



# Legislative Synopsis

2021



**Indiana Department of Revenue**

# INTRODUCTION

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The Legislative Synopsis contains a list of legislation passed by the 2021 Indiana General Assembly affecting the Indiana Department of Revenue (DOR).

DOR's synopsis has been divided into two parts with each presenting the same information, but organized differently. The first part is organized according to tax type and the second by bill number.

For each legislative change, the synopsis includes the heading (the relevant tax type in the first part; the enrolled act number in the second part), short summary, effective date, affected Indiana Code cites and section of the bill where the language appears.

## FINDING INDIANA CODE AND LEGISLATION ONLINE

To find laws contained in Indiana Code, get more information about all the recently passed legislation or to read the bills in their entirety, go to the Indiana General Assembly's website at [iga.in.gov](http://iga.in.gov).

Indiana Code is arranged by Title, Article, Chapter and Section. To find information contained in Indiana Code, on the Indiana General Assembly's website, do the following:

1. At the top of the web page, click "Laws" and then click "Indiana Code." Every Title of the Indiana Code appears on this page.
2. Click the Title you want to review.
3. Next, choose the Article you want to review. All the Chapters in the Article are listed on the left side of the page.
4. Click the Chapter you want to review. All Sections of the Chapter will appear, including the Section of the Indiana Code you want to examine.

To see the bill containing the specific language, do the following:

1. Click the "Legislation" link on the top of the Indiana General Assembly's web page.
2. From there, click "Bills" and scroll to the bill number you want. Bills which failed to pass will be displayed in a gray font.
3. When you find the bill, click "Latest Version" to pull up the most recent version of the bill which, if passed, will be titled as an Enrolled Act.
4. Click "Download" to open a PDF of the bill to find the relevant piece of legislation by looking for its SECTION number.

## Disclaimer

*Legislative synopses are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate enrolled acts. Any information or guidance not consistent with the appropriate enrolled acts is not binding on the department. The information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7.*

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## Part I: Legislation by Tax Type

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### **Office of Technology (IC 4-13.1)**

**Summary:** Requires a state agency (as defined in IC 4-1-10-2) other than state educational institutions and a political subdivision (as defined in IC 36-1-2-13) to report any cybersecurity incident using their best professional judgment to the Indiana office of technology without unreasonable delay and not later than two business days after discovery of the cybersecurity incident in a format prescribed by the chief information officer; and provide the office with the name and contact information of any individual who will act as the primary reporter of a cybersecurity incident before September 1, 2021, and before September 1 of every year thereafter.

**Effective Date:** July 1, 2021

**Code:** IC 4-13.1-2-9

**Enrolled Act:** HEA 1169, Sec. 5

### **Tribal-State Compact w/ the Pokagon Band of Potawatomi Indians (IC 4-29.5)**

**Summary:** Codifies the Tribal-State Compact with the Pokagon Band of Potawatomi Indians. Asserts that nothing in the Compact authorizes the state to impose any tax, fee, charge, or assessment upon the Band or any Band gaming operation or Gaming Facility except for the reimbursement of expenses expressly authorized pursuant to the compact. Confirms that to the extent that the Band is required under federal law to withhold federal income tax from the gaming winnings of non-tribal patrons, the Band agrees to withhold State individual income tax from gaming winnings of non-tribal patrons. Requires the Band to maintain Band taxes on retail sales, food and beverage service, and hotel occupancy, which taxes shall be in an amount that is equal to or greater than any corresponding State and local taxes which would be applicable to the Band's Class III gaming operation if it were not located on the South Bend Site. Requires the Band to remit amounts withheld for State individual income tax together with Form WH-1 to the department. Requires the Band to annually submit Form WH-3 to the department in order to reconcile the total amounts remitted and submitted on Form WH-1 and the details of the amounts withheld per individual.

**Effective Date:** Upon passage

**Code:** IC 4-29.5-10-1

**Enrolled Act:** HEA 1055

### **Taxation and Distribution of Pari-Mutuel Revenues (IC 4-31-9)**

**Summary:** Requires the daily pari-mutuel breakage on wagers to be paid to the department, instead of the Auditor of State, for deposit in the appropriate breed development fund.

**Effective Date:** July 1, 2021

**Code:** IC 4-31-9-10

**Enrolled Act:** SEA 383, Sec. 1

### **Indiana Career Accelerator Fund (IC 5-34)**

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, "base year state income tax liability" to mean the amount of state income tax paid by an individual who receives a financial assistance award from the fund during the taxable year immediately preceding the taxable year in which the individual enrolled in the qualified education program.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-1-2

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, "INvestED Indiana" to mean the Indiana-based, nonprofit financial aid literacy and student loan organization commonly known as INvestED.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-1-5

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, “qualified education program” to mean a program that is certified by INvestED Indiana.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-1-6

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Establishes the Indiana career accelerator fund to provide financial assistance awards to assist individuals in obtaining credentials from qualified education programs.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-2-1

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Establishes that the Indiana career accelerator fund consists of the following: appropriations made by the general assembly; grants and gifts intended for deposit in the fund; repayments of awards from the fund; interest that accrues from investments of money in the fund; and money received from the department under IC 5-34-3-2.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-2-2

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Directs that INvestED Indiana shall administer the Indiana career accelerator fund.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-2-3

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Requires that for each individual who receives a financial assistance award from the Indiana career accelerator fund, the department shall, in each of the 10 taxable years following the taxable year in which the individual graduates from the qualified education program, determine the difference between the individual’s base year state income tax liability and the amount of state income tax liability the individual paid in that particular taxable year.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-3-1

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Directs that if the amount determined in IC 5-34-3-1 for a particular taxable year is greater than zero, the department shall transfer an amount equal to the amount determined in IC 5-34-3-1 to INvestED Indiana for deposit in the Indiana career accelerator fund.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-3-2

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Requires a qualified education program and INvestED Indiana to provide the department any information necessary for the department to carry out IC 5-34-3. Restricts the use of the information shared under IC 5-34-3-3 to making the determinations required by IC 5-34-3.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-3-3

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Authorizes the department to adopt rules under IC 4-22-2 necessary to implement IC 5-34-3.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-3-4

**Enrolled Act:** HEA 1001, Sec. 65

### **Utility Receipts Tax (IC 6-2.3)**

**Summary:** Changes the amount of the penalty for underpaying the quarterly estimated payment of the utility receipts tax to the difference between the actual amount paid by the taxpayer on the estimated return and the lesser of 20% of the final tax liability for the taxable year or 25% of the final tax liability for the taxpayer's previous taxable year. Prior to this change, the amount of the penalty was the difference between the actual amount paid by the taxpayer on the estimated return and 25% of the taxpayer's final utility receipts tax liability for the taxable year.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.3-6-1

**Enrolled Act:** SEA 383, Sec. 2

### **State Gross Retail and Use Taxes (IC 6-2.5)**

**Summary:** Makes a technical correction to the definition of "gross retail income," replacing "changes" with "charges" in subsection (d).

**Effective Date:** Upon passage

**Code:** IC 6-2.5-1-5

**Enrolled Act:** SEA 383, Sec. 3

**Summary:** Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-1-5

**Enrolled Act:** HEA 1001, Sec. 69

**Summary:** Repeats a statute included in SEA 383-2021. Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-1-5

**Enrolled Act:** HEA 1436, Sec. 2

**Summary:** Creates a new exemption from sales and use tax for transactions involving utility scale battery energy storage systems acquired by a public utility or a power subsidiary. Utility scale battery energy storage system is defined as a system that is capable of storing and releasing greater than 1MW of electrical energy for a minimum of one hour utilizing an AC inverter and DC storage, or equipment which receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, and superconducting magnets, but does not include foundations or property used to directly or indirectly connect the AC inverter or DC storage of such system to electrical energy production equipment or the customer's meter.

**Effective Date:** May 1, 2021

**Code:** IC 6-2.5-5-10.5

**Enrolled Act:** SEA 383, Sec. 4

**Summary:** Codifies previous guidance concerning the exemption for public safety equipment and materials purchased by contractors and which are predominately used in public works construction or maintenance. Defines "public safety equipment and materials" as well as providing examples of items that do not meet that definition.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-5-55

**Enrolled Act:** SEA 383, Sec. 5

**Summary:** Eliminates the requirement that if the department determines that a person's estimated monthly gross sales and use tax liability for the current year or average monthly gross sales and use tax liability for the preceding year; exceeds \$5,000, the person shall pay the monthly gross sales and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-6-1

**Enrolled Act:** SEA 383, Sec. 6

**Summary:** Adds a delinquency in remitting the electronic cigarette tax to the reasons that the department may not renew a registered retail merchant certificate.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-8-1

**Enrolled Act:** HEA 1001, Sec. 70

**Summary:** Provides that unless the department revokes the exemption certificate, an exemption certificate issued by the department to a power subsidiary, or a person engaged as a public utility pursuant to IC 6-2.5-4-5 remains valid regardless of a one-to-one meter change. Further provides that a power subsidiary or a person engaged as a public utility is a retail merchant furnishing or selling electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for commercial or domestic consumption must maintain records sufficient to document each one to one meter change. Further, a person may request the department to reissue an exemption certificate with a new meter number in the event of a one-to-one meter change.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-8-8

**Enrolled Act:** SEA 383, Sec. 7

**Summary:** Provides that any person who removes, alters, defaces, or covers a sign posted by the department that states no retail transactions or sales can be made at a retail merchant's location now commits a Class C infraction. A retail merchant shall notify the department of any violation of subsection (a) that occurs on the retail merchant's premises. A retail merchant who fails to give the notice required by subsection (b) within two business days after the violation of subsection (a) occurs now commits a Class B infraction.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-9-7

**Enrolled Act:** HEA 1115, Sec. 3

### **State Income Taxes (IC 6-3)**

**Summary:** Provides, in the definition of adjusted gross income, a new addback for 2020 for above-the-line charitable contributions by individuals. Provides a new addback for individuals beginning in 2020 for student loan payments from employers excluded from federal adjusted gross income. Permits a deduction against adjusted gross income for interest otherwise disallowed on student loan payments from employers excluded from federal adjusted gross income. Provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new addback for individuals, estates, and trusts starting in 2018 and ending in 2020 for excess business losses and permits bonus depreciation and other expensing to be deferred in certain cases. Provides a new addback for individuals for certain student loans discharged and available for exclusion from federal adjusted gross income, along with a provision that permits the exclusion if the federal insolvency exception from income inclusion would apply otherwise. Provides a new deduction for 2020 and later for expenses disallowed as a result of claiming a federal employee retention credit. Permits a deduction for individuals for Indiana education scholarship account donations that are (1) required to be included in federal adjusted gross income and (2) are used to pay for qualifying expenses.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1001, Sec. 71

**Summary:** Adds a new subsection (i) providing that in the case of federal adjustments, adjusted gross income includes the amounts of partnership-level adjustments that would have been includable in federal income tax even if there is not an actual adjustment to the taxpayer's return. Provides the adjusted gross income does not include amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 383, Sec. 8

**Summary:** Requires, for 2020, the addback of the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code. This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1436, Sec. 3

**Summary:** Defines the "Internal Revenue Code" to mean the Internal Revenue Code of 1986 of the United States as amended and in effect on March 31, 2021. Provides that to the extent a federal statute in the United States Code is enacted or amended in a title other than the Internal Revenue Code on or before March 31, 2021, and affects federal adjusted gross income, federal taxable income, federal tax credits, or other federal tax attributes, the federal statute shall be considered part of the Internal Revenue Code as amended and in effect on March 31, 2021.

Provides that federal regulations pertaining to provisions of the Internal Revenue Code or other federal statutes affecting federal taxation as described in the preceding paragraph properly adopted on or before March 31, 2021, shall be regarded as rules adopted by the department under IC 6-3, unless the department adopts specific rules that supersede the regulation.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3-1-11

**Enrolled Act:** HEA 1001, Sec. 72

**Summary:** Defines "partnership" for purposes of IC 6-3 to mean an entity subject to the requirements of Subchapter K of the Internal Revenue Code.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-19

**Enrolled Act:** SEA 383, Sec. 9

**Summary:** Adds "an estate" to the list of "pass through entities" for purposes of IC 6-3.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-35

**Enrolled Act:** SEA 383, Sec. 10

**Summary:** Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for estates and trusts as part of the secondary net operating loss computation.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-2-2.5

**Enrolled Act:** HEA 1001, Sec. 73



**Summary:** Updates a citation in the net operating loss statute for residents to reflect the addition of IC 6-3-1-3.5(a)(33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-2-2.5

**Enrolled Act:** HEA 1436, Sec. 4

**Summary:** Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year and from Indiana sources is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for all other entities as part of the secondary net operating loss computation.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-2-2.6

**Enrolled Act:** HEA 1001, Sec. 74

**Summary:** Updates a citation in the net operating loss statute for nonresidents to reflect the addition of IC 6-3-1-3.5(a)(33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-2-2.6

**Enrolled Act:** HEA 1436, Sec. 5

**Summary:** Clarifies the calculation methodology for Indiana's unemployment compensation deduction.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3-2-10

**Enrolled Act:** HEA 1001, Sec. 75

**Summary:** Adds a new subsection (d) to allow for a taxpayer who is eligible for a credit for taxes paid to a foreign county to provide evidence of the tax that would be due to the foreign country. This applies only if there is a timing difference between the inclusion of the foreign source income in Indiana adjusted gross income tax and the payment of foreign income tax on that income.

**Effective Date:** January 1, 2017

**Code:** IC 6-3-3-3

**Enrolled Act:** SEA 383, Sec. 11

**Summary:** Clarifies various issues regarding estimated taxes for individuals and corporations, including application of penalties based on failure to pay local income tax and the scope of credits applicable against individual income tax. Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-4.1

**Enrolled Act:** SEA 383, Sec. 12

**Summary:** Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a consolidated or combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered

final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-6

**Enrolled Act:** SEA 383, Sec. 13

**Summary:** Removes two amounts from the required information provided on each employer filing of the WH-1 withholding statement. Those amounts are the total amount of wages paid to the employer's employees; and the amount deducted therefrom in accordance with the provisions of the Internal Revenue Code.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8

**Enrolled Act:** SEA 383, Sec. 14

**Summary:** Eliminates the requirement that if the department determines that a person's estimated monthly withholding tax remittance for the current year or average monthly withholding tax remittance for the preceding year exceeds \$5,000, the person shall pay the monthly gross retail and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8.1

**Enrolled Act:** SEA 383, Sec. 15

**Summary:** Requires the department to provide notice electronically to an employer whose WH-1 monthly tax report or withholding tax remittance is past due. The notice must be made within seven days of the due date and may be done by advising the employer to check the employer's online portal account for an important message that the department may not have received the employer's Form WH-1 monthly withholding tax report or employer's withholding tax remittance.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8.1

**Enrolled Act:** SEA 234, Sec. 1

**Summary:** Adds a new section providing the department with the authority to provide procedures to handle unusual passthrough withholding situations.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-15.1 (new)

**Enrolled Act:** SEA 383, Sec. 16

**Summary:** Adds a new section requiring corporations with over \$1,000,000 in gross receipts to file returns electronically beginning with the 2022 taxable year. Authorizes the department to provide exceptions and to publish those exceptions in the Indiana Register. Provides that a return includes an amended return.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-16.3 (new)

**Enrolled Act:** SEA 383, Sec. 17

**Summary:** Provides various definitions for purposes of a chapter IC 6-3-4.5.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-1

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that references to amended returns or amended statements includes original returns or statements if none had been previously issued. Provides that references to taxes include penalties and interest. Provides that, if an adjustment for federal purposes is treated as occurring in a particular tax year for purposes of computing federal tax interest and penalties, that adjustment is treated as occurring in the same taxable year as federal

purposes (federal law will require that prior-year adjustments be subject to tax in a later year, but interest and penalties are computed from the due date of the prior-year return. This treats the federal adjustment as occurring in the prior year). Provides that a state adjustment follows the taxable year of the adjustment unless the change is required to occur in a different year under federal law. Provides that a reference to local income tax includes previously repealed taxes where appropriate. Provides a tiering rule for tiered partnerships. Provides a definition of applicable deadline for partnerships, tiered partners, and end partners, and rules applicable to partners and other entities that are subject to multiple deadlines.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-2

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if the department disagrees with a partnership's reporting of partnership attributes, the department shall issue a report of proposed partnership adjustments. If the report of proposed partnership adjustments could result in an assessment to one or more partners, the report of proposed partnership adjustments is treated as a proposed assessment to the partnership. If the report of proposed partnership adjustments could result in an assessment to any partner (i.e., all partners have refunds or no change), the department must issue a report of proposed partnership adjustments; however, the partners are responsible for filing any refunds. Further provides that, if partnership adjustments result from an assessment for one period and a refund (or zero tax adjustment) for another period, both periods are to be treated as a proposed assessment.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-3

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a report of proposed partnership adjustments is considered a proposed assessment to the partnership for purposes of protest and appellate rights.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-4

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a report of proposed partnership adjustments generally becomes final when no further administrative or judicial appeal can be taken. Provides that, if a determination is made that would adjust a report of proposed partnership adjustments, the department has 180 days to issue a report of final partnership adjustments. If the report is not provided in the 180 day-period, a partnership is given an extra day to act without sanction under IC 6-3-4.5-18 for each day the report of final partnership adjustments is delayed. Provides that, in the event of a settlement, the report of final partnership adjustments must be issued within 180 days of the execution of the settlement.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-5

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Requires a partnership to issue a partner level adjustments report to its direct partners no later than 90 days after the report of final partnership adjustments is issued to the partnership. Requires that the partnership provide a copy of the partner level adjustments report to the department within 90 days of the report of final partnership adjustments and, if applicable, pay any additional withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receives a partner level adjustments report or other amended statement arising from a partner level adjustments report to provide amended statements to indirect partners and the department, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date the end partner receives a partner level audit report or statement arising from a partner level audit report to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline for filing a protest (in the case of an audited partnership) or the deadline for filing an amended return (in the case of a tiered partner).

Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-6

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partner has not reported the proper amount of tax due, the department shall issue an assessment to the partner. However, any information in the partner level adjustments report shall be considered final.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-7

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partnership did not correctly report or allocate a tax attribute for a taxable year or receives a final federal determination, the partnership shall file an amended return. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed at the time of filing the amended partnership return (in the case of the partnership filing the amended return) or the deadline for filing an amended return (in the case of a tiered partner). Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-8

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a partnership shall file an amended return and provide amended statements to partners within 180 days after the partnership receives final federal adjustments. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline the amended partnership return (in the case of the partnership receiving the federal adjustments). Provides computations of tax for various groups of partners. Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-9

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that direct and indirect partners are subject to the payment and reporting requirements under IC 6-3-4.5-8 (related to amended returns). Provides that tiered partners that are partnership can make an election to be taxed at the partnership level related to federal adjustments no later than the date by which the partnership is required to provide statements or other reports to its partners under IC 6-3-4.5-8. Permits the department to adopt rules under IC 4-22 governing federal adjustments and elections to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-10

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a partnership and the department may enter into an agreement on how to compute taxes under a partnership election to remit taxes at the partnership level. Provides that the election must be made no later than the deadline for the partnership to file an amended return related to federal adjustments for an affected taxable year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-11

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that an election to be taxed at the partnership level is irrevocable unless the department provides otherwise. Provides that taxes paid at the partnership level are treated as the tax for the direct and indirect partners of the partnership. Provides that, if an election is determined to be invalid, the taxes paid on behalf of an entity shall be treated as withholding taxes.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-12

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that the partnership must appoint a partnership representative. Provides that if a federal partnership representative is appointed, that person will be treated as the state partnership representative unless the partnership appoints a different representative. Allows the department to set qualifications for state partnership representatives.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-13

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that an assessment against a partner related to a report of final partnership adjustments may not be issued if the department does not issue a report of proposed partnership adjustments prior to specified dates based on the partnership's return filing. Provides that, if a partnership that is a tiered partner fails to report the proper information related to a report of final partnership adjustments, the date is 180 days after the applicable deadline for the tiered partner or the deadline otherwise applicable to a partnership.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-14

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a taxpayer fails to properly report adjustments related to a department audit, the department has the latest of (1) 180 days from the date the department receives the statement or other information related to the department adjustment from the entity required to provide the information, (2) 180 days from the applicable deadline for the taxpayer, or (3) the statute of limitations otherwise applicable to the partner under IC 6-8.1-5-2 to issue a proposed assessment to the taxpayer. Provides that, if the taxpayer would be subject to multiple different deadlines arising from the same set of department adjustments, the statute of limitations for an assessment is the latest of the deadlines. Provides that a taxpayer can appeal a proposed assessment; however, the department adjustments are considered conclusive with regard to the taxpayer (in other words, the partner cannot contest the results of the partnership audit).

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-15

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partnership correctly reports attributes on an original or amended return, but the partner fails to report the information correctly, the department has the later of (1) 180 days from the applicable deadline for the taxpayer or (2) the regular statute of limitations under IC 6-8.1-5-2 to issue an assessment against a taxpayer. Provides that, in the case of a refund arising from an amended return, the deadline is (1) the regular deadline provided under IC 6-8.1-9-1, if the change is not the result of federal adjustments by the Internal Revenue Service or (2) the

applicable deadline for the taxpayer (generally 270 days from the final date plus 30 days per additional tier for tiered partnerships), if the adjustment arises from Internal Revenue Service adjustments. Provides that, in the case of an appeal from an amended return, the amended return is considered conclusive with regard to the partner.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-16

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partner reports partnership attributes in an inconsistent manner from the partnership and does not disclose the inconsistent reporting in the manner prescribed by the department, the statute of limitations for assessing the partner is the later of (1) the statute of limitations under rules similar to IC 6-8.1-5-2 for the partnership's return or (2) the statute of limitations for the partner. Provides that if a partnership fails to file a return or provide the partner with a statement of tax attributes from the partnership, the partner is automatically considered to have reported all attributes in an inconsistent matter. Provides that the partnership's reporting of tax attributes is conclusive with regard to the partner unless the partnership's reporting is fraudulent or in bad faith.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-17

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if an entity is required to provide statements to partners and fails to do so in a timely manner, the entity is subject to assessment of tax for any tax otherwise due from the partners. Provides that the entity is subject to tax at the highest rate provided under Indiana law unless the partnership can establish that a lower rate is applicable. Provides that the entity is not subject to tax if the entity has made a valid election to be taxed at the partnership level. Provides that the tax is considered due on the due date of the entity's return for purposes interest and penalties. Provides that reports, statements or other information are issued but returned to the entity and the partnership either (1) does not take reasonable steps to do so within 30 days after the document is returned or (2) takes reasonable steps but fails to reissue the returned document within 30 days after the document is returned, then the document is considered to have not been issued. Provides that an assessment must be issued within three years after the department receives a return or amendment return from which the non-issued statements relate. Provides that if a taxpayer files a return and remits the tax otherwise due, the assessment shall be reduced by the amount of tax paid. Provides that a taxpayer who subsequently reports the tax attributes is permitted to treat the tax as paid on their behalf; however, a taxpayer cannot seek a refund. Provides that this section does not relieve the entity of any duty to issue statements and authorizes the department to grant relief to other entities that are affected by the unissued statements.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-18

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a taxpayer would be permitted a refund for taxes paid on its behalf by a partnership or tiered partner (e.g., a withholding tax payment), the taxpayer may claim a refund no later than the applicable deadline for the taxpayer or the date otherwise permitted under IC 6-8.1-9-1.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-19

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a partnership or tiered partner and the department may agree to extend the period for any required actions under IC 6-3-4.5 prior to the deadline for such action. In the case of a partnership or tiered partner with more than 10,000 direct owners, the entity is permitted an automatic 60 day extension upon request and without requiring the department to agree. Provides that the partnership and other entities affected by partnership adjustments may agree to an extension, with the department and the affected taxpayer required to sign the extension. Provides that if an extension is granted, the taxpayer must agree to keep all records until the extension ends. Provides that if an extension is entered into, then downstream periods (e.g., partners filing amended returns) are also extended in the

same manner. Provides that more than one extension can be entered into (except the automatic 60-day extension for large partnerships). Provides that the department may publish additional guidelines for automatic extensions in the Indiana Register.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-20

**Enrolled Act:** SEA 383, Sec. 18

### **State Tax Liability Credits (IC 6-3.1)**

**Summary:** Increases the state earned income tax credit to an amount equal to 10% (instead of 9%) of the Indiana-modified federal earned income tax credit that an individual claimed for a taxable year.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-21-6

**Enrolled Act:** HEA 1009, Sec. 1

**Summary:** Defines “qualified Indiana investment fund” for purposes of the venture capital investment tax credit to mean any private fund that meets the definition of a venture capital fund in 17 CFR275.203(l)-1 and that is certified by the Indiana economic development corporation (IEDC) as provided in IC 6-3.1-24-7.5.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-2.5

**Enrolled Act:** HEA 1001, Sec. 76

**Summary:** Expands the definition of “qualified investment capital” for purposes of the venture capital investment tax credit to include otherwise permissible debt or equity capital that is provided to a qualified Indiana investment fund.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-3

**Enrolled Act:** HEA 1001, Sec. 77

**Summary:** Defines “substantial presence” for purposes of the venture capital investment tax credit to mean maintaining a company headquarters in Indiana or maintaining at least 75% of a company’s total payroll in Indiana. For a company receiving qualified investment capital from a qualified Indiana investment fund the company shall be considered to have substantial presence in Indiana if the company commits to relocate its headquarters or 75% of its total payroll to Indiana within one year of receiving qualified investment capital from a qualified Indiana investment fund.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-4.5

**Enrolled Act:** HEA 1001, Sec. 78

**Summary:** Establishes that a taxpayer that provides qualified investment capital to a qualified Indiana investment fund and fulfills the requirements of the IEDC under IC 6-3.1-24-12.5 is entitled to a credit against the taxpayer’s state tax liability in a taxable year equal to the amount specified in IC 6-3.1-24-8.5.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-6

**Enrolled Act:** HEA 1001, Sec. 79

**Summary:** Establishes the requirements for the IEDC certifying that an investment fund is a qualified Indiana investment fund.

The IEDC may only certify a fund as a qualified Indiana investment fund if the fund makes investments according to a policy that: requires eligible companies to be primarily focused on the commercialization of research and development, technology transfer, or application of new technology; and prioritizes investments in companies that have received

a grant, loan, or other investment funds provided by the Indiana twenty-first century research and technology fund established by IC 5-28-16-2 or maintain a substantial presence in Indiana.

An investment fund must apply to be certified as a qualified Indiana investment fund on a form prescribed by the IEDC. If an investment fund is certified as a qualified Indiana investment fund, the IEDC shall provide a copy of the certification to the investors in the qualified Indiana investment fund for inclusion in tax filings.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-7.5

**Enrolled Act:** HEA 1001, Sec. 80

**Summary:** Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits generally available for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of 25% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or \$1,000,000.

Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a particular qualified Indiana business, if the qualified Indiana business is a minority business enterprise or a women's business enterprise, equals the lesser of 30% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or \$1,500,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-8

**Enrolled Act:** HEA 1001, Sec. 81

**Summary:** Provides that the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a qualified Indiana investment fund equals the lesser of 20% of the total amount of qualified investment capital provided to the qualified Indiana investment fund in the calendar year or \$5,000,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-8.5

**Enrolled Act:** HEA 1001, Sec. 82

**Summary:** Prohibits a taxpayer making an investment in a qualified Indiana investment fund from claiming the venture capital investment tax credit before July 1, 2023.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-12.5

**Enrolled Act:** HEA 1001, Sec. 86

**Summary:** Caps, after December 31, 2021, the total amount of venture capital investment tax credits that the IEDC may award in a calendar year at \$20 million, provided that not more than \$7.5 million is awarded for proposed investments in a qualified Indiana investment fund. Prior to January 1, 2021, the total amount of venture capital investment tax credits that IEDC may award in a calendar year remains \$12 million.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-15

**Enrolled Act:** HEA 1001, Sec. 87

**Summary:** Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is not a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the taxpayer must propose at least \$250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than \$170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.



If a Hoosier business investment tax credit exceeds a taxpayer's state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate \$170,000,000.

IC 6-3.1-26-15(g-h) expire December 31, 2031.

**Effective Date:** Upon passage

**Code:** IC 6-3.1-26-15

**Enrolled Act:** HEA 1001, Sec. 88

**Summary:** Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is a shareholder, member, or partner of a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the pass through entity must propose at least \$250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than \$170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.

If a Hoosier business investment tax credit exceeds a taxpayer's state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate \$170,000,000.

IC 6-3.1-26-16(g-h) expire December 31, 2031.

**Effective Date:** Upon passage

**Code:** IC 6-3.1-26-16

**Enrolled Act:** HEA 1001, Sec. 89

**Summary:** Makes a technical correction by replacing the word "section" with "chapter."

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-29-13

**Enrolled Act:** HEA 1084, Sec. 11

**Summary:** Increases the total amount of school scholarship credits that may be awarded for fiscal years 2022 and 2023. The new limits are \$17,500,000 for fiscal year 2022 and \$18,500,000 for fiscal year 2023. The limit returns to \$16,500,000 for fiscal year 2024 and following fiscal years.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-30.5-13

**Enrolled Act:** HEA 1001, Sec. 90

**Summary:** Changes the taxable year for which the redevelopment tax credit may be claimed from the taxable year in which the qualified investment is made to the year for which the Indiana economic development corporation credits the qualified investment.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3.1-34-11

**Enrolled Act:** SEA 383, Sec. 19

**Summary:** Defines terms for purposes of the newly established foster care support tax credit.

Defines “foster care” to mean living in a place licensed under IC 31-27. Defines “person” to mean an individual, a corporation, a limited liability company, a partnership, or another legal entity.

Defines “qualifying foster care organization” to mean an organization that meets the following qualifications: the organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; the organization provides foster care prevention services and programs as required by 42 U.S.C. 671 or direct assistance to individuals in the foster care system; the organization spends at least 50% of its available revenue on qualified services to Indiana residents; the organization affirms that it will continue spending at least 50% of its available revenue on qualified services to Indiana residents; and the organization provides ongoing qualified services to at least 200 Indiana residents.

Defines “state fiscal year” to mean a 12 month period beginning on July 1 and ending on June 30.

Defines “state tax liability” to mean the taxpayer’s total tax liability that is incurred under: IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and IC 6-5.5 (the financial institutions tax); as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the foster care support tax credit.

Defines “tax credit” to mean a deduction from any tax otherwise due under IC 6-3 or IC 6-5.5.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-1

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Provides that a person who makes a monetary contribution to a qualifying foster care organization shall receive a tax credit as provided in IC 6-3.1-35.8-3.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-2

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that the department shall grant a tax credit against any state tax liability due equal to 50% of the amount of the monetary contribution by a person to a qualifying foster care organization that is approved by the Department of Child Services under IC 6-3.1-35.8-4. However, the tax credit which a taxpayer receives may not exceed \$10,000 for any taxable year of the taxpayer.

Provides that if a person that is: exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(2) or a partnership does not have any tax liability against which the foster care support tax credit may be applied, a shareholder or a partner of the business firm is entitled to a credit against the shareholder’s or partner’s liability under the adjusted gross income tax. In this case, the amount of the tax credit provided is equal to the tax credit determined for the business firm for the taxable year multiplied by the percentage of the business firm’s distributive income to which the shareholder or the partner is entitled. The tax credit provided in this case is in addition to any foster care support tax credit to which a shareholder or partner is otherwise entitled. However, a business firm and a shareholder or partner of that business firm may not claim a credit for the same monetary contribution to a qualifying foster care organization.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-3

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that any business firm or person that desires to claim the foster care support tax credit shall file with the department, in the form that the department may prescribe, an application stating the amount of the contribution or investment that it proposes to make that would qualify for a tax credit, and the amount sought to be claimed as a credit.

Directs the department promptly to notify an applicant whether, or the extent to which, the tax credit is allowable in the state fiscal year in which the application is filed. If the credit is allowable in that state fiscal year, the applicant shall within 30 days after receipt of the notice file with the department a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit has been paid to a qualifying foster care organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.

Authorizes the department to disallow any credit claimed for which the statement or proof of payment is not filed within the 30-day period.

Requires that an organization must apply to the Department of Child Services for approval as a qualifying foster care organization. Directs the Department of Child Services shall approve each organization applicant that is a qualifying foster care organization as defined in IC 6-3.1-35.8-1(c) and provide a list of each approved organization annually to the Department of Revenue before July 1 of each year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-4

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Limits the amount of foster care support tax credits allowed to \$2,000,000 in any state fiscal year beginning July 1, 2021, through June 30, 2025. Requires the department to record the time of filing of each application for allowance of a tax credit and shall approve the applications, if they otherwise qualify for a tax credit, in the chronological order in which the applications are filed in the state fiscal year. When the total tax credits approved equals the maximum amount allowable in any state fiscal year, no application thereafter filed for that same fiscal year shall be approved. However, if any applicant for whom a credit has been approved fails to file the required statement of proof of payment, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-5

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Provides that a tax credit is only allowable for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid. Prohibits the refund of any unused credit.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-6

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Establishes that the foster care support tax credit only applies to taxable years beginning after December 31, 2021.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-7

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Expires the foster care support tax credit chapter (IC 6-3.1-35.8) July 1, 2025.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-8

**Enrolled Act:** HEA 1001, Sec. 91

## **Local Taxation (IC 6-3.5)**

**Summary:** Clarifies that county vehicle excise tax imposed by a county will be due and shall be paid each year at the time the vehicle is registered except as provided in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill).

**Effective Date:** July 1, 2021

**Code:** 6-3.5-4-2

**Enrolled Act:** HEA 1356, Sec. 1

**Summary:** Provides that the Bureau of Motor Vehicles shall remit certain taxes not more than 21 days after the collection of the tax. Provides that in the first year an amended surtax or wheel tax rate is effective, the prior surtax or wheel tax rate (as applicable) for the previous calendar year applies to vehicle registrations.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.5-4-5, IC 6-3.5-4-9, IC 6-3.5-5-7, IC 6-3.5-5-11, IC 6-3.5-10-5, IC 6-3.5-10-9, IC 6-3.5-11-7, IC 3.5-11-12

**Enrolled Act:** HEA 1285

**Summary:** Clarifies that for except for a person described in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill), a person may not register a vehicle in a county that has adopted the surtax unless the person pays the surtax to the Bureau of Motor Vehicles.

**Effective Date:** July 1, 2021

**Code:** 6-3.5-4-7

**Enrolled Act:** HEA 1356, Sec. 2

**Summary:** Creates a new section addressing permanent registration for trailers with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Under the new section, a person shall pay twice the amount of the surtax otherwise due annually when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. A person who pays twice the surtax amount for a permanent trailer registration is not subject to additional surtax payments under this chapter for the trailer.

**Effective Date:** July 1, 2021

**Code:** 6-3.5-4-7.5

**Enrolled Act:** HEA 1356, Sec. 3

**Summary:** Clarifies that except for as provided in IC 6-3.5-10-8.5 (a new statute added in Section 6 of this bill), the municipal vehicle excise tax imposed by IC 6-3.5-10 for a vehicle is due and shall be paid each year at the time the vehicle is registered.

**Effective Date:** July 1, 2021

**Code:** 6-3.5-10-2

**Enrolled Act:** HEA 1356, Sec. 4

**Summary:** Clarifies that except for a person described in IC 6-3.5-10-8.5 (a new statute added in Section 6 of this bill), a person may not register a vehicle in an adopting municipality unless the person pays the surtax due, if any, to the Bureau of Motor Vehicles.

**Effective Date:** July 1, 2021

**Code:** 6-3.5-10-7

**Enrolled Act:** HEA 1356, Sec. 5

**Summary:** Creates a new section addressing the permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. If a person has obtained a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13 (a new statute added in Section 9 of this bill), the person shall pay twice the amount of the surtax otherwise due other this chapter when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Also adds that if a person who has obtained a permanent trailer registration is not subject to additional surtax payments under this chapter for a trailer after paying twice the surtax payments as described above.

**Effective Date:** July 1, 2021  
**Code:** 6-3.5-10-8.5  
**Enrolled Act:** HEA 1356, Sec. 6

### **Local Income Taxes (IC 6-3.6)**

**Summary:** Makes a technical correction by adjusting a reference to the appropriate subsections within the statute.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.6-3-6  
**Enrolled Act:** HEA 1084, Sec. 12

**Summary:** Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

**Effective Date:** Upon passage  
**Code:** IC 6-3.6-3-9  
**Enrolled Act:** SEA 383, Sec. 24

**Summary:** Makes a technical correction by removing references dates.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.6-9-6  
**Enrolled Act:** HEA 1084, Sec. 13

**Summary:** Requires the department, before October 1, 2023, and October 1 of each year thereafter, to provide each county a report for the fiscal year ending in the calendar year of the report. The report shall contain at least the following information: the number of returns filed by single, joint, and married filing separate status; the number of returns filled by full-year and filers who are not full-year residents; the amounts billed to county taxpayers for underpayment of tax during the fiscal year; the amounts collected from county taxpayers for amounts billed prior to the end of the state fiscal year ending in the calendar year of the report; and the amounts reported on the individual lines of the annual returns filed by or for county taxpayers during the fiscal year ending in the calendar year of the report. If the amounts reported on one or more individual returns can reasonably identify the return information of one or more county taxpayers or can reasonably result in a disclosure not permitted under Section 6103 of the Internal Revenue Code, the department may redact those amounts and such other amounts necessary to prevent the disclosure of the return information of such county taxpayers.

**Effective Date:** July 1, 2023  
**Code:** IC 6-3.6-9-19  
**Enrolled Act:** HEA 1001, Sec. 96

**Summary:** Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.6-3-9.5  
**Enrolled Act:** SEA 383, Sec. 25

### **Taxation of Financial Institutions (IC 6-5.5)**

**Summary:** Adds a new subsection (e) providing that in the case of federal adjustments, adjusted gross income includes the amounts of partnership-level that would have been subject to federal income tax even if there is not an actual adjustment to the taxpayer's return. Provides the adjusted gross income does not include amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-1-2  
**Enrolled Act:** SEA 383, Sec. 26

**Summary:** For purposes of the definition of adjusted gross income for purposes of the financial institutions tax, provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new deduction for 2020 and later for expenses disallowed as a result of claiming a federal employee retention credit.

**Effective Date:** January 1, 2021; date changed to 1/1/2020 by HEA 1436  
**Code:** IC 6-5.5-1-2  
**Enrolled Act:** HEA 1001, Sec. 98

**Summary:** Repeats a statute included in SEA 383-2021. This statute incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-1-2  
**Enrolled Act:** HEA 1436, Sec. 6

**Summary:** Clarifies that the Internal Revenue Code use of “article” in IC 6-3-1-11 also applies to financial institutions tax.

**Effective Date:** Upon passage  
**Code:** IC 6-5.5-1-11  
**Enrolled Act:** HEA 1001, Sec. 99

**Summary:** Provides that the definition of partnership for financial institutions tax is the same as the adjusted gross income tax definition.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-1-19  
**Enrolled Act:** SEA 383, Sec. 27

**Summary:** Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-6-6  
**Enrolled Act:** SEA 383, Sec. 28

**Summary:** Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-7-1  
**Enrolled Act:** SEA 383, Sec. 29

**Summary:** Adds that counties may use any funds from the financial institution tax for any legal purposes.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-8-2  
**Enrolled Act:** HEA 1271, Sec. 47

### **Motor Fuel & Vehicle Excise Taxes (IC 6-6)**

**Summary:** Provides that the annual index calculation cannot result in a decrease in the gasoline excise tax.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-1.1-201

**Enrolled Act:** SEA 383, Sec. 30

**Summary:** Adds a new subsection (c) to provide that if there is a revision to the inflation or Indiana personal income factors after the annual index factors after May 31, the factors as published (i.e., prior to revision) shall be used to determine the next year's index factors.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-1.6-3

**Enrolled Act:** SEA 383, Sec. 31

**Summary:** Provides that the annual index calculation cannot result in a decrease in the special fuel license tax.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-2.5-28

**Enrolled Act:** SEA 383, Sec. 32

**Summary:** Adds that counties may use any funds from the commercial vehicle excise tax for any legal purposes.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-5.5-20

**Enrolled Act:** HEA 1271, Section 48

**Summary:** Adds that the sale of aviation fuel is exempt from the aviation fuel excise tax if made to a current Federal Aviation Administration 14 CFR Part 137 certified aerial applicator performing agricultural operations.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-13-7

**Enrolled Act:** HEA 1271, Sec. 49

**Summary:** Provides that beginning July 1, 2021, the department transfer aviation fuel excise taxes to the new airport development grant fund.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-13-15

**Enrolled Act:** HEA 1001, Sec. 100

### **Tobacco Taxes (IC 6-7)**

**Summary:** Provides a definition of a "closed system cartridge."

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-0.5

**Enrolled Act:** HEA 1001, Sec. 101

**Summary:** Provides a definition of "consumable material."

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-0.7

**Enrolled Act:** HEA 1001, Sec. 102

**Summary:** Replaces the term "tobacco products" with the term "taxable products" within the definition of "distributor."

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-2

**Enrolled Act:** HEA 1001, Sec. 103

**Summary:** Creates a definition of a “taxable product” to mean either a tobacco product or a closed system cartridge.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-3.5

**Enrolled Act:** HEA 1001, Sec. 104

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the definition of “retail dealer.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-4

**Enrolled Act:** HEA 1001, Sec. 105

**Summary:** Provides a definition of a “vapor product.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-5.5

**Enrolled Act:** HEA 1001, Sec. 106

**Summary:** Creates a consumer responsibility for remitting the other tobacco products tax when the consumer purchases untaxed product.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-7

**Enrolled Act:** HEA 1001, Sec. 107

**Summary:** Creates the closed system cartridge tax, which is a tax collected by a distributor on sales of closed system cartridges and imposed at 25% of the wholesale price. Provides the requirements for collection on the distributor. Imposes a consumer responsibility for remitting the tax when the consumer purchases untaxed product.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-108

**Enrolled Act:** HEA 1001, Sec. 108

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for distributor licensure requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-8

**Enrolled Act:** HEA 1001, Sec. 109

**Summary:** Replaces the term “tobacco products” with the term “taxable products.” and “the tax” with “a tax” within the section providing for filing requirements of the taxes imposed in the OTP tax chapter. Adds the wholesale price of closed system cartridges sold as an item required to be included with a closed system cartridge tax return.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-12

**Enrolled Act:** HEA 1001, Sec. 110

**Summary:** Replaces the term “tax” with “taxes” within the section providing for a collection allowance for taxes collected under the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-13

**Enrolled Act:** HEA 1001, Sec. 111

**Summary:** Replaces the term “tobacco products” with the term “taxable products.” and “tax” with “taxes” within the section providing for credit or refunds of the taxes imposed in the OTP tax chapter to distributors.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-14

**Enrolled Act:** HEA 1001, Sec. 112



**Summary:** Replaces the term “tax” with “taxes” within the section providing for a bad debt deduction for taxes under the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-14.5

**Enrolled Act:** HEA 1001, Sec. 113

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper registration requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-15

**Enrolled Act:** HEA 1001, Sec. 114

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper filing requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-16

**Enrolled Act:** HEA 1001, Sec. 115

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for criminal consequences of selling products without a license required in the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-18

**Enrolled Act:** HEA 1001, Sec. 116

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturers, importers, brokers, and shippers who do not register or file the returns required in the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-19

**Enrolled Act:** HEA 1001, Sec. 117

**Summary:** Replaces the term “the tax” with “a tax” within the section providing for distributors who either knowingly disregard requirements of the OTP tax chapter or act with intent to evade the taxes imposed by the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-21

**Enrolled Act:** HEA 1001, Sec. 118

**Summary:** Creates the electronic cigarette tax. The tax is imposed on the retail sale of consumable material and vapor products in Indiana at a rate of 15% on the gross retail income received by the retail dealer. The person acquiring the consumable material or vapor product is liable for the tax, and the tax is a separate amount added to the consideration. Further specifies the registration requirements for dealers, the filing and remittance requirements, directions for the state to deposit and disburse the funds, and criminal consequences for not acting in accordance with the requirements of this chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-4

**Enrolled Act:** HEA 1001, Sec. 119

### **Department of State Revenue Tax Administration (IC 6-8.1)**

**Summary:** Adds the closed system cartridge tax and the electronic cigarette tax to the listed taxes under this section.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-1-1

**Enrolled Act:** HEA 1001, Sec. 120

**Summary:** Provides that the department may not issue or renew an electronic cigarette tax dealer's certificate to a taxpayer on the most recent monthly tax warrant list unless certain requirements are met. Adds merchants whose electronic cigarette retail dealer's certificate has been revoked or suspended to the list the department publishes of merchants whose registered retail merchant certificate has not been renewed or has been revoked.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-3-16

**Enrolled Act:** HEA 1001, Sec. 121

**Summary:** Makes a technical correction to references to IC 5-28-38-2 within this statute, noting that it has been repealed.

**Effective Date:** Upon passage

**Code:** IC 6-8.1-3-25

**Enrolled Act:** HEA 1001, Sec. 122

**Summary:** Adds the closed system cartridge tax to the list of taxes that the department's special tax division is required to enforce and administer.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-4-1.6

**Enrolled Act:** HEA 1001, Sec. 123

**Summary:** Establishes the deadline by which an assessment must be issued by the department in the case of a credit against a listed tax based on payments of taxes to a state or local jurisdiction outside Indiana or payments of amounts that are subsequently refunded or returned. In this case, a proposed assessment for the refunded or returned credit must be issued by the later of the date by which a proposed assessment otherwise must be issued under IC 6-8.1-5-2 or 180 days from the date the taxpayer notifies the department of the refund or return of payment. For purposes of IC 6-8.1-5-2, if a taxpayer receives a refund of an amount paid by or on behalf of the taxpayer for a listed tax, that refund shall not be considered the payment of an amount that is subsequently refunded or returned.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-5-2

**Enrolled Act:** SEA 383, Sec. 33

**Summary:** Permits the department to release the name and business address of a person that is issued a retail merchant's certificate for the purpose of reporting the status of the person's certificate.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-7-1

**Enrolled Act:** SEA 383, Sec. 34

**Summary:** Provides that if an apparent owner of unclaimed property is subject to a tax warrant issued under IC 6-8.1-8-2, the department may levy on the unclaimed property by filing a claim with the attorney general in accordance with the procedures described in the newly revised unclaimed property act found in IC 32-34-1.5-48.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-8-15

**Enrolled Act:** SEA 188, Sec. 6

**Summary:** Provides that the last date for refund claims arising from federal partnership adjustments includes the last date under IC 6-3-4.5. Provides that for protective payments made in anticipation of federal audit adjustments, the refund date is 180 days from the date the federal adjustments are final, or the date otherwise prescribed under IC 6-8.1-9-1, whichever is later. Extends the statute of limitations for refunds based on taxes paid to another state, country, or local jurisdiction as a result of an assessment by the other jurisdiction after the normal refund statute of limitations had expired to 180 days after the date the tax is paid to the other jurisdiction.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-9-1

**Enrolled Act:** SEA 383, Sec. 35

**Summary:** Modifies the date from which interest is accrued on a refund claim to account for a refund claim based on payment of a tax by the taxpayer to another state, country, or locality.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-9-2

**Enrolled Act:** SEA 383, Sec. 36

**Summary:** Adds failure to file a return in the electronic manner required by the department if such return is required to be filed electronically to preexisting filing failures that subject a taxpayer to penalty under IC 6-8.1-10-2.1.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-10-2.1

**Enrolled Act:** SEA 383, Sec. 37

**Summary:** Requires the department to establish and manage a payroll service provider registration system. Establishes requirements to be included in a contract entered into by a business client with a payroll service provider. Establishes criminal penalties for a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18 (generally)

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Defines a “payroll service provider” as a third party service provider that is authorized to prepare and file returns, withdraw funds and hold the funds in the payroll service provider’s bank account, remit payment, and take other similar reporting and compliance actions on behalf of a business client with regard to that client’s tax withholding and remittance duties under IC 6-3-4-8.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-1

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Defines a “responsible person” as an officer or director of a payroll service provider, or an employee or any other person affiliated with a payroll service provider, who is responsible for collecting, accounting for, and paying withholding taxes on behalf of a business client of the payroll service provider.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-2

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Directs the department to require each payroll service provider to annually register with the department in the manner prescribed by the department.

Directs the department to prescribe the annual registration form to be used by a payroll service provider registrant. The form must require at least the following: (1) a list of all responsible persons of the payroll service provider that provide third party payroll services. (2) a certification and acknowledgment by the payroll service provider that the bank account it uses for employer withholding tax deposits shall only be used for employer withholding tax liabilities and other payroll obligations of client employers and may not be used for any other purpose (other than using the account as a sweep account IC 6-8.1-18-4), including for the payment of operating expenses or personal use, and that a payroll service provider’s withdrawal or use of funds in the account for any other purpose constitutes fraud.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-3

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Permits a payroll service provider to retain any income generated on client funds while held in a payroll service provider’s legal possession pending remittance to authorized payees if the client agreement expressly permits it and the payroll service provider meets a list of requirements. The payroll service provider must: (1) comply with

the National Automated Clearing House Association rules; (2) maintain bank and custodial accounts for client funds that are segregated from any operating funds of the payroll service provider; and (3) either: (A) be a publicly held company (subject to Securities Exchange Commission reporting, public company accounting standards, and audit requirements); (B) be subject to federal or Indiana financial regulatory oversight related to the handling of client funds; (C) be subject to review by partner financial institutions at least annually; or (D) conduct annual SOC 1 or SOC 2 reports of security and integrity controls.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-4

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Requires that a contract entered into by a business client with a payroll service provider for third party payroll services must include a provision that substantially specifies that if the payroll service provider fails to deposit a business client's employer withholding taxes when due, and the failure is caused by an error or omission of the payroll service provider and not by the business client, the payroll service provider shall be required to reimburse the business client for the business client's payment of any penalties or interest assessed by the department as a result of the failure.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-5

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes that if a payroll service provider knowingly or intentionally fails to remit taxes withheld pursuant to IC 6-3-4, the payroll service provider is liable and the responsible persons of the payroll service provider shall be personally liable for such taxes that were withheld by the employer and collected by the payroll service provider and not remitted, along with any penalties and interest on such taxes.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes that a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider pursuant to IC 6-3-4 commits failure to remit taxes, a Class A misdemeanor. Elevates the offense to a Level 6 felony if the amount of the unremitted taxes is at \$750 and less than \$50,000, and a Level 5 felony if the amount of the unremitted taxes is at least \$50,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Clarifies that the liability under IC 6-8.1-18-6 shall not be construed to relieve the liability of the employer, or any person otherwise with a duty to withhold and remit taxes under IC 6-3-4 for taxes that were withheld or should have been withheld pursuant to IC 6-3-4.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Provides that any amounts paid to or collected by the department pursuant to IC 6-8.1-18-6 from a payroll service provider or responsible person of a payroll service provider must be credited to the employer's liability in the same manner as if the employer or person otherwise with a duty to withhold and remit taxes under IC 6-3-4 had remitted that amount.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Permits the department to charge an annual fee for registration under IC 6-8.1-18. Establishes the following restrictions on the amount of the fee charged by the department: the fee must be imposed in a range of amounts based on the number of clients of a payroll service provider; and the estimated annual revenue from the fee may not exceed the cost to implement the provisions of IC 6-8.1-18 and ongoing maintenance. Any fees collected shall be deposited into a special account in the state general fund known as the payroll service provider registration fee account. Annually appropriates money in the payroll service provider registration fee account to the department for its use in carrying out the purposes of IC 6-8.1-18.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-7

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes the employer's address as the address of record with the department for withholding tax purposes. An employer's address of record with the department may be changed only by direct written request from the employer. A payroll service provider may not change an address of record with the department.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-8

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Requires the department to provide notice to an employer when a payment of taxes pursuant to IC6-3-4 has been remitted by either the employer or the payroll service provider or any other entity that pays the taxes on behalf of the employer. The department may provide the notice under this section by advising the employer to check the employer's online portal account.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-9

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Authorizes the department to adopt rules under IC 4-22-2, including emergency rules in the manner provided under IC 4-22-2-37.1, for the administration and enforcement of IC 6-8.1-18.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-10

**Enrolled Act:** SEA 234, Sec. 2

### **Innkeeper's Taxes; Other Local Taxes (IC 6-9)**

**Summary:** Provides that the St. Joseph County Innkeeper's Tax Board of Managers shall support and assist the Potawatomi Zoo to secure bonds up to a term of 20 years to pay costs associated with financing projects for the Potawatomi Zoo. Directs that any funds received as a result of issuing bonds under IC 6-9-1-4 shall be given to the Potawatomi Zoo, and the Potawatomi Zoo shall have complete control over funds received as a result of issuing the bonds. Permits the board of managers may require that the Potawatomi Zoo issue an annual report that describes how funds are used to support a project; and provides a current update of a project's development.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-4

**Enrolled Act:** SEA 164, Sec. 1

**Summary:** Authorizes, after June 30, 2021, the county fiscal body to adopt an ordinance to increase the St. Joseph County innkeeper's tax rate to not more than 8%. Requires that if the county fiscal body adopts an ordinance to increase the tax rate after June 30, 2021, under it must: (1) specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance, and on the first day of a month; and (2) immediately send a certified copy of the ordinance to the commissioner of the Department of Revenue. If the county fiscal body does not immediately send a certified copy of the ordinance to the commissioner of the department as

required, the department shall treat an increase in the tax rate as having been adopted on the later of: the first day of the month that is not less than 30 days after the ordinance is sent; or on the effective date specified in the ordinance.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-5

**Enrolled Act:** SEA 164, Sec. 2

**Summary:** Restates that the amount of revenue collected by the county treasurer as a result of a 5% rate shall be deposited quarterly in the convention and exhibition center fund. Establishes the distribution of revenue collected above the result of a 5% rate.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6

**Enrolled Act:** SEA 164, Sec. 3

**Summary:** Establishes the distribution of revenue to the Mishawaka indoor sports complex fund depending on the rate of the innkeeper's tax:

- If the tax is imposed at a rate of 6%, 60% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 20% of the amount of revenue that is attributable to the increased tax rate; plus 60% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1% rate.

Extends the expiration of the Mishawaka indoor sports complex fund from July 1, 2024 to July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.2

**Enrolled Act:** SEA 164, Sec. 4

**Summary:** Establishes the distribution of revenue to the Potawatomi Zoo fund depending on the rate of the innkeeper's tax:

- If the tax is imposed at a rate of 6%, 40% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 5% of the amount of revenue that is attributable to the increased tax rate; plus 40% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Extends the expiration of the Potawatomi Zoo fund from July 1, 2024 to July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.3

**Enrolled Act:** SEA 164, Sec. 5

**Summary:** Establishes the Morris Performing Arts Center fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper's tax rate. Establishes the distribution of revenue to the Morris Performing Arts Center fund depending on the rate of the innkeeper's tax:

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 25% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Establishes an expiration date for the Morris Performing Arts Center fund of July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.4

**Enrolled Act:** SEA 164, Sec. 6

**Summary:** Establishes the tourism capital investment fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper's tax rate. Establishes the distribution of revenue to the tourism capital investment fund depending on the rate of the innkeeper's tax.

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 50% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1.0% rate.

Establishes altered distribution formulae for the tourism capital investment fund should the Mishawaka indoor sports complex fund, the Potawatomi Zoo fund, and/or the Morris Performing Arts Center fund expire.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.5

**Enrolled Act:** SEA 164, Sec. 7

**Summary:** Changes the distribution formula for money in the Tippecanoe County innkeeper's tax fund. Reduces from 30% to 10% the amount distributed to the Department of Natural Resources for the development of projects in the state park on the county's largest river, including its tributaries. Allocates 20% to be used as determined by the county fiscal body.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-7-7

**Enrolled Act:** SEA 381, Sec. 1

**Summary:** Establishes that after June 30, 2021, the highest permissible rate for the Daviess County innkeeper's tax is 9%.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-18-3

**Enrolled Act:** SEA 381, Sec. 2

**Summary:** Provides that all or part of the revenue received from imposition of the innkeeper's tax in Boone County may, subject to authorization by the county fiscal body, be pledged towards payment of obligations issued or entered into by a political subdivision in the county to finance the construction, acquisition, enlargement, and equipping of a sports and recreation facility.

**Effective Date:** Upon passage

**Code:** IC 6-9-18-6

**Enrolled Act:** SEA 381, Secs. 3 & 4

**Summary:** Allows the Henry County food and beverage tax to be used to finance, construct, renovate, improve, equip, or maintain an expo center.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-25-9.5

**Enrolled Act:** HEA 1271, Sec. 50

**Summary:** Provides that if a county fiscal body makes a change between collection of the tax by the county treasurer or the department, the ordinance must specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance; and on the first day of a month. If the department collects the revenue from the county innkeeper's tax, the department shall begin collecting the tax at the rate provided in the

ordinance on the later of: the first day of the month that is not less than 30 days after the ordinance is sent to the commissioner of the department; or the effective date specified in the ordinance. If an ordinance does not specify an effective date, the ordinance shall be considered effective on the earliest date allowable.

**Effective Date:** July 1, 2021  
**Code:** IC 6-9-29-1.5  
**Enrolled Act:** SEA 381, Sec. 5

**Summary:** Defines “obligations,” for purposes of the Wayne County food and beverage tax, as having the meaning set forth IC 5-1-3-1(2).

**Effective Date:** Upon passage  
**Code:** IC 6-9-38-9  
**Enrolled Act:** HEA 1437, Sec. 8

### **Alcohol & Tobacco (IC 7.1)**

**Summary:** Amends the definition of “beer” to include beverages obtained by the fermentation of cereal byproducts.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-6  
**Enrolled Act:** HEA 1396, Sec. 12

**Summary:** Amends the definition of “flavored malt beverage” to remove the restriction that the beverage cannot be distributed in aluminum or other metal containers.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-16.7  
**Enrolled Act:** HEA 1396, Sec. 14

**Summary:** Changes the distribution amount for the wine excise tax to 25 cents.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-4-7-5  
**Enrolled Act:** HEA 1001, Sec. 125

**Summary:** Requires a municipality to notify the Chairman of the Alcohol and Tobacco Commission of any retailer or dealer premises annexed into the municipality, in order to ensure the correct distribution of excise funds. Not later than 10 days after an annexation ordinance is filed under IC 36-4-3-22; or the second of two approvals of an annexation is filed under IC 36-3-2-7, the annexing municipality shall provide notice to the chairman of the commission of any retailer’s or dealer’s premises located within the annexed territory. The notice shall be in writing, sent by certified mail, and must include the effective date of the annexation and the business name and street address of the retailer’s or dealer’s premises. The distribution from the excise fund shall continue to be paid to the jurisdiction on record with the commission, until the chairman of the commission receives the notice under this section that the retailer’s or dealer’s premises have been annexed into the city or town. An annexing city or town shall be paid distributions that accrue after the date the chairman receives notice; and is not entitled to retroactive payment of any distributions accruing before the date the chairman receives notice.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-4-9-7  
**Enrolled Act:** HEA 1396, Sec. 63

### **Overweight Divisible Load (IC 9-13-2-120.7)**

**Summary:** Removes the list of commodities and the specific weight limitations for certain commodities from the definition of “overweight divisible load.” The gross vehicle weight limit is more than 80,000 pounds but not exceeding 120,000 pounds.



**Effective Date:** July 1, 2021  
**Code:** IC 9-13-2-120.7  
**Enrolled Act:** HEA 1190, Sec. 1

### **Certificates of Title; Liens (IC 9-17-5)**

**Summary:** Allows the Bureau of Motor Vehicles to contract with one or more qualified vendors to develop and implement a statewide electronic lien and title system; or develop and make available to qualified service providers, a well-defined set of information services that will enable secure access to the data and internal application components necessary to facilitate the creation of a statewide electronic lien and title system.

**Effective Date:** Upon passage  
**Code:** IC 9-17-5-6  
**Enrolled Act:** SEA 400

### **Motor Vehicle Registration (IC 9-18.1)**

**Summary:** Defines permanent registration as a certificate of registration or any other indication of registration issued by the bureau or motor carrier services division of the Department of Revenue where the term of registration does not expire unless the registered owner sells or disposes of the registered vehicle.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-1-4.5  
**Enrolled Act:** HEA 1356, Sec. 7

**Summary:** Codifies the department's prior interpretation that carriers registering full trailers with Indiana under the International Registration Plan should be charged a prorated amount based on their Indiana mileage.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-5-8  
**Enrolled Act:** SEA 383, Sec. 38

**Summary:** Creates a permanent registration for trailers with a declared gross vehicle weight of 3,000 pounds or less, effective after December 31, 2021. The fee for the permanent registration is \$82, which shall be distributed in the same manner as flatbed trailers in IC 9-18.1-5-8. Provides that the vehicle is also subject to any applicable county vehicle excise tax or municipal vehicle excise tax under Section 3 or 6 of this bill, respectively, which shall be distributed according to the rules of their respective chapters.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-5-13  
**Enrolled Act:** HEA 1356, Sec. 9

### **Size and Weight Regulation (IC 9-20)**

**Summary:** Provides that a person who transports a vehicle or combination of vehicles with an overweight divisible load is subject to overweight divisible load permitting. Removes certain requirements regarding transportation of commodities.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-4-2  
**Enrolled Act:** HEA 1150, Sec. 1

**Summary:** Provides that the Department of Transportation may not issue a permit for an overweight divisible load if the owner or operator of the vehicle has not provided the Department of Revenue with full payment for the permit prior to transporting the overweight divisible load.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-5-8  
**Enrolled Act:** HEA 1150, Sec. 2

**Summary:** Provides that the Department of Transportation may issue an overweight permit for transporting overweight vehicles and loads carrying resources on certain highways in the state highway system.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-6-1  
**Enrolled Act:** HEA 1190, Sec 2

**Summary:** Provides that no more than 8,500 single trip permits may be issued annually for applicants with a total equivalent single axle load calculation of more than 2.40 equivalent single axle load credit. Provides that the trip permit limit and trip weight limit do not include overweight divisible load permits obtained by shippers and carriers that obtained permits before January 1, 2021. Provides that the Department of Transportation (INDOT) may temporarily increase the number of overweight divisible load permits issued by order of the commissioner in response to an emergency or changes in market conditions. Provides that the INDOT may limit the number of overweight divisible load permits issued to an individual applicant. Requires the department to adopt rules due to lack of transportation options for certain resources, supply chain interruptions, or supply dock backlogs. No later than October 1, 2021, the department shall recalculate and apply permit fees for annual and trip permits based on the Joint Transportation Research Program publication JTRP-2014/14.

Provides that the INDOT shall issue a report to the legislative council and the interim study committee on roads and transportation regarding the fee structure of overweight divisible load permits, and regarding the impact of overweight divisible loads on roads and highways by July 1, 2023. Provides that the INDOT shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding market fluctuation in the number of overweight divisible load permits issued during the previous year. Provides that the state police department shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding the number of accidents involving applicants permitted for overweight divisible loads.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-6-2.2  
**Enrolled Act:** HEA 1190, Sec. 3

**Summary:** Provides that a local authority may grant permits for transporting overweight divisible loads on local streets under the control of the local authority. A deviation from that route constitutes a violation subject to a civil penalty under IC 9-20-18-14.5.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-6-2.5  
**Enrolled Act:** HEA 1190, Sec. 4

**Summary:** Provides that the Department of Revenue shall determine the extent of civil penalties for overweight divisible loads under certain conditions.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-18-7  
**Enrolled Act:** HEA 1150, Sec. 3

**Summary:** Provides that the civil penalty for each permitting violation for transporting overweight divisible loads is not more than \$10,000 for each violation. Provides criminal or civil defenses in certain circumstances. Permits the department to determine at an administrative hearing whether a civil penalty should be assessed or reduced pursuant to a defense. Provides that the Department of Revenue may not assess a penalty on a citation for an oversize load after more than one year has passed from the date the person receives the citation.

**Effective Date:** July 1, 2021  
**Code:** IC 9-20-18-14.5  
**Enrolled Act:** HEA 1150, Sec. 4

**Summary:** Provides an increase in the fines for violations of overweight divisible loads by \$500 for each violation type (initial and subsequent violations).

**Effective Date:** July 1, 2021

**Code:** IC 9-20-18-14.5

**Enrolled Act:** HEA 1190, Sec. 5

### **Criminal Statutes (IC 35-52-6)**

**Summary:** Establishes that IC 6-8.1-18-6(b) defines a crime concerning failure to remit taxes collected by a payroll service provider.

**Effective Date:** July 1, 2021

**Code:** IC 35-52-6-63.5

**Enrolled Act:** SEA 234, Sec. 3

### **Local Government Planning and Development (IC 36-7)**

**Summary:** Increases, for state fiscal years beginning after June 30, 2021, the maximum amount of covered taxes that may be captured in the Allen County Professional Sports and Convention Development Area (PSCDA) to \$5 million per year. For state fiscal years beginning before July 1, 2021, the maximum amount of covered taxes that may be captured in the PACDA was \$3 million

Expands the area covered by the Evansville PSCDA so as to include the addition of the downtown convention center hotel.

Expands the area covered by the South Bend PSCDA so as to include three additional downtown hotels, the Howard Park event center, and facilities located on the IU-South Bend campus.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.3-8

**Enrolled Act:** SEA 384, Sec. 1

**Summary:** Changes the distribution formula for funds raised from the Allen County Professional Sports and Convention Development Area (PSCDA).

Establishes the termination date of the Allen County PSCDA as no later than December 31, 2038. Restricts any bonds that were issued before January 1, 2015 to finance the facility or proposed facility to a maturity of less than 25 years.

Extends the Evansville PSCDA that was set to expire before July 1, 2021 for an additional 20 consecutive years.

Extends the South Bend PSCDA that was set to expire before July 1, 2021 for an additional 20 years after June 30, 2021. Establishes that the maximum amount of covered taxes that may be captured in the South Bend PSCDA is \$2,000,000 per year.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.3-10

**Enrolled Act:** SEA 384, Sec. 2

**Summary:** Changes the expiration date of this chapter regulating professional sport development areas from December 31, 2040, to December 31, 2041.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.3-21

**Enrolled Act:** SEA 384, Sec. 3

**Summary:** Extends the deadline for the establishment of an additional professional sports development area (PSDA) in Marion County from July 1, 2022 to 2024.

**Effective Date:** July 1, 2021  
**Code:** 36-7-31.5-5  
**Enrolled Act:** SEA 385, Sec. 1

**Summary:** Changes the earliest beginning date of covered tax collection in the professional sports development area (PSDA) from June 30, 2021 to June 30, 2023 or the date on which all of the conditions in IC 36-7-31.5 are met.

**Effective Date:** June 29, 2021  
**Code:** 36-7-31.5-8  
**Enrolled Act:** SEA 385, Sec. 2

**Summary:** Makes a technical correction by correcting the alphanumeric designation of two subparts.

**Effective Date:** July 1, 2021  
**Code:** IC 36-7-32-22  
**Enrolled Act:** HEA 1084, Sec. 101

**Summary:** Provides that a parcel may not be included in more than one allocation area under IC 36-7-32 or under IC 6-1.1-39, IC 8-22-3.5, IC 36-7-14, IC 36-7-15.1, IC 36-7-30, or IC 36-7-30.5, for property tax purposes. Provides that a parcel under those provisions and in more than one district established by a resolution before May 1, 2021, is not subject to these restrictions.

**Effective Date:** Upon passage  
**Code:** IC 36-7-32-28  
**Enrolled Act:** HEA 1271, Sec. 97

**Summary:** Establishes the northeast Indiana strategic development commission as a body corporate and politic. This bill also provides for appointment of members of the commission and specifies the purposes of the commission.

**Effective Date:** July 1, 2021  
**Code:** IC 36-7-39  
**Enrolled Act:** HEA 1238, Sec. 1

### **Local Government Public Safety (IC 36-8)**

**Summary:** Expands the definition of "seller" for purposes of the enhanced prepaid wireless telecommunications service charge to include a person that sells prepaid wireless telecommunications service to another person and meets one or both of the economic thresholds for remote sellers under IC 6-2.5-2-1(d).

**Effective Date:** July 1, 2021  
**Code:** IC 36-8-16.6-10  
**Enrolled Act:** SEA 383, Sec. 42

## Part II: Legislation by Enrolled Act Number

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### **SEA 164**

**Summary:** Provides that the St. Joseph County Innkeeper's Tax Board of Managers shall support and assist the Potawatomi Zoo to secure bonds up to a term of 20 years to pay costs associated with financing projects for the Potawatomi Zoo. Directs that any funds received as a result of issuing bonds under IC 6-9-1-4 shall be given to the Potawatomi Zoo, and the Potawatomi Zoo shall have complete control over funds received as a result of issuing the bonds. Permits the board of managers may require that the Potawatomi Zoo issue an annual report that describes how funds are used to support a project; and provides a current update of a project's development.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-4

**Enrolled Act:** SEA 164, Sec. 1

**Summary:** Authorizes, after June 30, 2021, the county fiscal body to adopt an ordinance to increase the St. Joseph County innkeeper's tax rate to not more than 8%. Requires that if the county fiscal body adopts an ordinance to increase the tax rate after June 30, 2021, under it must: (1) specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance, and on the first day of a month; and (2) immediately send a certified copy of the ordinance to the commissioner of the Department of Revenue. If the county fiscal body does not immediately send a certified copy of the ordinance to the commissioner of the department as required, the department shall treat an increase in the tax rate as having been adopted on the later of: the first day of the month that is not less than 30 days after the ordinance is sent; or on the effective date specified in the ordinance.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-5

**Enrolled Act:** SEA 164, Sec. 2

**Summary:** Restates that the amount of revenue collected by the county treasurer as a result of a 5% rate shall be deposited quarterly in the convention and exhibition center fund. Establishes the distribution of revenue collected above the result of a 5% rate.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6

**Enrolled Act:** SEA 164, Sec. 3

**Summary:** Establishes the distribution of revenue to the Mishawaka indoor sports complex fund depending on the rate of the innkeeper's tax:

- If the tax is imposed at a rate of 6%, 60% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 20% of the amount of revenue that is attributable to the increased tax rate; plus 60% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1% rate.

Extends the expiration of the Mishawaka indoor sports complex fund from July 1, 2024 to July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.2

**Enrolled Act:** SEA 164, Sec. 4

**Summary:** Establishes the distribution of revenue to the Potawatomi Zoo fund depending on the rate of the innkeeper's tax:

- If the tax is imposed at a rate of 6%, 40% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 5% of the amount of revenue that is attributable to the increased tax rate; plus 40% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Extends the expiration of the Potawatomi Zoo fund from July 1, 2024 to July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.3

**Enrolled Act:** SEA 164, Sec. 5

**Summary:** Establishes the Morris Performing Arts Center fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper's tax rate. Establishes the distribution of revenue to the Morris Performing Arts Center fund depending on the rate of the innkeeper's tax:

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 25% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Establishes an expiration date for the Morris Performing Arts Center fund of July 1, 2046.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.4

**Enrolled Act:** SEA 164, Sec. 6

**Summary:** Establishes the tourism capital investment fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper's tax rate. Establishes the distribution of revenue to the tourism capital investment fund depending on the rate of the innkeeper's tax.

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 50% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1.0% rate.

Establishes altered distribution formulae for the tourism capital investment fund should the Mishawaka indoor sports complex fund, the Potawatomi Zoo fund, and/or the Morris Performing Arts Center fund expire.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-1-6.5

**Enrolled Act:** SEA 164, Sec. 7

## **SEA 188**

**Summary:** Provides that if an apparent owner of unclaimed property is subject to a tax warrant issued under IC 6-8.1-8-2, the department may levy on the unclaimed property by filing a claim with the attorney general in accordance with the procedures described in the newly revised unclaimed property act found in IC 32-34-1.5-48.

**Effective Date:** July 1, 2021

**Code:** IC 6-8.1-8-15

**Enrolled Act:** SEA 188, Sec. 6

## **SEA 234**

**Summary:** Requires the department to provide notice electronically to an employer whose WH-1 monthly tax report or withholding tax remittance is past due. The notice must be made within seven days of the due date and may be done by advising the employer to check the employer's online portal account for an important message that the department may not have received the employer's Form WH-1 monthly withholding tax report or employer's withholding tax remittance.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8.1

**Enrolled Act:** SEA 234, Sec. 1

**Summary:** Requires the department to establish and manage a payroll service provider registration system. Establishes requirements to be included in a contract entered into by a business client with a payroll service provider. Establishes criminal penalties for a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18 (generally)

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Defines a "payroll service provider" as a third party service provider that is authorized to prepare and file returns, withdraw funds and hold the funds in the payroll service provider's bank account, remit payment, and take other similar reporting and compliance actions on behalf of a business client with regard to that client's tax withholding and remittance duties under IC 6-3-4-8.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-1

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Defines a "responsible person" as an officer or director of a payroll service provider, or an employee or any other person affiliated with a payroll service provider, who is responsible for collecting, accounting for, and paying withholding taxes on behalf of a business client of the payroll service provider.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-2

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Directs the department to require each payroll service provider to annually register with the department in the manner prescribed by the department.

Directs the department to prescribe the annual registration form to be used by a payroll service provider registrant. The form must require at least the following: (1) a list of all responsible persons of the payroll service provider that provide third party payroll services. (2) a certification and acknowledgment by the payroll service provider that the bank account it uses for employer withholding tax deposits shall only be used for employer withholding tax liabilities and other payroll obligations of client employers and may not be used for any other purpose (other than using the account as a sweep account IC 6-8.1-18-4), including for the payment of operating expenses or personal use, and that a payroll service provider's withdrawal or use of funds in the account for any other purpose constitutes fraud.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-3

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Permits a payroll service provider to retain any income generated on client funds while held in a payroll service provider's legal possession pending remittance to authorized payees if the client agreement expressly permits it and the payroll service provider meets a list of requirements. The payroll service provider must: (1) comply with the National Automated Clearing House Association rules; (2) maintain bank and custodial accounts for client funds

that are segregated from any operating funds of the payroll service provider; and (3) either: (A) be a publicly held company (subject to Securities Exchange Commission reporting, public company accounting standards, and audit requirements); (B) be subject to federal or Indiana financial regulatory oversight related to the handling of client funds; (C) be subject to review by partner financial institutions at least annually; or (D) conduct annual SOC 1 or SOC 2 reports of security and integrity controls.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-4

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Requires that a contract entered into by a business client with a payroll service provider for third party payroll services must include a provision that substantially specifies that if the payroll service provider fails to deposit a business client's employer withholding taxes when due, and the failure is caused by an error or omission of the payroll service provider and not by the business client, the payroll service provider shall be required to reimburse the business client for the business client's payment of any penalties or interest assessed by the department as a result of the failure.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-5

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes that if a payroll service provider knowingly or intentionally fails to remit taxes withheld pursuant to IC 6-3-4, the payroll service provider is liable and the responsible persons of the payroll service provider shall be personally liable for such taxes that were withheld by the employer and collected by the payroll service provider and not remitted, along with any penalties and interest on such taxes.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes that a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider pursuant to IC 6-3-4 commits failure to remit taxes, a Class A misdemeanor. Elevates the offense to a Level 6 felony if the amount of the unremitted taxes is at \$750 and less than \$50,000, and a Level 5 felony if the amount of the unremitted taxes is at least \$50,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Clarifies that the liability under IC 6-8.1-18-6 shall not be construed to relieve the liability of the employer, or any person otherwise with a duty to withhold and remit taxes under IC 6-3-4 for taxes that were withheld or should have been withheld pursuant to IC 6-3-4.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Provides that any amounts paid to or collected by the department pursuant to IC 6-8.1-18-6 from a payroll service provider or responsible person of a payroll service provider must be credited to the employer's liability in the same manner as if the employer or person otherwise with a duty to withhold and remit taxes under IC 6-3-4 had remitted that amount.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-6

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Permits the department to charge an annual fee for registration under IC 6-8.1-18. Establishes the following restrictions on the amount of the fee charged by the department: the fee must be imposed in a range of



amounts based on the number of clients of a payroll service provider; and the estimated annual revenue from the fee may not exceed the cost to implement the provisions of IC 6-8.1-18 and ongoing maintenance. Any fees collected shall be deposited into a special account in the state general fund known as the payroll service provider registration fee account. Annually appropriates money in the payroll service provider registration fee account to the department for its use in carrying out the purposes of IC 6-8.1-18.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-7

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes the employer's address as the address of record with the department for withholding tax purposes. An employer's address of record with the department may be changed only by direct written request from the employer. A payroll service provider may not change an address of record with the department.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-8

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Requires the department to provide notice to an employer when a payment of taxes pursuant to IC 6-3-4 has been remitted by either the employer or the payroll service provider or any other entity that pays the taxes on behalf of the employer. The department may provide the notice under this section by advising the employer to check the employer's online portal account.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-9

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Authorizes the department to adopt rules under IC 4-22-2, including emergency rules in the manner provided under IC 4-22-2-37.1, for the administration and enforcement of IC 6-8.1-18.

**Effective Date:** January 1, 2022

**Code:** IC 6-8.1-18-10

**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Establishes that IC 6-8.1-18-6(b) defines a crime concerning failure to remit taxes collected by a payroll service provider.

**Effective Date:** July 1, 2021

**Code:** IC 35-52-6-63.5

**Enrolled Act:** SEA 234, Sec. 3

### **SEA 381**

**Summary:** Changes the distribution formula for money in the Tippecanoe County innkeeper's tax fund. Reduces from 30% to 10% the amount distributed to the Department of Natural Resources for the development of projects in the state park on the county's largest river, including its tributaries. Allocates 20% to be used as determined by the county fiscal body.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-7-7

**Enrolled Act:** SEA 381, Sec. 1

**Summary:** Establishes that after June 30, 2021, the highest permissible rate for the Daviess County innkeeper's tax is 9%.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-18-3

**Enrolled Act:** SEA 381, Sec. 2

**Summary:** Provides that all or part of the revenue received from imposition of the innkeeper’s tax in Boone County may, subject to authorization by the county fiscal body, be pledged towards payment of obligations issued or entered into by a political subdivision in the county to finance the construction, acquisition, enlargement, and equipping of a sports and recreation facility.

**Effective Date:** Upon passage

**Code:** IC 6-9-18-6

**Enrolled Act:** SEA 381, Secs. 3 & 4

**Summary:** Provides that if a county fiscal body makes a change between collection of the tax by the county treasurer or the department, the ordinance must specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance; and on the first day of a month. If the department collects the revenue from the county innkeeper’s tax, the department shall begin collecting the tax at the rate provided in the ordinance on the later of: the first day of the month that is not less than 30 days after the ordinance is sent to the commissioner of the department; or the effective date specified in the ordinance. If an ordinance does not specify an effective date, the ordinance shall be considered effective on the earliest date allowable.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-29-1.5

**Enrolled Act:** SEA 381, Sec. 5

### **SEA 383**

**Summary:** Requires the daily pari-mutuel breakage on wagers to be paid to the department, instead of the Auditor of State, for deposit in the appropriate breed development fund.

**Effective Date:** July 1, 2021

**Code:** IC 4-31-9-10

**Enrolled Act:** SEA 383, Sec. 1

**Summary:** Changes the amount of the penalty for underpaying the quarterly estimated payment of the utility receipts tax to the difference between the actual amount paid by the taxpayer on the estimated return and the lesser of 20% of the final tax liability for the taxable year or 25% of the final tax liability for the taxpayer’s previous taxable year. Prior to this change, the amount of the penalty was the difference between the actual amount paid by the taxpayer on the estimated return and 25% of the taxpayer’s final utility receipts tax liability for the taxable year.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.3-6-1

**Enrolled Act:** SEA 383, Sec. 2

**Summary:** Makes a technical correction to the definition of “gross retail income,” replacing “changes” with “charges” in subsection (d).

**Effective Date:** Upon passage

**Code:** IC 6-2.5-1-5

**Enrolled Act:** SEA 383, Sec. 3

**Summary:** Creates a new exemption from sales and use tax for transactions involving utility scale battery energy storage systems acquired by a public utility or a power subsidiary. Utility scale battery energy storage system is defined as a system that is capable of storing and releasing greater than 1MW of electrical energy for a minimum of one hour utilizing an AC inverter and DC storage, or equipment which receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, and superconducting magnets, but does not include foundations or property used to directly or indirectly connect the AC inverter or DC storage of such system to electrical energy production equipment or the customer’s meter.

**Effective Date:** May 1, 2021  
**Code:** IC 6-2.5-5-10.5  
**Enrolled Act:** SEA 383, Sec. 4

**Summary:** Codifies previous guidance concerning the exemption for public safety equipment and materials purchased by contractors and which are predominately used in public works construction or maintenance. Defines “public safety equipment and materials” as well as providing examples of items that do not meet that definition.

**Effective Date:** July 1, 2021  
**Code:** IC 6-2.5-5-55  
**Enrolled Act:** SEA 383, Sec. 5

**Summary:** Eliminates the requirement that if the department determines that a person’s estimated monthly gross sales and use tax liability for the current year or average monthly gross sales and use tax liability for the preceding year; exceeds \$5,000, the person shall pay the monthly gross sales and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier’s check, certified check, or money order to the department.

**Effective Date:** July 1, 2021  
**Code:** IC 6-2.5-6-1  
**Enrolled Act:** SEA 383, Sec. 6

**Summary:** Provides that unless the department revokes the exemption certificate, an exemption certificate issued by the department to a power subsidiary, or a person engaged as a public utility pursuant to IC 6-2.5-4-5 remains valid regardless of a one-to-one meter change. Further provides that a power subsidiary or a person engaged as a public utility is a retail merchant furnishing or selling electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for commercial or domestic consumption must maintain records sufficient to document each one to one meter change. Further, a person may request the department to reissue an exemption certificate with a new meter number in the event of a one-to-one meter change.

**Effective Date:** July 1, 2021  
**Code:** IC 6-2.5-8-8  
**Enrolled Act:** SEA 383, Sec. 7

**Summary:** Adds a new subsection (i) providing that in the case of federal adjustments, adjusted gross income includes the amounts of partnership-level adjustments that would have been includable in federal income tax even if there is not an actual adjustment to the taxpayer’s return. Provides the adjusted gross income does not include amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-1-3.5  
**Enrolled Act:** SEA 383, Sec. 8

**Summary:** Defines “partnership” for purposes of IC 6-3 to mean an entity subject to the requirements of Subchapter K of the Internal Revenue Code.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-1-19  
**Enrolled Act:** SEA 383, Sec. 9

**Summary:** Adds “an estate” to the list of “pass through entities” for purposes of IC 6-3.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-1-35  
**Enrolled Act:** SEA 383, Sec. 10

**Summary:** Adds a new subsection (d) to allow for a taxpayer who is eligible for a credit for taxes paid to a foreign county to provide evidence of the tax that would be due to the foreign country. This applies only if there is a timing

difference between the inclusion of the foreign source income in Indiana adjusted gross income tax and the payment of foreign income tax on that income.

**Effective Date:** January 1, 2017

**Code:** IC 6-3-3-3

**Enrolled Act:** SEA 383, Sec. 11

**Summary:** Clarifies various issues regarding estimated taxes for individuals and corporations, including application of penalties based on failure to pay local income tax and the scope of credits applicable against individual income tax. Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-4.1

**Enrolled Act:** SEA 383, Sec. 12

**Summary:** Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a consolidated or combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-6

**Enrolled Act:** SEA 383, Sec. 13

**Summary:** Removes two amounts from the required information provided on each employer filing of the WH-1 withholding statement. Those amounts are the total amount of wages paid to the employer's employees; and the amount deducted therefrom in accordance with the provisions of the Internal Revenue Code.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8

**Enrolled Act:** SEA 383, Sec. 14

**Summary:** Eliminates the requirement that if the department determines that a person's estimated monthly withholding tax remittance for the current year or average monthly withholding tax remittance for the preceding year exceeds \$5,000, the person shall pay the monthly gross retail and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-8.1

**Enrolled Act:** SEA 383, Sec. 15

**Summary:** Adds a new section providing the department with the authority to provide procedures to handle unusual passthrough withholding situations.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-15.1

**Enrolled Act:** SEA 383, Sec. 16

**Summary:** Adds a new section requiring corporations with over \$1,000,000 in gross receipts to file returns electronically beginning with the 2022 taxable year. Authorizes the department to provide exceptions and to publish those exceptions in the Indiana Register. Provides that a return includes an amended return.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4-16.3

**Enrolled Act:** SEA 383, Sec. 17

**Summary:** Provides various definitions for purposes of a chapter IC 6-3-4.5.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-1

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that references to amended returns or amended statements includes original returns or statements if none had been previously issued. Provides that references to taxes include penalties and interest. Provides that, if an adjustment for federal purposes is treated as occurring in a particular tax year for purposes of computing federal tax interest and penalties, that adjustment is treated as occurring in the same taxable year as federal purposes (federal law will require that prior-year adjustments be subject to tax in a later year, but interest and penalties are computed from the due date of the prior-year return. This treats the federal adjustment as occurring in the prior year). Provides that a state adjustment follows the taxable year of the adjustment unless the change is required to occur in a different year under federal law. Provides that a reference to local income tax includes previously repealed taxes where appropriate. Provides a tiering rule for tiered partnerships. Provides a definition of applicable deadline for partnerships, tiered partners, and end partners, and rules applicable to partners and other entities that are subject to multiple deadlines.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-2

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if the department disagrees with a partnership's reporting of partnership attributes, the department shall issue a report of proposed partnership adjustments. If the report of proposed partnership adjustments could result in an assessment to one or more partners, the report of proposed partnership adjustments is treated as a proposed assessment to the partnership. If the report of proposed partnership adjustments could result in an assessment to any partner (i.e., all partners have refunds or no change), the department must issue a report of proposed partnership adjustments; however, the partners are responsible for filing any refunds. Further provides that, if partnership adjustments result from an assessment for one period and a refund (or zero tax adjustment) for another period, both periods are to be treated as a proposed assessment.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-3

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a report of proposed partnership adjustments is considered a proposed assessment to the partnership for purposes of protest and appellate rights.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-4

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a report of proposed partnership adjustments generally becomes final when no further administrative or judicial appeal can be taken. Provides that, if a determination is made that would adjust a report of proposed partnership adjustments, the department has 180 days to issue a report of final partnership adjustments. If the report is not provided in the 180 day-period, a partnership is given an extra day to act without sanction under IC 6-3-4.5-18 for each day the report of final partnership adjustments is delayed. Provides that, in the event of a settlement, the report of final partnership adjustments must be issued within 180 days of the execution of the settlement.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-5

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Requires a partnership to issue a partner level adjustments report to its direct partners no later than 90 days after the report of final partnership adjustments is issued to the partnership. Requires that the partnership

provide a copy of the partner level adjustments report to the department within 90 days of the report of final partnership adjustments and, if applicable, pay any additional withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receives a partner level adjustments report or other amended statement arising from a partner level adjustments report to provide amended statements to indirect partners and the department, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date the end partner receives a partner level audit report or statement arising from a partner level audit report to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline for filing a protest (in the case of an audited partnership) or the deadline for filing an amended return (in the case of a tiered partner). Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-6

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partner has not reported the proper amount of tax due, the department shall issue an assessment to the partner. However, any information in the partner level adjustments report shall be considered final.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-7

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partnership did not correctly report or allocate a tax attribute for a taxable year or receives a final federal determination, the partnership shall file an amended return. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed at the time of filing the amended partnership return (in the case of the partnership filing the amended return) or the deadline for filing an amended return (in the case of a tiered partner). Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-8

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a partnership shall file an amended return and provide amended statements to partners within 180 days after the partnership receives final federal adjustments. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline the amended partnership return (in the case of the partnership receiving the federal adjustments). Provides computations of tax for various groups of partners. Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-9

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that direct and indirect partners are subject to the payment and reporting requirements under IC 6-3-4.5-8 (related to amended returns). Provides that tiered partners that are partnership can make an election to be taxed at the partnership level related to federal adjustments no later than the date by which the partnership is required to provide statements or other reports to its partners under IC 6-3-4.5-8. Permits the department to adopt rules under IC 4-22 governing federal adjustments and elections to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-10

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that a partnership and the department may enter into an agreement on how to compute taxes under a partnership election to remit taxes at the partnership level. Provides that the election must be made no later than the deadline for the partnership to file an amended return related to federal adjustments for an affected taxable year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-11

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that an election to be taxed at the partnership level is irrevocable unless the department provides otherwise. Provides that taxes paid at the partnership level are treated as the tax for the direct and indirect partners of the partnership. Provides that, if an election is determined to be invalid, the taxes paid on behalf of an entity shall be treated as withholding taxes.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-12

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that the partnership must appoint a partnership representative. Provides that if a federal partnership representative is appointed, that person will be treated as the state partnership representative unless the partnership appoints a different representative. Allows the department to set qualifications for state partnership representatives.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-13

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that an assessment against a partner related to a report of final partnership adjustments may not be issued if the department does not issue a report of proposed partnership adjustments prior to specified dates based on the partnership's return filing. Provides that, if a partnership that is a tiered partner fails to report the proper information related to a report of final partnership adjustments, the date is 180 days after the applicable deadline for the tiered partner or the deadline otherwise applicable to a partnership.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-14

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a taxpayer fails to properly report adjustments related to a department audit, the department has the latest of (1) 180 days from the date the department receives the statement or other information related to the department adjustment from the entity required to provide the information, (2) 180 days from the applicable deadline for the taxpayer, or (3) the statute of limitations otherwise applicable to the partner under IC 6-8.1-5-2 to issue a proposed assessment to the taxpayer. Provides that, if the taxpayer would be subject to multiple different deadlines arising from the same set of department adjustments, the statute of limitations for an assessment is the latest of the deadlines. Provides that a taxpayer can appeal a proposed assessment; however, the department adjustments are considered conclusive with regard to the taxpayer (in other words, the partner cannot contest the results of the partnership audit).

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-15  
**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partnership correctly reports attributes on an original or amended return, but the partner fails to report the information correctly, the department has the later of (1) 180 days from the applicable deadline for the taxpayer or (2) the regular statute of limitations under IC 6-8.1-5-2 to issue an assessment against a taxpayer. Provides that, in the case of a refund arising from an amended return, the deadline is (1) the regular deadline provided under IC 6-8.1-9-1, if the change is not the result of federal adjustments by the Internal Revenue Service or (2) the applicable deadline for the taxpayer (generally 270 days from the final date plus 30 days per additional tier for tiered partnerships), if the adjustment arises from Internal Revenue Service adjustments. Provides that, in the case of an appeal from an amended return, the amended return is considered conclusive with regard to the partner.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-16  
**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a partner reports partnership attributes in an inconsistent manner from the partnership and does not disclose the inconsistent reporting in the manner prescribed by the department, the statute of limitations for assessing the partner is the later of (1) the statute of limitations under rules similar to IC 6-8.1-5-2 for the partnership's return or (2) the statute of limitations for the partner. Provides that if a partnership fails to file a return or provide the partner with a statement of tax attributes from the partnership, the partner is automatically considered to have reported all attributes in an inconsistent matter. Provides that the partnership's reporting of tax attributes is conclusive with regard to the partner unless the partnership's reporting is fraudulent or in bad faith.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-17  
**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if an entity is required to provide statements to partners and fails to do so in a timely manner, the entity is subject to assessment of tax for any tax otherwise due from the partners. Provides that the entity is subject to tax at the highest rate provided under Indiana law unless the partnership can establish that a lower rate is applicable. Provides that the entity is not subject to tax if the entity has made a valid election to be taxed at the partnership level. Provides that the tax is considered due on the due date of the entity's return for purposes interest and penalties. Provides that reports, statements or other information are issued but returned to the entity and the partnership either (1) does not take reasonable steps to do so within 30 days after the document is returned or (2) takes reasonable steps but fails to reissue the returned document within 30 days after the document is returned, then the document is considered to have not been issued. Provides that an assessment must be issued within three years after the department receives a return or amendment return from which the non-issued statements relate. Provides that if a taxpayer files a return and remits the tax otherwise due, the assessment shall be reduced by the amount of tax paid. Provides that a taxpayer who subsequently reports the tax attributes is permitted to treat the tax as paid on their behalf; however, a taxpayer cannot seek a refund. Provides that this section does not relieve the entity of any duty to issue statements and authorizes the department to grant relief to other entities that are affected by the unissued statements.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-18  
**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a taxpayer would be permitted a refund for taxes paid on its behalf by a partnership or tiered partner (e.g., a withholding tax payment), the taxpayer may claim a refund no later than the applicable deadline for the taxpayer or the date otherwise permitted under IC 6-8.1-9-1.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-19  
**Enrolled Act:** SEA 383, Sec. 18



**Summary:** Provides that a partnership or tiered partner and the department may agree to extend the period for any required actions under IC 6-3-4.5 prior to the deadline for such action. In the case of a partnership or tiered partner with more than 10,000 direct owners, the entity is permitted an automatic 60 day extension upon request and without requiring the department to agree. Provides that the partnership and other entities affected by partnership adjustments may agree to an extension, with the department and the affected taxpayer required to sign the extension. Provides that if an extension is granted, the taxpayer must agree to keep all records until the extension ends. Provides that if an extension is entered into, then downstream periods (e.g., partners filing amended returns) are also extended in the same manner. Provides that more than one extension can be entered into (except the automatic 60-day extension for large partnerships). Provides that the department may publish additional guidelines for automatic extensions in the Indiana Register.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-4.5-20

**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Changes the taxable year for which the redevelopment tax credit may be claimed from the taxable year in which the qualified investment is made to the year for which the Indiana economic development corporation credits the qualified investment.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3.1-34-11

**Enrolled Act:** SEA 383, Sec. 19

**Summary:** Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

**Effective Date:** Upon passage

**Code:** IC 6-3.6-3-9

**Enrolled Act:** SEA 383, Sec. 24

**Summary:** Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.6-3-9.5

**Enrolled Act:** SEA 383, Sec. 25

**Summary:** Adds a new subsection (e) providing that in the case of federal adjustments, adjusted gross income includes the amounts of partnership-level that would have been subject to federal income tax even if there is not an actual adjustment to the taxpayer's return. Provides the adjusted gross income does not include amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-5.5-1-2

**Enrolled Act:** SEA 383, Sec. 26

**Summary:** Provides that the definition of partnership for financial institutions tax is the same as the adjusted gross income tax definition.

**Effective Date:** July 1, 2021

**Code:** IC 6-5.5-1-19

**Enrolled Act:** SEA 383, Sec. 27

**Summary:** Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-6-6  
**Enrolled Act:** SEA 383, Sec. 28

**Summary:** Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

**Effective Date:** July 1, 2021  
**Code:** IC 6-5.5-7-1  
**Enrolled Act:** SEA 383, Sec. 29

**Summary:** Provides that the annual index calculation cannot result in a decrease in the gasoline excise tax.

**Effective Date:** July 1, 2021  
**Code:** IC 6-6-1.1-201  
**Enrolled Act:** SEA 383, Sec. 30

**Summary:** Adds a new subsection (c) to provide that if there is a revision to the inflation or Indiana personal income factors after the annual index factors after May 31, the factors as published (i.e., prior to revision) shall be used to determine the next year's index factors.

**Effective Date:** July 1, 2021  
**Code:** IC 6-6-1.6-3  
**Enrolled Act:** SEA 383, Sec. 31

**Summary:** Provides that the annual index calculation cannot result in a decrease in the special fuel license tax.

**Effective Date:** July 1, 2021  
**Code:** IC 6-6-2.5-28  
**Enrolled Act:** SEA 383, Sec. 32

**Summary:** Establishes the deadline by which an assessment must be issued by the department in the case of a credit against a listed tax based on payments of taxes to a state or local jurisdiction outside Indiana or payments of amounts that are subsequently refunded or returned. In this case, a proposed assessment for the refunded or returned credit must be issued by the later of the date by which a proposed assessment otherwise must be issued under IC 6-8.1-5-2 or 180 days from the date the taxpayer notifies the department of the refund or return of payment. For purposes of IC 6-8.1-5-2, if a taxpayer receives a refund of an amount paid by or on behalf of the taxpayer for a listed tax, that refund shall not be considered the payment of an amount that is subsequently refunded or returned.

**Effective Date:** July 1, 2021  
**Code:** IC 6-8.1-5-2  
**Enrolled Act:** SEA 383, Sec. 33

**Summary:** Permits the department to release the name and business address of a person that is issued a retail merchant's certificate for the purpose of reporting the status of the person's certificate.

**Effective Date:** July 1, 2021  
**Code:** IC 6-8.1-7-1  
**Enrolled Act:** SEA 383, Sec. 34

**Summary:** Provides that the last date for refund claims arising from federal partnership adjustments includes the last date under IC 6-3-4.5. Provides that for protective payments made in anticipation of federal audit adjustments, the refund date is 180 days from the date the federal adjustments are final, or the date otherwise prescribed under IC 6-8.1-9-1, whichever is later. Extends the statute of limitations for refunds based on taxes paid to another state, country, or local jurisdiction as a result of an assessment by the other jurisdiction after the normal refund statute of limitations had expired to 180 days after the date the tax is paid to the other jurisdiction.

**Effective Date:** July 1, 2021  
**Code:** IC 6-8.1-9-1  
**Enrolled Act:** SEA 383, Sec. 35

**Summary:** Modifies the date from which interest is accrued on a refund claim to account for a refund claim based on payment of a tax by the taxpayer to another state, country, or locality.

**Effective Date:** July 1, 2021  
**Code:** IC 6-8.1-9-2  
**Enrolled Act:** SEA 383, Sec. 36

**Summary:** Adds failure to file a return in the electronic manner required by the department if such return is required to be filed electronically to preexisting filing failures that subject a taxpayer to penalty under IC 6-8.1-10-2.1.

**Effective Date:** July 1, 2021  
**Code:** IC 6-8.1-10-2.1  
**Enrolled Act:** SEA 383, Sec. 37

**Summary:** Codifies the department's prior interpretation that carriers registering full trailers with Indiana under the International Registration Plan should be charged a prorated amount based on their Indiana mileage.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-5-8  
**Enrolled Act:** SEA 383, Sec. 38

**Summary:** Expands the definition of "seller" for purposes of the enhanced prepaid wireless telecommunications service charge to include a person that sells prepaid wireless telecommunications service to another person and meets one or both of the economic thresholds for remote sellers under IC 6-2.5-2-1(d).

**Effective Date:** July 1, 2021  
**Code:** IC 36-8-16.6-10  
**Enrolled Act:** SEA 383, Sec. 42

### **SEA 384**

**Summary:** Increases, for state fiscal years beginning after June 30, 2021, the maximum amount of covered taxes that may be captured in the Allen County Professional Sports and Convention Development Area (PSCDA) to \$5 million per year. For state fiscal years beginning before July 1, 2021, the maximum amount of covered taxes that may be captured in the PACDA was \$3 million.

Expands the area covered by the Evansville PSCDA so as to include the addition of the downtown convention center hotel.

Expands the area covered by the South Bend PSCDA so as to include three additional downtown hotels, the Howard Park event center, and facilities located on the IU-South Bend campus.

**Effective Date:** July 1, 2021  
**Code:** 36-7-31.3-8  
**Enrolled Act:** SEA 384, Sec. 1

**Summary:** Changes the distribution formula for funds raised from the Allen County Professional Sports and Convention Development Area (PSCDA).

Establishes the termination date of the Allen County PSCDA as no later than December 31, 2038. Restricts any bonds that were issued before January 1, 2015 to finance the facility or proposed facility to a maturity of less than 25 years.

Extends the Evansville PSCDA that was set to expire before July 1, 2021 for an additional 20 consecutive years.

Extends the South Bend PSCDA that was set to expire before July 1, 2021 for an additional 20 years after June 30, 2021. Establishes that the maximum amount of covered taxes that may be captured in the South Bend PSCDA is \$2,000,000 per year.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.3-10

**Enrolled Act:** SEA 384, Sec. 2

**Summary:** Changes the expiration date of this chapter regulating professional sport development areas from December 31, 2040, to December 31, 2041.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.3-21

**Enrolled Act:** SEA 384, Sec. 3

### **SEA 385**

**Summary:** Extends the deadline for the establishment of an additional professional sports development area (PSDA) in Marion County from July 1, 2022 to 2024.

**Effective Date:** July 1, 2021

**Code:** 36-7-31.5-5

**Enrolled Act:** SEA 385, Sec. 1

**Summary:** Changes the earliest beginning date of covered tax collection in the professional sports development area (PSDA) from June 30, 2021 to June 30, 2023 or the date on which all of the conditions in IC 36-7-31.5 are met.

**Effective Date:** June 29, 2021

**Code:** 36-7-31.5-8

**Enrolled Act:** SEA 385, Sec. 2

### **SEA 400**

**Summary:** Allows the Bureau of Motor Vehicles to contract with one or more qualified vendors to develop and implement a statewide electronic lien and title system; or develop and make available to qualified service providers, a well-defined set of information services that will enable secure access to the data and internal application components necessary to facilitate the creation of a statewide electronic lien and title system.

**Effective Date:** Upon passage

**Code:** IC 9-17-5-6

**Enrolled Act:** SEA 400

### **HEA 1001**

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, “base year state income tax liability” to mean the amount of state income tax paid by an individual who receives a financial assistance award from the fund during the taxable year immediately preceding the taxable year in which the individual enrolled in the qualified education program.

**Effective Date:** July 1, 2021

**Code:** IC 5-34-1-2

**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, “INvestED Indiana” to mean the Indiana-based, nonprofit financial aid literacy and student loan organization commonly known as INvestED.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-1-5  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Defines, for purposes of the Indiana Career Accelerator Fund, “qualified education program” to mean a program that is certified by INvestED Indiana.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-1-6  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Establishes the Indiana career accelerator fund to provide financial assistance awards to assist individuals in obtaining credentials from qualified education programs.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-1  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Establishes that the Indiana career accelerator fund consists of the following: appropriations made by the general assembly; grants and gifts intended for deposit in the fund; repayments of awards from the fund; interest that accrues from investments of money in the fund; and money received from the department under IC 5-34-3-2.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-2  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Directs that INvestED Indiana shall administer the Indiana career accelerator fund.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-3  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Requires that for each individual who receives a financial assistance award from the Indiana career accelerator fund, the department shall, in each of the 10 taxable years following the taxable year in which the individual graduates from the qualified education program, determine the difference between the individual’s base year state income tax liability and the amount of state income tax liability the individual paid in that particular taxable year.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-1  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Directs that if the amount determined in IC 5-34-3-1 for a particular taxable year is greater than zero, the department shall transfer an amount equal to the amount determined in IC 5-34-3-1 to INvestED Indiana for deposit in the Indiana career accelerator fund.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-2  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Requires a qualified education program and INvestED Indiana to provide the department any information necessary for the department to carry out IC 5-34-3. Restricts the use of the information shared under IC 5-34-3-3 to making the determinations required by IC 5-34-3.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-3  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Authorizes the department to adopt rules under IC 4-22-2 necessary to implement IC 5-34-3.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-4  
**Enrolled Act:** HEA 1001, Sec. 65

**Summary:** Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

**Effective Date:** July 1, 2021  
**Code:** IC 6-2.5-1-5  
**Enrolled Act:** HEA 1001, Sec. 69

**Summary:** Adds a delinquency in remitting the electronic cigarette tax to the reasons that the department may not renew a registered retail merchant certificate.

**Effective Date:** July 1, 2021  
**Code:** IC 6-2.5-8-1  
**Enrolled Act:** HEA 1001, Sec. 70

**Summary:** Provides, in the definition of adjusted gross income, a new addback for 2020 for above-the-line charitable contributions by individuals. Provides a new addback for individuals beginning in 2020 for student loan payments from employers excluded from federal adjusted gross income. Permits a deduction against adjusted gross income for interest otherwise disallowed on student loan payments from employers excluded from federal adjusted gross income. Provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new addback for individuals, estates, and trusts starting in 2018 and ending in 2020 for excess business losses and permits bonus depreciation and other expensing to be deferred in certain cases. Provides a new addback for individuals for certain student loans discharged and available for exclusion from federal adjusted gross income, along with a provision that permits the exclusion if the federal insolvency exception from income inclusion would apply otherwise. Provides a new deduction for 2020 and later for expenses disallowed as a result of claiming a federal employee retention credit. Permits a deduction for individuals for Indiana education scholarship account donations that are (1) required to be included in federal adjusted gross income and (2) are used to pay for qualifying expenses.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]  
**Code:** IC 6-3-1-3.5  
**Enrolled Act:** HEA 1001, Sec. 71

**Summary:** Defines the “Internal Revenue Code” to mean the Internal Revenue Code of 1986 of the United States as amended and in effect on March 31, 2021.

Provides that to the extent a federal statute in the United States Code is enacted or amended in a title other than the Internal Revenue Code on or before March 31, 2021, and affects federal adjusted gross income, federal taxable income, federal tax credits, or other federal tax attributes, the federal statute shall be considered part of the Internal Revenue Code as amended and in effect on March 31, 2021.

Provides that federal regulations pertaining to provisions of the Internal Revenue Code or other federal statutes affecting federal taxation as described in the preceding paragraph properly adopted on or before March 31, 2021, shall be regarded as rules adopted by the department under IC 6-3, unless the department adopts specific rules that supersede the regulation.

**Effective Date:** January 1, 2021 (RETROACTIVE)  
**Code:** IC 6-3-1-11  
**Enrolled Act:** HEA 1001, Sec. 72

**Summary:** Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC

section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for estates and trusts as part of the secondary net operating loss computation.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-2-2.5

**Enrolled Act:** HEA 1001, Sec. 73

**Summary:** Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year and from Indiana sources is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for all other entities as part of the secondary net operating loss computation.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-2-2.6

**Enrolled Act:** HEA 1001, Sec. 74

**Summary:** Clarifies the calculation methodology for Indiana's unemployment compensation deduction.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3-2-10

**Enrolled Act:** HEA 1001, Sec. 75

**Summary:** Defines "qualified Indiana investment fund" for purposes of the venture capital investment tax credit to mean any private fund that meets the definition of a venture capital fund in 17 CFR275.203(l)-1 and that is certified by the Indiana economic development corporation (IEDC) as provided in IC 6-3.1-24-7.5.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-2.5

**Enrolled Act:** HEA 1001, Sec. 76

**Summary:** Expands the definition of "qualified investment capital" for purposes of the venture capital investment tax credit to include otherwise permissible debt or equity capital that is provided to a qualified Indiana investment fund.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-3

**Enrolled Act:** HEA 1001, Sec. 77

**Summary:** Defines "substantial presence" for purposes of the venture capital investment tax credit to mean maintaining a company headquarters in Indiana or maintaining at least 75% of a company's total payroll in Indiana. For a company receiving qualified investment capital from a qualified Indiana investment fund the company shall be considered to have substantial presence in Indiana if the company commits to relocate its headquarters or 75% of its total payroll to Indiana within one year of receiving qualified investment capital from a qualified Indiana investment fund.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-4.5

**Enrolled Act:** HEA 1001, Sec. 78

**Summary:** Establishes that a taxpayer that provides qualified investment capital to a qualified Indiana investment fund and fulfills the requirements of the IEDC under IC 6-3.1-24-12.5 is entitled to a credit against the taxpayer's state tax liability in a taxable year equal to the amount specified in IC 6-3.1-24-8.5.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-6

**Enrolled Act:** HEA 1001, Sec. 79

**Summary:** Establishes the requirements for the IEDC certifying that an investment fund is a qualified Indiana investment fund.

The IEDC may only certify a fund as a qualified Indiana investment fund if the fund makes investments according to a policy that: requires eligible companies to be primarily focused on the commercialization of research and development, technology transfer, or application of new technology; and prioritizes investments in companies that have received a grant, loan, or other investment funds provided by the Indiana twenty-first century research and technology fund established by IC 5-28-16-2 or maintain a substantial presence in Indiana.

An investment fund must apply to be certified as a qualified Indiana investment fund on a form prescribed by the IEDC. If an investment fund is certified as a qualified Indiana investment fund, the IEDC shall provide a copy of the certification to the investors in the qualified Indiana investment fund for inclusion in tax filings.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-7.5

**Enrolled Act:** HEA 1001, Sec. 80

**Summary:** Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits generally available for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of 25% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or \$1,000,000.

Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a particular qualified Indiana business, if the qualified Indiana business is a minority business enterprise or a women's business enterprise, equals the lesser of 30% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or \$1,500,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-8

**Enrolled Act:** HEA 1001, Sec. 81

**Summary:** Provides that the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a qualified Indiana investment fund equals the lesser of 20% of the total amount of qualified investment capital provided to the qualified Indiana investment fund in the calendar year or \$5,000,000.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-8.5

**Enrolled Act:** HEA 1001, Sec. 82

**Summary:** Prohibits a taxpayer making an investment in a qualified Indiana investment fund from claiming the venture capital investment tax credit before July 1, 2023.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-12.5

**Enrolled Act:** HEA 1001, Sec. 86

**Summary:** Caps, after December 31, 2021, the total amount of venture capital investment tax credits that the IEDC may award in a calendar year at \$20 million, provided that not more than \$7.5 million is awarded for proposed investments in a qualified Indiana investment fund. Prior to January 1, 2021, the total amount of venture capital investment tax credits that IEDC may award in a calendar year remains \$12 million.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-24-15

**Enrolled Act:** HEA 1001, Sec. 87

**Summary:** Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is not



a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the taxpayer must propose at least \$250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than \$170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.

If a Hoosier business investment tax credit exceeds a taxpayer's state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate \$170,000,000.

IC 6-3.1-26-15(g-h) expire December 31, 2031.

**Effective Date:** Upon passage

**Code:** IC 6-3.1-26-15

**Enrolled Act:** HEA 1001, Sec. 88

**Summary:** Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is a shareholder, member, or partner of a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the pass through entity must propose at least \$250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than \$170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.

If a Hoosier business investment tax credit exceeds a taxpayer's state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate \$170,000,000.

IC 6-3.1-26-16(g-h) expire December 31, 2031.

**Effective Date:** Upon passage

**Code:** IC 6-3.1-26-16

**Enrolled Act:** HEA 1001, Sec. 89

**Summary:** Increases the total amount of school scholarship credits that may be awarded for fiscal years 2022 and 2023. The new limits are \$17,500,000 for fiscal year 2022 and \$18,500,000 for fiscal year 2023. The limit returns to \$16,500,000 for fiscal year 2024 and following fiscal years.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-30.5-13

**Enrolled Act:** HEA 1001, Sec. 90

**Summary:** Defines terms for purposes of the newly established foster care support tax credit.

Defines "foster care" to mean living in a place licensed under IC 31-27. Defines "person" to mean an individual, a corporation, a limited liability company, a partnership, or another legal entity.

Defines “qualifying foster care organization” to mean an organization that meets the following qualifications: the organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; the organization provides foster care prevention services and programs as required by 42 U.S.C. 671 or direct assistance to individuals in the foster care system; the organization spends at least 50% of its available revenue on qualified services to Indiana residents; the organization affirms that it will continue spending at least 50% of its available revenue on qualified services to Indiana residents; and the organization provides ongoing qualified services to at least 200 Indiana residents.

Defines “state fiscal year” to mean a 12 month period beginning on July 1 and ending on June 30.

Defines “state tax liability” to mean the taxpayer’s total tax liability that is incurred under: IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and IC 6-5.5 (the financial institutions tax); as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the foster care support tax credit.

Defines “tax credit” to mean a deduction from any tax otherwise due under IC 6-3 or IC 6-5.5.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-1

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Provides that a person who makes a monetary contribution to a qualifying foster care organization shall receive a tax credit as provided in IC 6-3.1-35.8-3.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-2

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that the department shall grant a tax credit against any state tax liability due equal to 50% of the amount of the monetary contribution by a person to a qualifying foster care organization that is approved by the Department of Child Services under IC 6-3.1-35.8-4. However, the tax credit which a taxpayer receives may not exceed \$10,000 for any taxable year of the taxpayer.

Provides that if a person that is: exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(2) or a partnership does not have any tax liability against which the foster care support tax credit may be applied, a shareholder or a partner of the business firm is entitled to a credit against the shareholder’s or partner’s liability under the adjusted gross income tax. In this case, the amount of the tax credit provided is equal to the tax credit determined for the business firm for the taxable year multiplied by the percentage of the business firm’s distributive income to which the shareholder or the partner is entitled. The tax credit provided in this case is in addition to any foster care support tax credit to which a shareholder or partner is otherwise entitled. However, a business firm and a shareholder or partner of that business firm may not claim a credit for the same monetary contribution to a qualifying foster care organization.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-3

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that any business firm or person that desires to claim the foster care support tax credit shall file with the department, in the form that the department may prescribe, an application stating the amount of the contribution or investment that it proposes to make that would qualify for a tax credit, and the amount sought to be claimed as a credit.

Directs the department promptly to notify an applicant whether, or the extent to which, the tax credit is allowable in the state fiscal year in which the application is filed. If the credit is allowable in that state fiscal year, the applicant shall within 30 days after receipt of the notice file with the department a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit has been

paid to a qualifying foster care organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.

Authorizes the department to disallow any credit claimed for which the statement or proof of payment is not filed within the 30-day period.

Requires that an organization must apply to the Department of Child Services for approval as a qualifying foster care organization. Directs the Department of Child Services shall approve each organization applicant that is a qualifying foster care organization as defined in IC 6-3.1-35.8-1(c) and provide a list of each approved organization annually to the Department of Revenue before July 1 of each year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-4

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Limits the amount of foster care support tax credits allowed to \$2,000,000 in any state fiscal year beginning July 1, 2021, through June 30, 2025. Requires the department to record the time of filing of each application for allowance of a tax credit and shall approve the applications, if they otherwise qualify for a tax credit, in the chronological order in which the applications are filed in the state fiscal year. When the total tax credits approved equals the maximum amount allowable in any state fiscal year, no application thereafter filed for that same fiscal year shall be approved. However, if any applicant for whom a credit has been approved fails to file the required statement of proof of payment, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-5

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Provides that a tax credit is only allowable for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid. Prohibits the refund of any unused credit.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-6

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Establishes that the foster care support tax credit only applies to taxable years beginning after December 31, 2021.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-7

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Expires the foster care support tax credit chapter (IC 6-3.1-35.8) July 1, 2025.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-35.8-8

**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Requires the department, before October 1, 2023, and October 1 of each year thereafter, to provide each county a report for the fiscal year ending in the calendar year of the report. The report shall contain at least the following information: the number of returns filed by single, joint, and married filing separate status; the number of returns filled by full-year and filers who are not full-year residents; the amounts billed to county taxpayers for underpayment of tax during the fiscal year; the amounts collected from county taxpayers for amounts billed prior to the end of the state fiscal year ending in the calendar year of the report; and the amounts reported on the individual lines of the annual returns filed by or for county taxpayers during the fiscal year ending in the calendar year of the report. If

the amounts reported on one or more individual returns can reasonably identify the return information of one or more county taxpayers or can reasonably result in a disclosure not permitted under Section 6103 of the Internal Revenue Code, the department may redact those amounts and such other amounts necessary to prevent the disclosure of the return information of such county taxpayers.

**Effective Date:** July 1, 2023

**Code:** IC 6-3.6-9-19

**Enrolled Act:** HEA 1001, Sec. 96

**Summary:** For purposes of the definition of adjusted gross income for purposes of the financial institutions tax, provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new deduction for 2020 and later for expenses disallowed as a result of claiming a federal employee retention credit.

**Effective Date:** January 1, 2021; date changed to 1/1/2020 by HEA 1436

**Code:** IC 6-5.5-1-2

**Enrolled Act:** HEA 1001, Sec. 98

**Summary:** Clarifies that the Internal Revenue Code use of “article” in IC 6-3-1-11 also applies to financial institutions tax.

**Effective Date:** Upon passage

**Code:** IC 6-5.5-1-11

**Enrolled Act:** HEA 1001, Sec. 99

**Summary:** Provides that beginning July 1, 2021, the department transfer aviation fuel excise taxes to the new airport development grant fund.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-13-15

**Enrolled Act:** HEA 1001, Sec. 100

**Summary:** Provides a definition of a “closed system cartridge.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-0.5

**Enrolled Act:** HEA 1001, Sec. 101

**Summary:** Provides a definition of “consumable material.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-0.7

**Enrolled Act:** HEA 1001, Sec. 102

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the definition of “distributor.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-2

**Enrolled Act:** HEA 1001, Sec. 103

**Summary:** Creates a definition of a “taxable product” to mean either a tobacco product or a closed system cartridge.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-3.5

**Enrolled Act:** HEA 1001, Sec. 104

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the definition of “retail dealer.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-4

**Enrolled Act:** HEA 1001, Sec. 105

**Summary:** Provides a definition of a “vapor product.”

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-5.5

**Enrolled Act:** HEA 1001, Sec. 106

**Summary:** Creates a consumer responsibility for remitting the other tobacco products tax when the consumer purchases untaxed product.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-7

**Enrolled Act:** HEA 1001, Sec. 107

**Summary:** Creates the closed system cartridge tax, which is a tax collected by a distributor on sales of closed system cartridges and imposed at 25% of the wholesale price. Provides the requirements for collection on the distributor. Imposes a consumer responsibility for remitting the tax when the consumer purchases untaxed product.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-108

**Enrolled Act:** HEA 1001, Sec. 108

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for distributor licensure requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-8

**Enrolled Act:** HEA 1001, Sec. 109

**Summary:** Replaces the term “tobacco products” with the term “taxable products.” and “the tax” with “a tax” within the section providing for filing requirements of the taxes imposed in the OTP tax chapter. Adds the wholesale price of closed system cartridges sold as an item required to be included with a closed system cartridge tax return.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-12

**Enrolled Act:** HEA 1001, Sec. 110

**Summary:** Replaces the term “tax” with “taxes” within the section providing for a collection allowance for taxes collected under the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-13

**Enrolled Act:** HEA 1001, Sec. 111

**Summary:** Replaces the term “tobacco products” with the term “taxable products.” and “tax” with “taxes” within the section providing for credit or refunds of the taxes imposed in the OTP tax chapter to distributors.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-14

**Enrolled Act:** HEA 1001, Sec. 112

**Summary:** Replaces the term “tax” with “taxes” within the section providing for a bad debt deduction for taxes under the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-14.5

**Enrolled Act:** HEA 1001, Sec. 113

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper registration requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-15

**Enrolled Act:** HEA 1001, Sec. 114

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper filing requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-16

**Enrolled Act:** HEA 1001, Sec. 115

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for criminal consequences of selling products without a license required in the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-18

**Enrolled Act:** HEA 1001, Sec. 116

**Summary:** Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturers, importers, brokers, and shippers who do not register or file the returns required in the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-19

**Enrolled Act:** HEA 1001, Sec. 117

**Summary:** Replaces the term “the tax” with “a tax” within the section providing for distributors who either knowingly disregard requirements of the OTP tax chapter or act with intent to evade the taxes imposed by the OTP tax chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-2-21

**Enrolled Act:** HEA 1001, Sec. 118

**Summary:** Creates the electronic cigarette tax. The tax is imposed on the retail sale of consumable material and vapor products in Indiana at a rate of 15% on the gross retail income received by the retail dealer. The person acquiring the consumable material or vapor product is liable for the tax, and the tax is a separate amount added to the consideration. Further specifies the registration requirements for dealers, the filing and remittance requirements, directions for the state to deposit and disburse the funds, and criminal consequences for not acting in accordance with the requirements of this chapter.

**Effective Date:** July 1, 2022

**Code:** IC 6-7-4

**Enrolled Act:** HEA 1001, Sec. 119

**Summary:** Adds the closed system cartridge tax and the electronic cigarette tax to the listed taxes under this section.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-1-1

**Enrolled Act:** HEA 1001, Sec. 120

**Summary:** Provides that the department may not issue or renew an electronic cigarette tax dealer’s certificate to a taxpayer on the most recent monthly tax warrant list unless certain requirements are met. Adds merchants whose electronic cigarette retail dealer’s certificate has been revoked or suspended to the list the department publishes of merchants whose registered retail merchant certificate has not been renewed or has been revoked.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-3-16

**Enrolled Act:** HEA 1001, Sec. 121

**Summary:** Makes a technical correction to references to IC 5-28-38-2 within this statute, noting that it has been repealed.

**Effective Date:** Upon passage

**Code:** IC 6-8.1-3-25

**Enrolled Act:** HEA 1001, Sec. 122

**Summary:** Adds the closed system cartridge tax to the list of taxes that the department's special tax division is required to enforce and administer.

**Effective Date:** July 1, 2022

**Code:** IC 6-8.1-4-1.6

**Enrolled Act:** HEA 1001, Sec. 123

**Summary:** Changes the distribution amount for the wine excise tax to 25 cents.

**Effective Date:** July 1, 2021

**Code:** IC 7.1-4-7-5

**Enrolled Act:** HEA 1001, Sec. 125

### **HEA 1009**

**Summary:** Increases the state earned income tax credit to an amount equal to 10% (instead of 9%) of the Indiana-modified federal earned income tax credit that an individual claimed for a taxable year.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.1-21-6

**Enrolled Act:** HEA 1009, Sec. 1

### **HEA 1055**

**Summary:** Codifies the Tribal-State Compact with the Pokagon Band of Potawatomi Indians. Asserts that nothing in the Compact authorizes the state to impose any tax, fee, charge, or assessment upon the Band or any Band gaming operation or Gaming Facility except for the reimbursement of expenses expressly authorized pursuant to the compact. Confirms that to the extent that the Band is required under federal law to withhold federal income tax from the gaming winnings of non-tribal patrons, the Band agrees to withhold State individual income tax from gaming winnings of non-tribal patrons. Requires the Band to maintain Band taxes on retail sales, food and beverage service, and hotel occupancy, which taxes shall be in an amount that is equal to or greater than any corresponding State and local taxes which would be applicable to the Band's Class III gaming operation if it were not located on the South Bend Site. Requires the Band to remit amounts withheld for State individual income tax together with Form WH-1 to the department. Requires the Band to annually submit Form WH-3 to the department in order to reconcile the total amounts remitted and submitted on Form WH-1 and the details of the amounts withheld per individual.

**Effective Date:** Upon passage

**Code:** IC 4-29.5-10-1

**Enrolled Act:** HEA 1055

### **HEA 1084**

**Summary:** Makes a technical correction by replacing the word "section" with "chapter."

**Effective Date:** July 1, 2021

**Code:** IC 6-3.1-29-13

**Enrolled Act:** HEA 1084, Sec. 11

**Summary:** Makes a technical correction by adjusting a reference to the appropriate subsections within the statute.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.6-3-6

**Enrolled Act:** HEA 1084, Sec. 12

**Summary:** Makes a technical correction by removing references dates.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.6-9-6

**Enrolled Act:** HEA 1084, Sec. 13

**Summary:** Makes a technical correction by correcting the alphanumerical designation of two subparts.

**Effective Date:** July 1, 2021

**Code:** IC 36-7-32-22

**Enrolled Act:** HEA 1084, Sec. 101

### **HEA 1115**

**Summary:** Provides that any person who removes, alters, defaces, or covers a sign posted by the department that states no retail transactions or sales can be made at a retail merchant's location now commits a Class C infraction. A retail merchant shall notify the department of any violation of subsection (a) that occurs on the retail merchant's premises. A retail merchant who fails to give the notice required by subsection (b) within two business days after the violation of subsection (a) occurs now commits a Class B infraction.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-9-7

**Enrolled Act:** HEA 1115, Sec. 3

### **HEA 1150**

**Summary:** Provides that a person who transports a vehicle or combination of vehicles with an overweight divisible load is subject to overweight divisible load permitting. Removes certain requirements regarding transportation of commodities.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-4-2

**Enrolled Act:** HEA 1150, Sec. 1

**Summary:** Provides that the Department of Transportation may not issue a permit for an overweight divisible load if the owner or operator of the vehicle has not provided the Department of Revenue with full payment for the permit prior to transporting the overweight divisible load.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-5-8

**Enrolled Act:** HEA 1150, Sec. 2

**Summary:** Provides that the Department of Revenue shall determine the extent of civil penalties for overweight divisible loads under certain conditions.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-18-7

**Enrolled Act:** HEA 1150, Sec. 3

**Summary:** Provides that the civil penalty for each permitting violation for transporting overweight divisible loads is not more than \$10,000 for each violation. Provides criminal or civil defenses in certain circumstances. Permits the department to determine at an administrative hearing whether a civil penalty should be assessed or reduced pursuant to a defense. Provides that the Department of Revenue may not assess a penalty on a citation for an oversize load after more than one year has passed from the date the person receives the citation.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-18-14.5

**Enrolled Act:** HEA 1150, Sec. 4

### **HEA 1169**

**Summary:** Requires a state agency (as defined in IC 4-1-10-2) other than state educational institutions and a political subdivision (as defined in IC 36-1-2-13) to report any cybersecurity incident using their best professional



judgment to the Indiana office of technology without unreasonable delay and not later than two business days after discovery of the cybersecurity incident in a format prescribed by the chief information officer; and provide the office with the name and contact information of any individual who will act as the primary reporter of a cybersecurity incident before September 1, 2021, and before September 1 of every year thereafter.

**Effective Date:** July 1, 2021

**Code:** IC 4-13.1-2-9

**Enrolled Act:** HEA 1169, Sec. 5

### ***HEA 1190***

**Summary:** Removes the list of commodities and the specific weight limitations for certain commodities from the definition of “overweight divisible load.” The gross vehicle weight limit is more than 80,000 pounds but not exceeding 120,000 pounds.

**Effective Date:** July 1, 2021

**Code:** IC 9-13-2-120.7

**Enrolled Act:** HEA 1190, Sec. 1

**Summary:** Provides that the Department of Transportation may issue an overweight permit for transporting overweight vehicles and loads carrying resources on certain highways in the state highway system.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-6-1

**Enrolled Act:** HEA 1190, Sec 2

**Summary:** Provides that no more than 8,500 single trip permits may be issued annually for applicants with a total equivalent single axle load calculation of more than 2.40 equivalent single axle load credit. Provides that the trip permit limit and trip weight limit do not include overweight divisible load permits obtained by shippers and carriers that obtained permits before January 1, 2021. Provides that the Department of Transportation (INDOT) may temporarily increase the number of overweight divisible load permits issued by order of the commissioner in response to an emergency or changes in market conditions. Provides that the INDOT may limit the number of overweight divisible load permits issued to an individual applicant. Requires the department to adopt rules due to lack of transportation options for certain resources, supply chain interruptions, or supply dock backlogs. No later than October 1, 2021, the department shall recalculate and apply permit fees for annual and trip permits based on the Joint Transportation Research Program publication JTRP-2014/14.

Provides that the INDOT shall issue a report to the legislative council and the interim study committee on roads and transportation regarding the fee structure of overweight divisible load permits, and regarding the impact of overweight divisible loads on roads and highways by July 1, 2023. Provides that the INDOT shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding market fluctuation in the number of overweight divisible load permits issued during the previous year. Provides that the state police department shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding the number of accidents involving applicants permitted for overweight divisible loads.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-6-2.2

**Enrolled Act:** HEA 1190, Sec. 3

**Summary:** Provides that a local authority may grant permits for transporting overweight divisible loads on local streets under the control of the local authority. A deviation from that route constitutes a violation subject to a civil penalty under IC 9-20-18-14.5.

**Effective Date:** July 1, 2021

**Code:** IC 9-20-6-2.5

**Enrolled Act:** HEA 1190, Sec. 4

**Summary:** Provides an increase in the fines for violations of overweight divisible loads by \$500 for each violation type (initial and subsequent violations).

**Effective Date:** July 1, 2021

**Code:** IC 9-20-18-14.5

**Enrolled Act:** HEA 1190, Sec. 5

### **HEA 1238**

**Summary:** Establishes the northeast Indiana strategic development commission as a body corporate and politic. This bill also provides for appointment of members of the commission and specifies the purposes of the commission.

**Effective Date:** July 1, 2021

**Code:** 36-7-39

**Enrolled Act:** HEA 1238, Sec. 1

### **HEA 1271**

**Summary:** Adds that counties may use any funds from the financial institution tax for any legal purposes.

**Effective Date:** July 1, 2021

**Code:** IC 6-5.5-8-2

**Enrolled Act:** HEA 1271, Sec. 47

**Summary:** Adds that counties may use any funds from the commercial vehicle excise tax for any legal purposes.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-5.5-20

**Enrolled Act:** HEA 1271, Section 48

**Summary:** Adds that the sale of aviation fuel is exempt from the aviation fuel excise tax if made to a current Federal Aviation Administration 14 CFR Part 137 certified aerial applicator performing agricultural operations.

**Effective Date:** July 1, 2021

**Code:** IC 6-6-13-7

**Enrolled Act:** HEA 1271, Sec. 49

**Summary:** Allows the Henry County food and beverage tax to be used to finance, construct, renovate, improve, equip, or maintain an expo center.

**Effective Date:** July 1, 2021

**Code:** IC 6-9-25-9.5

**Enrolled Act:** HEA 1271, Sec. 50

**Summary:** Provides that a parcel may not be included in more than one allocation area under IC 36-7-32 or under IC 6-1.1-39, IC 8-22-3.5, IC 36-7-14, IC 36-7-15.1, IC 36-7-30, or IC 36-7-30.5, for property tax purposes. Provides that a parcel under those provisions and in more than one district established by a resolution before May 1, 2021, is not subject to these restrictions.

**Effective Date:** Upon passage

**Code:** IC 36-7-32-28

**Enrolled Act:** HEA 1271, Sec. 97

### **HEA 1285**

**Summary:** Provides that the Bureau of Motor Vehicles shall remit certain taxes not more than 21 days after the collection of the tax. Provides that in the first year an amended surtax or wheel tax rate is effective, the prior surtax or wheel tax rate (as applicable) for the previous calendar year applies to vehicle registrations.

**Effective Date:** January 1, 2022

**Code:** IC 6-3.5-4-5, IC 6-3.5-4-9, IC 6-3.5-5-7, IC 6-3.5-5-11, IC 6-3.5-10-5, IC 6-3.5-10-9, IC 6-3.5-11-7, IC 3.5-11-12

**Enrolled Act:** HEA 1285

### **HEA 1356**

**Summary:** Clarifies that county vehicle excise tax imposed by a county will be due and shall be paid each year at the time the vehicle is registered except as provided in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill).

**Effective Date:** July 1, 2021

**Code:** IC 6-3.5-4-2

**Enrolled Act:** HEA 1356, Sec. 1

**Summary:** Clarifies that for except for a person described in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill), a person may not register a vehicle in a county that has adopted the surtax unless the person pays the surtax to the Bureau of Motor Vehicles.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.5-4-7

**Enrolled Act:** HEA 1356, Sec. 2

**Summary:** Creates a new section addressing permanent registration for trailers with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Under the new section, a person shall pay twice the amount of the surtax otherwise due annually when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. A person who pays twice the surtax amount for a permanent trailer registration is not subject to additional surtax payments under this chapter for the trailer.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.5-4-7.5

**Enrolled Act:** HEA 1356, Sec. 3

**Summary:** Clarifies that except for as provided in IC 6-3.5-10-8.5 (a new statute added in Section 6 of this bill), the municipal vehicle excise tax imposed by IC 6-3.5-10 for a vehicle is due and shall be paid each year at the time the vehicle is registered.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.5-10-2

**Enrolled Act:** HEA 1356, Sec. 4

**Summary:** Clarifies that except for a person described in IC 6-3.5-10-8.5 (a new statute added in Section 6 of this bill), a person may not register a vehicle in an adopting municipality unless the person pays the surtax due, if any, to the Bureau of Motor Vehicles.

**Effective Date:** July 1, 2021

**Code:** IC 6-3.5-10-7

**Enrolled Act:** HEA 1356, Sec. 5

**Summary:** Creates a new section addressing the permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. If a person has obtained a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13 (a new statute added in Section 9 of this bill), the person shall pay twice the amount of the surtax otherwise due other this chapter when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Also adds that if a person who has obtained a permanent trailer registration is not subject to additional surtax payments under this chapter for a trailer after paying twice the surtax payments as described above.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.5-10-8.5  
**Enrolled Act:** HEA 1356, Sec. 6

**Summary:** Defines permanent registration as a certificate of registration or any other indication of registration issued by the bureau or motor carrier services division of the Department of Revenue where the term of registration does not expire unless the registered owner sells or disposes of the registered vehicle.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-1-4.5  
**Enrolled Act:** HEA 1356, Sec. 7

**Summary:** Creates a permanent registration for trailers with a declared gross vehicle weight of 3,000 pounds or less, effective after December 31, 2021. The fee for the permanent registration is \$82, which shall be distributed in the same manner as flatbed trailers in IC 9-18.1-5-8. Provides that the vehicle is also subject to any applicable county vehicle excise tax or municipal vehicle excise tax under Section 3 or 6 of this bill, respectively, which shall be distributed according to the rules of their respective chapters.

**Effective Date:** July 1, 2021  
**Code:** IC 9-18.1-5-13  
**Enrolled Act:** HEA 1356, Sec. 9

### **HEA 1396**

**Summary:** Amends the definition of “beer” to include beverages obtained by the fermentation of cereal byproducts.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-6  
**Enrolled Act:** HEA 1396, Sec. 12

**Summary:** Amends the definition of “flavored malt beverage” to remove the restriction that the beverage cannot be distributed in aluminum or other metal containers.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-16.7  
**Enrolled Act:** HEA 1396, Sec. 14

**Summary:** Requires a municipality to notify the Chairman of the Alcohol and Tobacco Commission of any retailer or dealer premises annexed into the municipality, in order to ensure the correct distribution of excise funds. Not later than 10 days after an annexation ordinance is filed under IC 36-4-3-22; or the second of two approvals of an annexation is filed under IC 36-3-2-7, the annexing municipality shall provide notice to the chairman of the commission of any retailer’s or dealer’s premises located within the annexed territory. The notice shall be in writing, sent by certified mail, and must include the effective date of the annexation and the business name and street address of the retailer’s or dealer’s premises. The distribution from the excise fund shall continue to be paid to the jurisdiction on record with the commission, until the chairman of the commission receives the notice under this section that the retailer’s or dealer’s premises have been annexed into the city or town. An annexing city or town shall be paid distributions that accrue after the date the chairman receives notice; and is not entitled to retroactive payment of any distributions accruing before the date the chairman receives notice.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-4-9-7  
**Enrolled Act:** HEA 1396, Sec. 63

## **HEA 1436**

**Summary:** Repeats a statute included in SEA 383-2021. Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

**Effective Date:** July 1, 2021

**Code:** IC 6-2.5-1-5

**Enrolled Act:** HEA 1436, Sec. 2

**Summary:** Requires, for 2020, the addback of the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code. This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1436, Sec. 3

**Summary:** Updates a citation in the net operating loss statute for residents to reflect the addition of IC 6-3-1-3.5(a) (33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-2-2.5

**Enrolled Act:** HEA 1436, Sec. 4

**Summary:** Updates a citation in the net operating loss statute for nonresidents to reflect the addition of IC 6-3-1-3.5(a) (33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-2-2.6

**Enrolled Act:** HEA 1436, Sec. 5

**Summary:** Repeats a statute included in SEA 383-2021. This statute incorporates amendments made by other bills to avoid competing versions of the same statute.

**Effective Date:** July 1, 2021

**Code:** IC 6-5.5-1-2

**Enrolled Act:** HEA 1436, Sec. 6

## **HEA 1437**

**Summary:** Defines “obligations,” for purposes of the Wayne County food and beverage tax, as having the meaning set forth IC 5-1-3-1(2).

**Effective Date:** Upon passage

**Code:** IC 6-9-38-9

**Enrolled Act:** HEA 1437, Sec. 8