

HOUSE BILL No. 1213

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-4-5.

Synopsis: Elimination of sales tax on household utility use. Provides that a power subsidiary or a person engaged as a public utility is not a retail merchant making a retail transaction when the subsidiary or person furnishes or sells electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for domestic consumption.

Effective: July 1, 2026.

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January 5, 2026, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1213

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 6-2.5-4-5, AS AMENDED BY P.L.137-2022,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 5. **(a)** A power subsidiary or a person engaged as
4 a public utility is a retail merchant making a retail transaction when the
5 subsidiary or person furnishes or sells electrical energy, natural or
6 artificial gas, water, steam, or steam heating service to a person for
7 commercial ~~or domestic~~ consumption.

8 **(b) A power subsidiary or a person engaged as a public utility**
9 **is not a retail merchant making a retail transaction when the**
10 **subsidiary or person furnishes or sells electrical energy, natural or**
11 **artificial gas, water, steam, or steam heating service to a person for**
12 **domestic consumption.**

13 SECTION 2. [EFFECTIVE JULY 1, 2026] **(a) IC 6-2.5-4-5, as**
14 **amended by this act, applies only to retail transactions occurring**
15 **after June 30, 2026.**

16 **(b) Except as provided in subsection (c), a retail transaction is**
17 **considered to have occurred after June 30, 2026, if the property**



1 whose transfer constitutes selling at retail is delivered to the
2 purchaser or to the place of delivery designated by the purchaser
3 after June 30, 2026.

4 (c) Notwithstanding the delivery of the property constituting
5 selling at retail after June 30, 2026, a transaction is considered to
6 have occurred before July 1, 2026, to the extent that:

7 (1) the agreement of the parties to the transaction is entered
8 into before July 1, 2026; and

9 (2) payment for the property furnished in the transaction is
10 made before July 1, 2026.

11 (d) This SECTION expires January 1, 2029.

