



January 25, 2011

# HOUSE BILL No. 1193

DIGEST OF HB 1193 (Updated January 25, 2011 11:28 am - DI 77)

**Citations Affected:** IC 6-3.1.

**Synopsis:** Tax credit for farm building insulated curtains. Provides a tax credit against state tax liability for expenditures by a farmer for insulated curtains installed in a farm building located in Indiana. Provides that the amount of the tax credit is 10% of the cost of the insulated curtains and associated installation costs.

**Effective:** July 1, 2011.

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January 10, 2011, read first time and referred to Committee on Agriculture and Rural Development.  
January 25, 2011, reported — Do Pass.

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January 25, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1193



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 6-3.1-34 IS ADDED TO THE INDIANA CODE  
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2011]:

4 **Chapter 34. Tax Credit for Insulated Curtains Used in Farm  
5 Buildings**

6 **Sec. 1. This chapter applies only to taxable years beginning after  
7 December 31, 2011.**

8 **Sec. 2. As used in this chapter, "farmer" means an entity  
9 engaged in the business of agriculture, including:**

- 10 (1) an individual acting as a sole proprietor;
- 11 (2) a pass through entity; and
- 12 (3) a corporation.

13 **Sec. 3. As used in this chapter, "insulated curtain" means a  
14 curtain:**

- 15 (1) designed for installation in a farm building; and
- 16 (2) having an R-value of at least three (3).

17 **Sec. 4. As used in this chapter, "pass through entity" means:**

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- 1 (1) a corporation that is exempt from the adjusted gross
- 2 income tax under IC 6-3-2-2.8(2);
- 3 (2) a partnership;
- 4 (3) a limited liability company; or
- 5 (4) a limited liability partnership.

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

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

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

14 Sec. 6. As used in this chapter, "taxpayer" means a person,  
 15 corporation, partnership, or other entity that has any state tax  
 16 liability.

17 Sec. 7. Each taxable year, a farmer who installs insulated  
 18 curtains during the taxable year at a farm building located in  
 19 Indiana is entitled to a credit against the farmer's state tax liability  
 20 in the amount of ten percent (10%) of the farmer's expenditures  
 21 during the taxable year for the insulated curtains and associated  
 22 installation costs.

23 Sec. 8. (a) If a pass through entity does not have state tax  
 24 liability for a taxable year but is otherwise entitled to the tax credit  
 25 provided by this chapter, each shareholder, partner, or member of  
 26 the pass through entity is entitled to a share of the tax credit equal  
 27 to:

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

33 (b) A share of a tax credit allocated under subsection (a) is in  
 34 addition to a tax credit to which a shareholder, partner, or member  
 35 of a pass through entity is otherwise entitled under this chapter.  
 36 However, neither a pass through entity nor a shareholder, partner,  
 37 or member of the pass through entity may claim more than one (1)  
 38 credit in a taxable year for the same expenditure on insulated  
 39 curtains and associated installation costs.

40 Sec. 9. (a) If the credit provided by this chapter exceeds a  
 41 taxpayer's state tax liability for the taxable year for which the  
 42 credit is first claimed, the excess may be carried forward to

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1 succeeding taxable years and used as a credit against the  
2 taxpayer's state tax liability during those taxable years. Each time  
3 the credit is carried forward to a succeeding taxable year, the  
4 credit is to be reduced by the amount that was used as a credit  
5 during the immediately preceding taxable year. The credit  
6 provided by this chapter may be carried forward and applied to  
7 succeeding taxable years for not more than nine (9) taxable years  
8 following the first year the credit is claimed.

9 (b) A taxpayer is not entitled to a carryback or refund of any  
10 unused credit under this chapter.

11 Sec. 10. To receive the tax credit under this chapter, a taxpayer  
12 must claim the credit on the taxpayer's annual state tax return or  
13 returns in the manner prescribed by the department.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1193, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

LEHE, Chair

Committee Vote: yeas 11, nays 0.

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