

SENATE BILL No. 253

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Prison investment credit. Allows the retroactive application of the prison investment credit to a pass through entity for taxable years beginning after December 31, 1997, and ending before January 1, 2002.

Effective: Upon passage.

Miller

January 9, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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SENATE BILL No. 253



A BILL FOR AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **This SECTION**
2 **applies to state taxes paid:**
3 **(1) in a taxable year beginning after December 31, 1997, and**
4 **ending before January 1, 2002; and**
5 **(2) by a taxpayer or by the shareholders, partners,**
6 **beneficiaries, or members of a pass through entity, in the case**
7 **of a taxpayer that is a pass through entity that did not have**
8 **state tax liability.**
9 **(b) Notwithstanding IC 6-8.1-9-1 or any other law, if:**
10 **(1) a taxpayer made a qualified expenditure in a taxable year**
11 **beginning after December 31, 1997, and ending before**
12 **January 1, 2002, that would otherwise have been subject to**
13 **the credit provided under IC 6-3.1-6 but for the fact that the**
14 **taxpayer is a pass through entity that was not included in the**
15 **definition of taxpayer under IC 6-3.1-6-1, as the statute was**
16 **in effect before January 1, 2002; and**
17 **(2) the taxpayer's qualified expenditure would have been**
18 **eligible for a tax credit if IC 6-3.1-6, as amended by**



1 **P.L.129-2001, SECTION 5, and P.L.129-2001, SECTION 6,**
2 **had been in effect in the taxable year in which the qualified**
3 **expenditure was made;**
4 **the taxpayer may claim a refund equal to the amount set forth in**
5 **subsection (c).**

6 **(c) The amount of the refund permitted under subsection (b) is**
7 **equal to the amount of the state taxes paid in a taxable year**
8 **described in subsection (b) that would have been subject to a tax**
9 **credit if IC 6-3.1-6, as amended by P.L.129-2001, SECTION 5, and**
10 **P.L.129-2001, SECTION 6, had been in effect in the taxable year.**

11 **(d) In the case of a taxpayer that is a pass through entity that**
12 **did not have state tax liability, an individual who was a**
13 **shareholder, partner, beneficiary, or member of the entity in the**
14 **taxable year for which a refund is permitted under this SECTION**
15 **may claim a refund. The individual is entitled to a refund equal to:**

16 **(1) the amount of the refund determined for the pass through**
17 **entity for the taxable year; multiplied by**

18 **(2) the percentage of the pass through entity's distributive**
19 **income to which the shareholder, partner, beneficiary, or**
20 **member is entitled.**

21 **A pass through entity and an individual who is a shareholder,**
22 **partner, beneficiary, or member of the pass through entity may not**
23 **claim more than one (1) refund for taxes paid in a taxable year**
24 **described in subsection (b).**

25 **(e) This SECTION expires January 1, 2005.**

26 **SECTION 2. An emergency is declared for this act.**

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