



April 3, 2017

HOUSE RESOLUTION No. 3

Introduced by: Brown T

January 9, 2017, read first time and referred to Committee on Ways and Means.
April 3, 2017, amended, reported — Do Pass.

1 A HOUSE RESOLUTION urging the Legislative Council to
2 assign the topic of examining whether to expand the sales and
3 use tax base to include services to the appropriate interim study
4 committee.

5 Whereas, Approximately half of the revenue deposited in the
6 State General Fund is generated from the sales and use tax;

7 Whereas, Data on personal consumption expenditures
8 compiled by the United States Bureau of Economic Analysis
9 demonstrates that Americans spend an ever-increasing share of
10 their income on services and an ever-decreasing share on goods;

11 Whereas, The shift in consumption preference away from
12 generally taxed goods in favor of generally untaxed services
13 serves to narrow the sales and use tax base;



1 Whereas, A key principal of sound tax policy is to tax the
2 broadest possible tax base at the lowest possible tax rate; and

3 Whereas, Expanding the sales and use tax base to include
4 services could allow for a substantial reduction in the sales and
5 use tax rate while maintaining revenue neutrality: Therefore,

6 Be it resolved by the House of Representatives of the
7 General Assembly of the State of Indiana:

8 SECTION 1. That the Legislative Council is urged to assign
9 the following topics to the appropriate interim study committee:

10 (1) Examining whether to expand the sales and use tax
11 base to include services.

12 (2) Examining the effects of marketing, technology, and
13 new platforms on the reporting and collecting of sales and
14 lodging taxes.

15 (3) Analyzing options available to Indiana to collect sales
16 tax on Internet transactions, including a study of legislation
17 from Colorado and other states.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Resolution 3, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said resolution be amended as follows:

Page 2, delete line 9.

Page 2, line 10, delete "base to include services" and insert "the following topics".

Page 2, line 11, delete "." and insert ":

(1) Examining whether to expand the sales and use tax base to include services.

(2) Examining the effects of marketing, technology, and new platforms on the reporting and collecting of sales and lodging taxes.

(3) Analyzing options available to Indiana to collect sales tax on Internet transactions, including a study of legislation from Colorado and other states."

and when so amended that said resolution do pass.

(Reference is to HR 3 as printed January 10, 2017.)

BROWN T

Committee Vote: yeas 21, nays 0.

