
HOUSE BILL No. 1345

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-20.5.

Synopsis: Income tax credit for sales tax paid for heating. Provides a state tax liability credit for a taxpayer: (1) who receives heating energy from a heating energy supplier; and (2) whose household federal adjusted gross income does not exceed 200% of the federal income poverty level. Provides that the amount of the credit equals the lesser of: (1) the amount of sales tax paid by the taxpayer in transactions involving the sale of heating energy to the taxpayer during the taxable year; or (2) \$58.

Effective: January 1, 2006 (retroactive).

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January 12, 2006, read first time and referred to Committee on Ways and Means.

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Second Regular Session 114th General Assembly (2006)

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 2005 Regular Session of the General Assembly.

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HOUSE BILL No. 1345



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 6-3.1-20.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2006 (RETROACTIVE)]:
- 4 **Chapter 20.5. Income Tax Credit for Sales Tax Paid for Heating**
- 5 **Energy**
- 6 **Sec. 1. As used in this chapter, "budget billing plan" refers to an**
- 7 **alternative billing method that:**
- 8 **(1) is offered by a heating energy supplier to a residential**
- 9 **customer;**
- 10 **(2) bills the customer in equal monthly installments, with each**
- 11 **installment equaling the estimated average monthly amount**
- 12 **owed to the heating energy supplier by the customer over a**
- 13 **twelve (12) month period; and**
- 14 **(3) balances the customer's account at the end of the twelve**
- 15 **(12) month period on which the monthly bill amount is**
- 16 **estimated, so that:**
- 17 **(A) the customer is given a refund or credit for any excess**



1 amount paid by the customer over the twelve (12) month
 2 period, if the actual amount owed by the customer for the
 3 twelve (12) month period is less than the estimated amount
 4 paid over the twelve (12) month period; or
 5 (B) the customer is charged for any deficiency, whether in
 6 a one (1) time settlement or in payments spread out over
 7 one (1) or more future bills, if the actual amount owed by
 8 the customer for the twelve (12) month period is more than
 9 the estimated amount paid over the twelve (12) month
 10 period.

11 Sec. 2. (a) As used in this chapter, "eligible taxpayer" means an
 12 individual taxpayer (and the individual's spouse, if the individual
 13 and the individual's spouse file a joint adjusted gross income tax
 14 return):

15 (1) who receives heating energy from a heating energy
 16 supplier; and

17 (2) whose household federal adjusted gross income does not
 18 exceed two hundred percent (200%) of the federal income
 19 poverty level for the taxable year, as determined by the
 20 federal Office of Management and Budget.

21 (b) The term includes a taxpayer whose household receives
 22 heating energy through a program administered by the division of
 23 family resources under IC 12-14-11.

24 Sec. 3. As used in this chapter, "eligible transaction" means a
 25 transaction:

26 (1) involving the sale or furnishing of heating energy by a
 27 heating energy supplier to an eligible taxpayer; and

28 (2) for which the charges are invoiced in a single bill or
 29 statement that applies:

30 (A) to any month, or part of a month, during the heating
 31 season, if the eligible taxpayer is not enrolled in a budget
 32 billing plan offered by the heating energy supplier; or

33 (B) to any month during the eligible taxpayer's taxable
 34 year, if the eligible taxpayer is enrolled in a budget billing
 35 plan offered by the heating energy supplier.

36 Sec. 4. As used in this chapter, "heating energy" means
 37 electricity, oil, gas, coal, propane, or any other fuel for use as the
 38 principal source of heating in a residential dwelling or building,
 39 including a building (as defined in IC 8-1-2-36.5(a)) served by a
 40 master meter, as described in IC 8-1-2-36.5.

41 Sec. 5. As used in this chapter, "heating energy supplier" means
 42 a person, including a trustee or receiver appointed by a court,

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1 engaged in furnishing or selling heating energy in Indiana.

2 Sec. 6. As used in this chapter, "heating season" means the
3 period beginning December 1 of any year and ending March 15 of
4 the immediately following year.

5 Sec. 7. As used in this chapter, "household federal adjusted
6 gross income" means the total adjusted gross income, as defined in
7 Section 62 of the Internal Revenue Code, of an individual, or of an
8 individual and the individual's spouse if the individual and the
9 individual's spouse file a joint adjusted gross income tax return.

10 Sec. 8. As used in this chapter, "state income tax liability"
11 means a taxpayer's adjusted gross income tax liability under
12 IC 6-3.

13 Sec. 9. (a) Subject to subsections (b) and (c), an eligible taxpayer
14 is entitled to a refundable credit against the eligible taxpayer's
15 state income tax liability in an amount equal to the lesser of:

16 (1) the amount of state gross retail taxes paid by the eligible
17 taxpayer in connection with all eligible transactions during
18 the taxable year; or

19 (2) fifty-eight dollars (\$58).

20 (b) If an eligible taxpayer, or any individual who was a member
21 of the eligible taxpayer's household during the taxable year, has
22 any liability outstanding on the books of the department, the
23 department may apply the amount of any credit otherwise
24 allowable under this section against the outstanding liability before
25 allowing a credit under this section.

26 (c) Only one (1) eligible taxpayer per household may claim the
27 credit provided by this section during a taxable year.

28 (d) Subject to subsection (b), if the amount of the credit under
29 this section exceeds an eligible taxpayer's state tax liability for a
30 taxable year, the excess shall be refunded to the taxpayer.

31 Sec. 10. To obtain the credit provided by this section 9 of this
32 chapter, an eligible taxpayer must file with the department:

33 (1) invoices from a heating energy supplier, or other proof of
34 state gross retail taxes paid by the eligible taxpayer in
35 connection with eligible transactions during the taxable year;
36 and

37 (2) any other information required by the department.

38 Sec. 11. The department may adopt rules under IC 4-22-2 to
39 implement this chapter.

40 SECTION 2. [EFFECTIVE JANUARY 1, 2006
41 (RETROACTIVE)] IC 6-3.1-20.5, as added by this act, applies to
42 taxable years beginning after December 31, 2005.

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1 SECTION 3. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]
2 (a) As used in this SECTION, "department" refers to the
3 department of state revenue established by IC 6-8.1-2-1.
4 (b) Notwithstanding IC 6-3.1-20.5-11, as added by this act, the
5 department shall adopt any rules necessary to implement
6 IC 6-3.1-20.5, as added by this act, in the same manner as
7 emergency rules are adopted under IC 4-22-2-37.1. A rule adopted
8 under this SECTION expires on the earlier of:
9 (1) the date a rule is adopted by the department under
10 IC 4-22-2-24 through IC 4-22-2-36 to implement
11 IC 6-3.1-20.5, as added by this act; or
12 (2) July 1, 2007.
13 (c) This SECTION expires July 1, 2007.
14 SECTION 4. An emergency is declared for this act.

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