

SENATE BILL No. 231

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-36.

Synopsis: Fuel tax credit for sale of higher ethanol blends. Provides a tax credit for taxpayers that own fueling stations that sell higher ethanol blend for motor vehicles. Provides that the amount of the credit is five cents per gallon of higher ethanol blend sold at the taxpayer's fueling station.

Effective: July 1, 2021.

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January 7, 2021, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 231

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 6-3.1-36 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]:

4 **Chapter 36. Higher Ethanol Blend Tax Credit**
5 **Sec. 1. This chapter applies to taxable years beginning after**
6 **December 30, 2021.**

7 **Sec. 2. As used in this chapter, "fueling station" means a retail**
8 **location within Indiana from which higher ethanol blend is sold to**
9 **the public and is dispensed directly into the fuel tank of a**
10 **customer's motor vehicle.**

11 **Sec. 3. As used in this chapter, "higher ethanol blend" means an**
12 **ethanol blend that is at least fifteen percent (15%) but not more**
13 **than eighty-five percent (85%) ethanol and is dispensed directly**
14 **into the fuel tank of a motor vehicle.**

15 **Sec. 4. As used in this chapter, "metered pump" means a**
16 **stationary pump that is capable of metering the amount of**
17 **gasoline, special fuel, or higher ethanol blend dispensed from it and**



1 that is capable of simultaneously calculating and displaying the
2 price of the gasoline, special fuel, or higher ethanol blend
3 dispensed.

4 Sec. 5. As used in this chapter, "state tax liability" means a
5 taxpayer's total tax liability that is incurred under IC 6-3-1
6 through IC 6-3-7 (the adjusted gross income tax) as computed after
7 the application of the credits that, under IC 6-3.1-1-2, are to be
8 applied before the credit provided by this chapter.

9 Sec. 6. As used in this chapter, "taxpayer" means any person,
10 corporation, limited liability company, partnership, or other entity
11 that:

- 12 (1) owns a fueling station;
- 13 (2) sells higher ethanol blend at the fueling station; and
- 14 (3) has state tax liability.

15 Sec. 7. A taxpayer is entitled to a credit against the taxpayer's
16 state tax liability for higher ethanol blend sold at the taxpayer's
17 fueling station during a particular taxable year. The amount of the
18 credit provided by this chapter equals five cents (\$0.05) per gallon
19 of higher ethanol blend that the retail dealer sells and dispenses
20 through a metered pump at the taxpayer's fueling station during
21 the taxable year.

22 Sec. 8. (a) The credit must be used for the taxable year in which
23 the credit accrued. However, if the amount of the credit
24 determined under this chapter for a taxpayer's taxable year
25 exceeds the taxpayer's state tax liability for that taxable year, the
26 taxpayer may carry over the excess to the following taxable years.
27 The amount of the credit carryover from a taxable year must be
28 reduced to the extent that the carryover is used by the taxpayer to
29 obtain a credit under this chapter for any subsequent year. A
30 credit may not be carried forward for more than three (3) taxable
31 years following the taxable year in which the taxpayer is first
32 entitled to claim the credit.

33 (b) A taxpayer is not entitled to a carryback or refund of any
34 unused credit.

35 (c) A taxpayer may not sell, assign, convey, or otherwise
36 transfer the credit provided by this chapter.

37 Sec. 9. If a pass through entity that qualifies for the credit does
38 not have state tax liability against which the credit may be applied,
39 a shareholder, partner, or member of the pass through entity may
40 claim a credit under this chapter equal to:

- 41 (1) the credit determined for the pass through entity under
42 this chapter for the taxable year; multiplied by



1 **(2) the percentage of the pass through entity's distributive**
2 **income to which the shareholder, partner, or member is**
3 **entitled.**
4 **Sec. 10. This chapter expires December 31, 2025.**

