsection (b), a
22 county, a municipality, or another political subdivision (as defined
23 in IC 36-1-2-13) of the state may not enact or enforce an ordinance,
24 resolution, policy, or rule to regulate P2P vehicle sharing.

25 (b) A board of an airport authority or a board of aviation
26 commissioners may enact or enforce an ordinance, resolution,
27 policy, or rule to regulate P2P vehicle sharing.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1362, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-6-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) The rental of a truck is exempt from the auto rental excise tax if the declared gross weight of the truck being rented exceeds eleven thousand (11,000) pounds.

(b) The rental of a passenger motor vehicle or truck by a funeral director licensed under IC 25-15 is exempt from the auto rental excise tax if the rental is part of the services provided by the director for a funeral.

(c) The sharing of a passenger motor vehicle or truck through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4) is exempt from the auto rental excise tax.

SECTION 2. IC 6-6-9.5-7, AS ADDED BY P.L.214-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) The legislative body of the most populous city in the county may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2036.

(b) **Except as provided in subsection (c)**, the county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle is two percent (2%) of the gross retail income received by the retail merchant for the rental.

(c) The county supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4) in the county unless the legislative body of the most populous city in the county adopts an ordinance to impose the tax as provided in this section. If the legislative body of the most populous city in the county adopts an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles through a peer to peer vehicle sharing program, the amount of the tax is equal to:

(1) the gross retail income received by the shared vehicle owner (as defined in IC 24-4-9.2-8) for the sharing of the



passenger motor vehicle; multiplied by

(2) a percentage equal to:

(A) five-tenths percent (0.5%), if:

(i) a peer to peer vehicle sharing program accepts payment for the sharing of the passenger motor vehicle from a shared vehicle driver (as defined in IC 24-4-9.2-7) who shares the passenger motor vehicle;

(ii) the shared vehicle driver accepts delivery of the passenger motor vehicle in the county; and

(iii) the shared vehicle owner of the passenger motor vehicle both shares the passenger motor vehicle through the peer to peer vehicle sharing program and uses the passenger motor vehicle for the shared vehicle owner's personal use; or

(B) the tax rate otherwise in effect in the county under subsection (b) for the rental of passenger motor vehicles in the county, if clause (A) does not apply.

The ordinance must specify that the ordinance expires December 31, 2036.

(c) (d) If the city legislative body adopts an ordinance under subsection (a) or (c), the city legislative body shall immediately send a certified copy of the ordinance to the commissioner of the department.

(d) (e) If the city legislative body adopts an ordinance under subsection (a) before June 1 of a year, the county supplemental auto rental excise tax applies to auto rentals after June 30 of the year in which the ordinance is adopted. If the city legislative body adopts an ordinance under subsection (a) or (c) on or after June 1 of a year, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted.

SECTION 3. IC 6-6-9.7-7, AS AMENDED BY P.L.205-2013, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 7. (a) The city-county council of a county that contains a consolidated city may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles and trucks in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2027.

(b) Except as provided in ~~subsection~~ subsections (c) and (f), the county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle or truck equals two percent (2%) of the gross retail income received by the retail merchant for the

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rental.

(c) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax imposed under subsection (a) from two percent (2%) to four percent (4%). The ordinance must specify that:

(1) if on December 31, 2027, there are obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the original two percent (2%) rate imposed under subsection (a) continues to be levied after its original expiration date set forth in subsection (a) and through December 31, 2040; and

(2) the additional rate authorized under this subsection expires on:

(A) January 1, 2041;

(B) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26; or

(C) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

(d) The amount collected from that portion of county supplemental auto rental excise tax imposed under:

(1) subsection (b) and collected after December 31, 2027; ~~and~~

(2) ~~under~~ subsection (c); ~~and~~

(3) subsection (f);

shall, in the manner provided by section 11 of this chapter, be distributed to the capital improvement board of managers operating in a consolidated city or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.



(e) After January 1, 2013, and before March 1, 2013, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax rate imposed under subsection (a) by not more than two percent (2%). The amount collected from an increase adopted under this subsection shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16. An increase in the tax rate under this subsection continues in effect unless the increase is rescinded. However, any increase in the tax rate under this subsection may not continue in effect after February 28, 2023.

(f) The county supplemental auto rental excise tax does not apply to the sharing of passenger motor vehicles or trucks through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4) in the county unless the city-county council adopts an ordinance, by a majority of the members elected to the city-county council, to impose the tax as provided in this section. If the city-county council adopts an ordinance to impose the county supplemental auto rental excise tax on the sharing of passenger motor vehicles or trucks through a peer to peer vehicle sharing program, the amount of the tax is equal to:

(1) the gross retail income received by the shared vehicle owner (as defined in IC 24-4-9.2-8) for the sharing of the passenger motor vehicle or truck; multiplied by

(2) a percentage equal to:

(A) five-tenths percent (0.5%), if:

(i) a peer to peer vehicle sharing program accepts payment for the sharing of the passenger motor vehicle or truck from a shared vehicle driver (as defined in IC 24-4-9.2-7) who shares the passenger motor vehicle;

(ii) the shared vehicle driver accepts delivery of the passenger motor vehicle or truck in the county; and

(iii) the shared vehicle owner of the passenger motor vehicle or truck both shares the passenger motor vehicle or truck through the peer to peer vehicle sharing program and uses the passenger motor vehicle or truck for the shared vehicle owner's personal use; or

(B) the tax rate otherwise in effect in the county under this section for the rental of passenger motor vehicles and trucks, if clause (A) does not apply.

The ordinance must specify that the ordinance expires December 31, 2027.

(f)(g) If a city-county council adopts an ordinance under subsection



(a), (c), ~~or~~ (e), **or** (f), the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

~~(g)~~ **(h)** If a city-county council adopts an ordinance under subsection (a), (c), ~~or~~ (e), **or** (f) on or before the fifteenth day of a month, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a), (c), ~~or~~ (e), **or** (f) after the fifteenth day of a month, the county supplemental auto rental excise tax applies to auto rentals after the last day of the month following the month in which the ordinance is adopted.

SECTION 4. IC 6-6-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 16. Peer to Peer Vehicle Sharing Excise Tax

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Department" refers to the department of state revenue.
- (2) "Gross retail income" has the meaning set forth in IC 6-2.5-1-5, except that the term does not include taxes imposed under IC 6-2.5.
- (3) "Passenger motor vehicle" has the meaning set forth in IC 9-13-2-123.
- (4) "Peer to peer vehicle sharing program" has the meaning set forth in IC 24-4-9.2-4.
- (5) "Person" has the meaning set forth in IC 6-2.5-1-3.
- (6) "Shared vehicle driver" has the meaning set forth in IC 24-4-9.2-7.
- (7) "Shared vehicle owner" has the meaning set forth in IC 24-4-9.2-8.
- (8) "Truck" has the meaning set forth in IC 9-13-2-188(a).

Sec. 2. (a) An excise tax, known as the peer to peer vehicle sharing excise tax, is imposed upon the sharing of passenger motor vehicles and trucks in Indiana for periods of less than thirty (30) days if a peer to peer vehicle sharing program accepts payment for the sharing from a shared vehicle driver who shares the passenger motor vehicle or truck.

(b) The peer to peer vehicle sharing excise tax imposed upon the sharing of a passenger motor vehicle or truck equals:

- (1) the gross retail income received by the shared vehicle owner for the sharing of the passenger motor vehicle or truck; multiplied by
- (2) a percentage equal to:



(A) four percent (4%), if:

- (i) the shared vehicle owner's use of the passenger motor vehicle or truck is exclusively to share the passenger motor vehicle or truck in the regular course of the shared vehicle owner's sharing business; and**
- (ii) the shared vehicle owner does not use the passenger motor vehicle or truck for the shared vehicle owner's personal use; or**

(B) one percent (1%), if the shared vehicle owner both:

- (i) shares the passenger motor vehicle or truck through a peer to peer vehicle sharing program; and**
- (ii) uses the passenger motor vehicle or truck for the shared vehicle owner's personal use.**

Sec. 3. (a) The sharing of a truck is exempt from the peer to peer vehicle sharing excise tax if the declared gross weight of the truck being shared exceeds eleven thousand (11,000) pounds.

(b) The sharing of a passenger motor vehicle or truck by a funeral director licensed under IC 25-15 is exempt from the peer to peer vehicle sharing excise tax if the sharing is part of the services provided by the director for a funeral.

Sec. 4. The shared vehicle driver who shares a passenger motor vehicle or truck is liable for the peer to peer vehicle sharing excise tax. The shared vehicle driver shall pay the tax to the peer to peer vehicle sharing program as a separate amount added to the consideration for the sharing. The peer to peer vehicle sharing program shall collect the tax as an agent for the state.

Sec. 5. (a) Except as otherwise provided in this section, the peer to peer vehicle sharing excise tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(b) Each peer to peer vehicle sharing program filing a return for the peer to peer vehicle sharing excise tax shall indicate in the return:

- (1) the locations of each shared vehicle owner for whom the peer to peer vehicle sharing program collected peer to peer vehicle sharing excise taxes; and**
- (2) the amount of peer to peer vehicle sharing excise taxes collected for each location of each shared vehicle owner.**

(c) The return to be filed for the payment of the peer to peer vehicle sharing excise tax may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department.



Sec. 6. (a) All revenues collected from the peer to peer vehicle sharing excise tax shall be deposited in a special account of the state general fund called the peer to peer vehicle sharing excise tax account.

(b) On or before May 20 and November 20 of each year, all amounts held in the peer to peer vehicle sharing excise tax account shall be distributed to the county treasurers of Indiana.

(c) The amount to be distributed to a county treasurer equals that part of the total peer to peer vehicle sharing excise taxes being distributed that were initially imposed and collected from within that county treasurer's county. The department shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the department shall certify to the county auditor each taxing district within the county where peer to peer vehicle sharing excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

(d) The county treasurer shall deposit peer to peer vehicle sharing excise tax collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year.

(e) The county auditor shall apportion and the county treasurer shall distribute the peer to peer vehicle sharing excise taxes among the taxing units of the county in the same manner that property taxes are apportioned and distributed with respect to property located in the taxing district where the peer to peer vehicle sharing excise tax was initially imposed and collected. The peer to peer vehicle sharing excise taxes distributed to a taxing unit shall be allocated among the taxing unit's funds in the same proportions that the taxing unit's property tax collections are allocated among those funds.

(f) Taxing units of a county may request and receive advances of peer to peer vehicle sharing excise tax revenues in the manner provided under IC 5-13-6-3.

(g) All distributions from the peer to peer vehicle sharing excise tax account shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the appropriate county treasurer.

SECTION 5. IC 6-8.1-1-1, AS AMENDED BY P.L.212-2018(ss), SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the supplemental



wagering tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1) (repealed); the county option income tax (IC 6-3.5-6) (repealed); the county economic development income tax (IC 6-3.5-7) (repealed); the local income tax (IC 6-3.6); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the vehicle excise tax (IC 6-6-5); the aviation fuel excise tax (IC 6-6-13); the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6) (repealed); the heavy equipment rental excise tax (IC 6-6-15); **the peer to peer vehicle sharing excise tax (IC 6-6-16)**; the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-20-18); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or fee that the department is required to collect or administer.

SECTION 6. IC 9-25-6-3, AS AMENDED BY P.L.120-2017, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. (a) If the bureau:

- (1) does not receive a certificate of compliance during the applicable compliance response period for a person identified under IC 9-25-5-2; or
- (2) receives a certificate that does not indicate that financial responsibility was in effect with respect to the motor vehicle operated by the person or operation of the motor vehicle by the person on the date of the accident referred to in IC 9-25-5-2;

the bureau shall take action under subsection (d).

(b) If the bureau:

- (1) does not receive a certificate of compliance during the applicable compliance response period for a person presented with a request for evidence of financial responsibility under

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IC 9-25-9-1; or

- (2) receives a certificate that does not indicate that financial responsibility was in effect with respect to the motor vehicle or operation of the motor vehicle that the person was operating when the person committed the violation described in the judgment or abstract received by the bureau under IC 9-25-9-1;

the bureau shall take action under subsection (d).

(c) If the bureau:

- (1) does not receive a certificate of compliance during the applicable compliance response period for a person presented with a request under IC 9-25-10 (before its repeal); or
 (2) receives a certificate that does not indicate that financial responsibility was in effect on the date requested;

the bureau shall take action under subsection (d).

(d) Under the conditions set forth in subsection (a), (b), or (c), the bureau shall immediately suspend the person's driving privileges or motor vehicle registration, or both, as determined by the bureau, for at least ninety (90) days and not more than one (1) year. The suspension of a person's driving privileges or motor vehicle registration, or both, may be imposed only one (1) time under this subsection or IC 9-25-8-2 for the same incident.

(e) Except as provided in subsection (f), if subsection (a), (b), or (c) applies to a person, the bureau shall suspend the driving privileges of the person irrespective of the following:

- (1) The sale or other disposition of the motor vehicle by the owner.
 (2) The cancellation or expiration of the registration of the motor vehicle.
 (3) An assertion by the person that the person did not own the motor vehicle and therefore had no control over whether financial responsibility was in effect with respect to the motor vehicle.

(f) The bureau shall not suspend the driving privileges of a person to which subsection (a), (b), or (c) applies if the person, through a certificate of compliance or another communication with the bureau, establishes to the satisfaction of the bureau that the motor vehicle that the person was operating when the accident referred to in subsection (a) took place or when the violation referred to in subsection (b) or (c) was committed was:

- (1) rented from a rental company; ~~or~~
(2) shared through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4); or
~~(2)~~ **(3)** owned by the person's employer and operated by the



person in the normal course of the person's employment.

SECTION 7. IC 9-25-8-2, AS AMENDED BY P.L.198-2016, SECTION 547, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) A person that knowingly:

- (1) operates; or
- (2) permits the operation of;

a motor vehicle on a public highway in Indiana without financial responsibility in effect as set forth in IC 9-25-4-4 commits a Class A infraction. However, the offense is a Class C misdemeanor if the person knowingly or intentionally violates this section and has a prior unrelated conviction or judgment under this section.

(b) Subsection (a)(2) applies to:

- (1) the owner of a rental company under IC 9-25-6-3(f)(1); **and**
- (2) the owner of a peer to peer sharing program under IC 9-25-6-3(f)(2); and**
- (2) an employer under ~~IC 9-25-6-3(f)(2)~~. **IC 9-25-6-3(f)(3)**.

(c) In addition to any other penalty imposed on a person for violating this section, the court shall recommend the suspension of the person's driving privileges for at least ninety (90) days but not more than one (1) year. However, if, within the five (5) years preceding the conviction under this section, the person had a prior unrelated conviction under this section, the court shall recommend the suspension of the person's driving privileges and motor vehicle registration for one (1) year.

(d) Upon receiving the recommendation of the court under subsection (c), the bureau shall suspend the person's driving privileges and motor vehicle registration, as applicable, for the period recommended by the court. If no suspension is recommended by the court, or if the court recommends a fixed term that is less than the minimum term required by statute, the bureau shall impose the minimum period of suspension required under this article. The suspension of a person's driving privileges or motor vehicle registration, or both, may be imposed only one (1) time under this subsection or IC 9-25-6 for the same incident."

Page 2, line 19, delete "with a shared" and insert "**with a P2P vehicle sharing program;**".

Page 2, line 20, delete "vehicle owner;"

Page 3, line 15, delete "owner" and insert "**driver**".

Page 3, line 16, delete "owner's" and insert "**driver's**".

Page 3, line 17, delete "authorized".

Page 3, between lines 21 and 22, begin a new line block indented and insert:

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"(4) The shared vehicle is returned to the location designated in the shared vehicle agreement."

Page 5, between lines 32 and 33, begin a new paragraph and insert:

"(d) This chapter does not:

**(1) limit the liability of a P2P vehicle sharing program for any act or omission of the P2P vehicle sharing program itself that results in injury to any person as a result of the use of a shared vehicle through the P2P vehicle sharing program; or
(2) limit the ability of the P2P vehicle sharing program to seek indemnification by contract from the shared vehicle owner or the shared vehicle driver for economic loss sustained by the P2P vehicle sharing program that results from a breach of the terms and conditions of the shared vehicle agreement."**

Page 5, line 40, delete "facilitate the" and insert **"cooperate in exchanging"**.

Page 5, line 41, delete "exchange of".

Page 6, line 13, after "subdivision" insert **"(as defined in IC 36-1-2-13)"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1362 as introduced.)

SULLIVAN

Committee Vote: yeas 11, nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1362, 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 2, line 21, delete "five-tenths percent (0.5%)," and insert **"one percent (1%)"**.



Page 5, line 1, delete "five-tenths percent (0.5%)," and insert "**one percent (1%),**".

Page 6, line 27, delete "one percent (1%," and insert "**two percent (2%),**".

and when so amended that said bill do pass.

(Reference is to HB 1362 as printed February 15, 2019.)

HUSTON

Committee Vote: yeas 21, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security and Transportation, to which was referred House Bill No. 1362, 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 2, line 12, delete "If the" and insert "**The**".

Page 2, line 13, delete "adopts" and insert "**may adopt**".

Page 2, line 14, after "vehicles" insert "**registered in the county for purposes of IC 6-6-5**".

Page 2, line 15, delete "program, the" and insert "**program. The**".

Page 2, line 20, delete "a percentage equal to:" and insert "**one percent (1%).**".

Page 2, delete lines 21 through 35.

Page 4, line 34, delete "If the" and insert "**The**".

Page 4, line 35, delete "adopts" and insert "**may adopt**".

Page 4, line 36, after "trucks" insert "**registered in the county for purposes of IC 6-6-5**".

Page 4, line 37, delete "program, the" and insert "**program. The**".

Page 4, line 42, delete "a percentage equal to:" and insert "**one percent (1%).**".

Page 5, delete lines 1 through 15.

Page 6, line 18, delete "a percentage equal to:" and insert "**two percent (2%).**".

Page 6, delete lines 19 through 31.

Page 7, line 6, after "IC 6-2.5." insert "**All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties,**

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definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed by this chapter, except to the extent that the provisions of IC 6-2.5 conflict with the provisions of this chapter."

Page 7, line 8, after "in the" insert **"return the amount of peer to peer vehicle excise taxes collected for each county in which one (1) or more shared vehicles are registered for purposes of IC 6-6-5, and the amount collected for vehicles registered outside Indiana but subject to the peer to peer vehicle excise tax."**

Page 7, delete lines 9 through 14.

Page 7, line 28, delete "and collected from within" and insert **"on and collected from the sharing of motor vehicles registered in that county for purposes of IC 6-6-5."**

Page 7, line 29, delete "that county treasurer's county."

Page 7, line 31, delete "At the same time each distribution is made to a".

Page 7, delete lines 32 through 35.

Page 7, line 42, delete "taxing units of" and insert **"tax districts in"**.

Page 7, line 42, delete "manner that property" and insert **"proportion as property taxes are collected by the county."**

(f) Any peer to peer vehicle excise tax revenue collected for vehicles that are not registered under IC 6-6-5 shall be distributed to the state general fund."

Page 8, delete lines 1 through 10.

Page 10, line 35, strike "(2)" and insert **"(3)"**.

Page 12, line 6, delete "program;" and insert **"program to drive a shared vehicle;"**.

Page 12, line 39, delete "following" and insert **"time when the shared vehicle is returned to the location designated in the shared vehicle agreement and the earliest of the following:"**.

Page 12, delete line 40.

Page 13, delete lines 7 through 8.

Page 14, between lines 30 and 31, begin a new paragraph and insert:

"(c) A P2P vehicle sharing program must ensure that during each car sharing period the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle insurance policy that recognizes the vehicle insured under the policy is made available and used through a P2P vehicle sharing program."

(d) The insurance described in subsection (a) that is satisfying the insurance requirement shall be primary during each car sharing period.

(e) The P2P vehicle sharing program shall assume primary



liability for a claim when:

- (1) it is in whole or in part providing the insurance required under subsection (a);**
- (2) a dispute exists as to who was in control of the shared motor vehicle at the time of the loss; and**
- (3) the P2P vehicle sharing program does not have available, did not retain, or fails to provide the information required by section 19 of this chapter.**

(f) The shared motor vehicle's insurer shall indemnify the P2P vehicle sharing program to the extent of its obligation, if any, under the applicable insurance policy, if it is determined the shared motor vehicle's owner was in control of the shared motor vehicle at the time of the loss.

(g) If insurance maintained by a shared vehicle owner or shared vehicle driver in subsection (a) has lapsed or does not provide the required coverage, insurance maintained by a P2P vehicle sharing program shall provide the coverage required by section 16(c) of this chapter beginning with the first dollar of a claim and have the duty to defend such claim.

(h) Coverage under an automobile insurance policy maintained by the P2P vehicle sharing program does not depend on whether a personal automobile insurer first denies a claim and does not require a personal automobile insurer to first deny a claim."

Page 14, line 34, delete "terminate, rescind, refuse to renew, or increase premiums on" and insert "terminate, or rescind".

Page 15, between lines 19 and 20, begin a new paragraph and insert:

"(d) A P2P vehicle sharing program shall assume liability, except as provided in subsection (e), of a shared vehicle owner for any bodily injury or property damage to third parties or uninsured and underinsured motorist losses during the car sharing period in an amount stated in the P2P vehicle sharing program agreement, which amount may not be less than those set forth in IC 9-25-4-5.

(e) The assumption of liability in subsection (d) does not apply if the shared vehicle owner made an intentional or fraudulent material misrepresentation to the P2P vehicle sharing program before the car sharing period in which the loss occurred."

Page 15, line 20, delete "(d)" and insert "(f)".

Page 15, after line 42, begin a new paragraph and insert:

"(c) Records described in this section must be retained for a period of two (2) years."

Page 16, line 9, after "21." delete "A" and insert "**(a) Except as otherwise provided in subsection (b), a**".



Page 16, after line 12, begin a new paragraph and insert:

"(b) A board of an airport authority or a board of aviation commissioners may enact or enforce an ordinance, resolution, policy, or rule to regulate P2P vehicle sharing."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to HB 1362 as printed February 18, 2019.)

CRIDER, Chairperson

Committee Vote: Yeas 8, Nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Engrossed House Bill No. 1362, 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 6-2.5-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. (a) A person, other than a public utility, is a retail merchant making a retail transaction when ~~he~~ **the person** rents or leases tangible personal property to another person other than for subrent or sublease.

(b) A person is a retail merchant making a retail transaction when the person sells any tangible personal property which has been rented or leased in the regular course of the person's rental or leasing business.

(c) Notwithstanding subsection (a), a person is not a retail merchant making a retail transaction when the person rents or leases motion picture film, audio tape, or video tape to another person. However, this exclusion only applies if:

- (1) the person who pays to rent or lease the film charges admission to those who view the film; or
- (2) the person who pays to rent or lease the film or tape broadcasts the film or tape for home viewing or listening.

(d) The sharing of passenger motor vehicles and trucks through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)

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is a retail transaction.

SECTION 2. IC 6-2.5-5-8, AS AMENDED BY P.L.182-2009(ss), SECTION 176, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 8. (a) As used in this section, "new motor vehicle" has the meaning set forth in IC 9-13-2-111.

(b) **Except as provided in subsection (j)**, transactions involving tangible personal property other than a new motor vehicle are exempt from the state gross retail tax if the person acquiring the property acquires it for resale, rental, or leasing in the ordinary course of the person's business without changing the form of the property.

(c) The following transactions involving a new motor vehicle are exempt from the state gross retail tax:

(1) A transaction in which a person that has a franchise in effect at the time of the transaction for the vehicle trade name, trade or service mark, or related characteristics acquires a new motor vehicle for resale, rental, or leasing in the ordinary course of the person's business.

(2) A transaction in which a person that is a franchisee appointed by a manufacturer or converter manufacturer licensed under IC 9-23 acquires a new motor vehicle that has at least one (1) trade name, service mark, or related characteristic as a result of modification or further manufacture by the manufacturer or converter manufacturer for resale, rental, or leasing in the ordinary course of the person's business.

(3) A transaction in which a person acquires a new motor vehicle for rental or leasing in the ordinary course of the person's business **as a rental company (as defined in IC 24-4-9-7).**

(d) The rental or leasing of accommodations to a promoter by a political subdivision (including a capital improvement board) or the state fair commission is not exempt from the state gross retail tax, if the rental or leasing of the property by the promoter is exempt under IC 6-2.5-4-4.

(e) This subsection applies only to aircraft acquired after June 30, 2008. Except as provided in subsection (h), a transaction in which a person acquires an aircraft for rental or leasing in the ordinary course of the person's business is not exempt from the state gross retail tax unless the person establishes, under guidelines adopted by the department in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules, that the annual amount of the gross lease revenue derived from leasing or rental of the aircraft, which may include revenue from related party transactions, is equal to or greater than seven and five-tenths percent (7.5%) of the:

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- (1) book value of the aircraft, as published in the Vref Aircraft Value Reference guide for the aircraft; or
- (2) net acquisition price for the aircraft.

If a person acquires an aircraft below the Vref Aircraft Value Reference guide book value, the person may appeal to the department for a lower lease or rental threshold equal to the actual acquisition price paid if the person demonstrates that the transaction was completed in a commercially reasonable manner based on the aircraft's age, condition, and equipment. The department may request the person to submit to the department supporting documents showing the aircraft is available for general public lease or rental, copies of business and aircraft insurance policies, and other documents that assist the department in determining if an aircraft is exempt from the state gross retail tax.

(f) A person is required to meet the requirements of subsection (e) until the earlier of the date the aircraft has generated sales tax on leases or rental income that is equal to the amount of the original sales tax exemption or the elapse of thirteen (13) years. If the aircraft is sold by the person before meeting the requirements of this section and before the sale the aircraft was exempt from gross retail tax under subsection (e), the sale of the aircraft shall not result in the assessment or collection of gross retail tax for the period from the date of acquisition to the date of sale by the person.

(g) The person is required to remit the gross retail tax on taxable lease and rental transactions no matter how long the aircraft is used for lease and rental.

(h) This subsection applies only to aircraft acquired after December 31, 2007. A transaction in which a person acquires an aircraft to rent or lease the aircraft to another person for predominant use in public transportation by the other person or by an affiliate of the other person is exempt from the state gross retail tax. The department may not require a person to meet the revenue threshold in subsection (e) with respect to the person's leasing or rental of the aircraft to receive or maintain the exemption. To maintain the exemption provided under this subsection, the department may require the person to submit only annual reports showing that the aircraft is predominantly used to provide public transportation.

(i) The exemptions allowed under subsections (e) and (h) apply regardless of the relationship, if any, between the person or lessor and the lessee or renter of the aircraft.

(j) A person who purchases a motor vehicle for sharing through a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4)



is not eligible for the exemption under this section.

SECTION 3. IC 6-2.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. **(a) Except as provided in subsection (b), a person is entitled to a refund from the department if:**

- (1) a retail merchant erroneously or illegally collects state gross retail or use taxes under this article from the person;
- (2) the retail merchant remits the taxes to the department;
- (3) the retail merchant does not refund the taxes to the person; and
- (4) the person properly applies for the refund under the refund provisions contained in IC 6-8.1-9.

(b) A person is not entitled to a refund from the department on any state gross retail tax paid on the purchase or lease of a motor vehicle if the motor vehicle was purchased or leased for sharing on a peer to peer vehicle sharing program (as defined in IC 24-4-9.2-4).

SECTION 4. IC 6-3-8.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]:

Chapter 8.5. Peer to Peer Vehicle Sharing Tax

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Department" refers to the department of state revenue.
- (2) "Passenger motor vehicle" has the meaning set forth in IC 9-13-2-123.
- (3) "Peer to peer gross income" means the gross amount received by a shared vehicle owner in consideration for the sharing of the shared vehicle owner's vehicle through a peer to peer vehicle sharing program.
- (4) "Peer to peer vehicle sharing program" has the meaning set forth in IC 24-4-9.2-4.
- (5) "Person" means a person (as defined in IC 6-2.5-1-3) who owns, leases, or otherwise possesses, either individually or jointly, a passenger motor vehicle or truck for sharing in one (1) or more peer to peer vehicle sharing programs.
- (6) "Shared vehicle owner" has the meaning set forth in IC 24-4-9.2-8.
- (7) "Truck" has the meaning set forth in IC 9-13-2-188(a).

Sec. 2. A supplemental gross income tax, known as the peer to peer vehicle sharing tax, is imposed:

- (1) on peer to peer gross income received during a calendar year by a shared vehicle owner based on the sharing of a



passenger motor vehicle or truck in a peer to peer vehicle sharing program; and

(2) in addition to any other adjusted gross income tax that the person owes to the state.

Sec. 3. (a) The peer to peer vehicle sharing tax equals:

(1) the taxable peer to peer gross income determined under subsection (b) for the calendar year; multiplied by

(2) two percent (2%).

(b) Taxable peer to peer gross income for a taxable year is the total amount of the taxpayer's peer to peer gross income in the taxable year that exceeds two thousand dollars (\$2,000).

(c) The department may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement the tax under this chapter, including rules:

(1) concerning vehicles owned by more than one (1) person; and

(2) to prevent the use of multiple exemptions under this chapter by affiliated persons.

Sec. 4. Notwithstanding any other provision of this chapter, the peer to peer gross income received from the sharing of the following passenger motor vehicles and trucks is not subject to the peer to peer vehicle sharing tax:

(1) A truck if the declared gross weight of the truck being shared exceeds eleven thousand (11,000) pounds.

(2) A passenger motor vehicle or truck shared by a funeral director licensed under IC 25-15 if the sharing is part of the services provided by the director for a funeral.

Sec. 5. (a) Except as provided in subsection (b), the payment of the peer to peer vehicle sharing tax must be made in coordination with the reporting and payment of adjusted gross income tax under IC 6-3.

(b) If the person subject to the peer to peer vehicle sharing tax:

(1) is otherwise required to make quarterly estimated payments of Indiana adjusted gross income tax under IC 6-3; or

(2) has taxable peer to peer gross income in the immediately preceding year that exceeds fifty thousand dollars (\$50,000); the person is required to make quarterly estimated payments of the peer to peer vehicle sharing tax. The estimated tax payments must be equal to at least twenty-five percent (25%) of the person's estimated peer to peer vehicle sharing tax liability for the taxable year. The estimated tax payments under this subsection must be



made on the same date as estimated payments for corporations under IC 6-3-4-4.1(c). If the person fails to make an estimated payment on or before the required date, the person shall be subject to a penalty under IC 6-8.1-10-2.1 in the amount determined under subsection (c).

(c) The penalty described in subsection (b) is an amount equal to:

(1) the lesser of:

(A) twenty-five percent (25%) of the person's current year's peer to peer vehicle sharing tax liability; or

(B) twenty-five percent (25%) of the person's previous year's peer to peer vehicle sharing tax liability; minus

(2) the amount of the estimated quarterly tax payment made on or before the required due date.

(d) The form or schedule for reporting the peer to peer vehicle sharing tax must require information and be in a format (including electronic format) prescribed by the department. If the department determines that the return for the peer to peer vehicle sharing tax must be filed separately from the person's income tax return as otherwise required under this article or IC 6-5.5, the due date is the fifteenth day of the fourth month after the end of the calendar year for which the tax is due.

Sec. 6. (a) Not later than January 10 each year, each peer to peer vehicle sharing program shall provide the department with the following information for the preceding calendar year:

(1) A list of the shared vehicle owners who participated in the peer to peer vehicle sharing program.

(2) The shared vehicle owners' respective shared vehicles that were shared or offered for sharing on the peer to peer vehicle sharing program in the preceding year.

(3) The amount of peer to peer gross income received by each shared vehicle owner for each shared vehicle.

(b) The information required to be provided by subsection (a) must be provided in a format (including electronic format) prescribed by the department.

Sec. 7. All revenues collected from the peer to peer vehicle sharing tax shall be deposited in a special account of the state general fund known as the peer to peer vehicle sharing account.

Sec. 8. The record keeping requirements and penalties for adjusted gross income tax imposed under IC 6-3 apply to the tax imposed under this chapter."

Delete pages 5 through 6.



Page 7, delete lines 1 through 8.

Page 7, line 18, after "(repealed);" insert **"the peer to peer vehicle sharing tax (IC 6-3-8.5);"**.

Page 7, line 30, delete "the peer to peer vehicle sharing excise tax".

Page 7, line 31, delete "(IC 6-6-16);".

Page 11, delete lines 10 through 13, begin a new paragraph and insert:

"Sec. 10. As used in this chapter, "termination time" means the earliest of the following events:

(1) The end of the vehicle sharing period identified in the shared vehicle agreement if the shared vehicle is delivered to the location agreed upon in the shared vehicle agreement.

(2) The end of the vehicle sharing period identified in the shared vehicle agreement if the shared vehicle is delivered to an agreed alternative location and the alternative location has been communicated through the P2P vehicle sharing program.

(3) The shared vehicle owner or the shared vehicle owner's designee takes possession and control of the shared vehicle."

Page 11, delete lines 33 through 42.

Page 12, delete line 1.

Page 12, line 2, delete "14." and insert **"13."**

Page 12, delete lines 8 through 10, begin a new line double block indented and insert:

"(A) to the shared vehicle driver any:

(i) rates, fees, and costs that are charged under the shared vehicle agreement to the shared vehicle driver; and

(ii) conditions under which the shared vehicle driver is required to maintain primary coverage under a personal motor vehicle insurance policy, including the specific required coverage limits to enter into a shared vehicle agreement; and"

Page 12, line 18, delete "15." and insert **"14."**

Page 13, line 5, delete "16." and insert **"15."**

Page 13, delete lines 24 through 28, begin a new paragraph and insert:

"(c) A P2P vehicle sharing program must ensure that during each vehicle sharing period the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle insurance policy that:

(1) either:



(A) specifies that the motor vehicle insurance policy provides coverage if the insured vehicle is made available and used in a P2P vehicle sharing program; or

(B) does not exclude coverage if the insured vehicle is used as a shared vehicle; and

(2) provides coverage in an amount equal to or greater than the minimum amounts required under IC 9-25-4-5."

Page 13, line 30, delete "car" and insert "**vehicle**".

Page 13, line 40, delete "19" and insert "**17**".

Page 14, line 7, delete "section 16(c) of" and insert "**subsection (c)**".

Page 14, line 8, delete "this chapter".

Page 14, line 10, delete "an automobile" and insert "**a motor vehicle**".

Page 14, line 12, delete "automobile" and insert "**motor vehicle**".

Page 14, line 13, delete "automobile" and insert "**motor vehicle**".

Page 14, delete lines 14 through 28.

Page 14, line 29, delete "18." and insert "**16**".

Page 15, delete lines 2 through 11, begin a new paragraph and insert:

"(d) A P2P vehicle sharing program shall assume liability, except as provided in subsection (e), of a shared vehicle owner for any:

- (1) bodily injury or property damage to third parties;**
- (2) uninsured and underinsured motorist losses; and**
- (3) personal injuries;**

during the vehicle sharing period in an amount that is at least equal to the amount required by IC 9-25-4-5 and is specified in the shared vehicle agreement.

(e) The assumption of liability in subsection (d) does not apply if:

- (1) the shared vehicle owner made an intentional or fraudulent material misrepresentation to the P2P vehicle sharing program before the vehicle sharing period in which the loss occurred; or**
- (2) acting jointly with the shared vehicle owner, the shared vehicle driver fails to return the shared vehicle under the terms of the shared vehicle agreement.**

(f) Notwithstanding the definition of "termination time" under section 10 of this chapter, the assumption of liability under subsection (d) would apply to:

- (1) bodily injury or property damage to third parties;**
- (2) uninsured and underinsured motorist losses; and**



**(3) personal injuries;
in an amount required by IC 9-25-4-5."**

Page 15, line 12, delete "(f)" and insert "**(g)**".

Page 15, line 22, delete "19." and insert "**17.**".

Page 15, line 37, delete "20." and insert "**18.**".

Page 16, line 3, delete "21." and insert "**19.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1362 as printed March 27, 2019.)

HOLDMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

