

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 150 be amended to read as follows:

- 1 Page 5, between lines 27 and 28, begin a new paragraph and insert:
- 2 "SECTION 6. IC 6-3-1-3.5 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3.5. When used
- 4 in IC 6-3, the term "adjusted gross income" shall mean the following:
- 5 (a) In the case of all individuals, "adjusted gross income" (as
- 6 defined in Section 62 of the Internal Revenue Code), modified as
- 7 follows:
- 8 (1) Subtract income that is exempt from taxation under IC 6-3 by
- 9 the Constitution and statutes of the United States.
- 10 (2) Add an amount equal to any deduction or deductions allowed
- 11 or allowable pursuant to Section 62 of the Internal Revenue Code
- 12 for taxes based on or measured by income and levied at the state
- 13 level by any state of the United States or for taxes on property
- 14 levied by any subdivision of any state of the United States.
- 15 (3) Subtract one thousand dollars (\$1,000), or in the case of a
- 16 joint return filed by a husband and wife, subtract for each spouse
- 17 one thousand dollars (\$1,000).
- 18 (4) Subtract one thousand dollars (\$1,000) for:
- 19 (A) each of the exemptions provided by Section 151(c) of the
- 20 Internal Revenue Code;
- 21 (B) each additional amount allowable under Section 63(f) of
- 22 the Internal Revenue Code; and
- 23 (C) the spouse of the taxpayer if a separate return is made by
- 24 the taxpayer, and if the spouse, for the calendar year in which

- 1 the taxable year of the taxpayer begins, has no gross income
2 and is not the dependent of another taxpayer.
- 3 (5) Subtract five hundred dollars (\$500) for each of the
4 exemptions allowed under Section 151(c)(1)(B) of the Internal
5 Revenue Code for taxable years beginning after December 31,
6 1996, and before January 1, 2001. This amount is in addition to
7 the amount subtracted under subdivision (4).
- 8 (6) Subtract an amount equal to the lesser of:
- 9 (A) that part of the individual's adjusted gross income (as
10 defined in Section 62 of the Internal Revenue Code) for that
11 taxable year that is subject to a tax that is imposed by a
12 political subdivision of another state and that is imposed on or
13 measured by income; or
14 (B) two thousand dollars (\$2,000).
- 15 (7) Add an amount equal to the total capital gain portion of a
16 lump sum distribution (as defined in Section 402(e)(4)(D) of the
17 Internal Revenue Code), if the lump sum distribution is received
18 by the individual during the taxable year and if the capital gain
19 portion of the distribution is taxed in the manner provided in
20 Section 402 of the Internal Revenue Code.
- 21 (8) Subtract any amounts included in federal adjusted gross
22 income under Internal Revenue Code Section 111 as a recovery
23 of items previously deducted as an itemized deduction from
24 adjusted gross income.
- 25 (9) Subtract any amounts included in federal adjusted gross
26 income under the Internal Revenue Code which amounts were
27 received by the individual as supplemental railroad retirement
28 annuities under 45 U.S.C. 231 and which are not deductible under
29 subdivision (1).
- 30 (10) Add an amount equal to the deduction allowed under Section
31 221 of the Internal Revenue Code for married couples filing joint
32 returns if the taxable year began before January 1, 1987.
- 33 (11) Add an amount equal to the interest excluded from federal
34 gross income by the individual for the taxable year under Section
35 128 of the Internal Revenue Code, if the taxable year began
36 before January 1, 1985.
- 37 (12) Subtract an amount equal to the amount of federal Social
38 Security and Railroad Retirement benefits included in a taxpayer's
39 federal gross income by Section 86 of the Internal Revenue Code.
- 40 (13) In the case of a nonresident taxpayer or a resident taxpayer
41 residing in Indiana for a period of less than the taxpayer's entire
42 taxable year, the total amount of the deductions allowed pursuant
43 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
44 which bears the same ratio to the total as the taxpayer's income
45 taxable in Indiana bears to the taxpayer's total income.
- 46 (14) In the case of an individual who is a recipient of assistance

1 under IC 12-10-6-1, IC 12-10-6-2, IC 12-10-6-3, IC 12-15-2-2, or
 2 IC 12-15-7, subtract an amount equal to that portion of the
 3 individual's adjusted gross income with respect to which the
 4 individual is not allowed under federal law to retain an amount to
 5 pay state and local income taxes.

6 **(15) Subtract an amount equal to the retirement or survivor's**
 7 **benefits that are:**

8 **(A) received during the taxable year by the individual for**
 9 **service by the individual or the spouse of the individual in**
 10 **an active or a reserve component of the armed forces of the**
 11 **United States, including the army, navy, air force, coast**
 12 **guard, marine corps, merchant marine, Indiana army**
 13 **national guard, or Indiana air national guard; and**

14 **(B) included in the individual's federal adjusted gross**
 15 **income.**

16 (b) In the case of corporations, the same as "taxable income" (as
 17 defined in Section 63 of the Internal Revenue Code) adjusted as
 18 follows:

19 (1) Subtract income that is exempt from taxation under IC 6-3 by
 20 the Constitution and statutes of the United States.

21 (2) Add an amount equal to any deduction or deductions allowed
 22 or allowable pursuant to Section 170 of the Internal Revenue
 23 Code.

24 (3) Add an amount equal to any deduction or deductions allowed
 25 or allowable pursuant to Section 63 of the Internal Revenue Code
 26 for taxes based on or measured by income and levied at the state
 27 level by any state of the United States or for taxes on property
 28 levied by any subdivision of any state of the United States.

29 (4) Subtract an amount equal to the amount included in the
 30 corporation's taxable income under Section 78 of the Internal
 31 Revenue Code.

32 (c) In the case of trusts and estates, "taxable income" (as defined for
 33 trusts and estates in Section 641(b) of the Internal Revenue Code)
 34 reduced by income that is exempt from taxation under IC 6-3 by the
 35 Constitution and statutes of the United States.

36 SECTION 7. IC 6-3-2-4 IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2000]: Sec. 4. Each taxable year, an
 38 individual, or the individual's surviving spouse, is entitled to an
 39 adjusted gross income tax deduction for the first two thousand dollars
 40 (\$2,000) of income, ~~including~~ **excluding** retirement or survivor's
 41 benefits, received during the taxable year by the individual, or the
 42 individual's surviving spouse, for the individual's service in an active
 43 or reserve component of the armed forces of the United States,
 44 including the army, navy, air force, coast guard, marine corps,
 45 merchant marine, Indiana army national guard, or Indiana air national
 46 guard. ~~However, a person who is less than sixty (60) years of age on the~~

1 last day of the person's taxable year, is not, for that taxable year,
 2 entitled to a deduction under this section for retirement or survivor's
 3 benefits:

4 SECTION 8. IC 6-1.1-12-17.6 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE MARCH 1, 1999 (RETROACTIVE)]: **Sec. 17.6. (a)**

7 **This section applies only to an individual who:**

- 8 (1) is at least sixty-five (65) years of age; and
 9 (2) served on active duty in the United States armed forces in
 10 any of the following:

11 (A) World War II - December 7, 1941, to December 31,
 12 1946.

13 (B) Korean Conflict - June 27, 1950, to January 31, 1955.

14 (C) Viet Nam Conflict - August 5, 1964, to May 7, 1975.

15 (D) Actual combat or duty equally hazardous, regardless
 16 of time, or service in any foreign war, insurrection, or
 17 expedition, which service is recognized by the award of a
 18 service or campaign medal of the United States.

19 (E) Participation as a regularly assigned crew member of
 20 any military craft in a mission in support of a military
 21 operation, regardless of time, as designated by the armed
 22 forces of the United States.

23 (b) An individual described in subsection (a) may have four
 24 thousand dollars (\$4,000), for property taxes first due and payable
 25 before January 1, 2002, and twelve thousand dollars (\$12,000), for
 26 property taxes first due and payable after December 31, 2001,
 27 deducted from the assessed value of the taxable tangible property
 28 that the individual owns, or real property that the individual is
 29 buying under a contract that provides that the individual is to pay
 30 property taxes on the real property.

31 SECTION 9. [EFFECTIVE JANUARY 1, 2000] (a) IC 6-3-1-3.5
 32 and IC 6-3-2-4, both as amended by this act, apply only to taxable
 33 years beginning after December 31, 1999.

34 (b) IC 6-1.1-12-17.6, as added by this act, applies only to
 35 property taxes first due and payable after December 31, 1999."

36 Renumber all SECTIONS consecutively.

(Reference is to ESB 150 as printed April 6, 1999.)

Representative Young M