

HOUSE BILL No. 1628

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-20.

Synopsis: Medical expense deduction. Provides a deduction from adjusted gross income for eligible medical expenses.

Effective: January 1, 2005 (retroactive).

Stevenson

January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1628



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 6-3-2-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2005 (RETROACTIVE)]: **Sec. 20. (a) As used in this**
4 **section, "dependent" has the meaning set forth in Section 152 of**
5 **the Internal Revenue Code.**

6 **(b) Each taxable year, an individual taxpayer may deduct from**
7 **the taxpayer's adjusted gross income expenses paid during the**
8 **taxable year, but not compensated by insurance or otherwise, for**
9 **medical care of the taxpayer, the taxpayer's spouse, or a**
10 **dependent, subject to the limitations of subsections (c), (d), and (e).**

11 **(c) Under subsection (b), a taxpayer may take into account only**
12 **those expenses paid for medical care that are eligible to be taken**
13 **into account under Section 213 of the Internal Revenue Code.**
14 **However, a deduction for long term care insurance premiums**
15 **under this section is allowed only to the extent that the taxpayer**
16 **did not subtract the amount of those premiums from federal**
17 **adjusted gross income in arriving at Indiana adjusted gross**



1 **income, as provided under IC 6-3-1-3.5(a)(16).**
 2 **(d) Each taxable year, a taxpayer may deduct uncompensated**
 3 **expenses for medical care under this section only to the extent**
 4 **those expenses exceed three hundred dollars (\$300).**
 5 **(e) Each taxable year, a taxpayer may deduct under this section**
 6 **not more than the amount determined in STEP TWO of the**
 7 **following STEPS:**
 8 **STEP ONE: Count and total the number of the following**
 9 **individuals:**
 10 **(A) The taxpayer.**
 11 **(B) The taxpayer's spouse.**
 12 **(C) Each of the taxpayer's dependents.**
 13 **STEP TWO: Multiply the STEP ONE result by three**
 14 **thousand dollars (\$3,000).**
 15 **SECTION 2. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]**
 16 **IC 6-3-2-20, as added by this act, applies to taxable years beginning**
 17 **after December 31, 2004.**
 18 **SECTION 3. An emergency is declared for this act.**

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