



February 15, 2011

HOUSE BILL No. 1483

DIGEST OF HB 1483 (Updated February 15, 2011 1:15 pm - DI 92)

Citations Affected: IC 2-7; IC 4-30; IC 4-31; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-4.1; IC 6-5.5; IC 7.1-3; IC 13-14; IC 16-21; IC 16-25; IC 16-27; IC 16-28; IC 16-41; IC 20-28; IC 25-1; IC 28-1; IC 28-7; IC 28-8; noncode.

Synopsis: Taxation. Provides that in order to renew or obtain a license to: (1) operate certain medical facilities; (2) operate a home health agency; (3) operate a health facility; (4) work with radiation or radioactive materials; (5) operate a debt management company; (6) act as a pawnbroker; (7) engage in the business of money transmission; or (8) engage in the business of cashing checks for consideration; the licensee will be required to receive a clearance from the department of state revenue (DOR) if the licensee is on DOR's most recent tax warrant list. Provides that certain licensees will be required to receive a clearance from the DOR if the licensee is on DOR's most recent tax warrant list. (Current law provides that these licensees are required to receive a clearance from the DOR if the licensee has a delinquent tax liability.) Reduces from five to four the number of digits from an individual's Social Security number that must be submitted to the county auditor for purposes of confirming that the individual is claiming only one standard deduction. Provides that the DOR may not renew a registered retail merchant certificate if the retail merchant is delinquent in remitting withholding taxes. Provides that the DOR may revoke a retail merchant certificate of a taxpayer if: (1) the fee paid by
(Continued next page)

Effective: Upon passage; November 6, 2009 (retroactive); January 1, 2010 (retroactive); January 1, 2011 (retroactive); July 1, 2011; January 1, 2012.

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January 20, 2011, read first time and referred to Committee on Ways and Means.
February 15, 2011, amended, reported — Do Pass.

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the taxpayer to renew or acquire the retail merchant certificate is not honored by a financial institution; and (2) the taxpayer does not pay the fee in guaranteed funds within five days after receiving notice from the DOR that the fee was not honored by a financial institution. Updates references to the Internal Revenue Code. Provides that amendments made to the federal earned income tax credit under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Tax Relief Act), are not included in the calculation of the Indiana earned income tax credit. Excludes changes made to the Internal Revenue Code under the Tax Relief Act and the Small Business Jobs Act of 2010 which affect the calculation of adjusted gross income. Provides that certain amendments made to the Internal Revenue Code in 2010, are excluded from Indiana's definition of the Internal Revenue Code. Makes changes to the net operation loss deduction provisions for individuals and corporations. Provides that a corporation that merges with another corporation has the same due date for filing its final annual income tax return as the corporation with which it merged. Eliminates the income tax withholding provision that allows a taxpayer to receive an advanced earned income tax credit. Establishes requirements for the valuation of property subject to the inheritance tax.

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February 15, 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. 1483

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 2-7-5-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2012]: Sec. 6. The following persons may
3 not be registered as a lobbyist under this article:
4 (1) Any individual convicted of a felony for violating any law
5 while the individual was an officer or employee of any agency of
6 state government or a unit of local government.
7 (2) Any person convicted of a felony relating to lobbying.
8 (3) Any person convicted of a felony and who:
9 (A) is in prison;
10 (B) is on probation; or
11 (C) has been in prison or on probation within the immediate
12 past one (1) year.
13 (4) Any person whose:
14 (A) statement or report required to be filed under this article
15 was found to be materially incorrect as a result of a

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- 1 determination under IC 2-7-6-5; and
- 2 (B) who has not filed a corrected statement or report for that
- 3 year when requested to do so by the commission.
- 4 (5) Any person who has failed to pay a civil penalty assessed
- 5 under IC 2-7-6-5.
- 6 (6) Any person who is on the most recent tax warrant list supplied
- 7 to the commission by the department of state revenue until:
- 8 (A) the person provides a statement to the commission
- 9 indicating that the person's ~~delinquent tax liability tax~~
- 10 **warrant** has been satisfied; or
- 11 (B) the commission receives a notice from the commissioner
- 12 of the department of state revenue under IC 6-8.1-8-2(k).

13 SECTION 2. IC 4-30-11-11, AS AMENDED BY P.L.108-2009,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2012]: Sec. 11. (a) The treasurer of state, the department
 16 of state revenue, the department of administration, the Indiana
 17 department of transportation, the attorney general, and the courts shall
 18 identify to the commission, in the form and format prescribed by the
 19 commission and approved by the auditor of state, a person who:

- 20 (1) owes an outstanding debt to a state agency;
- 21 ~~(2) owes delinquent state taxes;~~
- 22 **(2) is on the department of state revenue's most recent tax**
- 23 **warrant list; or**
- 24 (3) owes child support collected and paid to a recipient through
- 25 a court.

26 (b) Before the payment of a prize of more than five hundred
 27 ninety-nine dollars (\$599) to a claimant identified under subsection (a),
 28 the commission shall deduct the amount of the obligation from the
 29 prize money and transmit the deducted amount to the auditor of state.
 30 The commission shall pay the balance of the prize money to the prize
 31 winner after deduction of the obligation. If a prize winner owes
 32 multiple obligations subject to offset under this section and the prize is
 33 insufficient to cover all obligations, the amount of the prize shall be
 34 applied as follows:

- 35 (1) First, to the child support obligations owed by the prize winner
- 36 that are collected and paid to a recipient through a court.
- 37 (2) Second, to judgments owed by the prize winner.
- 38 (3) Third, to tax liens owed by the prize winner.
- 39 (4) Fourth, to unsecured debts owed by the prize winner.

40 Within each of the categories described in subdivisions (1) through (4),
 41 the amount and priority of the prize shall be applied in the manner that
 42 the auditor of state determines to be appropriate. The commission shall

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1 reimburse the auditor of state pursuant to an agreement under
2 IC 4-30-15-5 for the expenses incurred by the auditor of state in
3 carrying out the duties required by this section.

4 (c) As used in this section, "debt" means an obligation that is
5 evidenced by an assessment or lien issued by a state agency, a
6 judgment, or a final order of an administrative agency.

7 SECTION 3. IC 4-31-6-6 IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) The commission may
9 refuse or deny a license application, revoke or suspend a license, or
10 otherwise penalize a licensee, if:

11 (1) the refusal, denial, revocation, suspension, or other penalty is
12 in the public interest for the purpose of maintaining proper control
13 over horse racing meetings or pari-mutuel wagering; and

14 (2) any of the conditions listed in subsection (b) apply to the
15 applicant or licensee.

16 (b) The conditions referred to in subsection (a) are as follows:

17 (1) The applicant or licensee has been convicted of a felony or
18 misdemeanor that could compromise the integrity of racing by the
19 applicant's or licensee's participation in racing.

20 (2) The applicant or licensee has had a license of the legally
21 constituted racing authority of a state, province, or country
22 denied, suspended, or revoked for cause within the preceding five
23 (5) years.

24 (3) The applicant or licensee is presently under suspension for
25 cause of a license by the legally constituted racing authority of a
26 state, province, or country.

27 (4) The applicant or licensee has violated or attempted to violate
28 a provision of this article, a rule adopted by the commission, or a
29 law or rule with respect to horse racing in a jurisdiction.

30 (5) The applicant or licensee has perpetrated or attempted to
31 perpetrate a fraud or misrepresentation in connection with the
32 racing or breeding of horses or pari-mutuel wagering.

33 (6) The applicant or licensee has demonstrated financial
34 irresponsibility by accumulating unpaid obligations, defaulting on
35 obligations, or issuing drafts or checks that are dishonored or not
36 paid.

37 (7) The applicant or licensee has made a material
38 misrepresentation in an application for a license.

39 (8) The applicant or licensee has been convicted of a crime
40 involving bookmaking, touting, or similar pursuits or has
41 consorted with a person convicted of such an offense.

42 (9) The applicant or licensee has abandoned, mistreated, abused,

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- 1 neglected, or engaged in an act of cruelty to a horse.
- 2 (10) The applicant or licensee has engaged in conduct that is
- 3 against the best interest of horse racing.
- 4 (11) The applicant or licensee has failed to comply with a written
- 5 order or ruling of the commission or judges pertaining to a racing
- 6 matter.
- 7 (12) The applicant or licensee has failed to answer correctly under
- 8 oath, to the best of the applicant's or licensee's knowledge, all
- 9 questions asked by the commission or its representatives
- 10 pertaining to a racing matter.
- 11 (13) The applicant or licensee has failed to return to a permit
- 12 holder any purse money, trophies, or awards paid in error or
- 13 ordered redistributed by the commission.
- 14 (14) The applicant or licensee has had possession of an alcoholic
- 15 beverage on a permit holder's premises, other than a beverage
- 16 legally sold through the permit holder's concession operation.
- 17 (15) The applicant or licensee has interfered with or obstructed a
- 18 member of the commission, a commission employee, or a racing
- 19 official while performing official duties.
- 20 (16) The name of the applicant or licensee appears on the
- 21 department of state revenue's most recent tax warrant list, and the
- 22 person's ~~delinquent tax liability tax warrant~~ has not been
- 23 satisfied.
- 24 (17) The applicant or licensee has pending criminal charges.
- 25 (18) The applicant or licensee has racing disciplinary charges
- 26 pending in Indiana or another jurisdiction.
- 27 (19) The applicant or licensee is unqualified to perform the duties
- 28 required under this article or the rules of the commission.
- 29 SECTION 4. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010,
- 30 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 31 UPON PASSAGE]: Sec. 37. (a) The following definitions apply
- 32 throughout this section:
- 33 (1) "Dwelling" means any of the following:
- 34 (A) Residential real property improvements that an individual
- 35 uses as the individual's residence, including a house or garage.
- 36 (B) A mobile home that is not assessed as real property that an
- 37 individual uses as the individual's residence.
- 38 (C) A manufactured home that is not assessed as real property
- 39 that an individual uses as the individual's residence.
- 40 (2) "Homestead" means an individual's principal place of
- 41 residence:
- 42 (A) that is located in Indiana;

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- (B) that:
 - (i) the individual owns;
 - (ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;
 - (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
 - (iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this

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1 section with respect to that real property, mobile home, or
2 manufactured home.

3 (e) Except as provided in sections 17.8 and 44 of this chapter and
4 subject to section 45 of this chapter, an individual who desires to claim
5 the deduction provided by this section must file a certified statement in
6 duplicate, on forms prescribed by the department of local government
7 finance, with the auditor of the county in which the homestead is
8 located. The statement must include:

9 (1) the parcel number or key number of the property and the name
10 of the city, town, or township in which the property is located;

11 (2) the name of any other location in which the applicant or the
12 applicant's spouse owns, is buying, or has a beneficial interest in
13 residential real property;

14 (3) the names of:

15 (A) the applicant and the applicant's spouse (if any):

16 (i) as the names appear in the records of the United States
17 Social Security Administration for the purposes of the
18 issuance of a Social Security card and Social Security
19 number; or

20 (ii) that they use as their legal names when they sign their
21 names on legal documents;

22 if the applicant is an individual; or

23 (B) each individual who qualifies property as a homestead
24 under subsection (a)(2)(B) and the individual's spouse (if any):

25 (i) as the names appear in the records of the United States
26 Social Security Administration for the purposes of the
27 issuance of a Social Security card and Social Security
28 number; or

29 (ii) that they use as their legal names when they sign their
30 names on legal documents;

31 if the applicant is not an individual; and

32 (4) either:

33 (A) the last ~~five (5)~~ **four (4)** digits of the applicant's Social
34 Security number and the last ~~five (5)~~ **four (4)** digits of the
35 Social Security number of the applicant's spouse (if any); or

36 (B) if the applicant or the applicant's spouse (if any) do not
37 have a Social Security number, any of the following for that
38 individual:

39 (i) The last five (5) digits of the individual's driver's license
40 number.

41 (ii) The last five (5) digits of the individual's state
42 identification card number.

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1 (iii) If the individual does not have a driver's license or a
 2 state identification card, the last five (5) digits of a control
 3 number that is on a document issued to the individual by the
 4 federal government and determined by the department of
 5 local government finance to be acceptable.

6 If a form or statement provided to the county auditor under this section,
 7 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 8 part or all of the Social Security number of a party or other number
 9 described in subdivision (4)(B) of a party, the telephone number and
 10 the Social Security number or other number described in subdivision
 11 (4)(B) included are confidential. The statement may be filed in person
 12 or by mail. If the statement is mailed, the mailing must be postmarked
 13 on or before the last day for filing. The statement applies for that first
 14 year and any succeeding year for which the deduction is allowed. With
 15 respect to real property, the statement must be completed and dated in
 16 the calendar year for which the person desires to obtain the deduction
 17 and filed with the county auditor on or before January 5 of the
 18 immediately succeeding calendar year. With respect to a mobile home
 19 that is not assessed as real property, the person must file the statement
 20 during the twelve (12) months before March 31 of the year for which
 21 the person desires to obtain the deduction.

22 (f) If an individual who is receiving the deduction provided by this
 23 section or who otherwise qualifies property for a deduction under this
 24 section:

25 (1) changes the use of the individual's property so that part or all
 26 of the property no longer qualifies for the deduction under this
 27 section; or

28 (2) is no longer eligible for a deduction under this section on
 29 another parcel of property because:

30 (A) the individual would otherwise receive the benefit of more
 31 than one (1) deduction under this chapter; or

32 (B) the individual maintains the individual's principal place of
 33 residence with another individual who receives a deduction
 34 under this section;

35 the individual must file a certified statement with the auditor of the
 36 county, notifying the auditor of the change of use, not more than sixty
 37 (60) days after the date of that change. An individual who fails to file
 38 the statement required by this subsection is liable for any additional
 39 taxes that would have been due on the property if the individual had
 40 filed the statement as required by this subsection plus a civil penalty
 41 equal to ten percent (10%) of the additional taxes due. The civil penalty
 42 imposed under this subsection is in addition to any interest and

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1 penalties for a delinquent payment that might otherwise be due. One
 2 percent (1%) of the total civil penalty collected under this subsection
 3 shall be transferred by the county to the department of local
 4 government finance for use by the department in establishing and
 5 maintaining the homestead property data base under subsection (i) and,
 6 to the extent there is money remaining, for any other purposes of the
 7 department. This amount becomes part of the property tax liability for
 8 purposes of this article.

9 (g) The department of local government finance shall adopt rules or
 10 guidelines concerning the application for a deduction under this
 11 section.

12 (h) This subsection does not apply to property in the first year for
 13 which a deduction is claimed under this section if the sole reason that
 14 a deduction is claimed on other property is that the individual or
 15 married couple maintained a principal residence at the other property
 16 on March 1 in the same year in which an application for a deduction is
 17 filed under this section or, if the application is for a homestead that is
 18 assessed as personal property, on March 1 in the immediately
 19 preceding year and the individual or married couple is moving the
 20 individual's or married couple's principal residence to the property that
 21 is the subject of the application. The county auditor may not grant an
 22 individual or a married couple a deduction under this section if:

23 (1) the individual or married couple, for the same year, claims the
 24 deduction on two (2) or more different applications for the
 25 deduction; and

26 (2) the applications claim the deduction for different property.

27 (i) The department of local government finance shall provide secure
 28 access to county auditors to a homestead property data base that
 29 includes access to the homestead owner's name and the numbers
 30 required from the homestead owner under subsection (e)(4) for the sole
 31 purpose of verifying whether an owner is wrongly claiming a deduction
 32 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 33 IC 6-3.5.

34 (j) The department of local government finance shall work with
 35 county auditors to develop procedures to determine whether a property
 36 owner that is claiming a standard deduction or homestead credit is not
 37 eligible for the standard deduction or homestead credit because the
 38 property owner's principal place of residence is outside Indiana.

39 (k) As used in this section, "homestead" includes property that
 40 satisfies each of the following requirements:

41 (1) The property is located in Indiana and consists of a dwelling
 42 and the real estate, not exceeding one (1) acre, that immediately

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1 surrounds that dwelling.
 2 (2) The property is the principal place of residence of an
 3 individual.
 4 (3) The property is owned by an entity that is not described in
 5 subsection (a)(2)(B).
 6 (4) The individual residing on the property is a shareholder,
 7 partner, or member of the entity that owns the property.
 8 (5) The property was eligible for the standard deduction under
 9 this section on March 1, 2009.
 10 (l) If a county auditor terminates a deduction for property described
 11 in subsection (k) with respect to property taxes that are:
 12 (1) imposed for an assessment date in 2009; and
 13 (2) first due and payable in 2010;
 14 on the grounds that the property is not owned by an entity described in
 15 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 16 the taxpayer provides proof that the property is eligible for the
 17 deduction in accordance with subsection (k) and that the individual
 18 residing on the property is not claiming the deduction for any other
 19 property.
 20 (m) For assessments dates after 2009, the term "homestead"
 21 includes:
 22 (1) a deck or patio;
 23 (2) a gazebo; or
 24 (3) another residential yard structure, as defined in rules adopted
 25 by the department of local government finance (other than a
 26 swimming pool);
 27 that is assessed as real property and attached to the dwelling.
 28 SECTION 5. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010,
 29 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 8.1. (a) The county treasurer shall:
 31 (1) except as provided in subsection (h), mail to the last known
 32 address of each person liable for any property taxes or special
 33 assessment, as shown on the tax duplicate or special assessment
 34 records, or to the last known address of the most recent owner
 35 shown in the transfer book; and
 36 (2) transmit by written, electronic, or other means to a mortgagee
 37 maintaining an escrow account for a person who is liable for any
 38 property taxes or special assessments, as shown on the tax
 39 duplicate or special assessment records;
 40 a statement in the form required under subsection (b). However, for
 41 property taxes first due and payable in 2008, the county treasurer may
 42 choose to use a tax statement that is different from the tax statement

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1 prescribed by the department under subsection (b). If a county chooses
 2 to use a different tax statement, the county must still transmit (with the
 3 tax bill) the statement in either color type or black-and-white type.

4 (b) The department of local government finance shall prescribe a
 5 form, subject to the approval of the state board of accounts, for the
 6 statement under subsection (a) that includes at least the following:

7 (1) A statement of the taxpayer's current and delinquent taxes and
 8 special assessments.

9 (2) A breakdown showing the total property tax and special
 10 assessment liability and the amount of the taxpayer's liability that
 11 will be distributed to each taxing unit in the county.

12 (3) An itemized listing for each property tax levy, including:

13 (A) the amount of the tax rate;

14 (B) the entity levying the tax owed; and

15 (C) the dollar amount of the tax owed.

16 (4) Information designed to show the manner in which the taxes
 17 and special assessments billed in the tax statement are to be used.

18 (5) A comparison showing any change in the assessed valuation
 19 for the property as compared to the previous year.

20 (6) A comparison showing any change in the property tax and
 21 special assessment liability for the property as compared to the
 22 previous year. The information required under this subdivision
 23 must identify:

24 (A) the amount of the taxpayer's liability distributable to each
 25 taxing unit in which the property is located in the current year
 26 and in the previous year; and

27 (B) the percentage change, if any, in the amount of the
 28 taxpayer's liability distributable to each taxing unit in which
 29 the property is located from the previous year to the current
 30 year.

31 (7) An explanation of the following:

32 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 33 another law that are available in the taxing district where the
 34 property is located.

35 (B) All property tax deductions that are available in the taxing
 36 district where the property is located.

37 (C) The procedure and deadline for filing for any available
 38 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 39 another law and each deduction.

40 (D) The procedure that a taxpayer must follow to:

41 (i) appeal a current assessment; or

42 (ii) petition for the correction of an error related to the

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1 taxpayer's property tax and special assessment liability.
 2 (E) The forms that must be filed for an appeal or a petition
 3 described in clause (D).
 4 (F) The procedure and deadline that a taxpayer must follow
 5 and the forms that must be used if a credit or deduction has
 6 been granted for the property and the taxpayer is no longer
 7 eligible for the credit or deduction.
 8 (G) Notice that an appeal described in clause (D) requires
 9 evidence relevant to the true tax value of the taxpayer's
 10 property as of the assessment date that is the basis for the taxes
 11 payable on that property.
 12 The department of local government finance shall provide the
 13 explanation required by this subdivision to each county treasurer.
 14 (8) A checklist that shows:
 15 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 16 another law and all property tax deductions; and
 17 (B) whether each homestead credit and property tax deduction
 18 applies in the current statement for the property transmitted
 19 under subsection (a).
 20 (9) This subdivision applies to any property for which a deduction
 21 or credit is listed under subdivision (8) if the notice required
 22 under this subdivision was not provided to a taxpayer on a
 23 reconciling statement under IC 6-1.1-22.5-12. The statement must
 24 include in 2010, 2011, and 2012 a notice that must be returned by
 25 the taxpayer to the county auditor with the taxpayer's verification
 26 of the items required by this subdivision. The notice must explain
 27 the tax consequences and applicable penalties if a taxpayer
 28 unlawfully claims a standard deduction under IC 6-1.1-12-37 on:
 29 (A) more than one (1) parcel of property; or
 30 (B) property that is not the taxpayer's principal place of
 31 residence or is otherwise not eligible for the standard
 32 deduction.
 33 The notice must include a place for the taxpayer to indicate, under
 34 penalties of perjury, for each deduction and credit listed under
 35 subdivision (8), whether the property is eligible for the deduction
 36 or credit listed under subdivision (8). The notice must also
 37 include a place for each individual who qualifies the property for
 38 a deduction or credit listed in subdivision (8) to indicate the name
 39 of the individual and the name of the individual's spouse (if any),
 40 as the names appear in the records of the United States Social
 41 Security Administration for the purposes of the issuance of a
 42 Social Security card and Social Security number (or that they use

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1 as their legal names when they sign their names on legal
 2 documents), and either the last ~~five (5)~~ **four (4)** digits of each
 3 individual's Social Security number or, if an individual does not
 4 have a Social Security number, the numbers required from the
 5 individual under IC 6-1.1-12-37(e)(4)(B). The notice must
 6 explain that the taxpayer must complete and return the notice with
 7 the required information and that failure to complete and return
 8 the notice may result in disqualification of property for deductions
 9 and credits listed in subdivision (8), must explain how to return
 10 the notice, and must be on a separate form printed on paper that
 11 is a different color than the tax statement. The notice must be
 12 prepared in the form prescribed by the department of local
 13 government finance and include any additional information
 14 required by the department of local government finance. This
 15 subdivision expires January 1, 2015.

16 (c) The county treasurer may mail or transmit the statement one (1)
 17 time each year at least fifteen (15) days before the date on which the
 18 first or only installment is due. Whenever a person's tax liability for a
 19 year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this
 20 chapter, a statement that is mailed must include the date on which the
 21 installment is due and denote the amount of money to be paid for the
 22 installment. Whenever a person's tax liability is due in two (2)
 23 installments, a statement that is mailed must contain the dates on which
 24 the first and second installments are due and denote the amount of
 25 money to be paid for each installment. If a statement is returned to the
 26 county treasurer as undeliverable and the forwarding order is expired,
 27 the county treasurer shall notify the county auditor of this fact. Upon
 28 receipt of the county treasurer's notice, the county auditor may, at the
 29 county auditor's discretion, treat the property as not being eligible for
 30 any deductions under IC 6-1.1-12 or any homestead credits under
 31 IC 6-1.1-20.4 and IC 6-3.5-6-13.

32 (d) All payments of property taxes and special assessments shall be
 33 made to the county treasurer. The county treasurer, when authorized by
 34 the board of county commissioners, may open temporary offices for the
 35 collection of taxes in cities and towns in the county other than the
 36 county seat.

37 (e) The county treasurer, county auditor, and county assessor shall
 38 cooperate to generate the information to be included in the statement
 39 under subsection (b).

40 (f) The information to be included in the statement under subsection
 41 (b) must be simply and clearly presented and understandable to the
 42 average individual.

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1 (g) After December 31, 2007, a reference in a law or rule to
 2 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated
 3 as a reference to this section.

4 (h) Transmission of statements and other information under this
 5 subsection applies in a county only if the county legislative body adopts
 6 an authorizing ordinance. Subject to subsection (i), in a county in
 7 which an ordinance is adopted under this subsection for property taxes
 8 and special assessments first due and payable after 2009, a person may
 9 direct the county treasurer and county auditor to transmit the following
 10 to the person by electronic mail:

11 (1) A statement that would otherwise be sent by the county
 12 treasurer to the person by regular mail under subsection (a)(1),
 13 including a statement that reflects installment payment due dates
 14 under section 9.5 or 9.7 of this chapter.

15 (2) A provisional tax statement that would otherwise be sent by
 16 the county treasurer to the person by regular mail under
 17 IC 6-1.1-22.5-6.

18 (3) A reconciling tax statement that would otherwise be sent by
 19 the county treasurer to the person by regular mail under any of the
 20 following:

21 (A) Section 9 of this chapter.
 22 (B) Section 9.7 of this chapter.
 23 (C) IC 6-1.1-22.5-12, including a statement that reflects
 24 installment payment due dates under IC 6-1.1-22.5-18.5.

25 (4) A statement that would otherwise be sent by the county
 26 auditor to the person by regular mail under IC 6-1.1-17-3(b).

27 (5) Any other information that:

28 (A) concerns the property taxes or special assessments; and
 29 (B) would otherwise be sent:

30 (i) by the county treasurer or the county auditor to the person
 31 by regular mail; and
 32 (ii) before the last date the property taxes or special
 33 assessments may be paid without becoming delinquent.

34 (i) For property with respect to which more than one (1) person is
 35 liable for property taxes and special assessments, subsection (h) applies
 36 only if all the persons liable for property taxes and special assessments
 37 designate the electronic mail address for only one (1) individual
 38 authorized to receive the statements and other information referred to
 39 in subsection (h).

40 (j) Before 2010, the department of local government finance shall
 41 create a form to be used to implement subsection (h). The county
 42 treasurer and county auditor shall:

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- 1 (1) make the form created under this subsection available to the
- 2 public;
- 3 (2) transmit a statement or other information by electronic mail
- 4 under subsection (h) to a person who, at least thirty (30) days
- 5 before the anticipated general mailing date of the statement or
- 6 other information, files the form created under this subsection:
- 7 (A) with the county treasurer; or
- 8 (B) with the county auditor; and
- 9 (3) publicize the availability of the electronic mail option under
- 10 this subsection through appropriate media in a manner reasonably
- 11 designed to reach members of the public.
- 12 (k) The form referred to in subsection (j) must:
- 13 (1) explain that a form filed as described in subsection (j)(2)
- 14 remains in effect until the person files a replacement form to:
- 15 (A) change the person's electronic mail address; or
- 16 (B) terminate the electronic mail option under subsection (h);
- 17 and
- 18 (2) allow a person to do at least the following with respect to the
- 19 electronic mail option under subsection (h):
- 20 (A) Exercise the option.
- 21 (B) Change the person's electronic mail address.
- 22 (C) Terminate the option.
- 23 (D) For a person other than an individual, designate the
- 24 electronic mail address for only one (1) individual authorized
- 25 to receive the statements and other information referred to in
- 26 subsection (h).
- 27 (E) For property with respect to which more than one (1)
- 28 person is liable for property taxes and special assessments,
- 29 designate the electronic mail address for only one (1)
- 30 individual authorized to receive the statements and other
- 31 information referred to in subsection (h).
- 32 (l) The form created under subsection (j) is considered filed with the
- 33 county treasurer or the county auditor on the postmark date. If the
- 34 postmark is missing or illegible, the postmark is considered to be one
- 35 (1) day before the date of receipt of the form by the county treasurer or
- 36 the county auditor.
- 37 (m) The county treasurer shall maintain a record that shows at least
- 38 the following:
- 39 (1) Each person to whom a statement or other information is
- 40 transmitted by electronic mail under this section.
- 41 (2) The information included in the statement.
- 42 (3) Whether the person received the statement.

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1 SECTION 6. IC 6-2.5-8-1, AS AMENDED BY P.L.146-2008,
2 SECTION 316, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. (a) A retail merchant may
4 not make a retail transaction in Indiana, unless the retail merchant has
5 applied for a registered retail merchant's certificate.

6 (b) A retail merchant may obtain a registered retail merchant's
7 certificate by filing an application with the department and paying a
8 registration fee of twenty-five dollars (\$25) for each place of business
9 listed on the application. The retail merchant shall also provide such
10 security for payment of the tax as the department may require under
11 IC 6-2.5-6-12.

12 (c) The retail merchant shall list on the application the location
13 (including the township) of each place of business where the retail
14 merchant makes retail transactions. However, if the retail merchant
15 does not have a fixed place of business, the retail merchant shall list the
16 retail merchant's residence as the retail merchant's place of business. In
17 addition, a public utility may list only its principal Indiana office as its
18 place of business for sales of public utility commodities or service, but
19 the utility must also list on the application the places of business where
20 it makes retail transactions other than sales of public utility
21 commodities or service.

22 (d) Upon receiving a proper application, the correct fee, and the
23 security for payment, if required, the department shall issue to the retail
24 merchant a separate registered retail merchant's certificate for each
25 place of business listed on the application. Each certificate shall bear
26 a serial number and the location of the place of business for which it is
27 issued.

28 (e) If a retail merchant intends to make retail transactions during a
29 calendar year at a new Indiana place of business, the retail merchant
30 must file a supplemental application and pay the fee for that place of
31 business.

32 (f) A registered retail merchant's certificate is valid for two (2) years
33 after the date the registered retail merchant's certificate is originally
34 issued or renewed. If the retail merchant has filed all returns and
35 remitted all taxes the retail merchant is currently obligated to file or
36 remit, the department shall renew the registered retail merchant's
37 certificate within thirty (30) days after the expiration date, at no cost to
38 the retail merchant.

39 (g) The department may not renew a registered retail merchant
40 certificate of a retail merchant who is delinquent in remitting
41 **withholding taxes required to be remitted under IC 6-3-4, or** sales
42 or use tax. The department, at least sixty (60) days before the date on

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1 which a retail merchant's registered retail merchant's certificate expires,
2 shall notify a retail merchant who is delinquent in remitting
3 **withholding taxes required to be remitted under IC 6-3-4, or** sales
4 or use tax that the department will not renew the retail merchant's
5 registered retail merchant's certificate.

6 (h) A retail merchant engaged in business in Indiana as defined in
7 IC 6-2.5-3-1(c) who makes retail transactions that are only subject to
8 the use tax must obtain a registered retail merchant's certificate before
9 making those transactions. The retail merchant may obtain the
10 certificate by following the same procedure as a retail merchant under
11 subsections (b) and (c), except that the retail merchant must also
12 include on the application:

- 13 (1) the names and addresses of the retail merchant's principal
- 14 employees, agents, or representatives who engage in Indiana in
- 15 the solicitation or negotiation of the retail transactions;
- 16 (2) the location of all of the retail merchant's places of business in
- 17 Indiana, including offices and distribution houses; and
- 18 (3) any other information that the department requests.

19 (i) The department may permit an out-of-state retail merchant to
20 collect the use tax. However, before the out-of-state retail merchant
21 may collect the tax, the out-of-state retail merchant must obtain a
22 registered retail merchant's certificate in the manner provided by this
23 section. Upon receiving the certificate, the out-of-state retail merchant
24 becomes subject to the same conditions and duties as an Indiana retail
25 merchant and must then collect the use tax due on all sales of tangible
26 personal property that the out-of-state retail merchant knows is
27 intended for use in Indiana.

28 (j) Except as provided in subsection (k), the department shall submit
29 to the township assessor, or the county assessor if there is no township
30 assessor for the township, before July 15 of each year:

- 31 (1) the name of each retail merchant that has newly obtained a
- 32 registered retail merchant's certificate between March 2 of the
- 33 preceding year and March 1 of the current year for a place of
- 34 business located in the township or county; and
- 35 (2) the address of each place of business of the taxpayer in the
- 36 township or county.

37 (k) If the duties of the township assessor have been transferred to
38 the county assessor as described in IC 6-1.1-1-24, the department shall
39 submit the information listed in subsection (j) to the county assessor.

40 SECTION 7. IC 6-2.5-8-7, AS AMENDED BY P.L.227-2007,
41 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2012]: Sec. 7. (a) The department may, for good cause,

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1 revoke a certificate issued under section 1, 3, or 4 of this chapter.
 2 However, the department must give the certificate holder at least five
 3 (5) days notice before it revokes the certificate under this subsection.

4 (b) The department shall revoke a certificate issued under section
 5 1, 3, or 4 of this chapter if, for a period of three (3) years, the certificate
 6 holder fails to:

- 7 (1) file the returns required by IC 6-2.5-6-1; or
- 8 (2) report the collection of any state gross retail or use tax on the
 9 returns filed under IC 6-2.5-6-1.

10 However, the department must give the certificate holder at least five
 11 (5) days notice before it revokes the certificate.

12 (c) The department may, for good cause, revoke a certificate issued
 13 under section 1 of this chapter after at least five (5) days notice to the
 14 certificate holder if:

- 15 (1) the certificate holder is subject to an innkeeper's tax under
 16 IC 6-9; and
- 17 (2) a board, bureau, or commission established under IC 6-9 files
 18 a written statement with the department.

19 (d) The statement filed under subsection (c) must state that:

- 20 (1) information obtained by the board, bureau, or commission
 21 under IC 6-8.1-7-1 indicates that the certificate holder has not
 22 complied with IC 6-9; and
- 23 (2) the board, bureau, or commission has determined that
 24 significant harm will result to the county from the certificate
 25 holder's failure to comply with IC 6-9.

26 (e) The department shall revoke or suspend a certificate issued
 27 under section 1 of this chapter after at least five (5) days notice to the
 28 certificate holder if:

- 29 (1) the certificate holder owes taxes, penalties, fines, interest, or
 30 costs due under IC 6-1.1 that remain unpaid at least sixty (60)
 31 days after the due date under IC 6-1.1; and
- 32 (2) the treasurer of the county to which the taxes are due requests
 33 the department to revoke or suspend the certificate.

34 (f) The department shall reinstate a certificate suspended under
 35 subsection (e) if the taxes and any penalties due under IC 6-1.1 are paid
 36 or the county treasurer requests the department to reinstate the
 37 certificate because an agreement for the payment of taxes and any
 38 penalties due under IC 6-1.1 has been reached to the satisfaction of the
 39 county treasurer.

40 (g) The department shall revoke a certificate issued under section
 41 1 of this chapter after at least five (5) days notice to the certificate
 42 holder if the department finds in a public hearing by a preponderance

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1 of the evidence that the certificate holder has violated IC 35-45-5-3,
2 IC 35-45-5-3.5, or IC 35-45-5-4.

3 **(h) If a person makes a payment for the certificate under section**
4 **1 or 3 of this chapter with a check, credit card, debit card, or**
5 **electronic funds transfer, and the department is unable to obtain**
6 **payment of the check, credit card, debit card, or electronic funds**
7 **transfer for its full face amount when the check, credit card, debit**
8 **card, or electronic funds transfer is presented for payment through**
9 **normal banking channels, the department shall notify the person**
10 **by mail that the check, credit card, debit card, or electronic funds**
11 **transfer was not honored and that the person has five (5) days after**
12 **the notice is mailed to pay the fee in cash, by certified check, or**
13 **other guaranteed payment. If the person fails to make the payment**
14 **within the five (5) day period, the department shall revoke the**
15 **certificate.**

16 SECTION 8. IC 6-3-1-3.5, AS AMENDED BY P.L.182-2009(ss),
17 SECTION 186, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 3.5. When
19 used in this article, the term "adjusted gross income" shall mean the
20 following:

21 (a) In the case of all individuals, "adjusted gross income" (as
22 defined in Section 62 of the Internal Revenue Code), modified as
23 follows:

- 24 (1) Subtract income that is exempt from taxation under this article
25 by the Constitution and statutes of the United States.
- 26 (2) Add an amount equal to any deduction or deductions allowed
27 or allowable pursuant to Section 62 of the Internal Revenue Code
28 for taxes based on or measured by income and levied at the state
29 level by any state of the United States.
- 30 (3) Subtract one thousand dollars (\$1,000), or in the case of a
31 joint return filed by a husband and wife, subtract for each spouse
32 one thousand dollars (\$1,000).
- 33 (4) Subtract one thousand dollars (\$1,000) for:
 - 34 (A) each of the exemptions provided by Section 151(c) of the
35 Internal Revenue Code;
 - 36 (B) each additional amount allowable under Section 63(f) of
37 the Internal Revenue Code; and
 - 38 (C) the spouse of the taxpayer if a separate return is made by
39 the taxpayer and if the spouse, for the calendar year in which
40 the taxable year of the taxpayer begins, has no gross income
41 and is not the dependent of another taxpayer.
- 42 (5) Subtract:

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- 1 (A) for taxable years beginning after December 31, 2004, one
- 2 thousand five hundred dollars (\$1,500) for each of the
- 3 exemptions allowed under Section 151(c)(1)(B) of the Internal
- 4 Revenue Code (as effective January 1, 2004); and
- 5 (B) five hundred dollars (\$500) for each additional amount
- 6 allowable under Section 63(f)(1) of the Internal Revenue Code
- 7 if the adjusted gross income of the taxpayer, or the taxpayer
- 8 and the taxpayer's spouse in the case of a joint return, is less
- 9 than forty thousand dollars (\$40,000).
- 10 This amount is in addition to the amount subtracted under
- 11 subdivision (4).
- 12 (6) Subtract an amount equal to the lesser of:
- 13 (A) that part of the individual's adjusted gross income (as
- 14 defined in Section 62 of the Internal Revenue Code) for that
- 15 taxable year that is subject to a tax that is imposed by a
- 16 political subdivision of another state and that is imposed on or
- 17 measured by income; or
- 18 (B) two thousand dollars (\$2,000).
- 19 (7) Add an amount equal to the total capital gain portion of a
- 20 lump sum distribution (as defined in Section 402(e)(4)(D) of the
- 21 Internal Revenue Code) if the lump sum distribution is received
- 22 by the individual during the taxable year and if the capital gain
- 23 portion of the distribution is taxed in the manner provided in
- 24 Section 402 of the Internal Revenue Code.
- 25 (8) Subtract any amounts included in federal adjusted gross
- 26 income under Section 111 of the Internal Revenue Code as a
- 27 recovery of items previously deducted as an itemized deduction
- 28 from adjusted gross income.
- 29 (9) Subtract any amounts included in federal adjusted gross
- 30 income under the Internal Revenue Code which amounts were
- 31 received by the individual as supplemental railroad retirement
- 32 annuities under 45 U.S.C. 231 and which are not deductible under
- 33 subdivision (1).
- 34 (10) Add an amount equal to the deduction allowed under Section
- 35 221 of the Internal Revenue Code for married couples filing joint
- 36 returns if the taxable year began before January 1, 1987.
- 37 (11) Add an amount equal to the interest excluded from federal
- 38 gross income by the individual for the taxable year under Section
- 39 128 of the Internal Revenue Code if the taxable year began before
- 40 January 1, 1985.
- 41 (12) Subtract an amount equal to the amount of federal Social
- 42 Security and Railroad Retirement benefits included in a taxpayer's

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- 1 federal gross income by Section 86 of the Internal Revenue Code.
 2 (13) In the case of a nonresident taxpayer or a resident taxpayer
 3 residing in Indiana for a period of less than the taxpayer's entire
 4 taxable year, the total amount of the deductions allowed pursuant
 5 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
 6 which bears the same ratio to the total as the taxpayer's income
 7 taxable in Indiana bears to the taxpayer's total income.
 8 (14) In the case of an individual who is a recipient of assistance
 9 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
 10 subtract an amount equal to that portion of the individual's
 11 adjusted gross income with respect to which the individual is not
 12 allowed under federal law to retain an amount to pay state and
 13 local income taxes.
 14 (15) In the case of an eligible individual, subtract the amount of
 15 a Holocaust victim's settlement payment included in the
 16 individual's federal adjusted gross income.
 17 (16) For taxable years beginning after December 31, 1999,
 18 subtract an amount equal to the portion of any premiums paid
 19 during the taxable year by the taxpayer for a qualified long term
 20 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
 21 taxpayer's spouse, or both.
 22 (17) Subtract an amount equal to the lesser of:
 23 (A) for a taxable year:
 24 (i) including any part of 2004, the amount determined under
 25 subsection (f); and
 26 (ii) beginning after December 31, 2004, two thousand five
 27 hundred dollars (\$2,500); or
 28 (B) the amount of property taxes that are paid during the
 29 taxable year in Indiana by the individual on the individual's
 30 principal place of residence.
 31 (18) Subtract an amount equal to the amount of a September 11
 32 terrorist attack settlement payment included in the individual's
 33 federal adjusted gross income.
 34 (19) Add or subtract the amount necessary to make the adjusted
 35 gross income of any taxpayer that owns property for which bonus
 36 depreciation was allowed in the current taxable year or in an
 37 earlier taxable year equal to the amount of adjusted gross income
 38 that would have been computed had an election not been made
 39 under Section 168(k) of the Internal Revenue Code to apply bonus
 40 depreciation to the property in the year that it was placed in
 41 service.
 42 (20) Add an amount equal to any deduction allowed under

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- 1 Section 172 of the Internal Revenue Code.
- 2 (21) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that placed Section 179 property (as
- 4 defined in Section 179 of the Internal Revenue Code) in service
- 5 in the current taxable year or in an earlier taxable year equal to
- 6 the amount of adjusted gross income that would have been
- 7 computed had an election for federal income tax purposes not
- 8 been made for the year in which the property was placed in
- 9 service to take deductions under Section 179 of the Internal
- 10 Revenue Code in a total amount exceeding twenty-five thousand
- 11 dollars (\$25,000).
- 12 (22) Add an amount equal to the amount that a taxpayer claimed
- 13 as a deduction for domestic production activities for the taxable
- 14 year under Section 199 of the Internal Revenue Code for federal
- 15 income tax purposes.
- 16 (23) Subtract an amount equal to the amount of the taxpayer's
- 17 qualified military income that was not excluded from the
- 18 taxpayer's gross income for federal income tax purposes under
- 19 Section 112 of the Internal Revenue Code.
- 20 (24) Subtract income that is:
- 21 (A) exempt from taxation under IC 6-3-2-21.7; and
- 22 (B) included in the individual's federal adjusted gross income
- 23 under the Internal Revenue Code.
- 24 (25) Subtract any amount of a credit (including an advance refund
- 25 of the credit) that is provided to an individual under 26 U.S.C.
- 26 6428 (federal Economic Stimulus Act of 2008) and included in
- 27 the individual's federal adjusted gross income.
- 28 (26) Add any amount of unemployment compensation excluded
- 29 from federal gross income, as defined in Section 61 of the Internal
- 30 Revenue Code, under Section 85(c) of the Internal Revenue Code.
- 31 (27) Add the amount excluded from gross income under Section
- 32 108(a)(1)(e) of the Internal Revenue Code for the discharge of
- 33 debt on a qualified principal residence.
- 34 (28) Add an amount equal to any income not included in gross
- 35 income as a result of the deferral of income arising from business
- 36 indebtedness discharged in connection with the reacquisition after
- 37 December 31, 2008, and before January 1, 2011, of an applicable
- 38 debt instrument, as provided in Section 108(i) of the Internal
- 39 Revenue Code. Subtract the amount necessary from the adjusted
- 40 gross income of any taxpayer that added an amount to adjusted
- 41 gross income in a previous year to offset the amount included in
- 42 federal gross income as a result of the deferral of income arising

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1 from business indebtedness discharged in connection with the
 2 reacquisition after December 31, 2008, and before January 1,
 3 2011, of an applicable debt instrument, as provided in Section
 4 108(i) of the Internal Revenue Code.

5 (29) Add the amount necessary to make the adjusted gross income
 6 of any taxpayer that placed qualified restaurant property in service
 7 during the taxable year and that was classified as 15-year property
 8 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 9 to the amount of adjusted gross income that would have been
 10 computed had the classification not applied to the property in the
 11 year that it was placed in service.

12 (30) Add the amount necessary to make the adjusted gross income
 13 of any taxpayer that placed qualified retail improvement property
 14 in service during the taxable year and that was classified as
 15 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 16 Revenue Code equal to the amount of adjusted gross income that
 17 would have been computed had the classification not applied to
 18 the property in the year that it was placed in service.

19 (31) Add or subtract the amount necessary to make the adjusted
 20 gross income of any taxpayer that claimed the special allowance
 21 for qualified disaster assistance property under Section 168(n) of
 22 the Internal Revenue Code equal to the amount of adjusted gross
 23 income that would have been computed had the special allowance
 24 not been claimed for the property.

25 (32) Add or subtract the amount necessary to make the adjusted
 26 gross income of any taxpayer that made an election under Section
 27 179C of the Internal Revenue Code to expense costs for qualified
 28 refinery property equal to the amount of adjusted gross income
 29 that would have been computed had an election for federal
 30 income tax purposes not been made for the year.

31 (33) Add or subtract the amount necessary to make the adjusted
 32 gross income of any taxpayer that made an election under Section
 33 181 of the Internal Revenue Code to expense costs for a qualified
 34 film or television production equal to the amount of adjusted
 35 gross income that would have been computed had an election for
 36 federal income tax purposes not been made for the year.

37 (34) Add or subtract the amount necessary to make the adjusted
 38 gross income of any taxpayer that treated a loss from the sale or
 39 exchange of preferred stock in:

40 (A) the Federal National Mortgage Association, established
 41 under the Federal National Mortgage Association Charter Act
 42 (12 U.S.C. 1716 et seq.); or

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1 (B) the Federal Home Loan Mortgage Corporation, established
 2 under the Federal Home Loan Mortgage Corporation Act (12
 3 U.S.C. 1451 et seq.);
 4 as an ordinary loss under Section 301 of the Emergency
 5 Economic Stabilization Act of 2008 in the current taxable year or
 6 in an earlier taxable year equal to the amount of adjusted gross
 7 income that would have been computed had the loss not been
 8 treated as an ordinary loss.

9 **(35) Add the amount deducted from gross income under**
 10 **Section 198 of the Internal Revenue Code for the expensing of**
 11 **environmental remediation costs.**

12 **(36) Add the amount excluded from gross income under**
 13 **Section 408(d)(8) of the Internal Revenue Code for a**
 14 **charitable distribution from an individual retirement plan.**

15 **(37) Add the amount deducted from gross income under**
 16 **Section 222 of the Internal Revenue Code for qualified tuition**
 17 **and related expenses.**

18 **(38) Add the amount deducted from gross income under**
 19 **Section 62(2)(D) of the Internal Revenue Code for certain**
 20 **expenses of elementary and secondary school teachers.**

21 **(39) Add the amount excluded from gross income under**
 22 **Section 127 of the Internal Revenue Code as annual employer**
 23 **provided education expenses.**

24 **(40) Add the amount deducted from gross income under**
 25 **Section 179E of the Internal Revenue Code for any qualified**
 26 **advanced mine safety equipment property.**

27 **(41) Add the monthly amount excluded from gross income**
 28 **under Section 132(f)(1)(A) and 132(f)(1)(B) that exceeds one**
 29 **hundred dollars (\$100) a month for a qualified transportation**
 30 **fringe.**

31 **(42) Add the amount deducted from gross income under**
 32 **Section 221 of the Internal Revenue Code that exceeds the**
 33 **amount the taxpayer could deduct under Section 221 of the**
 34 **Internal Revenue Code before it was amended by the Tax**
 35 **Relief, Unemployment Insurance Reauthorization, and Job**
 36 **Creation Act of 2010 (P.L. 111-312).**

37 **(43) Add the amount necessary to make the adjusted gross**
 38 **income of any taxpayer that placed any qualified leasehold**
 39 **improvement property in service during the taxable year and**
 40 **that was classified as 15-year property under Section**
 41 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**
 42 **amount of adjusted gross income that would have been**

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computed had the classification not applied to the property in the year that it was placed into service.

(44) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(45) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(46) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an

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- 1 earlier taxable year equal to the amount of adjusted gross income
 2 that would have been computed had an election not been made
 3 under Section 168(k) of the Internal Revenue Code to apply bonus
 4 depreciation to the property in the year that it was placed in
 5 service.
 6 (6) Add an amount equal to any deduction allowed under Section
 7 172 of the Internal Revenue Code.
 8 (7) Add or subtract the amount necessary to make the adjusted
 9 gross income of any taxpayer that placed Section 179 property (as
 10 defined in Section 179 of the Internal Revenue Code) in service
 11 in the current taxable year or in an earlier taxable year equal to
 12 the amount of adjusted gross income that would have been
 13 computed had an election for federal income tax purposes not
 14 been made for the year in which the property was placed in
 15 service to take deductions under Section 179 of the Internal
 16 Revenue Code in a total amount exceeding twenty-five thousand
 17 dollars (\$25,000).
 18 (8) Add an amount equal to the amount that a taxpayer claimed as
 19 a deduction for domestic production activities for the taxable year
 20 under Section 199 of the Internal Revenue Code for federal
 21 income tax purposes.
 22 (9) Add to the extent required by IC 6-3-2-20 the amount of
 23 intangible expenses (as defined in IC 6-3-2-20) and any directly
 24 related intangible interest expenses (as defined in IC 6-3-2-20) for
 25 the taxable year that reduced the corporation's taxable income (as
 26 defined in Section 63 of the Internal Revenue Code) for federal
 27 income tax purposes.
 28 (10) Add an amount equal to any deduction for dividends paid (as
 29 defined in Section 561 of the Internal Revenue Code) to
 30 shareholders of a captive real estate investment trust (as defined
 31 in section 34.5 of this chapter).
 32 (11) Subtract income that is:
 33 (A) exempt from taxation under IC 6-3-2-21.7; and
 34 (B) included in the corporation's taxable income under the
 35 Internal Revenue Code.
 36 (12) Add an amount equal to any income not included in gross
 37 income as a result of the deferral of income arising from business
 38 indebtedness discharged in connection with the reacquisition after
 39 December 31, 2008, and before January 1, 2011, of an applicable
 40 debt instrument, as provided in Section 108(i) of the Internal
 41 Revenue Code. Subtract from the adjusted gross income of any
 42 taxpayer that added an amount to adjusted gross income in a

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1 previous year the amount necessary to offset the amount included
 2 in federal gross income as a result of the deferral of income
 3 arising from business indebtedness discharged in connection with
 4 the reacquisition after December 31, 2008, and before January 1,
 5 2011, of an applicable debt instrument, as provided in Section
 6 108(i) of the Internal Revenue Code.

7 (13) Add the amount necessary to make the adjusted gross income
 8 of any taxpayer that placed qualified restaurant property in service
 9 during the taxable year and that was classified as 15-year property
 10 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 11 to the amount of adjusted gross income that would have been
 12 computed had the classification not applied to the property in the
 13 year that it was placed in service.

14 (14) Add the amount necessary to make the adjusted gross income
 15 of any taxpayer that placed qualified retail improvement property
 16 in service during the taxable year and that was classified as
 17 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 18 Revenue Code equal to the amount of adjusted gross income that
 19 would have been computed had the classification not applied to
 20 the property in the year that it was placed in service.

21 (15) Add or subtract the amount necessary to make the adjusted
 22 gross income of any taxpayer that claimed the special allowance
 23 for qualified disaster assistance property under Section 168(n) of
 24 the Internal Revenue Code equal to the amount of adjusted gross
 25 income that would have been computed had the special allowance
 26 not been claimed for the property.

27 (16) Add or subtract the amount necessary to make the adjusted
 28 gross income of any taxpayer that made an election under Section
 29 179C of the Internal Revenue Code to expense costs for qualified
 30 refinery property equal to the amount of adjusted gross income
 31 that would have been computed had an election for federal
 32 income tax purposes not been made for the year.

33 (17) Add or subtract the amount necessary to make the adjusted
 34 gross income of any taxpayer that made an election under Section
 35 181 of the Internal Revenue Code to expense costs for a qualified
 36 film or television production equal to the amount of adjusted
 37 gross income that would have been computed had an election for
 38 federal income tax purposes not been made for the year.

39 (18) Add or subtract the amount necessary to make the adjusted
 40 gross income of any taxpayer that treated a loss from the sale or
 41 exchange of preferred stock in:

42 (A) the Federal National Mortgage Association, established

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- 1 under the Federal National Mortgage Association Charter Act
 2 (12 U.S.C. 1716 et seq.); or
 3 (B) the Federal Home Loan Mortgage Corporation, established
 4 under the Federal Home Loan Mortgage Corporation Act (12
 5 U.S.C. 1451 et seq.);
 6 as an ordinary loss under Section 301 of the Emergency
 7 Economic Stabilization Act of 2008 in the current taxable year or
 8 in an earlier taxable year equal to the amount of adjusted gross
 9 income that would have been computed had the loss not been
 10 treated as an ordinary loss.
- 11 **(19) Add the amount deducted from gross income under**
 12 **Section 198 of the Internal Revenue Code for the expensing of**
 13 **environmental remediation costs.**
- 14 **(20) Add the amount deducted from gross income under**
 15 **Section 179E of the Internal Revenue Code for any qualified**
 16 **advanced mine safety equipment property.**
- 17 **(21) Add the amount necessary to make the adjusted gross**
 18 **income of any taxpayer that placed any qualified leasehold**
 19 **improvement property in service during the taxable year and**
 20 **that was classified as 15-year property under Section**
 21 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**
 22 **amount of adjusted gross income that would have been**
 23 **computed had the classification not applied to the property in**
 24 **the year that it was placed into service.**
- 25 **(22) Add the amount necessary to make the adjusted gross**
 26 **income of any taxpayer that placed a motorsports**
 27 **entertainment complex in service during the taxable year and**
 28 **that was classified as 7-year property under Section**
 29 **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**
 30 **amount of adjusted gross income that would have been**
 31 **computed had the classification not applied to the property in**
 32 **the year that it was placed into service.**
- 33 **(23) Add the amount deducted under Section 195 of the**
 34 **Internal Revenue Code for start-up expenditures that exceeds**
 35 **the amount the taxpayer could deduct under Section 195 of**
 36 **the Internal Revenue Code before it was amended by the**
 37 **Small Business Jobs Act of 2010 (P.L. 111-240).**
- 38 (c) In the case of life insurance companies (as defined in Section
 39 816(a) of the Internal Revenue Code) that are organized under Indiana
 40 law, the same as "life insurance company taxable income" (as defined
 41 in Section 801 of the Internal Revenue Code), adjusted as follows:
 42 (1) Subtract income that is exempt from taxation under this article

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- 1 by the Constitution and statutes of the United States.
- 2 (2) Add an amount equal to any deduction allowed or allowable
- 3 under Section 170 of the Internal Revenue Code.
- 4 (3) Add an amount equal to a deduction allowed or allowable
- 5 under Section 805 or Section 831(c) of the Internal Revenue Code
- 6 for taxes based on or measured by income and levied at the state
- 7 level by any state.
- 8 (4) Subtract an amount equal to the amount included in the
- 9 company's taxable income under Section 78 of the Internal
- 10 Revenue Code.
- 11 (5) Add or subtract the amount necessary to make the adjusted
- 12 gross income of any taxpayer that owns property for which bonus
- 13 depreciation was allowed in the current taxable year or in an
- 14 earlier taxable year equal to the amount of adjusted gross income
- 15 that would have been computed had an election not been made
- 16 under Section 168(k) of the Internal Revenue Code to apply bonus
- 17 depreciation to the property in the year that it was placed in
- 18 service.
- 19 (6) Add an amount equal to any deduction allowed under Section
- 20 172 or Section 810 of the Internal Revenue Code.
- 21 (7) Add or subtract the amount necessary to make the adjusted
- 22 gross income of any taxpayer that placed Section 179 property (as
- 23 defined in Section 179 of the Internal Revenue Code) in service
- 24 in the current taxable year or in an earlier taxable year equal to
- 25 the amount of adjusted gross income that would have been
- 26 computed had an election for federal income tax purposes not
- 27 been made for the year in which the property was placed in
- 28 service to take deductions under Section 179 of the Internal
- 29 Revenue Code in a total amount exceeding twenty-five thousand
- 30 dollars (\$25,000).
- 31 (8) Add an amount equal to the amount that a taxpayer claimed as
- 32 a deduction for domestic production activities for the taxable year
- 33 under Section 199 of the Internal Revenue Code for federal
- 34 income tax purposes.
- 35 (9) Subtract income that is:
- 36 (A) exempt from taxation under IC 6-3-2-21.7; and
- 37 (B) included in the insurance company's taxable income under
- 38 the Internal Revenue Code.
- 39 (10) Add an amount equal to any income not included in gross
- 40 income as a result of the deferral of income arising from business
- 41 indebtedness discharged in connection with the reacquisition after
- 42 December 31, 2008, and before January 1, 2011, of an applicable

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1 debt instrument, as provided in Section 108(i) of the Internal
2 Revenue Code. Subtract from the adjusted gross income of any
3 taxpayer that added an amount to adjusted gross income in a
4 previous year the amount necessary to offset the amount included
5 in federal gross income as a result of the deferral of income
6 arising from business indebtedness discharged in connection with
7 the reacquisition after December 31, 2008, and before January 1,
8 2011, of an applicable debt instrument, as provided in Section
9 108(i) of the Internal Revenue Code.

10 (11) Add the amount necessary to make the adjusted gross income
11 of any taxpayer that placed qualified restaurant property in service
12 during the taxable year and that was classified as 15-year property
13 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
14 to the amount of adjusted gross income that would have been
15 computed had the classification not applied to the property in the
16 year that it was placed in service.

17 (12) Add the amount necessary to make the adjusted gross income
18 of any taxpayer that placed qualified retail improvement property
19 in service during the taxable year and that was classified as
20 15-year property under Section 168(e)(3)(E)(ix) of the Internal
21 Revenue Code equal to the amount of adjusted gross income that
22 would have been computed had the classification not applied to
23 the property in the year that it was placed in service.

24 (13) Add or subtract the amount necessary to make the adjusted
25 gross income of any taxpayer that claimed the special allowance
26 for qualified disaster assistance property under Section 168(n) of
27 the Internal Revenue Code equal to the amount of adjusted gross
28 income that would have been computed had the special allowance
29 not been claimed for the property.

30 (14) Add or subtract the amount necessary to make the adjusted
31 gross income of any taxpayer that made an election under Section
32 179C of the Internal Revenue Code to expense costs for qualified
33 refinery property equal to the amount of adjusted gross income
34 that would have been computed had an election for federal
35 income tax purposes not been made for the year.

36 (15) Add or subtract the amount necessary to make the adjusted
37 gross income of any taxpayer that made an election under Section
38 181 of the Internal Revenue Code to expense costs for a qualified
39 film or television production equal to the amount of adjusted
40 gross income that would have been computed had an election for
41 federal income tax purposes not been made for the year.

42 (16) Add or subtract the amount necessary to make the adjusted

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1 gross income of any taxpayer that treated a loss from the sale or
2 exchange of preferred stock in:

3 (A) the Federal National Mortgage Association, established
4 under the Federal National Mortgage Association Charter Act
5 (12 U.S.C. 1716 et seq.); or

6 (B) the Federal Home Loan Mortgage Corporation, established
7 under the Federal Home Loan Mortgage Corporation Act (12
8 U.S.C. 1451 et seq.);

9 as an ordinary loss under Section 301 of the Emergency
10 Economic Stabilization Act of 2008 in the current taxable year or
11 in an earlier taxable year equal to the amount of adjusted gross
12 income that would have been computed had the loss not been
13 treated as an ordinary loss.

14 (17) Add an amount equal to any exempt insurance income under
15 Section 953(e) of the Internal Revenue Code that is active
16 financing income under Subpart F of Subtitle A, Chapter 1,
17 Subchapter N of the Internal Revenue Code.

18 **(18) Add the amount necessary to make the adjusted gross**
19 **income of any taxpayer that placed any qualified leasehold**
20 **improvement property in service during the taxable year and**
21 **that was classified as 15-year property under Section**
22 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**
23 **amount of adjusted gross income that would have been**
24 **computed had the classification not applied to the property in**
25 **the year that it was placed into service.**

26 **(19) Add the amount necessary to make the adjusted gross**
27 **income of any taxpayer that placed a motorsports**
28 **entertainment complex in service during the taxable year and**
29 **that was classified as 7-year property under Section**
30 **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**
31 **amount of adjusted gross income that would have been**
32 **computed had the classification not applied to the property in**
33 **the year that it was placed into service.**

34 **(20) Add the amount deducted under Section 195 of the**
35 **Internal Revenue Code for start-up expenditures that exceeds**
36 **the amount the taxpayer could deduct under Section 195 of**
37 **the Internal Revenue Code before it was amended by the**
38 **Small Business Jobs Act of 2010 (P.L. 111-240).**

39 **(21) Add the amount deducted from gross income under**
40 **Section 198 of the Internal Revenue Code for the expensing of**
41 **environmental remediation costs.**

42 **(22) Add the amount deducted from gross income under**

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1 **Section 179E of the Internal Revenue Code for any qualified**
2 **advanced mine safety equipment property.**

3 (d) In the case of insurance companies subject to tax under Section
4 831 of the Internal Revenue Code and organized under Indiana law, the
5 same as "taxable income" (as defined in Section 832 of the Internal
6 Revenue Code), adjusted as follows:

7 (1) Subtract income that is exempt from taxation under this article
8 by the Constitution and statutes of the United States.

9 (2) Add an amount equal to any deduction allowed or allowable
10 under Section 170 of the Internal Revenue Code.

11 (3) Add an amount equal to a deduction allowed or allowable
12 under Section 805 or Section 831(c) of the Internal Revenue Code
13 for taxes based on or measured by income and levied at the state
14 level by any state.

15 (4) Subtract an amount equal to the amount included in the
16 company's taxable income under Section 78 of the Internal
17 Revenue Code.

18 (5) Add or subtract the amount necessary to make the adjusted
19 gross income of any taxpayer that owns property for which bonus
20 depreciation was allowed in the current taxable year or in an
21 earlier taxable year equal to the amount of adjusted gross income
22 that would have been computed had an election not been made
23 under Section 168(k) of the Internal Revenue Code to apply bonus
24 depreciation to the property in the year that it was placed in
25 service.

26 (6) Add an amount equal to any deduction allowed under Section
27 172 of the Internal Revenue Code.

28 (7) Add or subtract the amount necessary to make the adjusted
29 gross income of any taxpayer that placed Section 179 property (as
30 defined in Section 179 of the Internal Revenue Code) in service
31 in the current taxable year or in an earlier taxable year equal to
32 the amount of adjusted gross income that would have been
33 computed had an election for federal income tax purposes not
34 been made for the year in which the property was placed in
35 service to take deductions under Section 179 of the Internal
36 Revenue Code in a total amount exceeding twenty-five thousand
37 dollars (\$25,000).

38 (8) Add an amount equal to the amount that a taxpayer claimed as
39 a deduction for domestic production activities for the taxable year
40 under Section 199 of the Internal Revenue Code for federal
41 income tax purposes.

42 (9) Subtract income that is:

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- 1 (A) exempt from taxation under IC 6-3-2-21.7; and
- 2 (B) included in the insurance company's taxable income under
- 3 the Internal Revenue Code.
- 4 (10) Add an amount equal to any income not included in gross
- 5 income as a result of the deferral of income arising from business
- 6 indebtedness discharged in connection with the reacquisition after
- 7 December 31, 2008, and before January 1, 2011, of an applicable
- 8 debt instrument, as provided in Section 108(i) of the Internal
- 9 Revenue Code. Subtract from the adjusted gross income of any
- 10 taxpayer that added an amount to adjusted gross income in a
- 11 previous year the amount necessary to offset the amount included
- 12 in federal gross income as a result of the deferral of income
- 13 arising from business indebtedness discharged in connection with
- 14 the reacquisition after December 31, 2008, and before January 1,
- 15 2011, of an applicable debt instrument, as provided in Section
- 16 108(i) of the Internal Revenue Code.
- 17 (11) Add the amount necessary to make the adjusted gross income
- 18 of any taxpayer that placed qualified restaurant property in service
- 19 during the taxable year and that was classified as 15-year property
- 20 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 21 to the amount of adjusted gross income that would have been
- 22 computed had the classification not applied to the property in the
- 23 year that it was placed in service.
- 24 (12) Add the amount necessary to make the adjusted gross income
- 25 of any taxpayer that placed qualified retail improvement property
- 26 in service during the taxable year and that was classified as
- 27 15-year property under Section 168(e)(3)(E)(ix) of the Internal
- 28 Revenue Code equal to the amount of adjusted gross income that
- 29 would have been computed had the classification not applied to
- 30 the property in the year that it was placed in service.
- 31 (13) Add or subtract the amount necessary to make the adjusted
- 32 gross income of any taxpayer that claimed the special allowance
- 33 for qualified disaster assistance property under Section 168(n) of
- 34 the Internal Revenue Code equal to the amount of adjusted gross
- 35 income that would have been computed had the special allowance
- 36 not been claimed for the property.
- 37 (14) Add or subtract the amount necessary to make the adjusted
- 38 gross income of any taxpayer that made an election under Section
- 39 179C of the Internal Revenue Code to expense costs for qualified
- 40 refinery property equal to the amount of adjusted gross income
- 41 that would have been computed had an election for federal
- 42 income tax purposes not been made for the year.

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- 1 (15) Add or subtract the amount necessary to make the adjusted
- 2 gross income of any taxpayer that made an election under Section
- 3 181 of the Internal Revenue Code to expense costs for a qualified
- 4 film or television production equal to the amount of adjusted
- 5 gross income that would have been computed had an election for
- 6 federal income tax purposes not been made for the year.
- 7 (16) Add or subtract the amount necessary to make the adjusted
- 8 gross income of any taxpayer that treated a loss from the sale or
- 9 exchange of preferred stock in:
- 10 (A) the Federal National Mortgage Association, established
- 11 under the Federal National Mortgage Association Charter Act
- 12 (12 U.S.C. 1716 et seq.); or
- 13 (B) the Federal Home Loan Mortgage Corporation, established
- 14 under the Federal Home Loan Mortgage Corporation Act (12
- 15 U.S.C. 1451 et seq.);
- 16 as an ordinary loss under Section 301 of the Emergency
- 17 Economic Stabilization Act of 2008 in the current taxable year or
- 18 in an earlier taxable year equal to the amount of adjusted gross
- 19 income that would have been computed had the loss not been
- 20 treated as an ordinary loss.
- 21 (17) Add an amount equal to any exempt insurance income under
- 22 Section 953(e) of the Internal Revenue Code that is active
- 23 financing income under Subpart F of Subtitle A, Chapter 1,
- 24 Subchapter N of the Internal Revenue Code.
- 25 **(18) Add the amount necessary to make the adjusted gross**
- 26 **income of any taxpayer that placed any qualified leasehold**
- 27 **improvement property in service during the taxable year and**
- 28 **that was classified as 15-year property under Section**
- 29 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**
- 30 **amount of adjusted gross income that would have been**
- 31 **computed had the classification not applied to the property in**
- 32 **the year that it was placed into service.**
- 33 **(19) Add the amount necessary to make the adjusted gross**
- 34 **income of any taxpayer that placed a motorsports**
- 35 **entertainment complex in service during the taxable year and**
- 36 **that was classified as 7-year property under Section**
- 37 **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**
- 38 **amount of adjusted gross income that would have been**
- 39 **computed had the classification not applied to the property in**
- 40 **the year that it was placed into service.**
- 41 **(20) Add the amount deducted under Section 195 of the**
- 42 **Internal Revenue Code for start-up expenditures that exceeds**

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1 **the amount the taxpayer could deduct under Section 195 of**
 2 **the Internal Revenue Code before it was amended by the**
 3 **Small Business Jobs Act of 2010 (P.L. 111-240).**
 4 **(21) Add the amount deducted from gross income under**
 5 **Section 198 of the Internal Revenue Code for the expensing of**
 6 **environmental remediation costs.**
 7 **(22) Add the amount deducted from gross income under**
 8 **Section 179E of the Internal Revenue Code for any qualified**
 9 **advanced mine safety equipment property.**
 10 (e) In the case of trusts and estates, "taxable income" (as defined for
 11 trusts and estates in Section 641(b) of the Internal Revenue Code)
 12 adjusted as follows:
 13 (1) Subtract income that is exempt from taxation under this article
 14 by the Constitution and statutes of the United States.
 15 (2) Subtract an amount equal to the amount of a September 11
 16 terrorist attack settlement payment included in the federal
 17 adjusted gross income of the estate of a victim of the September
 18 11 terrorist attack or a trust to the extent the trust benefits a victim
 19 of the September 11 terrorist attack.
 20 (3) Add or subtract the amount necessary to make the adjusted
 21 gross income of any taxpayer that owns property for which bonus
 22 depreciation was allowed in the current taxable year or in an
 23 earlier taxable year equal to the amount of adjusted gross income
 24 that would have been computed had an election not been made
 25 under Section 168(k) of the Internal Revenue Code to apply bonus
 26 depreciation to the property in the year that it was placed in
 27 service.
 28 (4) Add an amount equal to any deduction allowed under Section
 29 172 of the Internal Revenue Code.
 30 (5) Add or subtract the amount necessary to make the adjusted
 31 gross income of any taxpayer that placed Section 179 property (as
 32 defined in Section 179 of the Internal Revenue Code) in service
 33 in the current taxable year or in an earlier taxable year equal to
 34 the amount of adjusted gross income that would have been
 35 computed had an election for federal income tax purposes not
 36 been made for the year in which the property was placed in
 37 service to take deductions under Section 179 of the Internal
 38 Revenue Code in a total amount exceeding twenty-five thousand
 39 dollars (\$25,000).
 40 (6) Add an amount equal to the amount that a taxpayer claimed as
 41 a deduction for domestic production activities for the taxable year
 42 under Section 199 of the Internal Revenue Code for federal

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1 income tax purposes.
 2 (7) Subtract income that is:
 3 (A) exempt from taxation under IC 6-3-2-21.7; and
 4 (B) included in the taxpayer's taxable income under the
 5 Internal Revenue Code.
 6 (8) Add an amount equal to any income not included in gross
 7 income as a result of the deferral of income arising from business
 8 indebtedness discharged in connection with the reacquisition after
 9 December 31, 2008, and before January 1, 2011, of an applicable
 10 debt instrument, as provided in Section 108(i) of the Internal
 11 Revenue Code. Subtract from the adjusted gross income of any
 12 taxpayer that added an amount to adjusted gross income in a
 13 previous year the amount necessary to offset the amount included
 14 in federal gross income as a result of the deferral of income
 15 arising from business indebtedness discharged in connection with
 16 the reacquisition after December 31, 2008, and before January 1,
 17 2011, of an applicable debt instrument, as provided in Section
 18 108(i) of the Internal Revenue Code.
 19 (9) Add the amount necessary to make the adjusted gross income
 20 of any taxpayer that placed qualified restaurant property in service
 21 during the taxable year and that was classified as 15-year property
 22 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 23 to the amount of adjusted gross income that would have been
 24 computed had the classification not applied to the property in the
 25 year that it was placed in service.
 26 (10) Add the amount necessary to make the adjusted gross income
 27 of any taxpayer that placed qualified retail improvement property
 28 in service during the taxable year and that was classified as
 29 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 30 Revenue Code equal to the amount of adjusted gross income that
 31 would have been computed had the classification not applied to
 32 the property in the year that it was placed in service.
 33 (11) Add or subtract the amount necessary to make the adjusted
 34 gross income of any taxpayer that claimed the special allowance
 35 for qualified disaster assistance property under Section 168(n) of
 36 the Internal Revenue Code equal to the amount of adjusted gross
 37 income that would have been computed had the special allowance
 38 not been claimed for the property.
 39 (12) Add or subtract the amount necessary to make the adjusted
 40 gross income of any taxpayer that made an election under Section
 41 179C of the Internal Revenue Code to expense costs for qualified
 42 refinery property equal to the amount of adjusted gross income

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that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(15) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(16) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(17) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(18) Add the amount deducted under Section 195 of the

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Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(21) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).

SECTION 9. IC 6-3-1-11, AS AMENDED BY P.L.113-2010, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 11. (a) **Except as provided in subsection (d)**, the term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended

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1 and in effect on January 1, ~~2010~~ **2011**.

2 (b) Whenever the Internal Revenue Code is mentioned in this
3 article, the particular provisions that are referred to, together with all
4 the other provisions of the Internal Revenue Code in effect on January
5 1, ~~2010~~ **2011**, that pertain to the provisions specifically mentioned,
6 shall be regarded as incorporated in this article by reference and have
7 the same force and effect as though fully set forth in this article. To the
8 extent the provisions apply to this article, regulations adopted under
9 Section 7805(a) of the Internal Revenue Code and in effect on January
10 1, ~~2010~~ **2011**, shall be regarded as rules adopted by the department
11 under this article, unless the department adopts specific rules that
12 supersede the regulation.

13 (c) An amendment to the Internal Revenue Code made by an act
14 passed by Congress before January 1, ~~2010~~ **2011**, that is effective for
15 any taxable year that began before January 1, ~~2010~~ **2011**, and that
16 affects:

- 17 (1) individual adjusted gross income (as defined in Section 62 of
18 the Internal Revenue Code);
- 19 (2) corporate taxable income (as defined in Section 63 of the
20 Internal Revenue Code);
- 21 (3) trust and estate taxable income (as defined in Section 641(b)
22 of the Internal Revenue Code);
- 23 (4) life insurance company taxable income (as defined in Section
24 801(b) of the Internal Revenue Code);
- 25 (5) mutual insurance company taxable income (as defined in
26 Section 821(b) of the Internal Revenue Code); or
- 27 (6) taxable income (as defined in Section 832 of the Internal
28 Revenue Code);

29 is also effective for that same taxable year for purposes of determining
30 adjusted gross income under section 3.5 of this chapter.

31 **(d) The following provisions of the Internal Revenue Code that**
32 **were amended by the Tax Relief Act, Unemployment Insurance**
33 **Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are**
34 **treated as though they were not amended by the Tax Relief Act,**
35 **Unemployment Insurance Reauthorization, and Job Creation Act**
36 **of 2010 (P.L. 111-312):**

- 37 (1) Section 1367(a)(2) of the Internal Revenue Code
38 pertaining to an adjustment of basis of the stock of
39 shareholders.
- 40 (2) Section 871(k)(1)(c) and 871(k)(2)(C) of the Internal
41 Revenue Code pertaining the treatment of certain dividends
42 of regulated investment companies.

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- 1 **(3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code**
- 2 **pertaining to regulated investment companies qualified entity**
- 3 **treatment.**
- 4 **(4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code**
- 5 **pertaining to the modification of tax treatment of certain**
- 6 **payments to controlling exempt organizations.**
- 7 **(5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code**
- 8 **pertaining to the limitations on percentage depletion in the**
- 9 **case of oil and gas wells.**
- 10 **(6) Section 451(i)(3) of the Internal Revenue Code pertaining**
- 11 **to special rule for sales or dispositions to implement Federal**
- 12 **Energy Regulatory Commission or state electric restructuring**
- 13 **policy for qualified electric utilities.**
- 14 **(7) Section 954(c)(6) of the Internal Revenue Code pertaining**
- 15 **to the look-through treatment of payments between related**
- 16 **controlled foreign corporation under foreign personal holding**
- 17 **company rules.**

18 **The department shall develop forms and adopt any necessary rules**
 19 **under IC 4-22-2 to implement this subsection.**

20 SECTION 10. IC 6-3-2-1.3 IS ADDED TO THE INDIANA CODE
 21 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 22 **NOVEMBER 6, 2009 (RETROACTIVE)]: Sec. 1.3. The amendments**
 23 **to sections 2.5 and 2.6 of this chapter made during the 2011 regular**
 24 **session of the general assembly are intended to be clarifications of**
 25 **the law and not a substantive change in the law.**

26 SECTION 11. IC 6-3-2-2.5, AS AMENDED BY P.L.113-2010,
 27 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 NOVEMBER 6, 2009 (RETROACTIVE)]: Sec. 2.5. (a) This section
 29 applies to a resident person.

30 (b) Resident persons are entitled to a net operating loss deduction.
 31 The amount of the deduction taken in a taxable year may not exceed
 32 the taxpayer's unused Indiana net operating losses carried back or
 33 carried over to that year.

34 (c) An Indiana net operating loss equals the taxpayer's federal net
 35 operating loss for a taxable year as calculated under Section 172 of the
 36 Internal Revenue Code, adjusted for the modifications required by
 37 IC 6-3-1-3.5.

- 38 (d) The following provisions apply for purposes of subsection (c):
- 39 (1) The modifications that are to be applied are those
- 40 modifications required under IC 6-3-1-3.5 for the same taxable
- 41 year in which each net operating loss was incurred.
- 42 (2) An Indiana net operating loss includes a net operating loss that

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1 arises when the modifications required by IC 6-3-1-3.5 exceed the
 2 taxpayer's federal adjusted gross income (as defined in Section 62
 3 of the Internal Revenue Code) for the taxable year in which the
 4 Indiana net operating loss is determined.

5 (e) Subject to the limitations contained in subsection (g), an Indiana
 6 net operating loss carryback or carryover shall be available as a
 7 deduction from the taxpayer's adjusted gross income (as defined in
 8 IC 6-3-1-3.5) in the carryback or carryover year provided in subsection
 9 (f).

10 (f) Carrybacks and carryovers shall be determined under this
 11 subsection as follows:

12 (1) An Indiana net operating loss shall be an Indiana net operating
 13 loss carryback to each of the carryback years preceding the
 14 taxable year of the loss.

15 (2) An Indiana net operating loss shall be an Indiana net operating
 16 loss carryover to each of the carryover years following the taxable
 17 year of the loss.

18 (3) Carryback years shall be determined by reference to the
 19 number of years allowed for carrying back a net operating loss
 20 under Section 172(b) of the Internal Revenue Code. However,
 21 with respect to the carryback period for a net operating loss:

22 (A) for which a taxpayer made an election to use ~~five (5) years~~
 23 ~~instead of two (2) years~~ **a period of more than two (2) years**
 24 **and less than six (6) years** under Section 172(b)(1)(H) of the
 25 Internal Revenue Code, two (2) years shall be used instead of
 26 ~~five (5) years; the period elected by the taxpayer;~~ or

27 (B) that is a qualified disaster loss for which the taxpayer
 28 elected to have the net operating loss carryback period with
 29 respect to the loss year determined without regard to Section
 30 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall
 31 be used.

32 (4) Carryover years shall be determined by reference to the
 33 number of years allowed for carrying over net operating losses
 34 under Section 172(b) of the Internal Revenue Code.

35 (5) A taxpayer who makes an election under Section 172(b)(3) of
 36 the Internal Revenue Code to relinquish the carryback period with
 37 respect to a net operating loss for any taxable year shall be
 38 considered to have also relinquished the carryback of the Indiana
 39 net operating loss for purposes of this section.

40 (g) The entire amount of the Indiana net operating loss for any
 41 taxable year shall be carried to the earliest of the taxable years to which
 42 (as determined under subsection (f)) the loss may be carried. The

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1 amount of the Indiana net operating loss remaining after the deduction
 2 is taken under this section in a taxable year may be carried back or
 3 carried over as provided in subsection (f). The amount of the Indiana
 4 net operating loss carried back or carried over from year to year shall
 5 be reduced to the extent that the Indiana net operating loss carryback
 6 or carryover is used by the taxpayer to obtain a deduction in a taxable
 7 year until the occurrence of the earlier of the following:

8 (1) The entire amount of the Indiana net operating loss has been
 9 used as a deduction.

10 (2) The Indiana net operating loss has been carried over to each
 11 of the carryover years provided by subsection (f).

12 SECTION 12. IC 6-3-2-2.6, AS AMENDED BY P.L.113-2010,
 13 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 NOVEMBER 6, 2009 (RETROACTIVE)]: Sec. 2.6. (a) This section
 15 applies to a corporation or a nonresident person.

16 (b) Corporations and nonresident persons are entitled to a net
 17 operating loss deduction. The amount of the deduction taken in a
 18 taxable year may not exceed the taxpayer's unused Indiana net
 19 operating losses carried back or carried over to that year.

20 (c) An Indiana net operating loss equals the taxpayer's federal net
 21 operating loss for a taxable year as calculated under Section 172 of the
 22 Internal Revenue Code, derived from sources within Indiana and
 23 adjusted for the modifications required by IC 6-3-1-3.5.

24 (d) The following provisions apply for purposes of subsection (c):

25 (1) The modifications that are to be applied are those
 26 modifications required under IC 6-3-1-3.5 for the same taxable
 27 year in which each net operating loss was incurred.

28 (2) The amount of the taxpayer's net operating loss that is derived
 29 from sources within Indiana shall be determined in the same
 30 manner that the amount of the taxpayer's adjusted income derived
 31 from sources within Indiana is determined under section 2 of this
 32 chapter for the same taxable year during which each loss was
 33 incurred.

34 (3) An Indiana net operating loss includes a net operating loss that
 35 arises when the modifications required by IC 6-3-1-3.5 exceed the
 36 taxpayer's federal taxable income (as defined in Section 63 of the
 37 Internal Revenue Code), if the taxpayer is a corporation, or when
 38 the modifications required by IC 6-3-1-3.5 exceed the taxpayer's
 39 federal adjusted gross income (as defined by Section 62 of the
 40 Internal Revenue Code), if the taxpayer is a nonresident person,
 41 for the taxable year in which the Indiana net operating loss is
 42 determined.

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1 (e) Subject to the limitations contained in subsection (g), an Indiana
 2 net operating loss carryback or carryover shall be available as a
 3 deduction from the taxpayer's adjusted gross income derived from
 4 sources within Indiana (as defined in section 2 of this chapter) in the
 5 carryback or carryover year provided in subsection (f).

6 (f) Carrybacks and carryovers shall be determined under this
 7 subsection as follows:

8 (1) An Indiana net operating loss shall be an Indiana net operating
 9 loss carryback to each of the carryback years preceding the
 10 taxable year of the loss.

11 (2) An Indiana net operating loss shall be an Indiana net operating
 12 loss carryover to each of the carryover years following the taxable
 13 year of the loss.

14 (3) Carryback years shall be determined by reference to the
 15 number of years allowed for carrying back a net operating loss
 16 under Section 172(b) of the Internal Revenue Code. However,
 17 with respect to the carryback period for a net operating loss:

18 (A) for which a taxpayer made an election to use ~~five (5) years~~
 19 ~~instead of two (2) years~~ **a period of more than two (2) years**
 20 **and less than six (6) years** under Section 172(b)(1)(H) of the
 21 Internal Revenue Code, two (2) years shall be used instead of
 22 ~~five (5) years~~; **the period elected by the taxpayer**; or

23 (B) that is a qualified disaster loss for which the taxpayer
 24 elected to have the net operating loss carryback period with
 25 respect to the loss year determined without regard to Section
 26 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall
 27 be used.

28 (4) Carryover years shall be determined by reference to the
 29 number of years allowed for carrying over net operating losses
 30 under Section 172(b) of the Internal Revenue Code.

31 (5) A taxpayer who makes an election under Section 172(b)(3) of
 32 the Internal Revenue Code to relinquish the carryback period with
 33 respect to a net operating loss for any taxable year shall be
 34 considered to have also relinquished the carryback of the Indiana
 35 net operating loss for purposes of this section.

36 (g) The entire amount of the Indiana net operating loss for any
 37 taxable year shall be carried to the earliest of the taxable years to which
 38 (as determined under subsection (f)) the loss may be carried. The
 39 amount of the Indiana net operating loss remaining after the deduction
 40 is taken under this section in a taxable year may be carried back or
 41 carried over as provided in subsection (f). The amount of the Indiana
 42 net operating loss carried back or carried over from year to year shall

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1 be reduced to the extent that the Indiana net operating loss carryback
 2 or carryover is used by the taxpayer to obtain a deduction in a taxable
 3 year until the occurrence of the earlier of the following:

4 (1) The entire amount of the Indiana net operating loss has been
 5 used as a deduction.

6 (2) The Indiana net operating loss has been carried over to each
 7 of the carryover years provided by subsection (f).

8 (h) An Indiana net operating loss deduction determined under this
 9 section shall be allowed notwithstanding the fact that in the year the
 10 taxpayer incurred the net operating loss the taxpayer was not subject to
 11 the tax imposed under section 1 of this chapter because the taxpayer
 12 was:

13 (1) a life insurance company (as defined in Section 816(a) of the
 14 Internal Revenue Code); or

15 (2) an insurance company subject to tax under Section 831 of the
 16 Internal Revenue Code.

17 (i) In the case of a life insurance company that claims an operations
 18 loss deduction under Section 810 of the Internal Revenue Code, this
 19 section shall be applied by:

20 (1) substituting the corresponding provisions of Section 810 of the
 21 Internal Revenue Code in place of references to Section 172 of
 22 the Internal Revenue Code; and

23 (2) substituting life insurance company taxable income (as
 24 defined in Section 801 the Internal Revenue Code) in place of
 25 references to taxable income (as defined in Section 63 of the
 26 Internal Revenue Code).

27 (j) For purposes of an amended return filed to carry back an Indiana
 28 net operating loss:

29 (1) the term "due date of the return", as used in IC 6-8.1-9-1(a)(1),
 30 means the due date of the return for the taxable year in which the
 31 net operating loss was incurred; and

32 (2) the term "date the payment was due", as used in
 33 IC 6-8.1-9-2(c), means the due date of the return for the taxable
 34 year in which the net operating loss was incurred.

35 SECTION 13. IC 6-3-4-3 IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2012]: Sec. 3. Returns required to be
 37 made pursuant to section 1 of this chapter shall be filed with the
 38 department on or before the **later of the following**:

39 (1) **The 15th day of the fourth month following the close of the**
 40 **taxable year.**

41 (2) **For a corporation whose federal tax return is due on or**
 42 **before the date set forth in subdivision (1), as determined**

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1 **without regard to any extensions, weekends, or holidays, the**
2 **15th day of the month following the due date of the federal tax**
3 **return.**

4 SECTION 14. IC 6-3-4-8, AS AMENDED BY P.L.131-2008,
5 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 8. (a) Except as provided
7 in subsection (d), ~~or (f)~~; every employer making payments of wages
8 subject to tax under this article, regardless of the place where such
9 payment is made, who is required under the provisions of the Internal
10 Revenue Code to withhold, collect, and pay over income tax on wages
11 paid by such employer to such employee, shall, at the time of payment
12 of such wages, deduct and retain therefrom the amount prescribed in
13 withholding instructions issued by the department. The department
14 shall base its withholding instructions on the adjusted gross income tax
15 rate for persons, on the total rates of any income taxes that the taxpayer
16 is subject to under IC 6-3.5, and on the total amount of exclusions the
17 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
18 However, the withholding instructions on the adjusted gross income of
19 a nonresident alien (as defined in Section 7701 of the Internal Revenue
20 Code) are to be based on applying not more than one (1) withholding
21 exclusion, regardless of the total number of exclusions that
22 IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply
23 on the taxpayer's final return for the taxable year. Such employer
24 making payments of any wages:

25 (1) shall be liable to the state of Indiana for the payment of the tax
26 required to be deducted and withheld under this section and shall
27 not be liable to any individual for the amount deducted from the
28 individual's wages and paid over in compliance or intended
29 compliance with this section; and

30 (2) shall make return of and payment to the department monthly
31 of the amount of tax which under this article and IC 6-3.5 the
32 employer is required to withhold.

33 (b) An employer shall pay taxes withheld under subsection (a)
34 during a particular month to the department no later than thirty (30)
35 days after the end of that month. However, in place of monthly
36 reporting periods, the department may permit an employer to report and
37 pay the tax for:

38 (1) a calendar year reporting period, if the average monthly
39 amount of all tax required to be withheld by the employer in the
40 previous calendar year does not exceed ten dollars (\$10);

41 (2) a six (6) month reporting period, if the average monthly
42 amount of all tax required to be withheld by the employer in the

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1 previous calendar year does not exceed twenty-five dollars (\$25);
 2 or
 3 (3) a three (3) month reporting period, if the average monthly
 4 amount of all tax required to be withheld by the employer in the
 5 previous calendar year does not exceed seventy-five dollars (\$75).

6 An employer using a reporting period (other than a monthly reporting
 7 period) must file the employer's return and pay the tax for a reporting
 8 period no later than the last day of the month immediately following
 9 the close of the reporting period. If an employer files a combined sales
 10 and withholding tax report, the reporting period for the combined
 11 report is the shortest period required under this section, section 8.1 of
 12 this chapter, or IC 6-2.5-6-1.

13 (c) For purposes of determining whether an employee is subject to
 14 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 15 of an employee as to the employee's county of residence as represented
 16 by the statement of address in forms claiming exemptions for purposes
 17 of withholding, regardless of when the employee supplied the forms.
 18 Every employee shall notify the employee's employer within five (5)
 19 days after any change in the employee's county of residence.

20 (d) A county that makes payments of wages subject to tax under this
 21 article:

- 22 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and
- 23 (2) for the performance of the duties of the precinct election
 24 officer imposed by IC 3 that are performed on election day;

25 is not required, at the time of payment of the wages, to deduct and
 26 retain from the wages the amount prescribed in withholding
 27 instructions issued by the department.

28 (e) Every employer shall, at the time of each payment made by the
 29 employer to the department, deliver to the department a return upon the
 30 form prescribed by the department showing:

- 31 (1) the total amount of wages paid to the employer's employees;
- 32 (2) the amount deducted therefrom in accordance with the
 33 provisions of the Internal Revenue Code;
- 34 (3) the amount of adjusted gross income tax deducted therefrom
 35 in accordance with the provisions of this section;
- 36 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
 37 deducted therefrom in accordance with this section; and
- 38 (5) any other information the department may require.

39 Every employer making a declaration of withholding as provided in this
 40 section shall furnish the employer's employees annually, but not later
 41 than thirty (30) days after the end of the calendar year, a record of the
 42 total amount of adjusted gross income tax and the amount of each

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1 income tax, if any, imposed under IC 6-3.5, withheld from the
2 employees, on the forms prescribed by the department.

3 (f) All money deducted and withheld by an employer shall
4 immediately upon such deduction be the money of the state, and every
5 employer who deducts and retains any amount of money under the
6 provisions of this article shall hold the same in trust for the state of
7 Indiana and for payment thereof to the department in the manner and
8 at the times provided in this article. Any employer may be required to
9 post a surety bond in the sum the department determines to be
10 appropriate to protect the state with respect to money withheld pursuant
11 to this section.

12 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
13 delinquency and penalties shall apply to employers subject to the
14 provisions of this section, and for these purposes any amount deducted
15 or required to be deducted and remitted to the department under this
16 section shall be considered to be the tax of the employer, and with
17 respect to such amount the employer shall be considered the taxpayer.
18 In the case of a corporate or partnership employer, every officer,
19 employee, or member of such employer, who, as such officer,
20 employee, or member is under a duty to deduct and remit such taxes
21 shall be personally liable for such taxes, penalties, and interest.

22 (h) Amounts deducted from wages of an employee during any
23 calendar year in accordance with the provisions of this section shall be
24 considered to be in part payment of the tax imposed on such employee
25 for the employee's taxable year which begins in such calendar year, and
26 a return made by the employer under subsection (b) shall be accepted
27 by the department as evidence in favor of the employee of the amount
28 so deducted from the employee's wages. Where the total amount so
29 deducted exceeds the amount of tax on the employee as computed
30 under this article and IC 6-3.5, the department shall, after examining
31 the return or returns filed by the employee in accordance with this
32 article and IC 6-3.5, refund the amount of the excess deduction.
33 However, under rules promulgated by the department, the excess or any
34 part thereof may be applied to any taxes or other claim due from the
35 taxpayer to the state of Indiana or any subdivision thereof. No refund
36 shall be made to an employee who fails to file the employee's return or
37 returns as required under this article and IC 6-3.5 within two (2) years
38 from the due date of the return or returns. In the event that the excess
39 tax deducted is less than one dollar (\$1), no refund shall be made.

40 (i) This section shall in no way relieve any taxpayer from the
41 taxpayer's obligation of filing a return or returns at the time required
42 under this article and IC 6-3.5, and, should the amount withheld under

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1 the provisions of this section be insufficient to pay the total tax of such
2 taxpayer, such unpaid tax shall be paid at the time prescribed by
3 section 5 of this chapter.

4 (j) Notwithstanding subsection (b), an employer of a domestic
5 service employee that enters into an agreement with the domestic
6 service employee to withhold federal income tax under Section 3402
7 of the Internal Revenue Code may withhold Indiana income tax on the
8 domestic service employee's wages on the employer's Indiana
9 individual income tax return in the same manner as allowed by Section
10 3510 of the Internal Revenue Code.

11 (k) To the extent allowed by Section 1137 of the Social Security
12 Act, an employer of a domestic service employee may report and remit
13 state unemployment insurance contributions on the employee's wages
14 on the employer's Indiana individual income tax return in the same
15 manner as allowed by Section 3510 of the Internal Revenue Code.

16 (l) The department shall adopt rules under IC 4-22-2 to exempt an
17 employer from the duty to deduct and remit from the wages of an
18 employee adjusted gross income tax withholding that would otherwise
19 be required under this section whenever:

20 (1) an employee has at least one (1) qualifying child, as
21 determined under Section 32 of the Internal Revenue Code;

22 (2) the employee is eligible for an earned income tax credit under
23 IC 6-3.1-21;

24 (3) the employee elects to receive advance payments of the earned
25 income tax credit under IC 6-3.1-21 from money that would
26 otherwise be withheld from the employee's wages for adjusted
27 gross income taxes; and

28 (4) the amount that is not deducted and remitted is distributed to
29 the employee; in accordance with the procedures prescribed by
30 the department; as an advance payment of the earned income tax
31 credit for which the employee is eligible under IC 6-3.1-21.

32 The rules must establish the procedures and reports required to carry
33 out this subsection.

34 (m) (I) A person who knowingly fails to remit trust fund money as
35 set forth in this section commits a Class D felony.

36 SECTION 15. IC 6-3.1-21-6, AS AMENDED BY P.L.1-2009,
37 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 6. (a) Except as provided
39 by subsection (b), an individual who is eligible for an earned income
40 tax credit under Section 32 of the Internal Revenue Code, **as it existed**
41 **before being amended by Tax Relief, Unemployment Insurance**
42 **Reauthorization, and Job Creation Act of 2010 (P.L. 111-312), is**

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1 eligible for a credit under this chapter equal to nine percent (9%) of the
2 amount of the federal earned income tax credit that the individual:

- 3 (1) is eligible to receive in the taxable year; and
4 (2) claimed for the taxable year;

5 under Section 32 of the Internal Revenue Code **as it existed before**
6 **being amended by Tax relief, Unemployment Insurance**
7 **Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).**

8 (b) In the case of a nonresident taxpayer or a resident taxpayer
9 residing in Indiana for a period of less than the taxpayer's entire taxable
10 year, the amount of the credit is equal to the product of:

- 11 (1) the amount determined under subsection (a); multiplied by
12 (2) the quotient of the taxpayer's income taxable in Indiana
13 divided by the taxpayer's total income.

14 (c) If the credit amount exceeds the taxpayer's adjusted gross
15 income tax liability for the taxable year, the excess, less any advance
16 payments of the credit made by the taxpayer's employer under
17 IC 6-3-4-8 that reduce the excess, shall be refunded to the taxpayer.

18 SECTION 16. IC 6-3.1-21-8 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. To obtain a credit
20 under this chapter, ~~or the advance payment of a credit under this~~
21 ~~chapter provided under IC 6-3-4-8~~; a taxpayer must claim the advance
22 payment or credit in the manner prescribed by the department of state
23 revenue. The taxpayer shall submit to the department of state revenue
24 all information that the department of state revenue determines is
25 necessary for the calculation of the credit provided by this chapter.

26 SECTION 17. IC 6-4.1-4-1, AS AMENDED BY P.L.6-2010,
27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2011]: Sec. 1. (a) Except as otherwise provided in section 0.5
29 of this chapter or in IC 6-4.1-5-8, the personal representative of a
30 resident decedent's estate or the trustee or transferee of property
31 transferred by the decedent shall file an inheritance tax return with the
32 appropriate probate court within nine (9) months after the date of the
33 decedent's death. The person filing the return shall file it under oath on
34 the forms prescribed by the department of state revenue. The return
35 shall:

- 36 (1) contain a statement of all property interests transferred by the
37 decedent under taxable transfers known to the person filing the
38 return;
39 (2) indicate the fair market value, as of the appraisal date
40 prescribed by IC 6-4.1-5-1.5, of each property interest included in
41 the statement;
42 (3) contain an itemized list of all inheritance tax deductions

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1 claimed with respect to property interests included in the
2 statement;
3 (4) contain a list which indicates the name and address of each
4 transferee of the property interests included in the statement and
5 which indicates the total value of the property interests transferred
6 to each transferee; ~~and~~
7 (5) contain the name and address of the attorney for the personal
8 representative or for the person filing the return; **and**
9 **(6) contain a copy of all appraisals or other evidence of**
10 **property valuation as prescribed by section 1.5 of this**
11 **chapter.**
12 (b) If the decedent died testate, the person filing the return shall
13 attach a copy of the decedent's will to the return.
14 **(c) If a decedent disposed of any property by trust, contract, or**
15 **other document, the person filing the return shall attach a copy of**
16 **any such document, other than contracts solely indicating**
17 **beneficiary designations, to the return.**
18 SECTION 18. IC 6-4.1-4-1.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2011]: **Sec. 1.5. (a) If a decedent transferred**
21 **real estate, tangible or intangible personal property, including**
22 **business interests, subject to tax under this article, the person filing**
23 **the return shall obtain an appraisal for all such property in order**
24 **to determine the fair market value of the property.**
25 **(b) For purposes of real estate valuation, an appraisal must be**
26 **obtained from a licensed real estate appraiser or licensed real**
27 **estate broker under IC 25-34.1-3.**
28 **(c) For purposes of appraising business interests not traded on**
29 **a national or regional securities or commodities exchange, an**
30 **appraisal must be obtained from an individual accredited to value**
31 **such business interests.**
32 **(d) For purposes of appraising tangible personal property, a**
33 **person filing an inheritance tax return may obtain:**
34 **(1) an appraisal by an individual whose ordinary trade or**
35 **business includes the valuation of tangible personal property**
36 **for which the appraisal is sought; or**
37 **(2) a valuation from a commonly recognized publication that**
38 **provides standard valuations of the tangible personal**
39 **property for which an appraisal is sought.**
40 **(e) Except as provided in subsection (h), if any real property,**
41 **tangible personal property, or intangible personal property listed**
42 **on the inheritance tax return is sold in an arms length transaction**

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within twelve (12) months of the decedent's date of death, the sale price of the property is presumed to be the fair market value of the property. However, this presumption is rebuttable.

(f) Except as provided in subsection (h), if the fair market value of any property is determined by reference to its gross selling price, a copy of a bill of sale or such other documentation from a person or entity who has no beneficial interest in the decedent's estate or property shall be attached to the inheritance tax return.

(g) Except as provided in subsection (h), if the fair marked value of any property is determined by reference to its gross selling price, an appraisal otherwise required under subsections (b) through (d) is not required for the property sold.

(h) Subsections (e) through (g) do not apply to stocks, bonds, a mutual fund, or other evidence of ownership or indebtedness traded on a public securities or commodities exchange, or the sale of any property interest determined by reference to the value of any stocks, bonds, mutual fund, or other evidence of ownership or indebtedness traded on a public securities or commodities exchange.

(i) Notwithstanding any provision contained in this section, the person filing the return under section 1 of this chapter is not required to obtain an appraisal or other evidence of property valuation for a property interest that passed at the decedent's death solely to:

- (1) the decedent's surviving spouse where the spousal exemption under IC 6-4.1-3-7(a) is available for the entire value of the property interest; or
- (2) one (1) or more nonprofit organizations where the charitable exemption under IC 6-4.1-3-1 is available for the entire value of the property interest.

(j) Notwithstanding subsections (b) through (d), the department may establish guidelines for circumstances:

- (1) in which the requirement of an appraisal may be waived; or
- (2) when an alternative form of valuation may be used.

SECTION 19. IC 6-5.5-1-2, AS AMENDED BY P.L.182-2009(ss), SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

- (1) Add the following amounts:

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- (A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.
- (B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.
- (D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.
- (E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.
- (F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.
- (G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

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(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(M) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(N) Add or subtract the amount necessary to make the adjusted

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gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(O) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(P) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(Q) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(R) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(S) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(T) Add the amount deducted from gross income under

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Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(U) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(V) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(W) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

- (2) Subtract the following amounts:
 - (A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.
 - (B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.
 - (C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.
 - (D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.
 - (E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross

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1 income that would have been computed had an election not
 2 been made under Section 168(k) of the Internal Revenue Code
 3 to apply bonus depreciation.
 4 (F) The amount necessary to make the adjusted gross income
 5 of any taxpayer that placed Section 179 property (as defined
 6 in Section 179 of the Internal Revenue Code) in service in the
 7 current taxable year or in an earlier taxable year equal to the
 8 amount of adjusted gross income that would have been
 9 computed had an election for federal income tax purposes not
 10 been made for the year in which the property was placed in
 11 service to take deductions under Section 179 of the Internal
 12 Revenue Code in a total amount exceeding twenty-five
 13 thousand dollars (\$25,000).
 14 (G) Income that is:
 15 (i) exempt from taxation under IC 6-3-2-21.7; and
 16 (ii) included in the taxpayer's taxable income under the
 17 Internal Revenue Code.
 18 (b) In the case of a credit union, "adjusted gross income" for a
 19 taxable year means the total transfers to undivided earnings minus
 20 dividends for that taxable year after statutory reserves are set aside
 21 under IC 28-7-1-24.
 22 (c) In the case of an investment company, "adjusted gross income"
 23 means the company's federal taxable income multiplied by the quotient
 24 of:
 25 (1) the aggregate of the gross payments collected by the company
 26 during the taxable year from old and new business upon
 27 investment contracts issued by the company and held by residents
 28 of Indiana; divided by
 29 (2) the total amount of gross payments collected during the
 30 taxable year by the company from the business upon investment
 31 contracts issued by the company and held by persons residing
 32 within Indiana and elsewhere.
 33 (d) As used in subsection (c), "investment company" means a
 34 person, copartnership, association, limited liability company, or
 35 corporation, whether domestic or foreign, that:
 36 (1) is registered under the Investment Company Act of 1940 (15
 37 U.S.C. 80a-1 et seq.); and
 38 (2) solicits or receives a payment to be made to itself and issues
 39 in exchange for the payment:
 40 (A) a so-called bond;
 41 (B) a share;
 42 (C) a coupon;

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1 (D) a certificate of membership;
 2 (E) an agreement;
 3 (F) a pretended agreement; or
 4 (G) other evidences of obligation;
 5 entitling the holder to anything of value at some future date, if the
 6 gross payments received by the company during the taxable year
 7 on outstanding investment contracts, plus interest and dividends
 8 earned on those contracts (by prorating the interest and dividends
 9 earned on investment contracts by the same proportion that
 10 certificate reserves (as defined by the Investment Company Act
 11 of 1940) is to the company's total assets) is at least fifty percent
 12 (50%) of the company's gross payments upon investment
 13 contracts plus gross income from all other sources except
 14 dividends from subsidiaries for the taxable year. The term
 15 "investment contract" means an instrument listed in clauses (A)
 16 through (G).

17 SECTION 20. IC 7.1-3-21-15, AS AMENDED BY P.L.224-2005,
 18 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2012]: Sec. 15. (a) The commission shall not issue,
 20 renew, or transfer a wholesaler, retailer, dealer, or other permit of any
 21 type if the applicant:

- 22 (1) is seeking a renewal and the applicant has not paid all the
- 23 property taxes under IC 6-1.1 and the innkeeper's tax under IC 6-9
- 24 that are due currently;
- 25 (2) is seeking a transfer and the applicant has not paid all the
- 26 property taxes under IC 6-1.1 and innkeeper's tax under IC 6-9 for
- 27 the assessment periods during which the transferor held the
- 28 permit; or
- 29 (3) is on the most recent tax warrant list supplied to the
- 30 commission by the department of state revenue.

31 (b) The commission shall issue, renew, or transfer a permit that the
 32 commission denied under subsection (a) when the appropriate one (1)
 33 of the following occurs:

- 34 (1) The person, if seeking a renewal, provides to the commission
- 35 a statement from the county treasurer of the county in which the
- 36 property of the applicant was assessed indicating that all the
- 37 property taxes under IC 6-1.1 and, in a county where the county
- 38 treasurer collects the innkeeper's tax, the innkeeper's tax under
- 39 IC 6-9 that were delinquent have been paid.
- 40 (2) The person, if seeking a transfer of ownership, provides to the
- 41 commission a statement from the county treasurer of the county
- 42 in which the property of the transferor was assessed indicating

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1 that all the property taxes under IC 6-1.1 and, in a county where
2 the county treasurer collects the innkeeper's tax, the innkeeper's
3 tax under IC 6-9 have been paid for the assessment periods during
4 which the transferor held the permit.

5 (3) The person provides to the commission a statement from the
6 commissioner of the department of state revenue indicating that
7 the person's ~~delinquent tax liability tax warrant~~ has been
8 satisfied, including any delinquency in innkeeper's tax if the state
9 collects the innkeeper's tax for the county in which the person
10 seeks the permit.

11 (4) The commission receives a notice from the commissioner of
12 the department of state revenue under IC 6-8.1-8-2(k).

13 ~~(c) An applicant may not be considered delinquent in the payment
14 of listed taxes if the applicant has filed a proper protest under
15 IC 6-8.1-5-1 contesting the remittance of those taxes. The applicant
16 shall be considered delinquent in the payment of those taxes if the
17 applicant does not remit the taxes owed to the state department of
18 revenue after a final determination on the protest is made by the
19 department of state revenue.~~

20 ~~(d) (c) The commission may require that an applicant for the
21 issuance, renewal, or transfer of a wholesaler's, retailer's, or dealer's, or
22 other permit of any type furnish proof of the payment of a listed tax (as
23 defined by IC 6-8.1-1-1), tax warrant, or taxes imposed by IC 6-1.1.
24 The commission shall allow the applicant to certify, under the penalties
25 for perjury, that the applicant is not delinquent in filing returns or
26 remitting taxes.~~

27 SECTION 21. IC 13-14-1-9 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. (a) The
29 commissioner shall issue permits, licenses, orders, and variances as
30 authorized by:

- 31 (1) this title;
- 32 (2) other statutes; and
- 33 (3) rules of the boards.

34 (b) If the commissioner is notified by the department of state
35 revenue that a person is on the most recent tax warrant list, the
36 commissioner may not issue a permit or license to the applicant until:

- 37 (1) the applicant provides a statement to the commissioner from
38 the department of state revenue indicating that the applicant's
39 ~~delinquent tax liability tax warrant~~ has been satisfied; or
- 40 (2) the commissioner receives a notice from the commissioner of
41 the department of state revenue under IC 6-8.1-8-2(k).

42 SECTION 22. IC 16-21-2-11, AS AMENDED BY P.L.96-2005,

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1 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2012]: Sec. 11. (a) An applicant must submit an
3 application for a license on a form prepared by the state department
4 showing that:

- 5 (1) the applicant is of reputable and responsible character;
- 6 (2) the applicant is able to comply with the minimum standards
7 for a hospital, an ambulatory outpatient surgical center, an
8 abortion clinic, or a birthing center, and with rules adopted under
9 this chapter; and
- 10 (3) the applicant has complied with section 15.4 of this chapter.

11 (b) The application must contain the following additional
12 information:

- 13 (1) The name of the applicant.
- 14 (2) The type of institution to be operated.
- 15 (3) The location of the institution.
- 16 (4) The name of the person to be in charge of the institution.
- 17 (5) If the applicant is a hospital, the range and types of services to
18 be provided under the general hospital license, including any
19 service that would otherwise require licensure by the state
20 department under the authority of IC 16-19.

21 **(6) If the department of state revenue notifies the department**
22 **that a person is on the most recent tax warrant list, the**
23 **department shall not issue or renew the person's license until:**

24 **(A) the person provides to the department a statement**
25 **from the department of state revenue that the person's tax**
26 **warrant has been satisfied; or**

27 **(B) the department receives a notice from the**
28 **commissioner of the department of state revenue under**
29 **IC 6-8.1-8-2(k).**

30 ~~(6)~~ (7) Other information the state department requires.

31 SECTION 23. IC 16-25-3-4 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 4. To obtain a
33 license or approval under this chapter, the hospice program owned or
34 operated by the applicant must:

- 35 (1) meet the minimum standards for certification under the
36 Medicare program (42 U.S.C. 1395 et seq.) and comply with the
37 regulations for hospices under 42 CFR 418.1 et seq.; ~~or~~
- 38 (2) be certified by the Medicare program; ~~or~~

39 **(3) If the department of state revenue notifies the department**
40 **that a person is on the most recent tax warrant list, the**
41 **department shall not issue or renew the person's license until:**

42 **(A) the person provides to the department a statement**

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1 **from the department of state revenue indicating that the**
 2 **person's tax warrant has been satisfied; or**
 3 **(B) the department receives a notice from the**
 4 **commissioner of the department of state revenue under**
 5 **IC 6-8.1-8-2(k).**

6 SECTION 24. IC 16-27-1-8 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) To operate
 8 a home health agency, a person must first obtain a license from the
 9 state health commissioner, unless the person is exempted by a rule
 10 adopted by the state department.

11 (b) The state health commissioner may also permit persons who are
 12 not required to be licensed under this chapter to be voluntarily licensed
 13 if:

- 14 (1) the services provided by the person are substantially similar
 15 to those provided by licensed home health agencies under this
 16 chapter; and
- 17 (2) licensure will assist the person in obtaining:
 - 18 (A) payment for services; or
 - 19 (B) certification.

20 **(c) If the department of state revenue notifies the department**
 21 **that a person is on the most recent tax warrant list, the department**
 22 **shall not issue or renew the person's license until:**

- 23 **(1) the person provides to the department a statement from**
 24 **the department of state revenue indicating that the person's**
 25 **tax warrant has been satisfied; or**
- 26 **(2) the department receives a notice from the commissioner of**
 27 **the department of state revenue under IC 6-8.1-8-2(k).**

28 SECTION 25. IC 16-28-2-3 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. Before the
 30 director may issue a license to a health facility, the director must find
 31 that the health facility, within the care category for which license is
 32 sought, is adequate in each of the following respects:

- 33 (1) The physical structure in which the service is to be performed.
 - 34 (2) The educational level, number, and personal health of the
 35 staff.
 - 36 (3) The financial ability to provide the service to be performed.
 - 37 (4) The equipment with which to perform the service.
 - 38 (5) The operating history of other health facilities owned or
 39 managed by the same person who owns or manages the facility.
- 40 The director may recommend denial of licensure to a new facility
 41 or facility applying for licensure under new ownership where the
 42 owner or manager has a record of operation of other health

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facilities in substantial breach of this chapter or any other law governing health facilities.

(6) If the department of state revenue notifies the department that a person is on the most recent tax warrant list, the department shall not issue or renew the person's license until:

(A) the person provides to the department a statement from the department of state revenue indicating that the person's tax warrant has been satisfied; or

(B) the department receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 26. IC 16-41-35-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 27. (a) A registration under section 26(d) of this chapter is effective until there is a change that may significantly increase the number of sources, source strength, or output of energy of radiation produced. A registration that includes at least one (1) source that subsequently requires licensing under section 26(a) of this chapter expires with respect to that particular source upon the effective date of the license. If a change occurs, the change shall be registered with the state department within thirty (30) days as an amendment to the original registration, unless exempted under rules adopted under this chapter.

(b) The state department shall specify the expiration date for a license in the license.

(c) The governor may, on behalf of the state, enter into an agreement with the federal government providing for discontinuance of certain of the federal government's responsibilities with respect to sources of radiation and the assumption of those responsibilities by the state.

(d) A person who, on the effective date of an agreement under subsection (c), possesses a license issued by the federal government is considered to possess an equivalent license issued under this chapter that expires:

(1) ninety (90) days after receipt from the state department of a notice of expiration of the license; or

(2) on the date of expiration specified in the federal license;

whichever is earlier.

(e) The term of a license issued under this section by the state department is twenty-four (24) months.

(f) The license fee for a new or renewal license is two hundred fifty dollars (\$250).

(g) If the department of state revenue notifies the department that a person is on the most recent tax warrant list, the department

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shall not issue or renew the person's license until:
(1) the person provides to the department a statement from the department of state revenue indicating that the person's tax warrant has been satisfied; or
(2) the department receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 27. IC 20-28-5-14, AS ADDED BY P.L.246-2005, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 14. If the department is notified by the department of state revenue that an individual is on the most recent tax warrant list, the department ~~may~~ **shall** not grant an initial standard license to the individual until:

- (1) the individual provides the department with a statement from the department of state revenue indicating that the individual's ~~delinquent tax liability tax warrant~~ has been satisfied; or
- (2) the department receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 28. IC 25-1-6-8, AS AMENDED BY P.L.206-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) The licensing agency and the boards may allow the department of state revenue access to the name of each person who:

- (1) is licensed under this chapter or IC 25-1-5; or
- (2) has applied for a license under this chapter or IC 25-1-5.

(b) If the department of state revenue notifies the licensing agency that a person is on the most recent tax warrant list, the licensing agency ~~may~~ **shall** not issue or renew the person's license until:

- (1) the person provides to the licensing agency a statement from the department of **state** revenue **indicating** that the person's ~~delinquent tax liability tax warrant~~ has been satisfied; or
- (2) the licensing agency receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 29. IC 28-1-29-3, AS AMENDED BY P.L.35-2010, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) No person shall operate a debt management company in Indiana without having obtained a license from the department. For purposes of this section, a person is operating in Indiana if:

- (1) the person or any of the person's employees or agents are located in Indiana; or
- (2) the person:
 - (A) contracts with debtors who are residents of Indiana; or

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- 1 (B) solicits business from residents of Indiana by
- 2 advertisements or other communications sent or delivered
- 3 through any of the following means:
- 4 (i) Mail.
- 5 (ii) Personal delivery.
- 6 (iii) Telephone.
- 7 (iv) Radio.
- 8 (v) Television.
- 9 (vi) The Internet or other electronic communications.
- 10 (vii) Any other means of communication.

11 (b) The director may request evidence of compliance with this
 12 section at:

- 13 (1) the time of application;
- 14 (2) the time of renewal of a license; or
- 15 (3) any other time considered necessary by the director.

16 (c) For purposes of subsection (b), evidence of compliance with this
 17 section may include:

- 18 (1) criminal background checks, including a national criminal
- 19 history background check (as defined in IC 10-13-3-12) by the
- 20 Federal Bureau of Investigation for any individual described in
- 21 section 5(b)(2) or 5(b)(3) of this chapter;
- 22 (2) credit histories; and
- 23 (3) other background checks considered necessary by the director.

24 If the director requests a national criminal history background check
 25 under subdivision (1) for an individual described in that subdivision,
 26 the director shall require the individual to submit fingerprints to the
 27 department or to the state police department, as appropriate, at the time
 28 evidence of compliance is requested under subsection (b). The
 29 individual to whom the request is made shall pay any fees or costs
 30 associated with the fingerprints and the national criminal history
 31 background check. The national criminal history background check
 32 may be used by the director to determine the individual's compliance
 33 with this section. The director or the department may not release the
 34 results of the national criminal history background check to any private
 35 entity.

36 (d) The fee for a license or renewal shall be fixed by the department
 37 under IC 28-11-3-5 and shall be nonrefundable. The department may
 38 impose a fee under IC 28-11-3-5 for each day that a renewal fee and
 39 any related documents that are required to be submitted with the
 40 renewal are delinquent.

41 (e) If a person knowingly acts as a debt management company in
 42 violation of this chapter, any agreement the person has made under this

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1 chapter is void and the debtor under the agreement is not obligated to
 2 pay any fees. If the debtor has paid any amounts to the person, the
 3 debtor, or the department on behalf of the debtor, may recover the
 4 payment from the person that violated this section.

5 (f) A license issued under this section:

6 (1) is not assignable or transferable; and

7 (2) must be renewed every year in the manner prescribed by the
 8 director of the department.

9 The director of the department shall prescribe the form of the renewal
 10 application. In order to be accepted for processing, a renewal
 11 application must be accompanied by the license renewal fee imposed
 12 under subsection (d) and all information and documents requested by
 13 the director of the department.

14 **(g) If the department of state revenue notifies the department
 15 that a person is on the most recent tax warrant list, the department
 16 shall not issue or renew the person's license until:**

17 **(1) the person provides to the department a statement from
 18 the department of state revenue that the person's tax warrant
 19 has been satisfied; or**

20 **(2) the department receives a notice from the commissioner of
 21 the department of state revenue under IC 6-8.1-8-2(k).**

22 SECTION 30. IC 28-7-5-5, AS AMENDED BY P.L.57-2006,
 23 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2012]: Sec. 5. (a) The initial application and any renewal
 25 application shall be accompanied by a fee fixed by the department
 26 under IC 28-11-3-5. The initial application and any renewal application
 27 must include a financial statement that:

28 (1) is prepared in accordance with standards adopted by the
 29 director;

30 (2) indicates the applicant meets minimum financial responsibility
 31 standards adopted by the director; and

32 (3) is prepared by a third party acceptable to the director.

33 (b) The initial application and any renewal application must be
 34 accompanied by proof that the applicant:

35 (1) has executed a bond, payable to the state, in an amount
 36 determined by the director; and

37 (2) has obtained property and casualty insurance coverage, in an
 38 amount determined by the director;

39 in accordance with standards adopted by the director.

40 (c) Any standards adopted by the director and described in
 41 subsection (a)(1), (a)(2), or (b) must be made available:

42 (1) for public inspection and copying at the offices of the

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1 department under IC 5-14-3; and
2 (2) electronically through the computer gateway administered by
3 the office of technology established by IC 4-13.1-2-1.

4 **(d) If the department of state revenue notifies the department**
5 **that a person is on the most recent tax warrant list, the department**
6 **shall not issue or renew the person's license until:**

7 **(1) the person provides to the department a statement from**
8 **the department of state revenue that the person's tax warrant**
9 **has been satisfied; or**

10 **(2) the department receives a notice from the commissioner of**
11 **the department of state revenue under IC 6-8.1-8-2(k).**

12 SECTION 31. IC 28-8-4-20, AS AMENDED BY P.L.35-2010,
13 SECTION 180, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2012]: Sec. 20. (a) A person may not
15 engage in the business of money transmission without a license
16 required by this chapter.

17 (b) An application for a license must be submitted on a form
18 prescribed by the department and must include the information
19 required by the department.

20 (c) An application submitted under this section must indicate
21 whether any individuals described in section 35(b)(2) or 35(b)(3) of
22 this chapter:

23 (1) are, at the time of the application, under indictment for a
24 felony under the laws of Indiana or any other jurisdiction; or

25 (2) have been convicted of or pleaded guilty or nolo contendere
26 to a felony under the laws of Indiana or any other jurisdiction.

27 (d) The director may request evidence of compliance with this
28 section at:

29 (1) the time of application;

30 (2) the time of renewal of a license; or

31 (3) any other time considered necessary by the director.

32 (e) For purposes of subsection (d), evidence of compliance may
33 include:

34 (1) criminal background checks, including a national criminal
35 history background check (as defined in IC 10-13-3-12) by the
36 Federal Bureau of Investigation for an individual described in
37 section 35(b)(2) or 35(b)(3) of this chapter;

38 (2) credit histories; and

39 (3) other background checks considered necessary by the director.

40 If the director requests a national criminal history background check
41 under subdivision (1) for an individual described in that subdivision,
42 the director shall require the individual to submit fingerprints to the

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1 department or to the state police department, as appropriate, at the time
2 evidence of compliance is requested under subsection (d). The
3 individual to whom the request is made shall pay any fees or costs
4 associated with the fingerprints and the national criminal history
5 background check. The national criminal history background check
6 may be used by the director to determine the individual's compliance
7 with this section. The director or the department may not release the
8 results of the national criminal history background check to any private
9 entity.

10 **(f) If the department of state revenue notifies the department**
11 **that a person is on the most recent tax warrant list, the department**
12 **shall not issue or renew the person's license until:**

13 **(1) the person provides to the department a statement from**
14 **the department of state revenue that the person's tax warrant**
15 **has been satisfied; or**

16 **(2) the department receives a notice from the commissioner of**
17 **the department of state revenue under IC 6-8.1-8-2(k).**

18 SECTION 32. IC 28-8-5-11, AS AMENDED BY P.L.35-2010,
19 SECTION 185, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JANUARY 1, 2012]: Sec. 11. (a) A person shall not
21 engage in the business of cashing checks for consideration without first
22 obtaining a license.

23 (b) Each application for a license shall be in writing in such form as
24 the director may prescribe and shall include all of the following:

25 (1) The following information pertaining to the applicant:

- 26 (A) Name.
- 27 (B) Residence address.
- 28 (C) Business address.

29 (2) The following information pertaining to any individual
30 described in section 12(b)(1) of this chapter:

- 31 (A) Name.
- 32 (B) Residence address.
- 33 (C) Business address.
- 34 (D) Whether the person:
 - 35 (i) is, at the time of the application, under indictment for a
 - 36 felony under the laws of Indiana or any other jurisdiction; or
 - 37 (ii) has been convicted of or pleaded guilty or nolo
 - 38 contendere to a felony under the laws of Indiana or any other
 - 39 jurisdiction.

40 (3) The address where the applicant's office or offices will be
41 located. If any business, other than the business of cashing checks
42 under this chapter, will be conducted by the applicant or another

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1 person at any of the locations identified under this subdivision,
2 the applicant shall indicate for each location at which another
3 business will be conducted:

- 4 (A) the nature of the other business;
- 5 (B) the name under which the other business operates;
- 6 (C) the address of the principal office of the other business;
- 7 (D) the name and address of the business's resident agent in
8 Indiana; and
- 9 (E) any other information that the director may require.

10 **(4) If the department of state revenue notifies the department**
11 **that a person is on the most recent tax warrant list, the**
12 **department shall not issue or renew the person's license until:**

- 13 **(A) the person provides to the department a statement**
14 **from the department of state revenue that the person's tax**
15 **warrant has been satisfied; or**
- 16 **(B) the department receives a notice from the**
17 **commissioner of the department of state revenue under**
18 **IC 6-8.1-8-2(k).**

19 ~~(4)~~ **(5) Such other data, financial statements, and pertinent**
20 **information as the director may require.**

21 (c) The application shall be filed with a nonrefundable fee fixed by
22 the department under IC 28-11-3-5.

23 SECTION 33. [EFFECTIVE JANUARY 1, 2010
24 (RETROACTIVE)] **(a) IC 6-3-1-11, IC 6-3-1-3.5, IC 6-3.1-21-6, and**
25 **IC 6-5.5-1-2, all as amended by this act, apply to taxable years**
26 **beginning after December 31, 2009.**

27 **(b) This SECTION expires January 1, 2012.**

28 SECTION 34. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1483, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) The following definitions apply throughout this section:

- (1) "Dwelling" means any of the following:
 - (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.
 - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
 - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.
- (2) "Homestead" means an individual's principal place of residence:
 - (A) that is located in Indiana;
 - (B) that:
 - (i) the individual owns;
 - (ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;
 - (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
 - (iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and
 - (C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest

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in the homestead described in subsection (a)(2)(B) on:

- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
 - (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
 - (3) the names of:
 - (A) the applicant and the applicant's spouse (if any):
 - (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
 - (ii) that they use as their legal names when they sign their names on legal documents;
- if the applicant is an individual; or

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(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

(4) either:

(A) the last ~~five (5)~~ **four (4)** digits of the applicant's Social Security number and the last ~~five (5)~~ **four (4)** digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) do not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the statement must be completed and dated in the calendar year for which the person desires to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

(f) If an individual who is receiving the deduction provided by this

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section or who otherwise qualifies property for a deduction under this section:

- (1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or
- (2) is no longer eligible for a deduction under this section on another parcel of property because:
 - (A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or
 - (B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

(g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

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(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

(k) As used in this section, "homestead" includes property that satisfies each of the following requirements:

(1) The property is located in Indiana and consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

(2) The property is the principal place of residence of an individual.

(3) The property is owned by an entity that is not described in subsection (a)(2)(B).

(4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.

(5) The property was eligible for the standard deduction under this section on March 1, 2009.

(l) If a county auditor terminates a deduction for property described in subsection (k) with respect to property taxes that are:

(1) imposed for an assessment date in 2009; and

(2) first due and payable in 2010;

on the grounds that the property is not owned by an entity described in subsection (a)(2)(B), the county auditor shall reinstate the deduction if the taxpayer provides proof that the property is eligible for the deduction in accordance with subsection (k) and that the individual residing on the property is not claiming the deduction for any other property.

(m) For assessments dates after 2009, the term "homestead" includes:

(1) a deck or patio;

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- (2) a gazebo; or
- (3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

SECTION 5. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) The county treasurer shall:

- (1) except as provided in subsection (h), mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and
- (2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection (b). However, for property taxes first due and payable in 2008, the county treasurer may choose to use a tax statement that is different from the tax statement prescribed by the department under subsection (b). If a county chooses to use a different tax statement, the county must still transmit (with the tax bill) the statement in either color type or black-and-white type.

(b) The department of local government finance shall prescribe a form, subject to the approval of the state board of accounts, for the statement under subsection (a) that includes at least the following:

- (1) A statement of the taxpayer's current and delinquent taxes and special assessments.
- (2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.
- (3) An itemized listing for each property tax levy, including:
 - (A) the amount of the tax rate;
 - (B) the entity levying the tax owed; and
 - (C) the dollar amount of the tax owed.
- (4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.
- (5) A comparison showing any change in the assessed valuation for the property as compared to the previous year.
- (6) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision

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must identify:

- (A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and
 - (B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.
- (7) An explanation of the following:
- (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law that are available in the taxing district where the property is located.
 - (B) All property tax deductions that are available in the taxing district where the property is located.
 - (C) The procedure and deadline for filing for any available homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and each deduction.
 - (D) The procedure that a taxpayer must follow to:
 - (i) appeal a current assessment; or
 - (ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.
 - (E) The forms that must be filed for an appeal or a petition described in clause (D).
 - (F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.
 - (G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes payable on that property.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

- (8) A checklist that shows:
- (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and
 - (B) whether each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (a).
- (9) This subdivision applies to any property for which a deduction or credit is listed under subdivision (8) if the notice required under this subdivision was not provided to a taxpayer on a

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reconciling statement under IC 6-1.1-22.5-12. The statement must include in 2010, 2011, and 2012 a notice that must be returned by the taxpayer to the county auditor with the taxpayer's verification of the items required by this subdivision. The notice must explain the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

- (A) more than one (1) parcel of property; or
- (B) property that is not the taxpayer's principal place of residence or is otherwise not eligible for the standard deduction.

The notice must include a place for the taxpayer to indicate, under penalties of perjury, for each deduction and credit listed under subdivision (8), whether the property is eligible for the deduction or credit listed under subdivision (8). The notice must also include a place for each individual who qualifies the property for a deduction or credit listed in subdivision (8) to indicate the name of the individual and the name of the individual's spouse (if any), as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number (or that they use as their legal names when they sign their names on legal documents), and either the last ~~five (5)~~ **four (4)** digits of each individual's Social Security number or, if an individual does not have a Social Security number, the numbers required from the individual under IC 6-1.1-12-37(e)(4)(B). The notice must explain that the taxpayer must complete and return the notice with the required information and that failure to complete and return the notice may result in disqualification of property for deductions and credits listed in subdivision (8), must explain how to return the notice, and must be on a separate form printed on paper that is a different color than the tax statement. The notice must be prepared in the form prescribed by the department of local government finance and include any additional information required by the department of local government finance. This subdivision expires January 1, 2015.

(c) The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2)

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installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment. If a statement is returned to the county treasurer as undeliverable and the forwarding order is expired, the county treasurer shall notify the county auditor of this fact. Upon receipt of the county treasurer's notice, the county auditor may, at the county auditor's discretion, treat the property as not being eligible for any deductions under IC 6-1.1-12 or any homestead credits under IC 6-1.1-20.4 and IC 6-3.5-6-13.

(d) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(e) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (b).

(f) The information to be included in the statement under subsection (b) must be simply and clearly presented and understandable to the average individual.

(g) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated as a reference to this section.

(h) Transmission of statements and other information under this subsection applies in a county only if the county legislative body adopts an authorizing ordinance. Subject to subsection (i), in a county in which an ordinance is adopted under this subsection for property taxes and special assessments first due and payable after 2009, a person may direct the county treasurer and county auditor to transmit the following to the person by electronic mail:

- (1) A statement that would otherwise be sent by the county treasurer to the person by regular mail under subsection (a)(1), including a statement that reflects installment payment due dates under section 9.5 or 9.7 of this chapter.
- (2) A provisional tax statement that would otherwise be sent by the county treasurer to the person by regular mail under IC 6-1.1-22.5-6.
- (3) A reconciling tax statement that would otherwise be sent by the county treasurer to the person by regular mail under any of the following:
 - (A) Section 9 of this chapter.
 - (B) Section 9.7 of this chapter.

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- (C) IC 6-1.1-22.5-12, including a statement that reflects installment payment due dates under IC 6-1.1-22.5-18.5.
- (4) A statement that would otherwise be sent by the county auditor to the person by regular mail under IC 6-1.1-17-3(b).
- (5) Any other information that:
- (A) concerns the property taxes or special assessments; and
 - (B) would otherwise be sent:
 - (i) by the county treasurer or the county auditor to the person by regular mail; and
 - (ii) before the last date the property taxes or special assessments may be paid without becoming delinquent.
- (i) For property with respect to which more than one (1) person is liable for property taxes and special assessments, subsection (h) applies only if all the persons liable for property taxes and special assessments designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).
- (j) Before 2010, the department of local government finance shall create a form to be used to implement subsection (h). The county treasurer and county auditor shall:
- (1) make the form created under this subsection available to the public;
 - (2) transmit a statement or other information by electronic mail under subsection (h) to a person who, at least thirty (30) days before the anticipated general mailing date of the statement or other information, files the form created under this subsection:
 - (A) with the county treasurer; or
 - (B) with the county auditor; and
 - (3) publicize the availability of the electronic mail option under this subsection through appropriate media in a manner reasonably designed to reach members of the public.
- (k) The form referred to in subsection (j) must:
- (1) explain that a form filed as described in subsection (j)(2) remains in effect until the person files a replacement form to:
 - (A) change the person's electronic mail address; or
 - (B) terminate the electronic mail option under subsection (h); and
 - (2) allow a person to do at least the following with respect to the electronic mail option under subsection (h):
 - (A) Exercise the option.
 - (B) Change the person's electronic mail address.
 - (C) Terminate the option.

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(D) For a person other than an individual, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(E) For property with respect to which more than one (1) person is liable for property taxes and special assessments, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(l) The form created under subsection (j) is considered filed with the county treasurer or the county auditor on the postmark date. If the postmark is missing or illegible, the postmark is considered to be one (1) day before the date of receipt of the form by the county treasurer or the county auditor.

(m) The county treasurer shall maintain a record that shows at least the following:

- (1) Each person to whom a statement or other information is transmitted by electronic mail under this section.
- (2) The information included in the statement.
- (3) Whether the person received the statement."

Page 8, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 6. IC 6-3-1-3.5, AS AMENDED BY P.L.182-2009(ss), SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
 - (B) each additional amount allowable under Section 63(f) of

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the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

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(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an

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earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(24) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(26) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

(27) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(28) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after

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December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(29) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(30) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(31) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(32) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(33) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

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(34) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(35) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(36) Add the amount excluded from gross income under Section 408(d)(8) of the Internal Revenue Code for a charitable distribution from an individual retirement plan.

(37) Add the amount deducted from gross income under Section 222 of the Internal Revenue Code for qualified tuition and related expenses.

(38) Add the amount deducted from gross income under Section 62(2)(D) of the Internal Revenue Code for certain expenses of elementary and secondary school teachers.

(39) Add the amount excluded from gross income under Section 127 of the Internal Revenue Code as annual employer provided education expenses.

(40) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(41) Add the monthly amount excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B) that exceeds one hundred dollars (\$100) a month for a qualified transportation fringe.

(42) Add the amount deducted from gross income under Section 221 of the Internal Revenue Code that exceeds the amount the taxpayer could deduct under Section 221 of the Internal Revenue Code before it was amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).

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(43) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(44) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(45) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(46) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

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(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross

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income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted

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gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(18) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(21) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(22) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(23) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the

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Small Business Jobs Act of 2010 (P.L. 111-240).

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
- (9) Subtract income that is:
 - (A) exempt from taxation under IC 6-3-2-21.7; and

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(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted

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gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of

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the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(22) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand

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dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

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(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(18) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(19) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section

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168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(20) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(22) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in

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service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(9) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(10) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross

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income that would have been computed had the special allowance not been claimed for the property.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(15) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(16) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(17) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and

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that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(18) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(19) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(20) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(21) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and

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two thousand five hundred dollars (\$2,500)."

Page 8, line 4, delete "The" and insert **"Except as provided in subsection (d), the"**.

Page 8, between lines 35 and 36, begin a new paragraph and insert:

"(d) The following provisions of the Internal Revenue Code that were amended by the Tax Relief Act, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312) are treated as though they were not amended by the Tax Relief Act, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312):

(1) Section 1367(a)(2) of the Internal Revenue Code pertaining to an adjustment of basis of the stock of shareholders.

(2) Section 871(k)(1)(c) and 871(k)(2)(C) of the Internal Revenue Code pertaining the treatment of certain dividends of regulated investment companies.

(3) Section 897(h)(4)(A)(ii) of the Internal Revenue Code pertaining to regulated investment companies qualified entity treatment.

(4) Section 512(b)(13)(E)(iv) of the Internal Revenue Code pertaining to the modification of tax treatment of certain payments to controlling exempt organizations.

(5) Section 613A(c)(6)(H)(ii) of the Internal Revenue Code pertaining to the limitations on percentage depletion in the case of oil and gas wells.

(6) Section 451(i)(3) of the Internal Revenue Code pertaining to special rule for sales or dispositions to implement Federal Energy Regulatory Commission or state electric restructuring policy for qualified electric utilities.

(7) Section 954(c)(6) of the Internal Revenue Code pertaining to the look-through treatment of payments between related controlled foreign corporation under foreign personal holding company rules.

The department shall develop forms and adopt any necessary rules under IC 4-22-2 to implement this subsection."

Page 17, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 13. IC 6-3.1-21-6, AS AMENDED BY P.L.1-2009, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 6. (a) Except as provided by subsection (b), an individual who is eligible for an earned income tax credit under Section 32 of the Internal Revenue Code, as it existed before being amended by Tax Relief, Unemployment Insurance

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Reauthorization, and Job Creation Act of 2010 (P.L. 111-312), is eligible for a credit under this chapter equal to nine percent (9%) of the amount of the federal earned income tax credit that the individual:

- (1) is eligible to receive in the taxable year; and
- (2) claimed for the taxable year;

under Section 32 of the Internal Revenue Code **as it existed before being amended by Tax relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312)**.

(b) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the amount of the credit is equal to the product of:

- (1) the amount determined under subsection (a); multiplied by
- (2) the quotient of the taxpayer's income taxable in Indiana divided by the taxpayer's total income.

(c) If the credit amount exceeds the taxpayer's adjusted gross income tax liability for the taxable year, the excess, less any advance payments of the credit made by the taxpayer's employer under IC 6-3-4-8 that reduce the excess, shall be refunded to the taxpayer."

Page 18, line 1, after "appraisals" insert "**or other evidence of property valuation**".

Page 18, between lines 30 and 31, begin a new paragraph and insert:

"(e) Except as provided in subsection (h), if any real property, tangible personal property, or intangible personal property listed on the inheritance tax return is sold in an arms length transaction within twelve (12) months of the decedent's date of death, the sale price of the property is presumed to be the fair market value of the property. However, this presumption is rebuttable.

(f) Except as provided in subsection (h), if the fair market value of any property is determined by reference to its gross selling price, a copy of a bill of sale or such other documentation from a person or entity who has no beneficial interest is the decedent's estate or property shall be attached to the inheritance tax return.

(g) Except as provided in subsection (h), if the fair marked value of any property is determined by reference to its gross selling price, an appraisal otherwise required under subsections (b) through (d) is not required for the property sold.

(h) Subsections (e) through (g) do not apply to stocks, bonds, a mutual fund, or other evidence of ownership or indebtedness traded on a public securities or commodities exchange, or the sale of any property interest determined by reference to the value of any stocks, bonds, mutual fund, or other evidence of ownership or indebtedness traded on a public securities or commodities

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exchange.

(i) Notwithstanding any provision contained in this section, the person filing the return under section 1 of this chapter is not required to obtain an appraisal or other evidence of property valuation for a property interest that passed at the decedent's death solely to:

- (1) the decedent's surviving spouse where the spousal exemption under IC 6-4.1-3-7(a) is available for the entire value of the property interest; or**
- (2) one (1) or more nonprofit organizations where the charitable exemption under IC 6-4.1-3-1 is available for the entire value of the property interest."**

Page 18, line 31, delete "(e)" and insert "(j)".

Page 18, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 17. IC 6-5.5-1-2, AS AMENDED BY P.L.182-2009(ss), SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

- (1) Add the following amounts:
 - (A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.
 - (B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.
 - (C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.
 - (D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.
 - (E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.
 - (F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount

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equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant

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property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(M) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(N) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(O) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(P) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage

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Corporation Act (12 U.S.C. 1451 et seq.); as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(Q) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(R) Add the amount necessary to make the adjusted gross income of any taxpayer that placed any qualified leasehold improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(iv) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(S) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of environmental remediation costs.

(T) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.

(U) Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

(V) Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

(W) Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as

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amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

- (2) Subtract the following amounts:
- (A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.
 - (B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.
 - (C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.
 - (D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.
 - (E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.
 - (F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
 - (G) Income that is:
 - (i) exempt from taxation under IC 6-3-2-21.7; and
 - (ii) included in the taxpayer's taxable income under the Internal Revenue Code.
- (b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside

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under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income multiplied by the quotient of:

- (1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by
- (2) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within Indiana and elsewhere.

(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or corporation, whether domestic or foreign, that:

- (1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
- (2) solicits or receives a payment to be made to itself and issues in exchange for the payment:
 - (A) a so-called bond;
 - (B) a share;
 - (C) a coupon;
 - (D) a certificate of membership;
 - (E) an agreement;
 - (F) a pretended agreement; or
 - (G) other evidences of obligation;

entitling the holder to anything of value at some future date, if the gross payments received by the company during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G)."

Page 19, delete lines 1 through 23.

Page 29, delete lines 30 through 34, begin a new paragraph and insert:

"SECTION 30. [EFFECTIVE JANUARY 1, 2010

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(RETROACTIVE)] (a) IC 6-3-1-11, IC 6-3-1-3.5, IC 6-3.1-21-6, and IC 6-5.5-1-2, all as amended by this act, apply to taxable years beginning after December 31, 2009.

(b) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1483 as introduced.)

ESPICH, Chair

Committee Vote: yeas 18, nays 1.

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