

## SENATE BILL No. 242

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-30-9-7; IC 4-33; IC 6-1.1; IC 6-2.5-8-1; IC 6-3; IC 6-3.1-30; IC 6-8.1-9-1.5; IC 6-5.5-1-2; IC 8-1-2-46.2; IC 10-13-3-38.5.

**Synopsis:** Tax issues. Provides that the lottery commission must obtain a tax clearance statement from the department of state revenue (DOR) for a retailer before the lottery commission may enter into a contract with that retailer. (Current law requires the retailer to provide the tax clearance statement to the lottery commission.) Requires the riverboat supplemental wagering tax and wagering tax to be paid four days (rather than one day, under current law) before the last business day of each month. Provides that, beginning after June 30, 2018, a county, city, or town that receives an initial application for a property tax abatement deduction (abatement deduction) for real or personal property in an economic revitalization area must notify each taxing unit in the taxing district in which the property is located of the receipt of the application. Allows each taxing unit to adopt a resolution to support the abatement deduction. Provides that, if less than all taxing units pass a resolution to support the abatement deduction, the county auditor shall apply the deduction only against assessed value for those taxing units that support the deduction, and may not apply the deduction against assessed value for the taxing units that do not support the deduction. Provides that the separate net assessed value must be used for purposes of calculating a budget, rate, or levy of the taxing unit. Prohibits a county, city, or town from approving an abatement deduction if the deduction applicant or property owner, on the date of the application, is conducting the business activities: (1) that form the basis for the statement of benefits; or (2) that are required for the approval of the application; at another location in Indiana. Eliminates the infrastructure development zone property tax exemption for  
(Continued next page)

**Effective:** January 1, 2018 (retroactive); July 1, 2018; January 1, 2019.

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

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assessment dates after January 1, 2019. Eliminates the property tax deduction for personal property within a certified technology park that is assessed for the first time after January 1, 2019 (but does not eliminate the property tax deduction claimed under a deduction schedule filed after January 1, 2019, for personal property that was assessed for the first time before January 2, 2019). Eliminates the maritime opportunity district property tax deduction for new manufacturing equipment installed in a district after June 30, 2018. Provides that the reduced tax rate for a corporation in a qualified military enhancement area (area) applies only to a corporation that locates all or part of its operations in an area before January 1, 2019 (but does not prevent the tax rate from applying to succeeding taxable years of a corporation after December 31, 2018, if the corporation has located all or part of its operations in an area before January 1, 2019). Eliminates various income tax credits and deductions. Makes technical corrections and conforming changes. Provides that the DOR may require that certain information be provided or updated before the issuance or renewal of a registered retail merchant's certificate. Specifies that if for any taxable year a taxpayer is subject to different corporate income tax rates, the calculation is based on the number of days (rather than months, under current law) that each of the different tax rates is in effect. Provides that if the due date for a federal income tax return is extended by the Internal Revenue Service to a date that is later than the date otherwise required for a state income tax return, the DOR may extend the due date of the state return to the due date permitted for the federal return. Authorizes the DOR to issue refunds in certain circumstances without a taxpayer filing a refund claim. Requires certain state and local employees and contractors, subcontractors, and parties to a cooperative agreement with the state whose duties include access to confidential tax information to submit to a fingerprint based criminal history background check of both national and state records data bases.



Introduced

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. 242

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 4-30-9-7 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JANUARY 1, 2019]: Sec. 7. Before the commission may  
3 enter into a contract with a retailer, the ~~retailer must provide~~  
4 **commission must obtain** a tax clearance statement from the  
5 department of state revenue that certifies that the retailer does not owe  
6 delinquent state taxes.

7 SECTION 2. IC 4-33-12-4, AS AMENDED BY P.L.268-2017,  
8 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JANUARY 1, 2019]: Sec. 4. (a) A licensed owner must report the  
10 admissions and supplemental wagering taxes collected to the  
11 department. The licensed owner must report the taxes collected each  
12 day for the preceding day's admissions.

13 (b) A licensed owner shall pay the admissions and supplemental  
14 wagering taxes collected to the department ~~one (1) day~~ **four (4) days**  
15 before the last business day of each month for the admissions and



1 supplemental wagering taxes collected that month. Any taxes collected  
2 during the month but after the day on which the taxes are required to  
3 be paid to the department shall be paid to the department at the same  
4 time the following month's taxes are due.

5 (c) The payment of the tax under this section must be on a form  
6 prescribed by the department.

7 (d) The payment of the tax under this section must be an electronic  
8 funds transfer by automated clearinghouse.

9 SECTION 3. IC 4-33-13-1.5, AS AMENDED BY P.L.268-2017,  
10 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JANUARY 1, 2019]: Sec. 1.5. (a) This subsection applies only to a  
12 riverboat that received at least seventy-five million dollars  
13 (\$75,000,000) of adjusted gross receipts during the preceding state  
14 fiscal year. A graduated tax is imposed on the adjusted gross receipts  
15 received from gambling games authorized under this article as follows:

16 (1) Fifteen percent (15%) of the first twenty-five million dollars  
17 (\$25,000,000) of adjusted gross receipts received during the  
18 period beginning July 1 of each year and ending June 30 of the  
19 following year.

20 (2) Twenty percent (20%) of the adjusted gross receipts in excess  
21 of twenty-five million dollars (\$25,000,000) but not exceeding  
22 fifty million dollars (\$50,000,000) received during the period  
23 beginning July 1 of each year and ending June 30 of the following  
24 year.

25 (3) Twenty-five percent (25%) of the adjusted gross receipts in  
26 excess of fifty million dollars (\$50,000,000) but not exceeding  
27 seventy-five million dollars (\$75,000,000) received during the  
28 period beginning July 1 of each year and ending June 30 of the  
29 following year.

30 (4) Thirty percent (30%) of the adjusted gross receipts in excess  
31 of seventy-five million dollars (\$75,000,000) but not exceeding  
32 one hundred fifty million dollars (\$150,000,000) received during  
33 the period beginning July 1 of each year and ending June 30 of  
34 the following year.

35 (5) Thirty-five percent (35%) of all adjusted gross receipts in  
36 excess of one hundred fifty million dollars (\$150,000,000) but not  
37 exceeding six hundred million dollars (\$600,000,000) received  
38 during the period beginning July 1 of each year and ending June  
39 30 of the following year.

40 (6) Forty percent (40%) of all adjusted gross receipts exceeding  
41 six hundred million dollars (\$600,000,000) received during the  
42 period beginning July 1 of each year and ending June 30 of the



1 following year.

2 (b) This subsection applies only to a riverboat that received less than  
3 seventy-five million dollars (\$75,000,000) of adjusted gross receipts  
4 during the preceding state fiscal year. A graduated tax is imposed on  
5 the adjusted gross receipts received from gambling games authorized  
6 under this article as follows:

7 (1) Five percent (5%) of the first twenty-five million dollars  
8 (\$25,000,000) of adjusted gross receipts received during the  
9 period beginning July 1 of each year and ending June 30 of the  
10 following year.

11 (2) Twenty percent (20%) of the adjusted gross receipts in excess  
12 of twenty-five million dollars (\$25,000,000) but not exceeding  
13 fifty million dollars (\$50,000,000) received during the period  
14 beginning July 1 of each year and ending June 30 of the following  
15 year.

16 (3) Twenty-five percent (25%) of the adjusted gross receipts in  
17 excess of fifty million dollars (\$50,000,000) but not exceeding  
18 seventy-five million dollars (\$75,000,000) received during the  
19 period beginning July 1 of each year and ending June 30 of the  
20 following year.

21 (4) Thirty percent (30%) of the adjusted gross receipts in excess  
22 of seventy-five million dollars (\$75,000,000) but not exceeding  
23 one hundred fifty million dollars (\$150,000,000) received during  
24 the period beginning July 1 of each year and ending June 30 of  
25 the following year.

26 (5) Thirty-five percent (35%) of all adjusted gross receipts in  
27 excess of one hundred fifty million dollars (\$150,000,000) but not  
28 exceeding six hundred million dollars (\$600,000,000) received  
29 during the period beginning July 1 of each year and ending June  
30 30 of the following year.

31 (6) Forty percent (40%) of all adjusted gross receipts exceeding  
32 six hundred million dollars (\$600,000,000) received during the  
33 period beginning July 1 of each year and ending June 30 of the  
34 following year.

35 (c) The licensed owner or operating agent of a riverboat taxed under  
36 subsection (b) shall pay an additional tax of two million five hundred  
37 thousand dollars (\$2,500,000) in any state fiscal year in which the  
38 riverboat's adjusted gross receipts exceed seventy-five million dollars  
39 (\$75,000,000). The additional tax imposed under this subsection is due  
40 before July 1 of the following state fiscal year.

41 (d) The licensed owner or operating agent shall remit the tax  
42 imposed by this chapter to the department before the close of the



1 business day ~~one (1) day~~ **four (4) days** before the last business day of  
 2 each month for the wagering taxes collected that month. Any taxes  
 3 collected during the month but after the day on which the taxes are  
 4 required to be paid to the department shall be paid to the department at  
 5 the same time the following month's taxes are due.

6 (e) The payment of the tax under this section must be an electronic  
 7 funds transfer by automated clearinghouse.

8 (f) If the department requires taxes to be remitted under this chapter  
 9 through electronic funds transfer, the department may allow the  
 10 licensed owner or operating agent to file a monthly report to reconcile  
 11 the amounts remitted to the department.

12 (g) The department may allow taxes remitted under this section to  
 13 be reported on the same form used for taxes paid under IC 4-33-12.

14 SECTION 4. IC 6-1.1-12.1-19 IS ADDED TO THE INDIANA  
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2018]: **Sec. 19. (a) This section applies only**  
 17 **to an initial deduction application that is approved in a resolution**  
 18 **adopted by a designating body after June 30, 2018.**

19 (b) **Beginning after June 30, 2018, a designating body that**  
 20 **receives an initial deduction application must, in addition to the**  
 21 **other requirements of this chapter:**

22 (1) **notify the fiscal officer of each taxing unit within the**  
 23 **taxing district in which the property is located of the receipt**  
 24 **of the deduction application; and**

25 (2) **provide the fiscal officer of each taxing unit under**  
 26 **subdivision (1) with a copy of the deduction application.**

27 (c) **The fiscal body of each taxing unit notified under subsection**  
 28 **(b) may pass a resolution to support the designating body's**  
 29 **approval of the deduction application. Each taxing unit that passes**  
 30 **a resolution to support the deduction application shall immediately**  
 31 **forward a copy of its resolution to the county auditor. If the county**  
 32 **auditor does not receive a resolution from a taxing unit to support**  
 33 **the designating body's approval of the deduction application at**  
 34 **least thirty (30) days before the first assessment date to which the**  
 35 **deduction would apply, the taxing unit, for purposes of this section,**  
 36 **is considered not to have passed a resolution to support the initial**  
 37 **deduction application for the property.**

38 (d) **Notwithstanding any other provisions of this article, if less**  
 39 **than all taxing units in the taxing district in which the property is**  
 40 **located have passed a resolution to support the deduction, the**  
 41 **following apply:**

42 (1) **The county auditor shall determine a separate net assessed**



1 value of the property for the purposes of each taxing unit in  
 2 the taxing district in which the property is located. In  
 3 determining a net assessed value of the property under this  
 4 subdivision, the county auditor shall apply the deduction  
 5 claimed under this chapter as follows:

6 (A) For the adopting body and each taxing unit that has  
 7 adopted a resolution to support the deduction under  
 8 subsection (c) or (e), the deduction shall be applied against  
 9 the assessed value of the property.

10 (B) For a taxing unit that has not passed a resolution to  
 11 support the deduction under subsection (c) or (e), the  
 12 deduction shall not be applied against the assessed value of  
 13 the property.

14 (2) The separate net assessed value determined for a taxing  
 15 unit under subdivision (1) shall be used for purposes of  
 16 calculating a budget, rate, or levy of the taxing unit.

17 (e) A fiscal body of a taxing unit that has not passed a resolution  
 18 to support the initial deduction application for the property under  
 19 subsection (c) may nevertheless pass a resolution to support the  
 20 property tax deduction allowed to an owner at any time after the  
 21 first year the deduction is claimed. A resolution adopted by the  
 22 fiscal body of a taxing unit under this subsection shall apply only  
 23 to an assessment date occurring after the date of the resolution. If  
 24 the fiscal body of a taxing unit passes a resolution under this  
 25 subsection, the taxing unit shall immediately forward a copy of the  
 26 resolution to the county auditor.

27 SECTION 5. IC 6-1.1-12.1-20 IS ADDED TO THE INDIANA  
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2018]: **Sec. 20. Beginning after June 30, 2018,**  
 30 **and notwithstanding any other provision of this chapter, a**  
 31 **designating body may not approve a deduction application under**  
 32 **this chapter if the deduction applicant or property owner, on the**  
 33 **date of the deduction application, is conducting the business**  
 34 **activities:**

35 (1) that form the basis for the deduction applicant's or  
 36 property owner's statement of benefits; or

37 (2) that are required for the approval of the deduction  
 38 application;

39 at another location in Indiana outside the corporate limits of the  
 40 designating body.

41 SECTION 6. IC 6-1.1-12.5-0.5 IS ADDED TO THE INDIANA  
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2018]: **Sec. 0.5. This chapter applies only to**  
 2 **property taxes imposed for an assessment date before January 2,**  
 3 **2019.**

4 SECTION 7. IC 6-1.1-12.5-4, AS AMENDED BY P.L.91-2017,  
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2018]: Sec. 4. **Before July 1, 2018**, a county executive, a  
 7 municipal legislative body, or, in Marion County, the county fiscal  
 8 body, may adopt an ordinance designating a geographic territory as an  
 9 infrastructure development zone after:

- 10 (1) conducting a public hearing on the proposed ordinance;  
 11 (2) publishing notice of the public hearing in the manner  
 12 prescribed by IC 5-3-1; and  
 13 (3) making the following findings:  
 14 (A) Adequate eligible infrastructure is not available in the  
 15 zone.  
 16 (B) Providing a property tax exemption to a person for  
 17 investing in eligible infrastructure in the zone will provide:  
 18 (i) opportunities for increased natural gas usage, increased  
 19 availability of broadband service, advanced services, and  
 20 public water or wastewater service; and  
 21 (ii) economic development benefits;  
 22 in the zone.

23 SECTION 8. IC 6-1.1-12.5-5, AS ADDED BY P.L.133-2013,  
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2018]: Sec. 5. **Subject to section 0.5 of this chapter**, if an  
 26 infrastructure development zone is established under this chapter,  
 27 eligible infrastructure located in the zone is exempt from property  
 28 taxation.

29 SECTION 9. IC 6-1.1-12.5-6 IS ADDED TO THE INDIANA  
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2018]: **Sec. 6. This chapter expires January**  
 32 **1, 2022.**

33 SECTION 10. IC 6-1.1-12.7-3, AS ADDED BY P.L.113-2010,  
 34 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2018]: Sec. 3. As used in this chapter, "qualified personal  
 36 property" means personal property that is:

- 37 (1) assessed for the first time after December 31, 2010, **and**  
 38 **before January 2, 2019;**  
 39 (2) located within a certified technology park;  
 40 (3) primarily used to conduct high technology activity; and  
 41 (4) not part of the assessed value for which a personal property  
 42 tax allocation has been made for the payment of the principal of





1 and interest on bonds or lease rentals under IC 5-28-26,  
 2 IC 6-1.1-39, IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1,  
 3 IC 36-7-30, IC 36-7-30.5, or IC 36-7-32.

4 The term does not include personal property that is used primarily for  
 5 routine administrative purposes such as office communications,  
 6 accounting, record keeping, and human resources.

7 SECTION 11. IC 6-1.1-12.7-4, AS ADDED BY P.L.113-2010,  
 8 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 2018]: Sec. 4. (a) **Subject to subsection (e)**, a county fiscal  
 10 body may adopt an ordinance providing that a deduction applies to the  
 11 assessed value of qualified personal property located in the county. The  
 12 deduction is equal to one hundred percent (100%) of the assessed value  
 13 of qualified personal property located in the county for each calendar  
 14 year specified in the ordinance. An ordinance adopted under this  
 15 section must be adopted before January 1 of the first assessment year  
 16 for which a taxpayer may claim a deduction under the ordinance.

17 (b) An ordinance adopted under subsection (a) must specify the  
 18 number of assessment years that a deduction is allowed under this  
 19 chapter. However, a deduction may not be allowed for:

20 (1) less than two (2) assessment years; or

21 (2) more than ten (10) assessment years.

22 (c) The fiscal body shall send a certified copy of the ordinance  
 23 adopted under subsection (a) to the county assessor, the county auditor,  
 24 and the Indiana economic development corporation. Subject to this  
 25 chapter, the fiscal body's determination of the number of years the  
 26 deduction is allowed is final and may not be changed.

27 (d) An ordinance adopted under subsection (a) may not allow a  
 28 deduction for qualified personal property installed after March 1, 2015.

29 **(e) An ordinance may not be adopted by a county fiscal body**  
 30 **under this section after June 30, 2018.**

31 SECTION 12. IC 6-1.1-12.7-6, AS AMENDED BY P.L.245-2015,  
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2018]: Sec. 6. (a) To obtain the deduction under this chapter,  
 34 an owner of qualified personal property must file a certified deduction  
 35 schedule with the county assessor in which the qualified personal  
 36 property is located. The department of local government finance shall  
 37 prescribe the form of the schedule. A schedule must be filed for each  
 38 year the deduction is being claimed.

39 (b) The schedule must be filed with:

40 (1) a timely personal property return under IC 6-1.1-3-7(a) or  
 41 IC 6-1.1-3-7(b); or

42 (2) a timely amended personal property return under



1 IC 6-1.1-3-7.5.

2 The county assessor shall forward to the county auditor a copy of each  
3 schedule filed.

4 (c) The schedule must contain at least the following information:

5 (1) The name of the owner of the qualified personal property.

6 (2) A description of the qualified personal property and the  
7 address of the real estate on which it is located.

8 (3) Documentation that the qualified personal property is located  
9 within a certified technology park.

10 (4) Documentation that the qualified personal property is  
11 primarily used to conduct high technology activity.

12 (d) **Subject to subsection (f)**, the deduction applies to the qualified  
13 personal property claimed in a schedule. However, the county assessor  
14 may:

15 (1) review the schedule; and

16 (2) before the assessment date that next succeeds the assessment  
17 date for which the deduction is claimed, deny or alter the amount  
18 of the deduction.

19 If the county assessor does not deny the deduction, the county auditor  
20 shall apply the deduction in the amount claimed in the schedule or in  
21 the amount as altered by the county assessor. A county assessor who  
22 denies a deduction under this subsection or alters the amount of the  
23 deduction shall notify the person that claimed the deduction and the  
24 county auditor of the assessor's determination.

25 (e) A person may appeal a determination by the county assessor to  
26 deny or alter the amount of the deduction by requesting in writing, not  
27 more than forty-five (45) days after the county assessor gives the  
28 person notice of the determination, a meeting with the county assessor.  
29 An appeal initiated under this subsection must be processed and  
30 determined in the same manner that an appeal is processed and  
31 determined under IC 6-1.1-15. However, the county assessor may not  
32 participate in any action the county property tax assessment board of  
33 appeals takes with respect to an appeal of a determination by the  
34 county assessor.

35 **(f) A deduction under this section shall not be applied to**  
36 **qualified personal property assessed for the first time after**  
37 **January 1, 2019. However, this subsection may not be construed to**  
38 **prevent a deduction after January 1, 2019, for qualified personal**  
39 **property that was assessed for the first time before January 2,**  
40 **2019.**

41 SECTION 13. IC 6-1.1-12.7-7 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2018]: **Sec. 7. This chapter expires January**  
 2 **1, 2032.**

3 SECTION 14. IC 6-1.1-40-4, AS AMENDED BY P.L.154-2006,  
 4 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JULY 1, 2018]: Sec. 4. As used in this chapter, "new manufacturing  
 6 equipment" means any tangible personal property that an applicant for  
 7 the deduction under section 11 of this chapter:

8 (1) installs in a district **before July 1, 2018;**

9 (2) uses in the direct production, manufacture, fabrication,  
 10 assembly, extraction, mining, processing, refining, or finishing of  
 11 other tangible personal property;

12 (3) acquires in an arms length transaction from an entity that is  
 13 not an affiliate of the applicant for use as described in subdivision  
 14 (2); and

15 (4) never used for any purpose in Indiana before the installation  
 16 described in subdivision (1).

17 SECTION 15. IC 6-1.1-40-9, AS AMENDED BY P.L.146-2008,  
 18 SECTION 299, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2018]: Sec. 9. (a) Before a person acquires new  
 20 manufacturing equipment for which the person wishes to claim a  
 21 deduction under this chapter, the person must submit to the  
 22 commission a statement of benefits, in a form prescribed by the  
 23 department of local government finance. The statement of benefits  
 24 must include the following information:

25 (1) A description of the new manufacturing equipment that the  
 26 person proposes to acquire.

27 (2) An estimate of the number of individuals who will be  
 28 employed or whose employment will be retained by the person as  
 29 a result of the installation of the new manufacturing equipment  
 30 and an estimate of the annual salaries of these individuals.

31 (3) An estimate of the cost of the new manufacturing equipment.

32 (b) The statement of benefits may contain any other information  
 33 required by the commission. If the person is requesting or will be  
 34 requesting the designation of a district, the statement of benefits must  
 35 be submitted at the same time as the request for designation is  
 36 submitted.

37 (c) The commission shall review the statement of benefits if  
 38 required under subsection (b) **and subject to subsection (d)**. The  
 39 commission shall make findings determining whether the estimate of:

40 (1) the number of individuals who will be employed or whose  
 41 employment will be retained;

42 (2) the annual salaries of those individuals;



1 (3) the value of the new manufacturing equipment; and  
2 (4) any other benefits about which the commission requires  
3 information;  
4 are benefits that can be reasonably expected to result from the  
5 installation of the new manufacturing equipment.

6 **(d) The commission shall not review a statement of benefits for**  
7 **new manufacturing equipment installed in a district after June 30,**  
8 **2018.**

9 SECTION 16. IC 6-1.1-40-10, AS AMENDED BY P.L.146-2008,  
10 SECTION 300, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2018]: Sec. 10. **(a) The deduction under this**  
12 **section applies only to new manufacturing equipment installed**  
13 **before July 1, 2018.**

14 ~~(a)~~ **(b)** Subject to subsection ~~(d)~~, **(e)**, an owner of new  
15 manufacturing equipment whose statement of benefits is approved is  
16 entitled to a deduction from the assessed value of that equipment for a  
17 period of ten (10) years. Except as provided in subsections ~~(b)~~ and ~~(c)~~  
18 **and (d)**, and subject to subsection ~~(d)~~ **(e)** and section 14 of this chapter,  
19 for the first five (5) years, the amount of the deduction for new  
20 manufacturing equipment that an owner is entitled to for a particular  
21 year equals the assessed value of the new manufacturing equipment.  
22 Subject to subsection ~~(d)~~ **(e)** and section 14 of this chapter, for the sixth  
23 through the tenth year, the amount of the deduction equals the product  
24 of:

25 (1) the assessed value of the new manufacturing equipment;  
26 multiplied by

27 (2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

35 ~~(b)~~ **(c)** A deduction under this section is not allowed in the first year  
36 the deduction is claimed for new manufacturing equipment to the  
37 extent that it would cause the assessed value of all of the personal  
38 property of the owner in the taxing district in which the equipment is  
39 located to be less than the assessed value of all of the personal property  
40 of the owner in that taxing district in the immediately preceding year.

41 ~~(c)~~ **(d)** If a deduction is not fully allowed under subsection ~~(b)~~ **(c)** in  
42 the first year the deduction is claimed, then the percentages specified



1 in subsection (a) (b) apply in the subsequent years to the amount of  
2 deduction that was allowed in the first year.

3 (d) (e) For purposes of subsection (a), (b), the assessed value of new  
4 manufacturing equipment that is part of an owner's assessable  
5 depreciable personal property in a single taxing district subject to the  
6 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product  
7 of:

8 (1) the assessed value of the equipment (**excluding equipment**  
9 **installed after June 30, 2018**) determined without regard to the  
10 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9;  
11 multiplied by

12 (2) the quotient of:

13 (A) the amount of the valuation limitation determined under 50  
14 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable  
15 personal property in the taxing district; divided by

16 (B) the total true tax value of all of the owner's depreciable  
17 personal property in the taxing district that is subject to the  
18 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9  
19 determined:

20 (i) under the depreciation schedules in the rules of the  
21 department of local government finance before any  
22 adjustment for abnormal obsolescence; and

23 (ii) without regard to the valuation limitation in 50  
24 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

25 SECTION 17. IC 6-1.1-40-15 IS ADDED TO THE INDIANA  
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2018]: **Sec. 15. This chapter expires January**  
28 **1, 2032.**

29 SECTION 18. IC 6-2.5-8-1, AS AMENDED BY P.L.245-2015,  
30 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JANUARY 1, 2019]: Sec. 1. (a) A retail merchant may not make a  
32 retail transaction in Indiana, unless the retail merchant has applied for  
33 a registered retail merchant's certificate.

34 (b) A retail merchant may obtain a registered retail merchant's  
35 certificate by filing an application with the department and paying a  
36 registration fee of twenty-five dollars (\$25) for each place of business  
37 listed on the application. The retail merchant shall also provide such  
38 security for payment of the tax as the department may require under  
39 IC 6-2.5-6-12.

40 (c) The retail merchant shall list on the application the location  
41 (including the township) of each place of business where the retail  
42 merchant makes retail transactions. However, if the retail merchant



1 does not have a fixed place of business, the retail merchant shall list the  
 2 retail merchant's residence as the retail merchant's place of business. In  
 3 addition, a public utility may list only its principal Indiana office as its  
 4 place of business for sales of public utility commodities or service, but  
 5 the utility must also list on the application the places of business where  
 6 it makes retail transactions other than sales of public utility  
 7 commodities or service.

8 (d) Upon receiving a proper application, the correct fee, and the  
 9 security for payment, if required, the department shall issue to the retail  
 10 merchant a separate registered retail merchant's certificate for each  
 11 place of business listed on the application. Each certificate shall bear  
 12 a serial number and the location of the place of business for which it is  
 13 issued.

14 (e) If a retail merchant intends to make retail transactions during a  
 15 calendar year at a new Indiana place of business, the retail merchant  
 16 must file a supplemental application and pay the fee for that place of  
 17 business.

18 (f) Except as provided in subsection (h), a registered retail  
 19 merchant's certificate is valid for two (2) years after the date the  
 20 registered retail merchant's certificate is originally issued or renewed.  
 21 If the retail merchant has filed all returns and remitted all taxes the  
 22 retail merchant is currently obligated to file or remit, the department  
 23 shall renew the registered retail merchant's certificate within thirty (30)  
 24 days after the expiration date, at no cost to the retail merchant. **Before**  
 25 **issuing or renewing the registered retail merchant certification, the**  
 26 **department may require the following to be provided:**

27 **(1) The names and addresses of the retail merchant's**  
 28 **principal employees, agents, or representatives who engage in**  
 29 **Indiana in the solicitation or negotiation of the retail**  
 30 **transaction.**

31 **(2) The location of all of the retail merchant's places of**  
 32 **business in Indiana, including offices and distribution houses.**

33 **(3) Any other information that the department requests.**

34 (g) The department may not renew a registered retail merchant  
 35 certificate of a retail merchant who is delinquent in remitting  
 36 withholding taxes required to be remitted under IC 6-3-4 or sales or use  
 37 tax. The department, at least sixty (60) days before the date on which  
 38 a retail merchant's registered retail merchant's certificate expires, shall  
 39 notify a retail merchant who is delinquent in remitting withholding  
 40 taxes required to be remitted under IC 6-3-4 or sales or use tax that the  
 41 department will not renew the retail merchant's registered retail  
 42 merchant's certificate.



- 1 (h) If:
- 2 (1) a retail merchant has been notified by the department that the
- 3 retail merchant is delinquent in remitting withholding taxes or
- 4 sales or use tax in accordance with subsection (g); and
- 5 (2) the retail merchant pays the outstanding liability before the
- 6 expiration of the retail merchant's registered retail merchant's
- 7 certificate;
- 8 the department shall renew the retail merchant's registered retail
- 9 merchant's certificate for one (1) year.
- 10 (i) A retail merchant engaged in business in Indiana as defined in
- 11 IC 6-2.5-3-1(c) who makes retail transactions that are only subject to
- 12 the use tax must obtain a registered retail merchant's certificate before
- 13 making those transactions. The retail merchant may obtain the
- 14 certificate by following the same procedure as a retail merchant under
- 15 subsections (b) and (c), except that the retail merchant must also
- 16 include on the application:
- 17 (1) the names and addresses of the retail merchant's principal
- 18 employees, agents, or representatives who engage in Indiana in
- 19 the solicitation or negotiation of the retail transactions;
- 20 (2) the location of all of the retail merchant's places of business in
- 21 Indiana, including offices and distribution houses; and
- 22 (3) any other information that the department requests.
- 23 **The department may also require that this information be updated**
- 24 **before renewal of a registered retail merchant's certificate.**
- 25 (j) The department may permit an out-of-state retail merchant to
- 26 collect the use tax. However, before the out-of-state retail merchant
- 27 may collect the tax, the out-of-state retail merchant must obtain a
- 28 registered retail merchant's certificate in the manner provided by this
- 29 section. Upon receiving the certificate, the out-of-state retail merchant
- 30 becomes subject to the same conditions and duties as an Indiana retail
- 31 merchant and must then collect the use tax due on all sales of tangible
- 32 personal property that the out-of-state retail merchant knows is
- 33 intended for use in Indiana.
- 34 (k) Except as provided in subsection (l), the department shall submit
- 35 to the township assessor, or the county assessor if there is no township
- 36 assessor for the township, before March 15 of each year:
- 37 (1) the name of each retail merchant that has newly obtained a
- 38 registered retail merchant's certificate during the preceding year
- 39 for a place of business located in the township or county; and
- 40 (2) the address of each place of business of the taxpayer in the
- 41 township or county.
- 42 (l) If the duties of the township assessor have been transferred to the



1 county assessor as described in IC 6-1.1-1-24, the department shall  
 2 submit the information listed in subsection (k) to the county assessor.

3 SECTION 19. IC 6-3-1-3.5, AS AMENDED BY THE TECHNICAL  
 4 CORRECTIONS BILL OF THE 2018 GENERAL ASSEMBLY, IS  
 5 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,  
 6 2019]: Sec. 3.5. When used in this article, the term "adjusted gross  
 7 income" shall mean the following:

8 (a) In the case of all individuals, "adjusted gross income" (as  
 9 defined in Section 62 of the Internal Revenue Code), modified as  
 10 follows:

11 (1) Subtract income that is exempt from taxation under this article  
 12 by the Constitution and statutes of the United States.

13 (2) *Except as provided in subsection (c)*, add an amount equal to  
 14 any deduction or deductions allowed or allowable pursuant to  
 15 Section 62 of the Internal Revenue Code for taxes based on or  
 16 measured by income and levied at the state level by any state of  
 17 the United States.

18 (3) Subtract one thousand dollars (\$1,000), or in the case of a  
 19 joint return filed by a husband and wife, subtract for each spouse  
 20 one thousand dollars (\$1,000).

21 (4) Subtract one thousand dollars (\$1,000) for:

22 (A) each of the exemptions provided by Section 151(c) of the  
 23 Internal Revenue Code;

24 (B) each additional amount allowable under Section 63(f) of the  
 25 Internal Revenue Code; and

26 (C) the spouse of the taxpayer if a separate return is made by  
 27 the taxpayer and if the spouse, for the calendar year in which  
 28 the taxable year of the taxpayer begins, has no gross income  
 29 and is not the dependent of another taxpayer.

30 (5) Subtract:

31 (A) one thousand five hundred dollars (\$1,500) for each of the  
 32 exemptions allowed under Section 151(c)(1)(B) of the Internal  
 33 Revenue Code (as effective January 1, 2004);

34 (B) for taxable years beginning after December 31, 2017, one  
 35 thousand five hundred dollars (\$1,500) for each exemption  
 36 allowed under Section 151(c) of the Internal Revenue Code for  
 37 an individual:

38 (i) who is less than nineteen (19) years of age or is a full-time  
 39 student who is less than twenty-four (24) years of age;

40 (ii) for whom the taxpayer is the legal guardian; and

41 (iii) for whom the taxpayer does not claim an exemption  
 42 under clause (A); and





- 1 (C) five hundred dollars (\$500) for each additional amount  
2 allowable under Section 63(f)(1) of the Internal Revenue Code  
3 if the adjusted gross income of the taxpayer, or the taxpayer and  
4 the taxpayer's spouse in the case of a joint return, is less than  
5 forty thousand dollars (\$40,000).  
6 This amount is in addition to the amount subtracted under  
7 subdivision (4).  
8 (6) Subtract any amounts included in federal adjusted gross  
9 income under Section 111 of the Internal Revenue Code as a  
10 recovery of items previously deducted as an itemized deduction  
11 from adjusted gross income.  
12 (7) Subtract any amounts included in federal adjusted gross  
13 income under the Internal Revenue Code which amounts were  
14 received by the individual as supplemental railroad retirement  
15 annuities under 45 U.S.C. 231 and which are not deductible under  
16 subdivision (1).  
17 (8) Subtract an amount equal to the amount of federal Social  
18 Security and Railroad Retirement benefits included in a taxpayer's  
19 federal gross income by Section 86 of the Internal Revenue Code.  
20 (9) In the case of a nonresident taxpayer or a resident taxpayer  
21 residing in Indiana for a period of less than the taxpayer's entire  
22 taxable year, the total amount of the deductions allowed pursuant  
23 to subdivisions (3), (4), and (5) shall be reduced to an amount  
24 which bears the same ratio to the total as the taxpayer's income  
25 taxable in Indiana bears to the taxpayer's total income.  
26 (10) In the case of an individual who is a recipient of assistance  
27 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,  
28 subtract an amount equal to that portion of the individual's  
29 adjusted gross income with respect to which the individual is not  
30 allowed under federal law to retain an amount to pay state and  
31 local income taxes.  
32 (11) In the case of an eligible individual, subtract the amount of  
33 a Holocaust victim's settlement payment included in the  
34 individual's federal adjusted gross income.  
35 (12) Subtract an amount equal to the portion of any premiums  
36 paid during the taxable year by the taxpayer for a qualified long  
37 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer  
38 or the taxpayer's spouse, or both.  
39 (13) Subtract an amount equal to the lesser of:  
40 (A) two thousand five hundred dollars (\$2,500); or  
41 (B) the amount of property taxes that are paid during the  
42 taxable year in Indiana by the individual on the individual's



- 1 principal place of residence.
- 2 (14) Subtract an amount equal to the amount of a September 11
- 3 terrorist attack settlement payment included in the individual's
- 4 federal adjusted gross income.
- 5 (15) Add or subtract the amount necessary to make the adjusted
- 6 gross income of any taxpayer that owns property for which bonus
- 7 depreciation was allowed in the current taxable year or in an
- 8 earlier taxable year equal to the amount of adjusted gross income
- 9 that would have been computed had an election not been made
- 10 under Section 168(k) of the Internal Revenue Code to apply bonus
- 11 depreciation to the property in the year that it was placed in
- 12 service.
- 13 (16) Add an amount equal to any deduction allowed under
- 14 Section 172 of the Internal Revenue Code.
- 15 (17) Add or subtract the amount necessary to make the adjusted
- 16 gross income of any taxpayer that placed Section 179 property (as
- 17 defined in Section 179 of the Internal Revenue Code) in service
- 18 in the current taxable year or in an earlier taxable year equal to
- 19 the amount of adjusted gross income that would have been
- 20 computed had an election for federal income tax purposes not
- 21 been made for the year in which the property was placed in
- 22 service to take deductions under Section 179 of the Internal
- 23 Revenue Code in a total amount exceeding twenty-five thousand
- 24 dollars (\$25,000).
- 25 (18) Add an amount equal to the amount that a taxpayer claimed
- 26 as a deduction for domestic production activities for the taxable
- 27 year under Section 199 of the Internal Revenue Code for federal
- 28 income tax purposes.
- 29 (19) Subtract an amount equal to the amount of the taxpayer's
- 30 qualified military income that was not excluded from the
- 31 taxpayer's gross income for federal income tax purposes under
- 32 Section 112 of the Internal Revenue Code.
- 33 ~~(20) Subtract income that is:~~
- 34 ~~(A) exempt from taxation under IC 6-3-2-21.7; and~~
- 35 ~~(B) included in the individual's federal adjusted gross income~~
- 36 ~~under the Internal Revenue Code.~~
- 37 ~~(21)~~ **(20)** Add an amount equal to any income not included in
- 38 gross income as a result of the deferral of income arising from
- 39 business indebtedness discharged in connection with the
- 40 reacquisition after December 31, 2008, and before January 1,
- 41 2011, of an applicable debt instrument, as provided in Section
- 42 108(i) of the Internal Revenue Code. Subtract the amount



1 necessary from the adjusted gross income of any taxpayer that  
 2 added an amount to adjusted gross income in a previous year to  
 3 offset the amount included in federal gross income as a result of  
 4 the deferral of income arising from business indebtedness  
 5 discharged in connection with the reacquisition after December  
 6 31, 2008, and before January 1, 2011, of an applicable debt  
 7 instrument, as provided in Section 108(i) of the Internal Revenue  
 8 Code.

9 ~~(22)~~ **(21)** Add the amount excluded from federal gross income  
 10 under Section 103 of the Internal Revenue Code for interest  
 11 received on an obligation of a state other than Indiana, or a  
 12 political subdivision of such a state, that is acquired by the  
 13 taxpayer after December 31, 2011.

14 ~~(23)~~ **(22)** *Subtract an amount as described in Section 1341(a)(2)*  
 15 *of the Internal Revenue Code to the extent, if any, that the amount*  
 16 *was previously included in the taxpayer's adjusted gross income*  
 17 *for a prior taxable year.*

18 ~~(24)~~ **(23)** *Subtract any other amounts the taxpayer is entitled to*  
 19 *deduct under IC 6-3-2.*

20 (b) In the case of corporations, the same as "taxable income" (as  
 21 defined in Section 63 of the Internal Revenue Code) adjusted as  
 22 follows:

23 (1) Subtract income that is exempt from taxation under this article  
 24 by the Constitution and statutes of the United States.

25 (2) Add an amount equal to any deduction or deductions allowed  
 26 or allowable pursuant to Section 170 of the Internal Revenue  
 27 Code.

28 (3) *Except as provided in subsection (c)*, add an amount equal to  
 29 any deduction or deductions allowed or allowable pursuant to  
 30 Section 63 of the Internal Revenue Code for taxes based on or  
 31 measured by income and levied at the state level by any state of  
 32 the United States.

33 (4) Subtract an amount equal to the amount included in the  
 34 corporation's taxable income under Section 78 of the Internal  
 35 Revenue Code.

36 (5) Add or subtract the amount necessary to make the adjusted  
 37 gross income of any taxpayer that owns property for which bonus  
 38 depreciation was allowed in the current taxable year or in a  
 39 earlier taxable year equal to the amount of adjusted gross income  
 40 that would have been computed had an election not been made  
 41 under Section 168(k) of the Internal Revenue Code to apply bonus  
 42 depreciation to the property in the year that it was placed in



- 1 service.
- 2 (6) Add an amount equal to any deduction allowed under Section
- 3 172 of the Internal Revenue Code.
- 4 (7) Add or subtract the amount necessary to make the adjusted
- 5 gross income of any taxpayer that placed Section 179 property (as
- 6 defined in Section 179 of the Internal Revenue Code) in service
- 7 in the current taxable year or in an earlier taxable year equal to
- 8 the amount of adjusted gross income that would have been
- 9 computed had an election for federal income tax purposes not
- 10 been made for the year in which the property was placed in
- 11 service to take deductions under Section 179 of the Internal
- 12 Revenue Code in a total amount exceeding twenty-five thousand
- 13 dollars (\$25,000).
- 14 (8) Add an amount equal to the amount that a taxpayer claimed as
- 15 a deduction for domestic production activities for the taxable year
- 16 under Section 199 of the Internal Revenue Code for federal
- 17 income tax purposes.
- 18 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 19 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 20 related interest expenses (as defined in IC 6-3-2-20) for the
- 21 taxable year that reduced the corporation's taxable income (as
- 22 defined in Section 63 of the Internal Revenue Code) for federal
- 23 income tax purposes.
- 24 (10) Add an amount equal to any deduction for dividends paid (as
- 25 defined in Section 561 of the Internal Revenue Code) to
- 26 shareholders of a captive real estate investment trust (as defined
- 27 in section 34.5 of this chapter).
- 28 ~~(11) Subtract income that is:~~
- 29 ~~(A) exempt from taxation under IC 6-3-2-21.7; and~~
- 30 ~~(B) included in the corporation's taxable income under the~~
- 31 ~~Internal Revenue Code.~~
- 32 ~~(12) (11)~~ Add an amount equal to any income not included in
- 33 gross income as a result of the deferral of income arising from
- 34 business indebtedness discharged in connection with the
- 35 reacquisition after December 31, 2008, and before January 1,
- 36 2011, of an applicable debt instrument, as provided in Section
- 37 108(i) of the Internal Revenue Code. Subtract from the adjusted
- 38 gross income of any taxpayer that added an amount to adjusted
- 39 gross income in a previous year the amount necessary to offset the
- 40 amount included in federal gross income as a result of the deferral
- 41 of income arising from business indebtedness discharged in
- 42 connection with the reacquisition after December 31, 2008, and



1 before January 1, 2011, of an applicable debt instrument, as  
 2 provided in Section 108(i) of the Internal Revenue Code.

3 ~~(12)~~ **(12)** Add the amount excluded from federal gross income  
 4 under Section 103 of the Internal Revenue Code for interest  
 5 received on an obligation of a state other than Indiana, or a  
 6 political subdivision of such a state, that is acquired by the  
 7 taxpayer after December 31, 2011.

8 ~~(13)~~ **(13)** Add or subtract any other amounts the taxpayer is:

9 (A) required to add or subtract; or

10 (B) entitled to deduct;

11 under IC 6-3-2.

12 (c) The following apply to taxable years beginning after December  
 13 31, 2018, for purposes of the add back of any deduction allowed on the  
 14 taxpayer's federal income tax return for wagering taxes, as provided  
 15 in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3)  
 16 if the taxpayer is a corporation:

17 (1) For taxable years beginning after December 31, 2018, and  
 18 before January 1, 2020, a taxpayer is required to add back under  
 19 this section eighty-seven and five-tenths percent (87.5%) of any  
 20 deduction allowed on the taxpayer's federal income tax return for  
 21 wagering taxes.

22 (2) For taxable years beginning after December 31, 2019, and  
 23 before January 1, 2021, a taxpayer is required to add back under  
 24 this section seventy-five percent (75%) of any deduction allowed  
 25 on the taxpayer's federal income tax return for wagering taxes.

26 (3) For taxable years beginning after December 31, 2020, and  
 27 before January 1, 2022, a taxpayer is required to add back under  
 28 this section sixty-two and five-tenths percent (62.5%) of any  
 29 deduction allowed on the taxpayer's federal income tax return for  
 30 wagering taxes.

31 (4) For taxable years beginning after December 31, 2021, and  
 32 before January 1, 2023, a taxpayer is required to add back under  
 33 this section fifty percent (50%) of any deduction allowed on the  
 34 taxpayer's federal income tax return for wagering taxes.

35 (5) For taxable years beginning after December 31, 2022, and  
 36 before January 1, 2024, a taxpayer is required to add back under  
 37 this section thirty-seven and five-tenths percent (37.5%) of any  
 38 deduction allowed on the taxpayer's federal income tax return for  
 39 wagering taxes.

40 (6) For taxable years beginning after December 31, 2023, and  
 41 before January 1, 2025, a taxpayer is required to add back under  
 42 this section twenty-five percent (25%) of any deduction allowed



1           on the taxpayer's federal income tax return for wagering taxes.  
 2           (7) For taxable years beginning after December 31, 2024, and  
 3           before January 1, 2026, a taxpayer is required to add back under  
 4           this section twelve and five-tenths percent (12.5%) of any  
 5           deduction allowed on the taxpayer's federal income tax return for  
 6           wagering taxes.

7           (8) For taxable years beginning after December 31, 2025, a  
 8           taxpayer is not required to add back under this section any  
 9           amount of a deduction allowed on the taxpayer's federal income  
 10          tax return for wagering taxes.

11          ~~(e)~~ (d) In the case of life insurance companies (as defined in Section  
 12          816(a) of the Internal Revenue Code) that are organized under Indiana  
 13          law, the same as "life insurance company taxable income" (as defined  
 14          in Section 801 of the Internal Revenue Code), adjusted as follows:

15           (1) Subtract income that is exempt from taxation under this article  
 16           by the Constitution and statutes of the United States.

17           (2) Add an amount equal to any deduction allowed or allowable  
 18           under Section 170 of the Internal Revenue Code.

19           (3) Add an amount equal to a deduction allowed or allowable  
 20           under Section 805 or Section 832(c) of the Internal Revenue Code  
 21           for taxes based on or measured by income and levied at the state  
 22           level by any state.

23           (4) Subtract an amount equal to the amount included in the  
 24           company's taxable income under Section 78 of the Internal  
 25           Revenue Code.

26           (5) Add or subtract the amount necessary to make the adjusted  
 27           gross income of any taxpayer that owns property for which bonus  
 28           depreciation was allowed in the current taxable year or in an  
 29           earlier taxable year equal to the amount of adjusted gross income  
 30           that would have been computed had an election not been made  
 31           under Section 168(k) of the Internal Revenue Code to apply bonus  
 32           depreciation to the property in the year that it was placed in  
 33           service.

34           (6) Add an amount equal to any deduction allowed under Section  
 35           172 or Section 810 of the Internal Revenue Code.

36           (7) Add or subtract the amount necessary to make the adjusted  
 37           gross income of any taxpayer that placed Section 179 property (as  
 38           defined in Section 179 of the Internal Revenue Code) in service  
 39           in the current taxable year or in an earlier taxable year equal to  
 40           the amount of adjusted gross income that would have been  
 41           computed had an election for federal income tax purposes not  
 42           been made for the year in which the property was placed in



1 service to take deductions under Section 179 of the Internal  
 2 Revenue Code in a total amount exceeding twenty-five thousand  
 3 dollars (\$25,000).

4 (8) Add an amount equal to the amount that a taxpayer claimed as  
 5 a deduction for domestic production activities for the taxable year  
 6 under Section 199 of the Internal Revenue Code for federal  
 7 income tax purposes.

8 ~~(9)~~ Subtract income that is:

9 ~~(A)~~ exempt from taxation under IC 6-3-2-21.7; and

10 ~~(B)~~ included in the insurance company's taxable income under  
 11 the Internal Revenue Code.

12 ~~(+0)~~ (9) Add an amount equal to any income not included in gross  
 13 income as a result of the deferral of income arising from business  
 14 indebtedness discharged in connection with the reacquisition after  
 15 December 31, 2008, and before January 1, 2011, of an applicable  
 16 debt instrument, as provided in Section 108(i) of the Internal  
 17 Revenue Code. Subtract from the adjusted gross income of any  
 18 taxpayer that added an amount to adjusted gross income in a  
 19 previous year the amount necessary to offset the amount included  
 20 in federal gross income as a result of the deferral of income  
 21 arising from business indebtedness discharged in connection with  
 22 the reacquisition after December 31, 2008, and before January 1,  
 23 2011, of an applicable debt instrument, as provided in Section  
 24 108(i) of the Internal Revenue Code.

25 ~~(+1)~~ (10) Add an amount equal to any exempt insurance income  
 26 under Section 953(e) of the Internal Revenue Code that is active  
 27 financing income under Subpart F of Subtitle A, Chapter 1,  
 28 Subchapter N of the Internal Revenue Code.

29 ~~(+2)~~ (11) Add the amount excluded from federal gross income  
 30 under Section 103 of the Internal Revenue Code for interest  
 31 received on an obligation of a state other than Indiana, or a  
 32 political subdivision of such a state, that is acquired by the  
 33 taxpayer after December 31, 2011.

34 ~~(+3)~~ (12) Add or subtract any other amounts the taxpayer is:

35 (A) required to add or subtract; or

36 (B) entitled to deduct;

37 under IC 6-3-2.

38 ~~(+4)~~ (e) In the case of insurance companies subject to tax under  
 39 Section 831 of the Internal Revenue Code and organized under Indiana  
 40 law, the same as "taxable income" (as defined in Section 832 of the  
 41 Internal Revenue Code), adjusted as follows:

42 (1) Subtract income that is exempt from taxation under this article



- 1 by the Constitution and statutes of the United States.
- 2 (2) Add an amount equal to any deduction allowed or allowable
- 3 under Section 170 of the Internal Revenue Code.
- 4 (3) Add an amount equal to a deduction allowed or allowable
- 5 under Section 805 or Section 832(c) of the Internal Revenue Code
- 6 for taxes based on or measured by income and levied at the state
- 7 level by any state.
- 8 (4) Subtract an amount equal to the amount included in the
- 9 company's taxable income under Section 78 of the Internal
- 10 Revenue Code.
- 11 (5) Add or subtract the amount necessary to make the adjusted
- 12 gross income of any taxpayer that owns property for which bonus
- 13 depreciation was allowed in the current taxable year or in an
- 14 earlier taxable year equal to the amount of adjusted gross income
- 15 that would have been computed had an election not been made
- 16 under Section 168(k) of the Internal Revenue Code to apply bonus
- 17 depreciation to the property in the year that it was placed in
- 18 service.
- 19 (6) Add an amount equal to any deduction allowed under Section
- 20 172 of the Internal Revenue Code.
- 21 (7) Add or subtract the amount necessary to make the adjusted
- 22 gross income of any taxpayer that placed Section 179 property (as
- 23 defined in Section 179 of the Internal Revenue Code) in service
- 24 in the current taxable year or in an earlier taxable year equal to
- 25 the amount of adjusted gross income that would have been
- 26 computed had an election for federal income tax purposes not
- 27 been made for the year in which the property was placed in
- 28 service to take deductions under Section 179 of the Internal
- 29 Revenue Code in a total amount exceeding twenty-five thousand
- 30 dollars (\$25,000).
- 31 (8) Add an amount equal to the amount that a taxpayer claimed as
- 32 a deduction for domestic production activities for the taxable year
- 33 under Section 199 of the Internal Revenue Code for federal
- 34 income tax purposes.
- 35 (9) Subtract income that is:
- 36 (A) exempt from taxation under IC 6-3-2-21.7; and
- 37 (B) included in the insurance company's taxable income under
- 38 the Internal Revenue Code.
- 39 (10) (9) Add an amount equal to any income not included in gross
- 40 income as a result of the deferral of income arising from business
- 41 indebtedness discharged in connection with the reacquisition after
- 42 December 31, 2008, and before January 1, 2011, of an applicable





1 debt instrument, as provided in Section 108(i) of the Internal  
 2 Revenue Code. Subtract from the adjusted gross income of any  
 3 taxpayer that added an amount to adjusted gross income in a  
 4 previous year the amount necessary to offset the amount included  
 5 in federal gross income as a result of the deferral of income  
 6 arising from business indebtedness discharged in connection with  
 7 the reacquisition after December 31, 2008, and before January 1,  
 8 2011, of an applicable debt instrument, as provided in Section  
 9 108(i) of the Internal Revenue Code.

10 ~~(H)~~ **(10)** Add an amount equal to any exempt insurance income  
 11 under Section 953(e) of the Internal Revenue Code that is active  
 12 financing income under Subpart F of Subtitle A, Chapter 1,  
 13 Subchapter N of the Internal Revenue Code.

14 ~~(I)~~ **(11)** Add the amount excluded from federal gross income  
 15 under Section 103 of the Internal Revenue Code for interest  
 16 received on an obligation of a state other than Indiana, or a  
 17 political subdivision of such a state, that is acquired by the  
 18 taxpayer after December 31, 2011.

19 ~~(J)~~ **(12)** *Add or subtract any other amounts the taxpayer is:*

20 *(A) required to add or subtract; or*

21 *(B) entitled to deduct;*

22 *under IC 6-3-2.*

23 ~~(e)~~ *(f)* In the case of trusts and estates, "taxable income" (as defined  
 24 for trusts and estates in Section 641(b) of the Internal Revenue Code)  
 25 adjusted as follows:

26 (1) Subtract income that is exempt from taxation under this article  
 27 by the Constitution and statutes of the United States.

28 (2) Subtract an amount equal to the amount of a September 11  
 29 terrorist attack settlement payment included in the federal  
 30 adjusted gross income of the estate of a victim of the September  
 31 11 terrorist attack or a trust to the extent the trust benefits a victim  
 32 of the September 11 terrorist attack.

33 (3) Add or subtract the amount necessary to make the adjusted  
 34 gross income of any taxpayer that owns property for which bonus  
 35 depreciation was allowed in the current taxable year or in an  
 36 earlier taxable year equal to the amount of adjusted gross income  
 37 that would have been computed had an election not been made  
 38 under Section 168(k) of the Internal Revenue Code to apply bonus  
 39 depreciation to the property in the year that it was placed in  
 40 service.

41 (4) Add an amount equal to any deduction allowed under Section  
 42 172 of the Internal Revenue Code.



- 1 (5) Add or subtract the amount necessary to make the adjusted  
 2 gross income of any taxpayer that placed Section 179 property (as  
 3 defined in Section 179 of the Internal Revenue Code) in service  
 4 in the current taxable year or in an earlier taxable year equal to  
 5 the amount of adjusted gross income that would have been  
 6 computed had an election for federal income tax purposes not  
 7 been made for the year in which the property was placed in  
 8 service to take deductions under Section 179 of the Internal  
 9 Revenue Code in a total amount exceeding twenty-five thousand  
 10 dollars (\$25,000).
- 11 (6) Add an amount equal to the amount that a taxpayer claimed as  
 12 a deduction for domestic production activities for the taxable year  
 13 under Section 199 of the Internal Revenue Code for federal  
 14 income tax purposes.
- 15 ~~(7)~~ Subtract income that is:
- 16 (A) exempt from taxation under IC 6-3-2-21.7; and  
 17 (B) included in the taxpayer's taxable income under the Internal  
 18 Revenue Code.
- 19 ~~(8)~~ (7) Add an amount equal to any income not included in gross  
 20 income as a result of the deferral of income arising from business  
 21 indebtedness discharged in connection with the reacquisition after  
 22 December 31, 2008, and before January 1, 2011, of an applicable  
 23 debt instrument, as provided in Section 108(i) of the Internal  
 24 Revenue Code. Subtract from the adjusted gross income of any  
 25 taxpayer that added an amount to adjusted gross income in a  
 26 previous year the amount necessary to offset the amount included  
 27 in federal gross income as a result of the deferral of income  
 28 arising from business indebtedness discharged in connection with  
 29 the reacquisition after December 31, 2008, and before January 1,  
 30 2011, of an applicable debt instrument, as provided in Section  
 31 108(i) of the Internal Revenue Code.
- 32 ~~(9)~~ (8) Add the amount excluded from federal gross income under  
 33 Section 103 of the Internal Revenue Code for interest received on  
 34 an obligation of a state other than Indiana, or a political  
 35 subdivision of such a state, that is acquired by the taxpayer after  
 36 December 31, 2011.
- 37 ~~(10)~~ (9) Add or subtract any other amounts the taxpayer is:
- 38 (A) required to add or subtract; or  
 39 (B) entitled to deduct;  
 40 under IC 6-3-2.
- 41 SECTION 20. IC 6-3-2-1, AS AMENDED BY P.L.80-2014,  
 42 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2018 (RETROACTIVE)]: Sec. 1. (a) Each taxable year,  
 2 a tax at the following rate of adjusted gross income is imposed upon the  
 3 adjusted gross income of every resident person, and on that part of the  
 4 adjusted gross income derived from sources within Indiana of every  
 5 nonresident person:

6 (1) For taxable years beginning before January 1, 2015, three and  
 7 four-tenths percent (3.4%).

8 (2) For taxable years beginning after December 31, 2014, and  
 9 before January 1, 2017, three and three-tenths percent (3.3%).

10 (3) For taxable years beginning after December 31, 2016, three  
 11 and twenty-three hundredths percent (3.23%).

12 (b) Except as provided in section 1.5 of this chapter (**before its**  
 13 **expiration**), each taxable year, a tax at the following rate of adjusted  
 14 gross income is imposed on that part of the adjusted gross income  
 15 derived from sources within Indiana of every corporation:

16 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).

17 (2) After June 30, 2012, and before July 1, 2013, eight percent  
 18 (8.0%).

19 (3) After June 30, 2013, and before July 1, 2014, seven and  
 20 five-tenths percent (7.5%).

21 (4) After June 30, 2014, and before July 1, 2015, seven percent  
 22 (7.0%).

23 (5) After June 30, 2015, and before July 1, 2016, six and  
 24 five-tenths percent (6.5%).

25 (6) After June 30, 2016, and before July 1, 2017, six and  
 26 twenty-five hundredths percent (6.25%).

27 (7) After June 30, 2017, and before July 1, 2018, six percent  
 28 (6.0%).

29 (8) After June 30, 2018, and before July 1, 2019, five and  
 30 seventy-five hundredths percent (5.75%).

31 (9) After June 30, 2019, and before July 1, 2020, five and  
 32 five-tenths percent (5.5%).

33 (10) After June 30, 2020, and before July 1, 2021, five and  
 34 twenty-five hundredths percent (5.25%).

35 (11) After June 30, 2021, four and nine-tenths percent (4.9%).

36 (c) If for any taxable year a taxpayer is subject to different tax rates  
 37 under subsection (b), the taxpayer's tax rate for that taxable year is the  
 38 rate determined in the last STEP of the following STEPS:

39 STEP ONE: Multiply the number of ~~months~~ **days** in the taxpayer's  
 40 taxable year that precede the ~~month~~ **day** the rate changed by the  
 41 rate in effect before the rate change.

42 STEP TWO: Multiply the number of ~~months~~ **days** in the



1 taxpayer's taxable year that follow the ~~month day~~ before the rate  
 2 changed by the rate in effect after the rate change.

3 STEP THREE: Divide the sum of the amounts determined under  
 4 STEPS ONE and TWO by ~~twelve (12)~~; **the number of days in**  
 5 **the taxpayer's tax period.**

6 However, the rate determined under this subsection shall be rounded  
 7 to the nearest one-hundredth of one percent (0.01%).

8 SECTION 21. IC 6-3-2-1.5, AS AMENDED BY P.L.288-2013,  
 9 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2018]: Sec. 1.5. (a) As used in this section, "qualified area"  
 11 means:

- 12 (1) a military base (as defined in IC 36-7-30-1(c));
- 13 (2) a military base reuse area established under IC 36-7-30;
- 14 (3) the part of an economic development area established under  
 15 IC 36-7-14.5-12.5 that is or formerly was a military base (as  
 16 defined in IC 36-7-30-1(c)); or
- 17 (4) a qualified military base enhancement area established under  
 18 IC 36-7-34.

19 (b) Except as provided in ~~subsection (e)~~; **subsections (e) and (h)**,  
 20 a tax at the rate of five percent (5%) of adjusted gross income is  
 21 imposed on that part of the adjusted gross income of a corporation that  
 22 is derived from sources within a qualified area if the corporation  
 23 locates all or part of its operations in a qualified area during the taxable  
 24 year, as determined under subsection (g). The tax rate under this  
 25 section applies to the taxable year in which the corporation locates its  
 26 operations in the qualified area and to the next succeeding four (4)  
 27 taxable years.

28 (c) In the case of a corporation that locates all or part of its  
 29 operations in a qualified military base enhancement area established  
 30 under IC 36-7-34-4(1), the tax rate imposed under this section applies  
 31 to the corporation only if the corporation meets at least one (1) of the  
 32 following criteria:

- 33 (1) The corporation is a participant in the technology transfer  
 34 program conducted by the qualified military base (as defined in  
 35 IC 36-7-34-3).
- 36 (2) The corporation is a United States Department of Defense  
 37 contractor.
- 38 (3) The corporation and the qualified military base have a  
 39 mutually beneficial relationship evidenced by a memorandum of  
 40 understanding between the corporation and the United States  
 41 Department of Defense.

42 (d) In the case of a business that uses the services or commodities



1 in a qualified military base enhancement area established under  
 2 IC 36-7-34-4(2), the business must satisfy at least one (1) of the  
 3 following criteria:

4 (1) The business is a participant in the technology transfer  
 5 program conducted by the qualified military base (as defined in  
 6 IC 36-7-34-3).

7 (2) The business and the qualified military base have a mutually  
 8 beneficial relationship evidenced by a memorandum of  
 9 understanding between the business and the qualified military  
 10 base (as defined in IC 36-7-34-3).

11 (e) A taxpayer is not entitled to the tax rate described in subsection  
 12 (b) to the extent that the taxpayer substantially reduces or ceases its  
 13 operations at another location in Indiana in order to relocate its  
 14 operations within the qualified area, unless:

15 (1) the taxpayer had existing operations in the qualified area; and

16 (2) the operations relocated to the qualified area are an expansion  
 17 of the taxpayer's operations in the qualified area.

18 (f) A determination under subsection (e) that a taxpayer is not  
 19 entitled to the tax rate provided by this section as a result of a  
 20 substantial reduction or cessation of operations applies to the taxable  
 21 year in which the substantial reduction or cessation occurs and in all  
 22 subsequent years. Determinations under this section shall be made by  
 23 the department of state revenue.

24 (g) The department of state revenue:

25 (1) shall adopt rules under IC 4-22-2 to establish a procedure for  
 26 determining the part of a corporation's adjusted gross income that  
 27 was derived from sources within a qualified area; and

28 (2) may adopt other rules that the department considers necessary  
 29 for the implementation of this chapter.

30 **(h) The tax rate under this section applies only to a corporation**  
 31 **that locates all or part of its operations in a qualified area before**  
 32 **January 1, 2019. However, this subsection may not be construed to**  
 33 **prevent the tax rate from applying to succeeding taxable years of**  
 34 **a corporation after December 31, 2018, if the corporation locates**  
 35 **all or part of its operations in a qualified area before January 1,**  
 36 **2019.**

37 **(i) This section expires January 1, 2025.**

38 SECTION 22. IC 6-3-2-2.5, AS AMENDED BY THE TECHNICAL  
 39 CORRECTIONS BILL OF THE 2018 GENERAL ASSEMBLY, IS  
 40 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,  
 41 2019]: Sec. 2.5. (a) This section applies to a resident person.

42 (b) Resident persons are entitled to a net operating loss deduction.



1 The amount of the deduction taken in a taxable year may not exceed  
 2 the taxpayer's unused Indiana net operating losses carried over to that  
 3 year. A taxpayer is not entitled to carryback any net operating losses  
 4 after December 31, 2011.

5 (c) An Indiana net operating loss equals the taxpayer's federal net  
 6 operating loss for a taxable year as calculated under Section 172 of the  
 7 Internal Revenue Code, adjusted for certain modifications required by  
 8 IC 6-3-1-3.5 as set forth in subsection (d)(1).

9 (d) The following provisions apply for purposes of subsection (c):

10 (1) The modifications that are to be applied are those  
 11 modifications required under IC 6-3-1-3.5 for the same taxable  
 12 year in which each net operating loss was incurred, except that the  
 13 modifications do not include the modifications required under:

14 (A) IC 6-3-1-3.5(a)(3);

15 (B) IC 6-3-1-3.5(a)(4);

16 (C) IC 6-3-1-3.5(a)(5);

17 (D) ~~IC 6-3-1-3.5(a)(24)~~; **IC 6-3-1-3.5(a)(23)**; and

18 (E) ~~IC 6-3-1-3.5(e)(10)~~; ~~IC 6-3-1-3.5(f)(10)~~; **IC 6-3-1-3.5(f)(9)**.

19 (2) An Indiana net operating loss includes a net operating loss that  
 20 arises when the applicable modifications required by IC 6-3-1-3.5  
 21 as set forth in subdivision (1) exceed the taxpayer's federal  
 22 adjusted gross income (as defined in Section 62 of the Internal  
 23 Revenue Code) for the taxable year in which the Indiana net  
 24 operating loss is determined.

25 (e) Subject to the limitations contained in subsection (g), an Indiana  
 26 net operating loss carryover shall be available as a deduction from the  
 27 taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) in the  
 28 carryover year provided in subsection (f).

29 (f) Carryovers shall be determined under this subsection as follows:

30 (1) An Indiana net operating loss shall be an Indiana net operating  
 31 loss carryover to each of the carryover years following the taxable  
 32 year of the loss.

33 (2) Carryover years shall be determined by reference to the  
 34 number of years allowed for carrying over net operating losses  
 35 under Section 172(b) of the Internal Revenue Code.

36 (g) The entire amount of the Indiana net operating loss for any  
 37 taxable year shall be carried to the earliest of the taxable years to which  
 38 (as determined under subsection (f)) the loss may be carried. The  
 39 amount of the Indiana net operating loss remaining after the deduction  
 40 is taken under this section in a taxable year may be carried over as  
 41 provided in subsection (f). The amount of the Indiana net operating loss  
 42 carried over from year to year shall be reduced to the extent that the



1 Indiana net operating loss carryover is used by the taxpayer to obtain  
 2 a deduction in a taxable year until the occurrence of the earlier of the  
 3 following:

- 4 (1) The entire amount of the Indiana net operating loss has been  
 5 used as a deduction.  
 6 (2) The Indiana net operating loss has been carried over to each  
 7 of the carryover years provided by subsection (f).

8 SECTION 23. IC 6-3-2-2.6, AS AMENDED BY THE TECHNICAL  
 9 CORRECTIONS BILL OF THE 2018 GENERAL ASSEMBLY, IS  
 10 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,  
 11 2019]: Sec. 2.6. (a) This section applies to a corporation or a  
 12 nonresident person.

13 (b) Corporations and nonresident persons are entitled to a net  
 14 operating loss deduction. The amount of the deduction taken in a  
 15 taxable year may not exceed the taxpayer's unused Indiana net  
 16 operating losses carried over to that year. A taxpayer is not entitled to  
 17 carryback any net operating losses after December 31, 2011.

18 (c) An Indiana net operating loss equals the taxpayer's federal net  
 19 operating loss for a taxable year as calculated under Section 172 of the  
 20 Internal Revenue Code, derived from sources within Indiana and  
 21 adjusted for certain modifications required by IC 6-3-1-3.5 as set forth  
 22 in subsection (d)(1).

23 (d) The following provisions apply for purposes of subsection (c):

24 (1) The modifications that are to be applied are those  
 25 modifications required under IC 6-3-1-3.5 for the same taxable  
 26 year in which each net operating loss was incurred, except that the  
 27 modifications do not include the modifications required under:

- 28 (A) IC 6-3-1-3.5(a)(3);  
 29 (B) IC 6-3-1-3.5(a)(4);  
 30 (C) IC 6-3-1-3.5(a)(5);  
 31 (D) ~~IC 6-3-1-3.5(a)(24)~~; **IC 6-3-1-3.5(a)(23)**;  
 32 (E) ~~IC 6-3-1-3.5(b)(14)~~; **IC 6-3-1-3.5(b)(13)**;  
 33 (F) ~~IC 6-3-1-3.5(c)(13)~~; ~~IC 6-3-1-3.5(d)(13)~~;  
 34 **IC 6-3-1-3.5(d)(12)**;  
 35 (G) ~~IC 6-3-1-3.5(d)(13)~~; ~~IC 6-3-1-3.5(e)(13)~~;  
 36 **IC 6-3-1-3.5(e)(12)**; and  
 37 (H) ~~IC 6-3-1-3.5(e)(10)~~; ~~IC 6-3-1-3.5(f)(10)~~; **IC 6-3-1-3.5(f)(9)**.

38 (2) The amount of the taxpayer's net operating loss that is derived  
 39 from sources within Indiana shall be determined in the same  
 40 manner that the amount of the taxpayer's adjusted income derived  
 41 from sources within Indiana is determined under section 2 of this  
 42 chapter for the same taxable year during which each loss was



- 1 incurred.
- 2 (3) An Indiana net operating loss includes a net operating loss that
- 3 arises when the applicable modifications required by IC 6-3-1-3.5
- 4 as set forth in subdivision (1) exceed the taxpayer's federal
- 5 taxable income (as defined in Section 63 of the Internal Revenue
- 6 Code), if the taxpayer is a corporation, or when the applicable
- 7 modifications required by IC 6-3-1-3.5 as set forth in subdivision
- 8 (1) exceed the taxpayer's federal adjusted gross income (as
- 9 defined by Section 62 of the Internal Revenue Code), if the
- 10 taxpayer is a nonresident person, for the taxable year in which the
- 11 Indiana net operating loss is determined.
- 12 (e) Subject to the limitations contained in subsection (g), an Indiana
- 13 net operating loss carryover shall be available as a deduction from the
- 14 taxpayer's adjusted gross income derived from sources within Indiana
- 15 (as defined in section 2 of this chapter) in the carryover year provided
- 16 in subsection (f).
- 17 (f) Carryovers shall be determined under this subsection as follows:
- 18 (1) An Indiana net operating loss shall be an Indiana net operating
- 19 loss carryover to each of the carryover years following the taxable
- 20 year of the loss.
- 21 (2) Carryover years shall be determined by reference to the
- 22 number of years allowed for carrying over net operating losses
- 23 under Section 172(b) of the Internal Revenue Code.
- 24 (g) The entire amount of the Indiana net operating loss for any
- 25 taxable year shall be carried to the earliest of the taxable years to which
- 26 (as determined under subsection (f)) the loss may be carried. The
- 27 amount of the Indiana net operating loss remaining after the deduction
- 28 is taken under this section in a taxable year may be carried over as
- 29 provided in subsection (f). The amount of the Indiana net operating loss
- 30 carried over from year to year shall be reduced to the extent that the
- 31 Indiana net operating loss carryover is used by the taxpayer to obtain
- 32 a deduction in a taxable year until the occurrence of the earlier of the
- 33 following:
- 34 (1) The entire amount of the Indiana net operating loss has been
- 35 used as a deduction.
- 36 (2) The Indiana net operating loss has been carried over to each
- 37 of the carryover years provided by subsection (f).
- 38 (h) An Indiana net operating loss deduction determined under this
- 39 section shall be allowed notwithstanding the fact that in the year the
- 40 taxpayer incurred the net operating loss the taxpayer was not subject to
- 41 the tax imposed under section 1 of this chapter because the taxpayer
- 42 was:





- 1 (1) a life insurance company (as defined in Section 816(a) of the  
2 Internal Revenue Code); or  
3 (2) an insurance company subject to tax under Section 831 of the  
4 Internal Revenue Code.
- 5 (i) In the case of a life insurance company that claims an operations  
6 loss deduction under Section 810 of the Internal Revenue Code, this  
7 section shall be applied by:
- 8 (1) substituting the corresponding provisions of Section 810 of the  
9 Internal Revenue Code in place of references to Section 172 of  
10 the Internal Revenue Code; and  
11 (2) substituting life insurance company taxable income (as  
12 defined in Section 801 the Internal Revenue Code) in place of  
13 references to taxable income (as defined in Section 63 of the  
14 Internal Revenue Code).
- 15 SECTION 24. IC 6-3-2-13, AS AMENDED BY P.L.250-2015,  
16 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JANUARY 1, 2019]: Sec. 13. (a) As used in this section, "export  
18 income" means the gross receipts from the sale, transfer, or exchange  
19 of tangible personal property destined for international markets that is:  
20 (1) manufactured at a plant located within a maritime opportunity  
21 district established under IC 6-1.1-40 (**before its expiration**); and  
22 (2) shipped through a port operated by the state.
- 23 (b) As used in this section, "export sales ratio" means the quotient  
24 of:  
25 (1) the taxpayer's export income; divided by  
26 (2) the taxpayer's gross receipts from the sale, transfer, or  
27 exchange of tangible personal property, regardless of its  
28 destination.
- 29 (c) As used in this section, "taxpayer" means a person or corporation  
30 that has export income.
- 31 (d) The ports of Indiana established by IC 8-10-1-3 shall notify the  
32 department when a maritime opportunity district is established under  
33 IC 6-1.1-40 (**before its expiration**). The notice must include:  
34 (1) the resolution passed by the commission to establish the  
35 district; and  
36 (2) a list of all taxpayers located in the district.
- 37 (e) The ports of Indiana shall also notify the department of any  
38 subsequent changes in the list of taxpayers located in the district.
- 39 (f) A taxpayer is entitled to a deduction from the taxpayer's adjusted  
40 gross income in an amount equal to the lesser of:  
41 (1) the taxpayer's adjusted gross income; or  
42 (2) the product of the export sales ratio multiplied by the



1 percentage set forth in subsection (g).  
 2 (g) The percentage to be used in determining the amount a taxpayer  
 3 is entitled to deduct under this section depends upon the number of  
 4 years that the taxpayer could have taken a deduction under this section.  
 5 The percentage to be used in subsection (f) is as follows:

6 YEAR OF DEDUCTION	PERCENTAGE
7 1st through 4th	100%
8 5th	80%
9 6th	60%
10 7th	40%
11 8th	20%
12 9th and thereafter	0%

13 (h) The department shall determine, for each taxpayer claiming a  
 14 deduction under this section, the taxpayer's export sales ratio for  
 15 purposes of IC 6-1.1-40. The department shall certify the amount of the  
 16 ratio to the department of local government finance.

17 (i) A taxpayer is not entitled to a deduction under this section based  
 18 on export income received by the taxpayer after December 31, 2015.

19 (j) This section expires January 1, 2025.

20 SECTION 25. IC 6-3-2-21.7 IS REPEALED [EFFECTIVE  
 21 JANUARY 1, 2019]. See: 21-7: (a) This section applies to a qualified  
 22 patent issued to a taxpayer after December 31, 2007:

23 (b) As used in this section, "invention" has the meaning set forth in  
 24 35 U.S.C. 100(a):

25 (c) As used in this section, "qualified patent" means:

26 (1) a utility patent issued under 35 U.S.C. 101; or

27 (2) a plant patent issued under 35 U.S.C. 161;

28 after December 31, 2007; for an invention resulting from a  
 29 development process conducted in Indiana. The term does not include  
 30 a design patent issued under 35 U.S.C. 171:

31 (d) As used in this section, "qualified taxpayer" means a taxpayer  
 32 that on the effective filing date of the claimed invention:

33 (1) is either:

34 (A) an individual or corporation; if the number of employees of  
 35 the individual or corporation, including affiliates as specified in  
 36 13 CFR 121.103, does not exceed five hundred (500) persons;  
 37 or

38 (B) a nonprofit organization or nonprofit corporation as  
 39 specified in:

40 (i) 37 CFR 1.27(a)(3)(ii)(A) or 37 CFR 1.27(a)(3)(ii)(B); or

41 (ii) IC 23-17; and

42 (2) is domiciled in Indiana:



1 (e) Subject to subsections (g) and (h); in determining adjusted gross  
 2 income or taxable income under IC 6-3-1-3.5 or IC 6-5.5-1-2; a  
 3 qualified taxpayer is entitled to an exemption from taxation under  
 4 IC 6-3-1 through IC 6-3-7 for the following:

5 (1) Licensing fees or other income received for the use of a  
 6 qualified patent.

7 (2) Royalties received for the infringement of a qualified patent.

8 (3) Receipts from the sale of a qualified patent.

9 (4) Subject to subsection (f); income from the taxpayer's own use  
 10 of the taxpayer's qualified patent to produce the claimed  
 11 invention.

12 (f) The exemption provided by subsection (e)(4) may not exceed the  
 13 fair market value of the licensing fees or other income that would be  
 14 received by allowing use of the qualified taxpayer's qualified patent by  
 15 someone other than the taxpayer. The fair market value referred to in  
 16 this subsection must be determined in each taxable year in which the  
 17 qualified taxpayer claims an exemption under subsection (e)(4).

18 (g) The total amount of exemptions claimed under this section by a  
 19 qualified taxpayer in a taxable year may not exceed five million dollars  
 20 (\$5,000,000).

21 (h) A taxpayer may not claim an exemption under this section with  
 22 respect to a particular qualified patent for more than ten (10) taxable  
 23 years. Subject to the provisions of this section; the following amount of  
 24 the income; royalties; or receipts described in subsection (e) from a  
 25 particular qualified patent is exempt:

26 (1) Fifty percent (50%) for each of the first five (5) taxable years  
 27 in which the exemption is claimed for the qualified patent.

28 (2) Forty percent (40%) for the sixth taxable year in which the  
 29 exemption is claimed for the qualified patent.

30 (3) Thirty percent (30%) for the seventh taxable year in which the  
 31 exemption is claimed for the qualified patent.

32 (4) Twenty percent (20%) for the eighth taxable year in which the  
 33 exemption is claimed for the qualified patent.

34 (5) Ten percent (10%) each year for the ninth and tenth taxable  
 35 year in which the exemption is claimed for the qualified patent.

36 (6) No exemption under this section for the particular qualified  
 37 patent after the eleventh taxable year in which the exemption is  
 38 claimed for the qualified patent.

39 (i) To receive the exemption provided by this section; a qualified  
 40 taxpayer must claim the exemption on the qualified taxpayer's annual  
 41 state tax return or returns in the manner prescribed by the department.  
 42 The qualified taxpayer shall submit to the department all information



1 that the department determines is necessary for the determination of the  
2 exemption provided by this section:

3 (j) On or before December 1 of each year, the department shall  
4 provide an evaluation report to the legislative council, the budget  
5 committee, and the Indiana economic development corporation. The  
6 evaluation report must contain the following:

7 (1) The number of taxpayers claiming an exemption under this  
8 section:

9 (2) The sum of all the exemptions claimed under this section:

10 (3) The North American Industry Classification System code for  
11 each taxpayer claiming an exemption under this section:

12 (4) Any other information the department considers appropriate,  
13 including the number of qualified patents for which an exemption  
14 was claimed under this section:

15 The report required under this subsection must be in an electronic  
16 format under IC 5-14-6:

17 SECTION 26. IC 6-3-4-3, AS AMENDED BY P.L.172-2011,  
18 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JANUARY 1, 2019]: Sec. 3. Returns required to be made pursuant to  
20 section 1 of this chapter shall be filed with the department on or before  
21 the later of the following:

22 (1) The 15th day of the fourth month following the close of the  
23 taxable year.

24 (2) For a corporation whose federal tax return is due on or after  
25 the date set forth in subdivision (1), as determined without regard  
26 to any extensions, weekends, or holidays, the 15th day of the  
27 month following the due date of the federal tax return.

28 **However, if the due date for a federal income tax return is**  
29 **extended by the Internal Revenue Service to a date that is later**  
30 **than the date specified in subdivision (1) or (2) (as applicable), the**  
31 **department may extend the due date of a return required to be**  
32 **made under section 1 of this chapter to the due date permitted for**  
33 **the federal income tax return.**

34 SECTION 27. IC 6-3.1-30-8, AS AMENDED BY P.L.288-2013,  
35 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2018]: Sec. 8. (a) **Subject to subsection (c)**, if the corporation  
37 certifies that a taxpayer:

38 (1) is an eligible business;

39 (2) completes a qualifying project;

40 (3) incurs relocation costs; and

41 (4) employs at least seventy-five (75) employees in Indiana;

42 the taxpayer is entitled to a credit against the taxpayer's state tax



1 liability for the taxable year in which the relocation costs are incurred.  
 2 The credit allowed under this section is equal to the amount determined  
 3 under section 9 of this chapter.

4 (b) For purposes of establishing the employment level required by  
 5 subsection (a)(4), a taxpayer may include:

6 (1) individuals who:

7 (A) were employed in Indiana by the taxpayer before the  
 8 taxpayer commenced a qualifying project; and

9 (B) remain employed in Indiana after the completion of the  
 10 taxpayer's qualifying project; and

11 (2) individuals who:

12 (A) were not employed in Indiana by the taxpayer before the  
 13 taxpayer commenced a qualifying project; and

14 (B) are employed in Indiana by the taxpayer as a result of the  
 15 completion of the taxpayer's qualifying project.

16 **(c) Notwithstanding the other provisions of this chapter, a**  
 17 **taxpayer is not entitled to a credit for relocation costs incurred**  
 18 **after December 31, 2018. However, this subsection may not be**  
 19 **construed to prevent a taxpayer from carrying over to a taxable**  
 20 **year beginning after December 31, 2018, an unused tax credit**  
 21 **attributable to relocation costs incurred before January 1, 2019.**

22 SECTION 28. IC 6-3.1-30-14 IS ADDED TO THE INDIANA  
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2018]: **Sec. 14. This chapter expires January**  
 25 **1, 2031.**

26 SECTION 29. IC 6-8.1-9-1.5 IS ADDED TO THE INDIANA  
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 28 [EFFECTIVE JANUARY 1, 2019]: **Sec. 1.5. (a) The department may**  
 29 **issue a refund or credit without a taxpayer filing a refund claim in**  
 30 **the event of:**

31 **(1) an error by the department;**

32 **(2) an error determined by the department; or**

33 **(3) a taxpayer's overpayment determined by the department**  
 34 **under an audit or investigation.**

35 **(b) The department shall prescribe rules or guidelines to govern**  
 36 **the circumstances under which the department may issue a refund**  
 37 **or credit under this section.**

38 **(c) The department may not issue a refund or credit under this**  
 39 **section if the period for filing a refund claim under this article has**  
 40 **expired before the issuance of the refund or credit.**

41 **(d) If the department issues a refund or credit without a refund**  
 42 **claim being filed by the taxpayer, no interest on the refund or**



1 **credit is due from the department under section 2 of this chapter.**

2 **(e) A taxpayer may not appeal the issuance of a refund or credit**  
3 **under this section.**

4 **(f) Nothing in this section shall constitute a requirement that the**  
5 **department issue a refund or credit for an overpayment.**

6 SECTION 30. IC 6-5.5-1-2, AS AMENDED BY P.L.250-2015,  
7 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JANUARY 1, 2019]: Sec. 2. (a) Except as provided in subsections (b)  
9 through (d), "adjusted gross income" means taxable income as defined  
10 in Section 63 of the Internal Revenue Code, adjusted as follows:

11 (1) Add the following amounts:

12 (A) An amount equal to a deduction allowed or allowable under  
13 Section 166, Section 585, or Section 593 of the Internal  
14 Revenue Code.

15 (B) An amount equal to a deduction allowed or allowable under  
16 Section 170 of the Internal Revenue Code.

17 (C) An amount equal to a deduction or deductions allowed or  
18 allowable under Section 63 of the Internal Revenue Code for  
19 taxes based on or measured by income and levied at the state  
20 level by a state of the United States or levied at the local level  
21 by any subdivision of a state of the United States.

22 (D) The amount of interest excluded under Section 103 of the  
23 Internal Revenue Code or under any other federal law, minus  
24 the associated expenses disallowed in the computation of  
25 taxable income under Section 265 of the Internal Revenue  
26 Code.

27 (E) An amount equal to the deduction allowed under Section  
28 172 or 1212 of the Internal Revenue Code for net operating  
29 losses or net capital losses.

30 (F) For a taxpayer that is not a large bank (as defined in Section  
31 585(c)(2) of the Internal Revenue Code), an amount equal to  
32 the recovery of a debt, or part of a debt, that becomes worthless  
33 to the extent a deduction was allowed from gross income in a  
34 prior taxable year under Section 166(a) of the Internal Revenue  
35 Code.

36 (G) Add the amount necessary to make the adjusted gross  
37 income of any taxpayer that owns property for which bonus  
38 depreciation was allowed in the current taxable year or in an  
39 earlier taxable year equal to the amount of adjusted gross  
40 income that would have been computed had an election not  
41 been made under Section 168(k) of the Internal Revenue Code  
42 to apply bonus depreciation to the property in the year that it



- 1 was placed in service.
- 2 (H) Add the amount necessary to make the adjusted gross  
3 income of any taxpayer that placed Section 179 property (as  
4 defined in Section 179 of the Internal Revenue Code) in service  
5 in the current taxable year or in an earlier taxable year equal to  
6 the amount of adjusted gross income that would have been  
7 computed had an election for federal income tax purposes not  
8 been made for the year in which the property was placed in  
9 service to take deductions under Section 179 of the Internal  
10 Revenue Code in a total amount exceeding twenty-five  
11 thousand dollars (\$25,000).
- 12 (I) Add an amount equal to the amount that a taxpayer claimed  
13 as a deduction for domestic production activities for the taxable  
14 year under Section 199 of the Internal Revenue Code for federal  
15 income tax purposes.
- 16 (J) Add an amount equal to any income not included in gross  
17 income as a result of the deferral of income arising from  
18 business indebtedness discharged in connection with the  
19 reacquisition after December 31, 2008, and before January 1,  
20 2011, of an applicable debt instrument, as provided in Section  
21 108(i) of the Internal Revenue Code. Subtract from the adjusted  
22 gross income of any taxpayer that added an amount to adjusted  
23 gross income in a previous year the amount necessary to offset  
24 the amount included in federal gross income as a result of the  
25 deferral of income arising from business indebtedness  
26 discharged in connection with the reacquisition after December  
27 31, 2008, and before January 1, 2011, of an applicable debt  
28 instrument, as provided in Section 108(i) of the Internal  
29 Revenue Code.
- 30 (K) Add an amount equal to any exempt insurance income  
31 under Section 953(e) of the Internal Revenue Code for active  
32 financing income under Subpart F, Subtitle A, Chapter 1,  
33 Subchapter N of the Internal Revenue Code.
- 34 (2) Subtract the following amounts:
- 35 (A) Income that the United States Constitution or any statute of  
36 the United States prohibits from being used to measure the tax  
37 imposed by this chapter.
- 38 (B) Income that is derived from sources outside the United  
39 States, as defined by the Internal Revenue Code.
- 40 (C) An amount equal to a debt or part of a debt that becomes  
41 worthless, as permitted under Section 166(a) of the Internal  
42 Revenue Code.



1 (D) An amount equal to any bad debt reserves that are included  
 2 in federal income because of accounting method changes  
 3 required by Section 585(c)(3)(A) or Section 593 of the Internal  
 4 Revenue Code.

5 (E) The amount necessary to make the adjusted gross income  
 6 of any taxpayer that owns property for which bonus  
 7 depreciation was allowed in the current taxable year or in an  
 8 earlier taxable year equal to the amount of adjusted gross  
 9 income that would have been computed had an election not  
 10 been made under Section 168(k) of the Internal Revenue Code  
 11 to apply bonus depreciation.

12 (F) The amount necessary to make the adjusted gross income of  
 13 any taxpayer that placed Section 179 property (as defined in  
 14 Section 179 of the Internal Revenue Code) in service in the  
 15 current taxable year or in an earlier taxable year equal to the  
 16 amount of adjusted gross income that would have been  
 17 computed had an election for federal income tax purposes not  
 18 been made for the year in which the property was placed in  
 19 service to take deductions under Section 179 of the Internal  
 20 Revenue Code in a total amount exceeding twenty-five  
 21 thousand dollars (\$25,000).

22 (G) **Income that is:**

23 (i) exempt from taxation under IC 6-3-2-21.7; and

24 (ii) included in the taxpayer's taxable income under the  
 25 Internal Revenue Code.

26 (b) In the case of a credit union, "adjusted gross income" for a  
 27 taxable year means the total transfers to undivided earnings minus  
 28 dividends for that taxable year after statutory reserves are set aside  
 29 under IC 28-7-1-24.

30 (c) In the case of an investment company, "adjusted gross income"  
 31 means the company's federal taxable income plus the amount excluded  
 32 from federal gross income under Section 103 of the Internal Revenue  
 33 Code for interest received on an obligation of a state other than Indiana,  
 34 or a political subdivision of such a state, that is acquired by the  
 35 taxpayer after December 31, 2011, multiplied by the quotient of:

36 (1) the aggregate of the gross payments collected by the company  
 37 during the taxable year from old and new business upon  
 38 investment contracts issued by the company and held by residents  
 39 of Indiana; divided by

40 (2) the total amount of gross payments collected during the  
 41 taxable year by the company from the business upon investment  
 42 contracts issued by the company and held by persons residing





1 within Indiana and elsewhere.

2 (d) As used in subsection (c), "investment company" means a  
3 person, copartnership, association, limited liability company, or  
4 corporation, whether domestic or foreign, that:

5 (1) is registered under the Investment Company Act of 1940 (15  
6 U.S.C. 80a-1 et seq.); and

7 (2) solicits or receives a payment to be made to itself and issues  
8 in exchange for the payment:

9 (A) a so-called bond;

10 (B) a share;

11 (C) a coupon;

12 (D) a certificate of membership;

13 (E) an agreement;

14 (F) a pretended agreement; or

15 (G) other evidences of obligation;

16 entitling the holder to anything of value at some future date, if the  
17 gross payments received by the company during the taxable year  
18 on outstanding investment contracts, plus interest and dividends  
19 earned on those contracts (by prorating the interest and dividends  
20 earned on investment contracts by the same proportion that  
21 certificate reserves (as defined by the Investment Company Act  
22 of 1940) is to the company's total assets) is at least fifty percent  
23 (50%) of the company's gross payments upon investment  
24 contracts plus gross income from all other sources except  
25 dividends from subsidiaries for the taxable year. The term  
26 "investment contract" means an instrument listed in clauses (A)  
27 through (G).

28 SECTION 31. IC 8-1-2-46.2, AS ADDED BY P.L.91-2017,  
29 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2018]: Sec. 46.2. (a) As used in this section, "water or  
31 wastewater utility" means a public utility, other than a not-for-profit  
32 utility, as defined in section 125(a) of this chapter, that provides water  
33 or wastewater service to the public.

34 (b) Notwithstanding any law or rule governing extension of service,  
35 a water or wastewater utility may, on a nondiscriminatory basis, extend  
36 service for economic development purposes or to rural areas without  
37 a deposit or other adequate assurance of performance from the  
38 customer, to the extent that the extension of service results in a positive  
39 contribution to the utility's overall cost of service over a twenty (20)  
40 year period. However, if the water or wastewater utility determines that  
41 the extension of service will not result in a positive contribution to the  
42 utility's overall cost of service over a twenty (20) year period, the water



1 or wastewater utility may require a deposit or other adequate assurance  
2 of performance from:

- 3 (1) the developer of the project; or  
4 (2) a local, regional, or state economic development organization.

5 (c) Subsection (d) applies if:

6 (1) a county executive, a municipal legislative body, or, in Marion  
7 County, the county fiscal body, establishes an infrastructure  
8 development zone under IC 6-1.1-12.5-4 **before July 1, 2018;**  
9 and

10 (2) the county executive, municipal legislative body, or county  
11 fiscal body requests a public utility to extend water or wastewater  
12 utility service to the geographic territory established as the  
13 infrastructure development zone.

14 (d) A water or wastewater utility that receives a request described  
15 in subsection (c)(2) may file a petition with the commission seeking  
16 approval of the requested extension of service. If the commission  
17 approves the petition, in future general rate cases, the commission shall  
18 approve rate schedules that include a surcharge payable only by  
19 customers located in the geographic area within the jurisdiction of the  
20 governmental entity described in subsection (c), including the  
21 geographic area established as an infrastructure development zone. The  
22 surcharge shall recover depreciation expense, weighted cost of capital,  
23 and federal and state income tax applicable to the extension of water  
24 or wastewater utility service.

25 **(e) The expiration of IC 6-1.1-12.5 may not be construed to**  
26 **affect the proceedings and rate schedules under subsection (d) for**  
27 **an infrastructure development zone established under**  
28 **IC 6-1.1-12.5 (before its expiration).**

29 SECTION 32. IC 10-13-3-38.5, AS AMENDED BY P.L.155-2011,  
30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JANUARY 1, 2019]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat.  
32 1115), the department may use an individual's fingerprints submitted  
33 by the individual for the following purposes:

34 (1) Determining the individual's suitability for employment with  
35 the state, or as an employee of a contractor of the state, in a  
36 position:

37 (A) that has a job description that includes contact with, care of,  
38 or supervision over a person less than eighteen (18) years of  
39 age;

40 (B) that has a job description that includes contact with, care of,  
41 or supervision over an endangered adult (as defined in  
42 IC 12-10-3-2), except the individual is not required to meet the



- 1 standard for harmed or threatened with harm set forth in  
 2 IC 12-10-3-2(a)(3);  
 3 (C) at a state institution managed by the office of the secretary  
 4 of family and social services or state department of health;  
 5 (D) at the Indiana School for the Deaf established by  
 6 IC 20-22-2-1;  
 7 (E) at the Indiana School for the Blind and Visually Impaired  
 8 established by IC 20-21-2-1;  
 9 (F) at a juvenile detention facility;  
 10 (G) with the Indiana gaming commission under IC 4-33-3-16;  
 11 (H) with the department of financial institutions under  
 12 IC 28-11-2-3; or  
 13 **(I) in which the individual's duties include access to**  
 14 **confidential tax information obtained from the United**  
 15 **States Internal Revenue Service under Section 6103(d) of**  
 16 **the Internal Revenue Code or from an authorized**  
 17 **secondary source; or**  
 18 **(J)** that has a job description that includes access to or  
 19 supervision over state financial or personnel data, including  
 20 state warrants, banking codes, or payroll information pertaining  
 21 to state employees.
- 22 (2) Identification in a request related to an application for a  
 23 teacher's license submitted to the department of education  
 24 established by IC 20-19-3-1.
- 25 (3) Use by the gaming commission established under IC 4-33-3-1  
 26 for licensure of a promoter (as defined in IC 4-33-22-6) under  
 27 IC 4-33-22.
- 28 (4) Use by the Indiana board of pharmacy in determining the  
 29 individual's suitability for a position or employment with a  
 30 wholesale drug distributor, as specified in IC 25-26-14-16(b),  
 31 IC 25-26-14-16.5(b), IC 25-26-14-17.8(c), and IC 25-26-14-20.
- 32 (5) Identification in a request related to an individual applying for  
 33 or renewing a license or certificate described in IC 25-1-1.1-4 and  
 34 a conviction described in IC 25-1-1.1-2 or IC 25-1-1.1-3.
- 35 An applicant shall submit the fingerprints in an appropriate format or  
 36 on forms provided for the employment, license, or certificate  
 37 application. The department shall charge each applicant the fee  
 38 established under section 28 of this chapter and by federal authorities  
 39 to defray the costs associated with a search for and classification of the  
 40 applicant's fingerprints. The department may forward fingerprints  
 41 submitted by an applicant to the Federal Bureau of Investigation or any  
 42 other agency for processing. The state personnel department, the



1 Indiana professional licensing agency, or the agency to which the  
2 applicant is applying for employment or a license may receive the  
3 results of all fingerprint investigations.

4 (b) An applicant who is an employee of the state may not be charged  
5 under subsection (a).

6 (c) Subsection (a)(1) does not apply to an employee of a contractor  
7 of the state if the contract involves the construction or repair of a  
8 capital project or other public works project of the state.

9 (d) **Each current or new state employee or local government**  
10 **employee whose duties include access to confidential tax**  
11 **information described in subsection (a)(1)(I) must submit to a**  
12 **fingerprint based criminal history background check of both**  
13 **national and state records data bases in accordance with sections**  
14 **27 and 39 of this chapter before being granted access to the**  
15 **confidential tax information. In addition to the initial criminal**  
16 **history background checks, each state employee or local**  
17 **government employee whose duties include access to confidential**  
18 **tax information described in subsection (a)(1)(I) must submit to**  
19 **such criminal history background checks at least once every ten**  
20 **(10) years thereafter. The appointing authority of such a state**  
21 **employee or local government employee may pay any fee charged**  
22 **for the cost of fingerprinting or conducting the criminal history**  
23 **background checks for the state employee or local government**  
24 **employee.**

25 (e) **Each current or new contractor or subcontractor or party to**  
26 **a cooperative agreement with the state or a local unit of**  
27 **government (including a prosecuting attorney or a circuit court**  
28 **clerk) whose contract, subcontract, or cooperative agreement**  
29 **grants access to confidential tax information described in**  
30 **subsection (a)(1)(I) must submit to a fingerprint based criminal**  
31 **history background check of both national and state records data**  
32 **bases in accordance with sections 27 and 39 of this chapter at least**  
33 **once every ten (10) years before being granted access to the**  
34 **confidential tax information.**

35 (f) **Each contract entered into by the state in which access to**  
36 **confidential tax information described in subsection (a)(1)(I) is**  
37 **granted to a contractor or a subcontractor shall include:**

38 (1) **terms regarding which party is responsible for payment of**  
39 **any fee charged for the cost of the fingerprinting or the**  
40 **criminal history background checks; and**

41 (2) **terms regarding the consequences if one (1) or more**  
42 **disqualifying records are discovered through the criminal**



1           **history background checks.**  
2           ~~(d)~~ **(g)** The department:  
3           (1) may permanently retain an applicant's fingerprints submitted  
4           under this section; and  
5           (2) shall retain the applicant's fingerprints separately from  
6           fingerprints collected under section 24 of this chapter.  
7           **SECTION 33. An emergency is declared for this act.**

