Cumberland Town Council
Ordinance 2017 – 18
Imposition of Municipal Wheel Tax

Whereas, Indiana Code § 6-3.5-11 authorizes the Cumberland Town Council ("Council") to impose an annual wheel tax of at least five dollars ($5.00) and not more than forty dollars ($40.00) on certain motor vehicles registered in the Town of Cumberland; and

Whereas, the Council may not adopt an ordinance imposing a wheel tax unless the Council concurrently adopts an ordinance to impose the annual license excise surtax; and

Whereas, pursuant to Indiana Code § 6-3.5-10, the Council plans to concurrently adopt the annual license excise surtax; and

Whereas, the Town of Cumberland uses a transportation asset management plan approved by the Indiana Department of Transportation and this plan is attached as Exhibit A; and

Whereas, the Town may use the wheel tax revenues to 1) construct, reconstruct, repair, or maintain streets and roads under the Town's jurisdiction, 2) contribute to an authority established under Indiana Code § 36-7-23 or 3) for the Town's contribution toward a grant from the local road and bridge matching grant fund under Indiana Code § 8-23-30; and
Whereas, the Council finds that it is in the best interest of the Town, and its citizens, to impose a municipal wheel tax.

Therefore, it is Ordained that a new section, § 00-03-32-23, is added to the Town of Cumberland Code of Ordinances to impose a municipal wheel tax, and this section shall read as follows:

"§ 00-03-32-23 Imposition of Town Wheel Tax.

(A) Imposition of Rate of Wheel Tax. A Wheel Tax of twenty dollars ($20.00) shall be imposed on the following classes of vehicles registered in the Town of Cumberland:

(1) Buses;
(2) Recreational Vehicles;
(3) Semitrailer;
(4) Tractors;
(5) Trailers; and,
(6) Trucks;

(B) Exempted Vehicles. A vehicle is exempt from the imposed Wheel Tax if the vehicle is:

(1) Owned by the State;
(2) Owned by a state agency of the State;
(3) Owned by a political subdivision of the State;
(4) Subject to the annual license excise surtax imposed under Ind. Code § 6-3.5-10;"
(5) A bus owned and operated by a religious or nonprofit youth organization and used to transport persons to religious services or for the benefit of its members;

(6) A school bus; or,

(7) A motor vehicle that is funeral equipment and that is used in the operation of funeral services.

(C) Motor Vehicles subject to Wheel Tax. A vehicle is subject to the Wheel Tax if the vehicle is registered in the Town of Cumberland after December 31, 2018 pursuant to Ind. Code § 6-3.5-11-5. However, in the first year the tax is effective, the tax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding the year the tax is first effective.

The Town Council shall send a copy of the ordinance imposing the Wheel Tax and a copy of a letter from the Department of Transportation approving the Town's transportation asset management plan to the BMV and the Department of State Revenue on or before September 1st following the adoption of the ordinance.

(D) Rescission of Wheel Tax and Annual License Excise Surtax. After January 1 but on or before September 1 of any year, the Cumberland Town Council may adopt an ordinance to rescind the Wheel Tax. If the Town Council adopts an ordinance to rescind the Wheel Tax, the Wheel Tax does not apply to a vehicle registered after December 31 of the year the ordinance is adopted.

The Town Council may not adopt an ordinance to rescind the Wheel Tax unless the Town Council concurrently adopts an ordinance under Ind. Code § 6-3.5-10 to rescind the annual license excise surtax.

Town Council shall send a copy of an ordinance rescinding the Wheel Tax and a copy of a letter from the Department of Transportation approving the Town's transportation asset management plan to the BMV and the Department of State Revenue on or before September 1 following the adoption of the ordinance.
(E) Increase or Decrease of Wheel Tax. The Town Council may adopt an ordinance to increase or decrease the Wheel Tax rates. New rates adopted after December 31 but on or before September 1 apply to vehicles registered after December 31 of the year the ordinance to change the rates is adopted. New rates adopted after September 1 but before January 1 apply to vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

If the Town Council adopts an ordinance to increase or decrease the Wheel Tax, the Town Council shall send a copy of the ordinance and a copy of a letter from the Department of Transportation approving the Town’s transportation asset management plan to the BMV and the Department of State Revenue on or before September 1 following the adoption of the ordinance.

(F) Credit of Wheel Tax upon Sale of Vehicle; Refund of Unused Credit. Every owner of a vehicle for which the Wheel Tax has been paid for the owner’s registration year is entitled to a credit if, during the registration year, the owner sells the vehicle. The amount of credit equals the Wheel Tax paid by the owner for the vehicle that was sold. The credit may be applied by the owner only against the Wheel Tax owed for a vehicle that is purchased during the same registration year. An owner is not entitled to a refund or any part of a credit that is not used under this section.

(G) Payment of Wheel Tax. A person may not register a vehicle subject to the Wheel Tax in the Town of Cumberland unless the person pays the Wheel Tax due. Payments must be made to the BMV. The BMV shall collect the Wheel Tax due, if any, at the time the motor vehicle is registered.

(H) Apportioned Tax for Certain Commercial Vehicles; Payment Voucher. An owner of one or more commercial vehicles paying an apportioned registration to the state under the International Registration Plan that is required to pay a Wheel Tax shall pay an apportioned Wheel Tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles. The apportioned
wheel tax under this section shall be paid at the same time and in the same manner as the commercial vehicle excise tax under Indiana Code § 6-6-5.5.

A voucher from the department showing payment of the wheel tax may be accepted by the BMV instead of the payment required under section (G) of this ordinance.

(i) **Remittance of Collected Tax; Wheel Tax Collection Report.** On or before the tenth day of each month, the BMV must remit the Wheel Tax to the Town of Cumberland Clerk-Treasurer. Concurrently with the remittance, the BMV shall file a Wheel Tax collections report prepared on forms prescribed by the State Board of Accounts with the Cumberland Clerk-Treasurer.

If the wheel tax is collected directly by the BMV instead of at a branch office, the commissioner of the BMV will remit the Wheel Tax to, and file a wheel tax collections report with, the Cumberland Clerk-Treasurer in the same manner and at the same time that a branch office manager is required to remit and report under (H) of this ordinance.

If the wheel tax for a commercial vehicle is collected directly by the department, the commissioner of the department shall remit the Wheel Tax to, and file a wheel tax collections report with, the Cumberland Clerk-Treasurer in the same manner and at the same time that a branch office manager is required to remit and report under (H) of this ordinance.

(j) **Town of Cumberland Wheel Tax Fund: Use.** The Clerk-Treasurer will deposit the Wheel Tax revenues in a fund to be known as the "Town of Cumberland Wheel Tax Fund". The Town may use the wheel tax revenues only:

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

(2) as a contribution to an authority established under Indiana Code 36-7-23; or,
(3) for the Town's contribution to obtain a grant from the local road and bridge matching grant fund under Indiana Code 8-23-30.

(K) Estimate of Wheel Tax Revenues. On or before August 1 of each year, the Clerk-Treasurer will provide the Town Council with an estimate of the Wheel Tax revenues to be received by the Town during the next calendar year. The Town will include the estimated Wheel Tax revenues in the Town's budget estimate for the calendar year.

(L) Violations. The owner of a vehicle who knowingly registers the Vehicle without paying the wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.”

It is further ordained that the Town Council authorizes the Town Manager to provide a copy of this ordinance and the Town's transportation asset management plan to the Commissioner of the BMV and the Department of State Revenue.

It is further ordained that any provision of the Town of Cumberland Code of Ordinances which is not specifically amended by this ordinance shall remain in full force and effect.

It is further ordained that this ordinance shall become effective upon adoption.

Ordained this ___ day of ____________________, 2017.
Cumberland Town Council:

Anna Pea, President

Joe Siefker, Vice President

Nicole Bell, Member

Aaron Cutshaw, Member

Brian Gitter, Member

Attest:

Erica Salmon, Clerk-Treasurer
Exhibit A