

SENATE MOTION

MR. PRESIDENT:

I move that Senate Bill 352 be amended to read as follows:

- 1 Page 23, after line 15 and before line 16, begin a new paragraph
2 and insert:
3 "SECTION 28. IC 6-3.1-19 IS ADDED TO THE INDIANA
4 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2000]:
6 **Chapter 19. Inventory Tax Credit**
7 **Sec. 1. As used in this chapter, "inventory" has the meaning**
8 **set forth in IC 6-1.1-3-11.**
9 **Sec. 2. As used in this chapter, "property tax" means the tax**
10 **imposed on property under IC 6-1.1. However, the term does not**
11 **include any interest or a penalty imposed under IC 6-1.1.**
12 **Sec. 3. As used in this chapter, "state income tax liability"**
13 **means a taxpayer's total income tax liability incurred under IC 6-**
14 **2.1 and IC 6-3, as computed after the application of all credits that**
15 **under IC 6-3.1-1-2 are to be applied before the credit provided by**
16 **this chapter.**
17 **Sec. 4. (a) A taxpayer is entitled to a refundable credit against**
18 **the taxpayer's state income tax liability for a taxable year equal to**
19 **the amount of property taxes paid on inventory by the taxpayer**
20 **during the taxable year.**
21 **(b) if the amount computed by a taxpayer under this section for a**
22 **taxable year exceeds the amount of the taxpayer's**
23 **state tax liability for the same taxable year, the taxpayer**
24 **is entitled:**
25 **(1) to a refund of the excess; or**
26 **(2) to carry the excess over to the taxpayer's**
27 **immediately following taxable year and to use the**
28 **excess as a credit to reduce the taxpayer's state income**
29 **tax liability for that taxable year.**
30 **Sec. 5. Each partnership (except a corporate partnership) and**
31 **each corporation described in IC 6-3-2-2.8(2) shall, for each**
32 **taxable year, allocate among its partners or shareholders an**

1 amount equal to the amount of personal property tax paid on
2 inventory by the partnership or corporation during the taxable
3 year. The partnership or corporation shall make the allocation in
4 the same manner that it allocates income among its partners or
5 shareholders. The amount allocated to each partner or
6 shareholder shall be treated as having been paid by the partner or
7 shareholder during that taxable year.

8 Sec. 6. An income tax credit provided by this chapter must be
9 claimed by a taxpayer on the taxpayer's annual state income tax
10 return in the manner prescribed by the department.

11 Sec. 7. The state board of tax commissioners and local
12 property tax officials shall verify information related to the credit
13 provided by this chapter when requested by the department.

14 Sec. 8. The department shall apply a credit to which a
15 taxpayer is entitled under this chapter in the following order:

16 (1) Against the taxpayer's gross income tax liability

17 (IC 6-2.1) for the taxable year.

18 (2) Against the taxpayer's adjusted gross income tax
19 liability (IC 6-3-1 through IC 6-3-7 for the taxable year.

20 (3) Against the taxpayer's supplemental net income tax
21 liability (IC 6-3-8) for the taxable year.

22 Sec. 9. IC 6-3.1-19, added by this act, applies only to taxable
23 years that begin after December 31, 1999. Notwithstanding IC 6-
24 3.1-19, as added by this act, the department of state revenue shall
25 compute the percentage required under IC 6-3.1-19-4(c), as added
26 by this act, for the 2000 taxable year before November 2, 1999."

27 Renumber all SECTIONS consecutively.

(Reference is to SB 352 printed January 28, 1998)

Senator ALEXA