

SENATE BILL No. 141

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5.

Synopsis: County and municipal excise and wheel taxes. Provides that the county vehicle excise tax does not apply to a vehicle registered in a municipality in which the municipal vehicle excise tax is in effect. Provides that a municipality in which the municipal vehicle excise tax is in effect does not receive a distribution of county vehicle excise tax revenue. Provides that the county wheel tax does not apply to a vehicle registered in a municipality in which the municipal wheel tax is in effect. Provides that a municipality in which the municipal wheel tax is in effect does not receive a distribution of county wheel tax revenue.

Effective: July 1, 2018.

Niemeyer

January 3, 2018, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

SENATE BILL No. 141

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 6-3.5-4-2, AS AMENDED BY P.L.256-2017,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 2. (a) An adopting entity of any county may,
4 subject to the limitation imposed by subsection (f), adopt an ordinance
5 to impose a county vehicle excise tax in accordance with this chapter
6 on each vehicle listed in subsection (e) that:
7 (1) is registered in the county; **and**
8 (2) **is not registered in an adopting municipality (as defined in**
9 **IC 6-3.5-10-1) of the county while the municipal vehicle excise**
10 **tax is in effect in the adopting municipality.**
11 (b) If a county does not use a transportation asset management plan
12 approved by the Indiana department of transportation, the adopting
13 entity of the county may impose the surtax either:
14 (1) at a rate of not less than two percent (2%) nor more than ten
15 percent (10%); or
16 (2) at a specific amount of at least seven dollars and fifty cents
17 (\$7.50) and not more than twenty-five dollars (\$25).



1 However, the surtax on a vehicle may not be less than seven dollars and
 2 fifty cents (\$7.50). The adopting entity shall state the surtax rate or
 3 amount in the ordinance which imposes the tax.

4 (c) If a county uses a transportation asset management plan
 5 approved by the Indiana department of transportation, the adopting
 6 entity of the county may impose the surtax either:

7 (1) at a rate of at least two percent (2%) and not more than twenty
 8 percent (20%); or

9 (2) at a specific amount of at least seven dollars and fifty cents
 10 (\$7.50) and not more than fifty dollars (\$50).

11 However, the surtax on a vehicle may not be less than seven dollars and
 12 fifty cents (\$7.50). The adopting entity shall state the surtax rate or
 13 amount in the ordinance that imposes the tax.

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

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

18 (2) Impose the county vehicle excise tax on vehicles subject to the
 19 tax at one (1) or more different rates based on the class of vehicle
 20 listed in subsection (e).

21 (e) The county vehicle excise tax applies to the following vehicles:

22 (1) Passenger vehicles.

23 (2) Motorcycles.

24 (3) Trucks with a declared gross weight that does not exceed
 25 eleven thousand (11,000) pounds.

26 (4) Motor driven cycles.

27 (f) The adopting entity may not adopt an ordinance to impose the
 28 surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to
 29 impose the wheel tax.

30 (g) Notwithstanding any other provision of this chapter or
 31 IC 6-3.5-5, ordinances adopted by a county council before June 1,
 32 2013, to impose or change the county vehicle excise tax and the annual
 33 wheel tax in the county remain in effect until the ordinances are
 34 amended or repealed under this chapter or IC 6-3.5-5.

35 (h) A county vehicle excise tax imposed by this chapter for a vehicle
 36 is due and shall be paid each year at the time the vehicle is registered.

37 SECTION 2. IC 6-3.5-4-3, AS AMENDED BY P.L.218-2017,
 38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2018]: Sec. 3. If an adopting entity adopts an ordinance
 40 imposing the surtax after December 31 but before September 1 of the
 41 following year, ~~a motor vehicle is subject to the tax if it is registered in~~
 42 ~~the county~~ **surtax applies** after December 31 of the year in which the



1 ordinance is adopted. If an adopting entity adopts an ordinance
 2 imposing the surtax after August 31 but before the following January
 3 1, ~~a motor vehicle is subject to the tax if it is registered in the county~~
 4 **surtax applies** after December 31 of the year following the year in
 5 which the ordinance is adopted. However, in the first year the surtax is
 6 effective, the surtax does not apply to the registration of a motor
 7 vehicle for the registration year that commenced in the calendar year
 8 preceding the year the surtax is first effective.

9 SECTION 3. IC 6-3.5-4-13, AS AMENDED BY P.L.146-2016,
 10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2018]: Sec. 13. (a) In the case of a county that does not
 12 contain a consolidated city of the first class, the county treasurer shall
 13 deposit the surtax revenues in a fund to be known as the " _____
 14 County Surtax Fund".

15 (b) Before the twentieth day of each month, the county auditor shall
 16 allocate the money deposited in the county surtax fund during that
 17 month among the county and the cities and the towns in the county **that**
 18 **are not adopting municipalities (as defined in IC 6-3.5-10-1) in**
 19 **which the municipal vehicle excise tax is in effect.** The county
 20 auditor shall allocate the money to counties, cities, and towns under
 21 IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3), **except that for purposes**
 22 **of making the allocations:**

23 **(1) the population of a city or town that is an adopting**
 24 **municipality in which the municipal vehicle excise tax is in**
 25 **effect is considered to be zero (0);**

26 **(2) the street mileage of a city or town that is an adopting**
 27 **municipality in which the municipal vehicle excise tax is in**
 28 **effect is considered to be zero (0) miles; and**

29 **(3) the allocation to a city or town that is an adopting**
 30 **municipality in which the municipal vehicle excise tax is in**
 31 **effect is zero dollars (\$0).**

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

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

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

41 (2) for the county's, city's, or town's contribution to obtain a grant
 42 from the local road and bridge matching grant fund under



1 IC 8-23-30.

2 SECTION 4. IC 6-3.5-5-2, AS AMENDED BY P.L.256-2017,
3 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2018]: Sec. 2. (a) The adopting entity of any county may,
5 subject to the limitation imposed by subsection (b), adopt an ordinance
6 to impose a county wheel tax in accordance with this chapter on each
7 vehicle that:

- 8 (1) is included in one (1) of the classes of vehicles listed in
9 section 3 of this chapter;
10 (2) is not exempt from the wheel tax under section 4 of this
11 chapter; ~~and~~
12 (3) is registered in the county; **and**
13 **(4) is not registered in an adopting municipality (as defined in**
14 **IC 6-3.5-11-1) of the county while the municipal wheel tax is**
15 **in effect in the adopting municipality.**

16 (b) The adopting entity of a county may not adopt an ordinance to
17 impose the wheel tax unless it concurrently adopts an ordinance under
18 IC 6-3.5-4 to impose the county vehicle excise tax.

19 (c) The adopting entity may impose the wheel tax at a different rate
20 for each of the classes of vehicles listed in section 3 of this chapter. In
21 addition, the adopting entity may establish different rates within the
22 classes of buses, semitrailers, trailers, tractors, and trucks based on
23 weight classifications of those vehicles that are established by the
24 bureau of motor vehicles for use throughout Indiana. However, the
25 wheel tax rate for a particular class or weight classification of vehicles:

- 26 (1) may not be less than five dollars (\$5) and may not exceed
27 forty dollars (\$40), if the county does not use a transportation
28 asset management plan approved by the Indiana department of
29 transportation; or
30 (2) may not be less than five dollars (\$5) and may not exceed
31 eighty dollars (\$80), if the county uses a transportation asset
32 management plan approved by the Indiana department of
33 transportation.

34 The adopting entity shall state the initial wheel tax rates in the
35 ordinance that imposes the tax.

36 (d) A wheel tax imposed by this chapter for a vehicle is due and
37 shall be paid each year at the time the vehicle is registered.

38 SECTION 5. IC 6-3.5-5-5, AS AMENDED BY P.L.218-2017,
39 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2018]: Sec. 5. If an adopting entity adopts an ordinance
41 imposing the wheel tax after December 31 but before September 1 of
42 the following year, a ~~vehicle described in section 2(a) of this chapter~~



1 is subject to the **wheel** tax if it is registered in the county **applies** after
 2 December 31 of the year in which the ordinance is adopted. If an
 3 adopting entity adopts an ordinance imposing the wheel tax after
 4 August 31 but before the following January 1, a ~~vehicle described in~~
 5 ~~section 2(a) of this chapter is subject to the wheel~~ tax if it is registered
 6 ~~in the county applies~~ after December 31 of the year following the year
 7 in which the ordinance is adopted. However, in the first year the tax is
 8 effective, the tax does not apply to the registration of a motor vehicle
 9 for the registration year that commenced in the calendar year preceding
 10 the year the tax is first effective.

11 SECTION 6. IC 6-3.5-5-15, AS AMENDED BY P.L.146-2016,
 12 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2018]: Sec. 15. (a) In the case of a county that does not
 14 contain a consolidated city, the county treasurer shall deposit the wheel
 15 tax revenues in a fund to be known as the "County Wheel Tax Fund".

16 (b) Before the twentieth day of each month, the county auditor shall
 17 allocate the money deposited in the county wheel tax fund during that
 18 month among the county and the cities and the towns in the county **that**
 19 **are not adopting municipalities (as defined in IC 6-3.5-11-1) in**
 20 **which the municipal wheel tax is in effect.** The county auditor shall
 21 allocate the money to counties, cities, and towns under
 22 IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3), **except that for purposes**
 23 **of making the allocations:**

24 (1) **the population of a city or town that is an adopting**
 25 **municipality in which the municipal wheel tax is in effect is**
 26 **considered to be zero (0);**

27 (2) **the street mileage of a city or town that is an adopting**
 28 **municipality in which the municipal wheel tax is in effect is**
 29 **considered to be zero (0) miles; and**

30 (3) **the allocation to a city or town that is an adopting**
 31 **municipality in which the municipal wheel tax is in effect is**
 32 **zero dollars (\$0).**

33 (c) Before the twenty-fifth day of each month, the county treasurer
 34 shall distribute to the county and the cities and towns in the county the
 35 money deposited in the county wheel tax fund during that month. The
 36 county treasurer shall base the distribution on allocations made by the
 37 county auditor for that month under subsection (b).

38 (d) A county, city, or town may only use the wheel tax revenues it
 39 receives under this section:

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

42 (2) as a contribution to an authority established under IC 36-7-23;



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

