



STATE OF INDIANA

DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

Indiana Government Center North
100 North Senate Avenue, Room N248
Indianapolis, Indiana 46204-2253

August 12, 2010

Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board
4205 Hillsboro Pike, #305
Nashville TN 37215

Re: Re-certification of Compliance with the Streamlined Sales and Use Tax Agreement

Dear Scott:

This letter will serve as Indiana's annual re-certification of compliance with the Streamlined Sales and Use Tax Agreement (Agreement) in accordance with Section 803 of the Agreement.

Enclosed is Indiana's Certificate of Compliance and the Taxability Matrix. These documents will be posted on our Web site at: www.in.gov/dor.

Indiana has amended its sales and use tax statutes to conform to the agreement. All of the issues raised in last year's certificate of compliance that resulted in Indiana being declared noncompliant with the agreement have been corrected by the following amendments.

IC 6-2.5-1-5 has been amended to provide that telecommunications nonrecurring charges are not included in the definition of gross retail income. IC 6-2.5-1-14.5 has been added to define a computer software maintenance contract as a contractual obligation to provide a customer with future updates or upgrades of computer software. IC 6-2.5-1-27.2 has been added to define telecommunications nonrecurring charges to mean amounts billed for installation, connection, change, or initiation of a telecommunications service. IC 6-2.5-1-28.5 has been added to define the phrase transferred electronically as something obtained by a purchaser by means other than tangible storage media.

"Equal Opportunity Employer"

IC 6-2.5-2-2 has been amended to eliminate sales tax brackets and makes a technical change to the rounding rule. IC 6-2.5-4-16.4 provides that the sale of digital code that may be used to obtain a product transferred electronically shall be taxed in the same manner as the product transferred electronically. The provision also defines digital code to mean a method that permits a purchaser to obtain a product transferred electronically at a later date. IC 6-2.5-4-17 provides that it is a taxable transaction when a person enters into a computer software maintenance contract to provide future updates or upgrades to computer software. IC 6-2.5-5-18 was amended to clarify that the sale or rental of mobility enhancing equipment is exempt from the sales tax if prescribed by a person licensed to issue the prescription. IC 6-2.5-5-20 clarifies that dietary supplements are not food items exempt from the sales tax. IC 6-2.5-11-10 provides that a certified service provider operating under the Streamlined Sales Tax Agreement is not liable for sales tax collection errors that result from reliance on the Department's taxability matrix.

If you have any questions concerning Indiana's compliance with the Agreement, please do not hesitate to contact Tom Conley, Deputy Director, Tax Policy Division, Indiana Department of Revenue.

Sincerely,



John Eckart
Commissioner
Indiana Department of Revenue