

## DEPARTMENT OF STATE REVENUE

**Information Bulletin #202**  
**General Tax**  
**December 2019**  
**(Replaces Commissioner's Directive #32, dated May 2008)**  
**Effective Date: March 2008**

**SUBJECT:** Utility Services Use Tax

**REFERENCES:** [IC 6-2.3-1-3.5](#); [IC 6-2.3-3-11](#); [IC 6-2.3-5.5](#)

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**SUMMARY OF CHANGES:**

Aside from technical, nonsubstantive changes, this bulletin effectively provides the same information as it had before when it was published under the title Commissioner's Directive #32.

## **I. IMPOSITION OF UTILITY SERVICES USE TAX**

An excise tax known as the utility services use tax is imposed on the retail consumption of utility services in Indiana at the rate of one and four tenths-percent (1.4%). The tax is measured by the gross consideration received by the seller from the sale of the following commodities or services: electricity, natural gas, water, steam, sewage or telecommunications services.

**NOTE:** For taxable years beginning after December 31, 2020, the rate of the tax will be adjusted annually. The amount of tax would equal the base year amount if the new rate were applied to the amount of utility receipts in the previous year. The department will determine by September 1 the tax rate for the following year, and shall publish the tax rate in this document.

## **II. EXEMPTIONS**

The same exemptions and nontaxable receipts that apply to the utility receipts tax also apply to the utilities services use tax. The utility services use tax is an excise tax imposed on the retail consumption of utility services if the utility receipts tax is not paid by the utility providing the service. The utility services use tax is not imposed to the extent the receipts for utility services are subject to the utility receipts tax, and the tax is paid on those utility services.

## **III. REGISTRATION AND FILING REQUIREMENTS**

The person who consumes the utility services is personally liable for the utility services use tax. The consumer must register with the department and remit the tax due on all utility services if either the seller has not collected the utility services use tax or the utility is not subject to the utility receipts tax. The consumer is required to remit the tax to the department on Form USU-103 by the 30th day after the end of the month in which the utility services were purchased. The consumer is required to file a return even if no tax is due.

A seller of utility services may elect to register with the department to collect the utility services use tax on behalf of persons liable for the utility services use tax. A seller that registers to collect the utility services use tax is required to remit all tax collected by the 30th day after the end of the month in which the utility services were sold to the person.

If the seller registers to collect the tax, the purchaser shall pay the tax to the seller from whom the utility services were purchased. The seller shall collect the tax as an agent for the state. When the seller collects the utility services use tax, the seller shall issue a receipt to the person for the utility services use tax collected.

If the department assesses the utility services use tax and the person has already paid the tax to a seller registered to collect the tax, the person may avoid paying the tax by submitting a receipt or other evidence

showing that the utility services use tax was paid to the seller.

A seller that has registered with the department to collect the utility services use tax holds those taxes in trust for the state and is personally liable for the payment of those taxes to the state. Registration forms for the seller and the user are available through the Department's Web site at <https://www.in.gov/dor/3489.htm>.

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Commissioner

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