

IC 6-6-6.5

Chapter 6.5. Aircraft License Excise Tax

IC 6-6-6.5-0.1

Application of certain amendments to chapter

Sec. 0.1. The amendments made to section 9 of this chapter by P.L.224-2003 apply to aircraft excise taxes and registration fees imposed under this chapter after December 31, 2003.

As added by P.L.220-2011, SEC.159.

IC 6-6-6.5-1

Definitions

Sec. 1. As used in this chapter, unless the context clearly indicates otherwise:

(a) "Aircraft" means a device which is designed to provide air transportation for one (1) or more individuals or for cargo.

(b) "State" means the state of Indiana.

(c) "Department" refers to the department of state revenue.

(d) "Person" includes an individual, a partnership, a firm, a corporation, a limited liability company, an association, a trust, or an estate, or a legal representative of such.

(e) "Owner" means a person who holds or is required to obtain a certificate of registration from the Federal Aviation Administration for a specific aircraft. In the event an aircraft is the subject of an agreement for the conditional sale or lease with the right of purchase upon the performance of the conditions stated in the agreement and with an immediate right of possession of the aircraft vested in the conditional vendee or lessee, or in the event the mortgagor of an aircraft is entitled to possession, then the conditional vendee or lessee or mortgagor shall be deemed to be the owner for purposes of this chapter.

(f) "Dealer" means a person who has an established place of business in this state, is required to obtain a certificate under IC 6-2.5-8-1 or IC 6-2.5-8-3, and is engaged in the business of manufacturing, buying, selling, or exchanging new or used aircraft.

(g) "Maximum landing weight" means the maximum weight of the aircraft, accessories, fuel, pilot, passengers, and cargo that is permitted on landing under the best conditions, as determined for an aircraft by the appropriate federal agency or the certified allowable gross weight published by the manufacturer of the aircraft.

(h) "Resident" means an individual or a fiduciary who resides or is domiciled within Indiana or any corporation or business association which maintains a fixed and established place of business within Indiana for a period of more than sixty (60) days in any one (1) year.

(i) "Taxable aircraft" means an aircraft required to be registered with the department by this chapter.

(j) "Regular annual registration date" means the last day of

December of each year.

(k) "Taxing district" means a geographic area within which property is taxed by the same taxing units and at the same total rate.

(l) "Taxing unit" means an entity which has the power to impose ad valorem property taxes.

(m) "Base" means the location or place where the aircraft is normally hangared, tied down, housed, parked, or kept, when not in use.

(n) "Homebuilt aircraft" means an aircraft constructed primarily by an individual for personal use. The term homebuilt aircraft does not include an aircraft constructed primarily by a for-profit aircraft manufacturing business.

(o) "Pressurized aircraft" means an aircraft equipped with a system designed to control the atmospheric pressure in the crew or passenger cabins.

(p) "Establishing a base" means renting or leasing a hangar or tie down for a particular aircraft for at least thirty-one (31) days.

(q) "Inventory aircraft" means an aircraft held for resale by a registered Indiana dealer.

(r) "Repair station" means a person who holds a repair station certificate that was issued to the person by the Federal Aviation Administration under 14 CFR Part 145.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.1; Acts 1980, P.L.74, SEC.18; P.L.93-1983, SEC.1; P.L.18-1990, SEC.24; P.L.8-1993, SEC.100; P.L.18-1994, SEC.38; P.L.65-1997, SEC.4; P.L.97-1998, SEC.1; P.L.24-2007, SEC.2; P.L.245-2015, SEC.22.

IC 6-6-6.5-2

Necessity of registration

Sec. 2. (a) Except as otherwise provided in this chapter, any resident of this state who owns an aircraft shall register the aircraft with the department not later than thirty-one (31) days after the purchase date.

(b) Except as otherwise provided in this chapter, any nonresident who bases an aircraft in this state for more than sixty (60) days shall register the aircraft with the department under this chapter not later than sixty (60) days after establishing a base in Indiana.

(c) Except as otherwise provided in this chapter, an Indiana resident who owns a homebuilt aircraft shall register the aircraft with the department not later than thirty-one (31) days after the date the Federal Aviation Administration has issued the certificate of registration and air worthiness certificate for the aircraft.

(d) Notwithstanding subsection (b), if a nonresident bases an aircraft in Indiana with a dealer or repair station solely for repairing, remodeling, or refurbishing the aircraft, neither the nonresident nor the dealer or repair station is required to register the aircraft with the department under this chapter. However, the dealer or repair station

shall file a report with the department the month after the end of each calendar quarter. The report must list only:

- (1) the name and address of the dealer or repair station;
- (2) either:
 - (A) the dealer's certification number; or
 - (B) the repair station's certificate number; and
- (3) the N number of each aircraft that was based in this state for more than sixty (60) days during the preceding quarter.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.19; P.L.93-1983, SEC.2; P.L.65-1997, SEC.5; P.L.97-1998, SEC.2; P.L.24-2007, SEC.3.

IC 6-6-6.5-3

Application for registration; fee

Sec. 3. (a) Any resident of this state who owns an aircraft, and any nonresident who has established a base in this state and bases an aircraft in this state for more than sixty (60) days, which is not exempt from registration under section 9 of this chapter, shall apply to the department for a certificate of registration for such aircraft. The application for such certificate of registration shall be made upon a form to be provided by the department and shall contain such information as the department may require.

(b) A fee of ten dollars (\$10) shall be charged to file each application for a certificate of registration, and such fee must accompany such application.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.20; P.L.93-1983, SEC.3; P.L.65-1997, SEC.6.

IC 6-6-6.5-4

Certificate of registration; issuance

Sec. 4. The department shall file each application received and, upon determining that the aircraft is required to be registered, shall issue to the owner a certificate of registration together with such other evidence of registration as may be carried or affixed in or on the aircraft as the department may require. If for any reason such aircraft is not required to be registered, the department shall notify the owner within fifteen (15) days of that fact, together with the reasons therefor.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.21; P.L.93-1983, SEC.4.

IC 6-6-6.5-5

Duration of registration

Sec. 5. All registration of aircraft shall be valid for one (1) year and shall expire on the regular annual registration date following the year in which the registration is made.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.2; P.L.93-1983, SEC.5.

IC 6-6-6.5-6

Repealed

(Repealed by P.L.93-1983, SEC.13.)

IC 6-6-6.5-7

Lost or destroyed certificate of registration; duplicate; fee

Sec. 7. (a) In the event any certificate of registration is lost, mutilated, destroyed, or becomes illegible, the owner of the aircraft shall immediately make application for and may obtain a duplicate certificate upon such applicant providing the information required concerning such loss, mutilation, destruction, or illegibility satisfactory to the department. Upon the issuance of any duplicate certificate of registration, the previous certificate of registration last issued shall be void.

(b) A fee of ten dollars (\$10) shall be charged for each duplicate certificate of registration issued by the department.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.23; P.L.100-1987, SEC.1; P.L.65-1997, SEC.7.

IC 6-6-6.5-8

Sale or transfer of aircraft; transfer of registration; fee; tax liability

Sec. 8. (a) In the event of the sale or transfer of ownership of an aircraft for which a certificate of registration has been issued by the department, the owner in whose name the aircraft is registered shall endorse on the back of the certificate of registration and deliver such certificate to the purchaser or transferee at the time of the sale or delivery to him of such aircraft and shall within thirty-one (31) days notify the department in the manner prescribed by the department of such sale or transfer.

(b) The purchaser or transferee of such aircraft, within thirty-one (31) days of such sale or transfer, shall apply to the department for the transfer of the registration of such aircraft to his name and the issuance of a new certificate of registration. The department shall file such application and, upon determining that the registration of such aircraft should be transferred, shall transfer the registration and issue a new certificate of registration. A fee of ten dollars (\$10) shall be charged for such transfer of registration.

(c) When the sale or transfer of ownership occurs, the buyer or transferee shall ascertain from the department the amount of excise tax which the purchaser or transferee will be required to pay under section 15 of this chapter.

(d) A person shall pay the gross retail tax or use tax to the department on the earlier of:

(1) the time the aircraft is registered; or

(2) not later than thirty-one (31) days after the purchase date; unless the person presents proof to the department that the gross retail tax or use tax has already been paid with respect to the

purchase of the aircraft or proof that the taxes are inapplicable because of an exemption.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.3; Acts 1980, P.L.74, SEC.24; P.L.100-1987, SEC.2; P.L.65-1997, SEC.8; P.L.97-1998, SEC.3.

IC 6-6-6.5-9

Exemptions

Sec. 9. (a) The provisions of this chapter pertaining to registration and taxation shall not apply to any of the following:

- (1) An aircraft owned by and used exclusively in the service of:
 - (A) the United States government;
 - (B) a state (except Indiana), territory, or possession of the United States;
 - (C) the District of Columbia; or
 - (D) a political subdivision of an entity listed in clause (A), (B), or (C).
- (2) An aircraft owned by a resident of another state and registered in accordance with the laws of that state. However, the aircraft shall not be exempt under this subdivision if a nonresident establishes a base for the aircraft inside this state and the base is used for a period of sixty (60) days or more.
- (3) An aircraft which this state is prohibited from taxing under this chapter by the Constitution or the laws of the United States.
- (4) An aircraft owned or operated by a person who is either an air carrier certificated under Federal Air Regulation Part 121 or a scheduled air taxi operator certified under Federal Air Regulation Part 135, unless such person is a corporation incorporated under the laws of the state of Indiana, an individual who is a resident of Indiana, or a corporation with Indiana corporate headquarters (as defined in IC 6-1.1-12.2-6).
- (5) An aircraft which has been scrapped, dismantled, or destroyed, and for which the airworthiness certificate and federal certificate of registration have been surrendered to the Federal Aviation Administration by the owner.
- (6) An aircraft owned by a resident of this state that is not a dealer and that is not based in this state at any time, if the owner files the required form not later than thirty-one (31) days after the date of purchase; and furnishes the department with evidence, satisfactory to the department, verifying where the aircraft is based during the year.
- (7) An aircraft owned by a dealer for not more than five (5) days if the ownership is part of an ultimate sale or transfer of an aircraft that will not be based in this state at any time. However, the dealer described in this subdivision is required to file a report of the transaction within thirty-one (31) days after the ultimate sale or transfer of ownership of the aircraft. The report is not required to identify the seller or purchaser but must list

the aircraft's origin, destination, N number, date of each transaction, and ultimate sales price.

(8) An aircraft owned by a registered nonprofit museum, if the owner furnishes the department with evidence satisfactory to the department not later than thirty-one (31) days after the purchase date. The aircraft must be reported for registration, but the department shall issue the registration without charge.

(b) The provisions of this chapter pertaining to taxation shall not apply to an aircraft owned by and used exclusively in the service of Indiana or a political subdivision of Indiana or any university or college supported in part by state funds. That aircraft must be reported for registration, but the department will issue the registration without charge.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.4; Acts 1980, P.L.74, SEC.25; P.L.93-1983, SEC.6; P.L.65-1997, SEC.9; P.L.97-1998, SEC.4; P.L.224-2003, SEC.181; P.L.42-2011, SEC.17.

IC 6-6-6.5-10

Dealer certificate; necessity

Sec. 10. It is unlawful for any dealer to transact business inside this state unless the department has issued the dealer an aircraft dealer's certificate.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.5; Acts 1980, P.L.74, SEC.26; P.L.93-1983, SEC.7; P.L.65-1997, SEC.10.

IC 6-6-6.5-10.1

Dealer's certificate; issuance; fee; duration

Sec. 10.1. (a) An applicant must do all of the following before an aircraft dealer's certificate may be issued by the department:

- (1) Be registered as a retail merchant with the department and submit proof of that registration to the department.
- (2) Complete and submit the annual aircraft dealer application form provided by the department.
- (3) Submit normal business records to prove that the applicant is a bona fide dealer.
- (4) Submit a twenty-five dollar (\$25) fee for the certificate. The fee may not be refunded if the certificate is denied.

(b) The initial certificate is valid for the calendar year of issuance or any remaining portion of the calendar year. However, an applicant applying in December may specifically indicate in the application that dealership status begins in the next calendar year.

As added by P.L.65-1997, SEC.11. Amended by P.L.97-1998, SEC.5.

IC 6-6-6.5-10.2

Dealer's certificate; renewal; revocation

Sec. 10.2. (a) In order to ensure continuous dealer status, a dealer

must annually submit its application form and fee not later than December 15 of the preceding year.

(b) Upon receipt of a dealer's application form and fee, the department shall determine if the dealer is in good standing and then issue a renewal of the dealer's certificate before December 31 of the immediately preceding year. If the renewal is not issued before December 31, the dealer's certificate for the preceding year remains valid until renewed or revoked by the department.

(c) Dealers shall comply with all applicable gross retail and use tax statutes, rules, requirements, and procedures of the department.

(d) Failure to comply or failure to provide proof of compliance to the department may constitute cause for immediate revocation of the aircraft dealer's certificate. However, the dealer has one hundred eighty (180) days after the date of the order to sell the dealer's inventory.

As added by P.L.65-1997, SEC.12. Amended by P.L.97-1998, SEC.6.

IC 6-6-6.5-10.3

Dealer's certificate; revocation or denial, notice, reinstatement, or certification upon proof of bona fide dealer status

Sec. 10.3. (a) If the department determines that an applicant or a dealer is not a bona fide dealer, the department shall revoke the certificate or a certificate may not be issued. The department shall, not later than ten (10) days after making a determination described in this subsection, notify the dealer by United States mail at the last known address of the dealer or applicant.

(b) On the date a certificate is revoked or renewal is denied:

- (1) a sale occurs for the purposes of this chapter;
- (2) dealer inventory status ends;
- (3) all aircraft shall be registered under nondealer rules; and
- (4) all applicable taxes and fees become due.

(c) If the applicant or dealer can offer sufficient proof of bona fide dealer status not later than fifteen (15) days after the date of the notification letter, dealer status may be retroactively reinstated and initial applicants may be certified at the department's discretion.

As added by P.L.65-1997, SEC.13.

IC 6-6-6.5-10.4

Sale or transfer of taxable aircraft; notice to department; disclosures to transferee

Sec. 10.4. (a) Not later than thirty-one (31) days after a sale or transfer of ownership of a taxable aircraft, the transferring owner shall notify the department of the sale or transfer.

(b) If the transferring owner is a dealer, the transferring owner shall notify the department by submitting to the department one (1) of the following:

- (1) A copy of the applicable department form (ST108AC or, if an out-of-state exemption is claimed, ST-137).

(2) A written list containing all the information contained on form ST108AC, including the complete name and address of seller and purchaser, date of sale, make, model, year, and Federal Aviation Administration N number of the new aircraft, a description of any trade-in allowed, and delivery information. If an exemption is claimed, the purchaser's certificate of exemption, whether by submission of the ST-137 or by certified statement, shall also be submitted.

(c) The trade-in, if any, shall be described by the Federal Aviation Administration N number, serial number, make, model, year, and dollar value allowed.

(d) With regard to sales and transfers, dealers shall comply with all applicable gross retail and use tax statutes, rules, and procedures of the department, including the calculation of selling price and limitations on like-kind exchanges and requirements for proof of exemption. Failure to comply or failure to provide proof of compliance to the department may be cause for immediate revocation of the dealer's certificate. However, the dealer has one hundred eighty (180) days to sell the dealer's inventory.

(e) In addition to the other disclosures required by this chapter, a dealer shall provide a transferee with an "Indiana application for aircraft registration or exemption" form.

As added by P.L.65-1997, SEC.14. Amended by P.L.97-1998, SEC.7.

IC 6-6-6.5-10.5

Sale or transfer of taxable aircraft; updating of dealer's inventory; transfer of excise tax liability

Sec. 10.5. Based upon the sales information submitted to the department, the department shall update the dealer's inventory and transfer the excise tax liability to the name of the new owner.

As added by P.L.65-1997, SEC.15.

IC 6-6-6.5-10.6

Use of inventory aircraft for other purpose

Sec. 10.6. (a) A dealer may not use inventory aircraft for any purpose other than for resale and demonstration flights unless the dealer charges the fair market rental or lease value and complies with all applicable statutes, rules, and procedures of the department.

(b) Failure to comply or failure to provide proof of compliance to the department may be cause for immediate revocation of the dealer's certificate. However, the dealer has one hundred eighty (180) days after the date of the order to sell the dealer's inventory.

(c) An aircraft used for other purposes shall no longer be considered aircraft inventory and shall be treated as property of a nondealer. The registration fee and all applicable taxes become due thirty-one (31) days after the date the improper use begins.

(d) An inventory aircraft that during a year has total time in service exceeding fifty (50) hours is no longer considered aircraft

inventory and is treated as property of a nondealer. The registration fee and all applicable taxes are due thirty-one (31) days after the date the total time in service exceeds fifty (50) hours for the year for that aircraft.

As added by P.L.65-1997, SEC.16. Amended by P.L.97-1998, SEC.8; P.L.102-2015, SEC.1.

IC 6-6-6.5-10.7

Excise tax on inventory aircraft; assessment, reporting, remission of tax, penalties, and interest; aircraft held other than for inventory use

Sec. 10.7. (a) The aircraft excise tax shall be assessed on each inventory aircraft held by a dealer on the last day of December.

(b) Each year a dealer shall submit to the department:

- (1) an update of the list of known aircraft in inventory, which the department may at its discretion supply; or
- (2) a completed form 7695 for each inventory aircraft.

(c) The dealer shall compute the amount of aircraft excise tax due and remit the full amount along with any forms prescribed by the department.

(d) For aircraft deleted from the inventory list, the dealer shall provide complete sale information and shall submit the applicable information if directed to by the department.

(e) A dealer who fails to file and remit the excise tax due for all inventory aircraft as required by the department is subject to the penalty and interest provision of this chapter for each inventory aircraft omitted.

(f) A dealer who holds aircraft for other than inventory use is subject to the nondealer provisions contained in this chapter regarding those specific aircraft.

As added by P.L.65-1997, SEC.17. Amended by P.L.245-2015, SEC.23.

IC 6-6-6.5-11

Violations; offense

Sec. 11. A person who violates the disclosure requirements under section 8 of this chapter, the dealer reporting requirements under section 10 of this chapter, or any of the registration requirements of this chapter commits a Class A infraction.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.6.

IC 6-6-6.5-12

Annual license excise tax; taxpayer not exempt

Sec. 12. (a) Effective January 1, 1976, there is hereby imposed an annual license excise tax upon taxable aircraft, which tax shall be in lieu of the ad valorem property tax levied for state or local purposes. No taxable aircraft shall be assessed as personal property for the

purpose of the assessment and levy of personal property or shall be subject to ad valorem taxes, beginning with taxes for the year of 1975 payable in 1976 and thereafter.

(b) Eligibility of aircraft for a deduction under IC 6-1.1-12.3 does not exempt a taxpayer from the tax imposed under this chapter on the aircraft.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by P.L.224-2003, SEC.280.

IC 6-6-6.5-13

Classification of aircraft; tax rate; credits

Sec. 13. (a) As the basis for measuring the tax imposed by this chapter, the department shall classify every taxable aircraft in its proper class according to the following classification plan:

CLASS	DESCRIPTION
A	Piston-driven
B	Piston-driven, and Pressurized
C	Turbine driven or other Powered
D	Homebuilt, Gliders, or Hot Air Balloons

(b) The tax imposed under this chapter is based on the age, class, and maximum landing weight of the taxable aircraft. The amount of tax imposed on the taxable aircraft is based on the following table:

Age	Class A	Class B	Class C	Class D
0-4	\$.04/lb	\$.065/lb	\$.09/lb	\$.0175/lb
5-8	\$.035/lb	\$.055/lb	\$.08/lb	\$.015/lb
9-12	\$.03/lb	\$.05/lb	\$.07/lb	\$.0125/lb
13-16	\$.025/lb	\$.025/lb	\$.025/lb	\$.01/lb
17-25	\$.02/lb	\$.02/lb	\$.02/lb	\$.0075/lb
over 25	\$.01/lb	\$.01/lb	\$.01/lb	\$.005/lb

(c) An aircraft owner, who sells an aircraft on which the owner has paid the tax imposed under this chapter, is entitled to a credit for the tax paid. The credit equals excise tax paid on the aircraft that was sold, times the lesser of:

- (1) ninety percent (90%); or
- (2) ten percent (10%) times the number of months remaining in the registration year after the sale of the aircraft.

The credit may only be used to reduce the tax imposed under this chapter on another aircraft purchased by that owner during the registration year in which the credit accrues. A person may not receive a refund for a credit under this subsection.

(d) A person who is entitled to a property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 is entitled to a credit against the tax imposed on the person's aircraft under this chapter. The credit equals the amount of the property tax deduction to which the person is entitled under IC 6-1.1-12-13 and IC 6-1.1-12-14, minus the amount

of that deduction used to offset the person's property taxes or vehicle excise taxes, times seven hundredths (.07). The credit may not exceed the amount of the tax due under this chapter. The county auditor shall, upon the person's request, furnish a certified statement showing the credit allowable under this subsection. The department may not allow a credit under this subsection until the auditor's statement has been filed in the department's office.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.7; Acts 1980, P.L.74, SEC.27; P.L.93-1983, SEC.8; P.L.1-2009, SEC.55.

IC 6-6-6.5-14

Payment of tax

Sec. 14. (a) A person required to register his aircraft and to pay the tax imposed under this chapter, shall do so on or before the regular annual registration date.

(b) The payment of the tax imposed by this chapter shall be a condition to the right to register the taxable aircraft and shall be in addition to all other conditions prescribed by law.

(c) When a taxpayer makes a partial payment on the taxpayer's tax liability, the department shall apply the partial payment in the following order:

- (1) To any registration or transfer fee owed by the taxpayer.
- (2) To any late penalty and interest on the late registration or excise tax owed by the taxpayer.
- (3) To any excise tax owed by the taxpayer.
- (4) To any late penalty and interest on gross retail or use tax owed by the taxpayer.
- (5) To any gross retail or use tax owed by the taxpayer.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.8; P.L.93-1983, SEC.9; P.L.65-1997, SEC.18.

IC 6-6-6.5-15

Aircraft subject to tax after regular annual registration date; reduction of tax

Sec. 15. (a) If a taxable aircraft becomes subject to registration or taxation after the regular annual registration date in a year, the tax imposed by this chapter shall become due and payable at the time the aircraft becomes subject to registration and the amount of tax to be paid by the owner for the remainder of the year shall be reduced by the lesser of (1) ninety percent (90%) of the tax or (2) ten percent (10%) of the tax for each full calendar month which has elapsed since the regular annual registration date in that year.

(b) The tax reduction under this section shall not apply to persons who claim a tax credit under section 13(c) of this chapter.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.9; P.L.65-1997, SEC.19; P.L.1-2009, SEC.56.

IC 6-6-6.5-16

Forms for registration

Sec. 16. The department shall include on all registration forms for taxable aircraft for the year 1976 and subsequent years suitable spaces for the amount of the registration fee, the amount of tax, and the total amount of payment due. The forms shall also include spaces for showing the county and the taxing district in which the aircraft is usually located when not in operation.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.28.

IC 6-6-6.5-17

Powers of department

Sec. 17. The department may establish procedures, prepare forms and adopt rules and regulations necessary for the administration of this chapter and the collection of the tax imposed by this chapter and for the proper accounting for the same.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1982, P.L.62, SEC.1.

IC 6-6-6.5-18

Registration without payment of tax; offenses

Sec. 18. An owner of a taxable aircraft who registers that aircraft without paying the tax required by this chapter commits a Class A infraction; and any employee of the department who issues a certificate of registration for that aircraft without collecting the tax required to be collected with the registration commits a Class A infraction.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.10; Acts 1978, P.L.2, SEC.643; Acts 1980, P.L.74, SEC.29.

IC 6-6-6.5-19

Penalties; failure to register, report, or pay tax due

Sec. 19. (a) The registration of any taxable aircraft without payment of the tax imposed by this chapter shall be void, and the department shall take possession of the certificate of registration and other evidences of registration, until the owner shall have paid the tax together with any penalties assessed by the department.

(b) If an owner does not register his aircraft and pay the tax imposed by this chapter when required, the owner is subject to a penalty and interest on the unpaid tax. The penalty is the greater of twenty dollars (\$20) or twenty percent (20%) of the unpaid tax. The interest applies at the rate established in IC 6-8.1-10-1. The penalty and interest apply from the date the tax becomes delinquent until the aircraft is registered and the tax paid.

(c) If an airport owner does not report the aircraft based at his airport when required by section 23 of this chapter, the department

may assess a penalty equal to ten dollars (\$10) for each day that the report is late.

(d) If an owner does not register the owner's aircraft and pay the gross retail or use tax when required by this chapter, the owner shall be subject to the penalties and interest on the unpaid gross retail or use tax that are established in IC 6-8.1-10.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977, P.L.87, SEC.11; Acts 1980, P.L.74, SEC.30; P.L.93-1983, SEC.10; P.L.383-1987(ss), SEC.1; P.L.65-1997, SEC.20; P.L.254-2003, SEC.8.

IC 6-6-6.5-20

Taxpayer owning more than one aircraft; consolidation of collection

Sec. 20. In the administration and collection of the tax imposed by this chapter, the department may coordinate and consolidate the collection of such tax from each taxpayer as imposed on all aircraft owned by such taxpayer in accordance with such procedures as the department shall deem reasonable and feasible, including, but not limited to, the revocation of all certificates of registration of aircraft by an owner if such owner shall willfully fail and refuse to pay any tax imposed by this chapter.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1980, P.L.74, SEC.31.

IC 6-6-6.5-21

Allocation and distribution of tax revenue; aircraft excise tax fund; duties of county treasurer; state welfare and tuition support allocation amount

Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. The department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft

excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by the treasurer under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. Subject to this subsection, the money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed (subject to adjustment as provided in IC 36-8-19-7.5). For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars (\$35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the auditor of state shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts. If a new taxing district is established after the years for which a ratio is calculated under STEP ONE, STEP TWO, or STEP THREE, the auditor of state shall establish a ratio for the new taxing district and adjust the ratio for other taxing districts in the county.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by the treasurer.

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by Acts 1977,

P.L.88, SEC.1; Acts 1980, P.L.74, SEC.32; P.L.93-1983, SEC.11; P.L.65-1997, SEC.21; P.L.146-2008, SEC.355; P.L.182-2009(ss), SEC.242; P.L.261-2013, SEC.35.

IC 6-6-6.5-21.5

Allen County treasurer to distribute funds; report

Sec. 21.5. (a) The Allen County treasurer shall distribute the funds received under section 21 of this chapter to the airport authority established under IC 8-22-3-1.1 that operates an airport in the county. The treasurer shall make the distribution before the fifth day of the month after the month in which the treasurer receives the funds.

(b) Nothing in this section relieves the county treasurer of the treasurer's duty to report under section 21(e) of this chapter.

As added by Acts 1977, P.L.88, SEC.2. Amended by Acts 1981, P.L.11, SEC.35; P.L.101-1987, SEC.1; P.L.12-1992, SEC.30; P.L.13-2013, SEC.26.

IC 6-6-6.5-22

Equivalence to average property tax rate; effect on constitutional debt limit; determination of assessed valuation

Sec. 22. The excise tax imposed by this chapter is hereby determined to be equivalent to an average property tax rate of three dollars (\$3) on each one hundred dollars (\$100) taxable value. For the purpose of limitations on indebtedness of political or municipal corporations imposed by Article 13, Section 1 of the Indiana Constitution, aircraft subject to tax under this chapter shall be deemed to be taxable property within each such political or municipal corporation where the aircraft is based as shown on the records of the department. The assessed valuation of such aircraft shall be determined by multiplying the amount of the tax by one hundred (100) and dividing such result by nine dollars (\$9).

(Formerly: Acts 1975, P.L.68, SEC.1.) As amended by P.L.93-1983, SEC.12; P.L.6-1997, SEC.129.

IC 6-6-6.5-23

Reports of airport owners; civil penalty

Sec. 23. (a) The department shall require the owner of an airport or any person or persons leasing or subleasing space from an airport owner for the purpose of storing, renting, or selling aircraft to submit reports to the department listing the aircraft based at that airport. The reports shall identify the aircraft by Federal Aviation Administration number.

(b) An airport owner or any other person required to submit a report under subsection (a) is subject to a civil penalty of one hundred dollars (\$100) for each aircraft that should have been and was not properly included on the report.

As added by Acts 1977, P.L.87, SEC.12. Amended by Acts 1980,

P.L.74, SEC.33; Acts 1982, P.L.62, SEC.2; P.L.182-2009(ss), SEC.243.

IC 6-6-6.5-24

Repealed

(Repealed by P.L.93-1983, SEC.13.)

IC 6-6-6.5-25

Aircraft brought into Indiana; registration without payment of use tax

Sec. 25. An aircraft may be registered under this chapter without the payment of the state use tax under IC 6-2.5-3 if:

- (1) the aircraft was registered in another state as of January 1, 2010, and any sales or use tax due in the registration state was paid and ownership of the aircraft has not changed after December 31, 2009;
- (2) there is no outstanding tax liability in the registration state that directly relates to the aircraft; and
- (3) an application for the registration of the aircraft under this chapter is filed after June 30, 2010, and before September 30, 2010, and the registration fee under section 3 of this chapter and the aircraft excise tax under section 13 of this chapter are paid.

As added by P.L.113-2010, SEC.68.

IC 6-6-6.5-26

Inventory aircraft; reclassification; credits

Sec. 26. (a) This section applies only to an aircraft that:

- (1) is held by a dealer on July 1, 2015;
- (2) ceased to be considered aircraft inventory of the dealer on a date occurring before July 1, 2015, and began to be treated as property of a nondealer under section 10.6(d) of this chapter (before its amendment on July 1, 2015); and
- (3) would not have been considered to be property of a nondealer if section 10.6(d) of this chapter after its amendment on July 1, 2015, had been applied.

(b) A dealer who holds an aircraft to which this section applies may elect to reclassify the aircraft as aircraft inventory in the manner prescribed by the department.

(c) If:

- (1) a dealer makes an election under subsection (b) for an aircraft to which this section applies; and
- (2) as of July 1, 2015, the dealer owed unpaid registration fees, state gross retail or use taxes, penalties, or interest because of the reclassification of the aircraft under section 10.6(d) of this chapter (before its amendment on July 1, 2015);

the dealer is entitled to a credit against the liability in an amount equal to the total of the unpaid registration fees, state gross retail or use taxes, penalties, and interest attributable to the reclassification of

the aircraft under section 10.6(d) of this chapter (before its amendment on July 1, 2015). A dealer must claim the credit in the manner prescribed by the department. The department shall notify dealers of the availability of the credit.

(d) Subject to IC 6-8.1-9-1, a dealer who makes an election under subsection (b) for an aircraft to which this section applies is eligible to receive a refund of:

(1) the registration fees and the state gross retail or use taxes that were paid by the dealer for the aircraft because of the reclassification of the aircraft as property of a nondealer under section 10.6(d) of this chapter (before its amendment on July 1, 2015); and

(2) any penalties and interest that have been assessed and paid to the department by the dealer that are attributable to the registration fees or the gross retail or use taxes for which a refund is claimed by the dealer under subdivision (1).

The department shall notify dealers of the availability of the refund.

(e) This section expires July 1, 2018.

As added by P.L.102-2015, SEC.2.