

Adopted          Rejected

## COMMITTEE REPORT

YES:                    18  
NO:                    1

**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:*

- 1            Page 4, between lines 28 and 29, begin a new paragraph and insert:
- 2            "SECTION 4. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010,
- 3            SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4            UPON PASSAGE]: Sec. 37. (a) The following definitions apply
- 5            throughout this section:
- 6            (1) "Dwelling" means any of the following:
- 7            (A) Residential real property improvements that an individual
- 8            uses as the individual's residence, including a house or garage.
- 9            (B) A mobile home that is not assessed as real property that an
- 10           individual uses as the individual's residence.
- 11           (C) A manufactured home that is not assessed as real property
- 12           that an individual uses as the individual's residence.
- 13           (2) "Homestead" means an individual's principal place of
- 14           residence:
- 15           (A) that is located in Indiana;

- 1 (B) that:
- 2 (i) the individual owns;
- 3 (ii) the individual is buying under a contract, recorded in the
- 4 county recorder's office, that provides that the individual is
- 5 to pay the property taxes on the residence;
- 6 (iii) the individual is entitled to occupy as a
- 7 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 8 cooperative housing corporation (as defined in 26 U.S.C.
- 9 216); or
- 10 (iv) is a residence described in section 17.9 of this chapter
- 11 that is owned by a trust if the individual is an individual
- 12 described in section 17.9 of this chapter; and
- 13 (C) that consists of a dwelling and the real estate, not
- 14 exceeding one (1) acre, that immediately surrounds that
- 15 dwelling.

16 Except as provided in subsection (k), the term does not include

17 property owned by a corporation, partnership, limited liability

18 company, or other entity not described in this subdivision.

19 (b) Each year a homestead is eligible for a standard deduction from

20 the assessed value of the homestead for an assessment date. The

21 deduction provided by this section applies to property taxes first due

22 and payable for an assessment date only if an individual has an interest

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

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

28 Subject to subsection (c), the auditor of the county shall record and

29 make the deduction for the individual or entity qualifying for the

30 deduction.

31 (c) Except as provided in section 40.5 of this chapter, the total

32 amount of the deduction that a person may receive under this section

33 for a particular year is the lesser of:

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

38 (d) A person who has sold real property, a mobile home not assessed

1 as real property, or a manufactured home not assessed as real property  
 2 to another person under a contract that provides that the contract buyer  
 3 is to pay the property taxes on the real property, mobile home, or  
 4 manufactured home may not claim the deduction provided under this  
 5 section with respect to that real property, mobile home, or  
 6 manufactured home.

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

13 (1) the parcel number or key number of the property and the name  
 14 of the city, town, or township in which the property is located;  
 15 (2) the name of any other location in which the applicant or the  
 16 applicant's spouse owns, is buying, or has a beneficial interest in  
 17 residential real property;

18 (3) the names of:

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

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

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

26 if the applicant is an individual; or

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

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

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

35 if the applicant is not an individual; and

36 (4) either:

37 (A) the last ~~five (5)~~ **four (4)** digits of the applicant's Social  
 38 Security number and the last ~~five (5)~~ **four (4)** digits of the

- 1 Social Security number of the applicant's spouse (if any); or  
 2 (B) if the applicant or the applicant's spouse (if any) do not  
 3 have a Social Security number, any of the following for that  
 4 individual:
- 5 (i) The last five (5) digits of the individual's driver's license  
 6 number.
  - 7 (ii) The last five (5) digits of the individual's state  
 8 identification card number.
  - 9 (iii) If the individual does not have a driver's license or a  
 10 state identification card, the last five (5) digits of a control  
 11 number that is on a document issued to the individual by the  
 12 federal government and determined by the department of  
 13 local government finance to be acceptable.

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

30 (f) If an individual who is receiving the deduction provided by this  
 31 section or who otherwise qualifies property for a deduction under this  
 32 section:

- 33 (1) changes the use of the individual's property so that part or all  
 34 of the property no longer qualifies for the deduction under this  
 35 section; or
- 36 (2) is no longer eligible for a deduction under this section on  
 37 another parcel of property because:
  - 38 (A) the individual would otherwise receive the benefit of more

1           than one (1) deduction under this chapter; or  
 2           (B) the individual maintains the individual's principal place of  
 3           residence with another individual who receives a deduction  
 4           under this section;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (2) first due and payable in 2010;

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

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

38 (1) a deck or patio;

- 1 (2) a gazebo; or  
 2 (3) another residential yard structure, as defined in rules adopted  
 3 by the department of local government finance (other than a  
 4 swimming pool);  
 5 that is assessed as real property and attached to the dwelling.

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

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

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

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

- 27 (1) A statement of the taxpayer's current and delinquent taxes and  
 28 special assessments.  
 29 (2) A breakdown showing the total property tax and special  
 30 assessment liability and the amount of the taxpayer's liability that  
 31 will be distributed to each taxing unit in the county.  
 32 (3) An itemized listing for each property tax levy, including:  
 33 (A) the amount of the tax rate;  
 34 (B) the entity levying the tax owed; and  
 35 (C) the dollar amount of the tax owed.  
 36 (4) Information designed to show the manner in which the taxes  
 37 and special assessments billed in the tax statement are to be used.  
 38 (5) A comparison showing any change in the assessed valuation

- 1 for the property as compared to the previous year.
- 2 (6) A comparison showing any change in the property tax and  
3 special assessment liability for the property as compared to the  
4 previous year. The information required under this subdivision  
5 must identify:
- 6 (A) the amount of the taxpayer's liability distributable to each  
7 taxing unit in which the property is located in the current year  
8 and in the previous year; and
- 9 (B) the percentage change, if any, in the amount of the  
10 taxpayer's liability distributable to each taxing unit in which  
11 the property is located from the previous year to the current  
12 year.
- 13 (7) An explanation of the following:
- 14 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
15 another law that are available in the taxing district where the  
16 property is located.
- 17 (B) All property tax deductions that are available in the taxing  
18 district where the property is located.
- 19 (C) The procedure and deadline for filing for any available  
20 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
21 another law and each deduction.
- 22 (D) The procedure that a taxpayer must follow to:
- 23 (i) appeal a current assessment; or  
24 (ii) petition for the correction of an error related to the  
25 taxpayer's property tax and special assessment liability.
- 26 (E) The forms that must be filed for an appeal or a petition  
27 described in clause (D).
- 28 (F) The procedure and deadline that a taxpayer must follow  
29 and the forms that must be used if a credit or deduction has  
30 been granted for the property and the taxpayer is no longer  
31 eligible for the credit or deduction.
- 32 (G) Notice that an appeal described in clause (D) requires  
33 evidence relevant to the true tax value of the taxpayer's  
34 property as of the assessment date that is the basis for the taxes  
35 payable on that property.
- 36 The department of local government finance shall provide the  
37 explanation required by this subdivision to each county treasurer.
- 38 (8) A checklist that shows:

- 1 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
 2 another law and all property tax deductions; and
- 3 (B) whether each homestead credit and property tax deduction  
 4 applies in the current statement for the property transmitted  
 5 under subsection (a).
- 6 (9) This subdivision applies to any property for which a deduction  
 7 or credit is listed under subdivision (8) if the notice required  
 8 under this subdivision was not provided to a taxpayer on a  
 9 reconciling statement under IC 6-1.1-22.5-12. The statement must  
 10 include in 2010, 2011, and 2012 a notice that must be returned by  
 11 the taxpayer to the county auditor with the taxpayer's verification  
 12 of the items required by this subdivision. The notice must explain  
 13 the tax consequences and applicable penalties if a taxpayer  
 14 unlawfully claims a standard deduction under IC 6-1.1-12-37 on:
- 15 (A) more than one (1) parcel of property; or
- 16 (B) property that is not the taxpayer's principal place of  
 17 residence or is otherwise not eligible for the standard  
 18 deduction.
- 19 The notice must include a place for the taxpayer to indicate, under  
 20 penalties of perjury, for each deduction and credit listed under  
 21 subdivision (8), whether the property is eligible for the deduction  
 22 or credit listed under subdivision (8). The notice must also  
 23 include a place for each individual who qualifies the property for  
 24 a deduction or credit listed in subdivision (8) to indicate the name  
 25 of the individual and the name of the individual's spouse (if any),  
 26 as the names appear in the records of the United States Social  
 27 Security Administration for the purposes of the issuance of a  
 28 Social Security card and Social Security number (or that they use  
 29 as their legal names when they sign their names on legal  
 30 documents), and either the last ~~five (5)~~ **four (4)** digits of each  
 31 individual's Social Security number or, if an individual does not  
 32 have a Social Security number, the numbers required from the  
 33 individual under IC 6-1.1-12-37(e)(4)(B). The notice must  
 34 explain that the taxpayer must complete and return the notice with  
 35 the required information and that failure to complete and return  
 36 the notice may result in disqualification of property for deductions  
 37 and credits listed in subdivision (8), must explain how to return  
 38 the notice, and must be on a separate form printed on paper that

1 is a different color than the tax statement. The notice must be  
2 prepared in the form prescribed by the department of local  
3 government finance and include any additional information  
4 required by the department of local government finance. This  
5 subdivision expires January 1, 2015.

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

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

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

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

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

36 (h) Transmission of statements and other information under this  
37 subsection applies in a county only if the county legislative body adopts  
38 an authorizing ordinance. Subject to subsection (i), in a county in

1 which an ordinance is adopted under this subsection for property taxes  
 2 and special assessments first due and payable after 2009, a person may  
 3 direct the county treasurer and county auditor to transmit the following  
 4 to the person by electronic mail:

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

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

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

15 (A) Section 9 of this chapter.

16 (B) Section 9.7 of this chapter.

17 (C) IC 6-1.1-22.5-12, including a statement that reflects  
 18 installment payment due dates under IC 6-1.1-22.5-18.5.

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

21 (5) Any other information that:

22 (A) concerns the property taxes or special assessments; and

23 (B) would otherwise be sent:

24 (i) by the county treasurer or the county auditor to the person  
 25 by regular mail; and

26 (ii) before the last date the property taxes or special  
 27 assessments may be paid without becoming delinquent.

28 (i) For property with respect to which more than one (1) person is  
 29 liable for property taxes and special assessments, subsection (h) applies  
 30 only if all the persons liable for property taxes and special assessments  
 31 designate the electronic mail address for only one (1) individual  
 32 authorized to receive the statements and other information referred to  
 33 in subsection (h).

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

37 (1) make the form created under this subsection available to the  
 38 public;

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

1 (2) The information included in the statement.

2 (3) Whether the person received the statement."

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

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

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

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

14 (2) Add an amount equal to any deduction or deductions allowed  
15 or allowable pursuant to Section 62 of the Internal Revenue Code  
16 for taxes based on or measured by income and levied at the state  
17 level by any state of the United States.

18 (3) Subtract one thousand dollars (\$1,000), or in the case of a  
19 joint return filed by a husband and wife, subtract for each spouse  
20 one thousand dollars (\$1,000).

21 (4) Subtract one thousand dollars (\$1,000) for:

22 (A) each of the exemptions provided by Section 151(c) of the  
23 Internal Revenue Code;

24 (B) each additional amount allowable under Section 63(f) of  
25 the Internal Revenue Code; and

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

30 (5) Subtract:

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

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

- 1           than forty thousand dollars (\$40,000).  
2           This amount is in addition to the amount subtracted under  
3           subdivision (4).  
4           (6) Subtract an amount equal to the lesser of:  
5                 (A) that part of the individual's adjusted gross income (as  
6                 defined in Section 62 of the Internal Revenue Code) for that  
7                 taxable year that is subject to a tax that is imposed by a  
8                 political subdivision of another state and that is imposed on or  
9                 measured by income; or  
10                (B) two thousand dollars (\$2,000).  
11           (7) Add an amount equal to the total capital gain portion of a  
12           lump sum distribution (as defined in Section 402(e)(4)(D) of the  
13           Internal Revenue Code) if the lump sum distribution is received  
14           by the individual during the taxable year and if the capital gain  
15           portion of the distribution is taxed in the manner provided in  
16           Section 402 of the Internal Revenue Code.  
17           (8) Subtract any amounts included in federal adjusted gross  
18           income under Section 111 of the Internal Revenue Code as a  
19           recovery of items previously deducted as an itemized deduction  
20           from adjusted gross income.  
21           (9) Subtract any amounts included in federal adjusted gross  
22           income under the Internal Revenue Code which amounts were  
23           received by the individual as supplemental railroad retirement  
24           annuities under 45 U.S.C. 231 and which are not deductible under  
25           subdivision (1).  
26           (10) Add an amount equal to the deduction allowed under Section  
27           221 of the Internal Revenue Code for married couples filing joint  
28           returns if the taxable year began before January 1, 1987.  
29           (11) Add an amount equal to the interest excluded from federal  
30           gross income by the individual for the taxable year under Section  
31           128 of the Internal Revenue Code if the taxable year began before  
32           January 1, 1985.  
33           (12) Subtract an amount equal to the amount of federal Social  
34           Security and Railroad Retirement benefits included in a taxpayer's  
35           federal gross income by Section 86 of the Internal Revenue Code.  
36           (13) In the case of a nonresident taxpayer or a resident taxpayer  
37           residing in Indiana for a period of less than the taxpayer's entire  
38           taxable year, the total amount of the deductions allowed pursuant

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

- 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

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

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

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

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

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

35 (33) Add or subtract the amount necessary to make the adjusted  
36 gross income of any taxpayer that made an election under Section  
37 181 of the Internal Revenue Code to expense costs for a qualified  
38 film or television production equal to the amount of adjusted

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

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

6 (A) the Federal National Mortgage Association, established  
7 under the Federal National Mortgage Association Charter Act  
8 (12 U.S.C. 1716 et seq.); or

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

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

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

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

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

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

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

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

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

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

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

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

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

28           **(46) Add the amount necessary to make the adjusted gross**  
29           **income of any taxpayer for which tax was not imposed on the**  
30           **net recognized built-in gain of an S corporation under Section**  
31           **1374(d)(7) of the Internal Revenue Code as amended by the**  
32           **Small Business Jobs Act of 2010 (P.L. 111-240) equal to the**  
33           **amount of adjusted gross income that would have been**  
34           **computed before Section 1374(d)(7) of the Internal Revenue**  
35           **Code as amended by the Small Business Jobs Act of 2010 (P.L.**  
36           **111-240).**

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

1 follows:

- 2 (1) Subtract income that is exempt from taxation under this article  
3 by the Constitution and statutes of the United States.
- 4 (2) Add an amount equal to any deduction or deductions allowed  
5 or allowable pursuant to Section 170 of the Internal Revenue  
6 Code.
- 7 (3) Add an amount equal to any deduction or deductions allowed  
8 or allowable pursuant to Section 63 of the Internal Revenue Code  
9 for taxes based on or measured by income and levied at the state  
10 level by any state of the United States.
- 11 (4) Subtract an amount equal to the amount included in the  
12 corporation's taxable income under Section 78 of the Internal  
13 Revenue Code.
- 14 (5) Add or subtract the amount necessary to make the adjusted  
15 gross income of any taxpayer that owns property for which bonus  
16 depreciation was allowed in the current taxable year or in an  
17 earlier taxable year equal to the amount of adjusted gross income  
18 that would have been computed had an election not been made  
19 under Section 168(k) of the Internal Revenue Code to apply bonus  
20 depreciation to the property in the year that it was placed in  
21 service.
- 22 (6) Add an amount equal to any deduction allowed under Section  
23 172 of the Internal Revenue Code.
- 24 (7) Add or subtract the amount necessary to make the adjusted  
25 gross income of any taxpayer that placed Section 179 property (as  
26 defined in Section 179 of the Internal Revenue Code) in service  
27 in the current taxable year or in an earlier taxable year equal to  
28 the amount of adjusted gross income that would have been  
29 computed had an election for federal income tax purposes not  
30 been made for the year in which the property was placed in  
31 service to take deductions under Section 179 of the Internal  
32 Revenue Code in a total amount exceeding twenty-five thousand  
33 dollars (\$25,000).
- 34 (8) Add an amount equal to the amount that a taxpayer claimed as  
35 a deduction for domestic production activities for the taxable year  
36 under Section 199 of the Internal Revenue Code for federal  
37 income tax purposes.
- 38 (9) Add to the extent required by IC 6-3-2-20 the amount of

- 1 intangible expenses (as defined in IC 6-3-2-20) and any directly  
2 related intangible interest expenses (as defined in IC 6-3-2-20) for  
3 the taxable year that reduced the corporation's taxable income (as  
4 defined in Section 63 of the Internal Revenue Code) for federal  
5 income tax purposes.
- 6 (10) Add an amount equal to any deduction for dividends paid (as  
7 defined in Section 561 of the Internal Revenue Code) to  
8 shareholders of a captive real estate investment trust (as defined  
9 in section 34.5 of this chapter).
- 10 (11) Subtract income that is:
- 11 (A) exempt from taxation under IC 6-3-2-21.7; and
- 12 (B) included in the corporation's taxable income under the  
13 Internal Revenue Code.
- 14 (12) Add an amount equal to any income not included in gross  
15 income as a result of the deferral of income arising from business  
16 indebtedness discharged in connection with the reacquisition after  
17 December 31, 2008, and before January 1, 2011, of an applicable  
18 debt instrument, as provided in Section 108(i) of the Internal  
19 Revenue Code. Subtract from the adjusted gross income of any  
20 taxpayer that added an amount to adjusted gross income in a  
21 previous year the amount necessary to offset the amount included  
22 in federal gross income as a result of the deferral of income  
23 arising from business indebtedness discharged in connection with  
24 the reacquisition after December 31, 2008, and before January 1,  
25 2011, of an applicable debt instrument, as provided in Section  
26 108(i) of the Internal Revenue Code.
- 27 (13) Add the amount necessary to make the adjusted gross income  
28 of any taxpayer that placed qualified restaurant property in service  
29 during the taxable year and that was classified as 15-year property  
30 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal  
31 to the amount of adjusted gross income that would have been  
32 computed had the classification not applied to the property in the  
33 year that it was placed in service.
- 34 (14) Add the amount necessary to make the adjusted gross income  
35 of any taxpayer that placed qualified retail improvement property  
36 in service during the taxable year and that was classified as  
37 15-year property under Section 168(e)(3)(E)(ix) of the Internal  
38 Revenue Code equal to the amount of adjusted gross income that

1 would have been computed had the classification not applied to  
2 the property in the year that it was placed in service.

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

9 (16) Add or subtract the amount necessary to make the adjusted  
10 gross income of any taxpayer that made an election under Section  
11 179C of the Internal Revenue Code to expense costs for qualified  
12 refinery property equal to the amount of adjusted gross income  
13 that would have been computed had an election for federal  
14 income tax purposes not been made for the year.

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

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

24 (A) the Federal National Mortgage Association, established  
25 under the Federal National Mortgage Association Charter Act  
26 (12 U.S.C. 1716 et seq.); or

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

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

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

38 **(20) Add the amount deducted from gross income under**

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

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

11          **(22) Add the amount necessary to make the adjusted gross**  
 12          **income of any taxpayer that placed a motorsports**  
 13          **entertainment complex in service during the taxable year and**  
 14          **that was classified as 7-year property under Section**  
 15          **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**  
 16          **amount of adjusted gross income that would have been**  
 17          **computed had the classification not applied to the property in**  
 18          **the year that it was placed into service.**

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

24          (c) In the case of life insurance companies (as defined in Section  
 25          816(a) of the Internal Revenue Code) that are organized under Indiana  
 26          law, the same as "life insurance company taxable income" (as defined  
 27          in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

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

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

- 1 (5) Add or subtract the amount necessary to make the adjusted  
2 gross income of any taxpayer that owns property for which bonus  
3 depreciation was allowed in the current taxable year or in an  
4 earlier taxable year equal to the amount of adjusted gross income  
5 that would have been computed had an election not been made  
6 under Section 168(k) of the Internal Revenue Code to apply bonus  
7 depreciation to the property in the year that it was placed in  
8 service.
- 9 (6) Add an amount equal to any deduction allowed under Section  
10 172 or Section 810 of the Internal Revenue Code.
- 11 (7) Add or subtract the amount necessary to make the adjusted  
12 gross income of any taxpayer that placed Section 179 property (as  
13 defined in Section 179 of the Internal Revenue Code) in service  
14 in the current taxable year or in an earlier taxable year equal to  
15 the amount of adjusted gross income that would have been  
16 computed had an election for federal income tax purposes not  
17 been made for the year in which the property was placed in  
18 service to take deductions under Section 179 of the Internal  
19 Revenue Code in a total amount exceeding twenty-five thousand  
20 dollars (\$25,000).
- 21 (8) Add an amount equal to the amount that a taxpayer claimed as  
22 a deduction for domestic production activities for the taxable year  
23 under Section 199 of the Internal Revenue Code for federal  
24 income tax purposes.
- 25 (9) Subtract income that is:
- 26 (A) exempt from taxation under IC 6-3-2-21.7; and  
27 (B) included in the insurance company's taxable income under  
28 the Internal Revenue Code.
- 29 (10) Add an amount equal to any income not included in gross  
30 income as a result of the deferral of income arising from business  
31 indebtedness discharged in connection with the reacquisition after  
32 December 31, 2008, and before January 1, 2011, of an applicable  
33 debt instrument, as provided in Section 108(i) of the Internal  
34 Revenue Code. Subtract from the adjusted gross income of any  
35 taxpayer that added an amount to adjusted gross income in a  
36 previous year the amount necessary to offset the amount included  
37 in federal gross income as a result of the deferral of income  
38 arising from business indebtedness discharged in connection with

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

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

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

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

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

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

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

- 1 (A) the Federal National Mortgage Association, established  
2 under the Federal National Mortgage Association Charter Act  
3 (12 U.S.C. 1716 et seq.); or  
4 (B) the Federal Home Loan Mortgage Corporation, established  
5 under the Federal Home Loan Mortgage Corporation Act (12  
6 U.S.C. 1451 et seq.);  
7 as an ordinary loss under Section 301 of the Emergency  
8 Economic Stabilization Act of 2008 in the current taxable year or  
9 in an earlier taxable year equal to the amount of adjusted gross  
10 income that would have been computed had the loss not been  
11 treated as an ordinary loss.
- 12 (17) Add an amount equal to any exempt insurance income under  
13 Section 953(e) of the Internal Revenue Code that is active  
14 financing income under Subpart F of Subtitle A, Chapter 1,  
15 Subchapter N of the Internal Revenue Code.
- 16 **(18) Add the amount necessary to make the adjusted gross**  
17 **income of any taxpayer that placed any qualified leasehold**  
18 **improvement property in service during the taxable year and**  
19 **that was classified as 15-year property under Section**  
20 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**  
21 **amount of adjusted gross income that would have been**  
22 **computed had the classification not applied to the property in**  
23 **the year that it was placed into service.**
- 24 **(19) Add the amount necessary to make the adjusted gross**  
25 **income of any taxpayer that placed a motorsports**  
26 **entertainment complex in service during the taxable year and**  
27 **that was classified as 7-year property under Section**  
28 **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**  
29 **amount of adjusted gross income that would have been**  
30 **computed had the classification not applied to the property in**  
31 **the year that it was placed into service.**
- 32 **(20) Add the amount deducted under Section 195 of the**  
33 **Internal Revenue Code for start-up expenditures that exceeds**  
34 **the amount the taxpayer could deduct under Section 195 of**  
35 **the Internal Revenue Code before it was amended by the**  
36 **Small Business Jobs Act of 2010 (P.L. 111-240).**
- 37 **(21) Add the amount deducted from gross income under**  
38 **Section 198 of the Internal Revenue Code for the expensing of**

1           **environmental remediation costs.**  
2           **(22) Add the amount deducted from gross income under**  
3           **Section 179E of the Internal Revenue Code for any qualified**  
4           **advanced mine safety equipment property.**

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

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

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

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

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

20          (5) 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          (6) Add an amount equal to any deduction allowed under Section  
29          172 of the Internal Revenue Code.

30          (7) 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

- 1           dollars (\$25,000).
- 2           (8) Add an amount equal to the amount that a taxpayer claimed as
- 3           a deduction for domestic production activities for the taxable year
- 4           under Section 199 of the Internal Revenue Code for federal
- 5           income tax purposes.
- 6           (9) Subtract income that is:
- 7                 (A) exempt from taxation under IC 6-3-2-21.7; and
- 8                 (B) included in the insurance company's taxable income under
- 9                 the Internal Revenue Code.
- 10          (10) Add an amount equal to any income not included in gross
- 11          income as a result of the deferral of income arising from business
- 12          indebtedness discharged in connection with the reacquisition after
- 13          December 31, 2008, and before January 1, 2011, of an applicable
- 14          debt instrument, as provided in Section 108(i) of the Internal
- 15          Revenue Code. Subtract from the adjusted gross income of any
- 16          taxpayer that added an amount to adjusted gross income in a
- 17          previous year the amount necessary to offset the amount included
- 18          in federal gross income as a result of the deferral of income
- 19          arising from business indebtedness discharged in connection with
- 20          the reacquisition after December 31, 2008, and before January 1,
- 21          2011, of an applicable debt instrument, as provided in Section
- 22          108(i) of the Internal Revenue Code.
- 23          (11) Add the amount necessary to make the adjusted gross income
- 24          of any taxpayer that placed qualified restaurant property in service
- 25          during the taxable year and that was classified as 15-year property
- 26          under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 27          to the amount of adjusted gross income that would have been
- 28          computed had the classification not applied to the property in the
- 29          year that it was placed in service.
- 30          (12) Add the amount necessary to make the adjusted gross income
- 31          of any taxpayer that placed qualified retail improvement property
- 32          in service during the taxable year and that was classified as
- 33          15-year property under Section 168(e)(3)(E)(ix) of the Internal
- 34          Revenue Code equal to the amount of adjusted gross income that
- 35          would have been computed had the classification not applied to
- 36          the property in the year that it was placed in service.
- 37          (13) Add or subtract the amount necessary to make the adjusted
- 38          gross income of any taxpayer that claimed the special allowance

1 for qualified disaster assistance property under Section 168(n) of  
 2 the Internal Revenue Code equal to the amount of adjusted gross  
 3 income that would have been computed had the special allowance  
 4 not been claimed for the property.

5 (14) Add or subtract the amount necessary to make the adjusted  
 6 gross income of any taxpayer that made an election under Section  
 7 179C of the Internal Revenue Code to expense costs for qualified  
 8 refinery property equal to the amount of adjusted gross income  
 9 that would have been computed had an election for federal  
 10 income tax purposes not been made for the year.

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

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

20 (A) the Federal National Mortgage Association, established  
 21 under the Federal National Mortgage Association Charter Act  
 22 (12 U.S.C. 1716 et seq.); or

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

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

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

35 **(18) Add the amount necessary to make the adjusted gross**  
 36 **income of any taxpayer that placed any qualified leasehold**  
 37 **improvement property in service during the taxable year and**  
 38 **that was classified as 15-year property under Section**

1           **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**  
 2           **amount of adjusted gross income that would have been**  
 3           **computed had the classification not applied to the property in**  
 4           **the year that it was placed into service.**

5           **(19) Add the amount necessary to make the adjusted gross**  
 6           **income of any taxpayer that placed a motorsports**  
 7           **entertainment complex in service during the taxable year and**  
 8           **that was classified as 7-year property under Section**  
 9           **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**  
 10          **amount of adjusted gross income that would have been**  
 11          **computed had the classification not applied to the property in**  
 12          **the year that it was placed into service.**

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

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

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

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

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

29               (2) Subtract an amount equal to the amount of a September 11  
 30               terrorist attack settlement payment included in the federal  
 31               adjusted gross income of the estate of a victim of the September  
 32               11 terrorist attack or a trust to the extent the trust benefits a victim  
 33               of the September 11 terrorist attack.

34               (3) 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 a  
 37               earlier taxable year equal to the amount of adjusted gross income  
 38               that would have been computed had an election not been made

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

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

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

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

19 (12) Add or subtract the amount necessary to make the adjusted  
20 gross income of any taxpayer that made an election under Section  
21 179C of the Internal Revenue Code to expense costs for qualified  
22 refinery property equal to the amount of adjusted gross income  
23 that would have been computed had an election for federal  
24 income tax purposes not been made for the year.

25 (13) Add or subtract the amount necessary to make the adjusted  
26 gross income of any taxpayer that made an election under Section  
27 181 of the Internal Revenue Code to expense costs for a qualified  
28 film or television production equal to the amount of adjusted  
29 gross income that would have been computed had an election for  
30 federal income tax purposes not been made for the year.

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

34 (A) the Federal National Mortgage Association, established  
35 under the Federal National Mortgage Association Charter Act  
36 (12 U.S.C. 1716 et seq.); or

37 (B) the Federal Home Loan Mortgage Corporation, established  
38 under the Federal Home Loan Mortgage Corporation Act (12

- 1 U.S.C. 1451 et seq.);  
2 as an ordinary loss under Section 301 of the Emergency  
3 Economic Stabilization Act of 2008 in the current taxable year or  
4 in an earlier taxable year equal to the amount of adjusted gross  
5 income that would have been computed had the loss not been  
6 treated as an ordinary loss.
- 7 (15) Add the amount excluded from gross income under Section  
8 108(a)(1)(e) of the Internal Revenue Code for the discharge of  
9 debt on a qualified principal residence.
- 10 **(16) Add the amount necessary to make the adjusted gross**  
11 **income of any taxpayer that placed any qualified leasehold**  
12 **improvement property in service during the taxable year and**  
13 **that was classified as 15-year property under Section**  
14 **168(e)(3)(E)(iv) of the Internal Revenue Code equal to the**  
15 **amount of adjusted gross income that would have been**  
16 **computed had the classification not applied to the property in**  
17 **the year that it was placed into service.**
- 18 (17) Add the amount necessary to make the adjusted gross  
19 income of any taxpayer that placed a motorsports  
20 entertainment complex in service during the taxable year and  
21 that was classified as 7-year property under Section  
22 168(e)(3)(C)(ii) 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 (18) Add the amount deducted under Section 195 of the  
27 Internal Revenue Code for start-up expenditures that exceeds  
28 the amount the taxpayer could deduct under Section 195 of  
29 the Internal Revenue Code before it was amended by the  
30 Small Business Jobs Act of 2010 (P.L. 111-240).
- 31 (19) Add the amount deducted from gross income under  
32 Section 198 of the Internal Revenue Code for the expensing of  
33 environmental remediation costs.
- 34 (20) Add the amount deducted from gross income under  
35 Section 179E of the Internal Revenue Code for any qualified  
36 advanced mine safety equipment property.
- 37 (21) Add the amount necessary to make the adjusted gross  
38 income of any taxpayer for which tax was not imposed on the

1           **net recognized built-in gain of an S corporation under Section**  
 2           **1374(d)(7) of the Internal Revenue Code as amended by the**  
 3           **Small Business Jobs Act of 2010 (P.L. 111-240) equal to the**  
 4           **amount of adjusted gross income that would have been**  
 5           **computed before Section 1374(d)(7) of the Internal Revenue**  
 6           **Code as amended by the Small Business Jobs Act of 2010 (P.L.**  
 7           **111-240).**

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

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

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

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

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

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

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

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

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

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

38           **(2) Section 871(k)(1)(c) and 871(k)(2)(C) of the Internal**

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

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

22           Page 17, between lines 9 and 10, begin a new paragraph and insert:  
 23           "SECTION 13. IC 6-3.1-21-6, AS AMENDED BY P.L.1-2009,  
 24           SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25           JANUARY 1, 2011 (RETROACTIVE)]: Sec. 6. (a) Except as provided  
 26           by subsection (b), an individual who is eligible for an earned income  
 27           tax credit under Section 32 of the Internal Revenue Code, **as it existed**  
 28           **before being amended by Tax Relief, Unemployment Insurance**  
 29           **Reauthorization, and Job Creation Act of 2010 (P.L. 111-312)**, is  
 30           eligible for a credit under this chapter equal to nine percent (9%) of the  
 31           amount of the federal earned income tax credit that the individual:

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

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

37           (b) In the case of a nonresident taxpayer or a resident taxpayer  
 38           residing in Indiana for a period of less than the taxpayer's entire taxable

1 year, the amount of the credit is equal to the product of:

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

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

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

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

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

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

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

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

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

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

4           **(2) one (1) or more nonprofit organizations where the**  
 5           **charitable exemption under IC 6-4.1-3-1 is available for the**  
 6           **entire value of the property interest."**

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

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

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

16           (1) Add the following amounts:

17           (A) An amount equal to a deduction allowed or allowable  
 18           under Section 166, Section 585, or Section 593 of the Internal  
 19           Revenue Code.

20           (B) An amount equal to a deduction allowed or allowable  
 21           under Section 170 of the Internal Revenue Code.

22           (C) An amount equal to a deduction or deductions allowed or  
 23           allowable under Section 63 of the Internal Revenue Code for  
 24           taxes based on or measured by income and levied at the state  
 25           level by a state of the United States or levied at the local level  
 26           by any subdivision of a state of the United States.

27           (D) The amount of interest excluded under Section 103 of the  
 28           Internal Revenue Code or under any other federal law, minus  
 29           the associated expenses disallowed in the computation of  
 30           taxable income under Section 265 of the Internal Revenue  
 31           Code.

32           (E) An amount equal to the deduction allowed under Section  
 33           172 or 1212 of the Internal Revenue Code for net operating  
 34           losses or net capital losses.

35           (F) For a taxpayer that is not a large bank (as defined in  
 36           Section 585(c)(2) of the Internal Revenue Code), an amount  
 37           equal to the recovery of a debt, or part of a debt, that becomes  
 38           worthless to the extent a deduction was allowed from gross

- 1 income in a prior taxable year under Section 166(a) of the  
2 Internal Revenue Code.
- 3 (G) Add the amount necessary to make the adjusted gross  
4 income of any taxpayer that owns property for which bonus  
5 depreciation was allowed in the current taxable year or in an  
6 earlier taxable year equal to the amount of adjusted gross  
7 income that would have been computed had an election not  
8 been made under Section 168(k) of the Internal Revenue Code  
9 to apply bonus depreciation to the property in the year that it  
10 was placed in service.
- 11 (H) Add the amount necessary to make the adjusted gross  
12 income of any taxpayer that placed Section 179 property (as  
13 defined in Section 179 of the Internal Revenue Code) in  
14 service in the current taxable year or in an earlier taxable year  
15 equal to the amount of adjusted gross income that would have  
16 been computed had an election for federal income tax  
17 purposes not been made for the year in which the property was  
18 placed in service to take deductions under Section 179 of the  
19 Internal Revenue Code in a total amount exceeding  
20 twenty-five thousand dollars (\$25,000).
- 21 (I) Add an amount equal to the amount that a taxpayer claimed  
22 as a deduction for domestic production activities for the  
23 taxable year under Section 199 of the Internal Revenue Code  
24 for federal income tax purposes.
- 25 (J) Add an amount equal to any income not included in gross  
26 income as a result of the deferral of income arising from  
27 business indebtedness discharged in connection with the  
28 reacquisition after December 31, 2008, and before January 1,  
29 2011, of an applicable debt instrument, as provided in Section  
30 108(i) of the Internal Revenue Code. Subtract from the  
31 adjusted gross income of any taxpayer that added an amount  
32 to adjusted gross income in a previous year the amount  
33 necessary to offset the amount included in federal gross  
34 income as a result of the deferral of income arising from  
35 business indebtedness discharged in connection with the  
36 reacquisition after December 31, 2008, and before January 1,  
37 2011, of an applicable debt instrument, as provided in Section  
38 108(i) of the Internal Revenue Code.

- 1 (K) Add the amount necessary to make the adjusted gross  
2 income of any taxpayer that placed qualified restaurant  
3 property in service during the taxable year and that was  
4 classified as 15-year property under Section 168(e)(3)(E)(v) of  
5 the Internal Revenue Code equal to the amount of adjusted  
6 gross income that would have been computed had the  
7 classification not applied to the property in the year that it was  
8 placed in service.
- 9 (L) Add the amount necessary to make the adjusted gross  
10 income of any taxpayer that placed qualified retail  
11 improvement property in service during the taxable year and  
12 that was classified as 15-year property under Section  
13 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the  
14 amount of adjusted gross income that would have been  
15 computed had the classification not applied to the property in  
16 the year that it was placed in service.
- 17 (M) Add or subtract the amount necessary to make the  
18 adjusted gross income of any taxpayer that claimed the special  
19 allowance for qualified disaster assistance property under  
20 Section 168(n) of the Internal Revenue Code equal to the  
21 amount of adjusted gross income that would have been  
22 computed had the special allowance not been claimed for the  
23 property.
- 24 (N) Add or subtract the amount necessary to make the adjusted  
25 gross income of any taxpayer that made an election under  
26 Section 179C of the Internal Revenue Code to expense costs  
27 for qualified refinery property equal to the amount of adjusted  
28 gross income that would have been computed had an election  
29 for federal income tax purposes not been made for the year.
- 30 (O) Add or subtract the amount necessary to make the adjusted  
31 gross income of any taxpayer that made an election under  
32 Section 181 of the Internal Revenue Code to expense costs for  
33 a qualified film or television production equal to the amount  
34 of adjusted gross income that would have been computed had  
35 an election for federal income tax purposes not been made for  
36 the year.
- 37 (P) Add or subtract the amount necessary to make the adjusted  
38 gross income of any taxpayer that treated a loss from the sale

1 or exchange of preferred stock in:  
2 (i) the Federal National Mortgage Association, established  
3 under the Federal National Mortgage Association Charter  
4 Act (12 U.S.C. 1716 et seq.); or  
5 (ii) the Federal Home Loan Mortgage Corporation,  
6 established under the Federal Home Loan Mortgage  
7 Corporation Act (12 U.S.C. 1451 et seq.);  
8 as an ordinary loss under Section 301 of the Emergency  
9 Economic Stabilization Act of 2008 in the current taxable year  
10 or in an earlier taxable year equal to the amount of adjusted  
11 gross income that would have been computed had the loss not  
12 been treated as an ordinary loss.  
13 (Q) Add an amount equal to any exempt insurance income  
14 under Section 953(e) of the Internal Revenue Code for active  
15 financing income under Subpart F, Subtitle A, Chapter 1,  
16 Subchapter N of the Internal Revenue Code.  
17 **(R) 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**  
20 **and 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**  
24 **in the year that it was placed into service.**  
25 **(S) Add the amount deducted from gross income under**  
26 **Section 198 of the Internal Revenue Code for the expensing**  
27 **of environmental remediation costs.**  
28 **(T) Add the amount deducted from gross income under**  
29 **Section 179E of the Internal Revenue Code for any**  
30 **qualified advanced mine safety equipment property.**  
31 **(U) Add the amount necessary to make the adjusted gross**  
32 **income of any taxpayer that placed a motorsports**  
33 **entertainment complex in service during the taxable year**  
34 **and that was classified as 7-year property under Section**  
35 **168(e)(3)(C)(ii) of the Internal Revenue Code equal to the**  
36 **amount of adjusted gross income that would have been**  
37 **computed had the classification not applied to the property**  
38 **in the year that it was placed into service.**

- 1           **(V) Add the amount deducted under Section 195 of the**  
 2           **Internal Revenue Code for start-up expenditures that**  
 3           **exceeds the amount the taxpayer could deduct under**  
 4           **Section 195 of the Internal Revenue Code before it was**  
 5           **amended by the Small Business Jobs Act of 2010 (P.L.**  
 6           **111-240).**
- 7           **(W) Add the amount necessary to make the adjusted gross**  
 8           **income of any taxpayer for which tax was not imposed on**  
 9           **the net recognized built-in gain of an S corporation under**  
 10           **Section 1374(d)(7) of the Internal Revenue Code as**  
 11           **amended by the Small Business Jobs Act of 2010 (P.L.**  
 12           **111-240) equal to the amount of adjusted gross income that**  
 13           **would have been computed before Section 1374(d)(7) of the**  
 14           **Internal Revenue Code as amended by the Small Business**  
 15           **Jobs Act of 2010 (P.L. 111-240).**
- 16       (2) Subtract the following amounts:
- 17           (A) Income that the United States Constitution or any statute  
 18           of the United States prohibits from being used to measure the  
 19           tax imposed by this chapter.
- 20           (B) Income that is derived from sources outside the United  
 21           States, as defined by the Internal Revenue Code.
- 22           (C) An amount equal to a debt or part of a debt that becomes  
 23           worthless, as permitted under Section 166(a) of the Internal  
 24           Revenue Code.
- 25           (D) An amount equal to any bad debt reserves that are  
 26           included in federal income because of accounting method  
 27           changes required by Section 585(c)(3)(A) or Section 593 of  
 28           the Internal Revenue Code.
- 29           (E) The amount necessary to make the adjusted gross income  
 30           of any taxpayer that owns property for which bonus  
 31           depreciation was allowed in the current taxable year or in an  
 32           earlier taxable year equal to the amount of adjusted gross  
 33           income that would have been computed had an election not  
 34           been made under Section 168(k) of the Internal Revenue Code  
 35           to apply bonus depreciation.
- 36           (F) The amount necessary to make the adjusted gross income  
 37           of any taxpayer that placed Section 179 property (as defined  
 38           in Section 179 of the Internal Revenue Code) in service in the

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

8 (G) Income that is:

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

10 (ii) included in the taxpayer's taxable income under the  
 11 Internal Revenue Code.

12 (b) In the case of a credit union, "adjusted gross income" for a  
 13 taxable year means the total transfers to undivided earnings minus  
 14 dividends for that taxable year after statutory reserves are set aside  
 15 under IC 28-7-1-24.

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

19 (1) the aggregate of the gross payments collected by the company  
 20 during the taxable year from old and new business upon  
 21 investment contracts issued by the company and held by residents  
 22 of Indiana; divided by

23 (2) the total amount of gross payments collected during the  
 24 taxable year by the company from the business upon investment  
 25 contracts issued by the company and held by persons residing  
 26 within Indiana and elsewhere.

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

30 (1) is registered under the Investment Company Act of 1940 (15  
 31 U.S.C. 80a-1 et seq.); and

32 (2) solicits or receives a payment to be made to itself and issues  
 33 in exchange for the payment:

34 (A) a so-called bond;

35 (B) a share;

36 (C) a coupon;

37 (D) a certificate of membership;

38 (E) an agreement;

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

15 Page 19, delete lines 1 through 23.

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

18 "SECTION 30. [EFFECTIVE JANUARY 1, 2010  
 19 (RETROACTIVE)] (a) **IC 6-3-1-11, IC 6-3-1-3.5, IC 6-3.1-21-6, and**  
 20 **IC 6-5.5-1-2, all as amended by this act, apply to taxable years**  
 21 **beginning after December 31, 2009.**

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

23 Renumber all SECTIONS consecutively.

(Reference is to HB 1483 as introduced.)

**and when so amended that said bill do pass.**

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Representative Espich