

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7812**

**BILL NUMBER:** SB 485

**NOTE PREPARED:** Jan 22, 2007

**BILL AMENDED:**

**SUBJECT:** Intern on Board Tax Credit.

**FIRST AUTHOR:** Sen. Simpson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes a refundable Income Tax Credit for a taxpayer that employs a qualified intern. The bill provides that the amount of the credit each taxable year is \$1,000 per qualifying intern.

**Effective Date:** January 1, 2008.

**Explanation of State Expenditures:** This bill will increase the administrative costs of the Department of State Revenue (DOR). The DOR will have to amend the Individual and Corporate Adjusted Gross Income (AGI) Tax forms, as well as update computer software. It is estimated that the provisions of this bill can be implemented within the existing level of resources available to the DOR.

**Explanation of State Revenues:** This bill will cause an indeterminable decrease in Individual and Corporate AGI Tax collections. The bill provides a refundable AGI Tax credit for each "qualified intern" employed by the taxpayer. The bill defines a "qualified intern" as an individual who either

- (1) has completed 3/4 of a bachelor's degree, or
- (2) who is within 1 year after graduation with a bachelor's degree, and

is employed as an intern by the taxpayer in the area of life sciences or information technology. The credit is equal to \$1,000 multiplied by the number of interns employed during the taxable year. The bill requires the credit to be reduced to account for interns only employed for part of the taxable year.

All Corporate AGI Tax collections are deposited in the state General Fund, while 86% of the revenue from the Individual AGI Tax is deposited in the state General Fund, and 14% is deposited in the Property Tax Replacement Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Adam Brown; 317-232-9854.