

PROPOSED AMENDMENT

SB 179 # 9

DIGEST

Vehicle excise and wheel taxes. Prohibits a county from imposing after December 31, 2026, a county vehicle excise tax or county wheel tax on a vehicle that is registered in a municipality in the county in which a municipal vehicle excise tax or a municipal wheel tax is in effect. Provides the distribution process for funds collected from a county vehicle excise tax and county wheel tax.

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-3.5-4-2, AS AMENDED BY P.L.173-2025,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 2. (a) An adopting entity of any county may,
6 subject to the limitation imposed by subsection (e), adopt an ordinance
7 to impose a county vehicle excise tax in accordance with this chapter
8 on each vehicle that is subject to the vehicle excise tax under IC 6-6-5
9 and that is registered in the county. **However, a county may not after**
10 **December 31, 2026, impose a county vehicle excise tax on a vehicle**
11 **that is registered in an adopting municipality (as defined in**
12 **IC 6-3.5-10-1) in which a municipal vehicle excise tax is in effect.**
13 (b) If a county does not use a transportation asset management plan
14 approved by the Indiana department of transportation, the adopting
15 entity of the county may impose the surtax either:
16 (1) at a rate of not less than two percent (2%) nor more than ten
17 percent (10%); or
18 (2) at a specific amount of at least seven dollars and fifty cents
19 (\$7.50) and not more than twenty-five dollars (\$25).
20 However, the surtax on a vehicle may not be less than seven dollars and
21 fifty cents (\$7.50). The adopting entity shall state the surtax rate or
22 amount in the ordinance which imposes the tax.
23 (c) Except as provided in subsection (i), if a county uses a
24 transportation asset management plan approved by the Indiana
25 department of transportation, the adopting entity of the county may
26 impose the surtax either:

- (1) at a rate of at least two percent (2%) and not more than twenty percent (20%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than fifty dollars (\$50).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance that imposes the tax.

(d) Subject to the limits and requirements of this section and except as provided in IC 6-6-5-0.5(2), the adopting entity may do any of the following:

- (1) Impose the county vehicle excise tax at the same rate or amount on each vehicle that is subject to the tax.
- (2) Impose the county vehicle excise tax on vehicles subject to the tax at one (1) or more different rates based on the class of vehicle listed in IC 6-6-5-2(a).

(e) The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

(f) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the county vehicle excise tax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

(g) Except as provided under section 7.5 of this chapter (before its expiration on December 31, 2023) and subject to subsection (h), a county vehicle excise tax imposed by this chapter for a vehicle is due and shall be paid each year at the time the vehicle is registered.

(h) If the county vehicle excise tax imposed by this chapter was not paid for one (1) or more preceding years, the bureau may collect only the county vehicle excise tax imposed by this chapter for the:

- (1) registration year immediately preceding the current registration year;
- (2) current registration year; and
- (3) registration year immediately following the current registration year.

(i) Beginning July 1, 2025, if a county containing a consolidated city uses a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:

- (1) at a rate of at least two percent (2%) and not more than twenty

1 percent (20%); or

2 (2) at a specific amount of at least seven dollars and fifty cents
3 (\$7.50) and not more than one hundred fifty dollars (\$150).

4 However, the surtax on a vehicle may not be less than seven dollars and
5 fifty cents (\$7.50). The adopting entity shall state the surtax rate or
6 amount in the ordinance that imposes the tax.

7 SECTION 2. IC 6-3.5-4-3, AS AMENDED BY P.L.178-2019,
8 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 3. If an adopting entity adopts an ordinance
10 imposing the surtax after December 31 but before September 1 of the
11 following year, ~~a vehicle is subject to the tax if it is registered in the~~
12 ~~county~~ **surtax applies** after December 31 of the year in which the
13 ordinance is adopted. If an adopting entity adopts an ordinance
14 imposing the surtax after August 31 but before the following January
15 1, ~~a vehicle is subject to the tax if it is registered in the~~ **county surtax**
16 **applies** after December 31 of the year following the year in which the
17 ordinance is adopted. However, in the first year the surtax is effective,
18 the surtax does not apply to the registration of a vehicle for the
19 registration year that commenced in the calendar year preceding the
20 year the surtax is first effective.

21 SECTION 3. IC 6-3.5-4-13, AS AMENDED BY P.L.146-2016,
22 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 UPON PASSAGE]: Sec. 13. (a) In the case of a county that does not
24 contain a consolidated city of the first class, the county treasurer shall
25 deposit the surtax revenues in a fund to be known as the "_____
26 County Surtax Fund".

27 (b) Before the twentieth day of each month, the county auditor shall
28 allocate the money deposited in the county surtax fund during that
29 month among the county and the cities and the towns in the county **that**
30 **are not adopting municipalities (as defined in IC 6-3.5-10-1) in**
31 **which a municipal vehicle excise tax is in effect.** The county auditor
32 shall allocate the money to counties, cities, and towns under
33 IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3), **except that for purposes**
34 **of making the allocations:**

35 (1) **the population of a city or town that is an adopting**
36 **municipality in which a municipal vehicle excise tax is in**
37 **effect is considered to be zero (0);**

38 (2) **the street mileage of a city or town that is an adopting**
39 **municipality in which a municipal vehicle excise tax is in**
40 **effect is considered to be zero (0) miles; and**

(3) the allocation to a city or town that is an adopting municipality in which a municipal vehicle excise tax is in effect is zero dollars (\$0).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county surtax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b).

(d) A county, city, or town may only use the surtax revenues it receives under this section:

(1) to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction; or

(2) for the county's, city's, or town's contribution to obtain a grant from the local road and bridge matching grant fund under IC 8-23-30.

SECTION 4. IC 6-3.5-5-2, AS AMENDED BY P.L.173-2025, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The adopting entity of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose a county wheel tax in accordance with this chapter on each vehicle that:

(1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;

(2) is not exempt from the wheel tax under section 4 of this chapter; and

(3) is registered in the county.

However, a county may not after December 31, 2026, impose a county wheel tax on a vehicle that is registered in an adopting municipality (as defined in IC 6-3.5-11-1) in which a municipal wheel tax is in effect.

(b) The adopting entity of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the county vehicle excise tax.

(c) The adopting entity may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the adopting entity may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. Except as otherwise provided in subsection (f), the wheel tax rate for a particular

1 class or weight classification of vehicles:

2 (1) may not be less than five dollars (\$5) and may not exceed
3 forty dollars (\$40), if the county does not use a transportation
4 asset management plan approved by the Indiana department of
5 transportation; or

6 (2) may not be less than five dollars (\$5) and may not exceed
7 eighty dollars (\$80), if the county uses a transportation asset
8 management plan approved by the Indiana department of
9 transportation.

10 The adopting entity shall state the initial wheel tax rates in the
11 ordinance that imposes the tax.

12 (d) Subject to subsection (e), a wheel tax imposed by this chapter
13 for a vehicle is due and shall be paid each year at the time the vehicle
14 is registered.

15 (e) If the county wheel tax imposed by this chapter was not paid for
16 one (1) or more preceding years, the bureau may collect only the
17 county wheel tax imposed by this chapter for the:

18 (1) registration year immediately preceding the current
19 registration year;

20 (2) current registration year; and

21 (3) registration year immediately following the current
22 registration year.

23 (f) Beginning July 1, 2025, if a county containing a consolidated city
24 uses a transportation asset management plan approved by the Indiana
25 department of transportation, the wheel tax rate for a particular class or
26 weight classification of vehicles may not be less than five dollars (\$5)
27 and may not exceed two hundred forty dollars (\$240).

28 SECTION 5. IC 6-3.5-5-5, AS AMENDED BY P.L.218-2017,
29 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 5. If an adopting entity adopts an ordinance
31 imposing the wheel tax after December 31 but before September 1 of
32 the following year, ~~a vehicle described in section 2(a) of this chapter~~
33 ~~is subject to the wheel tax if it is registered in the county applies~~ after
34 December 31 of the year in which the ordinance is adopted. If an
35 adopting entity adopts an ordinance imposing the wheel tax after
36 August 31 but before the following January 1, ~~a vehicle described in~~
37 ~~section 2(a) of this chapter is subject to the wheel tax if it is registered~~
38 ~~in the county applies~~ after December 31 of the year following the year
39 in which the ordinance is adopted. However, in the first year the tax is
40 effective, the tax does not apply to the registration of a motor vehicle

1 for the registration year that commenced in the calendar year preceding
2 the year the tax is first effective.

3 SECTION 6. IC 6-3.5-5-15, AS AMENDED BY P.L.146-2016,
4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 15. (a) In the case of a county that does not
6 contain a consolidated city, the county treasurer shall deposit the wheel
7 tax revenues in a fund to be known as the "County Wheel Tax Fund".

8 (b) Before the twentieth day of each month, the county auditor shall
9 allocate the money deposited in the county wheel tax fund during that
10 month among the county and the cities and the towns in the county **that**
11 **are not adopting municipalities (as defined in IC 6-3.5-11-1) in**
12 **which a municipal wheel tax is in effect.** The county auditor shall
13 allocate the money to counties, cities, and towns under
14 IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3), **except that for purposes**
15 **of making the allocations:**

16 (1) **the population of a city or town that is an adopting**
17 **municipality in which a municipal wheel tax is in effect is**
18 **considered to be zero (0);**

19 (2) **the street mileage of a city or town that is an adopting**
20 **municipality in which a municipal wheel tax is in effect is**
21 **considered to be zero (0) miles; and**

22 (3) **the allocation to a city or town that is an adopting**
23 **municipality in which a municipal wheel tax is in effect is zero**
24 **dollars (\$0).**

25 (c) Before the twenty-fifth day of each month, the county treasurer
26 shall distribute to the county and the cities and towns in the county the
27 money deposited in the county wheel tax fund during that month. The
28 county treasurer shall base the distribution on allocations made by the
29 county auditor for that month under subsection (b).

30 (d) A county, city, or town may only use the wheel tax revenues it
31 receives under this section:

32 (1) to construct, reconstruct, repair, or maintain streets and roads
33 under its jurisdiction;

34 (2) as a contribution to an authority established under IC 36-7-23;
35 or

36 (3) for the county's, city's, or town's contribution to obtain a grant
37 from the local road and bridge matching grant fund under
38 IC 8-23-30."

39 Renumber all SECTIONS consecutively.

(Reference is to SB 179 as reprinted January 27, 2026.)