



January 29, 1999

SENATE BILL No. 134

DIGEST OF SB0134 (Updated January 28, 1999 11:37 am - DI 44)

Citations Affected: IC 6-3; noncode.

Synopsis: Income tax deductions. Removes a provision that prohibits a person who is at least 65 years of age from receiving the adjusted gross income tax deduction for disability income.

Effective: January 1, 2000.

Meeks R

January 6, 1999, read first time and referred to Committee on Finance.
January 28, 1999, reported favorably — Do Pass.

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SB 134—LS 6079/DI 73+



January 29, 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.

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SENATE BILL No. 134

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 6-3-2-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) An individual who:
3 ~~(1)~~ **(1)** has not attained age sixty-five ~~(65)~~ before the end of a
4 particular taxable year;
5 ~~(2)~~ **(1)** retired on disability before the end of ~~that the~~ taxable year;
6 and
7 ~~(3)~~ **(2)** was permanently and totally disabled, as determined under
8 subsection (c), at the time of retirement;
9 is entitled to a deduction from the individual's adjusted gross income
10 for that taxable year in the amount determined under subsection (b).
11 (b) The deduction provided by subsection (a) is the amount
12 determined using the following STEPS:
13 STEP ONE: Determine the amount received by the individual
14 during the taxable year through an accident and health plan for
15 personal injuries or sickness to the extent that:
16 (A) these amounts are attributable to contributions by the
17 individual's employer that were not includable in the

SB 134—LS 6079/DI 73+



1 individual's gross income or are paid by the employer; and
2 (B) these amounts constitute wages or payments in lieu of
3 wages for a period during which the employee is absent from
4 work because of permanent and total disability.
5 STEP TWO: Determine for each week of the taxable year the
6 amount by which each weekly payment referred to in STEP ONE
7 exceeds one hundred dollars (\$100), then add these amounts.
8 STEP THREE: Determine the amount by which the individual's
9 federal adjusted gross income for the taxable year, as defined by
10 Section 62 of the Internal Revenue Code, exceeds fifteen
11 thousand dollars (\$15,000).
12 STEP FOUR: Subtract from the amount determined in STEP
13 ONE the amount determined in STEP TWO and the amount
14 determined in STEP THREE.
15 (c) For purposes of this section, an individual is permanently and
16 totally disabled if the individual is unable to engage in any substantial
17 gainful activity by reason of any medically determinable physical or
18 mental impairment that can be expected to result in death or that has
19 lasted or can be expected to last for a continuous period of not less than
20 twelve (12) months. An individual may not be considered to be
21 permanently and totally disabled unless he furnishes proof of the
22 existence of the disability as the department of revenue may require.
23 SECTION 2. [EFFECTIVE JANUARY 1, 2000] **IC 6-3-2-9, as**
24 **amended by this act, applies to taxable years beginning after**
25 **December 31, 1999.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 134, 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 Senate Bill 134 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

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