

HOUSE BILL No. 1317

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-10.

Synopsis: Prohibition on taxation of Internet access. Provides that neither the state nor a political subdivision may impose, assess, collect, or attempt to collect a tax on Internet access or the use of Internet access.

Effective: Upon passage.

Koch

January 13, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1317



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-10 IS ADDED TO THE INDIANA CODE AS A
2 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 ARTICLE 10. TAXATION OF INTERNET ACCESS

5 Chapter 1. Prohibition on State or Local Tax on Internet Access

6 Sec. 1. As used in this chapter, "Internet" means the
7 combination of computer and telecommunications facilities,
8 including equipment and operating software, that comprises the
9 interconnected worldwide network of networks that employ the
10 Transmission Control Protocol/Internet Protocol (or any
11 predecessor or successor protocols to that protocol) to
12 communicate information of all kinds by wire or radio.

13 Sec. 2. (a) As used in this chapter, "Internet access" means a
14 service that enables users to connect to the Internet to access
15 content, information, or other services offered over the Internet.



1 **(b) The term also includes the following:**

2 **(1) The purchase, use, or sale of communications services by**
 3 **a provider of a service described in subsection (a), to the**
 4 **extent the communications services are purchased, used, or**
 5 **sold to provide the service described in subsection (a) or to**
 6 **otherwise enable users to access content, information, or other**
 7 **services offered over the Internet.**

8 **(2) Services that are incidental to the provision of a service**
 9 **described in subsection (a), when furnished to users as part of**
 10 **such service, including a home page, electronic mail and**
 11 **instant messaging (including voice-capable and video-capable**
 12 **electronic mail and instant messaging), video clips, and**
 13 **personal electronic storage capacity.**

14 **(3) A home page, electronic mail and instant messaging**
 15 **(including voice-capable and video-capable electronic mail**
 16 **and instant messaging), video clips, and personal electronic**
 17 **storage capacity that are provided independently or that are**
 18 **not packaged with Internet access.**

19 **(c) The term does not include:**

20 **(1) voice, audio, or video programming; or**

21 **(2) other products and services, except services described in**
 22 **subsection (a) or (b), that use Internet protocol or any**
 23 **successor protocol and for which there is a charge, regardless**
 24 **of whether the charge is separately stated or aggregated with**
 25 **the charge for services described in subsection (a) or (b).**

26 **Sec. 3. Neither the state nor a political subdivision of the state**
 27 **may impose, assess, collect, or attempt to collect a tax (including a**
 28 **tax under IC 6-2.5) on Internet access or the use of Internet access.**

29 **Sec. 4. If charges for Internet access are aggregated with and**
 30 **not separately stated from charges for telecommunications or**
 31 **other charges that are subject to taxation, then the charges for**
 32 **Internet access may be subject to taxation unless the Internet**
 33 **access provider can reasonably identify the charges for Internet**
 34 **access from its books and records kept in the regular course of**
 35 **business.**

36 **SECTION 2. An emergency is declared for this act.**

