

# HOUSE BILL No. 1119

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-19.

**Synopsis:** Higher education expense deduction. Provides a state adjusted gross income tax deduction of up to \$5,000 for tuition and fees paid for a course of study for the taxpayer or a dependent of the taxpayer at a public or private institution of higher education located in Indiana.

**Effective:** January 1, 1999 (retroactive).

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January 6, 1999, read first time and referred to Committee on Ways and Means.

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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.

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## HOUSE BILL No. 1119

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 6-3-2-19 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 19. (a) As used in this**  
4 **section, "dependent" has the meaning set forth in Section 152 of**  
5 **the Internal Revenue Code.**  
6 **(b) As used in this section, "institution of higher education" has**  
7 **the meaning set forth in IC 6-3-3-5.**  
8 **(c) As used in this section, "tuition and fees" means:**  
9 **(1) tuition charged; and**  
10 **(2) fees regularly assessed;**  
11 **for a course of study at an institution of higher education located**  
12 **in Indiana. The term does not include the cost of textbooks or**  
13 **materials required for a course of study.**  
14 **(d) Subject to this section, a taxpayer is entitled to a deduction**  
15 **against the taxpayer's adjusted gross income for a taxable year for**  
16 **the taxpayer's expenditures in the taxable year for the tuition and**  
17 **fees of the taxpayer or a dependent.**



1           (e) The aggregate maximum deduction that may be allowed  
2 under this section on all returns for any one (1) individual who is  
3 enrolled in a course of study at an institution of higher education  
4 is five thousand dollars (\$5,000). A taxpayer may take a separate  
5 deduction for each individual for whom the taxpayer pays tuition  
6 and fees.  
7           (f) The maximum amount of all deductions allowed a taxpayer  
8 by this section in a taxable year may not exceed the taxpayer's total  
9 adjusted gross income.  
10         SECTION 2. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]  
11         **IC 6-3-2-19, as added by this act, applies only to taxable years**  
12         **beginning after December 31, 1998.**  
13         SECTION 3. An emergency is declared for this act.

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