

# SENATE BILL No. 84

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.5.

**Synopsis:** County vehicle excise and wheel tax exemption. Provides that the fiscal body of a city or town may adopt an ordinance declaring that a vehicle registered in the city or town is exempt from the county vehicle excise tax and the county wheel tax (nonparticipating municipality). Provides that a nonparticipating municipality does not receive a distribution of county vehicle excise tax revenue or county wheel tax revenue.

**Effective:** July 1, 2020.

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## Niemeyer

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January 6, 2020, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

# SENATE BILL No. 84

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

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

1 SECTION 1. IC 6-3.5-4-1, AS AMENDED BY P.L.256-2017,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 1. The following definitions apply throughout this  
4 chapter:

5 (1) "Adopting entity" means either the county council or the local  
6 income tax council established by IC 6-3.6-3-1 for the county,  
7 whichever adopts an ordinance to impose a surtax first.

8 (2) "County council" includes the city-county council of a county  
9 that contains a consolidated city of the first class.

10 ~~(3) "Vehicle" has the meaning set forth in IC 6-6-5-1(b).~~

11 ~~(4)~~ (3) "Net vehicle excise tax" means the tax due under IC 6-6-5  
12 after the application of the adjustments and credits provided by  
13 that chapter.

14 (4) "Nonparticipating municipality" means a municipality (as  
15 defined in IC 36-1-2-11):

16 (A) that is located in a county in which the county vehicle  
17 excise tax is imposed; and



- 1           **(B) in which an ordinance described in section 17 of this**  
 2           **chapter is in effect in the municipality.**  
 3           **(5) "Participating municipality" means a municipality (as**  
 4           **defined in IC 36-1-2-11):**  
 5           **(A) that is located in a county in which the county vehicle**  
 6           **excise tax is imposed; and**  
 7           **(B) in which an ordinance described in section 17 of this**  
 8           **chapter is not in effect in the municipality.**  
 9           ~~(5)~~ **(6) "Surtax" means the county vehicle excise tax imposed by**  
 10           an adopting entity under this chapter.  
 11           ~~(6)~~ **(7) "Transportation asset management plan" includes planning**  
 12           for drainage systems and rights-of-way that affect transportation  
 13           assets.  
 14           **(8) "Vehicle" has the meaning set forth in IC 6-6-5-1(b).**  
 15           SECTION 2. IC 6-3.5-4-2, AS AMENDED BY P.L.178-2019,  
 16           SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17           JULY 1, 2020]: Sec. 2. (a) An adopting entity of any county may,  
 18           subject to the limitation imposed by subsection (e), adopt an ordinance  
 19           to impose a county vehicle excise tax in accordance with this chapter  
 20           on each vehicle that:  
 21           **(1) is subject to the vehicle excise tax under IC 6-6-5; and that**  
 22           **(2) is registered in the county; and**  
 23           **(3) is not registered in a nonparticipating municipality of the**  
 24           **county.**  
 25           (b) If a county does not use a transportation asset management plan  
 26           approved by the Indiana department of transportation, the adopting  
 27           entity of the county may impose the surtax either:  
 28           (1) at a rate of not less than two percent (2%) nor more than ten  
 29           percent (10%); or  
 30           (2) at a specific amount of at least seven dollars and fifty cents  
 31           (\$7.50) and not more than twenty-five dollars (\$25).  
 32           However, the surtax on a vehicle may not be less than seven dollars and  
 33           fifty cents (\$7.50). The adopting entity shall state the surtax rate or  
 34           amount in the ordinance which imposes the tax.  
 35           (c) If a county uses a transportation asset management plan  
 36           approved by the Indiana department of transportation, the adopting  
 37           entity of the county may impose the surtax either:  
 38           (1) at a rate of at least two percent (2%) and not more than twenty  
 39           percent (20%); or  
 40           (2) at a specific amount of at least seven dollars and fifty cents  
 41           (\$7.50) and not more than fifty dollars (\$50).  
 42           However, the surtax on a vehicle may not be less than seven dollars and



1 fifty cents (\$7.50). The adopting entity shall state the surtax rate or  
2 amount in the ordinance that imposes the tax.

3 (d) Subject to the limits and requirements of this section, the  
4 adopting entity may do any of the following:

5 (1) Impose the county vehicle excise tax at the same rate or  
6 amount on each vehicle that is subject to the tax.

7 (2) Impose the county vehicle excise tax on vehicles subject to the  
8 tax at one (1) or more different rates based on the class of vehicle  
9 listed in IC 6-6-5-2(a).

10 (e) The adopting entity may not adopt an ordinance to impose the  
11 surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to  
12 impose the wheel tax.

13 (f) Notwithstanding any other provision of this chapter or  
14 IC 6-3.5-5, ordinances adopted by a county council before June 1,  
15 2013, to impose or change the county vehicle excise tax and the annual  
16 wheel tax in the county remain in effect until the ordinances are  
17 amended or repealed under this chapter or IC 6-3.5-5.

18 (g) Subject to subsection (h), a county vehicle excise tax imposed  
19 by this chapter for a vehicle is due and shall be paid each year at the  
20 time the vehicle is registered.

21 (h) If the county vehicle excise tax imposed by this chapter was not  
22 paid for one (1) or more preceding years, the bureau may collect only  
23 the county vehicle excise tax imposed by this chapter for the:

24 (1) registration year immediately preceding the current  
25 registration year;

26 (2) current registration year; and

27 (3) registration year immediately following the current  
28 registration year.

29 SECTION 3. IC 6-3.5-4-3, AS AMENDED BY P.L.178-2019,  
30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2020]: Sec. 3. If an adopting entity adopts an ordinance  
32 imposing the surtax after December 31 but before September 1 of the  
33 following year, a ~~vehicle is subject to the tax if it is registered in the~~  
34 **county surtax applies** after December 31 of the year in which the  
35 ordinance is adopted. If an adopting entity adopts an ordinance  
36 imposing the surtax after August 31 but before the following January  
37 1, a ~~vehicle is subject to the tax if it is registered in the county surtax~~  
38 **applies** after December 31 of the year following the year in which the  
39 ordinance is adopted. However, in the first year the surtax is effective,  
40 the surtax does not apply to the registration of a vehicle for the  
41 registration year that commenced in the calendar year preceding the  
42 year the surtax is first effective.



1 SECTION 4. IC 6-3.5-4-13, AS AMENDED BY P.L.146-2016,  
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2020]: Sec. 13. (a) In the case of a county that does not  
 4 contain a consolidated city of the first class, the county treasurer shall  
 5 deposit the surtax revenues in a fund to be known as the " \_\_\_\_\_  
 6 County Surtax Fund".

7 (b) Before the twentieth day of each month, the county auditor shall  
 8 allocate the money deposited in the county surtax fund during that  
 9 month among the county and the cities and the towns in the county **that**  
 10 **are participating municipalities**. The county auditor shall allocate the  
 11 money to counties, cities, and towns under IC 8-14-2-4(c)(1) through  
 12 IC 8-14-2-4(c)(3), **except that for purposes of making the**  
 13 **allocations:**

14 **(1) the population of a city or town that is a nonparticipating**  
 15 **municipality is considered to be zero (0);**

16 **(2) the street mileage of a city or town that is a**  
 17 **nonparticipating municipality is considered to be zero (0)**  
 18 **miles; and**

19 **(3) the allocation to a city or town that is a nonparticipating**  
 20 **municipality is zero dollars (\$0).**

21 (c) Before the twenty-fifth day of each month, the county treasurer  
 22 shall distribute to the county and the cities and towns in the county the  
 23 money deposited in the county surtax fund during that month. The  
 24 county treasurer shall base the distribution on allocations made by the  
 25 county auditor for that month under subsection (b).

26 (d) A county, city, or town may only use the surtax revenues it  
 27 receives under this section:

28 (1) to construct, reconstruct, repair, or maintain streets and roads  
 29 under its jurisdiction; or

30 (2) for the county's, city's, or town's contribution to obtain a grant  
 31 from the local road and bridge matching grant fund under  
 32 IC 8-23-30.

33 SECTION 5. IC 6-3.5-4-17 IS ADDED TO THE INDIANA CODE  
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 35 1, 2020]: Sec. 17. (a) **If an adopting entity of a county adopts an**  
 36 **ordinance under this chapter to impose the county vehicle excise**  
 37 **tax in the county, the fiscal body of a city or town that is located in**  
 38 **the county may adopt an ordinance declaring that vehicles subject**  
 39 **to the vehicle excise tax under IC 6-6-5 that are registered in the**  
 40 **city or town are exempt from:**

41 **(1) the county vehicle excise tax imposed under this chapter;**  
 42 **and**



- 1           **(2) the county wheel tax imposed under IC 6-3.5-5.**  
 2           **(b) A vehicle subject to the vehicle excise tax under IC 6-6-5 that**  
 3 **is registered in a city or town in which an ordinance adopted under**  
 4 **subsection (a) is in effect in the city or town is exempt from:**  
 5           **(1) the county vehicle excise tax imposed under this chapter;**  
 6           **and**  
 7           **(2) the county wheel tax imposed under IC 6-3.5-5.**  
 8           **(c) If an ordinance adopted under subsection (a) is in effect in a**  
 9 **city or town, the fiscal body of the city or town may at any time**  
 10 **repeal the ordinance.**  
 11           **(d) An ordinance adopted under this section is effective on**  
 12 **January 1 of the year following the year in which the ordinance is**  
 13 **adopted.**  
 14           **(e) If the fiscal body of a city or a town adopts an ordinance**  
 15 **under this section, the fiscal officer of the city or town shall**  
 16 **promptly send copies of the ordinance to the bureau of motor**  
 17 **vehicles, the county auditor, and the county treasurer.**  
 18           SECTION 6. IC 6-3.5-5-1, AS AMENDED BY P.L.256-2017,  
 19 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2020]: Sec. 1. The following definitions apply throughout this  
 21 chapter:  
 22           (1) "Adopting entity" means either the county council or the local  
 23 income tax council established by IC 6-3.6-3-1 for the county,  
 24 whichever adopts an ordinance to impose a wheel tax first.  
 25           (2) "Bus" has the meaning set forth in IC 9-13-2-17.  
 26           (3) "Commercial vehicle" has the meaning set forth in  
 27 IC 6-6-5.5-1(b).  
 28           (4) "County council" includes the city-county council of a county  
 29 that contains a consolidated city of the first class.  
 30           (5) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(b).  
 31           **(6) "Nonparticipating municipality" has the meaning set forth**  
 32 **in IC 6-3.5-4-1.**  
 33           **(7) "Participating municipality" has the meaning set forth in**  
 34 **IC 6-3.5-4-1.**  
 35           ~~(6)~~ **(8) "Political subdivision" has the meaning set forth in**  
 36 **IC 34-6-2-110.**  
 37           ~~(7)~~ **(9) "Recreational vehicle" has the meaning set forth in**  
 38 **IC 9-13-2-150.**  
 39           ~~(8)~~ **(10) "School bus" has the meaning set forth in**  
 40 **IC 9-13-2-161(a).**  
 41           ~~(9)~~ **(11) "Semitrailer" has the meaning set forth in**  
 42 **IC 9-13-2-164(a).**



- 1           ~~(10)~~ **(12)** "State agency" has the meaning set forth in  
 2           IC 34-6-2-141.
- 3           ~~(11)~~ **(13)** "Tractor" has the meaning set forth in IC 9-13-2-180.
- 4           ~~(12)~~ **(14)** "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- 5           ~~(13)~~ **(15)** "Transportation asset management plan" includes  
 6           planning for drainage systems and rights-of-way that affect  
 7           transportation assets.
- 8           ~~(14)~~ **(16)** "Truck" has the meaning set forth in IC 9-13-2-188(a).
- 9           ~~(15)~~ **(17)** "Wheel tax" means the tax imposed under this chapter.
- 10          SECTION 7. IC 6-3.5-5-2, AS AMENDED BY P.L.178-2019,  
 11          SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12          JULY 1, 2020]: Sec. 2. (a) The adopting entity of any county may,  
 13          subject to the limitation imposed by subsection (b), adopt an ordinance  
 14          to impose a county wheel tax in accordance with this chapter on each  
 15          vehicle that:
- 16               (1) is included in one (1) of the classes of vehicles listed in  
 17               section 3 of this chapter;
- 18               (2) is not exempt from the wheel tax under section 4 of this  
 19               chapter; ~~and~~
- 20               (3) is registered in the county; **and**
- 21               **(4) is not registered in a nonparticipating municipality of the**  
 22               **county.**
- 23          (b) The adopting entity of a county may not adopt an ordinance to  
 24          impose the wheel tax unless it concurrently adopts an ordinance under  
 25          IC 6-3.5-4 to impose the county vehicle excise tax.
- 26          (c) The adopting entity may impose the wheel tax at a different rate  
 27          for each of the classes of vehicles listed in section 3 of this chapter. In  
 28          addition, the adopting entity may establish different rates within the  
 29          classes of buses, semitrailers, trailers, tractors, and trucks based on  
 30          weight classifications of those vehicles that are established by the  
 31          bureau of motor vehicles for use throughout Indiana. However, the  
 32          wheel tax rate for a particular class or weight classification of vehicles:
- 33               (1) may not be less than five dollars (\$5) and may not exceed  
 34               forty dollars (\$40), if the county does not use a transportation  
 35               asset management plan approved by the Indiana department of  
 36               transportation; or
- 37               (2) may not be less than five dollars (\$5) and may not exceed  
 38               eighty dollars (\$80), if the county uses a transportation asset  
 39               management plan approved by the Indiana department of  
 40               transportation.
- 41          The adopting entity shall state the initial wheel tax rates in the  
 42          ordinance that imposes the tax.



1 (d) Subject to subsection (e), a wheel tax imposed by this chapter  
 2 for a vehicle is due and shall be paid each year at the time the vehicle  
 3 is registered.

4 (e) If the county wheel tax imposed by this chapter was not paid for  
 5 one (1) or more preceding years, the bureau may collect only the  
 6 county wheel tax imposed by this chapter for the:

7 (1) registration year immediately preceding the current  
 8 registration year;

9 (2) current registration year; and

10 (3) registration year immediately following the current  
 11 registration year.

12 SECTION 8. IC 6-3.5-5-5, AS AMENDED BY P.L.218-2017,  
 13 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2020]: Sec. 5. If an adopting entity adopts an ordinance  
 15 imposing the wheel tax after December 31 but before September 1 of  
 16 the following year, ~~a vehicle described in section 2(a) of this chapter~~  
 17 ~~is subject to the wheel tax if it is registered in the county applies~~ after  
 18 December 31 of the year in which the ordinance is adopted. If an  
 19 adopting entity adopts an ordinance imposing the wheel tax after  
 20 August 31 but before the following January 1, ~~a vehicle described in~~  
 21 ~~section 2(a) of this chapter is subject to the wheel tax if it is registered~~  
 22 ~~in the county applies~~ after December 31 of the year following the year  
 23 in which the ordinance is adopted. However, in the first year the tax is  
 24 effective, the tax does not apply to the registration of a motor vehicle  
 25 for the registration year that commenced in the calendar year preceding  
 26 the year the tax is first effective.

27 SECTION 9. IC 6-3.5-5-15, AS AMENDED BY P.L.146-2016,  
 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2020]: Sec. 15. (a) In the case of a county that does not  
 30 contain a consolidated city, the county treasurer shall deposit the wheel  
 31 tax revenues in a fund to be known as the "County Wheel Tax Fund".

32 (b) Before the twentieth day of each month, the county auditor shall  
 33 allocate the money deposited in the county wheel tax fund during that  
 34 month among the county and the cities and the towns in the county **that**  
 35 **are participating municipalities**. The county auditor shall allocate the  
 36 money to counties, cities, and towns under IC 8-14-2-4(c)(1) through  
 37 IC 8-14-2-4(c)(3), **except that for purposes of making the**  
 38 **allocations:**

39 (1) **the population of a city or town that is a nonparticipating**  
 40 **municipality is considered to be zero (0);**

41 (2) **the street mileage of a city or town that is a**  
 42 **nonparticipating municipality is considered to be zero (0)**





- 1           **miles; and**  
2           **(3) the allocation to a city or town that is a nonparticipating**  
3           **municipality is zero dollars (\$0).**  
4           (c) Before the twenty-fifth day of each month, the county treasurer  
5 shall distribute to the county and the cities and towns in the county the  
6 money deposited in the county wheel tax fund during that month. The  
7 county treasurer shall base the distribution on allocations made by the  
8 county auditor for that month under subsection (b).  
9           (d) A county, city, or town may only use the wheel tax revenues it  
10 receives under this section:  
11           (1) to construct, reconstruct, repair, or maintain streets and roads  
12           under its jurisdiction;  
13           (2) as a contribution to an authority established under IC 36-7-23;  
14           or  
15           (3) for the county's, city's, or town's contribution to obtain a grant  
16           from the local road and bridge matching grant fund under  
17           IC 8-23-30.

