



March 5, 1999

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## ENGROSSED HOUSE BILL No. 1573

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DIGEST OF HB1573 (Updated March 4, 1999 10:03 am - DI 44)

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

**Synopsis:** Tax reciprocity with Illinois. Permits the department of state revenue, with the approval of the governor and budget agency, after the review of the state budget committee, to enter into an agreement with the state of Illinois concerning income tax collections from nonresidents. Sets a maximum payment that Indiana may make.

**Effective:** July 1, 1999.

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**Grubb, Fesko, Gregg, Dobis,  
Villalpando, Kuzman, Kersey**

(SENATE SPONSORS — HARRISON, BLADE, LANDSKE, MRVAN)

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January 21, 1999, read first time and referred to Committee on Ways and Means.  
February 10, 1999, amended, reported — Do Pass.  
February 15, 1999, read second time, ordered engrossed. Engrossed.  
February 16, 1999, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 22, 1999, read first time and referred to Committee on Finance.  
March 4, 1999, reported favorably — Do Pass.

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EH 1573—LS 7904/DI 58+



March 5, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## ENGROSSED HOUSE BILL No. 1573

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-3-5-3 IS ADDED TO THE INDIANA CODE AS  
2 A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
3 1999]: **Sec. 3. The department of state revenue, with the approval  
4 of the governor and the budget agency after the review of the state  
5 budget committee, may enter into an agreement with the state of  
6 Illinois that establishes a methodology for determining individual  
7 income taxes paid by residents of each state to the other state and  
8 an obligation, in exchange for a like obligation on the part of  
9 Illinois, to make a payment to Illinois. The payment obligation by  
10 Indiana may not be greater than the difference between the  
11 amount of Indiana individual adjusted gross income taxes for the  
12 previous taxable year that would be collected from:**

- 13 (1) Indiana residents working in Illinois if there were a  
14 reciprocity agreement between Indiana and Illinois; and  
15 (2) Indiana residents working in Illinois and from Illinois  
16 residents working in Indiana without a reciprocity agreement

EH 1573—LS 7904/DI 58+



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1           **between Indiana and Illinois. The amount needed to make the**  
2           **payment is appropriated from the state general fund.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1573, 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:

Page 1, line 4, before "budget agency" insert "**governor and the**".

Page 1, line 9, after "obligation" insert "**by Indiana**".

Page 1, delete lines 10 through 12 and insert "**greater than the difference between the amount of Indiana individual adjusted gross income taxes for the previous taxable year that would be collected from:**

- (1) **Indiana residents working in Illinois if there were a reciprocity agreement between Indiana and Illinois; and**
- (2) **Indiana residents working in Illinois and from Illinois residents working in Indiana without a reciprocity agreement between Indiana and Illinois."**

Page 1, line 13, delete "Indiana resident individuals."

and when so amended that said bill do pass.

(Reference is to HB 1573 as introduced.)

BAUER, Chair

Committee Vote: yeas 22, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1573, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1573 as printed February 11, 1999.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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