

STATE OF INDIANA



INDIANAPOLIS, 46204-2253

DEPARTMENT OF REVENUE

FAX: (317) 233-6489

LEGAL DIVISION
INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE., Room N248

July 2, 2007

Larry Pherson, Director
Sponsored Program Administration & Purchasing Services
Purdue University
West Lafayette, IN 47907

Re: Tax Clearance for Vendors Doing Business with a State of Indiana
Agency or Educational Institutions

Dear Mr. Pherson:

Effective July 1, 2007, the Indiana Code changed regarding tax clearances issued by the Indiana Department of Revenue ("Department") for the Indiana Department of Administration and the purchasing agents of state educational institutions.

Before this statutory change if a vendor desired to contract with a state agency or state educational institution to sell **tangible personal property** or provide **services**, the vendor was required to have a registered retail merchant's certificate and be current in remitting sales tax to the Department.

Effective July 1, 2007, IC 5-22-16-4 and IC 6-2.5-4-14 were amended to provide that only vendors desiring to sell **tangible personal property** to a state agency or educational institution are still required to have a registered retail merchant's certificate and be current in remitting sales tax. If the vendor is only providing **services** (i.e., engineering services, janitorial services, consulting services), the vendor no longer has to register with the Department as a registered retail merchant.

IC 6-2.5-8-10 was repealed effective July 1, 2007. The repeal of this section eliminated the requirement for out of state vendors to register as a retail merchant if they did not maintain a place of business in Indiana, and were selling tangible personal property or services to a state agency or educational institution.

Effective July 1, 2007, the Department of Administration and the purchasing agents of state educational institutions should only request a tax clearance for vendors desiring to sell **tangible personal property**.

If you have any questions concerning this change in procedure, please contact Lynne Goodin, General Counsel for the Indiana Department of Revenue, at lgoodin@dor.in.gov or (317) 232-6120.

Sincerely,

Lynne Goodin
General Counsel

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