

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Senate Bill 465 be amended to read as follows:

- 1           Page 5, after line 5 and before line 6, begin a new paragraph and  
2           insert:  
3           "SECTION 3. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE  
4           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
5           JANUARY 1, 1999 (RETROACTIVE)]: **Sec. 11. (a) As used in this**  
6           **section, "property taxes" means property taxes paid by a taxpayer**  
7           **during a taxable year on real property that is a dwelling in Indiana**  
8           **used by the taxpayer as the taxpayer's principal place of residence**  
9           **and that the taxpayer:**  
10           **(1) owns; or**  
11           **(2) is buying under a contract requiring the taxpayer to pay**  
12           **the property taxes on the real property.**  
13           **(b) As used in this section, "qualified rent" means an amount**  
14           **equal to ten percent (10%) of the amount of rent paid by a**  
15           **taxpayer during a taxable year with respect to a dwelling in**  
16           **Indiana used by the taxpayer as the taxpayer's principal place of**  
17           **residence.**  
18           **(c) As used in this section, "taxpayer" means an individual**  
19           **taxpayer and, if the individual taxpayer files a joint return, the**  
20           **individual taxpayer's spouse.**  
21           **(d) Except as provided in subsection (e), a taxpayer with an**  
22           **adjusted gross income of less than fifty-five thousand dollars**  
23           **(\$55,000) for a taxable year is entitled to a credit against the**  
24           **adjusted gross income tax imposed by IC 6-3 for the taxable year**  
25           **equal to the amount determined under the following STEPS:**  
26           **STEP ONE: Determine the amount of property taxes or**  
27           **qualified rent paid by the taxpayer during the taxable year.**  
28           **STEP TWO: Multiply the taxpayer's adjusted gross income**  
29           **for the taxable year by three percent (3%).**  
30           **STEP THREE: Determine the greater of:**  
31           **(A) the STEP ONE result minus the STEP TWO result;**  
32           **or**

1 (B) zero (0).  
2 **STEP FOUR: Determine the greater of:**  
3 (A) the taxpayer's adjusted gross income for the taxable  
4 year, minus twenty thousand dollars (\$20,000); or  
5 (B) zero (0).  
6 **STEP FIVE: Determine the result, expressed as a**  
7 **percentage, of the STEP FOUR result divided by thirty-five**  
8 **thousand dollars (\$35,000).**  
9 **STEP SIX: Multiply the percentage determined under STEP**  
10 **FIVE by the STEP THREE result.**  
11 **STEP SEVEN: Determine the greater of:**  
12 (A) the STEP THREE result minus the STEP SIX result;  
13 or  
14 (B) zero (0).  
15 (e) If both spouses reside in the same household, only one (1)  
16 credit may be claimed by the spouses under this section for the  
17 taxable year. However, in the case of a husband and wife who pay  
18 property taxes or qualified rent during the taxable year and file  
19 separate tax returns, the husband and wife may take the credit in  
20 equal shares or one (1) spouse may take the entire credit.  
21 (f) The amount of the credit provided by this section that a  
22 taxpayer uses during a particular taxable year may not exceed the  
23 sum of the taxes imposed by IC 6-3 for the taxable year after the  
24 application of all credits that under IC 6-3.1-1-2 are to be applied  
25 before the credit provided by this chapter. If the credit provided by  
26 this chapter exceeds that sum for the taxable year for which the  
27 credit is first claimed, then the taxpayer may elect to have the  
28 excess:  
29 (1) carried over to succeeding taxable years and used as a  
30 credit against the tax otherwise due and payable by the  
31 taxpayer under IC 6-3 during those taxable years; or  
32 (2) refunded to the taxpayer.  
33 (g) If the taxpayer elects to have the unused credit carried over  
34 to succeeding taxable years under subsection (f)(1), then each time  
35 that the credit is carried over to a succeeding taxable year the  
36 unused credit is to be reduced by the amount that was used as a  
37 credit during the immediately preceding taxable year. The credit  
38 provided by this chapter may be carried forward and applied to  
39 succeeding taxable years for fifteen (15) taxable years following the  
40 unused credit year.  
41 (h) A credit earned by a taxpayer in a particular taxable year  
42 shall be applied against the taxpayer's tax liability for that taxable  
43 year before any credit carryover is applied against that liability  
44 under subsection (f)(1).  
45 (i) A taxpayer claiming a credit under this section must supply  
46 to the department reasonable proof, as determined by the  
47 department, of the property taxes or rent paid by the taxpayer  
48 during the taxable year."  
49 Page 5, line 6, delete "SECTION 3" and insert "SECTION 4".  
50 Page 5, after line 8 and before line 9, begin a new paragraph and  
51 insert:  
52 SECTION 5. [EFFECTIVE JANUARY 1, 1999

1 (RETROACTIVE)] **IC 6-3-3-11, as added by this act, applies to**  
2 **taxable years beginning after December 31, 1998."**

3 Page 5, line 9, delete "SECTION 4" and insert "SECTION 6".  
(Reference is to S.B. 465 as printed February 23, 1999.)

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Senator HUME