

# HOUSE BILL No. 1322

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## DIGEST OF INTRODUCED BILL

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

**Synopsis:** Sales tax exemption for utility service. Provides a sales tax exemption for the sale or furnishing of the following services or commodities by a power subsidiary or a person engaged as a public utility to a person for commercial or domestic consumption: (1) Electrical energy. (2) Natural or artificial gas. (3) Water. (4) Steam. (5) Steam heating service.

**Effective:** July 1, 2024.

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

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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. 1322

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. The sale or furnishing of any of the following**

5 **services or commodities by a power subsidiary or a person engaged**

6 **as a public utility to a person for commercial or domestic**

7 **consumption is exempt from the state gross retail tax:**

8 (1) **Electrical energy.**

9 (2) **Natural or artificial gas.**

10 (3) **Water.**

11 (4) **Steam.**

12 (5) **Steam heating service.**

13 SECTION 13. IC 6-2.5-6-10, AS AMENDED BY P.L.218-2017,

14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

15 JULY 1, 2024]: Sec. 10. (a) In order to compensate retail merchants

16 and those required to remit gasoline use tax for collecting and timely

17 remitting the state gross retail tax, the state use tax, and the gasoline

18 use tax, every retail merchant or person required to remit the gasoline

19 use tax, except as provided in subsection (c), is entitled to deduct and

20 retain from the amount of those taxes otherwise required to be remitted

21 under IC 6-2.5-3.5 or under this chapter, if timely remitted, a retail

22 merchant's collection allowance.

23 (b) The allowance equals a percentage of the retail merchant's state

24 gross retail and use tax or the person's gasoline use tax liability accrued

25 during a calendar year, specified as follows:

26 (1) Seventy-three hundredths percent (0.73%), if the retail

27 merchant's state gross retail and use tax or gasoline use tax

28 liability accrued during the state fiscal year ending on June 30 of

29 the immediately preceding calendar year did not exceed sixty

30 thousand dollars (\$60,000).

31 (2) Fifty-three hundredths percent (0.53%), if the retail merchant's

32 state gross retail and use tax or gasoline use tax liability accrued

33 during the state fiscal year ending on June 30 of the immediately

34 preceding calendar year:

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

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

37 (3) Twenty-six hundredths percent (0.26%), if the retail

38 merchant's state gross retail and use tax liability or the person's

39 gasoline use tax accrued during the state fiscal year ending on

40 June 30 of the immediately preceding calendar year was greater

41 than six hundred thousand dollars (\$600,000).

42 (c) A retail merchant described in ~~IC 6-2.5-4-5~~ or IC 6-2.5-4-6 is not



1 entitled to the allowance provided by this section. A retail merchant is  
2 not entitled to the allowance provided by this section with respect to  
3 gasoline use taxes imposed by IC 6-2.5-3.5.

4 SECTION 14. IC 6-2.5-8-1, AS AMENDED BY P.L.165-2021,  
5 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2024]: Sec. 1. (a) A retail merchant may not make a retail  
7 transaction in Indiana, unless the retail merchant has applied for a  
8 registered retail merchant's certificate.

9 (b) A retail merchant may obtain a registered retail merchant's  
10 certificate by filing an application with the department and paying a  
11 registration fee of twenty-five dollars (\$25) for each place of business  
12 listed on the application. The retail merchant shall also provide such  
13 security for payment of the tax as the department may require under  
14 IC 6-2.5-6-12.

15 (c) The retail merchant shall list on the application the location  
16 (including the township) of each place of business where the retail  
17 merchant makes retail transactions. However, if the retail merchant  
18 does not have a fixed place of business, the retail merchant shall list the  
19 retail merchant's residence as the retail merchant's place of business. ~~In~~  
20 ~~addition, a public utility may list only its principal Indiana office as its~~  
21 ~~place of business for sales of public utility commodities or service, but~~  
22 ~~the utility must also list on the application the places of business where~~  
23 ~~it makes retail transactions other than sales of public utility~~  
24 ~~commodities or service.~~

25 (d) Upon receiving a proper application, the correct fee, and the  
26 security for payment, if required, the department shall issue to the retail  
27 merchant a separate registered retail merchant's certificate for each  
28 place of business listed on the application. Each certificate shall bear  
29 a serial number and the location of the place of business for which it is  
30 issued.

31 (e) The department may deny an application for a registered retail  
32 merchant's certificate if the applicant's business is operated, managed,  
33 or otherwise controlled by or affiliated with a person, including a  
34 relative, family member, responsible officer, or owner, who the  
35 department has determined:

- 36 (1) failed to:  
37 (A) file all tax returns or information reports with the  
38 department for listed taxes; or  
39 (B) pay all taxes, penalties, and interest to the department for  
40 listed taxes; and  
41 (2) the business of the person who has failed to file all tax returns  
42 or information reports under subdivision (1)(A) or who has failed



- 1 to pay all taxes, penalties, and interest under subdivision (1)(B)  
2 is substantially similar to the business of the applicant.
- 3 (f) If a retail merchant intends to make retail transactions during a  
4 calendar year at a new Indiana place of business, the retail merchant  
5 must file a supplemental application and pay the fee for that place of  
6 business.
- 7 (g) Except as provided in subsection (i), a registered retail  
8 merchant's certificate is valid for two (2) years after the date the  
9 registered retail merchant's certificate is originally issued or renewed.  
10 If the retail merchant has filed all returns and remitted all taxes the  
11 retail merchant is currently obligated to file or remit, the department  
12 shall renew the registered retail merchant's certificate within thirty (30)  
13 days after the expiration date, at no cost to the retail merchant. Before  
14 issuing or renewing the registered retail merchant certification, the  
15 department may require the following to be provided:
- 16 (1) The names and addresses of the retail merchant's principal  
17 employees, agents, or representatives who engage in Indiana in  
18 the solicitation or negotiation of the retail transaction.
- 19 (2) The location of all of the retail merchant's places of business  
20 in Indiana, including offices and distribution houses.
- 21 (3) Any other information that the department requests.
- 22 (h) The department may not renew a registered retail merchant  
23 certificate of a retail merchant who is delinquent in remitting  
24 withholding taxes required to be remitted under IC 6-3-4, the electronic  
25 cigarette tax under IC 6-7-4, or sales or use tax. The department, at  
26 least sixty (60) days before the date on which a retail merchant's  
27 registered retail merchant's certificate expires, shall notify a retail  
28 merchant who is delinquent in remitting withholding taxes required to  
29 be remitted under IC 6-3-4, the electronic cigarette tax under IC 6-7-4,  
30 or sales or use tax that the department will not renew the retail  
31 merchant's registered retail merchant's certificate.
- 32 (i) If:
- 33 (1) a retail merchant has been notified by the department that the  
34 retail merchant is delinquent in remitting withholding taxes or  
35 sales or use tax in accordance with subsection (h); and
- 36 (2) the retail merchant pays the outstanding liability before the  
37 expiration of the retail merchant's registered retail merchant's  
38 certificate;
- 39 the department shall renew the retail merchant's registered retail  
40 merchant's certificate for one (1) year.
- 41 (j) The department may permit an out-of-state retail merchant to  
42 collect the gross retail tax in instances where the retail merchant has



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

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

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

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

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

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

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

24 (4) the address of each place of business described in subdivision  
 25 (3).

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

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

40 (b) The following are the only persons authorized to issue  
 41 exemption certificates:

42 (1) Retail merchants, wholesalers, and manufacturers, who are



1 registered with the department under this chapter.

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

5 ~~(3)~~ **(2)** Other persons who are exempt from the state gross retail  
 6 tax with respect to any part of their purchases.

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

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

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

19 (1) a fully completed exemption certificate; or

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

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

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

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

29 (g) A power subsidiary (as defined in IC 6-2.5-1-22.5) or a person  
 30 selling the services or commodities listed in IC 6-2.5-4-5 who accepts  
 31 an exemption certificate issued by the department to a person who is  
 32 exempt from the state gross retail tax under IC 6-2.5-4-5 is relieved  
 33 from the duty to collect state gross retail or use tax on the sale of the  
 34 services or commodities listed in IC 6-2.5-4-5 until notified by the  
 35 department that the exemption certificate has expired or has been  
 36 revoked. If the department notifies a power subsidiary or a person  
 37 selling the services or commodities listed in IC 6-2.5-4-5 that a person's  
 38 exemption certificate has expired or has been revoked, the power  
 39 subsidiary or person selling the services or commodities listed in  
 40 IC 6-2.5-4-5 shall begin collecting state gross retail tax on the sale of  
 41 the services or commodities listed in IC 6-2.5-4-5 to the person whose  
 42 exemption certificate has expired or been revoked not later than thirty



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

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

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

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

40 (d) A specific transaction award certificate issued by the corporation  
 41 shall expire not later than:

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





- 1 (B) fifty (50) years after the date of issuance if the qualified  
 2 investment is seven hundred fifty million dollars (\$750,000,000)  
 3 or greater.
- 4 SECTION 17. IC 6-2.5-15-17, AS ADDED BY P.L.256-2019,  
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2024]: Sec. 17. A qualified data center user is not entitled to  
 7 the exemption provided by section 16 of this chapter unless the  
 8 qualified data center user provides the seller with an exemption  
 9 certificate on a form prescribed by the department and a copy of the  
 10 specific transaction award certificate issued by the corporation. ~~In the~~  
 11 ~~case of utilities described in IC 6-2.5-4-5, the qualified data center user~~  
 12 ~~may issue an exemption certificate on a form prescribed by the~~  
 13 ~~department and a copy of the specific transaction award certificate~~  
 14 ~~issued by the corporation to cover all utility purchases from that seller.~~  
 15 ~~However, for the corporation to issue a specific transaction award~~  
 16 ~~certificate for utilities described in IC 6-2.5-4-5, the qualified data~~  
 17 ~~center user must agree to report and remit use tax under this article to~~  
 18 ~~the department on the part of the utility purchases used for~~  
 19 ~~administration of the facility.~~
- 20 SECTION 18. IC 6-8.1-7-1, AS AMENDED BY P.L.194-2023,  
 21 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2024]: Sec. 1. (a) This subsection does not apply to the  
 23 disclosure of information concerning a conviction on a tax evasion  
 24 charge. Unless in accordance with a judicial order or as otherwise  
 25 provided in this chapter, the department, its employees, former  
 26 employees, counsel, agents, or any other person may not divulge the  
 27 amount of tax paid by any taxpayer, terms of a settlement agreement  
 28 executed between a taxpayer and the department, investigation records,  
 29 investigation reports, or any other information disclosed by the reports  
 30 filed under the provisions of the law relating to any of the listed taxes,  
 31 including required information derived from a federal return, except to  
 32 any of the following when it is agreed that the information is to be  
 33 confidential and to be used solely for official purposes:
- 34 (1) Members and employees of the department.
  - 35 (2) The governor.
  - 36 (3) A member of the general assembly or an employee of the  
 37 house of representatives or the senate when acting on behalf of a  
 38 taxpayer located in the member's legislative district who has  
 39 provided sufficient information to the member or employee for  
 40 the department to determine that the member or employee is  
 41 acting on behalf of the taxpayer.
  - 42 (4) An employee of the legislative services agency to carry out the



1 responsibilities of the legislative services agency under  
2 IC 2-5-1.1-7 or another law.

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

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

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

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

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

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

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

38 (e) The information described in subsection (a) relating to reports  
39 submitted under IC 6-6-1.1-502 concerning the number of gallons of  
40 gasoline sold by a distributor and IC 6-6-2.5 concerning the number of  
41 gallons of special fuel sold by a supplier and the number of gallons of  
42 special fuel exported by a licensed exporter or imported by a licensed



1 transporter may be released by the commissioner upon receipt of a  
2 written request for the information.

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

6 (1) the state agency shows an official need for the information;  
7 and

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

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

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

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

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

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

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

38 (m) All information relating to the delinquency or evasion of the  
39 excise taxes imposed on recreational vehicles and truck campers that  
40 are payable to the bureau of motor vehicles in Indiana may be disclosed  
41 to the bureau and may be disclosed to another state if the information  
42 is disclosed for the purpose of the enforcement and collection of the



- 1 taxes imposed by IC 6-6-5.1.
- 2 (n) This section does not apply to:
- 3 (1) the beer excise tax, including brand and packaged type (IC
- 4 7.1-4-2);
- 5 (2) the liquor excise tax (IC 7.1-4-3);
- 6 (3) the wine excise tax (IC 7.1-4-4);
- 7 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 8 (5) the vehicle excise tax (IC 6-6-5);
- 9 (6) the commercial vehicle excise tax (IC 6-6-5.5); and
- 10 (7) the fees under IC 13-23.
- 11 (o) The name and business address of retail merchants within each
- 12 county that sell tobacco products may be released to the division of
- 13 mental health and addiction and the alcohol and tobacco commission
- 14 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.
- 15 (p) The name and business address of a person licensed by the
- 16 department under IC 6-6 or IC 6-7, or issued a registered retail
- 17 merchant's certificate under IC 6-2.5, may be released for the purpose
- 18 of reporting the status of the person's license or certificate.
- 19 (q) The department may release information concerning total
- 20 incremental tax amounts under:
- 21 (1) IC 5-28-26;
- 22 (2) IC 36-7-13;
- 23 (3) IC 36-7-26;
- 24 (4) IC 36-7-27;
- 25 (5) IC 36-7-31;
- 26 (6) IC 36-7-31.3; or
- 27 (7) any other statute providing for the calculation of incremental
- 28 state taxes that will be distributed to or retained by a political
- 29 subdivision or other entity;
- 30 to the fiscal officer of the political subdivision or other entity that
- 31 established the district or area from which the incremental taxes were
- 32 received if that fiscal officer enters into an agreement with the
- 33 department specifying that the political subdivision or other entity will
- 34 use the information solely for official purposes.
- 35 (r) The department may release the information as required in
- 36 IC 6-8.1-3-7.1 concerning:
- 37 (1) an innkeeper's tax, a food and beverage tax, or an admissions
- 38 tax under IC 6-9;
- 39 (2) the supplemental auto rental excise tax under IC 6-6-9.7; and
- 40 (3) the covered taxes allocated to a professional sports
- 41 development area fund, sports and convention facilities operating
- 42 fund, or other fund under IC 36-7-31 and IC 36-7-31.3.



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

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

10           (1) the taxpayer on whose behalf the tax withholding or other tax  
 11 information statement was provided to the department;

12           (2) the taxpayer's spouse, if:

13               (A) the taxpayer is deceased or incapacitated; and

14               (B) the taxpayer's spouse is filing a joint income tax return  
 15 with the taxpayer; or

16           (3) an administrator, executor, trustee, or other fiduciary acting on  
 17 behalf of the taxpayer if the taxpayer is deceased.

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

21           (1) the individual is authorized to file returns and remit payments  
 22 for one (1) or more listed taxes on behalf of the taxpayer through  
 23 the department's online tax system before September 8, 2020;

24           (2) the information relates to a listed tax described in subdivision  
 25 (1) for which the individual is authorized to file returns and remit  
 26 payments;

27           (3) the taxpayer has been notified by the department of the  
 28 individual's ability to access the taxpayer's information for the  
 29 listed taxes described in subdivision (1) and the taxpayer has not  
 30 objected to the individual's access;

31           (4) the individual's authorization or right to access the taxpayer's  
 32 information for a listed tax described in subdivision (1) has not  
 33 been withdrawn by the taxpayer; and

34           (5) disclosure of the information to the individual is not  
 35 prohibited by federal law.

36 Except as otherwise provided by this article, this subsection does not  
 37 authorize the disclosure of any correspondence from the department  
 38 that is mailed or otherwise delivered to the taxpayer relating to the  
 39 specified listed taxes for which the individual was given authorization  
 40 by the taxpayer. The department shall establish a date, which may be  
 41 earlier but not later than September 1, 2023, after which a taxpayer's  
 42 information concerning returns and remittances for a listed tax may not



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

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

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

