

# SENATE BILL No. 245

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-4.

**Synopsis:** Military retirement deductions. Allows a deduction from adjusted gross income for military retirement benefits converted to federal civil service retirement benefits.

**Effective:** January 1, 1999.

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January 7, 1998, read first time and referred to Committee on Finance.

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Introduced

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.

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## SENATE BILL No. 245

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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 6-3-2-4 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) Each taxable year, an  
3 individual, or the individual's surviving spouse, is entitled to an  
4 adjusted gross income tax deduction for the first two thousand dollars  
5 (\$2,000) of income, including retirement or survivor's benefits,  
6 received during the taxable year by the individual, or the individual's  
7 surviving spouse, for the individual's service in an active or reserve  
8 component of the armed forces of the United States, including the  
9 army, navy, air force, coast guard, marine corps, merchant marine,  
10 Indiana army national guard, or Indiana air national guard. However,  
11 a person who is less than sixty (60) years of age on the last day of the  
12 person's taxable year, is not, for that taxable year, entitled to a  
13 deduction under this section for retirement or survivor's benefits.

14 (b) **If an individual:**

- 15 (1) **is entitled to an adjusted gross income tax deduction**  
16 **under subsection (a); and**  
17 (2) **converts the benefits to which the individual is entitled**



1           **from armed forces retirement to federal civil service**  
2           **retirement;**  
3           **the individual is entitled to a deduction for the amount of benefit**  
4           **converted from the armed forces retirement system to the federal**  
5           **civil service retirement system. To apply for the deduction, the**  
6           **individual must submit a certified statement on forms provided by**  
7           **the department of state revenue, stating the amount of retirement**  
8           **benefits received that were a result of service in the armed forces.**  
9           SECTION 2. [EFFECTIVE JANUARY 1, 1999] IC 6-3-2-4, as  
10          **amended by this act, applies only to taxable years beginning after**  
11          **December 31, 1998.**

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