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# SENATE BILL No. 126

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3-11.

**Synopsis:** Public education donation tax credit. Provides for an adjusted gross income tax credit for charitable donations to a charitable organization or educational foundation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and organized and operated solely for the benefit of a public elementary school or public high school located in Indiana. Provides that the maximum individual taxpayer credit is \$1,000 in the case of a single return or \$2,000 in the case of a joint return. Provides that the maximum corporate taxpayer credit is the greater of 10% of the corporation's total adjusted gross income tax liability or \$10,000. Makes the credit refundable. Makes an appropriation.

**Effective:** January 1, 2012.

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## Simpson, Randolph

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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. 126



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE  
 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2012]: **Sec. 11. (a) As used in this section, "public  
 4 elementary school or public high school" means any combination  
 5 of grades from kindergarten through grade 12 offered by the  
 6 following:**  
 7 (1) A school corporation subject to IC 20.  
 8 (2) A special education cooperative (as defined in  
 9 IC 20-35-5-1(7)).  
 10 (b) At the election of the taxpayer, a credit is allowed against the  
 11 adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7  
 12 for the taxable year. Subject to the limitations provided by this  
 13 section, the amount allowed is equal to fifty percent (50%) of the  
 14 total amount of charitable contributions made by the taxpayer  
 15 during a taxable year to a charitable organization or educational  
 16 foundation that is:  
 17 (1) exempt from federal income taxation under Section



1           **501(c)(3) of the Internal Revenue Code; and**  
 2           **(2) organized and operated solely for the benefit of a public**  
 3           **elementary school or public high school located in Indiana.**  
 4           **(c) In the case of a taxpayer other than a corporation, the**  
 5           **amount allowable as a credit under this section for any taxable**  
 6           **year may not exceed:**  
 7               **(1) one thousand dollars (\$1,000) in the case of a single return;**  
 8               **or**  
 9               **(2) two thousand dollars (\$2,000) in the case of a joint return.**  
 10           **(d) In the case of a taxpayer that is a corporation, the amount**  
 11           **allowable as a credit under this section for any taxable year may**  
 12           **not exceed the greater of the following amounts:**  
 13               **(1) Ten percent (10%) of the corporation's total adjusted**  
 14               **gross income tax under IC 6-3-1 through IC 6-3-7 for the**  
 15               **taxable year (as determined after applying all other credits**  
 16               **against that tax).**  
 17               **(2) Ten thousand dollars (\$10,000).**  
 18           **(e) If the credit allowed by this section exceeds the amount of the**  
 19           **adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7**  
 20           **for the taxable year, the excess shall be refunded to the taxpayer.**  
 21           **Money is appropriated from the state general fund to make**  
 22           **refunds under this section.**  
 23           **SECTION 2. [EFFECTIVE JANUARY 1, 2012] (a) IC 6-3-3-11,**  
 24           **as added by this act, applies to taxable years beginning after**  
 25           **December 31, 2011.**  
 26               **(b) This SECTION expires January 1, 2014.**

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