



Adopted	Rejected
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MINORITY COMMITTEE REPORT

MR. SPEAKER:

*A minority of your Committee on Elections and Apportionment, which met on December 2, 2025, to consider House Bill 1032, 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:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT concerning state and local administration.
- 3 Delete everything after the enacting clause and insert the following:
- 4 SECTION 1. IC 6-2.5-1-10.5 IS ADDED TO THE INDIANA
- 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 6 [EFFECTIVE JULY 1, 2026]: Sec. 10.5. "Adult diapers" means
- 7 **diapers other than children's diapers.**
- 8 SECTION 2. IC 6-2.5-4-5, AS AMENDED BY P.L.137-2022,
- 9 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 10 JULY 1, 2026]: Sec. 5. (a) A power subsidiary or a person engaged as
- 11 a public utility is a retail merchant making a retail transaction when the
- 12 subsidiary or person furnishes or sells electrical energy, natural or

artificial gas, water, steam, or steam heating service to a person for commercial ~~or domestic~~ consumption.

(b) A power subsidiary or a person engaged as a public utility is not a retail merchant making a retail transaction when the subsidiary or person furnishes or sells electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for domestic consumption.

SECTION 3. IC 6-2.5-5-5.1, AS AMENDED BY P.L.118-2024, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5.1. (a) As used in this section, "tangible personal property" includes electricity, gas, water, and steam.

(b) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property acquires it for direct consumption as a material to be consumed in the direct production of other tangible personal property in the person's business of manufacturing, mining, production, processing, repairing, recycling (as defined in section 45.8 of this chapter), refining, oil extraction, mineral extraction, irrigation, agriculture, floriculture, arboriculture, or horticulture. This exemption includes transactions involving acquisitions of tangible personal property used in commercial printing.

(c) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring that property:

- (1) acquires it for the person's direct consumption as a material to be consumed in an industrial processing service; and
- (2) is an industrial processor.

(d) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property:

- (1) acquires it for the person's direct consumption as a material to be consumed in:
 - (A) the direct application of fertilizers, pesticides, fungicides, seeds, and other tangible personal property; or
 - (B) the direct extraction, harvesting, or processing of agricultural commodities;
 for consideration; and
- (2) is occupationally engaged in providing the services described in subdivision (1) on property that is:

(A) owned or rented by another person occupationally engaged in agricultural production; and

(B) used for agricultural production.

(e) Transactions involving electricity, gas, water, and steam delivered through a single meter provided by a public utility are exempt if the electrical energy, natural or artificial gas, water, steam, or steam heat is consumed for a purpose exempted pursuant to this section and the electricity, gas, water, or steam is predominately used by the purchaser for one (1) or more of the purposes exempted by this section.

(f) A retail merchant that receives seventy-five percent (75%) or more of its receipts from the sale of prepared food, ~~as defined in section 20(c)(4), 20(c)(5), and 20(c)(6) of this chapter~~, including bakery items, may elect to claim an exemption equal to fifty percent (50%) of the gross retail tax imposed on transactions involving electricity purchased by the retail merchant that is derived through a single meter. The election must be submitted on forms provided by the department. Upon acceptance of the election, the department shall issue a partial exemption certificate to the utility and any third party suppliers, if applicable. The election may also be submitted with a claim for refund. The election is irrevocable for any period for which the partial exemption has already been claimed. The election can be withdrawn on a prospective basis.

SECTION 4. IC 6-2.5-5-20, AS AMENDED BY P.L.92-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 20. **(a) For purposes of this section, "food and food ingredients" has the meaning set forth in IC 6-2.5-1-20. The term includes prepared food and food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311.**

(b) For purposes of this section, "prepared food" means:

- (1) food sold in a heated state or heated by the seller;**
- (2) two (2) or more food ingredients mixed or combined by the seller for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or**

(3) food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) For purposes of this section, "restaurant" means a retail merchant that sells food such as meals, sandwiches, or other food for consumption on or off the premises with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subsection, a plate does not include a container or packaging used to transport the food) and that derives seventy-five percent (75%) of its sales from prepared food.

(a) (d) Sales of food and food ingredients for human consumption are exempt from the state gross retail tax, **except as provided in subsection (e).**

(e) The exemption from the state gross retail tax in subsection (d) does not apply to food that is sold by a restaurant.

(b) For purposes of this section, the term "food and food ingredients for human consumption" includes the following items if sold without eating utensils provided by the seller:

(1) Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries);

(2) Food sold in an unheated state by weight or volume as a single item;

(3) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas;

(c) Except as otherwise provided by subsection (b), for purposes of this section, the term "food and food ingredients for human consumption" does not include:

(1) candy;

(2) alcoholic beverages;

(3) soft drinks;

(4) food sold in a heated state or heated by the seller;

(5) two (2) or more food ingredients mixed or combined by the seller for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat,

poultry; and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

(6) food sold with eating utensils provided by the seller; including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food);

(7) tobacco; or

(8) dietary supplements.

SECTION 5. IC 6-2.5-5-21 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 21: (a) Sales of food and food ingredients are exempt from the state gross retail tax if:

(1) the seller meets the filing requirements under subsection (c) and is an organization described in section 25(a)(1) of this chapter;

(2) the purchaser is a person confined to the purchaser's home because of age, sickness, or infirmity;

(3) the seller delivers the food and food ingredients to the purchaser; and

(4) the delivery is prescribed as medically necessary by a physician licensed to practice medicine in Indiana.

(b) Sales of food and food ingredients are exempt from the state gross retail tax if the seller is an organization described in section 25(a)(1) of this chapter, and the purchaser is a patient in a hospital operated by the seller.

(c) To obtain the exemption provided by this section, a taxpayer must follow the procedures set forth in section 25(c) of this chapter.

SECTION 6. IC 6-2.5-5-22 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 22: (a) Sales of school meals are exempt from the state gross retail tax if:

(1) the seller is a school containing students in any grade, one (1) through twelve (12);

(2) the purchaser is one (1) of those students or a school employee; and

(3) the school furnishes the food and food ingredients on its premises.

(b) Sales of food and food ingredients by not-for-profit colleges or universities are exempt from the state gross retail tax, if the purchaser is a student at the college or university.

(c) Sales of meals by a fraternity, sorority, or student cooperative housing organization described in section 25(a)(1)(A) of this chapter are exempt from the state gross retail tax, if the purchaser:

(1) is a member of the fraternity, sorority, or student cooperative housing organization; and

(2) is enrolled in the college, university, or educational institution with which the fraternity, sorority, or student cooperative housing organization is connected and by which it is supervised.

SECTION 7. IC 6-2.5-5-35 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 35: (a) Except as provided in subsection (b), transactions involving tangible personal property are exempt from the state gross retail tax if:

(1) the:

(A) person acquires the property to facilitate the service or consumption of food and food ingredients that is not exempted from the state gross retail tax under section 20 of this chapter; and

(B) property is:

(i) used, consumed, or removed in the service or consumption of the food and food ingredients; and

(ii) made unusable for further service or consumption of food and food ingredients after the property's first use for service or consumption of food and food ingredients; or

(2) the:

(A) person acquiring the property is engaged in the business of renting or furnishing rooms, lodgings, or accommodations in a commercial hotel, motel, inn, tourist camp, or tourist cabin; and

(B) property acquired is:

(i) used up, removed, or otherwise consumed during the occupation of the rooms, lodgings, or accommodations by a guest; or

(ii) rendered nonreusable by the property's first use by a guest during the occupation of the rooms, lodgings, or

1 accommodations:

2 (b) The exemption provided by subsection (a) does not apply to
3 transactions involving electricity, water, gas, or steam.

4 SECTION 8. IC 6-2.5-5-57, AS ADDED BY P.L.180-2022(ss),
5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 57. (a) Sales of children's diapers are exempt from
7 the state gross retail tax.

8 (b) Sales of adult diapers are exempt from the state gross retail
9 tax.

10 SECTION 9. IC 6-2.5-5-57.5 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2026]: Sec. 57.5. (a) For purposes of this
13 section, "feminine hygiene products" means:

- 14 (1) tampons;
- 15 (2) panty liners;
- 16 (3) menstrual cups;
- 17 (4) sanitary napkins; and
- 18 (5) other similar tangible personal property designed for
19 feminine hygiene in connection with the human menstrual
20 cycle.

21 (b) Sales of feminine hygiene products are exempt from the state
22 gross retail tax.

23 SECTION 10. IC 6-2.5-5-58, AS ADDED BY P.L.230-2025,
24 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2026]: Sec. 58. (a) The following definitions apply throughout
26 this section:

- 27 (1) "Agricultural commodity" means:
28 (A) dairy products, pork products, beef products, poultry
29 products, and products from other livestock; and
30 (B) crops;
31 that are raised and harvested to provide food and food ingredients.
32 The term includes ~~items described in section 20(c)(1), 20(c)(3),~~
33 ~~20(c)(4), 20(c)(5), and 20(c)(6) of this chapter.~~ **candy and soft**
34 **drinks.**

- 35 (2) "Agricultural commodity trade association" means:
36 (A) an agricultural or horticultural organization exempt from
37 federal income taxation under Section 501(c)(5) of the Internal
38 Revenue Code; or

(B) an organization exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code as a business league for agricultural commodity or horticultural interests.

(b) Sales of agricultural commodities by an agricultural commodity trade association are exempt from the state gross retail tax if:

(1) the transaction is conducted at the state fair; and

(2) the transaction is conducted to make money to carry on the agricultural commodity trade association's nonprofit purpose.

(c) To obtain the exemption provided by this section, an agricultural commodity trade association must:

(1) be registered as a retail merchant under IC 6-2.5-8-1; or

(2) establish that the agricultural commodity trade association is not required to be registered as a retail merchant under this article;

at the time of the transaction.

SECTION 11. IC 6-2.5-5-58.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 58.5. (a) As used in this section, "personal care product" means soap, toilet paper, toothpaste, and mouthwash.**

(b) Sales of personal care products are exempt from the state gross retail tax.

SECTION 12. IC 6-2.5-5-59 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 59. (a) As used in this section, "breastfeeding supplies" means breast pumps, breast pump kits, breast pump repair and replacement parts, and breast pump collection and storage supplies.**

(b) Sales of breastfeeding supplies are exempt from the state gross retail tax.

SECTION 13. IC 6-2.5-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 5.5. Sales Tax Holiday

Sec. 1. (a) As used in this chapter, "backpack" means the following:

(1) Messenger bags.

(2) Book bags.

(3) Packs with straps that a person wears on the person's back, including a backpack with wheels if the backpack can also be worn on the back.

(b) For purposes of this chapter, "backpack" does not include the following:

(1) Items commonly considered luggage.

(2) Briefcases.

(3) Athletic bags.

(4) Duffel bags.

(5) Gym bags.

(6) Computer bags.

Sec. 2. The sale of a backpack is exempt from the state gross retail tax if:

(1) the backpack is purchased for use by a student in a public or private elementary or secondary school;

(2) the sales price of the article does not exceed one hundred dollars (\$100); and

(3) the sale takes place during the period:

(A) beginning at 12:01 a.m. on August 1; and

(B) ending at 11:59 p.m. on August 7;

of each year.

Sec. 3. (a) As used in this chapter, "clothing" means all human wearing apparel suitable for general use, including the following:

(1) Aprons (household).

(2) Athletic socks.

(3) Baseball jerseys.

(4) Belts with attached buckles.

(5) Blouses.

(6) Boots (general purpose, cowboy, hiking).

(7) Bow ties.

(8) Bowling shirts.

(9) Bras.

(10) Chef uniforms.

(11) Children's novelty costumes.

(12) Clerical vestments.

(13) Coats and wraps.

(14) Coveralls.

- 1 (15) Diapers (adult and baby, cloth and disposable).
- 2 (16) Dresses.
- 3 (17) Earmuffs (cold weather).
- 4 (18) Employee uniforms (unless rented).
- 5 (19) Football jerseys.
- 6 (20) Gloves (generally, dress, leather).
- 7 (21) Golf accessories (golf dresses, golf jackets and
- 8 windbreakers, golf shirts, golf skirts).
- 9 (22) Graduation caps and gowns.
- 10 (23) Gym suits and uniforms.
- 11 (24) Hats.
- 12 (25) Hooded shirts and hooded sweatshirts.
- 13 (26) Hosiery including support hosiery.
- 14 (27) Jackets.
- 15 (28) Jeans.
- 16 (29) Jogging apparel.
- 17 (30) Knitted caps or hats.
- 18 (31) Leg warmers.
- 19 (32) Leotards and tights.
- 20 (33) Masks and costumes.
- 21 (34) Neckwear, neckties, and ties.
- 22 (35) Painter pants.
- 23 (36) Pants.
- 24 (37) Panty hose.
- 25 (38) Raincoats and ponchos.
- 26 (39) Rain hats.
- 27 (40) Religious clothing.
- 28 (41) Robes.
- 29 (42) Safety shoes (adaptable for street wear).
- 30 (43) Scarves.
- 31 (44) Scout uniforms.
- 32 (45) Shawls and wraps.
- 33 (46) Shirts.
- 34 (47) Shirts (hooded).
- 35 (48) Shoes (generally, boat, cross trainers, dress, flip flops,
- 36 jellies, no cleat running, suitable for everyday safety, sandals,
- 37 slippers, sneakers, tennis, walking).
- 38 (49) Shorts.

- 1 **(50) Skirts.**
- 2 **(51) Sleepwear, nightgowns, nightshirts, and pajamas.**
- 3 **(52) Slips.**
- 4 **(53) Soccer socks.**
- 5 **(54) Socks.**
- 6 **(55) Suits, slacks, and jackets.**
- 7 **(56) Support hosiery.**
- 8 **(57) Suspenders.**
- 9 **(58) Sweatshirts.**
- 10 **(59) Sweat suits.**
- 11 **(60) Sweaters.**
- 12 **(61) Swimming suits.**
- 13 **(62) Tennis accessories (tennis dresses, tennis shorts, tennis**
- 14 **skirts).**
- 15 **(63) Tights.**
- 16 **(64) Trousers.**
- 17 **(65) Underclothes.**
- 18 **(66) Underpants.**
- 19 **(67) Undershirts.**
- 20 **(68) Uniforms (school, work, nurse, waitress, military, postal,**
- 21 **police, fire).**
- 22 **(69) Vests (generally, noninflatable/nonflotation fishing,**
- 23 **hunting).**
- 24 **(70) Work clothes.**
- 25 **(71) Work uniforms.**
- 26 **(72) Workout clothes.**
- 27 **(b) For purposes of this chapter, "clothing" does not include the**
- 28 **following:**
- 29 **(1) Accessories (generally, barrettes, belt buckles sold**
- 30 **separately, bobby pins, briefcases, elastic ponytail holders,**
- 31 **hair bows, hair clips, handbags, handkerchiefs, headbands,**
- 32 **jewelry, key cases, purses, wallets, watch bands, watches).**
- 33 **(2) Alterations.**
- 34 **(3) Aprons (welders).**
- 35 **(4) Backpacks (unless for use by elementary/secondary**
- 36 **students).**
- 37 **(5) Baseball accessories (cleats, gloves, or pants).**
- 38 **(6) Bathing caps.**

- 1 (7) Belts for weight lifting.
- 2 (8) Bicycle shoes (cleated).
- 3 (9) Boots (cleated or spiked climbing, fishing, overshoes and
- 4 galoshes, rubber work boots, ski, waders).
- 5 (10) Bowling shoes (rented and sold).
- 6 (11) Buttons and zippers.
- 7 (12) Chest protectors.
- 8 (13) Cloth and lace, knitting yarns, and other fabrics.
- 9 (14) Clothing repair items such as thread, buttons, tapes, and
- 10 iron-on patches.
- 11 (15) Earmuffs (noise cancellation or noise canceling).
- 12 (16) Elbow pads.
- 13 (17) Fins (swim).
- 14 (18) Football accessories (pads, pants).
- 15 (19) Gloves (batting, bicycle, garden, hockey, rubber, surgical,
- 16 tennis, work).
- 17 (20) Goggles.
- 18 (21) Golf accessories (gloves, purses, shoes).
- 19 (22) Hair nets, bows, and clips.
- 20 (23) Hard hats.
- 21 (24) Helmets (bike, baseball, football, hockey, motorcycle,
- 22 sports).
- 23 (25) Insoles.
- 24 (26) Jewelry.
- 25 (27) Knee pads.
- 26 (28) Life jackets and vests.
- 27 (29) Masks (protective, welder, umpire, swim).
- 28 (30) Monogramming services.
- 29 (31) Overshoes and rubber shoes.
- 30 (32) Pads (football, hockey, soccer, elbow, knee, shoulder).
- 31 (33) Paint or dust respirators and incidental supplies.
- 32 (34) Patterns.
- 33 (35) Protective gloves.
- 34 (36) Protective masks.
- 35 (37) Rented clothing or footwear (including uniforms,
- 36 formalwear, and costumes).
- 37 (38) Repair clothing or footwear.
- 38 (39) Ribbons.

- 1 (40) Safety accessories (clothing normally worn in hazardous
- 2 occupations, nonprescription glasses, nonadaptable for street
- 3 wear shoes).
- 4 (41) Sewing patterns.
- 5 (42) Shin guards and padding.
- 6 (43) Shoe inserts.
- 7 (44) Shoelaces.
- 8 (45) Shoes (ballet, baseball cleats, cleated bicycle, bowling,
- 9 cleated or spiked, fishing boots/waders, football, golf, jazz and
- 10 dance, overshoes, cleated soccer, tap dance, track and cleats,
- 11 wading/water sport).
- 12 (46) Shoe repairs.
- 13 (47) Shoulder pads (for dresses, jackets).
- 14 (48) Shoulder pads (football, hockey, sports).
- 15 (49) Shower caps.
- 16 (50) Skates (ice and roller).
- 17 (51) Ski boots (snow).
- 18 (52) Ski suits (snow).
- 19 (53) Ski vests (snow).
- 20 (54) Sports helmets.
- 21 (55) Sports pads (football, hockey, soccer, knee, elbow,
- 22 shoulder).
- 23 (56) Sunglasses (except prescription).
- 24 (57) Sweatbands (arm, wrist, head).
- 25 (58) Swimming masks and goggles.
- 26 (59) Track shoes and cleats.
- 27 (60) Umbrellas.
- 28 (61) Vests (bulletproof, flotation, scuba).
- 29 (62) Water ski vests.
- 30 (63) Wet and dry suits.
- 31 (64) Wrist bands.
- 32 **Sec. 4. The sale of an article of clothing is exempt from the state**
- 33 **gross retail tax if:**
- 34 **(1) the sales price of the article does not exceed one hundred**
- 35 **dollars (\$100); and**
- 36 **(2) the sale takes place during the period:**
- 37 **(A) beginning at 12:01 a.m. on August 1; and**
- 38 **(B) ending at 11:59 p.m. on August 7;**

1 of each year.

2 Sec. 5. (a) As used in this chapter, "computer" means an
3 electronic device that accepts information in digital or similar form
4 and manipulates it for a result based on a sequence of instructions.
5 The term includes laptop computers.

6 (b) For purposes of this chapter, "computer" does not include
7 the following:

- 8 (1) Video game consoles.
- 9 (2) Computer storage media.
- 10 (3) Handheld electronic schedulers.
- 11 (4) Cellular phones.
- 12 (5) Personal digital assistants.

13 Sec. 6. The sale of a computer is exempt from the state gross
14 retail tax if:

- 15 (1) the computer is purchased for use by a student in a public
16 or private elementary or secondary school;
 - 17 (2) the sales price of the article does not exceed five hundred
18 dollars (\$500); and
 - 19 (3) the sale takes place during the period:
 - 20 (A) beginning at 12:01 a.m. on August 1; and
 - 21 (B) ending at 11:59 p.m. on August 7;
- 22 of each year.

23 Sec. 7. As used in this chapter, "school supply" means the
24 following:

- 25 (1) Binders.
- 26 (2) Book bags.
- 27 (3) Calculators.
- 28 (4) Cellophane tape.
- 29 (5) Blackboard chalk.
- 30 (6) Compasses.
- 31 (7) Composition books.
- 32 (8) Crayons.
- 33 (9) Erasers.
- 34 (10) Folders (expandable, pocket, plastic, and manila).
- 35 (11) Glue, paste, and paste sticks.
- 36 (12) Highlighters.
- 37 (13) Index cards.
- 38 (14) Index card boxes.

1 (15) Legal pads.

2 (16) Lunch boxes.

3 (17) Markers.

4 (18) Notebooks.

5 (19) Paper (loose leaf ruled notebook paper, copy paper,
6 graph paper, tracing paper, manila paper, colored paper,
7 poster board, and construction paper).

8 (20) Pencil boxes and other school supply boxes.

9 (21) Pencil sharpeners.

10 (22) Pencils.

11 (23) Pens.

12 (24) Protractors.

13 (25) Rulers.

14 (26) Scissors.

15 (27) Writing tablets.

16 **Sec. 8. The sale of a school supply is exempt from the state gross**
17 **retail tax if:**

18 (1) the school supply is purchased for use by a student in a
19 public or private elementary or secondary school;

20 (2) the sales price of the article does not exceed one hundred
21 dollars (\$100); and

22 (3) the sale takes place during the period:

23 (A) beginning at 12:01 a.m. on August 1; and

24 (B) ending at 11:59 p.m. on August 7;

25 of each year.

26 SECTION 14. IC 6-2.5-8-4 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) An organization,
28 exempt from the state gross retail tax under ~~IC 6-2.5-5-21,~~
29 IC 6-2.5-5-25 or IC 6-2.5-5-26, may register with the department as a
30 purchaser of property in exempt transactions. An exempt organization
31 wishing to register must file an application listing its principal location,
32 but the organization is not required to pay the fee.

33 (b) Upon receiving the application, the department may issue an
34 exempt organization certificate containing a serial number and the
35 principal location of the exempt organization.

36 SECTION 15. IC 6-2.5-8-8, AS AMENDED BY P.L.1-2025,
37 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 8. (a) A person, authorized under subsection (b),

1 who makes a purchase in a transaction which is exempt from the state
 2 gross retail and use taxes, may issue an exemption certificate to the
 3 seller instead of paying the tax. Except as provided in subsection (c),
 4 the person shall issue the certificate on forms and in the manner
 5 prescribed by the department on the department's website. A seller
 6 accepting a proper exemption certificate under this section has no duty
 7 to collect or remit the state gross retail or use tax on that purchase.

8 (b) The following are the only persons authorized to issue
 9 exemption certificates:

10 (1) Retail merchants, wholesalers, and manufacturers, who are
 11 registered with the department under this chapter.

12 (2) Persons who are exempt from the state gross retail tax under
 13 IC 6-2.5-4-5 and who receive an exemption certificate from the
 14 department.

15 (3) Other persons who are exempt from the state gross retail tax
 16 with respect to any part of their purchases.

17 (c) Organizations that are exempt from the state gross retail tax
 18 under ~~IC 6-2.5-5-21~~, IC 6-2.5-5-25 or IC 6-2.5-5-26 and that are
 19 registered with the department pursuant to IC 6-2.5-5-25(c) shall be
 20 electronically issued an exemption certificate by the department.

21 (d) The department may also allow a person to issue a blanket
 22 exemption certificate to cover exempt purchases over a stated period
 23 of time. The department may impose conditions on the use of the
 24 blanket exemption certificate and restrictions on the kind or category
 25 of purchases that are exempt.

26 (e) A seller that accepts an incomplete exemption certificate under
 27 subsection (a) is not relieved of the duty to collect gross retail or use
 28 tax on the sale unless the seller obtains:

29 (1) a fully completed exemption certificate; or

30 (2) the relevant data to complete the exemption certificate;
 31 within ninety (90) days after the sale.

32 (f) If a seller has accepted an incomplete exemption certificate
 33 under subsection (a) and the department requests that the seller
 34 substantiate the exemption, within one hundred twenty (120) days after
 35 the department makes the request the seller shall:

36 (1) obtain a fully completed exemption certificate; or

37 (2) prove by other means that the transaction was not subject to

1 state gross retail or use tax.

2 (g) A power subsidiary (as defined in IC 6-2.5-1-22.5) or a person
3 selling the services or commodities listed in IC 6-2.5-4-5 who accepts
4 an exemption certificate issued by the department to a person who is
5 exempt from the state gross retail tax under IC 6-2.5-4-5 is relieved
6 from the duty to collect state gross retail or use tax on the sale of the
7 services or commodities listed in IC 6-2.5-4-5 until notified by the
8 department that the exemption certificate has expired or has been
9 revoked. If the department notifies a power subsidiary or a person
10 selling the services or commodities listed in IC 6-2.5-4-5 that a person's
11 exemption certificate has expired or has been revoked, the power
12 subsidiary or person selling the services or commodities listed in
13 IC 6-2.5-4-5 shall begin collecting state gross retail tax on the sale of
14 the services or commodities listed in IC 6-2.5-4-5 to the person whose
15 exemption certificate has expired or been revoked not later than thirty
16 (30) days after the date of the department's notice. An exemption
17 certificate issued by the department to a person who is exempt from the
18 state gross retail tax under IC 6-2.5-4-5 remains valid for that person
19 regardless of any subsequent one (1) for one (1) meter number changes
20 with respect to that person that are required, made, or initiated by a
21 power subsidiary or a person selling the services or commodities listed
22 in IC 6-2.5-4-5, unless the department revokes the exemption
23 certificate. Within thirty (30) days after the final day of each calendar
24 year quarter, a power subsidiary or a person selling the services or
25 commodities listed in IC 6-2.5-4-5 shall report to the department any
26 meter number changes made during the immediately preceding
27 calendar year quarter and distinguish between the one (1) for one (1)
28 meter changes and the one (1) for multiple meter changes made during
29 the calendar year quarter. A power subsidiary or a person selling the
30 services or commodities listed in IC 6-2.5-4-5 shall maintain records
31 sufficient to document each one (1) to one (1) meter change. A person
32 may request the department to reissue an exemption certificate with a
33 new meter number in the event of a one (1) to one (1) meter change.
34 Except for a person to whom a blanket utility exemption applies, any
35 meter number changes not involving a one (1) to one (1) relationship
36 will no longer be exempt and will require the person to submit a new
37 utility exemption application for the new meters. Until an application

for a new meter is approved, the new meter is subject to the state gross retail tax and the power subsidiary or the person selling the services or commodities listed in IC 6-2.5-4-5 is required to collect the state gross retail tax from the date of the meter change.

SECTION 16. IC 6-3-3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 15. (a) This section applies to taxable years beginning after December 31, 2024. However, a taxpayer is not entitled to a tax credit for an eligible purchase made during any period other than the qualifying period in 2025 as described in subsection (c).**

(b) As used in this section, "eligible purchase" means the acquisition of tangible personal property if the acquisition is for the taxpayer's personal use and not for any commercial use or other profit making purpose.

(c) As used in this section, "qualifying period" means a sale of tangible personal property that takes place during the period:

- (1) beginning at 12:01 a.m. on November 28, 2025; and**
- (2) ending at 11:59 p.m. on December 24, 2025;**

in which an individual pays the state gross retail tax imposed under IC 6-2.5-2-1 on the sale.

(d) As used in this section, "tangible personal property" has the meaning set forth in IC 6-2.5-1-27.

(e) As used in this section, "taxpayer" means an individual that has any state adjusted gross income tax liability.

(f) A taxpayer is entitled to a refundable credit against the taxpayer's state adjusted gross income tax liability on an eligible purchase made during the qualifying period in an amount equal to the lesser of:

- (1) the amount of state gross retail tax paid by the individual;**
- or**
- (2) three hundred fifty dollars (\$350).**

(g) Notwithstanding subsection (f), the following apply:

(1) A married couple filing a joint return for a particular taxable year may not claim a credit of more than the lesser of:

- (A) the amount described in subsection (f)(1); or**
- (B) three hundred fifty dollars (\$350).**

(2) A married couple filing a separate return for a particular

1 taxable year may not claim a credit of more than the lesser of:

2 (A) fifty percent (50%) of the amount described in
3 subsection (f)(1); or

4 (B) one hundred seventy-five dollars (\$175).

5 (h) If the amount of the credit under this section exceeds the
6 taxpayer's state adjusted gross income tax liability for the taxable
7 year, the excess shall be refunded to the taxpayer. A taxpayer is not
8 entitled to any carryover or carryback of any unused credit.

9 (i) The department shall prescribe a form on which a taxpayer
10 may claim the credit provided by this section.

11 (j) A taxpayer shall submit to the department receipts and all
12 other information that the department determines is necessary for
13 the calculation of the credit.

14 SECTION 17. IC 6-3-3-15.1 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2027]: Sec. 15.1. (a) As used in this section, "health
17 insurance plan" means a policy, contract, certificate, or agreement
18 offered or issued:

19 (1) by an entity that assumes or carries insurance risk; and

20 (2) to provide, deliver, arrange for, pay for, or reimburse the
21 costs of health care services.

22 (b) As used in this section, "Patient Protection and Affordable
23 Care Act" refers to the federal Patient Protection and Affordable
24 Care Act (P.L. 111-148), as amended by the federal Health Care
25 and Education Reconciliation Act of 2010 (P.L. 111-152), as
26 amended from time to time, and regulations or guidance issued
27 under those acts.

28 (c) Each taxable year, a taxpayer who is covered by a health
29 insurance plan offered through a health benefit exchange
30 established under the Patient Protection and Affordable Care Act
31 is entitled to a credit against the individual's adjusted gross income
32 tax liability for the taxable year equal to the greater of:

33 (1) the:

34 (A) total amount of premiums on the health insurance plan
35 the taxpayer paid for coverage during the taxable year;
36 minus

37 (B) total amount of premiums on the health insurance plan
38 the taxpayer paid for coverage during the immediately

1 preceding taxable year; or

2 (2) zero (0).

3 (d) The credit provided by this section may not exceed the
4 amount of the individual's adjusted gross income tax liability for
5 the taxable year, reduced by the sum of all credits for the taxable
6 year that are applied before the application of the credit provided
7 by this section. The amount of any unused credit under this section
8 for a taxable year may not be carried forward to a succeeding
9 taxable year, carried back to a preceding taxable year, or
10 refunded.

11 SECTION 18. IC 6-3.1-9-1, AS AMENDED BY P.L.124-2024,
12 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 1. (a) As used in this chapter, "authority" means
14 the Indiana housing and community development authority established
15 by IC 5-20-1-3.

16 (b) As used in this chapter, "business firm" means any business
17 entity authorized to do business in the state of Indiana that has state tax
18 liability.

19 (c) As used in this chapter, "community services" means any type
20 of:

21 (1) counseling and advice;

22 (2) emergency assistance;

23 (3) medical care;

24 (4) recreational facilities;

25 (5) housing facilities; or

26 (6) economic development assistance;

27 provided to individuals, economically disadvantaged households,
28 groups, or neighborhood organizations in an economically
29 disadvantaged area or provided to individuals who are ex-offenders
30 who have completed the individuals' criminal sentences or are serving
31 a term of probation or parole.

32 (d) As used in this chapter, "crime prevention" means any activity
33 which aids in the reduction of crime in an economically disadvantaged
34 area or an economically disadvantaged household.

35 (e) As used in this chapter, "economically disadvantaged area"
36 means an enterprise zone, or any other federally or locally designated
37 economically disadvantaged area in Indiana. The certification shall be
38 made on the basis of current indices of social and economic conditions,

which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who:

(1) resides in an economically disadvantaged area; or

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole; that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who:

(1) resides in:

(A) an economically disadvantaged area; or

(B) an economically disadvantaged household; or

(2) is an ex-offender who has completed the individual's criminal sentence or is serving a term of probation or parole;

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:

(1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or

(2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

(1) Performing community services:

(A) in an economically disadvantaged area;

(B) for an economically disadvantaged household; or

- 1 (C) for individuals who are ex-offenders who have completed
 2 the individuals' criminal sentences or are serving a term of
 3 probation or parole.
- 4 (2) Holding a ruling:
- 5 (A) from the Internal Revenue Service of the United States
 6 Department of the Treasury that the organization is exempt
 7 from income taxation under the provisions of the Internal
 8 Revenue Code; and
- 9 (B) from the department of state revenue that the organization
 10 is exempt from income taxation under IC 6-2.5-5-21 **(before**
 11 **its repeal).**
- 12 (l) As used in this chapter, "person" means any individual subject
 13 to Indiana adjusted gross income tax.
- 14 (m) As used in this chapter, "state fiscal year" means a twelve (12)
 15 month period beginning on July 1 and ending on June 30.
- 16 (n) As used in this chapter, "state tax liability" means the taxpayer's
 17 total tax liability that is incurred under:
- 18 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
 19 (2) IC 6-5.5 (the financial institutions tax);
- 20 as computed after the application of the credits that, under
 21 IC 6-3.1-1-2, are to be applied before the credit provided by this
 22 chapter.
- 23 (o) As used in this chapter, "tax credit" means a deduction from any
 24 tax otherwise due and payable under IC 6-3 or IC 6-5.5.
- 25 SECTION 19. IC 6-9-12-3 IS AMENDED TO READ AS
 26 FOLLOWS[EFFECTIVE JULY 1, 2026]: Sec. 3. (a) ~~Subject to section~~
 27 ~~4 of this chapter,~~ The tax imposed under this chapter applies to any
 28 transaction in which food or beverage is furnished, prepared, or served:
- 29 (1) for consumption at a location, or on equipment, provided by
 30 a retail merchant;
- 31 (2) in a county in which a consolidated first class city is located;
 32 and
- 33 (3) by a retail merchant for a consideration.
- 34 (b) Transactions described in subsection (a)(1) include, but are not
 35 limited to transactions in which food or beverage is:
- 36 (1) served by a retail merchant off his premises;
- 37 (2) food sold in a heated state or heated by a retail merchant;

(3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

SECTION 20. IC 6-9-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage ~~in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5-~~ **as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 21. IC 6-9-12-5, AS AMENDED BY P.L.214-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) Subject to subsection (b), the county food and beverage tax imposed on a food or beverage transaction described in section 3 of this chapter equals one percent (1%) of the gross retail income received by the retail merchant from the transaction. The tax authorized under this subsection expires January 1, 2041.

(b) On or before June 30, 2005, the city-county council of a county may, by a majority vote of the members elected to the city-county council, adopt an ordinance that increases the tax imposed under this chapter by an additional rate of one percent (1%) to a total rate of two percent (2%). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

(1) January 1, 2041;

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26;

1 or

2 (3) October 1, 2005, if on that date there are no obligations owed
3 by the capital improvement board of managers to the Indiana
4 stadium and convention building authority or to any state agency
5 under a lease or a sublease of an existing capital improvement
6 entered into under IC 5-1-17, unless waived by the budget
7 director.

8 If a city-county council adopts an ordinance under this subsection, it
9 shall immediately send a certified copy of the ordinance to the
10 commissioner of the department of state revenue, and the increase in
11 the tax imposed under this chapter applies to transactions that occur
12 after June 30, 2005.

13 (c) For purposes of this chapter, the gross retail income received by
14 the retail merchant from a transaction that is subject to the tax imposed
15 by this chapter does not include the amount of tax imposed on the
16 transaction under IC 6-2.5, **if any**.

17 SECTION 22. IC 6-9-20-4 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as~~
19 ~~provided in subsection (c);~~ A tax imposed under section 3 of this
20 chapter applies to any transaction in which food or beverage is
21 furnished, prepared, or served:

- 22 (1) for consumption at a location, or on equipment, provided by
- 23 a retail merchant;
- 24 (2) in the county in which the tax is imposed; and
- 25 (3) by a retail merchant for consideration.

26 (b) Transactions described in subsection (a)(1) include, but are not
27 limited to, transactions in which food or beverage is:

- 28 (1) served by a retail merchant off the merchant's premises;
- 29 (2) food sold in a heated state or heated by a retail merchant;
- 30 (3) two (2) or more food ingredients mixed or combined by a
- 31 retail merchant for sale as a single item (other than food that is
- 32 only cut, repackaged, or pasteurized by the seller, and eggs, fish,
- 33 meat, poultry, and foods containing these raw animal foods
- 34 requiring cooking by the consumer as recommended by the
- 35 federal Food and Drug Administration in chapter 3, subpart
- 36 3-401.11 of its Food Code so as to prevent food borne illnesses);
- 37 or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage ~~in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 23. IC 6-9-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The county food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 24. IC 6-9-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location, or on equipment, provided by a retail merchant;
- (2) in the county in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart

1 3-401.11 of its Food Code so as to prevent food borne illnesses);

2 or

3 (4) food sold with eating utensils provided by a retail merchant,
4 including plates, knives, forks, spoons, glasses, cups, napkins, or
5 straws (for purposes of this subdivision, a plate does not include
6 a container or packaging used to transport the food).

7 (c) The county food and beverage tax ~~does not~~ **shall** apply to the
8 furnishing, preparing, or serving of ~~any a~~ food or beverage ~~in a~~
9 ~~transaction that is exempt; or to the extent exempt; from the state gross~~
10 ~~retail tax imposed by IC 6-2.5; as set forth in this chapter,~~
11 **notwithstanding the state gross retail tax exemption for food and**
12 **food ingredients under IC 6-2.5-5-20(d).**

13 SECTION 25. IC 6-9-21-5 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The county food and
15 beverage tax imposed on a food or beverage transaction described in
16 section 4 of this chapter equals one percent (1%) of the gross retail
17 income received by the merchant from the transaction. For purposes of
18 this chapter, the gross retail income received by the retail merchant
19 from such a transaction does not include the amount of tax imposed on
20 the transaction under IC 6-2.5, **if any.**

21 SECTION 26. IC 6-9-24-4 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as~~
23 ~~provided in subsection (c);~~ A tax imposed under section 3 of this
24 chapter applies to any transaction in which food or beverage is
25 furnished, prepared, or served:

26 (1) for consumption at a location, or on equipment, provided by
27 a retail merchant;

28 (2) in the municipality in which the tax is imposed; and

29 (3) by a retail merchant for consideration.

30 (b) Transactions described in subsection (a)(1) include transactions
31 in which food or beverage is:

32 (1) served by a retail merchant off the merchant's premises;

33 (2) food sold in a heated state or heated by a retail merchant;

34 (3) two (2) or more food ingredients mixed or combined by a
35 retail merchant for sale as a single item (other than food that is
36 only cut, repackaged, or pasteurized by the seller, and eggs, fish,
37 meat, poultry, and foods containing these raw animal foods

requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) The municipal food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any~~ **a** food or beverage ~~in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 27. IC 6-9-24-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The municipal food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 28. IC 6-9-25-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location, or on equipment, provided by a retail merchant;

(2) in the county in which the tax is imposed; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) food sold in a heated state or heated by a retail merchant;

(3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is

only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage ~~in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5.~~ **as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 29. IC 6-9-25-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The county food and beverage tax imposed on a food or beverage transaction described in section 4 of this chapter equals one percent (1%) of the gross retail income received by the merchant from the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 30. IC 6-9-26-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of the county may adopt an ordinance no later than December 31, 1988, to impose an excise tax, known as the county food and beverage tax, on those transactions described in sections 6 and 7 of this chapter.

(b) The rate of the tax equals one percent (1%) of the gross retail income on the transaction. For the purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 31. IC 6-9-26-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. ~~Except as provided in section 8 of this chapter,~~ A tax imposed under section 3 of this

chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location, or on equipment, provided by a retail merchant;
- (2) in the county in which the tax is imposed; and
- (3) by a retail merchant for consideration.

SECTION 32. IC 6-9-26-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2-5-**as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 33. IC 6-9-27-4, AS AMENDED BY P.L.214-2005, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the city or town in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws (for purposes of this subdivision, a plate does not include
2 a container or packaging used to transport the food).

3 (c) The municipal food and beverage tax ~~does not~~ **shall** apply to the
4 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
5 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
6 ~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
7 **notwithstanding the state gross retail tax exemption for food and**
8 **food ingredients under IC 6-2.5-5-20(d).**

9 SECTION 34. IC 6-9-27-5, AS AMENDED BY P.L.230-2025,
10 SECTION 102, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) Except as provided in
12 subsection (b), the municipal food and beverage tax imposed on a food
13 or beverage transaction described in section 4 of this chapter equals
14 one percent (1%) of the gross retail income received by the merchant
15 from the transaction.

16 (b) This subsection applies to a municipality described in section
17 1(2) of this chapter. The fiscal body of the municipality may adopt an
18 ordinance to increase the rate of the municipality's food and beverage
19 tax to a rate that may not exceed two percent (2%) of the gross retail
20 income received by a retail merchant from a taxable transaction. An
21 ordinance adopted under this subsection to increase the rate of the
22 municipality's food and beverage tax rate expires January 1, 2047.

23 (c) For purposes of this chapter, the gross retail income received by
24 a retail merchant from a transaction does not include the amount of tax
25 imposed on the transaction under IC 6-2.5, **if any.**

26 SECTION 35. IC 6-9-33-4 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as~~
28 ~~provided in subsection (c);~~ A tax imposed under section 3 of this
29 chapter applies to any transaction in which food or beverage is
30 furnished, prepared, or served:

- 31 (1) for consumption at a location, or on equipment, provided by
32 a retail merchant;
- 33 (2) in the county in which the tax is imposed; and
- 34 (3) by a retail merchant for consideration.

35 (b) Transactions described in subsection (a)(1) include transactions
36 in which food or beverage is:

- 37 (1) served by a retail merchant off the merchant's premises;

- 1 (2) food sold in a heated state or heated by a retail merchant;
 2 (3) two (2) or more food ingredients mixed or combined by a
 3 retail merchant for sale as a single item (other than food that is
 4 only cut, repackaged, or pasteurized by the seller, and eggs, fish,
 5 meat, poultry, and foods containing these raw animal foods
 6 requiring cooking by the consumer as recommended by the
 7 federal Food and Drug Administration in chapter 3, subpart
 8 3-401.11 of its Food Code so as to prevent food borne illnesses);
 9 or
 10 (4) food sold with eating utensils provided by a retail merchant,
 11 including plates, knives, forks, spoons, glasses, cups, napkins, or
 12 straws (for purposes of this subdivision, a plate does not include
 13 a container or packaging used to transport the food).

14 (c) The county supplemental food and beverage tax ~~does not shall~~
 15 apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage
 16 in a transaction that is exempt, or to the extent exempt, from the state
 17 gross retail tax imposed by ~~IC 6-2.5~~. **as set forth in this chapter,**
 18 **notwithstanding the state gross retail tax exemption for food and**
 19 **food ingredients under IC 6-2.5-5-20(d).**

20 SECTION 36. IC 6-9-33-5, AS AMENDED BY P.L.176-2009,
 21 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 5. The county supplemental food and beverage tax
 23 imposed on a food or beverage transaction described in section 4 of this
 24 chapter may not exceed one percent (1%) of the gross retail income
 25 received by the merchant from the transaction. For purposes of this
 26 chapter, the gross retail income received by the retail merchant from
 27 such a transaction does not include the amount of tax imposed on the
 28 transaction under IC 6-2.5, **if any.**

29 SECTION 37. IC 6-9-35-5, AS ADDED BY P.L.214-2005,
 30 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: Sec. 5. (a) Except as provided in subsection (d), the
 32 fiscal body of a county may adopt an ordinance not later than June 30,
 33 2005, to impose an excise tax, known as the food and beverage tax, on
 34 those transactions described in sections 8 and 9 of this chapter that
 35 occur anywhere within the county.

36 (b) Except as provided in subsection (d), if the county in which the
 37 municipality is located has adopted an ordinance imposing an excise

1 tax under subsection (a), the fiscal body of a municipality may adopt
 2 an ordinance not later than September 30, 2005, to impose an excise
 3 tax, known as the food and beverage tax, on those transactions
 4 described in sections 8 and 9 of this chapter that occur anywhere within
 5 the municipality.

6 (c) The rate of the tax imposed under this chapter equals one percent
 7 (1%) of the gross retail income on the transaction. With respect to an
 8 excise tax in the municipalities set forth in IC 6-9-27-1(1)
 9 (Mooresville), IC 6-9-27-1(3) (Plainfield), IC 6-9-27-1(4)
 10 (Brownsburg), IC 6-9-27-1(5) (Avon), and IC 6-9-27-1(6)
 11 (Martinsville), the excise tax imposed by the county is in addition to
 12 the food and beverage tax imposed by those municipalities. With
 13 respect to an excise tax imposed by a county under subsection (a), the
 14 excise tax imposed by a municipality under subsection (b) is in
 15 addition to the food and beverage tax imposed by the county in which
 16 the municipality is located. For purposes of this chapter, the gross retail
 17 income received by the retail merchant from such a transaction does
 18 not include the amount of tax imposed on the transaction under
 19 IC 6-2.5, **if any**, IC 6-9-27, or this chapter.

20 (d) If the Marion County city-county council does not adopt all the
 21 ordinances required to be adopted by it under IC 5-1-17-25 on or before
 22 June 30, 2005, the counties and municipalities described in section 1
 23 of this chapter are no longer subject to the provisions of this chapter.
 24 In that event, the fiscal body of the county or municipality may not
 25 adopt an ordinance to impose the excise tax authorized by this chapter,
 26 and any ordinance adopted by the fiscal body under subsection (a) or
 27 (b) is no longer effective.

28 SECTION 38. IC 6-9-35-8, AS ADDED BY P.L.214-2005,
 29 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2026]: Sec. 8. ~~Except as provided in section 10 of this chapter,~~
 31 A tax imposed under section 5 of this chapter applies to any transaction
 32 in which food or beverage is furnished, prepared, or served:

- 33 (1) for consumption at a location, or on equipment, provided by
- 34 a retail merchant;
- 35 (2) in the county or municipality, or both, in which the tax is
- 36 imposed; and
- 37 (3) by a retail merchant for consideration.

SECTION 39. IC 6-9-35-10, AS ADDED BY P.L.214-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. The food and beverage tax under this chapter ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage ~~in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 40. IC 6-9-36-3, AS ADDED BY P.L.214-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county described in section 1 of this chapter may adopt an ordinance to impose an excise tax, known as the food and beverage tax, on those transactions described in sections 4 and 5 of this chapter that occur anywhere within the county.

(b) The following apply if the fiscal body of the county imposes a tax under this chapter:

(1) The rate of the tax equals one percent (1%) of the gross retail income on the transaction. For purposes of this chapter, the gross retail income received by the retail merchant from such a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**, or this chapter.

(2) The fiscal body shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(3) The tax applies to transactions that occur after the last day of the month that follows the month in which the ordinance was adopted.

(4) The fiscal body may adopt an ordinance to rescind the tax. The rescission of the tax takes effect after the last day of the month that follows the month in which the ordinance to rescind the tax is adopted. However, the fiscal body may not rescind the tax if there are bonds outstanding or leases or other obligations for which the tax has been pledged under IC 36-7.5.

SECTION 41. IC 6-9-36-4, AS ADDED BY P.L.214-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. ~~Except as provided in section 6 of this chapter,~~ A tax imposed under section 3 of this chapter applies to any transaction

in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location, or on equipment, provided by a retail merchant;
- (2) in the county or political subdivision, or both, in which the tax is imposed; and
- (3) by a retail merchant for consideration.

SECTION 42. IC 6-9-36-6, AS ADDED BY P.L.214-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. The food and beverage tax under this chapter ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or beverage in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5: **as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 43. IC 6-9-40-4, AS ADDED BY P.L.96-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the county in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws (for purposes of this subdivision, a plate does not include
2 a container or package used to transport the food).

3 (c) The county food and beverage tax ~~does not~~ **shall** apply to the
4 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
5 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
6 ~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
7 **notwithstanding the state gross retail tax exemption for food and**
8 **food ingredients under IC 6-2.5-5-20(d).**

9 SECTION 44. IC 6-9-40-5, AS ADDED BY P.L.96-2008,
10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 5. The county food and beverage tax imposed on
12 a food or beverage transaction described in section 4 of this chapter
13 equals one percent (1%) of the gross retail income received by the
14 merchant from the transaction. For purposes of this chapter, the gross
15 retail income received by the retail merchant from a transaction does
16 not include the amount of tax imposed on the transaction under
17 IC 6-2.5, **if any.**

18 SECTION 45. IC 6-9-41-6, AS ADDED BY P.L.176-2009,
19 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2026]: Sec. 6. (a) ~~Except as provided in subsection (c),~~ A tax
21 imposed under section 5 of this chapter applies to any transaction in
22 which food or beverage is furnished, prepared, or served:

- 23 (1) for consumption at a location, or on equipment, provided by
- 24 a retail merchant;
- 25 (2) in the county in which the tax is imposed; and
- 26 (3) by a retail merchant for consideration.

27 (b) Transactions described in subsection (a)(1) include transactions
28 in which food or beverage is:

- 29 (1) served by a retail merchant off the merchant's premises;
- 30 (2) food sold in a heated state or heated by a retail merchant;
- 31 (3) two (2) or more food ingredients mixed or combined by a
- 32 retail merchant for sale as a single item (other than food that is
- 33 only cut, repackaged, or pasteurized by the seller, and eggs, fish,
- 34 meat, poultry, and foods containing these raw animal foods
- 35 requiring cooking by the consumer as recommended by the
- 36 federal Food and Drug Administration in chapter 3, subpart
- 37 3-401.11 of its Food Code so as to prevent food borne illnesses);

1 or

2 (4) food sold with eating utensils provided by a retail merchant,
3 including plates, knives, forks, spoons, glasses, cups, napkins, or
4 straws (for purposes of this subdivision, a plate does not include
5 a container or packaging used to transport the food).

6 (c) The county food and beverage tax ~~does not~~ **shall** apply to the
7 furnishing, preparing, or serving of ~~any~~ **a** food or beverage ~~in a~~
8 ~~transaction that is exempt, or to the extent exempt, from the state gross~~
9 ~~retail tax imposed by IC 6-2.5; as set forth in this chapter,~~
10 **notwithstanding the state gross retail tax exemption for food and**
11 **food ingredients under IC 6-2.5-5-20(d).**

12 SECTION 46. IC 6-9-41-7, AS ADDED BY P.L.176-2009,
13 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2026]: Sec. 7. The county food and beverage tax imposed on
15 a food or beverage transaction described in section 6 of this chapter
16 equals one percent (1%) of the gross retail income received by the
17 merchant from the transaction. For purposes of this chapter, the gross
18 retail income received by the retail merchant from the transaction does
19 not include the amount of tax imposed on the transaction under
20 IC 6-2.5, **if any.**

21 SECTION 47. IC 6-9-41-9, AS ADDED BY P.L.176-2009,
22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 9. (a) The county fiscal body may adopt an
24 ordinance to require that the tax imposed under section 5 of this
25 chapter be reported on forms approved by the county treasurer and that
26 the tax be paid monthly to the county treasurer. If an ordinance is
27 adopted under this subsection, the tax shall be paid to the county
28 treasurer not more than twenty (20) days after the end of the month in
29 which the tax is collected. If an ordinance is not adopted under this
30 subsection, the tax shall be imposed, paid, and collected in exactly the
31 same manner as the state gross retail tax is imposed, paid, and collected
32 under IC 6-2.5.

33 (b) If an ordinance is adopted under this section, all of the
34 provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures,
35 penalties, definitions, ~~exemptions,~~ and administration apply to the
36 imposition and administration of the tax imposed under section 5 of
37 this chapter, except to the extent those provisions are in conflict or

inconsistent with the specific provisions of this chapter or the requirements of the county treasurer.

(c) For purposes of this chapter, the terms "person" and "gross retail income" have the same meaning in this section as set forth in IC 6-2.5, except that "person" does not include state supported educational institutions. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may by rule determine.

SECTION 48. IC 6-9-43-4, AS ADDED BY P.L.157-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location, or on equipment, provided by a retail merchant;
- (2) in the town in which the tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods that require cooking by the consumer (as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code to prevent food borne illnesses)); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or packaging used to transport the food).

(c) A town food and beverage tax imposed under section 3 of this chapter ~~does not~~ **shall** apply to the furnishing, preparing, or serving of ~~any a food or beverage in a transaction that is exempt, or to the extent~~

1 ~~exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth~~
 2 ~~in this chapter, notwithstanding the state gross retail tax exemption~~
 3 ~~for food and food ingredients under IC 6-2.5-5-20(d).~~

4 SECTION 49. IC 6-9-43-5, AS ADDED BY P.L.157-2013,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 5. A town food and beverage tax imposed under
 7 section 3 of this chapter equals one percent (1%) of the gross retail
 8 income received by the retail merchant from the transaction. For
 9 purposes of this chapter, the gross retail income received by the retail
 10 merchant from such a transaction does not include the amount of tax
 11 imposed on the transaction under IC 6-2.5, **if any.**

12 SECTION 50. IC 6-9-44-4, AS AMENDED BY P.L.137-2022,
 13 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax
 15 imposed under section 3 of this chapter applies to a transaction in
 16 which food or beverage is furnished, prepared, or served:

- 17 (1) for consumption at a location or on equipment provided by a
- 18 retail merchant;
- 19 (2) in the city; and
- 20 (3) by a retail merchant for consideration.

21 (b) Transactions described in subsection (a)(1) include transactions
 22 in which food or beverage is:

- 23 (1) served by a retail merchant off the merchant's premises;
- 24 (2) food sold in a heated state or heated by a retail merchant;
- 25 (3) made of two (2) or more food ingredients, mixed or combined
- 26 by a retail merchant for sale as a single item (other than food that
- 27 is only cut, repackaged, or pasteurized by the seller, and eggs,
- 28 fish, meat, poultry, and foods containing these raw animal foods
- 29 requiring cooking by the consumer as recommended by the
- 30 federal Food and Drug Administration in chapter 3, subpart
- 31 3-401.11 of its Food Code so as to prevent food borne illnesses);
- 32 or
- 33 (4) food sold with eating utensils provided by a retail merchant,
- 34 including plates, knives, forks, spoons, glasses, cups, napkins, or
- 35 straws (for purposes of this subdivision, a plate does not include
- 36 a container or package used to transport the food).

37 (c) The city food and beverage tax ~~does not~~ **shall** apply to the

furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).

SECTION 51. IC 6-9-44-5, AS AMENDED BY P.L.137-2022, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate may not exceed one percent (1%) of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 52. IC 6-9-45-4, AS ADDED BY P.L.254-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include

a container or package used to transport the food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 53. IC 6-9-45-5, AS ADDED BY P.L.254-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 54. IC 6-9-45.5-9, AS ADDED BY P.L.255-2015, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) ~~Except as provided in section 10 of this chapter,~~ The tax imposed under section 8 of this chapter applies to any transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location, or on equipment, provided by a retail merchant;

(2) in a historic hotels resort; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) sold in a heated state or heated by a retail merchant;

(2) two (2) or more food ingredients mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

1 or

2 (3) sold with eating utensils provided by a retail merchant,
3 including plates, knives, forks, spoons, glasses, cups, napkins, or
4 straws (for purposes of this subdivision, a plate does not include
5 a container or packaging used to transport the food).

6 SECTION 55. IC 6-9-45.5-10, AS ADDED BY P.L.255-2015,
7 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 10. The tax imposed under this chapter ~~does not~~
9 **shall** apply to the furnishing, preparing, or serving of ~~any a~~ food or
10 beverage ~~in a transaction that is exempt, or to the extent exempt, from~~
11 ~~the state gross retail tax imposed by IC 6-2.5: as set forth in this~~
12 **chapter, notwithstanding the state gross retail tax exemption for**
13 **food and food ingredients under IC 6-2.5-5-20(d).**

14 SECTION 56. IC 6-9-47.5-4, AS AMENDED BY P.L.230-2025,
15 SECTION 107, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
17 ~~subsection (c),~~ A tax imposed under section 3 of this chapter applies to
18 a transaction in which food or beverage is furnished, prepared, or
19 served:

- 20 (1) for consumption at a location or on equipment provided by a
21 retail merchant;
- 22 (2) in the county; and
- 23 (3) by a retail merchant for consideration.

24 (b) Transactions described in subsection (a)(1) include transactions
25 in which food or beverage is:

- 26 (1) served by a retail merchant off the merchant's premises;
- 27 (2) food sold in a heated state or heated by a retail merchant;
- 28 (3) made of two (2) or more food ingredients, mixed or combined
29 by a retail merchant for sale as a single item (other than food that
30 is only cut, repackaged, or pasteurized by the seller, and eggs,
31 fish, meat, poultry, and foods containing these raw animal foods
32 requiring cooking by the consumer as recommended by the
33 federal Food and Drug Administration in chapter 3, subpart
34 3-401.11 of its Food Code so as to prevent food borne illnesses);
35 or
- 36 (4) food sold with eating utensils provided by a retail merchant,
37 including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws (for purposes of this subdivision, a plate does not include
2 a container or package used to transport the food).

3 (c) The county food and beverage tax ~~does not~~ **shall** apply to the
4 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
5 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
6 ~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
7 **notwithstanding the state gross retail tax exemption for food and**
8 **food ingredients under IC 6-2.5-5-20(d).**

9 SECTION 57. IC 6-9-47.5-5, AS ADDED BY P.L.254-2015,
10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 5. The county food and beverage tax rate:

12 (1) must be imposed in an increment of twenty-five hundredths
13 percent (0.25%); and

14 (2) may not exceed one percent (1%);

15 of the gross retail income received by the merchant from the food or
16 beverage transaction described in section 4 of this chapter. For
17 purposes of this chapter, the gross retail income received by the retail
18 merchant from a transaction does not include the amount of tax
19 imposed on the transaction under IC 6-2.5, **if any.**

20 SECTION 58. IC 6-9-48-5, AS ADDED BY P.L.212-2018(ss),
21 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2026]: Sec. 5. (a) ~~Except as provided in subsection (c),~~ A tax
23 imposed under section 4 of this chapter applies before January 1, 2044,
24 to a transaction in which food or beverage is furnished, prepared, or
25 served:

26 (1) for consumption at a location or on equipment provided by a
27 retail merchant;

28 (2) in the county; and

29 (3) by a retail merchant for consideration.

30 (b) Transactions described in subsection (a)(1) include transactions
31 in which food or beverage is:

32 (1) served by a retail merchant off the merchant's premises;

33 (2) food sold in a heated state or heated by a retail merchant;

34 (3) made of two (2) or more food ingredients, mixed or combined
35 by a retail merchant for sale as a single item (other than food that
36 is only cut, repackaged, or pasteurized by the seller, and eggs,
37 fish, meat, poultry, and foods containing these raw animal foods

requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 59. IC 6-9-48-6, AS ADDED BY P.L.212-2018(ss), SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. The county food and beverage tax rate may not exceed one percent (1%) of the gross retail income received by the merchant from the food or beverage transaction described in section 5 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 60. IC 6-9-49-4, AS ADDED BY P.L.290-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the city; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) food sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that

is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The city food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 61. IC 6-9-49-5, AS ADDED BY P.L.290-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 62. IC 6-9-50-4, AS ADDED BY P.L.290-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the town; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions

in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 63. IC 6-9-50-5, AS ADDED BY P.L.290-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**, or IC 6-9-35.

SECTION 64. IC 6-9-51-4, AS ADDED BY P.L.290-2019, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which a food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the city; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The city food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 65. IC 6-9-51-5, AS ADDED BY P.L.290-2019, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 66. IC 6-9-52-4, AS ADDED BY P.L.290-2019, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which a food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 67. IC 6-9-52-5, AS ADDED BY P.L.290-2019, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

1 of the gross retail income received by the merchant from the food or
 2 beverage transaction described in section 4 of this chapter. For
 3 purposes of this chapter, the gross retail income received by the retail
 4 merchant from a transaction does not include the amount of tax
 5 imposed on the transaction under IC 6-2.5, **if any.**

6 SECTION 68. IC 6-9-54-4, AS ADDED BY P.L.236-2023,
 7 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
 9 ~~subsection (c);~~ A tax imposed under section 3 of this chapter applies to
 10 a transaction in which food or beverage is furnished, prepared, or
 11 served:

- 12 (1) for consumption at a location or on equipment provided by a
- 13 retail merchant;
- 14 (2) in the city; and
- 15 (3) by a retail merchant for consideration.

16 (b) Transactions described in subsection (a)(1) include transactions
 17 in which food or beverage is:

- 18 (1) served by a retail merchant off the merchant's premises;
- 19 (2) food sold in a heated state or heated by a retail merchant;
- 20 (3) made of two (2) or more food ingredients, mixed or combined
- 21 by a retail merchant for sale as a single item (other than food that
- 22 is only cut, repackaged, or pasteurized by the seller, and eggs,
- 23 fish, meat, poultry, and foods containing these raw animal foods
- 24 requiring cooking by the consumer as recommended by the
- 25 federal Food and Drug Administration in chapter 3, subpart
- 26 3-401.11 of its Food Code so as to prevent food borne illnesses);
- 27 or
- 28 (4) food sold with eating utensils provided by a retail merchant,
- 29 including plates, knives, forks, spoons, glasses, cups, napkins, or
- 30 straws (for purposes of this subdivision, a plate does not include
- 31 a container or package used to transport the food).

32 (c) The city food and beverage tax ~~does not~~ **shall** apply to the
 33 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
 34 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
 35 ~~gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~
 36 **notwithstanding the state gross retail tax exemption for food and**
 37 **food ingredients under IC 6-2.5-5-20(d).**

SECTION 69. IC 6-9-54-5, AS ADDED BY P.L.236-2023, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate may not exceed one percent (1%) of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 70. IC 6-9-54.5-4, AS ADDED BY P.L.236-2023, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c)~~, A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction~~

1 that is exempt, or to the extent the transaction is exempt, from the state
 2 gross retail tax imposed by IC 6-2.5, as set forth in this chapter,
 3 notwithstanding the state gross retail tax exemption for food and
 4 food ingredients under IC 6-2.5-5-20(d).

5 SECTION 71. IC 6-9-54.5-5, AS ADDED BY P.L.236-2023,
 6 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
 8 rate:

9 (1) must be imposed in an increment of twenty-five hundredths
 10 percent (0.25%); and

11 (2) may not exceed one percent (1%);

12 of the gross retail income received by the merchant from the food or
 13 beverage transaction described in section 4 of this chapter. For
 14 purposes of this chapter, the gross retail income received by the retail
 15 merchant from a transaction does not include the amount of tax
 16 imposed on the transaction under IC 6-2.5, **if any**.

17 SECTION 72. IC 6-9-55-4, AS ADDED BY P.L.236-2023,
 18 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
 20 ~~subsection (c)~~; A tax imposed under section 3 of this chapter applies to
 21 a transaction in which a food or beverage is furnished, prepared, or
 22 served:

23 (1) for consumption at a location or on equipment provided by a
 24 retail merchant;

25 (2) in the city; and

26 (3) by a retail merchant for consideration.

27 (b) Transactions described in subsection (a)(1) include transactions
 28 in which food or beverage is:

29 (1) served by a retail merchant off the merchant's premises;

30 (2) food sold in a heated state or heated by a retail merchant;

31 (3) made of two (2) or more food ingredients, mixed or combined
 32 by a retail merchant for sale as a single item (other than food that
 33 is only cut, repackaged, or pasteurized by the seller, and eggs,
 34 fish, meat, poultry, and foods containing these raw animal foods
 35 requiring cooking by the consumer as recommended by the
 36 federal Food and Drug Administration in chapter 3, subpart
 37 3-401.11 of its Food Code so as to prevent food borne illnesses);

1 or

2 (4) food sold with eating utensils provided by a retail merchant,
3 including plates, knives, forks, spoons, glasses, cups, napkins, or
4 straws (for purposes of this subdivision, a plate does not include
5 a container or package used to transport the food).

6 (c) The city food and beverage tax ~~does not~~ **shall** apply to the
7 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
8 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
9 ~~gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~
10 **notwithstanding the state gross retail tax exemption for food and**
11 **food ingredients under IC 6-2.5-5-20(d).**

12 SECTION 73. IC 6-9-55-5, AS ADDED BY P.L.236-2023,
13 SECTION 120, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax
15 rate:

16 (1) must be imposed in an increment of twenty-five hundredths
17 percent (0.25%); and

18 (2) may not exceed one percent (1%);

19 of the gross retail income received by the merchant from the food or
20 beverage transaction described in section 4 of this chapter. For
21 purposes of this chapter, the gross retail income received by the retail
22 merchant from a transaction does not include the amount of tax
23 imposed on the transaction under IC 6-2.5, **if any.**

24 SECTION 74. IC 6-9-57-4, AS ADDED BY P.L.236-2023,
25 SECTION 122, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
27 ~~subsection (c);~~ A tax imposed under section 3 of this chapter applies to
28 a transaction in which food or beverage is furnished, prepared, or
29 served:

30 (1) for consumption at a location or on equipment provided by a
31 retail merchant;

32 (2) in the county in which the tax is imposed; and

33 (3) by a retail merchant for consideration.

34 (b) Transactions described in subsection (a)(1) include transactions
35 in which food or beverage is:

36 (1) served by a retail merchant off the merchant's premises;

37 (2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The county food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 75. IC 6-9-57-5, AS ADDED BY P.L.236-2023, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The county food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 76. IC 6-9-58-4, AS ADDED BY P.L.137-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the city; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs,

fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the

federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The city food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 77. IC 6-9-58-5, AS ADDED BY P.L.137-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 78. IC 6-9-59-4, AS ADDED BY P.L.137-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 79. IC 6-9-59-5, AS ADDED BY P.L.137-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For

1 purposes of this chapter, the gross retail income received by the retail
 2 merchant from a transaction does not include the amount of tax
 3 imposed on the transaction under IC 6-2.5, **if any.**

4 SECTION 80. IC 6-9-61-4, AS ADDED BY P.L.230-2025,
 5 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
 7 ~~subsection (c)~~; A tax imposed under section 3 of this chapter applies to
 8 a transaction in which food or beverage is furnished, prepared, or
 9 served:

- 10 (1) for consumption at a location or on equipment provided by a
- 11 retail merchant;
- 12 (2) in the city; and
- 13 (3) by a retail merchant for consideration.

14 (b) Transactions described in subsection (a)(1) include transactions
 15 in which food or beverage is:

- 16 (1) served by a retail merchant off the merchant's premises;
- 17 (2) food sold in a heated state or heated by a retail merchant;
- 18 (3) made of two (2) or more food ingredients, mixed or combined
- 19 by a retail merchant for sale as a single item (other than food that
- 20 is only cut, repackaged, or pasteurized by the seller, and eggs,
- 21 fish, meat, poultry, and foods containing these raw animal foods
- 22 requiring cooking by the consumer as recommended by the
- 23 federal Food and Drug Administration in chapter 3, subpart
- 24 3-401.11 of its Food Code so as to prevent food borne illnesses);
- 25 or
- 26 (4) food sold with eating utensils provided by a retail merchant,
- 27 including plates, knives, forks, spoons, glasses, cups, napkins, or
- 28 straws (for purposes of this subdivision, a plate does not include
- 29 a container or package used to transport the food).

30 (c) The city food and beverage tax ~~does not~~ **shall** apply to the
 31 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
 32 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
 33 ~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
 34 **notwithstanding the state gross retail tax exemption for food and**
 35 **food ingredients under IC 6-2.5-5-20(d).**

36 SECTION 81. IC 6-9-61-5, AS ADDED BY P.L.230-2025,
 37 SECTION 110, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax
2 rate:

3 (1) must be imposed in an increment of twenty-five hundredths
4 percent (0.25%); and

5 (2) may not exceed one percent (1%);
6 of the gross retail income received by the merchant from the food or
7 beverage transaction described in section 4 of this chapter. For
8 purposes of this chapter, the gross retail income received by the retail
9 merchant from a transaction does not include the amount of tax
10 imposed on the transaction under IC 6-2.5, **if any**.

11 SECTION 82. IC 6-9-62-4, AS ADDED BY P.L.230-2025,
12 SECTION 111, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
14 ~~subsection (c)~~; A tax imposed under section 3 of this chapter applies to
15 a transaction in which food or beverage is furnished, prepared, or
16 served:

17 (1) for consumption at a location or on equipment provided by a
18 retail merchant;

19 (2) in the city; and

20 (3) by a retail merchant for consideration.

21 (b) Transactions described in subsection (a)(1) include transactions
22 in which food or beverage is:

23 (1) served by a retail merchant off the merchant's premises;

24 (2) sold in a heated state or heated by a retail merchant;

25 (3) made of two (2) or more food ingredients, mixed or combined
26 by a retail merchant for sale as a single item (other than food that
27 is only cut, repackaged, or pasteurized by the seller, and eggs,
28 fish, meat, poultry, and foods containing these raw animal foods
29 requiring cooking by the consumer as recommended by the
30 federal Food and Drug Administration in chapter 3, subpart
31 3-401.11 of its Food Code so as to prevent food borne illnesses);
32 or

33 (4) sold with eating utensils provided by a retail merchant,
34 including plates, knives, forks, spoons, glasses, cups, napkins, or
35 straws (for purposes of this subdivision, a plate does not include
36 a container or package used to transport food).

37 (c) The city food and beverage tax ~~does not~~ **shall** apply to the

furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 83. IC 6-9-62-5, AS ADDED BY P.L.230-2025, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 84. IC 6-9-63-4, AS ADDED BY P.L.230-2025, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the city; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart

3-401.11 of its Food Code so as to prevent food borne illnesses);

or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The city food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5. as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 85. IC 6-9-63-5, AS ADDED BY P.L.230-2025, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 86. IC 6-9-64-4, AS ADDED BY P.L.230-2025, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the city; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
- or
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The city food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.~~ **as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 87. IC 6-9-64-5, AS ADDED BY P.L.230-2025, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 88. IC 6-9-65-4, AS ADDED BY P.L.230-2025, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).**

SECTION 89. IC 6-9-65-5, AS ADDED BY P.L.230-2025, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax

1 imposed on the transaction under IC 6-2.5, **if any.**

2 SECTION 90. IC 6-9-66-4, AS ADDED BY P.L.230-2025,
3 SECTION 115, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
5 ~~subsection (c);~~ A tax imposed under section 3 of this chapter applies to
6 a transaction in which food or beverage is furnished, prepared, or
7 served:

8 (1) for consumption at a location or on equipment provided by a
9 retail merchant;

10 (2) in the town; and

11 (3) by a retail merchant for consideration.

12 (b) Transactions described in subsection (a)(1) include transactions
13 in which food or beverage is:

14 (1) served by a retail merchant off the merchant's premises;

15 (2) sold in a heated state or heated by a retail merchant;

16 (3) made of two (2) or more food ingredients, mixed or combined
17 by a retail merchant for sale as a single item (other than food that
18 is only cut, repackaged, or pasteurized by the seller, and eggs,
19 fish, meat, poultry, and foods containing these raw animal foods
20 requiring cooking by the consumer as recommended by the
21 federal Food and Drug Administration in chapter 3, subpart
22 3-401.11 of its Food Code so as to prevent food borne illnesses);
23 or

24 (4) sold with eating utensils provided by a retail merchant,
25 including plates, knives, forks, spoons, glasses, cups, napkins, or
26 straws (for purposes of this subdivision, a plate does not include
27 a container or package used to transport food).

28 (c) The town food and beverage tax ~~does not~~ **shall** apply to the
29 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
30 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
31 ~~gross retail tax imposed by IC 6-2.5; as set forth in this chapter,~~
32 **notwithstanding the state gross retail tax exemption for food and**
33 **food ingredients under IC 6-2.5-5-20(d).**

34 SECTION 91. IC 6-9-66-5, AS ADDED BY P.L.230-2025,
35 SECTION 115, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
37 rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);
of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 92. IC 6-9-67-4, AS ADDED BY P.L.230-2025, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c);~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the town; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);
or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state~~

gross retail tax imposed by IC 6-2.5, as set forth in this chapter,
notwithstanding the state gross retail tax exemption for food and
food ingredients under IC 6-2.5-5-20(d).

SECTION 93. IC 6-9-67-5, AS ADDED BY P.L.230-2025,
SECTION 116, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
rate:

(1) must be imposed in an increment of twenty-five hundredths
percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or
beverage transaction described in section 4 of this chapter. For
purposes of this chapter, the gross retail income received by the retail
merchant from a transaction does not include the amount of tax
imposed on the transaction under IC 6-2.5, **if any**.

SECTION 94. IC 6-9-68-4, AS ADDED BY P.L.230-2025,
SECTION 117, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
~~subsection (c)~~; A tax imposed under section 3 of this chapter applies to
a transaction in which food or beverage is furnished, prepared, or
served:

(1) for consumption at a location or on equipment provided by a
retail merchant;

(2) in the town; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions
in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined
by a retail merchant for sale as a single item (other than food that
is only cut, repackaged, or pasteurized by the seller, and eggs,
fish, meat, poultry, and foods containing these raw animal foods
requiring cooking by the consumer as recommended by the
federal Food and Drug Administration in chapter 3, subpart
3-401.11 of its Food Code so as to prevent food borne illnesses);
or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~ **notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-20(d).**

SECTION 95. IC 6-9-68-5, AS ADDED BY P.L.230-2025, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 96. IC 6-9-69-4, AS ADDED BY P.L.230-2025, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the town; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined

by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses);

or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 97. IC 6-9-69-5, AS ADDED BY P.L.230-2025, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any.**

SECTION 98. IC 6-9-70-4, AS ADDED BY P.L.230-2025, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in subsection (c),~~ A tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location or on equipment provided by a retail merchant;

(2) in the town; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold in a heated state or heated by a retail merchant;

(3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the furnishing, preparing, or serving of a food or beverage ~~in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5: as set forth in this chapter, notwithstanding the state gross retail tax exemption for food and food ingredients under IC 6-2.5-5-20(d).~~

SECTION 99. IC 6-9-70-5, AS ADDED BY P.L.230-2025, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax rate:

(1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and

(2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5, **if any**.

SECTION 100. IC 6-9-71-4, AS ADDED BY P.L.230-2025,

SECTION 120, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
~~subsection (c)~~; A tax imposed under section 3 of this chapter applies to
 a transaction in which food or beverage is furnished, prepared, or
 served:

- (1) for consumption at a location or on equipment provided by a
 retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions
 in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined
 by a retail merchant for sale as a single item (other than food that
 is only cut, repackaged, or pasteurized by the seller, and eggs,
 fish, meat, poultry, and foods containing these raw animal foods
 requiring cooking by the consumer as recommended by the
 federal Food and Drug Administration in chapter 3, subpart
 3-401.11 of its Food Code so as to prevent food borne illnesses);
 or
- (4) sold with eating utensils provided by a retail merchant,
 including plates, knives, forks, spoons, glasses, cups, napkins, or
 straws (for purposes of this subdivision, a plate does not include
 a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the
 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
~~that is exempt, or to the extent the transaction is exempt, from the state~~
~~gross retail tax imposed by IC 6-2.5-5 as set forth in this chapter,~~
notwithstanding the state gross retail tax exemption for food and
food ingredients under IC 6-2.5-5-20(d).

SECTION 101. IC 6-9-71-5, AS ADDED BY P.L.230-2025,
 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
 rate:

- (1) must be imposed in an increment of twenty-five hundredths
 percent (0.25%); and

(2) may not exceed one percent (1%);
of the gross retail income received by the merchant from the food or
beverage transaction described in section 4 of this chapter. For
purposes of this chapter, the gross retail income received by the retail
merchant from a transaction does not include the amount of tax
imposed on the transaction under IC 6-2.5, **if any**.

SECTION 102. IC 6-9-72-4, AS ADDED BY P.L.230-2025,
SECTION 121, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
~~subsection (c)~~, A tax imposed under section 3 of this chapter applies to
a transaction in which food or beverage is furnished, prepared, or
served:

- (1) for consumption at a location or on equipment provided by a
retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions
in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined
by a retail merchant for sale as a single item (other than food that
is only cut, repackaged, or pasteurized by the seller, and eggs,
fish, meat, poultry, and foods containing these raw animal foods
requiring cooking by the consumer as recommended by the
federal Food and Drug Administration in chapter 3, subpart
3-401.11 of its Food Code so as to prevent food borne illnesses);
or
- (4) sold with eating utensils provided by a retail merchant,
including plates, knives, forks, spoons, glasses, cups, napkins, or
straws (for purposes of this subdivision, a plate does not include
a container or package used to transport food).

(c) The town food and beverage tax ~~does not~~ **shall** apply to the
furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
~~that is exempt, or to the extent the transaction is exempt, from the state~~
~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
notwithstanding the state gross retail tax exemption for food and

1 **food ingredients under IC 6-2.5-5-20(d).**

2 SECTION 103. IC 6-9-72-5, AS ADDED BY P.L.230-2025,
3 SECTION 121, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
5 rate:

6 (1) must be imposed in an increment of twenty-five hundredths
7 percent (0.25%); and

8 (2) may not exceed one percent (1%);

9 of the gross retail income received by the merchant from the food or
10 beverage transaction described in section 4 of this chapter. For
11 purposes of this chapter, the gross retail income received by the retail
12 merchant from a transaction does not include the amount of tax
13 imposed on the transaction under IC 6-2.5, **if any.**

14 SECTION 104. IC 6-9-73-4, AS ADDED BY P.L.230-2025,
15 SECTION 122, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
17 ~~subsection (c);~~ A tax imposed under section 3 of this chapter applies to
18 a transaction in which food or beverage is furnished, prepared, or
19 served:

20 (1) for consumption at a location or on equipment provided by a
21 retail merchant;

22 (2) in the city; and

23 (3) by a retail merchant for consideration.

24 (b) Transactions described in subsection (a)(1) include transactions
25 in which food or beverage is:

26 (1) served by a retail merchant off the merchant's premises;

27 (2) sold in a heated state or heated by a retail merchant;

28 (3) made of two (2) or more food ingredients, mixed or combined
29 by a retail merchant for sale as a single item (other than food that
30 is only cut, repackaged, or pasteurized by the seller, and eggs,
31 fish, meat, poultry, and foods containing these raw animal foods
32 requiring cooking by the consumer as recommended by the
33 federal Food and Drug Administration in chapter 3, subpart
34 3-401.11 of its Food Code so as to prevent food borne illnesses);
35 or

36 (4) sold with eating utensils provided by a retail merchant,
37 including plates, knives, forks, spoons, glasses, cups, napkins, or

1 straws (for purposes of this subdivision, a plate does not include
2 a container or package used to transport food).

3 (c) The city food and beverage tax ~~does not~~ **shall** apply to the
4 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
5 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
6 ~~gross retail tax imposed by IC 6-2.5.~~ **as set forth in this chapter,**
7 **notwithstanding the state gross retail tax exemption for food and**
8 **food ingredients under IC 6-2.5-5-20(d).**

9 SECTION 105. IC 6-9-73-5, AS ADDED BY P.L.230-2025,
10 SECTION 122, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: Sec. 5. The city food and beverage tax
12 rate:

13 (1) must be imposed in an increment of twenty-five hundredths
14 percent (0.25%); and

15 (2) may not exceed one percent (1%);

16 of the gross retail income received by the merchant from the food or
17 beverage transaction described in section 4 of this chapter. For
18 purposes of this chapter, the gross retail income received by the retail
19 merchant from a transaction does not include the amount of tax
20 imposed on the transaction under IC 6-2.5, **if any.**

21 SECTION 106. IC 6-9-77-4, AS ADDED BY P.L.230-2025,
22 SECTION 126, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~Except as provided in~~
24 ~~subsection (c).~~ A tax imposed under section 3 of this chapter applies to
25 a transaction in which food or beverage is furnished, prepared, or
26 served:

27 (1) for consumption at a location or on equipment provided by a
28 retail merchant;

29 (2) in the town; and

30 (3) by a retail merchant for consideration.

31 (b) Transactions described in subsection (a)(1) include transactions
32 in which food or beverage is:

33 (1) served by a retail merchant off the merchant's premises;

34 (2) sold in a heated state or heated by a retail merchant;

35 (3) made of two (2) or more food ingredients, mixed or combined
36 by a retail merchant for sale as a single item (other than food that
37 is only cut, repackaged, or pasteurized by the seller, and eggs,

1 fish, meat, poultry, and foods containing these raw animal foods
 2 requiring cooking by the consumer as recommended by the
 3 federal Food and Drug Administration in chapter 3, subpart
 4 3-401.11 of its Food Code so as to prevent food borne illnesses);
 5 or

6 (4) sold with eating utensils provided by a retail merchant,
 7 including plates, knives, forks, spoons, glasses, cups, napkins, or
 8 straws (for purposes of this subdivision, a plate does not include
 9 a container or package used to transport food).

10 (c) The town food and beverage tax ~~does not~~ **shall** apply to the
 11 furnishing, preparing, or serving of a food or beverage ~~in a transaction~~
 12 ~~that is exempt, or to the extent the transaction is exempt, from the state~~
 13 ~~gross retail tax imposed by IC 6-2.5. as set forth in this chapter,~~
 14 **notwithstanding the state gross retail tax exemption for food and**
 15 **food ingredients under IC 6-2.5-5-20(d).**

16 SECTION 107. IC 6-9-77-5, AS ADDED BY P.L.230-2025,
 17 SECTION 126, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2026]: Sec. 5. The town food and beverage tax
 19 rate:

20 (1) must be imposed in an increment of twenty-five hundredths
 21 percent (0.25%); and

22 (2) may not exceed one percent (1%);

23 of the gross retail income received by the merchant from the food or
 24 beverage transaction described in section 4 of this chapter. For
 25 purposes of this chapter, the gross retail income received by the retail
 26 merchant from a transaction does not include the amount of tax
 27 imposed on the transaction under IC 6-2.5, **if any**, and IC 6-9-41.

28 SECTION 108. IC 12-14-31-1.5 IS ADDED TO THE INDIANA
 29 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) This section applies to**
 31 **a state fiscal year beginning after June 30, 2026.**

32 **(b) The family and social services administration shall:**

33 **(A) eliminate wait lists for On My Way pre-kindergarten**
 34 **and CCDF child care voucher programs; and**

35 **(B) fully fund participation in the programs.**

36 SECTION 109. [EFFECTIVE JULY 1, 2026] **(a) IC 6-2.5-4-5, as**
 37 **amended by this act, applies only to retail transactions occurring**

1 after June 30, 2026.

2 (b) Except as provided in subsection (c), a retail transaction is
3 considered to have occurred after June 30, 2026, if the property
4 whose transfer constitutes selling at retail is delivered to the
5 purchaser or to the place of delivery designated by the purchaser
6 after June 30, 2026.

7 (c) Notwithstanding the delivery of the property constituting
8 selling at retail after June 30, 2026, a transaction is considered to
9 have occurred before July 1, 2026, to the extent that:

10 (1) the agreement of the parties to the transaction is entered
11 into before July 1, 2026; and

12 (2) payment for the property furnished in the transaction is
13 made before July 1, 2026.

14 (d) This SECTION expires January 1, 2029.

15 SECTION 110. [EFFECTIVE JULY 1, 2026] (a) IC 6-2.5-5-20 and
16 IC 6-2.5-5-57, both as amended by this act, apply only to retail
17 transactions occurring after June 30, 2026.

18 (b) Except as provided in subsection (c), a retail transaction is
19 considered to have occurred after June 30, 2026, if the property
20 whose transfer constitutes selling at retail is delivered to the
21 purchaser or to the place of delivery designated by the purchaser
22 after June 30, 2026.

23 (c) Notwithstanding the delivery of the property constituting
24 selling at retail after June 30, 2026, a transaction is considered to
25 have occurred before July 1, 2026, to the extent that:

26 (1) the agreement of the parties to the transaction is entered
27 into before July 1, 2026; and

28 (2) payment for the property furnished in the transaction is
29 made before July 1, 2026.

30 (d) This SECTION expires January 1, 2029.

31 SECTION 111. [EFFECTIVE JULY 1, 2026] (a) IC 6-2.5-5-57.5,
32 IC 6-2.5-5-58.5, and IC 6-2.5-5-59, all as added by this act, apply
33 only to retail transactions occurring after June 30, 2026.

34 (b) Except as provided in subsection (c), a retail transaction is
35 considered to have occurred after June 30, 2026, if the property
36 whose transfer constitutes selling at retail is delivered to the
37 purchaser or to the place of delivery designated by the purchaser
38 after June 30, 2026.

- 1 (c) Notwithstanding the delivery of the property constituting
2 selling at retail after June 30, 2026, a transaction is considered to
3 have occurred before July 1, 2026, to the extent that:
4 (1) the agreement of the parties to the transaction is entered
5 into before July 1, 2026; and
6 (2) payment for the property furnished in the transaction is
7 made before July 1, 2026.
8 (d) This SECTION expires January 1, 2029.
9 SECTION 112. [EFFECTIVE JULY 1, 2026] (a) IC 6-3-3-15.1, as
10 added by this act, applies to taxable years beginning after
11 December 31, 2026.
12 (b) This SECTION expires July 1, 2029.
13 Renumber all SECTIONS consecutively.
 (Reference is to HB 1032 as introduced.)

and when so amended that said bill do pass.

Representative Jackson C