
SENATE BILL No. 232

DIGEST OF INTRODUCED BILL

Citations Affected: IC 34-55-10-2.

Synopsis: Property exempt from execution of judgments. Exempts security deposits up to \$2,000 and interests in Indiana earned income tax credits from execution of judgments.

Effective: July 1, 2008.

Mrvan

January 8, 2008, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 115th General Assembly (2008)

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 2007 Regular Session of the General Assembly.

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SENATE BILL No. 232



A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

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

1 SECTION 1. IC 34-55-10-2, AS AMENDED BY P.L.179-2005,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 2. (a) This section does not apply to judgments
4 obtained before October 1, 1977.

5 (b) The amount of each exemption under subsection (c) applies until
6 a rule is adopted by the department of financial institutions under
7 section 2.5 of this chapter.

8 (c) The following property of a debtor domiciled in Indiana is
9 exempt:

10 (1) Real estate or personal property constituting the personal or
11 family residence of the debtor or a dependent of the debtor, or
12 estates or rights in that real estate or personal property, of not
13 more than fifteen thousand dollars (\$15,000). The exemption
14 under this subdivision is individually available to joint debtors
15 concerning property held by them as tenants by the entireties.

16 (2) Other real estate or tangible personal property of eight
17 thousand dollars (\$8,000).



- 1 (3) **Except as provided in subdivision (11)**, intangible personal
 2 property, including choses in action, deposit accounts, and cash
 3 (but excluding debts owing and income owing), of three hundred
 4 dollars (\$300).
 5 (4) Professionally prescribed health aids for the debtor or a
 6 dependent of the debtor.
 7 (5) Any interest that the debtor has in real estate held as a tenant
 8 by the entirety. The exemption under this subdivision does not
 9 apply to a debt for which the debtor and the debtor's spouse are
 10 jointly liable.
 11 (6) An interest, whether vested or not, that the debtor has in a
 12 retirement plan or fund to the extent of:
 13 (A) contributions, or portions of contributions, that were made
 14 to the retirement plan or fund by or on behalf of the debtor or
 15 the debtor's spouse:
 16 (i) which were not subject to federal income taxation to the
 17 debtor at the time of the contribution; or
 18 (ii) which are made to an individual retirement account in
 19 the manner prescribed by Section 408A of the Internal
 20 Revenue Code of 1986;
 21 (B) earnings on contributions made under clause (A) that are
 22 not subject to federal income taxation at the time of the levy;
 23 and
 24 (C) roll-overs of contributions made under clause (A) that are
 25 not subject to federal income taxation at the time of the levy.
 26 (7) Money that is in a medical care savings account established
 27 under IC 6-8-11.
 28 (8) Any interest the debtor has in a qualified tuition program, as
 29 defined in Section 529(b) of the Internal Revenue Code of 1986,
 30 but only to the extent funds in the program are not attributable to:
 31 (A) excess contributions, as described in Section 529(b)(6) of
 32 the Internal Revenue Code of 1986, and earnings on the excess
 33 contributions;
 34 (B) contributions made by the debtor within one (1) year
 35 before the date of the levy or the date a bankruptcy petition is
 36 filed by or against the debtor, and earnings on the
 37 contributions; or
 38 (C) the excess over five thousand dollars (\$5,000) of aggregate
 39 contributions made by the debtor for all programs under this
 40 subdivision and education savings accounts under subdivision
 41 (9) having the same designated beneficiary:
 42 (i) not later than one (1) year before; and

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- 1 (ii) not earlier than two (2) years before;
- 2 the date of the levy or the date a bankruptcy petition is filed by
- 3 or against the debtor, and earnings on the aggregate
- 4 contributions.
- 5 (9) Any interest the debtor has in an education savings account,
- 6 as defined in Section 530(b) of the Internal Revenue Code of
- 7 1986, but only to the extent funds in the account are not
- 8 attributable to:
 - 9 (A) excess contributions, as described in Section 4973(e) of
 - 10 the Internal Revenue Code of 1986, and earnings on the excess
 - 11 contributions;
 - 12 (B) contributions made by the debtor within one (1) year
 - 13 before the date of the levy or the date a bankruptcy petition is
 - 14 filed by or against the debtor, and earnings on the
 - 15 contributions; or
 - 16 (C) the excess over five thousand dollars (\$5,000) of aggregate
 - 17 contributions made by the debtor for all accounts under this
 - 18 subdivision and qualified tuition programs under subdivision
 - 19 (8) having the same designated beneficiary:
 - 20 (i) not later than one (1) year before; and
 - 21 (ii) not earlier than two (2) years before;
 - 22 the date of the levy or the date a bankruptcy petition is filed by
 - 23 or against the debtor, and earnings on the excess contributions.
- 24 (10) The debtor's interest in a refund or a credit received or to be
- 25 received under section 32 of the Internal Revenue Code of 1986
- 26 **and the debtor's interest in a refund or a credit received or to**
- 27 **be received under IC 6-3.1-21-6.**
- 28 **(11) A security deposit (as defined in IC 32-31-3-9) of not**
- 29 **more than two thousand dollars (\$2,000).**
 - 30 (d) A bankruptcy proceeding that results in the ownership by the
 - 31 bankruptcy estate of a debtor's interest in property held in a tenancy by
 - 32 the entirety does not result in a severance of the tenancy by the
 - 33 entirety.
 - 34 (e) Real estate or personal property upon which a debtor has
 - 35 voluntarily granted a lien is not, to the extent of the balance due on the
 - 36 debt secured by the lien:
 - 37 (1) subject to this chapter; or
 - 38 (2) exempt from levy or sale on execution or any other final
 - 39 process from a court.

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