

# SENATE BILL No. 137

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3-11.

**Synopsis:** Income tax credits for political contributions. Allows an individual taxpayer to elect to take a credit against adjusted gross income for certain political contributions. Provides that the credit equals 50% of the aggregate amount of the contributions made during an individual's taxable year. Provides that the credit may not exceed the lesser of: (1) the individual's tax liability; and (2) \$100 for an individual taxpayer and \$200 for a taxpayer filing a joint return.

**Effective:** January 1, 1999.

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Skillman, Kenley

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January 6, 1998, read first time and referred to Committee on Finance.

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Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

## SENATE BILL No. 137

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

*Be it enacted by the General Assembly of the State of Indiana:*

- 1           SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 1999]: **Sec. 11. (a) The definitions in IC 3-5-2 apply**  
4 **throughout this section.**  
5           **(b) This section provides a credit only for a taxpayer who is an**  
6 **individual.**  
7           **(c) As used in this section, "candidate" refers only to the**  
8 **following:**  
9               **(1) A candidate for a local office.**  
10              **(2) A candidate for a legislative office.**  
11              **(3) A candidate for a state office.**  
12           **(d) As used in this section, "committee" refers only to the**  
13 **following:**  
14              **(1) A candidate's committee.**  
15              **(2) A state committee.**  
16              **(3) A county committee.**  
17              **(4) A city committee.**



- 1           **(5) A town committee.**
- 2           **(e) As used in this section, "contribution" refers only to a**
- 3 **contribution of cash (whether by cash, check, or other negotiable**
- 4 **instrument).**
- 5           **(f) At the election of the taxpayer, a credit against the adjusted**
- 6 **gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the**
- 7 **taxable year is permitted in an amount (subject to the applicable**
- 8 **limitations provided by this section) equal to fifty percent (50%) of**
- 9 **the aggregate amount of contributions made by the taxpayer**
- 10 **during the taxable year to a candidate or a committee.**
- 11           **(g) The amount allowable as a credit under this section for any**
- 12 **taxable year may not exceed the lesser of the following:**
- 13           **(1) The amount of the adjusted gross income tax imposed by**
- 14 **IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by**
- 15 **the sum of all credits (as determined without regard to this**
- 16 **section) allowed by IC 6-3-1 through IC 6-3-7.**
- 17           **(2) Either of the following amounts:**
- 18               **(A) One hundred dollars (\$100) in the case of a single**
- 19               **return.**
- 20               **(B) Two hundred dollars (\$200) in the case of a joint**
- 21               **return.**
- 22           **SECTION 2. [EFFECTIVE JANUARY 1, 1999] (a) The**
- 23 **definitions in IC 3-5-2 apply throughout this SECTION.**
- 24           **(b) The definitions in IC 6-3-3-11, as added by this act, apply**
- 25 **throughout this SECTION.**
- 26           **(c) A taxpayer who is an individual may elect a credit against**
- 27 **the taxpayer's adjusted gross income tax under IC 6-3-3-11, as**
- 28 **added by this act, for contributions made to a candidate or a**
- 29 **committee for taxable years that begin after December 31, 1998.**

