

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

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FISCAL IMPACT STATEMENT

LS 7696

BILL NUMBER: SB 500

NOTE PREPARED: Jan 11, 2007

BILL AMENDED:

SUBJECT: Tax procedure and administration changes.

FIRST AUTHOR: Sen. Kenley

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: _____ **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Restricts a sales tax exemption available under current law for an electric utility that purchases distribution equipment or transmission equipment. Restricts a sales tax exemption available under current law for a hotel or a restaurant that purchases electricity, water, gas, or steam. Restricts a sales tax exemption available under current law for an aircraft lessor that purchases an aircraft for rental or leasing. Provides for a graduated sales and use tax collection allowance for a retail merchant. Specifies conditions under which a professional tax return preparer must file client returns electronically. Decreases various periodic tax liability thresholds at which taxpayers are required to make tax payments by electronic fund transfer from \$10,000 to \$5,000. Provides that a tax payment made by electronic fund transfer is considered made on the date the taxpayer issues the payment order for the electronic fund transfer. Provides for the accrual of interest at the rate of 6% per annum on inheritance tax refunds that are not processed within 90 days by the department of state revenue. Increases the cigarette stamp discount to distributors from 1.2% to 2.523%. Provides that when a taxpayer claiming a refund requests a hearing on the claim, the department of state revenue must hold the requested hearing. Repeals a provision of the sales tax statute that requires certain out-of-state merchants making sales to customers in Indiana to register as retail merchants and remit sales and use tax. Repeals an administrative provision that prohibits the department of state revenue from establishing: (1) incentives based on the amount of revenue collected or liability assessed; and (2) production quotas for agents based on the number of cases closed. Makes technical corrections.

Effective Date: July 1, 2007; January 1, 2008.

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:

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