



January 15, 2014

SENATE BILL No. 2

DIGEST OF SB 2 (Updated January 13, 2014 1:41 pm - DI 44)

Citations Affected: IC 6-2.5.

Synopsis: Sales tax exemption for U.S. and Indiana flags. Provides a state sales tax exemption for sales of the flag of the United States or the flag of the state of Indiana. Limits the sales tax exemption to flags that are made in America and: (1) at least three feet by five feet in size; or (2) purchased or sold by veterans organizations (regardless of the size of the flag).

Effective: July 1, 2014.

Steele

January 7, 2014, read first time and referred to Committee on Commerce, Economic Development & Technology.

January 14, 2014, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

SB 2—LS 6005/DI 58



January 15, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 2

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 6-2.5-5-47 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 47. (a) As used in this section, "flag" means:**
4 **(1) the flag of the United States of America; or**
5 **(2) the Indiana state flag;**
6 **that is made in the United States of America. The term does not**
7 **include a representation of the flag of the United States of America**
8 **or the Indiana state flag.**
9 **(b) A transaction involving tangible personal property is exempt**
10 **from the state gross retail tax if the property acquired is a flag that**
11 **is:**
12 **(1) at least three (3) feet by five (5) feet in size; or**
13 **(2) purchased or sold by a veterans organization listed in**
14 **IC 10-18-8-1, regardless of the size of the flag.**

SB 2—LS 6005/DI 58



COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Economic Development and Technology, to which was referred Senate Bill No. 2, 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 1, line 3, after "47." insert "**(a) As used in this section, "flag" means:**

- (1) the flag of the United States of America; or**
- (2) the Indiana state flag;**

that is made in the United States of America. The term does not include a representation of the flag of the United States of America or the Indiana state flag.

(b)".

Page 1, delete lines 5 through 7 and insert "**acquired is a flag that is:**

- (1) at least three (3) feet by five (5) feet in size; or**
- (2) purchased or sold by a veterans organization listed in IC 10-18-8-1, regardless of the size of the flag."**

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 2 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 6, Nays 0.

