

DOR Utility Exemptions

Communications with Utility Providers

(Revised April 1, 1 2020)

Ind. Code 6-2.5-8-8(f) allows the Indiana Department of Revenue to communicate directly with utility providers regarding utility exemptions. This provision requires utilities to notify the Department of any meter change of a meter for which the utility possesses a ST-109 exemption certificate issued by the Department. In an effort to simplify this process, we have set up an email account to be used exclusively to communicate directly to the utility companies on these types of issues. This email is utilityexemptions@dor.IN.gov.

Requests for exemptions for multiple meter changes can be included on one spreadsheet and submitted by the utility provider. The meters included in this request should be one-for-one meter changes only. An additional spreadsheet should be sent to the Department detailing any one-for-multiple or multiple-for-one meter changes. The spreadsheet should include the following information (if available):

- Taxpayer's TID
- Taxpayer's FID
- Taxpayer's Service Address
- Utility Account Number
- Type of Account
- Meter Number on Previously Issued Certificate (Old Meter Number)
- New Meter Number

Please note: If special codes are used by the utility company in any column, please provide a key that will allow us to determine how to use the information. In an effort to manage this process and provide the most efficient service to all utility companies, we would request that each company accumulate its data and submit its requests on a rolling quarterly basis, starting with the month that is most convenient to each utility company. A utility may request a different schedule if they believe it would be more efficient. A disposition column will be added to the spreadsheet by Department analysts to indicate if a new exemption certificate was issued or if it is unable to be processed at the time of submission. Specific reasons why the exemption certificate cannot be processed will not be given to the utility companies, but the Department will issue a letter to the customer either revoking the existing exemption certificate or allowing the customer 60 days to supply the needed documentation to the Department. The utility will receive a notification of any revocation of an existing certificate. The utility is not required to begin charging sales tax on the new meter resulting from a one-for-one meter change of an exempt meter until the utility has received a notice of the revocation from the Department. This may happen immediately in cases where the Department has no record of issuing an exemption certificate for the original meter number and the utility is unable to provide a copy of such or after expiration of the 60 days if the customer has not provided the requested documentation to the Department. In the event that the meter has been the subject of a previous one-to-one meter change, the utility must provide documentation of any previous meter change with the spreadsheet showing that such change or change was a one-to-one meter change. Note that utilities should immediately begin collecting tax on meters after a one-for-multiple or multiple-for-one meter changes except in the

limited circumstances described below. All such changes require that the customer submit a new ST-200(s) with a current utility study except in the limited circumstances described below.

The completed spreadsheet with the disposition will be returned to the email originally utilized for the submission, unless otherwise requested at the time of the original submission. Additionally, a scanned file including pdf copies of all exemptions and revocations will be included for the utility company's records. Original exemption certificates and revocations will be mailed to the taxpayer for their records. A letter or insert will be included with the certificate mailed to the taxpayers to let them know they are receiving a new certificate at the request of their utility provider due to a meter change.

For information purposes, below is an outline of Department procedures and required documentation regarding meter changes:

Meter number change procedures.

1. **One-for-One Meter Change.** In the event of a one-for-one meter change, in the absence of no other changes, the ST-109 for the previous meter remains valid until and unless the Department revokes that ST-109. Ind. Code 6-2.5-8-8(f) that states that a valid ST-109 remains valid for the customer after a one-for-one meter change. This provision does not require any affirmative action by the Department in order for the exemption certificate to remain valid.
 - a. The utility is required to report to the Department any meter changes pursuant to Ind. Code 6-2.5-8-8(f).
 - b. The Department will issue a new ST-109 for any meter added in a one-for-one meter change when no other issue is identified with regard to the previously issued ST-109 upon review by the Department.
 - c. If an issue is identified with regard to the previously issued ST-109 in a one-for-one meter change, the Department will indicate to the utility that a new ST-109 cannot be issued and that the customer will be notified. The Department will subsequently issue a letter to the customer that will state that the customer will have 60 days to supply the needed documentation. If the issue is with the customer name or service address, the letter will state the customer must file a new ST-200 or other acceptable documentation within 60 days or the Department may revoke the previously issued ST-109. **However, the utility should NOT begin collecting tax unless it subsequently receives a specific revocation of the existing ST-109 from the Department.**
 - d. Although not required, it is recommended that the utility provide a copy of the ST-109 that they have on file for the meter being changed out. If the Department does not have a record of a facially valid ST-109 provided by the utility, the Department will update its records and issue a new ST-109. If the utility does not provide a ST-109 matching the previous meter number and the Department does not have record of a ST-109 for the previous meter number, the Department will issue the above referenced 60 day letter if the previous meter number provided by the utility does not match the meter number on the

ST-109 and the utility does not supply support of a previous one-for-one meter change to explain the mismatch with the list.

2. **One-for-multiple Meter Change.** An existing ST-109 becomes invalid in the event of a one-for-multiple meter change. The Department does not have to revoke a ST-109 in order for it to become invalid in the event of a one-for-multiple meter change.
 - a. The utility is required to report to the Department any meter changes pursuant to Ind. Code 6-2.5-8-8(f). A customer can contact the Department in anticipation of a one-for-multiple meter change to provide documentation to support whether one or more of the new meters may qualify for exemption.
 - b. The utility is required to begin collecting tax on the new meters in the event of a one-for-multiple meter change unless the customer has provided the above referenced documentation to the Department and the Department has issued new ST-109s for the new meters.
 - c. The customer will be required to submit ST-200s for each new meter. If the new meters are now metering separate circuits, then each meter may need a full utility study and the ST-200s can generally only be submitted after 12 months of operation, absent special circumstances. If both meters are still metering the same circuit or circuits as that metered by the previous exempt single meter in parallel, then the customer can submit the ST-200s immediately and re-submit the previous study and note that it is still valid on the ST-200s, assuming that is true, and may not be required to perform a new study or studies. As noted above, this documentation can be submitted prior to the meter change becoming effective.
 - d. The same procedures apply in the case of a multiple-for-one meter change.
3. **Not-for-Profit or Government Meter Change.**
 - a. Not-for-profit and government meter changes should not be included in the meter change list. Their inclusion will slow down the processing of the meter changes and could result in erroneous notices being issued to customers.
 - b. Best practice is for the utility to request a new ST-109NP&G from the customer with each meter change. Otherwise, the utility has the burden of proving exemption.

Documentation and procedures when a new ST-109 cannot be issued.

1. **Utility name change.**
 - a. In the case of a simple name change or corporate reorganization the Department will reissue new ST-109s upon request by the utility. The utility should submit the request in writing explaining the nature of the name change or corporate reorganization. Upon acceptance, the Department will request

that a list of existing ST-109s be sent in an Excel file via secured email or FTP site.

- b. In the case of a bulk asset purchase of utility assets the Department will reissue new ST-109s upon request by the utility. The utility should submit the request in writing explaining the nature of the asset purchase. Upon acceptance, the Department will request that a list of existing ST-109s be sent in an Excel file via secured email or FTP site. New ST-109s are not required to be issued in the event of a stock purchase of the utility that does not result in a corporate reorganization or name change.
2. **Customer name change.** In the case of a name change of the customer, regardless of the reason for the name change, the customer should file a new ST-200 for the existing meter. The ST-200 can rely on the utility study provided with the previously submitted ST-200 as long as the customer can aver to no material changes in the use of the meter since the last submitted utility study. The ST-200 should include a copy of the previous utility study and documentation supporting the name change such as corporate minutes. A ST-109 issued for a name change shall be considered effective back to the date of the customer name change. Note that the ST-109 itself will not be backdated, but it will constitute prima facie evidence of exempt use by the customer back to the date of the name change. The utility is not required to begin collecting tax upon notification of a customer name change unless the meter is changed to a new customer/taxpayer. An entity related to the customer would be considered a new customer/taxpayer.
3. **Customer or service address change.**
 - a. **Customer address change.** A ST-109 remains valid after a customer address change with no change in address of the meter location. These changes will be handled through the Department's normal taxpayer information change process. The Department may or may not issue a new ST-109 of its own accord after processing a customer address change.
 - b. **Service address change.** A customer must submit a new ST-200 in the event of a change of the service address for the meter. The ST-200 can rely on the utility study provided with the previously submitted ST-200 as long as the customer can aver to no material changes in the use of the meter. The ST-200 should include a copy of the previous utility study and an explanation of the basis for the address change. A ST-109 issued for an address change shall be considered effective back to the date of the address change. Note that the ST-109 itself will not be backdated, but it will constitute prima facie evidence of exempt use by the customer back to the date of the address change. In cases of a simple clerical address change without any physical change of the meter location, a letter request for the address change with a brief explanation of the change may be submitted in lieu of a ST-200.

4. **Account number change.**

Account number changes should be reported to the Department by the utility, but do not require the submission of a new ST-200s.

Questions or concerns related to this process should be directed to the refund/utilities processing area at 317- 232-2240.