



January 25, 2012

HOUSE BILL No. 1141

DIGEST OF HB 1141 (Updated January 24, 2012 12:15 pm - DI 92)

Citations Affected: IC 6-2.5.

Synopsis: Home energy assistance. Restores the sales tax exemption that expired in 2009 for home energy acquired through LIHEAP after June 30, 2012, and before July 1, 2013.

Effective: Upon passage.

Welch, Clere

January 9, 2012, read first time and referred to Committee on Ways and Means.
January 25, 2012, amended, reported — Do Pass.

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HB 1141—LS 6572/DI 92+



January 25, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1141

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.32-2007,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) As used in this section, a "power
4 subsidiary" means a corporation which is owned or controlled by one
5 (1) or more public utilities that furnish or sell electrical energy, natural
6 or artificial gas, water, steam, or steam heat and which produces power
7 exclusively for the use of those public utilities.

8 (b) A power subsidiary or a person engaged as a public utility is a
9 retail merchant making a retail transaction when the subsidiary or
10 person furnishes or sells electrical energy, natural or artificial gas,
11 water, steam, or steam heating service to a person for commercial or
12 domestic consumption.

13 (c) Notwithstanding subsection (b), a power subsidiary or a person
14 engaged as a public utility is not a retail merchant making a retail
15 transaction in any of the following transactions:

16 (1) The power subsidiary or person provides, installs, constructs,
17 services, or removes tangible personal property which is used in

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- 1 connection with the furnishing of the services or commodities
 2 listed in subsection (b).
- 3 (2) The power subsidiary or person sells the services or
 4 commodities listed in subsection (b) to another public utility or
 5 power subsidiary described in this section or a person described
 6 in section 6 of this chapter.
- 7 (3) The power subsidiary or person sells the services or
 8 commodities listed in subsection (b) to a person for use in
 9 manufacturing, mining, production, refining, oil extraction,
 10 mineral extraction, irrigation, agriculture, or horticulture.
 11 However, this exclusion for sales of the services and commodities
 12 only applies if the services are consumed as an essential and
 13 integral part of an integrated process that produces tangible
 14 personal property and those sales are separately metered for the
 15 excepted uses listed in this subdivision, or if those sales are not
 16 separately metered but are predominately used by the purchaser
 17 for the excepted uses listed in this subdivision.
- 18 (4) The power subsidiary or person sells the services or
 19 commodities listed in subsection (b) and all the following
 20 conditions are satisfied:
- 21 (A) The services or commodities are sold to a business that
 22 after June 30, 2004:
- 23 (i) relocates all or part of its operations to a facility; or
 24 (ii) expands all or part of its operations in a facility;
 25 located in a military base (as defined in IC 36-7-30-1(c)), a
 26 military base reuse area established under IC 36-7-30, the part
 27 of an economic development area established under
 28 IC 36-7-14.5-12.5 that is or formerly was a military base (as
 29 defined in IC 36-7-30-1(c)), a military base recovery site
 30 designated under IC 6-3.1-11.5, or a qualified military base
 31 enhancement area established under IC 36-7-34.
- 32 (B) The business uses the services or commodities in the
 33 facility described in clause (A) not later than five (5) years
 34 after the operations that are relocated to the facility or
 35 expanded in the facility commence.
- 36 (C) The sales of the services or commodities are separately
 37 metered for use by the relocated or expanded operations.
- 38 (D) In the case of a business that uses the services or
 39 commodities in a qualified military base enhancement area
 40 established under IC 36-7-34-4(1), the business must satisfy at
 41 least one (1) of the following criteria:
- 42 (i) The business is a participant in the technology transfer

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1 program conducted by the qualified military base (as defined
 2 in IC 36-7-34-3).
 3 (ii) The business is a United States Department of Defense
 4 contractor.
 5 (iii) The business and the qualified military base have a
 6 mutually beneficial relationship evidenced by a
 7 memorandum of understanding between the business and
 8 the United States Department of Defense.
 9 (E) In the case of a business that uses the services or
 10 commodities in a qualified military base enhancement area
 11 established under IC 36-7-34-4(2), the business must satisfy at
 12 least one (1) of the following criteria:
 13 (i) The business is a participant in the technology transfer
 14 program conducted by the qualified military base (as defined
 15 in IC 36-7-34-3).
 16 (ii) The business and the qualified military base have a
 17 mutually beneficial relationship evidenced by a
 18 memorandum of understanding between the business and
 19 the qualified military base (as defined in IC 36-7-34-3).
 20 However, this subdivision does not apply to a business that
 21 substantially reduces or ceases its operations at another location
 22 in Indiana in order to relocate its operations in an area described
 23 in this subdivision, unless the department determines that the
 24 business had existing operations in the area described in this
 25 subdivision and that the operations relocated to the area are an
 26 expansion of the business's operations in the area.
 27 (5) The power subsidiary or person sells services or commodities
 28 that:
 29 (A) are referred to in subsection (b); and
 30 (B) qualify as home energy (as defined in IC 6-2.5-5-16.5);
 31 to a person who acquires the services or commodities after June
 32 30, ~~2006~~, **2012**, and before July 1, ~~2009~~, **2013**, through home
 33 energy assistance (as defined in IC 6-2.5-5-16.5).
 34 SECTION 2. IC 6-2.5-5-16.5, AS AMENDED BY P.L.32-2007,
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 16.5. (a) The following definitions apply
 37 throughout this section:
 38 (1) "Home energy" means electricity, oil, gas, coal, propane, or
 39 any other fuel for use as the principal source of heating or cooling
 40 in residential dwellings.
 41 (2) "Home energy assistance" means programs administered by
 42 the state to supply home energy through the Low Income Home

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1 Energy Assistance Block Grant under 42 U.S.C. ~~8261~~ **8621** et seq.
2 (b) Transactions involving home energy are exempt from the state
3 gross retail tax if the person acquiring the home energy acquires it after
4 June 30, ~~2006~~, **2012**, and before July 1, ~~2009~~, **2013**, through home
5 energy assistance.
6 **SECTION 3. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1141, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 22.

Page 4, line 29, after "2006," insert "**2012**,"

Page 4, line 29, reset in roman "and before July 1,".

Page 4, line 29, delete "2012," and insert "**2013**,".

Page 5, line 1, after "2006," insert "**2012**,".

Page 5, line 1, reset in roman "and before July 1,".

Page 5, line 1, delete "2012," and insert "**2013**,".

Page 5, delete lines 3 through 27.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1141 as introduced.)

ESPICH, Chair

Committee Vote: yeas 20, nays 0.

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