



February 23, 2018

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# ENGROSSED SENATE BILL No. 257

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DIGEST OF SB 257 (Updated February 20, 2018 5:24 pm - DI 113)

**Citations Affected:** IC 6-2.5; noncode.

**Synopsis:** Sales tax on software. Provides that for purposes of the sales tax, a person is a retail merchant making a retail transaction when the person sells, rents, leases, licenses for consideration the right to use prewritten computer software delivered electronically. Specifies, however, that a transaction in which a user purchases, rents, leases, or licenses the right to remotely access prewritten computer software: (1) is not considered to be a transaction in which prewritten computer software is delivered electronically; and (2) does not constitute a retail transaction (and is therefore not subject to sales tax).

**Effective:** July 1, 2018.

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**Holdman, Walker, Charbonneau,  
Tallian, Randolph Lonnie M**

(HOUSE SPONSORS — BROWN T, HUSTON)

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January 3, 2018, read first time and referred to Committee on Tax and Fiscal Policy.  
January 16, 2018, amended, reported favorably — Do Pass.  
January 18, 2018, read second time, ordered engrossed. Engrossed.  
January 22, 2018, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 6, 2018, read first time and referred to Committee on Ways and Means.  
February 22, 2018, amended, reported — Do Pass.

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ES 257—LS 6687/DI 73





February 23, 2018

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.

## ENGROSSED SENATE BILL No. 257

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

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

1 SECTION 1. IC 6-2.5-4-16.7 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2018]: **Sec. 16.7. (a) Except as provided in**  
4 **subsection (b), a person is a retail merchant making a retail**  
5 **transaction when the person sells, rents, leases, or licenses for**  
6 **consideration the right to use prewritten computer software**  
7 **delivered electronically.**

8 **(b) A transaction in which an end user purchases, rents, leases,**  
9 **or licenses the right to remotely access prewritten computer**  
10 **software over the Internet, over private or public networks, or**  
11 **through wireless media:**

12 **(1) is not considered to be a transaction in which prewritten**  
13 **computer software is delivered electronically; and**

14 **(2) does not constitute a retail transaction.**

15 SECTION 2. [EFFECTIVE JULY 1, 2018] **(a) IC 6-2.5-4-16.7, as**  
16 **added by this act, applies only to transactions occurring after June**  
17 **30, 2018.**

ES 257—LS 6687/DI 73



1       **(b) This SECTION expires July 1, 2024.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 257, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 14, delete "2020." and insert "**2025**."

and when so amended that said bill do pass.

(Reference is to SB 257 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 257, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "2019]:" and insert "2018]:".

Page 1, line 3, delete "(a) As used in this section,".

Page 1, delete line 4.

Page 1, line 5, delete "(b)" and insert "**(a)**".

Page 1, line 5, delete "(c)," and insert "**(b)**".

Page 1, line 6, delete "grants a" and insert "**sells, rents, leases, or licenses for consideration**".

Page 1, line 7, delete "user".

Page 1, line 9, delete "(c)" and insert "**(b)**".

Page 1, line 9, delete "is granted" and insert "**purchases, rents, leases, or licenses**".

Page 1, line 14, delete ";" and insert ".".

Page 1, delete lines 15 through 17.

Page 2, delete lines 1 through 10.

Page 2, line 11, delete "2019]" and insert "2018]".



Page 2, line 13, delete "2019." and insert "**2018.**".

Page 2, line 14, delete "2025." and insert "**2024.**".

and when so amended that said bill do pass.

(Reference is to SB 257 as printed January 17, 2018.)

BROWN T

Committee Vote: yeas 20, nays 1.

