

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6560**  
**BILL NUMBER: HB 1340**

**NOTE PREPARED: Jan 5, 2026**  
**BILL AMENDED:**

**SUBJECT:** Sales tax exemption for utility service.

**FIRST AUTHOR:** Rep. Dvorak  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** 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. Makes conforming amendments.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Qian Li, 317-232-9671.