



February 20, 2019

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## SENATE BILL No. 131

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DIGEST OF SB 131 (Updated February 19, 2019 5:05 pm - DI 120)

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

**Synopsis:** Sales tax on recreational vehicles. Removes the expiration of the provision in current law that provides that the sales tax rate on certain cargo trailers or recreational vehicles is the rate of the other state or other country in which the cargo trailer or recreational vehicle will be titled or registered under certain circumstances. (This provision was set to expire on June 30, 2019.) Amends the provision to apply only to sales that are made to a resident of a nonreciprocal state or a foreign country. Repeals the provision that authorizes the department of state revenue to enter into reciprocal agreements with other states concerning a sales tax exemption for cargo trailers and recreational vehicles that will be purchased in a state by a nonresident and then titled in another state.

**Effective:** June 29, 2019; July 1, 2019.

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**Doriot, Rogers, Walker, Buck,  
Taylor G, Houchin**

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January 3, 2019, read first time and referred to Committee on Tax and Fiscal Policy.  
February 19, 2019, amended, reported favorably — Do Pass.

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SB 131—LS 6272/DI 120





February 20, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## SENATE BILL No. 131

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 6-2.5-2-4, AS ADDED BY P.L.53-2017, SECTION  
2 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29,  
3 2019]: Sec. 4. (a) As used in this section, "cargo trailer" has the  
4 meaning set forth in IC 6-2.5-5-39.

5 **(b) As used in this section, "nonreciprocal state" means a state**  
6 **that does not have a reciprocal agreement with Indiana to allow a**  
7 **sales, use, or other similar tax exemption on the sale of a cargo**  
8 **trailer or recreational vehicle to an Indiana resident in a**  
9 **transaction that occurs in that state.**

10 ~~(b)~~ (c) As used in this section, "recreational vehicle" has the  
11 meaning set forth in IC 6-2.5-5-39.

12 ~~(c)~~ (d) Notwithstanding section 2 of this chapter, in the case of a  
13 transaction that:

14 (1) is not exempt from taxation under IC 6-2.5-5-39; and

15 (2) involves a cargo trailer or recreational vehicle that:

16 (A) is purchased by a:

17 **(i) ~~nonresident~~; resident of a nonreciprocal state; or**

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- 1                   **(ii) resident of a foreign country;**  
 2           (B) the purchaser intends to:  
 3           (i) transport to a destination outside Indiana within thirty  
 4           (30) days after delivery; and  
 5           (ii) title or register for use in ~~another~~ **the nonreciprocal**  
 6           state or **foreign** country; and  
 7           (C) will not be titled or registered for use in Indiana;  
 8           the state gross retail tax rate on the cargo trailer or recreational vehicle  
 9           is the rate of the ~~other~~ **nonreciprocal** state or ~~other~~ **foreign** country  
 10           (excluding any locally imposed tax rates) in which the cargo trailer or  
 11           recreational vehicle will be titled or registered, as certified by the seller  
 12           and purchaser in an affidavit satisfying the requirements of subsection  
 13           ~~(d)~~: **(e)**.  
 14           ~~(d)~~ **(e)** The department shall prescribe the form of the affidavit  
 15           required by subsection ~~(e)~~: **(d)**. In addition to the certification required  
 16           by subsection ~~(e)~~: **(d)**, the affidavit must include the following:  
 17           (1) The name of the state or country in which the cargo trailer or  
 18           recreational vehicle will be titled or registered.  
 19           (2) An affirmation by the purchaser under the penalties for  
 20           perjury that the information contained in the affidavit is true.  
 21           (3) Any other information required by the department for the  
 22           purpose of verifying the information contained in the affidavit.  
 23           **(f) The department shall create a certificate of sales tax paid**  
 24           **form for a cargo trailer or recreational vehicle that may be**  
 25           **completed by the dealer and provided to the purchaser of a**  
 26           **recreational vehicle sold in this state.**  
 27           ~~(e)~~ **(g)** The department may audit affidavits submitted under this  
 28           section and make a proposed assessment of the amount of unpaid tax  
 29           due with respect to any incorrect information submitted in an affidavit  
 30           required by this section.  
 31           ~~(f) This section expires June 30, 2019.~~  
 32           SECTION 2. IC 6-2.5-10-6 IS REPEALED [EFFECTIVE JULY 1,  
 33           2019]. Sec. 6: The department, with the approval of the governor and  
 34           the budget agency after the review of the state budget committee, may  
 35           enter into an agreement with another state to provide that:  
 36           (1) Indiana residents who purchase a cargo trailer or recreational  
 37           vehicle in the other state and will title or register the cargo trailer  
 38           or recreational vehicle in Indiana will be exempt from sales, use,  
 39           or similar taxes in the other state on the purchase of the cargo  
 40           trailer or recreational vehicle; and  
 41           (2) the residents of the other state who purchase a cargo trailer or  
 42           recreational vehicle in Indiana and will title or register the cargo



- 1 trailer or recreational vehicle in the other state will be exempt  
2 from sales, use, or similar taxes in Indiana on the purchase of the  
3 cargo trailer or recreational vehicle.
- 4 SECTION 3. [EFFECTIVE JULY 1, 2019] (a) IC 6-2.5-2-4, as  
5 amended by this act, applies only to retail transactions occurring  
6 after June 30, 2019.
- 7 (b) Except as provided in subsection (c), a retail transaction is  
8 considered to have occurred after June 30, 2019, if the property  
9 whose transfer constitutes selling at retail is delivered to the  
10 purchaser or to the place of delivery designated by the purchaser  
11 after June 30, 2019.
- 12 (c) Notwithstanding the delivery of the property constituting  
13 selling at retail after June 30, 2019, a transaction is considered to  
14 have occurred before July 1, 2019, to the extent that:
- 15 (1) the agreement of the parties to the transaction is entered  
16 into before July 1, 2019; and
- 17 (2) payment for the property furnished in the transaction is  
18 made before July 1, 2019.
- 19 (d) This SECTION expires January 1, 2020.
- 20 SECTION 4. An emergency is declared for this act.



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 131, 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, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-2.5-2-4, AS ADDED BY P.L.53-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 29, 2019]: Sec. 4. (a) As used in this section, "cargo trailer" has the meaning set forth in IC 6-2.5-5-39.

**(b) As used in this section, "nonreciprocal state" means a state that does not have a reciprocal agreement with Indiana to allow a sales, use, or other similar tax exemption on the sale of a cargo trailer or recreational vehicle to an Indiana resident in a transaction that occurs in that state.**

~~(b)~~ (c) As used in this section, "recreational vehicle" has the meaning set forth in IC 6-2.5-5-39.

~~(c)~~ (d) Notwithstanding section 2 of this chapter, in the case of a transaction that:

- (1) is not exempt from taxation under IC 6-2.5-5-39; and
- (2) involves a cargo trailer or recreational vehicle that:
  - (A) is purchased by a:
    - ~~(i) nonresident;~~ **resident of a nonreciprocal state; or**
    - (ii) resident of a foreign country;**
  - (B) the purchaser intends to:
    - (i) transport to a destination outside Indiana within thirty (30) days after delivery; and
    - (ii) title or register for use in ~~another the nonreciprocal~~ state or **foreign** country; and
  - (C) will not be titled or registered for use in Indiana;

the state gross retail tax rate on the cargo trailer or recreational vehicle is the rate of the ~~other nonreciprocal~~ state or ~~other foreign~~ country (excluding any locally imposed tax rates) in which the cargo trailer or recreational vehicle will be titled or registered, as certified by the seller and purchaser in an affidavit satisfying the requirements of subsection ~~(d)~~. (e).

~~(d)~~ (e) The department shall prescribe the form of the affidavit required by subsection ~~(c)~~. (d). In addition to the certification required by subsection ~~(c)~~. (d), the affidavit must include the following:

- (1) The name of the state or country in which the cargo trailer or recreational vehicle will be titled or registered.



(2) An affirmation by the purchaser under the penalties for perjury that the information contained in the affidavit is true.

(3) Any other information required by the department for the purpose of verifying the information contained in the affidavit.

**(f) The department shall create a certificate of sales tax paid form for a cargo trailer or recreational vehicle that may be completed by the dealer and provided to the purchaser of a recreational vehicle sold in this state.**

~~(e)~~ (g) The department may audit affidavits submitted under this section and make a proposed assessment of the amount of unpaid tax due with respect to any incorrect information submitted in an affidavit required by this section.

~~(f) This section expires June 30, 2019."~~

Delete page 2.

Page 3, delete lines 1 through 24.

Page 3, line 39, delete "IC 6-2.5-5-39," and insert "**IC 6-2.5-2-4**,"

Page 4, after line 12, begin a new paragraph and insert:

"SECTION 4. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 131 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 14, Nays 0.

