

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 606 be amended to read as follows:

- 1 Page 10, between lines 34 and 35, begin a new paragraph and insert:
- 2 "SECTION 6. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2000]:
- 5 **Chapter 20. Credit for Employing a Person With a Disability**
- 6 **Sec. 1. As used in this chapter, the following terms have the**
- 7 **following meanings:**
- 8 (1) "Pass through entity" means:
- 9 (A) a corporation that is exempt from the adjusted gross
- 10 income tax under IC 6-3-2-2.8(2);
- 11 (B) a partnership;
- 12 (C) a limited liability company; or
- 13 (D) a limited liability partnership.
- 14 (2) "Person with a disability" has the meaning set forth in
- 15 IC 16-18-2-277.5.
- 16 (3) "Small business" has the meaning set forth for that term
- 17 by the United States Small Business Administration.
- 18 (4) "State tax liability" means a taxpayer's total tax liability
- 19 that is incurred under:
- 20 (A) IC 6-2.1 (the gross income tax);
- 21 (B) IC 6-3-1 through IC 6-3-7 (the adjusted gross income
- 22 tax);
- 23 (C) IC 6-3-8 (the supplemental net income tax);
- 24 (D) IC 6-5-10 (the bank tax);

- 1 (E) IC 6-5-11 (the savings and loan association tax);
 2 (F) IC 27-1-18-2 (the insurance premiums tax);
 3 (G) IC 6-5.5 (the financial institutions tax); and
 4 (H) IC 6-2.5 (state gross retail and use tax);
 5 as computed after the application of the credits that under
 6 IC 6-3.1-1-2 are to be applied before the credit provided by
 7 this chapter.

8 **Sec. 2.** Subject to the limitation in this chapter, a taxpayer that
 9 is a small business and that employs a person with a disability is
 10 entitled to a tax credit against the taxpayer's state tax liability as
 11 provided under section 3 of this chapter.

12 **Sec. 3.** A taxpayer that is a small business is entitled to a credit
 13 for a taxable year for each person with a disability employed under
 14 section 2 of this chapter in an amount equal to the lesser of:

- 15 (1) two thousand five hundred dollars (\$2,500); or
 16 (2) fifty percent (50%) of the amount of compensation paid to
 17 the person by the taxpayer during the taxable year.

18 However, the aggregate credits that a taxpayer may receive for a
 19 particular taxable year under this chapter may not exceed the
 20 taxpayer's state income tax liability for that taxable year.

21 **Sec. 4. (a)** If a pass through entity is entitled to a credit under
 22 this chapter but does not have state tax liability against which the
 23 tax credit may be applied, a shareholder, partner, or member of
 24 the pass through entity is entitled to a tax credit equal to:

- 25 (1) the tax credit determined for the pass through entity for
 26 the taxable year; multiplied by
 27 (2) the percentage of the pass through entity's distributive
 28 income to which the shareholder, partner, or member is
 29 entitled.

30 (b) The credit provided under subsection (a) is in addition to a
 31 tax credit to which a shareholder, partner, or member of a pass
 32 through entity is otherwise entitled under this chapter. However,
 33 a pass through entity and a shareholder, partner, or member of the
 34 pass through entity may not claim more than one (1) credit for the
 35 same qualified expenditure.

36 **Sec. 5.** To obtain a credit under this chapter, a taxpayer must
 37 claim the credit on the taxpayer's annual state tax return or
 38 returns in the manner prescribed by the department, and the
 39 taxpayer must submit to the department all information that the
 40 department determines is necessary for the calculation of the credit
 41 provided by this chapter."

42 Page 44, after line 37, begin a new paragraph and insert:

43 "SECTION 62. [EFFECTIVE JANUARY 1, 2000] IC 6-3.1-20, as
 44 added by this act, applies only to taxable years beginning after
 45 December 31, 1999."

46 Renumber all SECTIONS consecutively.

(Reference is to ESB 606 as printed March 26, 1999.)

Representative Friend