

## SENATE BILL No. 39

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-3.7.

**Synopsis:** Taxation of civil service annuities. Increases the federal civil service annuity state income tax deduction from \$2,000 to \$10,000 over a multi-year phase-in period beginning in 2012. Provides that the deduction is available to a surviving spouse.

**Effective:** January 1, 2012.

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**Landske, Mrvan**

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January 5, 2011, read first time and referred to Committee on Appropriations.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 39



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

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

1 SECTION 1. IC 6-3-2-3.7 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3.7. ~~Each taxable~~  
3 ~~year~~, **(a) Except as provided by subsection (b), an individual or the**  
4 **individual's surviving spouse** is entitled to an adjusted gross income  
5 tax deduction **each taxable year** equal to the remainder of:

- 6 (1) ~~the first two thousand dollars (\$2,000)~~ **for taxable years**  
7 **beginning in:**  
8 **(A) 2012 and 2013, the first four thousand dollars (\$4,000);**  
9 **(B) 2014 and 2015, the first six thousand dollars (\$6,000);**  
10 **(C) 2016 and 2017, the first eight thousand dollars**  
11 **(\$8,000); and**  
12 **(D) 2018 and thereafter, the first ten thousand dollars**  
13 **(\$10,000);**

14 which is received by the individual **or the individual's surviving**  
15 **spouse** during the taxable year from a federal civil service annuity  
16 and which is included in adjusted gross income under Section 62  
17 of the Internal Revenue Code; minus



1           (2) the total amount of Social Security benefits and railroad  
2           retirement benefits received by the individual **or the individual's**  
3           **surviving spouse** during the taxable year. ~~However,~~  
4           **(b)** The individual is only entitled to the deduction provided by this  
5           section if the individual is at least sixty-two (62) years of age before the  
6           end of the taxable year. **This subsection does not apply to an**  
7           **individual's surviving spouse.**

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