
SENATE BILL No. 212

AM021202 has been incorporated into introduced printing.

Synopsis: State income tax conformity.

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2026

IN 212—LS 7071/DI 120



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Introduced

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.

SENATE BILL No. 212

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 6-2.5-5-59.1 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 59.1. (a) This section applies**
4 **to a transaction involving the sale of utility service by a utility**
5 **regardless of whether the utility is under the jurisdiction of the**
6 **Indiana utility regulatory commission for the approval of rates and**
7 **charges.**

8 **(b) As used in this section, "customer" refers to a customer of**
9 **any class, including:**

10 **(1) a residential customer;**
11 **(2) a commercial customer; or**
12 **(3) an industrial customer;**

13 **that has agreed to pay for utility service provided by a utility.**

14 **(c) As used in this section, "utility" means a person, however**
15 **organized, that provides utility service to a customer.**

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(d) As used in this section, "utility service" means:

(1) electric;

(2) natural gas;

(3) water; or

(4) wastewater;

service that is provided at retail to a customer in Indiana.

(e) A transaction involving the sale of utility service, as reflected in the total amount billed by a utility in a customer bill that is issued after December 31, 2026, is exempt from the state gross retail tax. For purposes of this subsection, the total amount billed by a utility in a customer bill includes any:

(1) fixed charges;

(2) consumption based charges;

(3) charges in connection with a periodic rate adjustment mechanism;

(4) taxes other than the state gross retail tax;

(5) program charges;

(6) account management or billing fees; and

(7) other applicable charges or fees;

that make up the total amount owed for the billing cycle, regardless of whether the particular charge or fee appears as a separate line item, or is otherwise identified, on the customer bill.

(f) The exemption provided by subsection (e) applies to a customer bill issued by a utility after December 31, 2026, regardless of whether the bill includes any fees or charges for utility service provided to the customer before January 1, 2027.

SECTION 2. IC 6-3-1-11, AS AMENDED BY P.L.194-2023, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) **Except as provided in subsection (e)**, the term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, 2023.

(b) Whenever the Internal Revenue Code is mentioned in this article, or in another provision of the Indiana Code that cites the definition of "Internal Revenue Code" provided in this section, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, 2023, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent that a federal statute in the United States Code is enacted or amended in a title other than the Internal Revenue Code on or before January 1,

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1 2023, and affects federal adjusted gross income, federal taxable
2 income, federal tax credits, or other federal tax attributes, the federal
3 statute shall be considered to be part of the Internal Revenue Code as
4 amended and in effect on January 1, 2023. To the extent:

5 (1) the provisions of the Internal Revenue Code apply to this
6 article, regulations adopted under Section 7805(a) of the Internal
7 Revenue Code, and in effect on January 1, 2023; and

8 (2) a federal statute in the United States Code that is enacted or
9 amended in a title other than the Internal Revenue Code on or
10 before January 1, 2023, and affects federal adjusted gross
11 income, federal taxable income, federal tax credits, or other
12 federal tax attributes applies to this article, regulations adopted
13 under the federal statute of the United States Code and in effect
14 on January 1, 2023;

15 shall be regarded as rules adopted by the department under this article,
16 unless the department adopts specific rules that supersede the
17 regulation.

18 (c) An amendment to the Internal Revenue Code made by an act
19 passed by Congress before January 1, 2023, other than the federal 21st
20 Century Cures Act (P.L. 114-255) and the federal Disaster Tax Relief
21 and Airport and Airway Extension Act of 2017 (P.L. 115-63), that is
22 effective for any taxable year that began before January 1, 2023, and
23 that affects:

24 (1) individual adjusted gross income (as defined in Section 62 of
25 the Internal Revenue Code);

26 (2) corporate taxable income (as defined in Section 63 of the
27 Internal Revenue Code);

28 (3) trust and estate taxable income (as defined in Section 641(b)
29 of the Internal Revenue Code);

30 (4) life insurance company taxable income (as defined in Section
31 801(b) of the Internal Revenue Code);

32 (5) mutual insurance company taxable income (as defined in
33 Section 821(b) of the Internal Revenue Code); or

34 (6) taxable income (as defined in Section 832 of the Internal
35 Revenue Code);

36 is also effective for that same taxable year for purposes of determining
37 adjusted gross income under section 3.5 of this chapter and
38 IC 6-5.5-1-2.

39 (d) This subsection applies to a taxable year ending before January
40 1, 2013. The following provisions of the Internal Revenue Code that
41 were amended by the Tax Relief Act, Unemployment Insurance



1 Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are
 2 treated as though they were not amended by the Tax Relief Act,
 3 Unemployment Insurance Reauthorization, and Job Creation Act of
 4 2010 (P.L. 111-312):

5 (1) Section 1367(a)(2) of the Internal Revenue Code pertaining
 6 to an adjustment of basis of the stock of shareholders.
 7 (2) Section 871(k)(1)(C) and 871(k)(2)(C) of the Internal
 8 Revenue Code pertaining the treatment of certain dividends of
 9 regulated investment companies.
 10 (3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code
 11 pertaining to regulated investment companies qualified entity
 12 treatment.
 13 (4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code
 14 pertaining to the modification of tax treatment of certain
 15 payments to controlling exempt organizations.
 16 (5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code
 17 pertaining to the limitations on percentage depletion in the case
 18 of oil and gas wells.
 19 (6) Section 451(i)(3) of the Internal Revenue Code pertaining to
 20 special rule for sales or dispositions to implement Federal
 21 Energy Regulatory Commission or state electric restructuring
 22 policy for qualified electric utilities.
 23 (7) Section 954(c)(6) of the Internal Revenue Code pertaining to
 24 the look-through treatment of payments between related
 25 controlled foreign corporation under foreign personal holding
 26 company rules.

27 The department shall develop forms and adopt any necessary rules
 28 under IC 4-22-2 to implement this subsection.

29 **(e) Solely for purposes of the provisions specified in subsection**
 30 **(f), the term "Internal Revenue Code" shall mean the Internal**
 31 **Revenue Code as in effect on July 4, 2025, and any reference to**
 32 **January 1, 2023, in this section shall be applied as if the reference**
 33 **is to July 4, 2025.**

34 **(f) The provisions to which subsection (e) is to be applied are**
 35 **as follows:**

36 (1) Section 23 of the Internal Revenue Code.
 37 (2) Section 168(e)(3)(B)(vi) of the Internal Revenue Code.
 38 (3) Section 223(c)(2)(E) of the Internal Revenue Code.

39 SECTION 3. An emergency is declared for this act.

