



SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1002 be amended to read as follows:

- 1 Page 1, between lines 8 and 9, begin a new paragraph and insert:
2 "SECTION 2. IC 6-2.5-5-59.1 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 59.1. (a) This section applies**
5 **to a transaction involving the sale of utility service by a utility to a**
6 **customer regardless of whether the utility is under the jurisdiction**
7 **of the Indiana utility regulatory commission for the approval of**
8 **rates and charges.**
9 **(b) As used in this section, "customer" refers to a residential**
10 **customer that has agreed to pay for utility service provided by a**
11 **utility.**
12 **(c) As used in this section, "utility" means a person, however**
13 **organized, that provides utility service to a customer.**
14 **(d) As used in this section, "utility service" means:**
15 **(1) electric;**
16 **(2) natural gas;**
17 **(3) water; or**
18 **(4) wastewater;**
19 **service that is provided at retail to a customer in Indiana.**
20 **(e) A transaction involving the sale of utility service, as reflected**
21 **in the amount billed by a utility in a customer bill for the utility**
22 **service, is exempt from the state gross retail tax.**
23 **(f) The exemption provided by subsection (e) applies to a**
24 **customer bill issued by a utility beginning on the enactment of this**
25 **section and each customer bill issued thereafter, regardless of**
26 **whether the bill includes any charges for utility service provided to**
27 **the customer before the enactment of this section.**
28 SECTION 3. IC 6-3-2-1, AS AMENDED BY P.L.80-2025,

1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 1. (a) As used in this
3 section, "state fiscal year" means the annual period commencing July
4 1 of a given year and ending June 30 of the following year.

5 (b) Each taxable year, a tax at the following rate of adjusted gross
6 income is imposed upon the adjusted gross income of every resident
7 person, and on that part of the adjusted gross income derived from
8 sources within Indiana of every nonresident person:

9 (1) For taxable years beginning before January 1, 2015, three and
10 four-tenths percent (3.4%).

11 (2) For taxable years beginning after December 31, 2014, and
12 before January 1, 2017, three and three-tenths percent (3.3%).

13 (3) For taxable years beginning after December 31, 2016, and
14 before January 1, 2023, three and twenty-three hundredths percent
15 (3.23%).

16 (4) For taxable years beginning after December 31, 2022, and
17 before January 1, 2024, three and fifteen hundredths percent
18 (3.15%).

19 (5) For taxable years beginning after December 31, 2023, and
20 before January 1, 2025, three and five-hundredths percent
21 (3.05%).

22 (6) For taxable years beginning after December 31, 2024, and
23 before January 1, 2026, three percent (3%).

24 (7) For taxable years beginning after December 31, 2025, and
25 before January 1, ~~2027~~, **2029**, two and ninety-five hundredths
26 percent (2.95%).

27 (8) For taxable years beginning after December 31, ~~2026~~, **2028**,
28 and before January 1, ~~2030~~, **2032**, two and nine-tenths percent
29 (2.9%).

30 (9) For taxable years beginning after December 31, ~~2029~~, **2031**,
31 and before January 1, ~~2032~~, **2034**, if, as determined by the budget
32 agency under subsection (e), the:

33 (A) state general fund revenue collections in each of the state
34 fiscal years ending:

35 (i) June 30, ~~2025~~; **2027**;

36 (ii) June 30, ~~2026~~; **2028**;

37 (iii) June 30, ~~2027~~; **2029**; and

38 (iv) June 30, ~~2028~~; **2030**;

39 exceed by at least three and one-half percent (3.5%) the state
40 general fund revenue collections for the respective
41 immediately preceding state fiscal year; and

42 (B) amount of forecasted state general fund revenue
43 collections for the state fiscal year ending June 30, ~~2029~~, **2031**,
44 are estimated to exceed by at least three and one-half percent
45 (3.5%) the state general fund revenue collections in the state
46 fiscal year ending June 30, ~~2028~~; **2030**;

1 the tax rate shall be decreased by the percentage point of five
2 one-hundredths of one percent (0.05%) beginning January 1 of
3 the even-numbered year immediately succeeding the year of the
4 budget agency determination under subsection (e).

5 (10) For taxable years beginning after December 31, ~~2031~~, **2033**,
6 and before January 1, ~~2034~~, **2036**, if, as determined by the budget
7 agency under subsection (e), the:

8 (A) state general fund revenue collections in each of the state
9 fiscal years ending:

- 10 (i) June 30, ~~2027~~; **2029**;
- 11 (ii) June 30, ~~2028~~; **2030**;
- 12 (iii) June 30, ~~2029~~; **2031**; and
- 13 (iv) June 30, ~~2030~~; **2032**;

14 exceed by at least three and one-half percent (3.5%) the state
15 general fund revenue collections for the respective
16 immediately preceding state fiscal year; and

17 (B) amount of forecasted state general fund revenue
18 collections for the state fiscal year ending June 30, ~~2031~~, **2033**,
19 are estimated to exceed by at least three and one-half percent
20 (3.5%) the state general fund revenue collections in the state
21 fiscal year ending June 30, ~~2030~~; **2032**;

22 the tax rate shall be decreased by the percentage point of five
23 one-hundredths of one percent (0.05%) beginning January 1 of
24 the even-numbered year immediately succeeding the year of the
25 budget agency determination under subsection (e).

26 (11) For taxable years beginning after December 31, ~~2033~~, **2035**,
27 and before January 1, ~~2036~~, **2038**, if, as determined by the budget
28 agency under subsection (e), the:

29 (A) state general fund revenue collections in each of the state
30 fiscal years ending:

- 31 (i) June 30, ~~2029~~; **2031**;
- 32 (ii) June 30, ~~2030~~; **2032**;
- 33 (iii) June 30, ~~2031~~; **2033**; and
- 34 (iv) June 30, ~~2032~~; **2034**;

35 exceed by at least three and one-half percent (3.5%) the state
36 general fund revenue collections for the respective
37 immediately preceding state fiscal year; and

38 (B) amount of forecasted state general fund revenue
39 collections for the state fiscal year ending June 30, ~~2033~~, **2035**,
40 are estimated to exceed by at least three and one-half percent
41 (3.5%) the state general fund revenue collections in the state
42 fiscal year ending June 30, ~~2032~~; **2034**;

43 the tax rate shall be decreased by the percentage point of five
44 one-hundredths of one percent (0.05%) beginning January 1 of
45 the even-numbered year immediately succeeding the year of the
46 budget agency determination under subsection (e).

1 (12) For taxable years beginning after December 31, ~~2035~~; **2037**,
 2 and before January 1, ~~2038~~; **2039**, if, as determined by the budget
 3 agency under subsection (e), the:

4 (A) state general fund revenue collections in each of the state
 5 fiscal years ending:

6 (i) June 30, ~~2031~~; **2033**;

7 (ii) June 30, ~~2032~~; **2034**;

8 (iii) June 30, ~~2033~~; **2035**; and

9 (iv) June 30, ~~2034~~; **2036**;

10 exceed by at least three and one-half percent (3.5%) the state
 11 general fund revenue collections for the respective
 12 immediately preceding state fiscal year; and

13 (B) amount of forecasted state general fund revenue
 14 collections for the state fiscal year ending June 30, ~~2035~~; **2037**,
 15 are estimated to exceed by at least three and one-half percent
 16 (3.5%) the state general fund revenue collections in the state
 17 fiscal year ending June 30, ~~2034~~; **2036**;

18 the tax rate shall be decreased by the percentage point of five
 19 one-hundredths of one percent (0.05%) beginning January 1 of
 20 the even-numbered year immediately succeeding the year of the
 21 budget agency determination under subsection (e).

22 (13) For taxable years beginning after December 31, ~~2037~~; **2039**,
 23 and before January 1, ~~2040~~; **2042**, if, as determined by the budget
 24 agency under subsection (e), the:

25 (A) state general fund revenue collections in each of the state
 26 fiscal years ending:

27 (i) June 30, ~~2033~~; **2035**;

28 (ii) June 30, ~~2034~~; **2036**;

29 (iii) June 30, ~~2035~~; **2037**; and

30 (iv) June 30, ~~2036~~; **2038**;

31 exceed by at least three and one-half percent (3.5%) the state
 32 general fund revenue collections for the respective
 33 immediately preceding state fiscal year; and

34 (B) amount of forecasted state general fund revenue
 35 collections for the state fiscal year ending June 30, ~~2037~~; **2039**,
 36 are estimated to exceed by at least three and one-half percent
 37 (3.5%) the state general fund revenue collections in the state
 38 fiscal year ending June 30, ~~2036~~; **2038**;

39 the tax rate shall be decreased by the percentage point of five
 40 one-hundredths of one percent (0.05%) beginning January 1 of
 41 the even-numbered year immediately succeeding the year of the
 42 budget agency determination under subsection (e).

43 (14) For taxable years beginning after December 31, ~~2039~~; **2041**,
 44 and before January 1, ~~2042~~; **2044**, if, as determined by the budget
 45 agency under subsection (e), the:

46 (A) state general fund revenue collections in each of the state

- 1 fiscal years ending:
 2 (i) June 30, ~~2035~~; **2037**;
 3 (ii) June 30, ~~2036~~; **2038**;
 4 (iii) June 30, ~~2037~~; **2039**; and
 5 (iv) June 30, ~~2038~~; **2040**;
 6 exceeds by at least three and one-half percent (3.5%) the state
 7 general fund revenue collections for the respective
 8 immediately preceding state fiscal year; and
 9 (B) amount of forecasted state general fund revenue
 10 collections for the state fiscal year ending June 30, ~~2039~~; **2041**,
 11 are estimated to exceed by at least three and one-half percent
 12 (3.5%) the state general fund revenue collections in the state
 13 fiscal year ending June 30, ~~2038~~; **2040**;
 14 the tax rate shall be decreased by the percentage point of five
 15 one-hundredths of one percent (0.05%) beginning January 1 of
 16 the even-numbered year immediately succeeding the year of the
 17 budget agency determination under subsection (e).
 18 (15) For taxable years beginning after December 31, ~~2041~~; **2043**,
 19 and before January 1, ~~2044~~; **2046**, if, as determined by the budget
 20 agency under subsection (e), the:
 21 (A) state general fund revenue collections in each of the state
 22 fiscal years ending:
 23 (i) June 30, ~~2037~~; **2039**;
 24 (ii) June 30, ~~2038~~; **2040**;
 25 (iii) June 30, ~~2039~~; **2041**; and
 26 (iv) June 30, ~~2040~~; **2042**;
 27 exceeds by at least three and one-half percent (3.5%) the state
 28 general fund revenue collections for the respective
 29 immediately preceding state fiscal year; and
 30 (B) amount of forecasted state general fund revenue
 31 collections for the state fiscal year ending June 30, ~~2041~~; **2043**,
 32 are estimated to exceed by at least three and one-half percent
 33 (3.5%) the state general fund revenue collections in the state
 34 fiscal year ending June 30, ~~2040~~; **2042**;
 35 the tax rate shall be decreased by the percentage point of five
 36 one-hundredths of one percent (0.05%) beginning January 1 of
 37 the even-numbered year immediately succeeding the year of the
 38 budget agency determination under subsection (e).
 39 (16) For taxable years beginning after December 31, ~~2043~~; **2045**,
 40 the tax rate in effect in taxable years beginning after December
 41 31, ~~2042~~; **2044**, remains in effect.
 42 (c) Except as provided in section 1.5 of this chapter (before its
 43 expiration), each taxable year, a tax at the following rate of adjusted
 44 gross income is imposed on that part of the adjusted gross income
 45 derived from sources within Indiana of every corporation:
 46 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).

- 1 (2) After June 30, 2012, and before July 1, 2013, eight percent
 2 (8.0%).
 3 (3) After June 30, 2013, and before July 1, 2014, seven and
 4 five-tenths percent (7.5%).
 5 (4) After June 30, 2014, and before July 1, 2015, seven percent
 6 (7.0%).
 7 (5) After June 30, 2015, and before July 1, 2016, six and
 8 five-tenths percent (6.5%).
 9 (6) After June 30, 2016, and before July 1, 2017, six and
 10 twenty-five hundredths percent (6.25%).
 11 (7) After June 30, 2017, and before July 1, 2018, six percent
 12 (6.0%).
 13 (8) After June 30, 2018, and before July 1, 2019, five and
 14 seventy-five hundredths percent (5.75%).
 15 (9) After June 30, 2019, and before July 1, 2020, five and
 16 five-tenths percent (5.5%).
 17 (10) After June 30, 2020, and before July 1, 2021, five and
 18 twenty-five hundredths percent (5.25%).
 19 (11) After June 30, 2021, four and nine-tenths percent (4.9%).

20 (d) If for any taxable year a taxpayer is subject to different tax rates
 21 under subsection (c), the taxpayer's tax rate for that taxable year is the
 22 rate determined in the last STEP of the following STEPS:

23 STEP ONE: Multiply the number of days in the taxpayer's taxable
 24 year that precede the day the rate changed by the rate in effect
 25 before the rate change.

26 STEP TWO: Multiply the number of days in the taxpayer's
 27 taxable year that follow the day before the rate changed by the
 28 rate in effect after the rate change.

29 STEP THREE: Divide the sum of the amounts determined under
 30 STEPS ONE and TWO by the number of days in the taxpayer's
 31 tax period.

32 However, the rate determined under this subsection shall be rounded
 33 to the nearest one-hundredth of one percent (0.01%).

34 (e) This subsection applies beginning in ~~2028~~, **2030**, and applies in
 35 each even-numbered year thereafter until ~~2043~~, **2045**. After the end of
 36 each even-numbered state fiscal year, the budget agency shall calculate
 37 and compare the percentage of revenue growth in state general fund
 38 revenue collections between state fiscal years as described in
 39 subsection (b)(9) through (b)(15), including the comparison of the
 40 percentage of revenue growth between the amount of forecasted state
 41 general fund revenue collections for particular state fiscal years and the
 42 actual state general fund revenue collections for particular state fiscal
 43 years, to determine whether the conditions described in subsection
 44 (b)(9) through (b)(15) are satisfied. The budget agency shall make the
 45 calculation not later than thirty (30) days after the end of each
 46 even-numbered state fiscal year. Not later than September 1 of each

1 even-numbered calendar year, the budget agency shall certify the
2 results to the department and to the legislative council, and report to the
3 state budget committee for review the following:
4 (1) The percentage of revenue growth determined under this
5 subsection.
6 (2) The adjusted gross income tax rate determination made for the
7 following even-numbered year under this subsection.
8 Not later than November 1 of each odd-numbered calendar year, the
9 department shall provide notice of the determination and the applicable
10 tax rates for each even-numbered calendar year under subsection (b) on
11 the department's website in a departmental notice."
12 Page 35, between lines 1 and 2, begin a new paragraph and insert:
13 "SECTION 16. [EFFECTIVE JANUARY 1, 2026
14 (RETROACTIVE)] **(a) IC 6-3-2-1, as amended by this act, applies**
15 **to taxable years beginning after December 31, 2025.**
16 **(b) This SECTION expires January 1, 2028.**"
17 Renumber all SECTIONS consecutively.
(Reference is to EHB 1002 as printed February 13, 2026.)

Senator QADDOURA