

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6685**

**BILL NUMBER: HB 1736**

**DATE PREPARED:** Jan 10, 2001

**BILL AMENDED:**

**SUBJECT:** ATV Sales Tax Exemption.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill exempts a retail transaction involving an all terrain vehicle (ATV) from the state gross retail tax if the person acquiring the ATV intends to use it for agricultural purposes.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill will reduce the amount of revenue the state receives from the sales and use tax. Under this bill, purchases of all terrain vehicles would be exempt from the state gross retail tax if the purchaser intends to use the vehicle for agricultural purposes. Due to data limitations, the estimated impact of this bill on state revenue is currently indeterminable. *This note will be updated if additional information becomes available (a statewide survey of ATV Dealers is pending).*

Under current law (IC 6-2.5-5-2), transactions involving farm machinery and equipment are considered tax-exempt if the person acquiring the property acquires it for the production, extraction, harvesting, or processing of agricultural commodities.

Gross Retail (Sales) and Use taxes are deposited in the State General Fund (59.03%), the Property Tax Replacement Fund ( 40%), the Public Mass Transportation Fund (0.76%), the Commuter Rail Service Fund (0.17%), and the Industrial Rail Service Loan Fund (0.04%).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:**