
HOUSE BILL No. 1321

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-32.

Synopsis: Veterans' jobs tax credit. Provides a state income tax credit for taxpayers that employ veterans discharged from military service after September 11, 2001. Provides that the credit equals the lesser of 10% of the wages paid to the veteran or \$500. Limits total annual credits to \$1 million.

Effective: January 1, 2009.

Crouch, Reske

January 15, 2008, read first time and referred to Committee on Veterans Affairs and Public Safety.

C
O
P
Y



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.

C
o
p
y

HOUSE BILL No. 1321



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 6-3.1-32 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2009]:

4 **Chapter 32. Veterans' Jobs Tax Credit**

5 **Sec. 1. As used in this chapter, "armed forces of the United
6 States" has the meaning set forth in IC 5-9-4-3.**

7 **Sec. 2. As used in this chapter, "eligible taxpayer" means a
8 taxpayer that:**

9 (1) initially hires a qualified veteran after December 31, 2008;
10 and

11 (2) employs the qualified veteran for at least one hundred
12 eighty-five (185) days during the taxpayer's taxable year.

13 **Sec. 3. As used in this chapter, "National Guard" has the
14 meaning set forth in IC 5-9-4-4.**

15 **Sec. 4. As used in this chapter, "qualified veteran" means an
16 individual who:**

17 (1) was a member of:



- 1 (A) the armed forces of the United States; or
- 2 (B) the National Guard; and
- 3 (2) received a discharge (other than a dishonorable discharge)
- 4 after September 11, 2001.

5 Sec. 5. As used in this chapter, "state tax liability" means a
6 taxpayer's total tax liability that is incurred under:

- 7 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 8 (2) IC 6-5.5 (the financial institutions tax); and
- 9 (3) IC 27-1-18-2 (the insurance premiums tax);

10 as computed after the application of the credits that under
11 IC 6-3.1-1-2 are to be applied before the credit provided by this
12 chapter.

13 Sec. 6. As used in this chapter, "taxpayer" means an individual
14 or entity that has any state tax liability.

15 Sec. 7. An eligible taxpayer is entitled to a credit against the
16 taxpayer's state tax liability for a taxable year for each qualified
17 veteran employed in an amount equal to the lesser of:

- 18 (1) ten percent (10%) of the wages paid to the qualified
- 19 veteran by the eligible taxpayer during the taxable year; or
- 20 (2) five hundred dollars (\$500).

21 Sec. 8. If a pass through entity is entitled to a credit under
22 section 7 of this chapter but does not have state tax liability against
23 which the tax credit may be applied, a shareholder, partner, or
24 member of the pass through entity is entitled to a tax credit equal
25 to:

- 26 (1) the tax credit determined for the pass through entity for
- 27 the taxable year; multiplied by
- 28 (2) the percentage of the pass through entity's distributive
- 29 income to which the shareholder, partner, or member is
- 30 entitled.

31 Sec. 9. (a) If the credit provided by this chapter exceeds the
32 taxpayer's state tax liability for the taxable year for which the
33 credit is first claimed, the excess may be carried forward to
34 succeeding taxable years and used as a credit against the
35 taxpayer's state tax liability during those taxable years. Each time
36 the credit is carried forward to a succeeding taxable year, the
37 credit is to be reduced by the amount that was used as a credit
38 during the immediately preceding taxable year.

39 (b) A taxpayer is not entitled to any carryback or refund of any
40 unused credit.

41 Sec. 10. The total amount of tax credits allowed under this
42 chapter may not exceed one million dollars (\$1,000,000) in a state

C
O
P
Y



1 fiscal year.
2 **Sec. 11. To receive the credit provided by this chapter, a**
3 **taxpayer must claim the credit on the taxpayer's annual state tax**
4 **return or returns in the manner prescribed by the department. The**
5 **taxpayer shall submit to the department all information that the**
6 **department determines is necessary for the calculation of the credit**
7 **provided by this chapter.**
8 SECTION 2. [EFFECTIVE JANUARY 1, 2009] IC 6-3.1-32, as
9 **added by this act, applies only to taxable years beginning after**
10 **December 31, 2008.**

C
O
P
Y

