

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7382

BILL NUMBER: HB 1365

NOTE PREPARED: Jan 15, 2004

BILL AMENDED:

SUBJECT: Various state tax matters.

FIRST AUTHOR: Rep. Cochran

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: _____ **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Makes the following changes to the sales and use tax: (1) Grants a credit against Indiana use tax for sales tax paid in another state for a vehicle, a watercraft, or an aircraft. (2) Makes the furnishing of satellite television service, cable radio service, and satellite radio service a retail transaction. (3) Indicates that a deduction for sales tax paid on a purchase price that becomes uncollectible is not assignable. Requires interest and intangible expenses incurred in certain related member transactions and taken as a deduction for federal income tax purposes to be added back to income for adjusted gross income and financial institutions tax purposes. Makes the following changes to the adjusted gross income tax: (1) Changes the method of calculating the Indiana net operating loss deduction. (2) Eliminates the carryback of net operating loss deductions. Repeals the sales tax credit for sales of motor vehicles, trailers, watercraft, and aircraft that are sold in Indiana and titled or registered in another state.

Effective Date: January 1, 2004 (retroactive); March 1, 2004 (retroactive); July 1, 2004.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Dagney Faulk, .