

HOUSE BILL No. 1363

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5; IC 6-8.1-7-1.

Synopsis: Elimination of sales tax on utility service. Provides a sales tax exemption for utility services.

Effective: July 1, 2024.

Porter

January 10, 2024, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1363

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 6-2.5-1-1, AS AMENDED BY P.L.146-2020,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 1. (a) Except as provided in subsection (b), ~~or (c)~~,
4 "unitary transaction" includes all items of personal property and
5 services which are furnished under a single order or agreement and for
6 which a total combined charge or price is calculated.

7 (b) "Unitary transaction" does not include a transaction that meets
8 one (1) of the exceptions in section 11.5(d) of this chapter.

9 (c) ~~"Unitary transaction" as it applies to the furnishing of public
10 utility commodities or services means the public utility commodities
11 and services which are invoiced in a single bill or statement for
12 payment by the consumer.~~

13 SECTION 2. IC 6-2.5-1-5, AS AMENDED BY P.L.199-2021,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2024]: Sec. 5. (a) Except as provided in subsection (b), "gross
16 retail income" means the total amount of consideration, including cash,
17 credit, property, and services, for which tangible personal property is



1 sold, leased, or rented, valued in money, whether received in money or
2 otherwise, without any deduction for:

- 3 (1) the seller's cost of the property sold;
4 (2) the cost of materials used, labor or service cost, interest,
5 losses, all costs of transportation to the seller, all taxes imposed
6 on the seller, and any other expense of the seller;
7 (3) charges by the seller for any services necessary to complete
8 the sale, other than delivery and installation charges;
9 (4) delivery charges; or
10 (5) consideration received by the seller from a third party if:
11 (A) the seller actually receives consideration from a party
12 other than the purchaser and the consideration is directly
13 related to a price reduction or discount on the sale;
14 (B) the seller has an obligation to pass the price reduction or
15 discount through to the purchaser;
16 (C) the amount of the consideration attributable to the sale is
17 fixed and determinable by the seller at the time of the sale of
18 the item to the purchaser; and
19 (D) the price reduction or discount is identified as a third party
20 price reduction or discount on the invoice received by the
21 purchaser or on a coupon, certificate, or other documentation
22 presented by the purchaser.

23 For purposes of subdivision (4), delivery charges are charges by the
24 seller for preparation and delivery of the property to a location
25 designated by the purchaser of property, including but not limited to
26 transportation, shipping, postage charges that are not separately stated
27 on the invoice, bill of sale, or similar document, handling, crating, and
28 packing. Delivery charges do not include postage charges that are
29 separately stated on the invoice, bill of sale, or similar document.

30 (b) "Gross retail income" does not include that part of the gross
31 receipts attributable to:

- 32 (1) the value of any tangible personal property received in a like
33 kind exchange in the retail transaction, if the value of the property
34 given in exchange is separately stated on the invoice, bill of sale,
35 or similar document given to the purchaser;
36 (2) the receipts received in a retail transaction which constitute
37 interest, finance charges, or insurance premiums on either a
38 promissory note or an installment sales contract;
39 (3) discounts, including cash, terms, or coupons that are not
40 reimbursed by a third party that are allowed by a seller and taken
41 by a purchaser on a sale;
42 (4) interest, financing, and carrying charges from credit extended



- 1 on the sale of personal property if the amount is separately stated
 2 on the invoice, bill of sale, or similar document given to the
 3 purchaser;
 4 (5) any taxes legally imposed directly on the consumer that are
 5 separately stated on the invoice, bill of sale, or similar document
 6 given to the purchaser, including an excise tax imposed under
 7 IC 6-6-15;
 8 (6) installation charges that are separately stated on the invoice,
 9 bill of sale, or similar document given to the purchaser;
 10 (7) telecommunications nonrecurring charges;
 11 (8) postage charges that are separately stated on the invoice, bill
 12 of sale, or similar document; or
 13 (9) charges for serving or delivering food and food ingredients
 14 furnished, prepared, or served for consumption at a location, or on
 15 equipment, provided by the retail merchant, to the extent that the
 16 charges for the serving or delivery are stated separately from the
 17 price of the food and food ingredients when the purchaser pays
 18 the charges.
- 19 (c) Notwithstanding subsection (b)(5):
 20 (1) in the case of retail sales of special fuel (as defined in
 21 IC 6-6-2.5-22), the gross retail income is the total sales price of
 22 the special fuel minus the part of that price attributable to tax
 23 imposed under IC 6-6-2.5 or Section 4041 or Section 4081 of the
 24 Internal Revenue Code;
 25 (2) in the case of retail sales of cigarettes (as defined in
 26 IC 6-7-1-2), the gross retail income is the total sales price of the
 27 cigarettes including the tax imposed under IC 6-7-1; and
 28 (3) in the case of retail sales of consumable material (as defined
 29 in IC 6-7-4-2), vapor products (as defined in IC 6-7-4-8), and
 30 closed system cartridges (as defined in IC 6-7-2-0.5) under the
 31 closed system cartridge tax, the gross retail income received from
 32 selling at retail is the total sales price of the consumable material
 33 (as defined in IC 6-7-4-2), vapor products (as defined in
 34 IC 6-7-4-8), and closed system cartridges (as defined in
 35 IC 6-7-2-0.5) including the tax imposed under IC 6-7-4 and
 36 IC 6-7-2-7.5.
- 37 (d) Gross retail income is only taxable under this article to the
 38 extent that the income represents:
 39 (1) the price of the property transferred, without the rendition of
 40 any services; and
 41 (2) except as provided in subsection (b), any bona fide charges
 42 which are made for preparation, fabrication, alteration,



1 modification, finishing, completion, delivery, or other service
 2 performed in respect to the property transferred before its transfer
 3 and which are separately stated on the transferor's records. For
 4 purposes of this subdivision, a transfer is considered to have
 5 occurred after the delivery of the property to the purchaser.

6 (e) ~~A public utility's or a power subsidiary's gross retail income~~
 7 ~~includes all gross retail income received by the public utility or power~~
 8 ~~subsidiary, including any minimum charge, flat charge, membership~~
 9 ~~fee, or any other form of charge or billing.~~

10 SECTION 3. IC 6-2.5-4-5 IS REPEALED [EFFECTIVE JULY 1,
 11 2024]. ~~Sec. 5: A power subsidiary or a person engaged as a public~~
 12 ~~utility is a retail merchant making a retail transaction when the~~
 13 ~~subsidiary or person furnishes or sells electrical energy, natural or~~
 14 ~~artificial gas, water, steam, or steam heating service to a person for~~
 15 ~~commercial or domestic consumption.~~

16 SECTION 4. IC 6-2.5-4-6, AS AMENDED BY P.L.84-2011,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2024]: Sec. 6. (a) A person is a retail merchant making a retail
 19 transaction when the person:

- 20 (1) furnishes or sells an intrastate telecommunication service; and
- 21 (2) receives gross retail income from billings or statements
 22 rendered to customers.

23 (b) Notwithstanding subsection (a), a person is not a retail merchant
 24 making a retail transaction when:

- 25 (1) ~~the person furnishes or sells telecommunication services to~~
 26 ~~another person described in this section or in section 5 of this~~
 27 ~~chapter; a power subsidiary or a person engaged as a public~~
 28 ~~utility that furnishes or sells electrical energy, natural or~~
 29 ~~artificial gas, water, steam, or steam heating service to a~~
 30 ~~person for commercial or domestic consumption;~~
 31 (2) the person furnishes telecommunications services to another
 32 person who is providing prepaid calling services or prepaid
 33 wireless calling services in a retail transaction to customers who
 34 access the services described in section 13 of this chapter;
 35 (3) the person furnishes intrastate mobile telecommunications
 36 service (as defined in IC 6-8.1-15-7) to a customer with a place of
 37 primary use that is not located in Indiana (as determined under
 38 IC 6-8.1-15); or
 39 (4) the person furnishes or sells value added nonvoice data
 40 services in a retail transaction to a customer.

41 (c) Subject to IC 6-2.5-12 and IC 6-8.1-15, and notwithstanding
 42 subsections (a) and (b), if charges for telecommunication services,



1 ancillary services, Internet access, audio services, or video services that
 2 are not taxable under this article are aggregated with and not separately
 3 stated from charges subject to taxation under this article, the charges
 4 for nontaxable telecommunication services, ancillary services, Internet
 5 access, audio services, or video services are subject to taxation unless
 6 the service provider can reasonably identify the charges not subject to
 7 the tax from the service provider's books and records kept in the regular
 8 course of business.

9 SECTION 5. IC 6-2.5-5-5.1, AS AMENDED BY P.L.137-2022,
 10 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2024]: Sec. 5.1. (a) As used in this section, "tangible personal
 12 property" includes electricity, gas, water, and steam.

13 (b) Transactions involving tangible personal property are exempt
 14 from the state gross retail tax if the person acquiring the property
 15 acquires it for direct consumption as a material to be consumed in the
 16 direct production of other tangible personal property in the person's
 17 business of manufacturing, mining, production, processing, repairing,
 18 recycling (as defined in section 45.8 of this chapter), refining, oil
 19 extraction, mineral extraction, irrigation, agriculture, floriculture,
 20 arboriculture, or horticulture. This exemption includes transactions
 21 involving acquisitions of tangible personal property used in
 22 commercial printing.

23 (c) Transactions involving tangible personal property are exempt
 24 from the state gross retail tax if the person acquiring that property:

25 (1) acquires it for the person's direct consumption as a material to
 26 be consumed in an industrial processing service; and

27 (2) is an industrial processor.

28 (d) Transactions involving tangible personal property are exempt
 29 from the state gross retail tax if the person acquiring the property:

30 (1) acquires it for the person's direct consumption as a material to
 31 be consumed in:

32 (A) the direct application of fertilizers, pesticides, fungicides,
 33 seeds, and other tangible personal property; or

34 (B) the direct extraction, harvesting, or processing of
 35 agricultural commodities;

36 for consideration; and

37 (2) is occupationally engaged in providing the services described
 38 in subdivision (1) on property that is:

39 (A) owned or rented by another person occupationally engaged
 40 in agricultural production; and

41 (B) used for agricultural production.

42 (e) Transactions involving electricity, gas, water, and steam



1 delivered through a single meter provided by a public utility are exempt
 2 if the electrical energy, natural or artificial gas, water, steam, or steam
 3 heat is consumed for a purpose exempted pursuant to this section and
 4 the electricity, gas, water, or steam is predominately used by the
 5 purchaser for one (1) or more of the purposes exempted by this section:

6 SECTION 6. IC 6-2.5-5-8.5, AS AMENDED BY P.L.194-2023,
 7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2024]: Sec. 8.5. Transactions are exempt from the state gross
 9 retail tax when

10 (1) a power subsidiary or person provides, installs, constructs,
 11 services, or removes tangible personal property which is used in
 12 connection with the furnishing of the services or commodities
 13 listed in IC 6-2.5-4-5; **electrical energy, natural or artificial**
 14 **gas, water, steam, or steam heating service.**

15 (2) a power subsidiary or person sells the services or commodities
 16 listed in IC 6-2.5-4-5 to another public utility or power subsidiary
 17 or a person described in IC 6-2.5-4-6; or

18 (3) a power subsidiary or person sells the services or commodities
 19 listed in IC 6-2.5-4-5 and all of the following conditions are
 20 satisfied:

21 (A) The services or commodities are sold to a business that:

22 (i) relocates all or part of its operations to a facility; or

23 (ii) expands all or part of its operations in a facility;

24 located in a military base (as defined in IC 36-7-30-1(c)); a
 25 military base reuse area established under IC 36-7-14.5-12.5
 26 that is or formerly was a military base (as defined in
 27 IC 36-7-30-1(c)); or a qualified military base enhancement
 28 area established under IC 36-7-34.

29 (B) The business uses the services or commodities in the
 30 facility described in clause (A) not later than five (5) years
 31 after the operations that relocated to the facility, or expanded
 32 in the facility, commence.

33 (C) The sales of the services or commodities are separately
 34 metered for use by the relocated or expanded operations.

35 (D) In the case of a business that uses the services or
 36 commodities in a qualified military base enhancement area
 37 established under IC 36-7-34-4(1), the business must satisfy at
 38 least one (1) of the following criteria:

39 (i) The business is a participant in the technology transfer
 40 program conducted by the qualified military base (as defined
 41 in IC 36-7-34-3).

42 (ii) The business is a United States Department of Defense



1 contractor:

2 (iii) The business and the qualified military base have a
3 mutually beneficial relationship evidenced by a
4 memorandum of understanding between the business and
5 the United States Department of Defense.

6 (E) In the case of a business that uses the services and
7 commodities in a qualified military base enhancement area
8 established under IC 36-7-34-4(2), the business must satisfy at
9 least one (1) of the following criteria:

10 (i) The business is a participant in the technology transfer
11 program conducted by the qualified military base (as defined
12 in IC 36-7-34-3).

13 (ii) The business and the qualified military base have a
14 mutually beneficial relationship evidenced by a
15 memorandum of understanding between the business and
16 the qualified military base (as defined in IC 36-7-34-3).

17 However, this subdivision does not apply to a business that
18 substantially reduces or ceases its operations at another location
19 in Indiana in order to relocate its operations in an area described
20 in this subdivision, unless the department determines that the
21 business had existing operations in the area described in this
22 subdivision and that the operations relocated to the area are an
23 expansion of the business's operations in the area.

24 SECTION 7. IC 6-2.5-5-10, AS AMENDED BY P.L.137-2022,
25 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2024]: Sec. 10. Transactions involving tangible personal
27 property are exempt from the state gross retail tax, if:

28 (1) the property is classified as production plant or power
29 production expenses, according to the uniform system of accounts
30 which was adopted and prescribed for the utility by the Indiana
31 utility regulatory commission; and

32 (2) the person acquiring the property is:

33 (A) a public utility that furnishes or sells electrical energy,
34 steam, or steam heat; ~~in a retail transaction described in~~
35 ~~IC 6-2.5-4-5;~~ or

36 (B) a power subsidiary (as defined in IC 6-2.5-1-22.5) that
37 furnishes or sells electrical energy, steam, or steam heat to a
38 public utility described in clause (A).

39 SECTION 8. IC 6-2.5-5-11 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11. Transactions
41 involving tangible personal property are exempt from the state gross
42 retail tax, if:



1 (1) the property is classified as production plant, storage plant,
2 production expenses, or underground storage expenses according
3 to the uniform system of accounts, which was adopted and
4 prescribed for the utility by the Indiana utility regulatory
5 commission; and

6 (2) the person acquiring the property is a public utility that
7 furnishes or sells natural or artificial gas. ~~in a retail transaction~~
8 ~~described in IC 6-2.5-4-5.~~

9 SECTION 9. IC 6-2.5-5-12, AS AMENDED BY P.L.88-2007,
10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2024]: Sec. 12. Transactions involving tangible personal
12 property are exempt from the state gross retail tax if:

13 (1) the property is classified as source of supply plant and
14 expenses, the pumping plant and expenses, or water treatment
15 plant and expenses according to the uniform system of accounts
16 which was adopted and prescribed for the utility by the Indiana
17 utility regulatory commission; and

18 (2) the person acquiring the property is a public utility that
19 furnishes or sells water. ~~in a retail transaction described in~~
20 ~~IC 6-2.5-4-5.~~

21 SECTION 10. IC 6-2.5-5-16, AS AMENDED BY P.L.293-2013(ts),
22 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2024]: Sec. 16. Transactions involving tangible personal
24 property **and** accommodations ~~public utility commodities, and public~~
25 ~~utility service~~ are exempt from the state gross retail tax, if the person
26 acquiring the property **or** accommodations: ~~commodities, or service:~~

27 (1) is the state of Indiana, an agency or instrumentality of the
28 state, a political subdivision of the state, or an agency or
29 instrumentality of a political subdivision of the state, including a
30 county solid waste management district or a joint solid waste
31 management district established under IC 13-21 or IC 13-9.5-2
32 (before its repeal); and

33 (2) predominantly uses the property, accommodations,
34 commodities, or service to perform its governmental functions.

35 SECTION 11. IC 6-2.5-5-45.8, AS AMENDED BY P.L.242-2015,
36 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2024]: Sec. 45.8. (a) For purposes of this section ~~IC 6-2.5-4-5,~~
38 and section 30 of this chapter, the following definitions apply:

39 (1) "Recycling" means the processing of recycling materials and
40 other tangible personal property into a product for sale if the
41 product is predominantly composed of recycling materials. The
42 term does not include the following:



- 1 (A) The demolition of improvements to real estate.
 2 (B) The processing of tangible personal property primarily for
 3 disposal in a licensed solid waste disposal facility rather than
 4 for sale.
 5 (C) The collection of recycling materials.
- 6 (2) "Recycling materials" means tangible personal property,
 7 including metal, paper, glass, plastic, textile, or rubber, that:
 8 (A) is considered "scrap" by industry standards or has no more
 9 than scrap value;
 10 (B) is a byproduct of another person's manufacturing or
 11 production process;
 12 (C) was previously manufactured or incorporated into a
 13 product;
 14 (D) would otherwise reasonably be expected to be destined for
 15 disposal in a licensed solid waste disposal facility; or
 16 (E) has been removed or diverted from the solid waste stream
 17 for sale, use, or reuse as raw materials, regardless of whether
 18 or not the materials require subsequent processing or
 19 separation from each other.
- 20 (3) "Processing of recycling materials" means:
 21 (A) receiving recycling materials and other tangible personal
 22 property; and
 23 (B) creating a product for sale by changing the original form,
 24 use, or composition of the property (whether manually,
 25 mechanically, chemically, or otherwise) through weighing,
 26 sorting, grading, separating, shredding, crushing, compacting,
 27 breaking, cutting, baling, shearing, torching, wire-stripping, or
 28 other means.
- 29 (4) "Occupationally engaged in the business of recycling" means
 30 to engage in recycling with the intention of doing so at a profit.
- 31 (5) "Recycling cart" means a manually propelled container with
 32 a capacity of not more than one hundred (100) gallons of
 33 recycling materials.
- 34 (b) Transactions involving recycling materials and other tangible
 35 personal property are exempt from the state gross retail tax if:
 36 (1) the person acquiring that property acquires it for the person's
 37 direct use in the processing of recycling materials; and
 38 (2) the person acquiring that property is occupationally engaged
 39 in the business of recycling.
- 40 (c) Notwithstanding subsection (a)(1)(C), transactions involving a
 41 recycling cart are exempt from the state gross retail tax if the person
 42 acquiring the recycling cart is occupationally engaged in the business



1 of recycling.

2 SECTION 12. IC 6-2.5-5-58 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2024]: **Sec. 58. (a) As used in this section, "utility service" means**
5 **the provision of any of the following to consumers:**

6 (1) **Electrical energy.**

7 (2) **Natural gas, either mixed with another substance or pure,**
8 **used for heat, light, cooling, or power.**

9 (3) **Water.**

10 (4) **Steam.**

11 **The term includes utility services provided by a power subsidiary**
12 **or public utility.**

13 **(b) Transactions involving the sale of utility services are exempt**
14 **from the state gross retail tax.**

15 SECTION 13. IC 6-2.5-6-10, AS AMENDED BY P.L.218-2017,
16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2024]: **Sec. 10. (a)** In order to compensate retail merchants
18 and those required to remit gasoline use tax for collecting and timely
19 remitting the state gross retail tax, the state use tax, and the gasoline
20 use tax, every retail merchant or person required to remit the gasoline
21 use tax, except as provided in subsection (c), is entitled to deduct and
22 retain from the amount of those taxes otherwise required to be remitted
23 under IC 6-2.5-3.5 or under this chapter, if timely remitted, a retail
24 merchant's collection allowance.

25 (b) The allowance equals a percentage of the retail merchant's state
26 gross retail and use tax or the person's gasoline use tax liability accrued
27 during a calendar year, specified as follows:

28 (1) Seventy-three hundredths percent (0.73%), if the retail
29 merchant's state gross retail and use tax or gasoline use tax
30 liability accrued during the state fiscal year ending on June 30 of
31 the immediately preceding calendar year did not exceed sixty
32 thousand dollars (\$60,000).

33 (2) Fifty-three hundredths percent (0.53%), if the retail merchant's
34 state gross retail and use tax or gasoline use tax liability accrued
35 during the state fiscal year ending on June 30 of the immediately
36 preceding calendar year:

37 (A) was greater than sixty thousand dollars (\$60,000); and

38 (B) did not exceed six hundred thousand dollars (\$600,000).

39 (3) Twenty-six hundredths percent (0.26%), if the retail
40 merchant's state gross retail and use tax liability or the person's
41 gasoline use tax accrued during the state fiscal year ending on
42 June 30 of the immediately preceding calendar year was greater



1 than six hundred thousand dollars (\$600,000).
2 (c) A retail merchant described in ~~IC 6-2.5-4-5~~ or IC 6-2.5-4-6 is not
3 entitled to the allowance provided by this section. A retail merchant is
4 not entitled to the allowance provided by this section with respect to
5 gasoline use taxes imposed by IC 6-2.5-3.5.
6 SECTION 14. IC 6-2.5-8-1, AS AMENDED BY P.L.165-2021,
7 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2024]: Sec. 1. (a) A retail merchant may not make a retail
9 transaction in Indiana, unless the retail merchant has applied for a
10 registered retail merchant's certificate.
11 (b) A retail merchant may obtain a registered retail merchant's
12 certificate by filing an application with the department and paying a
13 registration fee of twenty-five dollars (\$25) for each place of business
14 listed on the application. The retail merchant shall also provide such
15 security for payment of the tax as the department may require under
16 IC 6-2.5-6-12.
17 (c) The retail merchant shall list on the application the location
18 (including the township) of each place of business where the retail
19 merchant makes retail transactions. However, if the retail merchant
20 does not have a fixed place of business, the retail merchant shall list the
21 retail merchant's residence as the retail merchant's place of business. ~~In~~
22 ~~addition, a public utility may list only its principal Indiana office as its~~
23 ~~place of business for sales of public utility commodities or service, but~~
24 ~~the utility must also list on the application the places of business where~~
25 ~~it makes retail transactions other than sales of public utility~~
26 ~~commodities or service.~~
27 (d) Upon receiving a proper application, the correct fee, and the
28 security for payment, if required, the department shall issue to the retail
29 merchant a separate registered retail merchant's certificate for each
30 place of business listed on the application. Each certificate shall bear
31 a serial number and the location of the place of business for which it is
32 issued.
33 (e) The department may deny an application for a registered retail
34 merchant's certificate if the applicant's business is operated, managed,
35 or otherwise controlled by or affiliated with a person, including a
36 relative, family member, responsible officer, or owner, who the
37 department has determined:
38 (1) failed to:
39 (A) file all tax returns or information reports with the
40 department for listed taxes; or
41 (B) pay all taxes, penalties, and interest to the department for
42 listed taxes; and



1 (2) the business of the person who has failed to file all tax returns
2 or information reports under subdivision (1)(A) or who has failed
3 to pay all taxes, penalties, and interest under subdivision (1)(B)
4 is substantially similar to the business of the applicant.

5 (f) If a retail merchant intends to make retail transactions during a
6 calendar year at a new Indiana place of business, the retail merchant
7 must file a supplemental application and pay the fee for that place of
8 business.

9 (g) Except as provided in subsection (i), a registered retail
10 merchant's certificate is valid for two (2) years after the date the
11 registered retail merchant's certificate is originally issued or renewed.
12 If the retail merchant has filed all returns and remitted all taxes the
13 retail merchant is currently obligated to file or remit, the department
14 shall renew the registered retail merchant's certificate within thirty (30)
15 days after the expiration date, at no cost to the retail merchant. Before
16 issuing or renewing the registered retail merchant certification, the
17 department may require the following to be provided:

18 (1) The names and addresses of the retail merchant's principal
19 employees, agents, or representatives who engage in Indiana in
20 the solicitation or negotiation of the retail transaction.

21 (2) The location of all of the retail merchant's places of business
22 in Indiana, including offices and distribution houses.

23 (3) Any other information that the department requests.

24 (h) The department may not renew a registered retail merchant
25 certificate of a retail merchant who is delinquent in remitting
26 withholding taxes required to be remitted under IC 6-3-4, the electronic
27 cigarette tax under IC 6-7-4, or sales or use tax. The department, at
28 least sixty (60) days before the date on which a retail merchant's
29 registered retail merchant's certificate expires, shall notify a retail
30 merchant who is delinquent in remitting withholding taxes required to
31 be remitted under IC 6-3-4, the electronic cigarette tax under IC 6-7-4,
32 or sales or use tax that the department will not renew the retail
33 merchant's registered retail merchant's certificate.

34 (i) If:

35 (1) a retail merchant has been notified by the department that the
36 retail merchant is delinquent in remitting withholding taxes or
37 sales or use tax in accordance with subsection (h); and

38 (2) the retail merchant pays the outstanding liability before the
39 expiration of the retail merchant's registered retail merchant's
40 certificate;

41 the department shall renew the retail merchant's registered retail
42 merchant's certificate for one (1) year.



1 (j) The department may permit an out-of-state retail merchant to
 2 collect the gross retail tax in instances where the retail merchant has
 3 not met the thresholds in IC 6-2.5-2-1(d). However, before the
 4 out-of-state retail merchant may collect the tax, the out-of-state retail
 5 merchant must obtain a registered retail merchant's certificate in the
 6 manner provided by this section. Upon receiving the certificate, the
 7 out-of-state retail merchant becomes subject to the same conditions and
 8 duties as an Indiana retail merchant and must then collect the gross
 9 retail tax due on all retail transactions that the out-of-state retail
 10 merchant knows are sourced to Indiana pursuant to IC 6-2.5-13-1.

11 (k) Except as provided in subsection (l), the department shall submit
 12 to the township assessor, or the county assessor if there is no township
 13 assessor for the township, before January 15 of each year:

14 (1) the name of each retail merchant that has newly obtained a
 15 registered retail merchant's certificate during the preceding year
 16 for a place of business located in the township or county;

17 (2) the address of each place of business of the taxpayer in the
 18 township or county described in subdivision (1);

19 (3) the name of each retail merchant that:

20 (A) held a registered retail merchant's certificate at any time
 21 during the preceding year for a place of business located in the
 22 township or county; and

23 (B) had ceased to hold the registered retail merchant's
 24 certificate at the end of the preceding year for the place of
 25 business; and

26 (4) the address of each place of business described in subdivision

27 (3).

28 (l) If the duties of the township assessor have been transferred to the
 29 county assessor as described in IC 6-1.1-1-24, the department shall
 30 submit the information listed in subsection (k) to the county assessor.

31 SECTION 15. IC 6-2.5-8-8, AS AMENDED BY P.L.137-2022,
 32 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2024]: Sec. 8. (a) A person, authorized under subsection (b),
 34 who makes a purchase in a transaction which is exempt from the state
 35 gross retail and use taxes, may issue an exemption certificate to the
 36 seller instead of paying the tax. Except as provided in subsection (c),
 37 the person shall issue the certificate on forms and in the manner
 38 prescribed by the department on the department's ~~Internet web site:~~
 39 **website**. A seller accepting a proper exemption certificate under this
 40 section has no duty to collect or remit the state gross retail or use tax on
 41 that purchase.

42 (b) The following are the only persons authorized to issue



1 exemption certificates:

2 (1) Retail merchants, wholesalers, and manufacturers, who are
3 registered with the department under this chapter.

4 ~~(2) Persons who are exempt from the state gross retail tax under~~
5 ~~IC 6-2.5-4-5 and who receive an exemption certificate from the~~
6 ~~department.~~

7 ~~(3) (2)~~ Other persons who are exempt from the state gross retail
8 tax with respect to any part of their purchases.

9 (c) Organizations that are exempt from the state gross retail tax
10 under IC 6-2.5-5-21, IC 6-2.5-5-25, or IC 6-2.5-5-26 and that are
11 registered with the department pursuant to IC 6-2.5-5-25(c) shall be
12 electronically issued an exemption certificate by the department.

13 (d) The department may also allow a person to issue a blanket
14 exemption certificate to cover exempt purchases over a stated period
15 of time. The department may impose conditions on the use of the
16 blanket exemption certificate and restrictions on the kind or category
17 of purchases that are exempt.

18 (e) A seller that accepts an incomplete exemption certificate under
19 subsection (a) is not relieved of the duty to collect gross retail or use
20 tax on the sale unless the seller obtains:

21 (1) a fully completed exemption certificate; or

22 (2) the relevant data to complete the exemption certificate;
23 within ninety (90) days after the sale.

24 (f) If a seller has accepted an incomplete exemption certificate
25 under subsection (a) and the department requests that the seller
26 substantiate the exemption, within one hundred twenty (120) days after
27 the department makes the request the seller shall:

28 (1) obtain a fully completed exemption certificate; or

29 (2) prove by other means that the transaction was not subject to
30 state gross retail or use tax.

31 ~~(g) A power subsidiary (as defined in IC 6-2.5-1-22.5) or a person~~
32 ~~selling the services or commodities listed in IC 6-2.5-4-5 who accepts~~
33 ~~an exemption certificate issued by the department to a person who is~~
34 ~~exempt from the state gross retail tax under IC 6-2.5-4-5 is relieved~~
35 ~~from the duty to collect state gross retail or use tax on the sale of the~~
36 ~~services or commodities listed in IC 6-2.5-4-5 until notified by the~~
37 ~~department that the exemption certificate has expired or has been~~
38 ~~revoked. If the department notifies a power subsidiary or a person~~
39 ~~selling the services or commodities listed in IC 6-2.5-4-5 that a person's~~
40 ~~exemption certificate has expired or has been revoked, the power~~
41 ~~subsidiary or person selling the services or commodities listed in~~
42 ~~IC 6-2.5-4-5 shall begin collecting state gross retail tax on the sale of~~



1 the services or commodities listed in IC 6-2.5-4-5 to the person whose
 2 exemption certificate has expired or been revoked not later than thirty
 3 (30) days after the date of the department's notice. An exemption
 4 certificate issued by the department to a person who is exempt from the
 5 state gross retail tax under IC 6-2.5-4-5 remains valid for that person
 6 regardless of any subsequent one (1) for one (1) meter number changes
 7 with respect to that person that are required, made, or initiated by a
 8 power subsidiary or a person selling the services or commodities listed
 9 in IC 6-2.5-4-5, unless the department revokes the exemption
 10 certificate. Within thirty (30) days after the final day of each calendar
 11 year quarter, a power subsidiary or a person selling the services or
 12 commodities listed in IC 6-2.5-4-5 shall report to the department any
 13 meter number changes made during the immediately preceding
 14 calendar year quarter and distinguish between the one (1) for one (1)
 15 meter changes and the one (1) for multiple meter changes made during
 16 the calendar year quarter. A power subsidiary or a person selling the
 17 services or commodities listed in IC 6-2.5-4-5 shall maintain records
 18 sufficient to document each one (1) to one (1) meter change. A person
 19 may request the department to reissue an exemption certificate with a
 20 new meter number in the event of a one (1) to one (1) meter change.
 21 Except for a person to whom a blanket utility exemption applies, any
 22 meter number changes not involving a one (1) to one (1) relationship
 23 will no longer be exempt and will require the person to submit a new
 24 utility exemption application for the new meters. Until an application
 25 for a new meter is approved, the new meter is subject to the state gross
 26 retail tax and the power subsidiary or the person selling the services or
 27 commodities listed in IC 6-2.5-4-5 is required to collect the state gross
 28 retail tax from the date of the meter change.

29 SECTION 16. IC 6-2.5-15-14, AS ADDED BY P.L.256-2019,
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2024]: Sec. 14. (a) A qualified data center user that holds an
 32 interest in a qualified data center may apply to the corporation for a
 33 specific transaction award certificate to make purchases ~~other than the~~
 34 ~~purchase of utilities described in IC 6-2.5-4-5~~, that are exempt under
 35 this chapter. The request must be on a form prescribed by the
 36 corporation.

37 (b) The corporation has exclusive authority over issues related to
 38 issuing a specific transaction award certificate.

39 (c) If the corporation issues a specific transaction award certificate
 40 under this chapter, the certificate must state that the facility is a
 41 qualified data center.

42 (d) A specific transaction award certificate issued by the corporation



1 shall expire not later than:

2 (A) twenty-five (25) years after the date of issuance; or

3 (B) fifty (50) years after the date of issuance if the qualified
4 investment is seven hundred fifty million dollars (\$750,000,000)
5 or greater.

6 SECTION 17. IC 6-2.5-15-17, AS ADDED BY P.L.256-2019,
7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2024]: Sec. 17. A qualified data center user is not entitled to
9 the exemption provided by section 16 of this chapter unless the
10 qualified data center user provides the seller with an exemption
11 certificate on a form prescribed by the department and a copy of the
12 specific transaction award certificate issued by the corporation. ~~In the~~
13 ~~case of utilities described in IC 6-2.5-4-5, the qualified data center user~~
14 ~~may issue an exemption certificate on a form prescribed by the~~
15 ~~department and a copy of the specific transaction award certificate~~
16 ~~issued by the corporation to cover all utility purchases from that seller.~~
17 ~~However, for the corporation to issue a specific transaction award~~
18 ~~certificate for utilities described in IC 6-2.5-4-5, the qualified data~~
19 ~~center user must agree to report and remit use tax under this article to~~
20 ~~the department on the part of the utility purchases used for~~
21 ~~administration of the facility.~~

22 SECTION 18. IC 6-8.1-7-1, AS AMENDED BY P.L.194-2023,
23 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2024]: Sec. 1. (a) This subsection does not apply to the
25 disclosure of information concerning a conviction on a tax evasion
26 charge. Unless in accordance with a judicial order or as otherwise
27 provided in this chapter, the department, its employees, former
28 employees, counsel, agents, or any other person may not divulge the
29 amount of tax paid by any taxpayer, terms of a settlement agreement
30 executed between a taxpayer and the department, investigation records,
31 investigation reports, or any other information disclosed by the reports
32 filed under the provisions of the law relating to any of the listed taxes,
33 including required information derived from a federal return, except to
34 any of the following when it is agreed that the information is to be
35 confidential and to be used solely for official purposes:

36 (1) Members and employees of the department.

37 (2) The governor.

38 (3) A member of the general assembly or an employee of the
39 house of representatives or the senate when acting on behalf of a
40 taxpayer located in the member's legislative district who has
41 provided sufficient information to the member or employee for
42 the department to determine that the member or employee is



1 acting on behalf of the taxpayer.

2 (4) An employee of the legislative services agency to carry out the
3 responsibilities of the legislative services agency under
4 IC 2-5-1.1-7 or another law.

5 (5) The attorney general or any other legal representative of the
6 state in any action in respect to the amount of tax due under the
7 provisions of the law relating to any of the listed taxes.

8 (6) Any authorized officers of the United States.

9 (b) The information described in subsection (a) may be revealed
10 upon the receipt of a certified request of any designated officer of the
11 state tax department of any other state, district, territory, or possession
12 of the United States when:

13 (1) the state, district, territory, or possession permits the exchange
14 of like information with the taxing officials of the state; and

15 (2) it is agreed that the information is to be confidential and to be
16 used solely for tax collection purposes.

17 (c) The information described in subsection (a) relating to a person
18 on public welfare or a person who has made application for public
19 welfare may be revealed to the director of the division of family
20 resources, and to any director of a county office of the division of
21 family resources located in Indiana, upon receipt of a written request
22 from either director for the information. The information shall be
23 treated as confidential by the directors. In addition, the information
24 described in subsection (a) relating to a person who has been
25 designated as an absent parent by the state Title IV-D agency shall be
26 made available to the state Title IV-D agency upon request. The
27 information shall be subject to the information safeguarding provisions
28 of the state and federal Title IV-D programs.

29 (d) The name, address, Social Security number, and place of
30 employment relating to any individual who is delinquent in paying
31 educational loans owed to a postsecondary educational institution may
32 be revealed to that institution if it provides proof to the department that
33 the individual is delinquent in paying for educational loans. This
34 information shall be provided free of charge to approved postsecondary
35 educational institutions (as defined by IC 21-7-13-6(a)). The
36 department shall establish fees that all other institutions must pay to the
37 department to obtain information under this subsection. However, these
38 fees may not exceed the department's administrative costs in providing
39 the information to the institution.

40 (e) The information described in subsection (a) relating to reports
41 submitted under IC 6-6-1.1-502 concerning the number of gallons of
42 gasoline sold by a distributor and IC 6-6-2.5 concerning the number of



1 gallons of special fuel sold by a supplier and the number of gallons of
2 special fuel exported by a licensed exporter or imported by a licensed
3 transporter may be released by the commissioner upon receipt of a
4 written request for the information.

5 (f) The information described in subsection (a) may be revealed
6 upon the receipt of a written request from the administrative head of a
7 state agency of Indiana when:

8 (1) the state agency shows an official need for the information;
9 and

10 (2) the administrative head of the state agency agrees that any
11 information released will be kept confidential and will be used
12 solely for official purposes.

13 (g) The information described in subsection (a) may be revealed
14 upon the receipt of a written request from the chief law enforcement
15 officer of a state or local law enforcement agency in Indiana when it is
16 agreed that the information is to be confidential and to be used solely
17 for official purposes.

18 (h) The name and address of retail merchants, including township,
19 as specified in IC 6-2.5-8-1(k) may be released solely for tax collection
20 purposes to township assessors and county assessors.

21 (i) The department shall notify the appropriate innkeeper's tax
22 board, bureau, or commission that a taxpayer is delinquent in remitting
23 innkeepers' taxes under IC 6-9.

24 (j) All information relating to the delinquency or evasion of the
25 vehicle excise tax may be disclosed to the bureau of motor vehicles in
26 Indiana and may be disclosed to another state, if the information is
27 disclosed for the purpose of the enforcement and collection of the taxes
28 imposed by IC 6-6-5.

29 (k) All information relating to the delinquency or evasion of
30 commercial vehicle excise taxes payable to the bureau of motor
31 vehicles in Indiana may be disclosed to the bureau and may be
32 disclosed to another state, if the information is disclosed for the
33 purpose of the enforcement and collection of the taxes imposed by
34 IC 6-6-5.5.

35 (l) All information relating to the delinquency or evasion of
36 commercial vehicle excise taxes payable under the International
37 Registration Plan may be disclosed to another state, if the information
38 is disclosed for the purpose of the enforcement and collection of the
39 taxes imposed by IC 6-6-5.5.

40 (m) All information relating to the delinquency or evasion of the
41 excise taxes imposed on recreational vehicles and truck campers that
42 are payable to the bureau of motor vehicles in Indiana may be disclosed



1 to the bureau and may be disclosed to another state if the information
 2 is disclosed for the purpose of the enforcement and collection of the
 3 taxes imposed by IC 6-6-5.1.

4 (n) This section does not apply to:

- 5 (1) the beer excise tax, including brand and packaged type (IC
 6 7.1-4-2);
- 7 (2) the liquor excise tax (IC 7.1-4-3);
- 8 (3) the wine excise tax (IC 7.1-4-4);
- 9 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 10 (5) the vehicle excise tax (IC 6-6-5);
- 11 (6) the commercial vehicle excise tax (IC 6-6-5.5); and
- 12 (7) the fees under IC 13-23.

13 (o) The name and business address of retail merchants within each
 14 county that sell tobacco products may be released to the division of
 15 mental health and addiction and the alcohol and tobacco commission
 16 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

17 (p) The name and business address of a person licensed by the
 18 department under IC 6-6 or IC 6-7, or issued a registered retail
 19 merchant's certificate under IC 6-2.5, may be released for the purpose
 20 of reporting the status of the person's license or certificate.

21 (q) The department may release information concerning total
 22 incremental tax amounts under:

- 23 (1) IC 5-28-26;
- 24 (2) IC 36-7-13;
- 25 (3) IC 36-7-26;
- 26 (4) IC 36-7-27;
- 27 (5) IC 36-7-31;
- 28 (6) IC 36-7-31.3; or
- 29 (7) any other statute providing for the calculation of incremental
 30 state taxes that will be distributed to or retained by a political
 31 subdivision or other entity;

32 to the fiscal officer of the political subdivision or other entity that
 33 established the district or area from which the incremental taxes were
 34 received if that fiscal officer enters into an agreement with the
 35 department specifying that the political subdivision or other entity will
 36 use the information solely for official purposes.

37 (r) The department may release the information as required in
 38 IC 6-8.1-3-7.1 concerning:

- 39 (1) an innkeeper's tax, a food and beverage tax, or an admissions
 40 tax under IC 6-9;
- 41 (2) the supplemental auto rental excise tax under IC 6-6-9.7; and
- 42 (3) the covered taxes allocated to a professional sports



1 development area fund, sports and convention facilities operating
2 fund, or other fund under IC 36-7-31 and IC 36-7-31.3.

3 ~~(s) Information concerning state gross retail tax exemption~~
4 ~~certificates that relate to a person who is exempt from the state gross~~
5 ~~retail tax under IC 6-2.5-4-5 may be disclosed to a power subsidiary (as~~
6 ~~defined in IC 6-2.5-1-22.5) or a person selling the services or~~
7 ~~commodities listed in IC 6-2.5-4-5 for the purpose of enforcing and~~
8 ~~collecting the state gross retail and use taxes under IC 6-2.5.~~

9 ~~(t) (s)~~ The department may release a statement of tax withholding
10 or other tax information statement provided on behalf of a taxpayer to
11 the department to:

- 12 (1) the taxpayer on whose behalf the tax withholding or other tax
13 information statement was provided to the department;
- 14 (2) the taxpayer's spouse, if:
 - 15 (A) the taxpayer is deceased or incapacitated; and
 - 16 (B) the taxpayer's spouse is filing a joint income tax return
17 with the taxpayer; or
- 18 (3) an administrator, executor, trustee, or other fiduciary acting on
19 behalf of the taxpayer if the taxpayer is deceased.

20 ~~(tt) (t)~~ Information related to a listed tax regarding a taxpayer may
21 be disclosed to an individual without a power of attorney under
22 IC 6-8.1-3-8(a)(2) if:

- 23 (1) the individual is authorized to file returns and remit payments
24 for one (1) or more listed taxes on behalf of the taxpayer through
25 the department's online tax system before September 8, 2020;
- 26 (2) the information relates to a listed tax described in subdivision
27 (1) for which the individual is authorized to file returns and remit
28 payments;
- 29 (3) the taxpayer has been notified by the department of the
30 individual's ability to access the taxpayer's information for the
31 listed taxes described in subdivision (1) and the taxpayer has not
32 objected to the individual's access;
- 33 (4) the individual's authorization or right to access the taxpayer's
34 information for a listed tax described in subdivision (1) has not
35 been withdrawn by the taxpayer; and
- 36 (5) disclosure of the information to the individual is not
37 prohibited by federal law.

38 Except as otherwise provided by this article, this subsection does not
39 authorize the disclosure of any correspondence from the department
40 that is mailed or otherwise delivered to the taxpayer relating to the
41 specified listed taxes for which the individual was given authorization
42 by the taxpayer. The department shall establish a date, which may be



1 earlier but not later than September 1, 2023, after which a taxpayer's
2 information concerning returns and remittances for a listed tax may not
3 be disclosed to an individual without a power of attorney under
4 IC 6-8.1-3-8(a)(2) by providing notice to the affected taxpayers and
5 previously authorized individuals, including notification published on
6 the department's website. After the earlier of the date established by the
7 department or September 1, 2023, the department may not disclose a
8 taxpayer's information concerning returns and remittances for a listed
9 tax to an individual unless the individual has a power of attorney under
10 IC 6-8.1-3-8(a)(2) or the disclosure is otherwise allowed under this
11 article.

12 ~~(v)~~ **(u)** The department may publish a list of persons, corporations,
13 or other entities that qualify or have qualified for an exemption for
14 sales tax under IC 6-2.5-5-16, IC 6-2.5-5-25, or IC 6-2.5-5-26, or
15 otherwise provide information regarding a person's, corporation's, or
16 entity's exemption status under IC 6-2.5-5-16, IC 6-2.5-5-25, or
17 IC 6-2.5-5-26. For purposes of this subsection, information that may be
18 disclosed includes:

- 19 (1) any federal identification number or other identification
20 number for the entity assigned by the department;
21 (2) any expiration date of an exemption under IC 6-2.5-5-25;
22 (3) whether any sales tax exemption has expired or has been
23 revoked by the department; and
24 (4) any other information reasonably necessary for a recipient of
25 an exemption certificate to determine if an exemption certificate
26 is valid.

