

**Table 14: State Taxation of Utility Service Providers as of January 1, 2008**

State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
Alabama	Gas	X	X	X	RSL	Exempt	Exempt	Exempt
	Electricity	X	X	X	RSL (1)	Exempt	Exempt	Exempt
	Local Trans. & D of Gas & Electricity	X	X	X	RSL	Exempt	Exempt	Exempt
Alaska	Gas	X	---	---	---	---	---	---
	Electricity	X	---	---	---	---	---	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	---	---	---
Arizona	Gas	X	---	---	---	X	X	RSL
	Electricity	X	---	---	---	X	X	RSL
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	RSL
Arkansas	Gas	X	---	---	---	X (2)	X	MFG
	Electricity	X	---	---	---	X (2)	X	MFG (3)
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	MFG
California	Gas	X	---	---	---	Exempt	Exempt	---
	Electricity	X	---	---	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	Exempt	Exempt	---
Colorado	Gas	X	---	---	---	X	X	(4) RES
	Electricity	X	---	---	---	X	X	(4) RES
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	(4) RES
Connecticut	Gas	X	X	X	MFG RSL	X	X	AGR MFG RES (5)
	Electricity	X	X	X	MFG RSL	X	X	AGR MFG RES (5)
	Local Trans. & D of Gas & Electricity	X	X	X	MFG RSL	X	X	AGR MFG

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State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
Delaware	Gas	X	X	X	MFG (6) RSL MUN	---	---	---
	Electricity	X	X	X	MFG (6) RSL MUN	---	---	---
	Local Trans. & D of Gas & Electricity	X	X	X	MFG (6) RSL MUN	---	---	---
Florida	Gas	X	X	X (7)	RSL	X	X	RES (8) MFG
	Electricity	X	X	X (7)	RSL	X	X	RES MFG AGR
	Local Trans. & D of Gas & Electricity	X	X	X (7)	RSL	X	X	RES
Georgia	Gas	X	---	---	---	X	X	---
	Electricity	X	---	---	---	X	X	AGR(9) MFG (10)
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	---
Hawaii	Gas	X	X	---	---	Exempt	Exempt	---
	Electricity	X	X	---	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	X	---	---	Exempt	Exempt	---
Idaho	Gas	X	---	---	---	Exempt	Exempt	---
	Electricity	X	---	---	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	Exempt	Exempt	---
Illinois	Gas	X	---	---	---	Exempt	Exempt	---
	Electricity	X	---	---	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	Exempt	Exempt	---
Indiana	Gas	X	X	---	RSL	X	X	AGR MFG
	Electricity	X	X	---	RSL	X	X	AGR MFG
	Local Trans. & D of Gas & Electricity	X	X	---	RSL	X	X	AGR MFG

**Table 14: State Taxation of Utility Service Providers as of January 1, 2008 (Cont'd)**

State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax			Major Exemptions
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax		
Iowa	Gas	X	---	---	---	X	X	AGR MFG RES	
	Electricity	X	---	---	---	X	X	AGR MFG RES	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	AGR MFG RES	
Kansas	Gas	X	---	---	---	X	X	AGR MFG RES	
	Electricity	X	---	---	---	X	X	MFG RES	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	MFG RES	
Kentucky	Gas	X	---	---	---	X	X	MFG RES	
	Electricity	X	---	---	---	X	X	MFG RES	
	Local Trans. & D of Gas & Electricity	X	---	---	---	Exempt	Exempt	---	
Louisiana	Gas	X	---	---	---	X	X	RES MFG (11)	
	Electricity	X	---	---	---	X	X	RES MFG (11)	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	RES MFG (11)	
Maine	Gas	X	---	---	---	X	X	RES (12) MFG	
	Electricity	X	---	---	---	X	X	RES (12) MFG	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	RES(12)	
Maryland	Gas	X	X	---	RSL MUN	X	X	AGR RES	
	Electricity	X	X	---	RSL MUN	X	X	AGR RES	
	Local Trans. & D of Gas & Electricity	X	(13)	---	RSL MUN	---	---	---	

**Table 14: State Taxation of Utility Service Providers as of January 1, 2008 (Cont'd)**

State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax			Major Exemptions
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax		
Massachusetts	Gas	X	---	---	---	X	X	AGR MFG RES Small Bus.	
	Electricity	X	---	---	---	X	X	AGR MFG RES Small Bus.	
	Local Trans. & D of Gas & Electricity	X	---	---	---	(14)	(14)	---	
Michigan	Gas	X	X	---	---	X (15)	X	MFG	
	Electricity	X	X	---	---	X (15)	X	MFG	
	Local Trans. & D of Gas & Electricity	X	X	---	---	X	X	---	
Minnesota	Gas	X	---	---	---	X	X	AGR MFG RES (16)	
	Electricity	X	---	---	---	X	X	AGR MFG RES (16)	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	---	
Mississippi	Gas	X	---	---	---	X	X	MFG (17) RES	
	Electricity	X	---	---	---	X	X	MFG (17) RSL RES	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	MFG (17) RES	
Missouri	Gas	X	---	---	---	X	X	Domestic Use	
	Electricity	X	---	---	---	X	X	Domestic Use	
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	Domestic Use	

**Table 14: State Taxation of Utility Service Providers as of January 1, 2008 (Cont'd)**

State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
Montana	Gas	X	---	---	---	---	---	---
	Electricity	X	---	---	---	---	---	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	---	---	---
Nebraska	Gas	X	---	---	---	X	X	---
	Electricity	X	---	---	---	X	X	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	---
Nevada	Gas	---	---	---	---	Exempt	Exempt	---
	Electricity	---	---	---	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	---	---	---	---	Exempt	Exempt	---
New Hampshire	Gas	X	---	---	---	---	---	---
	Electricity	X	---	---	---	---	---	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	---	---	---
New Jersey	Gas	X	---	---	---	X	X	(18) MUN
	Electricity	X	---	---	---	X	X	RSL MUN
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	RSL (19) MUN (19)
New Mexico	Gas	X	---	---	---	X	X	---
	Electricity	X	---	---	---	X	X	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	---
New York	Gas	X	(20)	(20)	MUN PUB RSL MFG	X	X	MFG RSL AGR
	Electricity	X	(20)	(20)	MUN PUB RSL MFG	X	X	MFG RSL AGR
	Local Trans. & D of Gas & Electricity	X	(20)	(20)	MFG	X (21)	X (21)	---

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State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
North Carolina	Gas	X	(22)	(22)	---	X (22)	X (22)	AGR (23) MFG (23)
	Electricity	X	X	X	RSL	X	X	AGR (23) MFG (23)
	Local Trans. & D of Gas & Electricity	X	X (22)	X (22)	RSL	X	X	AGR (23) MFG
North Dakota	Gas	X	Exempt	Exempt	---	X	X	(25)
	Electricity	X	X (24)	Exempt	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	X (24)	Exempt	---	X	X	---
Ohio	Gas	Exempt	X	Exempt	RSL	Exempt	Exempt	---
	Electricity	Exempt	X	Exempt	RSL	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	Exempt	X	Exempt	RSL	Exempt	Exempt	---
Oklahoma	Gas	X	Exempt	Exempt	---	X	X	RES
	Electricity	X	(27)	Exempt	---	X	X	RES (28)
	Local Trans. & D of Gas & Electricity	X (26)	(27)	Exempt	---	X	X	RES (28)
Oregon	Gas	X	---	---	---	---	---	---
	Electricity	X	---	---	---	---	---	---
	Local Trans. & D of Gas & Electricity	X	---	---	---	---	---	---
Pennsylvania	Gas	X	Exempt	Exempt	---	X	X	RSL RES
	Electricity	X	X	Exempt	RSL	X	X	RSL RES
	Local Trans. & D of Gas & Electricity	X	X (29)	Exempt	RSL	X	X	RSL RES
Rhode Island	Gas	Exempt	X	Exempt	---	X	X	MFG RES
	Electricity	Exempt	X	Exempt	RSL	X	X	MFG RES
	Local Trans. & D of Gas & Electricity	Exempt	X	Exempt	RSL	X	X	MFG RES
South Carolina	Gas	X	X (30)	Exempt	MUN	X	X	MFG
	Electricity	X	X (30)	(31)	MUN	X	X	MFG
	Local Trans. & D of Gas & Electricity	X	X (30)	(31)	MUN	X	X	MFG RES

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State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
South Dakota	Gas	---	X	---	---	X	X	RSL (32)
	Electricity	---	X	---	---	X	X	RSL (32)
	Local Trans. & D of Gas & Electricity	---	X	---	---	X	X	RSL (32)
Tennessee	Gas	X	X	Exempt	---	X	X	MFG RES
	Electricity	X	X	Exempt	---	X	X	MFG RES
	Local Trans. & D of Gas & Electricity	X	X	Exempt	---	X	X	MFG RES
Texas	Gas	---	X	Exempt	EXO	Exempt (33)	Exempt (33)	---
	Electricity	---	X	Exempt	EXO	Exempt (33)	Exempt (33)	---
	Local Trans. & D of Gas & Electricity	---	Exempt	Exempt	---	Exempt (33)	Exempt (33)	---
Utah	Gas	X	---	---	---	X	X	AGR MFG RES (34)
	Electricity	X	---	---	---	X	X	AGR MFG RES (34)
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	AGR MFG RES (34)
Vermont	Gas	X	---	---	---	X	X	AGR MFG RES
	Electricity	X	---	---	---	X	X	AGR MFG RES
	Local Trans. & D of Gas & Electricity	X	---	---	---	X	X	---
Virginia	Gas	X	(35)	(35)	---	Exempt	Exempt	---
	Electricity	X	(35)	(35)	---	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	(35)	(35)	---	Exempt	Exempt	---

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State	Provider of:	Corp. Income	Gross Receipts Tax (GRT)			Sales & Excise Tax		
			Instate Consumption	Out of State Purchase	Major Exemptions	Instate Consumption	Use Tax	Major Exemptions
Washington	Gas	---	X	Exempt	MUN RSL	Exempt	Exempt	Exempt
	Electricity	---	X	Exempt	MUN RSL	Exempt	Exempt	Exempt
	Local Trans. & D of Gas & Electricity	---	X	Exempt	MUN RSL	Exempt	Exempt	Exempt
West Virginia	Gas	X	X	Exempt		Exempt	Exempt	---
	Electricity	X	X	Exempt	MUN	Exempt	Exempt	---
	Local Trans. & D of Gas & Electricity	X	X	Exempt	MUN	Exempt	Exempt	---
Wisconsin	Gas	X	X	X	RSL	X	X	AGR MFG RES (36)
	Electricity	X	X	X	RSL	X	X	AGR MFG RES (36)
	Local Trans. & D of Gas & Electricity	X	X	X	RSL	Exempt	Exempt	Exempt
Wyoming	Gas	---	---	---	---	X	X	AGR MFG
	Electricity	---	---	---	---	X	X	AGR MFG
	Local Trans. & D of Gas & Electricity	---	---	---	---	X	X	AGR MFG

--- = No tax of this type is imposed.

X = Imposition of this type of tax.

Exemption Codes: AGR (Sales for agricultural use), EXO (Sales by exempt Organizations), MFG (Sales for manufacturing use), MUN (Sales by municipal providers), PUB (Sales by public authorities), RES (Sales for residential use), and RSL (Sales for resale).

**Notes:**

- (1) Heads of households over age 62 or disabled with household annual incomes below \$12,000 receive a credit on their electricity bill to equal a full exemption.
- (2) Sale of gas and electric to manufacturers is taxed at a reduced rate.
- (3) The sale of the first 500 kilowatt hours (kWh) per month to residential customers with household incomes below \$12,000 are exempt.
- (4) Sales of gas or electricity for use in processing, manufacturing, mining, refining, irrigation, construction, and all industrial uses are exempt.
- (5) Electricity that does not qualify for agriculture, manufacturing, or residential exemptions is exempt to the extent of the first \$150.
- (6) Sales to car manufacturing plants are wholly exempt.
- (7) Situations may exist where out-of-state purchasers are subject to the GRT.
- (8) Sales of utilities to residential homes in Florida by utility companies that pay the GRT are exempt from Sales and Use Tax.
- (9) Sales of electricity to operate an irrigation system on a farm are exempt.
- (10) Georgia provides a full sales tax exemption on electricity sales if electricity exceeds 50% of the cost of production of products for sale.
- (11) Electricity and gas used or purchased by paper or wood product manufacturers are excluded from sales and use tax.
- (12) Transmission and distribution of first 750 kWh delivered to residents are exempt.
- (13) The additional tax rate for delivery is based on kWh.
- (14) Transmission and distribution charges are only taxable if the charges are "bundled" into the cost of the product.  
If unbundled, it is subject to tax depending on when the retail sale occurs.
- (15) Residential receives reduced rate.
- (16) Part-year residential exemption for heating fuels.
- (17) Reduced rate for farming and manufacturing and a cap on the amount of tax assessed on natural gas.
- (18) Gas used to generate electricity (if not self-use), Co-generators if in service in 1997.
- (19) Electricity only.
- (20) New York's GRT is imposed on residential transmission and distribution service only at a rate of 2.0%.
- (21) The sales and use tax rate on transportation, transmission, or distribution of gas or electricity when sold by someone other than the vendor is zero.
- (22) An excise tax is imposed on piped natural gas received for consumption in the State and it is in lieu of the sales tax and franchise GRT on piped natural gas.
- (23) Farmers and manufacturers reduced rate of 1.4%.
- (24) The GRT is only on rural electric cooperatives and cooperative electric generating plants.
- (25) Gas used for heating is exempt after June 2009. Prior to June 2009 natural gas is subject to a reduced rate.
- (26) Rural electric cooperatives exempt.
- (27) GRT rate only applies to rural electric cooperatives.
- (28) Rural electric cooperatives exempt; in addition, they are not required to collect sales and use tax.
- (29) Electricity only.
- (30) South Carolina has a corporate license fee based on both property and gross receipts.
- (31) South Carolina also imposes an Electric Power Tax based on kWh on any company bringing power into South Carolina.
- (32) Sales to municipalities or distribution companies for resale are not taxable.
- (33) Gas and electricity are exempt from Sales and Use tax unless sold for commercial use.
- (34) Utah also imposes a lower sales and use tax rate on energy used for residential purposes.
- (35) Pipeline distribution companies, gas utilities, and electric utilities are not subject to the annual license tax but are subject to the corporate income tax.
- (36) Wisconsin exempts residential sales of electricity and natural gas purchased during November-April.

Source: OPA compilation from CCH State Tax guides for respective states.