

PROPOSED AMENDMENT

HB 1002 # 12

DIGEST

Exemption from state gross retail tax for residential utility service. Adds language providing that the total monthly residential bill amount for the retail sale of: (1) electric; (2) natural gas; or (3) water; service by a public utility to a residential customer is exempt from the state gross retail tax with respect to any monthly residential bill issued to a customer after June 30, 2026.

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:

3 "SECTION 1. IC 6-2.5-4-5, AS AMENDED BY P.L.137-2022,
4 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 5. **(a) As used in this section, "total monthly**
6 **residential bill amount", with respect to a public utility, means the**
7 **total charges billed for a particular monthly billing cycle to a**
8 **residential customer receiving retail electric, natural gas, or water**
9 **service. The term includes the following charges and fees:**

10 **(1) Fixed service charges.**
11 **(2) Distribution and delivery charges.**
12 **(3) Charges based on the amount of the commodity provided**
13 **to or consumed by the customer during the billing cycle.**
14 **(4) Additional charges, including any applicable rate**
15 **adjustment mechanisms approved by the commission.**
16 **(5) Individual program charges, separately stated for each**
17 **program for which the customer is enrolled.**
18 **(6) Account management and billing fees.**
19 **(7) Any other applicable charges or fees.**

20 **(b) Except as provided in subsection (c), a power subsidiary or a**
21 **person engaged as a public utility is a retail merchant making a retail**
22 **transaction when the subsidiary or person furnishes or sells electrical**
23 **energy, natural or artificial gas, water, steam, or steam heating service**
24 **to a person for commercial or domestic consumption.**

25 **(c) This subsection applies to the retail sale of:**
26 **(1) electric;**

1 **(2) natural gas; or**
2 **(3) water;**

3 **service by a public utility to a residential customer of the public**
4 **utility. A public utility is not a retail merchant making a retail**
5 **transaction with respect to a sale described in this subsection that**
6 **is reflected in a monthly residential bill issued to a residential**
7 **customer after June 30, 2026. The total monthly residential bill**
8 **amount is exempt from the state gross retail tax for any monthly**
9 **residential bill issued by a public utility to a residential customer**
10 **after June 30, 2026."**

11 Renumber all SECTIONS consecutively.
(Reference is to HB 1002 as introduced.)