



Reprinted
February 22, 2011

SENATE BILL No. 590

DIGEST OF SB 590 (Updated February 21, 2011 9:11 pm - DI 104)

Citations Affected: IC 5-2; IC 5-14; IC 5-28; IC 5-32; IC 6-3; IC 6-3.1; IC 6-5.5; IC 10-11; IC 11-10; IC 12-7; IC 12-32; IC 15-11; IC 22-4; IC 22-5; IC 34-28; IC 35-33; IC 35-44.

Synopsis: Illegal immigration matters. Makes various changes concerning enforcement of federal immigration laws, checking the citizenship or immigration status of individuals, and related criminal matters, including the following: (1) Requiring that only English be used, with certain exceptions, in public meetings, public documents, by officers and employees of state or political subdivisions in performing their duties, and providing information communicated electronically by the state or a political subdivision. (2) Prohibiting a governmental body from limiting or restricting the enforcement of federal immigration laws to less than the full extent permitted by federal law. (3) Permitting law enforcement officers to verify the citizenship or immigration status of individuals in certain situations. Provides that the duration of time that an individual may be detained for verification purposes be reasonable and consistent with standard law enforcement procedures.
(Continued next page)

Effective: July 1, 2011.

**Delph, Boots, Kruse, Banks, Tomes,
Holdman, Landske, Becker, Miller,
Steele, Waterman, Hershman, Yoder,
Smith J, Grooms, Walker,
Young R Michael**

January 20, 2011, read first time and referred to Committee on Pensions and Labor.
February 10, 2011, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
February 17, 2011, amended, reported favorably — Do Pass.
February 21, 2011, read second time, amended, ordered engrossed.

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Allows a law enforcement officer to release an individual if the law enforcement officer is unable to receive verification within a reasonable time unless the individual is being detained for another lawful purpose. (4) Disallowing certain state income tax credits and deductions for individuals who are prohibited from being hired as employees, unless the employer participated in the E-Verify program. (5) Requiring the superintendent of state police, to the extent possible, to negotiate the terms of a memorandum of agreement with the federal government so that state police employees can be trained to enforce federal immigration and customs laws. (6) Requiring state agencies, political subdivisions, contractors with public contracts for services with a state or political subdivision, and certain business entities to use E-Verify and meet other requirements. (7) Allowing a state agency or political subdivision to terminate a public contract for services with a contractor for breach of the public contract for services if the contractor knowingly employs an unauthorized alien. (8) Prohibiting individuals from commencing day labor without completing an attestation required under federal law. Requires probable cause before a law enforcement officer may submit a complaint to the United States Customs and Immigration Enforcement office concerning violations of required federal attestations related to day labor. (9) Establishing certain state crimes, including: (A) offenses related to identification numbers and documents; (B) knowingly or intentionally transporting or moving an alien, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of the law; and (C) knowingly or intentionally concealing, harboring, or shielding from detection an alien in any place, including a building or means of transportation, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of law. (10) Requiring law enforcement officers to impound motor vehicles for violations of crimes related to transporting, concealing, harboring, or shielding from detection aliens. (11) Requiring a judicial officer in setting bail to consider that the defendant is a foreign national who has not been lawfully admitted to the United States as relevant to the risk of nonappearance. (12) Allowing a law enforcement officer to arrest a person if the officer has probable cause to believe the person is an alien who meets certain criteria. (13) Requiring the Indiana economic development corporation and the Indiana department of agriculture to include certain agriculture jobs and wage rates on the corporation's and department's Internet web sites. (14) Requiring the department of correction to verify the citizenship or immigration status of offenders. (15) Requiring an agency, political subdivision, or person to verify the eligibility of an individual who applies for federal, state, or local public benefits. (16) Requiring the department of workforce development (DWD) to verify the status of an individual as a qualified alien through the Systematic Alien Verification for Entitlements program to determine the individual's eligibility for unemployment compensation benefits. (17) Authorizing DWD to file civil actions to obtain the reimbursement of amounts paid as unemployment insurance benefits from employers that knowingly employed unauthorized aliens. (18) Prohibiting a law enforcement agency or law enforcement officer from requesting verification of the citizenship or immigration status of an individual from federal immigration authorities if the individual has contact with the agency or officer only as a witness to or a victim of a crime or for purposes of reporting a crime.

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Reprinted
February 22, 2011

First Regular Session 117th General Assembly (2011)

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

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

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

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SENATE BILL No. 590

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

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

1 SECTION 1. IC 5-2-18 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]:

4 **Chapter 18. Citizenship and Immigration Status Information**
5 **Sec. 1. As used in this chapter, "governmental body" has the**
6 **meaning set forth in IC 5-22-2-13.**

7 **Sec. 2. As used in this chapter, "law enforcement officer" has**
8 **the meaning set forth in IC 5-2-1-2.**

9 **Sec. 3. A governmental body may not enact or implement an**
10 **ordinance, a resolution, a rule, or a policy that prohibits or in any**
11 **way restricts another governmental body, including a law**
12 **enforcement officer, a state or local official, or a state or local**
13 **government employee, from taking the following actions with**
14 **regard to information of the citizenship or immigration status,**
15 **lawful or unlawful, of an individual:**

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- 1 **(1) Communicating or cooperating with federal officials.**
- 2 **(2) Sending to or receiving information from the United States**
- 3 **Department of Homeland Security.**
- 4 **(3) Exchanging information with another federal, state, or**
- 5 **local government entity.**

6 **Sec. 4. Every law enforcement agency (as defined in IC 5-2-17-2)**
 7 **shall provide each law enforcement officer with a written notice**
 8 **that the law enforcement officer has a duty to cooperate with state**
 9 **and federal agencies and officials on matters pertaining to**
 10 **enforcement of state and federal laws governing immigration.**

11 **SECTION 2. IC 5-2-19 IS ADDED TO THE INDIANA CODE AS**
 12 **A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY**
 13 **1, 2011]:**

14 **Chapter 19. Verification of Immigration Status**

15 **Sec. 1. As used in this chapter, "governmental body" has the**
 16 **meaning set forth in IC 5-22-2-13.**

17 **Sec. 2. As used in this chapter, "law enforcement agency" has**
 18 **the meaning set forth in IC 5-2-17-2.**

19 **Sec. 3. As used in this chapter, "law enforcement officer" has**
 20 **the meaning set forth in IC 5-2-1-2.**

21 **Sec. 4. A governmental body may not limit or restrict the**
 22 **enforcement of federal immigration laws to less than the full extent**
 23 **permitted by federal law.**

24 **Sec. 5. (a) If a law enforcement officer acting in the enforcement**
 25 **of any state law or local ordinance:**

- 26 **(1) makes a lawful stop, detention, or arrest of an individual**
- 27 **for a violation of a state law or local ordinance; and**
- 28 **(2) has reasonable suspicion to believe that the individual**
- 29 **stopped, detained, or arrested as described under subdivision**
- 30 **(1):**

- 31 **(A) is an alien; and**
- 32 **(B) is not lawfully present in the United States;**

33 **the law enforcement officer may request verification of identity**
 34 **and the citizenship or immigration status of the individual at the**
 35 **site of the stop or detention from federal immigration authorities**
 36 **under 8 U.S.C. 1373(c). If an individual is detained for verification**
 37 **purposes under this section, the duration of time that the individual**
 38 **is detained must be reasonable and consistent with standard law**
 39 **enforcement procedures. If the law enforcement officer is unable**
 40 **to receive verification under this section within a reasonable time,**
 41 **the law enforcement officer may release the individual unless the**
 42 **individual is being detained for another lawful purpose.**

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1 (b) A law enforcement officer is not required to request
2 verification of citizenship or immigration status under subsection
3 (a), if the law enforcement officer reports to the law enforcement
4 agency that the attempt would hinder or obstruct a criminal
5 investigation or the treatment of a medical emergency.

6 (c) A law enforcement agency that has custody of an individual
7 who has been verified by federal immigration authorities as an
8 alien unlawfully present in the United States shall request the
9 United States Department of Homeland Security to issue a detainer
10 authorizing transfer of the alien into federal custody.

11 (d) An individual whose immigration status is being verified by
12 a law enforcement officer under this chapter is presumed not to be
13 an alien who is unlawfully present in the United States if the
14 individual provides one (1) or more of the following to the law
15 enforcement officer:

16 (1) A valid Indiana driver's license.

17 (2) A valid Indiana identification card issued under
18 IC 9-24-16.

19 (3) A valid tribal enrollment card or other form of
20 identification issued by a federally recognized Indian tribe
21 that bears a photographic image of the holder.

22 (4) Any valid identification document issued by a federal,
23 state, or local government, if:

24 (A) the document bears a photographic image of the
25 holder; and

26 (B) the issuing entity requires proof of legal presence in the
27 United States as a condition for issuance.

28 Sec. 6. A law enforcement agency may securely transport an
29 alien in the law enforcement agency's custody who has been
30 verified by federal immigration authorities as unlawfully present
31 in the United States to:

32 (1) a federal facility in Indiana; or

33 (2) any other point of transfer into federal custody that is
34 outside Indiana;

35 if the receiving federal agency agrees to the transportation and
36 transfer of the alien.

37 Sec. 7. If a court finds that a governmental body knowingly or
38 intentionally violated section 4 of this chapter or a law enforcement
39 agency knowingly or intentionally failed to comply with section 5
40 of this chapter, the court shall enjoin the law enforcement agency
41 or political subdivision from engaging in or encouraging policies,
42 practices, or acts that limit or restrict the enforcement of federal

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immigration laws in violation of this chapter.

Sec. 8. If a law enforcement officer is a party to an action under this chapter, the law enforcement agency with whom the law enforcement officer is employed shall indemnify the law enforcement officer for all reasonable costs and expenses, including attorney's fees, incurred by the law enforcement officer in connection with the action unless the law enforcement officer is found to have acted in bad faith.

Sec. 9. This chapter shall be enforced without regard to race, religion, gender, ethnicity, or national origin.

SECTION 3. IC 5-2-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 20. Prohibit Verification of Citizenship or Immigration Status

Sec. 1. As used in this chapter, "law enforcement agency" has the meaning set forth in IC 5-2-17-2.

Sec. 2. As used in this chapter, "law enforcement officer" has the meaning set forth in IC 5-2-1-2.

Sec. 3. A law enforcement agency or law enforcement officer may not request verification of the citizenship or immigration status of an individual from federal immigration authorities if the individual has contact with the law enforcement agency or law enforcement officer only:

- (1) as a witness to or victim of a crime; or
- (2) for purposes of reporting a crime.

SECTION 4. IC 5-14-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a)** Notwithstanding any other state law and except as provided in subsection (b), a governing body of a public agency shall conduct all meetings, including meetings by telephone, computer, videoconferencing, or any other electronic means of communication, in English.

(b) A language other than English may be used when required:

- (1) by the Constitution of the United States, federal law, or the Constitution of the State of Indiana;
- (2) to protect the rights of parties and witnesses in a civil or criminal action in a court or in an administrative proceeding;
- (3) to promote tourism or international trade; or
- (4) by law enforcement or public health and safety needs.

(c) This section may not be construed to affect the ability of a person to exercise the person's rights under:

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1 (1) the First Amendment to the Constitution of the United
2 States; or

3 (2) Article 1, Section 9 of the Constitution of the State of
4 Indiana.

5 SECTION 5. IC 5-14-1.5-7, AS AMENDED BY P.L.179-2007,
6 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2011]: Sec. 7. (a) An action may be filed by any person in any
8 court of competent jurisdiction to:

9 (1) obtain a declaratory judgment;
10 (2) enjoin continuing, threatened, or future violations of this
11 chapter; or

12 (3) declare void any policy, decision, or final action:

13 (A) taken at an executive session in violation of section 3(a) of
14 this chapter;

15 (B) taken at any meeting of which notice is not given in
16 accordance with section 5 of this chapter;

17 (C) that is based in whole or in part upon official action taken
18 at any:

19 (i) executive session in violation of section 3(a) of this
20 chapter;

21 (ii) meeting of which notice is not given in accordance with
22 section 5 of this chapter; or

23 (iii) series of gatherings in violation of section 3.1 of this
24 chapter; or

25 (iv) meeting that was not conducted in English in
26 violation of section 3.5 of this chapter; or

27 (D) taken at a meeting held in a location in violation of section
28 8 of this chapter.

29 The plaintiff need not allege or prove special damage different from
30 that suffered by the public at large.

31 (b) Regardless of whether a formal complaint or an informal inquiry
32 is pending before the public access counselor, any action to declare any
33 policy, decision, or final action of a governing body void, or to enter an
34 injunction which would invalidate any policy, decision, or final action
35 of a governing body, based on violation of this chapter occurring before
36 the action is commenced, shall be commenced:

37 (1) prior to the delivery of any warrants, notes, bonds, or
38 obligations if the relief sought would have the effect, if granted,
39 of invalidating the notes, bonds, or obligations; or

40 (2) with respect to any other subject matter, within thirty (30)
41 days of either:

42 (A) the date of the act or failure to act complained of; or

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1 (B) the date that the plaintiff knew or should have known that
 2 the act or failure to act complained of had occurred;
 3 whichever is later. If the challenged policy, decision, or final action is
 4 recorded in the memoranda or minutes of a governing body, a plaintiff
 5 is considered to have known that the act or failure to act complained of
 6 had occurred not later than the date that the memoranda or minutes are
 7 first available for public inspection.

8 (c) If a court finds that a governing body of a public agency has
 9 violated this chapter, it may not find that the violation was cured by the
 10 governing body by only having taken final action at a meeting that
 11 complies with this chapter.

12 (d) In determining whether to declare any policy, decision, or final
 13 action void, a court shall consider the following factors among other
 14 relevant factors:

15 (1) The extent to which the violation:

16 (A) affected the substance of the policy, decision, or final
 17 action;
 18 (B) denied or impaired access to any meetings that the public
 19 had a right to observe and record; and
 20 (C) prevented or impaired public knowledge or understanding
 21 of the public's business.

22 (2) Whether voiding of the policy, decision, or final action is a
 23 necessary prerequisite to a substantial reconsideration of the
 24 subject matter.

25 (3) Whether the public interest will be served by voiding the
 26 policy, decision, or final action by determining which of the
 27 following factors outweighs the other:

28 (A) The remedial benefits gained by effectuating the public
 29 policy of the state declared in section 1 of this chapter.
 30 (B) The prejudice likely to accrue to the public if the policy,
 31 decision, or final action is voided, including the extent to
 32 which persons have relied upon the validity of the challenged
 33 action and the effect declaring the challenged action void
 34 would have on them.

35 (4) Whether the defendant acted in compliance with an informal
 36 inquiry response or advisory opinion issued by the public access
 37 counselor concerning the violation.

38 (e) If a court declares a policy, decision, or final action of a
 39 governing body of a public agency void, the court may enjoin the
 40 governing body from subsequently acting upon the subject matter of
 41 the voided act until it has been given substantial reconsideration at a
 42 meeting or meetings that comply with this chapter.

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1 (f) In any action filed under this section, a court shall award
2 reasonable attorney's fees, court costs, and other reasonable expenses
3 of litigation to the prevailing party if:

- 4 (1) the plaintiff prevails; or
- 5 (2) the defendant prevails and the court finds that the action is
6 frivolous and vexatious.

7 The plaintiff is not eligible for the awarding of attorney's fees, court
8 costs, and other reasonable expenses if the plaintiff filed the action
9 without first seeking and receiving an informal inquiry response or
10 advisory opinion from the public access counselor, unless the plaintiff
11 can show the filing of the action was necessary to prevent a violation
12 of this chapter.

13 (g) A court shall expedite the hearing of an action filed under this
14 section.

15 SECTION 6. IC 5-28-6-8 IS ADDED TO THE INDIANA CODE
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2011]: **Sec. 8. The corporation shall include on the corporation's
18 Internet web site the following:**

- 19 (1) **A list of agricultural jobs in which there is a critical need
20 for agricultural workers, as determined by the department of
21 agriculture under IC 15-11-2-8.**
- 22 (2) **The wage rate for each agricultural job listed in
23 accordance with subdivision (1).**

24 SECTION 7. IC 5-32 IS ADDED TO THE INDIANA CODE AS A
25 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
26 2011]:

27 **ARTICLE 32. ENGLISH LANGUAGE REQUIREMENT**
28 **Chapter 1. Official Documents or Communications**

29 **Sec. 1. As used in this chapter, "official document or
30 communication" means a written document or written
31 communication that:**

- 32 (1) **binds or commits the state;**
- 33 (2) **is required by law; or**
- 34 (3) **gives the appearance of presenting the official views or
35 positions of the state.**

36 **Sec. 2. As used in this chapter, "political subdivision" has the
37 meaning set forth in IC 36-1-2-13.**

38 **Sec. 3. As used in this chapter, "state" means Indiana or any
39 agency of state government and includes a body corporate and
40 politic established as an instrumentality of the state. The term does
41 not include a political subdivision (as defined in IC 3-5-2-38).**

42 **Sec. 4. Notwithstanding any other state law and except as**

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1 provided in section 7 of this chapter, an official document or
2 communication issued:

- 3 (1) by;
- 4 (2) on behalf of; or
- 5 (3) representing;

6 the state or a political subdivision may be issued only in the English
7 language.

8 **Sec. 5.** Notwithstanding any other state law and except as
9 provided in section 7 of this chapter, an officer or employee of the
10 state or a political subdivision may not provide information or
11 communicate in a language other than English while performing
12 the duties of the officer or employee.

13 **Sec. 6.** Notwithstanding any other state law and except as
14 provided in section 7 of this chapter, information communicated
15 electronically by the state or a political subdivision may not be in
16 a language other than English, including an:

- 17 (1) electronic telephone voice system;
- 18 (2) electronic mail message; or
- 19 (3) Internet web site.

20 **Sec. 7. (a)** A language other than English may be used when
21 required:

- 22 (1) by the Constitution of the United States, federal law, or the
- 23 Constitution of the State of Indiana;
- 24 (2) by law enforcement or public health and safety needs;
- 25 (3) to protect the rights of parties and witnesses in a civil or
- 26 criminal action in a court or in an administrative proceeding;
- 27 (4) to promote and encourage tourism and international
- 28 trade;
- 29 (5) to teach:
 - 30 (A) another language to students proficient in English; or
 - 31 (B) English to students of limited English proficiency;
- 32 (6) by libraries:
 - 33 (A) to collect and promote foreign language materials; and
 - 34 (B) to provide foreign language services and activities; or
- 35 (7) to arrange for or provide health care services or items.

36 **(b)** A language other than English may be used as follows:

- 37 (1) To create or promote state or political subdivision mottos.
- 38 (2) For inscriptions on public monuments.
- 39 (3) When the language involves terms of art or terms or
- 40 phrases from languages other than English that are
- 41 commonly used in official communications.

42 **Sec. 8.** This chapter may not be construed to affect the ability of

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a person to exercise the person's rights under:
(1) the First Amendment to the Constitution of the United States; or
(2) Article 1, Section 9 of the Constitution of the State of Indiana.

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

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
 - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
 - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
 - (A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and
 - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

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

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- 1 (6) Subtract an amount equal to the lesser of:
- 2 (A) that part of the individual's adjusted gross income (as
- 3 defined in Section 62 of the Internal Revenue Code) for that
- 4 taxable year that is subject to a tax that is imposed by a
- 5 political subdivision of another state and that is imposed on or
- 6 measured by income; or
- 7 (B) two thousand dollars (\$2,000).
- 8 (7) Add an amount equal to the total capital gain portion of a
- 9 lump sum distribution (as defined in Section 402(e)(4)(D) of the
- 10 Internal Revenue Code) if the lump sum distribution is received
- 11 by the individual during the taxable year and if the capital gain
- 12 portion of the distribution is taxed in the manner provided in
- 13 Section 402 of the Internal Revenue Code.
- 14 (8) Subtract any amounts included in federal adjusted gross
- 15 income under Section 111 of the Internal Revenue Code as a
- 16 recovery of items previously deducted as an itemized deduction
- 17 from adjusted gross income.
- 18 (9) Subtract any amounts included in federal adjusted gross
- 19 income under the Internal Revenue Code which amounts were
- 20 received by the individual as supplemental railroad retirement
- 21 annuities under 45 U.S.C. 231 and which are not deductible under
- 22 subdivision (1).
- 23 (10) Add an amount equal to the deduction allowed under Section
- 24 221 of the Internal Revenue Code for married couples filing joint
- 25 returns if the taxable year began before January 1, 1987.
- 26 (11) Add an amount equal to the interest excluded from federal
- 27 gross income by the individual for the taxable year under Section
- 28 128 of the Internal Revenue Code if the taxable year began before
- 29 January 1, 1985.
- 30 (12) Subtract an amount equal to the amount of federal Social
- 31 Security and Railroad Retirement benefits included in a taxpayer's
- 32 federal gross income by Section 86 of the Internal Revenue Code.
- 33 (13) In the case of a nonresident taxpayer or a resident taxpayer
- 34 residing in Indiana for a period of less than the taxpayer's entire
- 35 taxable year, the total amount of the deductions allowed pursuant
- 36 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
- 37 which bears the same ratio to the total as the taxpayer's income
- 38 taxable in Indiana bears to the taxpayer's total income.
- 39 (14) In the case of an individual who is a recipient of assistance
- 40 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
- 41 subtract an amount equal to that portion of the individual's
- 42 adjusted gross income with respect to which the individual is not

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- 1 allowed under federal law to retain an amount to pay state and
- 2 local income taxes.
- 3 (15) In the case of an eligible individual, subtract the amount of
- 4 a Holocaust victim's settlement payment included in the
- 5 individual's federal adjusted gross income.
- 6 (16) For taxable years beginning after December 31, 1999,
- 7 subtract an amount equal to the portion of any premiums paid
- 8 during the taxable year by the taxpayer for a qualified long term
- 9 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
- 10 taxpayer's spouse, or both.
- 11 (17) Subtract an amount equal to the lesser of:
- 12 (A) for a taxable year:
- 13 (i) including any part of 2004, the amount determined under
- 14 subsection (f); and
- 15 (ii) beginning after December 31, 2004, two thousand five
- 16 hundred dollars (\$2,500); or
- 17 (B) the amount of property taxes that are paid during the
- 18 taxable year in Indiana by the individual on the individual's
- 19 principal place of residence.
- 20 (18) Subtract an amount equal to the amount of a September 11
- 21 terrorist attack settlement payment included in the individual's
- 22 federal adjusted gross income.
- 23 (19) Add or subtract the amount necessary to make the adjusted
- 24 gross income of any taxpayer that owns property for which bonus
- 25 depreciation was allowed in the current taxable year or in an
- 26 earlier taxable year equal to the amount of adjusted gross income
- 27 that would have been computed had an election not been made
- 28 under Section 168(k) of the Internal Revenue Code to apply bonus
- 29 depreciation to the property in the year that it was placed in
- 30 service.
- 31 (20) Add an amount equal to any deduction allowed under
- 32 Section 172 of the Internal Revenue Code.
- 33 (21) Add or subtract the amount necessary to make the adjusted
- 34 gross income of any taxpayer that placed Section 179 property (as
- 35 defined in Section 179 of the Internal Revenue Code) in service
- 36 in the current taxable year or in an earlier taxable year equal to
- 37 the amount of adjusted gross income that would have been
- 38 computed had an election for federal income tax purposes not
- 39 been made for the year in which the property was placed in
- 40 service to take deductions under Section 179 of the Internal
- 41 Revenue Code in a total amount exceeding twenty-five thousand
- 42 dollars (\$25,000).

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- 1 (22) Add an amount equal to the amount that a taxpayer claimed
- 2 as a deduction for domestic production activities for the taxable
- 3 year under Section 199 of the Internal Revenue Code for federal
- 4 income tax purposes.
- 5 (23) Subtract an amount equal to the amount of the taxpayer's
- 6 qualified military income that was not excluded from the
- 7 taxpayer's gross income for federal income tax purposes under
- 8 Section 112 of the Internal Revenue Code.
- 9 (24) Subtract income that is:
- 10 (A) exempt from taxation under IC 6-3-2-21.7; and
- 11 (B) included in the individual's federal adjusted gross income
- 12 under the Internal Revenue Code.
- 13 (25) Subtract any amount of a credit (including an advance refund
- 14 of the credit) that is provided to an individual under 26 U.S.C.
- 15 6428 (federal Economic Stimulus Act of 2008) and included in
- 16 the individual's federal adjusted gross income.
- 17 (26) Add any amount of unemployment compensation excluded
- 18 from federal gross income, as defined in Section 61 of the Internal
- 19 Revenue Code, under Section 85(c) of the Internal Revenue Code.
- 20 (27) Add the amount excluded from gross income under Section
- 21 108(a)(1)(e) of the Internal Revenue Code for the discharge of
- 22 debt on a qualified principal residence.
- 23 (28) Add an amount equal to any income not included in gross
- 24 income as a result of the deferral of income arising from business
- 25 indebtedness discharged in connection with the reacquisition after
- 26 December 31, 2008, and before January 1, 2011, of an applicable
- 27 debt instrument, as provided in Section 108(i) of the Internal
- 28 Revenue Code. Subtract the amount necessary from the adjusted
- 29 gross income of any taxpayer that added an amount to adjusted
- 30 gross income in a previous year to offset the amount included in
- 31 federal gross income as a result of the deferral of income arising
- 32 from business indebtedness discharged in connection with the
- 33 reacquisition after December 31, 2008, and before January 1,
- 34 2011, of an applicable debt instrument, as provided in Section
- 35 108(i) of the Internal Revenue Code.
- 36 (29) Add the amount necessary to make the adjusted gross income
- 37 of any taxpayer that placed qualified restaurant property in service
- 38 during the taxable year and that was classified as 15-year property
- 39 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 40 to the amount of adjusted gross income that would have been
- 41 computed had the classification not applied to the property in the
- 42 year that it was placed in service.

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1 **IC 22-5-1.7-3) during the time the taxpayer conducted**
 2 **business in Indiana in the taxable year. For a taxable year**
 3 **beginning after June 30, 2011, add the amount of any trade or**
 4 **business deduction allowed under the Internal Revenue Code**
 5 **for wages, reimbursements, or other payments made for**
 6 **services provided in Indiana by an individual for services as**
 7 **an employee, if the individual was, during the period of**
 8 **service, prohibited from being hired as an employee under 8**
 9 **U.S.C. 1324a.**

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

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

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

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1 in service during the taxable year and that was classified as
 2 15-year property under Section 168(e)(3)(E)(ix) of the Internal
 3 Revenue Code equal to the amount of adjusted gross income that
 4 would have been computed had the classification not applied to
 5 the property in the year that it was placed in service.
 6 (15) Add or subtract the amount necessary to make the adjusted
 7 gross income of any taxpayer that claimed the special allowance
 8 for qualified disaster assistance property under Section 168(n) of
 9 the Internal Revenue Code equal to the amount of adjusted gross
 10 income that would have been computed had the special allowance
 11 not been claimed for the property.
 12 (16) Add or subtract the amount necessary to make the adjusted
 13 gross income of any taxpayer that made an election under Section
 14 179C of the Internal Revenue Code to expense costs for qualified
 15 refinery property equal to the amount of adjusted gross income
 16 that would have been computed had an election for federal
 17 income tax purposes not been made for the year.
 18 (17) Add or subtract the amount necessary to make the adjusted
 19 gross income of any taxpayer that made an election under Section
 20 181 of the Internal Revenue Code to expense costs for a qualified
 21 film or television production equal to the amount of adjusted
 22 gross income that would have been computed had an election for
 23 federal income tax purposes not been made for the year.
 24 (18) Add or subtract the amount necessary to make the adjusted
 25 gross income of any taxpayer that treated a loss from the sale or
 26 exchange of preferred stock in:
 27 (A) the Federal National Mortgage Association, established
 28 under the Federal National Mortgage Association Charter Act
 29 (12 U.S.C. 1716 et seq.); or
 30 (B) the Federal Home Loan Mortgage Corporation, established
 31 under the Federal Home Loan Mortgage Corporation Act (12
 32 U.S.C. 1451 et seq.);
 33 as an ordinary loss under Section 301 of the Emergency
 34 Economic Stabilization Act of 2008 in the current taxable year or
 35 in an earlier taxable year equal to the amount of adjusted gross
 36 income that would have been computed had the loss not been
 37 treated as an ordinary loss.
 38 **(19) This subdivision does not apply to payments made for**
 39 **services provided to a business that was enrolled and**
 40 **participated in the E-verify program (as defined in**
 41 **IC 22-5-1.7-3) during the time the taxpayer conducted**
 42 **business in Indiana in the taxable year. For a taxable year**

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beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

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

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1 gross income of any taxpayer that made an election under Section
 2 179C of the Internal Revenue Code to expense costs for qualified
 3 refinery property equal to the amount of adjusted gross income
 4 that would have been computed had an election for federal
 5 income tax purposes not been made for the year.

6 (15) Add or subtract the amount necessary to make the adjusted
 7 gross income of any taxpayer that made an election under Section
 8 181 of the Internal Revenue Code to expense costs for a qualified
 9 film or television production equal to the amount of adjusted
 10 gross income that would have been computed had an election for
 11 federal income tax purposes not been made for the year.

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

15 (A) the Federal National Mortgage Association, established
 16 under the Federal National Mortgage Association Charter Act
 17 (12 U.S.C. 1716 et seq.); or

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

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

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

30 **(18) This subdivision does not apply to payments made for**
 31 **services provided to a business that was enrolled and**
 32 **participated in the E-verify program (as defined in**
 33 **IC 22-5-1.7-3) during the time the taxpayer conducted**
 34 **business in Indiana in the taxable year. For a taxable year**
 35 **beginning after June 30, 2011, add the amount of any trade or**
 36 **business deduction allowed under the Internal Revenue Code**
 37 **for wages, reimbursements, or other payments made for**
 38 **services provided in Indiana by an individual for services as**
 39 **an employee, if the individual was, during the period of**
 40 **service, prohibited from being hired as an employee under 8**
 41 **U.S.C. 1324a.**

42 (d) In the case of insurance companies subject to tax under Section

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1 831 of the Internal Revenue Code and organized under Indiana law, the
 2 same as "taxable income" (as defined in Section 832 of the Internal
 3 Revenue Code), adjusted as follows:

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

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

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

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

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

23 (6) Add an amount equal to any deduction allowed under Section
 24 172 of the Internal Revenue Code.

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

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

39 (9) Subtract income that is:

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

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

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1 (10) Add an amount equal to any income not included in gross
2 income as a result of the deferral of income arising from business
3 indebtedness discharged in connection with the reacquisition after
4 December 31, 2008, and before January 1, 2011, of an applicable
5 debt instrument, as provided in Section 108(i) of the Internal
6 Revenue Code. Subtract from the adjusted gross income of any
7 taxpayer that added an amount to adjusted gross income in a
8 previous year the amount necessary to offset the amount included
9 in federal gross income as a result of the deferral of income
10 arising from business indebtedness discharged in connection with
11 the reacquisition after December 31, 2008, and before January 1,
12 2011, of an applicable debt instrument, as provided in Section
13 108(i) of the Internal Revenue Code.

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

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

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

34 (14) Add or subtract the amount necessary to make the adjusted
35 gross income of any taxpayer that made an election under Section
36 179C of the Internal Revenue Code to expense costs for qualified
37 refinery property equal to the amount of adjusted gross income
38 that would have been computed had an election for federal
39 income tax purposes not been made for the year.

40 (15) Add or subtract the amount necessary to make the adjusted
41 gross income of any taxpayer that made an election under Section
42 181 of the Internal Revenue Code to expense costs for a qualified

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1 film or television production equal to the amount of adjusted
2 gross income that would have been computed had an election for
3 federal income tax purposes not been made for the year.

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

7 (A) the Federal National Mortgage Association, established
8 under the Federal National Mortgage Association Charter Act
9 (12 U.S.C. 1716 et seq.); or

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

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

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

22 **(18) This subdivision does not apply to payments made for**
23 **services provided to a business that was enrolled and**
24 **participated in the E-verify program (as defined in**
25 **IC 22-5-1.7-3) during the time the taxpayer conducted**
26 **business in Indiana in the taxable year. For a taxable year**
27 **beginning after June 30, 2011, add the amount of any trade or**
28 **business deduction allowed under the Internal Revenue Code**
29 **for wages, reimbursements, or other payments made for**
30 **services provided in Indiana by an individual for services as**
31 **an employee, if the individual was, during the period of**
32 **service, prohibited from being hired as an employee under 8**
33 **U.S.C. 1324a.**

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

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

39 (2) Subtract an amount equal to the amount of a September 11
40 terrorist attack settlement payment included in the federal
41 adjusted gross income of the estate of a victim of the September
42 11 terrorist attack or a trust to the extent the trust benefits a victim

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

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

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

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

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

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

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

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

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

as an ordinary loss under Section 301 of the Emergency

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1 Economic Stabilization Act of 2008 in the current taxable year or
2 in an earlier taxable year equal to the amount of adjusted gross
3 income that would have been computed had the loss not been
4 treated as an ordinary loss.

5 (15) Add the amount excluded from gross income under Section
6 108(a)(1)(e) of the Internal Revenue Code for the discharge of
7 debt on a qualified principal residence.

8 **(16) This subdivision does not apply to payments made for**
9 **services provided to a business that was enrolled and**
10 **participated in the E-verify program (as defined in**
11 **IC 22-5-1.7-3) during the time the taxpayer conducted**
12 **business in Indiana in the taxable year. For a taxable year**
13 **beginning after June 30, 2011, add the amount of any trade or**
14 **business deduction allowed under the Internal Revenue Code**
15 **for wages, reimbursements, or other payments made for**
16 **services provided in Indiana by an individual for services as**
17 **an employee, if the individual was, during the period of**
18 **service, prohibited from being hired as an employee under 8**
19 **U.S.C. 1324a.**

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

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

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

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

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

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

38 SECTION 9. IC 6-3.1-13-5 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) As used in this
40 chapter, "incremental income tax withholdings" means the total amount
41 withheld under IC 6-3-4-8 by the taxpayer during the taxable year from
42 the compensation of new employees.

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1 (b) The term does not include, for withholding periods
 2 beginning after June 30, 2011, any amount withheld from an
 3 individual for services provided in Indiana as an employee, if the:
 4 (1) individual was, during the period of service, prohibited
 5 from being hired as an employee under 8 U.S.C. 1324a; and
 6 (2) taxpayer was not enrolled and participating in the
 7 E-Verify program (as defined in IC 22-5-1.7-3) during the
 8 time the taxpayer conducted business in Indiana in the taxable
 9 year.

10 SECTION 10. IC 6-3.1-13-18, AS AMENDED BY P.L.137-2006,
 11 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2011]: Sec. 18. (a) The corporation shall determine the
 13 amount and duration of a tax credit awarded under this chapter. The
 14 duration of the credit may not exceed ten (10) taxable years. The credit
 15 may be stated as a percentage of the incremental income tax
 16 withholdings attributable to the applicant's project and may include a
 17 fixed dollar limitation. In the case of a credit awarded for a project to
 18 create new jobs in Indiana, the credit amount may not exceed the
 19 incremental income tax withholdings. However, the credit amount
 20 claimed for a taxable year may exceed the taxpayer's state tax liability
 21 for the taxable year, in which case the excess may, at the discretion of
 22 the corporation, be refunded to the taxpayer.

23 (b) For state fiscal year 2006 and each state fiscal year thereafter,
 24 the aggregate amount of credits awarded under this chapter for projects
 25 to retain existing jobs in Indiana may not exceed ten million dollars
 26 (\$10,000,000) per year.

27 (c) **This subsection does not apply to a business that was**
 28 **enrolled and participated in the E-verify program (as defined in**
 29 **IC 22-5-1.7-3) during the time the taxpayer conducted business in**
 30 **Indiana in the taxable year. A credit under this chapter may not be**
 31 **computed on any amount withheld from an individual or paid to an**
 32 **individual for services provided in Indiana as an employee, if the**
 33 **individual was, during the period of service, prohibited from being**
 34 **hired as an employee under 8 U.S.C. 1324a.**

35 SECTION 11. IC 6-5.5-1-2, AS AMENDED BY P.L.182-2009(ss),
 36 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Except as provided in
 38 subsections (b) through (d), "adjusted gross income" means taxable
 39 income as defined in Section 63 of the Internal Revenue Code, adjusted
 40 as follows:

- 41 (1) Add the following amounts:
 42 (A) An amount equal to a deduction allowed or allowable

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- 1 under Section 166, Section 585, or Section 593 of the Internal
2 Revenue Code.
- 3 (B) An amount equal to a deduction allowed or allowable
4 under Section 170 of the Internal Revenue Code.
- 5 (C) An amount equal to a deduction or deductions allowed or
6 allowable under Section 63 of the Internal Revenue Code for
7 taxes based on or measured by income and levied at the state
8 level by a state of the United States or levied at the local level
9 by any subdivision of a state of the United States.
- 10 (D) The amount of interest excluded under Section 103 of the
11 Internal Revenue Code or under any other federal law, minus
12 the associated expenses disallowed in the computation of
13 taxable income under Section 265 of the Internal Revenue
14 Code.
- 15 (E) An amount equal to the deduction allowed under Section
16 172 or 1212 of the Internal Revenue Code for net operating
17 losses or net capital losses.
- 18 (F) For a taxpayer that is not a large bank (as defined in
19 Section 585(c)(2) of the Internal Revenue Code), an amount
20 equal to the recovery of a debt, or part of a debt, that becomes
21 worthless to the extent a deduction was allowed from gross
22 income in a prior taxable year under Section 166(a) of the
23 Internal Revenue Code.
- 24 (G) Add the amount necessary to make the adjusted gross
25 income of any taxpayer that owns property for which bonus
26 depreciation was allowed in the current taxable year or in an
27 earlier taxable year equal to the amount of adjusted gross
28 income that would have been computed had an election not
29 been made under Section 168(k) of the Internal Revenue Code
30 to apply bonus depreciation to the property in the year that it
31 was placed in service.
- 32 (H) Add the amount necessary to make the adjusted gross
33 income of any taxpayer that placed Section 179 property (as
34 defined in Section 179 of the Internal Revenue Code) in
35 service in the current taxable year or in an earlier taxable year
36 equal to the amount of adjusted gross income that would have
37 been computed had an election for federal income tax
38 purposes not been made for the year in which the property was
39 placed in service to take deductions under Section 179 of the
40 Internal Revenue Code in a total amount exceeding
41 twenty-five thousand dollars (\$25,000).
- 42 (I) Add an amount equal to the amount that a taxpayer claimed

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as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

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

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

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

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

(N) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under

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- 1 Section 179C of the Internal Revenue Code to expense costs
 2 for qualified refinery property equal to the amount of adjusted
 3 gross income that would have been computed had an election
 4 for federal income tax purposes not been made for the year.
 5 (O) Add or subtract the amount necessary to make the adjusted
 6 gross income of any taxpayer that made an election under
 7 Section 181 of the Internal Revenue Code to expense costs for
 8 a qualified film or television production equal to the amount
 9 of adjusted gross income that would have been computed had
 10 an election for federal income tax purposes not been made for
 11 the year.
 12 (P) Add or subtract the amount necessary to make the adjusted
 13 gross income of any taxpayer that treated a loss from the sale
 14 or exchange of preferred stock in:
 15 (i) the Federal National Mortgage Association, established
 16 under the Federal National Mortgage Association Charter
 17 Act (12 U.S.C. 1716 et seq.); or
 18 (ii) the Federal Home Loan Mortgage Corporation,
 19 established under the Federal Home Loan Mortgage
 20 Corporation Act (12 U.S.C. 1451 et seq.);
 21 as an ordinary loss under Section 301 of the Emergency
 22 Economic Stabilization Act of 2008 in the current taxable year
 23 or in an earlier taxable year equal to the amount of adjusted
 24 gross income that would have been computed had the loss not
 25 been treated as an ordinary loss.
 26 (Q) Add an amount equal to any exempt insurance income
 27 under Section 953(e) of the Internal Revenue Code for active
 28 financing income under Subpart F, Subtitle A, Chapter 1,
 29 Subchapter N of the Internal Revenue Code.
 30 (2) Subtract the following amounts:
 31 (A) Income that the United States Constitution or any statute
 32 of the United States prohibits from being used to measure the
 33 tax imposed by this chapter.
 34 (B) Income that is derived from sources outside the United
 35 States, as defined by the Internal Revenue Code.
 36 (C) An amount equal to a debt or part of a debt that becomes
 37 worthless, as permitted under Section 166(a) of the Internal
 38 Revenue Code.
 39 (D) An amount equal to any bad debt reserves that are
 40 included in federal income because of accounting method
 41 changes required by Section 585(c)(3)(A) or Section 593 of
 42 the Internal Revenue Code.

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- 1 (E) The amount necessary to make the adjusted gross income
- 2 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
- 5 income that would have been computed had an election not
- 6 been made under Section 168(k) of the Internal Revenue Code
- 7 to apply bonus depreciation.
- 8 (F) The amount necessary to make the adjusted gross income
- 9 of any taxpayer that placed Section 179 property (as defined
- 10 in Section 179 of the Internal Revenue Code) in service in the
- 11 current taxable year or in an earlier taxable year equal to the
- 12 amount of adjusted gross income that would have been
- 13 computed had an election for federal income tax purposes not
- 14 been made for the year in which the property was placed in
- 15 service to take deductions under Section 179 of the Internal
- 16 Revenue Code in a total amount exceeding twenty-five
- 17 thousand dollars (\$25,000).
- 18 (G) Income that is:
 - 19 (i) exempt from taxation under IC 6-3-2-21.7; and
 - 20 (ii) included in the taxpayer's taxable income under the
 - 21 Internal Revenue Code.
- 22 **(H) This clause does not apply to payments made for**
- 23 **services provided to a business that was enrolled and**
- 24 **participated in the E-verify program (as defined in**
- 25 **IC 22-5-1.7-3) during the time the taxpayer conducted**
- 26 **business in Indiana in the taxable year. For a taxable year**
- 27 **beginning after June 30, 2011, add the amount of any trade**
- 28 **or business deduction allowed under the Internal Revenue**
- 29 **Code for wages, reimbursements, or other payments made**
- 30 **for services provided in Indiana by an individual for**
- 31 **services as an employee, if the individual was, during the**
- 32 **period of service, prohibited from being hired as an**
- 33 **employee under 8 U.S.C. 1324a.**
- 34 (b) In the case of a credit union, "adjusted gross income" for a
- 35 taxable year means the total transfers to undivided earnings minus
- 36 dividends for that taxable year after statutory reserves are set aside
- 37 under IC 28-7-1-24.
- 38 (c) In the case of an investment company, "adjusted gross income"
- 39 means the company's federal taxable income multiplied by the quotient
- 40 of:
 - 41 (1) the aggregate of the gross payments collected by the company
 - 42 during the taxable year from old and new business upon

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

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

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

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

- 14 (A) a so-called bond;
- 15 (B) a share;
- 16 (C) a coupon;
- 17 (D) a certificate of membership;
- 18 (E) an agreement;
- 19 (F) a pretended agreement; or
- 20 (G) other evidences of obligation;

21 entitling the holder to anything of value at some future date, if the
 22 gross payments received by the company during the taxable year
 23 on outstanding investment contracts, plus interest and dividends
 24 earned on those contracts (by prorating the interest and dividends
 25 earned on investment contracts by the same proportion that
 26 certificate reserves (as defined by the Investment Company Act
 27 of 1940) is to the company's total assets) is at least fifty percent
 28 (50%) of the company's gross payments upon investment
 29 contracts plus gross income from all other sources except
 30 dividends from subsidiaries for the taxable year. The term
 31 "investment contract" means an instrument listed in clauses (A)
 32 through (G).

33 SECTION 12. IC 10-11-2-21.5 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2011]: **Sec. 21.5. (a) The superintendent shall,**
 36 **to the extent possible, negotiate the terms of a memorandum of**
 37 **agreement under Section 287(g) of the United States Immigration**
 38 **and Nationality Act between the state and the United States**
 39 **Department of Homeland Security concerning the enforcement of**
 40 **federal immigration and customs laws in Indiana.**

41 **(b) The memorandum of agreement described in subsection (a)**
 42 **must be signed on behalf of the state by the superintendent, unless**

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1 otherwise required by the United States Department of Homeland
2 Security.

3 (c) The superintendent shall designate appropriate police
4 employees to be trained under the memorandum of agreement
5 described in subsection (a).

6 (d) The department shall apply for federal funding, as available,
7 for the costs associated with training police employees under the
8 memorandum of agreement described in subsection (a).

9 (e) A police employee certified as trained in accordance with the
10 memorandum of agreement described in subsection (a) may
11 enforce federal immigration and customs laws while performing
12 within the scope of the police employee's duties.

13 (f) This section may not be construed to require an agreement
14 in order for any police employee to:

15 (1) communicate with the United States Department of
16 Homeland Security regarding the immigration status of any
17 individual, including reporting knowledge that a particular
18 alien is not lawfully present in the United States; or

19 (2) otherwise cooperate with the United States Department of
20 Homeland Security in the identification, apprehension,
21 detention, or removal of aliens not lawfully present in the
22 United States.

23 SECTION 13. IC 11-10-1-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) A committed
25 criminal offender shall, within a reasonable time, be evaluated
26 regarding:

27 (1) ~~his~~ **the offender's** medical, psychological, educational,
28 vocational, economic and social condition, and history;

29 (2) the circumstances surrounding ~~his~~ **the offender's** present
30 commitment;

31 (3) ~~his~~ **the offender's** history of criminality; ~~and~~

32 (4) **the citizenship or immigration status of the offender by**
33 **making a reasonable effort to verify the offender's citizenship**
34 **or immigration status with the United States Department of**
35 **Homeland Security under 8 U.S.C. 1373(c); and**

36 ~~(4)~~ (5) any additional relevant matters.

37 (b) In making the evaluation prescribed in subsection (a), the
38 department may utilize any presentence report, any presentence
39 memorandum filed by the offender, any reports of any presentence
40 physical or mental examination, the record of the sentencing hearing,
41 or other information forwarded by the sentencing court or other agency,
42 if that information meets the department's minimum standards for

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criminal offender evaluation.

(c) If an offender has undergone, within two (2) years before the date of ~~his the offender's~~ commitment, a previous departmental evaluation under this section, the department may rely on the previous evaluation and the information used at that time. However, this subsection does not deprive an offender of the right to a medical and dental examination under IC 11-10-3.

(d) If the department is unable to verify the citizenship or immigration status of a committed criminal offender, the department shall notify the United States Department of Homeland Security that the citizenship or immigration status of the offender could not be verified. The department shall provide the United States Department of Homeland Security with any information regarding the committed criminal offender that:

- (1) is requested by the United States Department of Homeland Security; and**
- (2) is in the department's possession or the department is able to obtain.**

SECTION 14. IC 11-10-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) A committed offender shall, within a reasonable time, be evaluated regarding:

- (1) ~~his the offender's~~ medical, psychological, educational, vocational, economic and social condition, and history;
- (2) the circumstances surrounding ~~his the offender's~~ present commitment;
- (3) ~~his the offender's~~ history of delinquency; ~~and~~
- (4) the citizenship or immigration status of the offender by making a reasonable effort to verify the offender's citizenship or immigration status with the United States Department of Homeland Security under 8 U.S.C. 1373(c); and**
- ~~(4)~~ **(5) any additional relevant matters.**

(b) In making the evaluation prescribed in subsection (a), the department may utilize reports of any precommitment physical or mental examination or other information or records forwarded by the committing court or other agency, if that information meets the department's minimum standards for delinquent offender evaluation.

(c) If a committed offender has undergone, within one (1) year before the date of ~~his the offender's~~ commitment, a previous departmental evaluation under this section, the department may rely on the previous evaluation and the information used at that time. However, this subsection does not deprive an offender of the right to a medical and dental examination under IC 11-10-3.

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1 (d) If the department is unable to verify the citizenship or
2 immigration status of a committed offender, the department shall
3 notify the United States Department of Homeland Security that the
4 citizenship or immigration status of the committed offender could
5 not be verified. The department shall provide the United States
6 Department of Homeland Security with any information regarding
7 the committed offender that:

- 8 (1) is requested by the United States Department of Homeland
9 Security; and
- 10 (2) is in the department's possession or the department is able
11 to obtain.

12 SECTION 15. IC 12-7-2-9, AS AMENDED BY P.L.93-2006,
13 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2011]: Sec. 9. "Agency" means the following:

- 15 (1) For purposes of IC 12-10-12, the meaning set forth in
16 IC 12-10-12-1.
- 17 (2) For purposes of IC 12-12.7-2, the meaning set forth in
18 IC 12-12.7-2-1.
- 19 (3) For purposes of IC 12-32-1, the meaning set forth in
20 IC 12-32-1-1.

21 SECTION 16. IC 12-7-2-85.1 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2011]: **Sec. 85.1. "Federal public benefit", for
24 purposes of IC 12-32-1, has the meaning set forth in IC 12-32-1-2.**

25 SECTION 17. IC 12-7-2-142 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 142. "Political
27 subdivision", for purposes of the following statutes, has the meaning
28 set forth in IC 36-1-2-13:

- 29 (1) IC 12-8.
- 30 (2) IC 12-13-4.
- 31 (3) **IC 12-32-1.**

32 SECTION 18. IC 12-7-2-185.5 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2011]: **Sec. 185.5. "State or local public
35 benefit", for purposes of IC 12-32-1, has the meaning set forth in
36 IC 12-32-1-3.**

37 SECTION 19. IC 12-32 IS ADDED TO THE INDIANA CODE AS
38 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
39 2011]:

40 **ARTICLE 32. RESTRICTIONS ON PUBLIC BENEFITS**
41 **Chapter 1. Restrictions on Public Benefits to Illegal Aliens**
42 **Sec. 1. As used in this chapter, "agency" means any state**

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1 administration, agency, authority, board, bureau, commission,
2 committee, council, department, division, institution, office, service,
3 or other similar body of state government.

4 Sec. 2. As used in this chapter, "federal public benefit" has the
5 meaning set forth in 8 U.S.C. 1611.

6 Sec. 3. (a) As used in this chapter, "state or local public benefit"
7 has the meaning set forth in 8 U.S.C. 1621.

8 (b) The term includes:

9 (1) a postsecondary award, including a scholarship, a grant,
10 or financial aid; and

11 (2) the resident tuition rate (as determined by the state
12 financial institution).

13 Sec. 4. This chapter shall be enforced without regard to race,
14 religion, gender, ethnicity, or national origin.

15 Sec. 5. (a) Notwithstanding any other provision of law and
16 except as otherwise provided under federal law, an agency or a
17 political subdivision shall verify, in the manner required under
18 section 6 of this chapter, the eligibility of any individual who:

19 (1) is at least eighteen (18) years of age; and

20 (2) applies for state or local public benefits or federal public
21 benefits that are provided by the agency or the political
22 subdivision.

23 (b) Notwithstanding any other provision of law and except as
24 otherwise provided under federal law, a person that provides
25 benefits that are funded, in whole or part, by federal, state, or local
26 money shall verify, in the manner required under section 6 of this
27 chapter, the eligibility of any individual who:

28 (1) is at least eighteen (18) years of age; and

29 (2) applies for or requests benefits from the person that
30 provides the benefits.

31 Sec. 6. An agency, a political subdivision, or a person required
32 to verify the eligibility of an individual under section 5 of this
33 chapter shall:

34 (1) require the individual to execute an affidavit stating under
35 penalty of perjury that the individual is a:

36 (A) United States citizen; or

37 (B) qualified alien (as defined under 8 U.S.C. 1641); and

38 (2) maintain an affidavit executed in accordance with
39 subdivision (1) for at least five (5) years.

40 Sec. 7. A person who knowingly or intentionally makes a false,
41 fictitious, or fraudulent statement or representation in an affidavit
42 required by this chapter commits a Class D felony.

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1 **Sec. 8. An agency or a person may adopt a variation of the**
2 **requirements set forth in this chapter to provide for an**
3 **adjudication in the case of unique individual circumstances under**
4 **which the procedures set forth in this chapter would impose**
5 **unusual hardship on a legal resident of Indiana.**

6 **Sec. 9. The department of local government finance:**
7 **(1) shall adopt rules under IC 4-22-2, applicable to all political**
8 **subdivisions, to carry out this chapter; and**
9 **(2) may adopt a variation of the requirements set forth in this**
10 **chapter, applicable to all political subdivisions, to provide for**
11 **an adjudication in the case of unique individual circumstances**
12 **under which the procedures set forth in this chapter would**
13 **impose an unusual hardship on a legal resident of Indiana.**

14 **Sec. 10. An agency may adopt rules under IC 4-22-2 to carry out**
15 **this chapter.**

16 SECTION 20. IC 15-11-2-8 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2011]: **Sec. 8. (a) The department shall include on the**
19 **department's Internet web site the following:**

20 **(1) A list of agricultural jobs in which there is a critical need**
21 **for agricultural workers, as determined by the department.**
22 **(2) The wage rate for each agricultural job listed in**
23 **accordance with subdivision (1).**

24 **(b) The department shall:**
25 **(1) accept information on agricultural jobs; and**
26 **(2) determine whether there is a critical need for agricultural**
27 **workers for the agricultural jobs.**

28 **(c) The department shall provide a list of agricultural jobs in**
29 **which there is a critical need for agricultural workers and the wage**
30 **rate for each of the agricultural jobs to the Indiana economic**
31 **development corporation.**

32 SECTION 21. IC 22-4-14-9 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 9. (a) As used in this**
34 **section, "SAVE program" refers to the Systematic Alien**
35 **Verification for Entitlements program operated by the United**
36 **States Department of Homeland Security or a successor program**
37 **designated by the United States Department of Homeland Security.**

38 **(b) For weeks of unemployment occurring subsequent to December**
39 **31, 1977, benefits may not be paid on the basis of services performed**
40 **by an alien unless the alien is an individual who has been lawfully**
41 **admitted for permanent residence at the time the services are**
42 **performed, is lawfully present for purposes of performing the services,**

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1 or otherwise is permanently residing in the United States under color
2 of law at the time the services are performed (including an alien who
3 is lawfully present in the United States as a result of the application of
4 the provisions of Section 207, Section 208, or Section 212(d)(5) of the
5 Immigration and Nationality Act (8 U.S.C. 1157 through 1158).

6 (1) Any data or information required of individuals applying for
7 benefits to determine whether benefits are not payable to them
8 because of their alien status shall be uniformly required from all
9 applicants for benefits.

10 (2) In the case of an individual whose application for benefits
11 would otherwise be approved, no determination that benefits to
12 the individual are not payable because of ~~his~~ **the individual's**
13 alien status may be made except upon a preponderance of the
14 evidence.

15 (3) Any modifications to the provisions of Section 3304(a)(14) of
16 the Federal Unemployment Tax Act, as provided by P.L.94-566,
17 which specify other conditions or other effective date than stated
18 in this section for the denial of benefits based on services
19 performed by aliens and which are required to be implemented
20 under state law as a condition for full tax credit against the tax
21 imposed by the Federal Unemployment Tax Act, shall be
22 considered applicable under this section.

23 **(c) If an individual who applies for benefits is not a citizen or
24 national of the United States, the department shall verify the status
25 of the individual as a qualified alien (as defined in 8 U.S.C. 1641)
26 through the SAVE program to determine the individual's eligibility
27 for benefits. The department shall implement this subsection in
28 accordance with federal law.**

29 SECTION 22. IC 22-4-39.5 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2011]:

32 **Chapter 39.5. Reimbursements by Employers of Unauthorized
33 Aliens**

34 **Sec. 1. As used in this chapter, "E-Verify program" means the
35 electronic verification of work authorization program of the Illegal
36 Immigration Reform and Immigration Responsibility Act of 1996
37 (P.L. 104-208), Division C, Title IV, s. 403(a), as amended, operated
38 by the United States Department of Homeland Security or a
39 successor work authorization program designated by the United
40 States Department of Homeland Security or other federal agency
41 authorized to verify the work authorization status of newly hired
42 employees under the Immigration Reform and Control Act of 1986**

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(P.L. 99-603).

Sec. 2. As used in this chapter, "knowingly" means knowledge that may fairly be inferred through notice of certain facts and circumstances that would lead a person, through the exercise of reasonable care, to know that an employee is unlawfully present in the United States.

Sec. 3. As used in this chapter, "unauthorized alien" has the meaning set forth in 8 U.S.C. 1324a(h)(3).

Sec. 4. (a) The department may file a civil action to obtain reimbursement of amounts paid by the department as unemployment insurance benefits from an employer that has knowingly employed an unauthorized alien.

(b) The action must be filed in the county in which the employer employed the unauthorized alien.

(c) In determining whether an individual is an unauthorized alien for purposes of this chapter, a court may consider only the federal government's verification or status information under 8 U.S.C. 1373(c).

(d) After holding a hearing and making a finding that the employer knowingly employed an unauthorized alien, the court shall award the following to the department:

(1) The reimbursement of unemployment insurance benefits paid by the department computed using the salary of the position held by the unauthorized alien during the period the unauthorized alien was employed by the employer.

(2) Reasonable costs and attorney's fees.

(e) The department shall deposit the reimbursement awarded under subsection (d)(1) in the unemployment insurance benefit fund established by IC 22-4-26-1.

Sec. 5. The department may not file an action under section 4 of this chapter against an employer who used the E-Verify program to verify the employment eligibility of an individual who is determined to be an unauthorized alien.

Sec. 6. The department has the power to:

(1) administer oaths and affirmations;

(2) take depositions;

(3) issue and serve subpoenas that compel:

(A) the attendance of witnesses; and

(B) the production of books, papers, correspondence, memoranda, and other records;

as necessary for the department to administer this chapter.

SECTION 23. IC 22-5-1.7 IS ADDED TO THE INDIANA CODE

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1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2011]:

3 **Chapter 1.7. Public Contract for Services; Business Entities;**
4 **Unauthorized Aliens**

5 **Sec. 1. (a) As used in this chapter, "business entity" means a**
6 **person or group of persons that perform or engage in any activity,**
7 **enterprise, profession, or occupation for gain, benefit, advantage,**
8 **or livelihood.**

9 **(b) The term includes self-employed individuals, partnerships,**
10 **corporations, contractors, and subcontractors.**

11 **(c) The term does not include a self-employed person that does**
12 **not employ any employees.**

13 **Sec. 2. As used in this chapter, "contractor" means a person**
14 **that has or is attempting to enter into a public contract for services**
15 **with a state agency or political subdivision.**

16 **Sec. 3. As used in this chapter, "E-Verify program" means the**
17 **electronic verification of work authorization program of the Illegal**
18 **Immigration Reform and Immigration Responsibility Act of 1996**
19 **(P.L. 104-208), Division C, Title IV, s. 403(a), as amended, operated**
20 **by the United States Department of Homeland Security or a**
21 **successor work authorization program designated by the United**
22 **States Department of Homeland Security or other federal agency**
23 **authorized to verify the work authorization status of newly hired**
24 **employees under the Immigration Reform and Control Act of 1986**
25 **(P.L. 99-603).**

26 **Sec. 4. As used in this chapter, "person" means an individual, a**
27 **corporation, a limited liability company, a partnership, or another**
28 **legal entity.**

29 **Sec. 5. As used in this chapter, "political subdivision" has the**
30 **meaning set forth in IC 36-1-2-13.**

31 **Sec. 6. As used in this chapter, "public contract for services"**
32 **means any type of agreement between a state agency or a political**
33 **subdivision and a contractor for the procurement of services.**

34 **Sec. 7. As used in this chapter, "state agency" has the meaning**
35 **set forth in IC 4-6-3-1.**

36 **Sec. 8. As used in this chapter, "subcontractor" means a person**
37 **that:**

- 38 **(1) is a party to a contract with a contractor; and**
- 39 **(2) provides services for work the contractor is performing**
- 40 **under a public contract for services.**

41 **Sec. 9. As used in this chapter, "unauthorized alien" has the**
42 **meaning set forth in 8 U.S.C. 1324a(h)(3).**

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1 **Sec. 10. (a) Except as provided in subsection (b), a state agency**
2 **or political subdivision shall use the E-Verify program to verify the**
3 **work eligibility status of all employees of the state agency or**
4 **political subdivision hired after June 30, 2011.**

5 **(b) A state agency or political subdivision is not required to use**
6 **the E-Verify program as required under subsection (a) if the**
7 **E-Verify program no longer exists.**

8 **Sec. 11. (a) A state agency or political subdivision may not enter**
9 **into or renew a public contract for services with a contractor**
10 **unless:**

11 **(1) the public contract contains:**

12 **(A) a provision requiring the contractor to enroll in and**
13 **verify the work eligibility status of all newly hired**
14 **employees of the contractor through the E-Verify**
15 **program; and**

16 **(B) a provision that provides that a contractor is not**
17 **required to verify the work eligibility status of all newly**
18 **hired employees of the contractor through the E-Verify**
19 **program if the E-Verify program no longer exists; and**

20 **(2) the contractor signs an affidavit affirming that the**
21 **contractor does not knowingly employ an unauthorized alien.**

22 **(b) A state agency or political subdivision may not award a**
23 **grant of more than one thousand dollars (\$1,000) to a business**
24 **entity unless the business entity:**

25 **(1) signs a sworn affidavit that affirms that the business entity**
26 **has enrolled and is participating in the E-Verify program;**

27 **(2) provides documentation to the state agency or political**
28 **subdivision that the business entity has enrolled and is**
29 **participating in the E-Verify program; and**

30 **(3) signs an affidavit affirming that the business entity does**
31 **not knowingly employ an unauthorized alien.**

32 **Sec. 12. (a) A contractor or a subcontractor may not:**

33 **(1) knowingly employ or contract with an unauthorized alien;**
34 **or**

35 **(2) retain an employee or contract with a person that the**
36 **contractor or subcontractor subsequently learns is an**
37 **unauthorized alien.**

38 **(b) If a contractor violates this section, the state agency or**
39 **political subdivision shall require the contractor to remedy the**
40 **violation not later than thirty (30) days after the date the state**
41 **agency or political subdivision notifies the contractor of the**
42 **violation.**

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1 (c) There is a rebuttable presumption that a contractor did not
2 knowingly employ an unauthorized alien if the contractor verified
3 the work eligibility status of the employee through the E-Verify
4 program.

5 Sec. 13. (a) Except as provided in subsection (b), if the
6 contractor fails to remedy the violation within the thirty (30) day
7 period provided under section 12(b) of this chapter, the state
8 agency or political subdivision shall terminate the public contract
9 for services with the contractor for breach of the public contract
10 for services.

11 (b) If a contractor employs or contracts with an unauthorized
12 alien but the state agency or political subdivision (whichever the
13 contractor has a public contract for services with) determines that
14 terminating the public contract for services under subsection (a)
15 would be detrimental to the public interest or public property, the
16 state agency or political subdivision may allow the public contract
17 for services to remain in effect until the state agency or political
18 subdivision procures a new contractor.

19 (c) If a state agency or political subdivision terminates a public
20 contract for services under subsection (a), the contractor is liable
21 to the state agency or political subdivision for actual damages.

22 Sec. 14. A contractor may file an action with a circuit or
23 superior court having jurisdiction in the county to challenge:

- 24 (1) a notice of a violation to the contractor under section 12(b)
- 25 of this chapter not later than twenty (20) days after the
- 26 contractor receives the notice; or
- 27 (2) a termination of a public contract for services under
- 28 section 13(a) of this chapter not later than twenty (20) days
- 29 after the state agency or political subdivision terminates the
- 30 public contract for services with the contractor.

31 Sec. 15. If a contractor uses a subcontractor to provide services
32 for work the contractor is performing under a public contract for
33 services, the subcontractor shall certify to the contractor in a
34 manner consistent with federal law that the subcontractor, at the
35 time of certification:

- 36 (1) does not employ or contract with an unauthorized alien;
- 37 and
- 38 (2) has enrolled and is participating in the E-Verify program.

39 Sec. 16. A contractor shall maintain on file a certification of a
40 subcontractor under section 15 of this chapter throughout the
41 duration of the term of a contract with the subcontractor.

42 Sec. 17. (a) If a contractor determines that a subcontractor is in

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1 violation of this chapter, the contractor may terminate a contract
2 with the subcontractor for the violation.

3 (b) A contract terminated under subsection (a) for a violation of
4 this chapter by a subcontractor may not be considered a breach of
5 contract by the contractor or the subcontractor.

6 (c) A subcontractor may file an action with a circuit or superior
7 court having jurisdiction in the county to challenge a termination
8 of a contract under subsection (a) not later than twenty (20) days
9 after the contractor terminates the contract with the
10 subcontractor.

11 SECTION 24. IC 22-5-6 IS ADDED TO THE INDIANA CODE AS
12 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2011]:

14 **Chapter 6. Completion of Federal Attestation**

15 **Sec. 1.** As used in this chapter, "commence day labor
16 employment" means the physical act of beginning any employment
17 in which no employment agreement has been executed specifying
18 that the term of the employment is to be more than three (3)
19 working days.

20 **Sec. 2.** As used in this chapter, "law enforcement officer" has
21 the meaning set forth in IC 5-2-1-2.

22 **Sec. 3.** An individual who is at least eighteen (18) years of age
23 may not commence day labor employment in Indiana unless the
24 individual has completed the individual attestation of employment
25 authorization required under 8 U.S.C. 1324a(b)(2).

26 **Sec. 4.** If a law enforcement officer or any other entity
27 authorized to enforce the employment laws of Indiana has
28 probable cause to believe that an individual has violated this
29 chapter, the law enforcement officer or entity shall submit a
30 complaint in the form prescribed under 8 CFR 274a.9, as amended,
31 to the United States Immigration and Customs Enforcement office
32 that has jurisdiction over the residence of the individual who is
33 allegedly in violation of this chapter.

34 SECTION 25. IC 34-28-8 IS ADDED TO THE INDIANA CODE
35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2011]:

37 **Chapter 8. Offenses Related to Identification Numbers and**
38 **Documents**

39 **Sec. 1.** As used in this chapter, "consular identification" means
40 an identification, other than a passport, issued by the government
41 of a foreign state for the purpose of providing consular services in
42 the United States to a national of the foreign state.

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1 **Sec. 2. As used in this chapter, "individual taxpayer**
 2 **identification number" means a tax processing number issued by**
 3 **the United States Internal Revenue Service for the purpose of**
 4 **facilitating federal tax reporting by individuals who are not eligible**
 5 **to obtain a federal Social Security number.**

6 **Sec. 3. (a) This section does not apply to a law enforcement**
 7 **officer who is presented with a consular identification during the**
 8 **investigation of a crime.**

9 **(b) Except as otherwise provided under federal law or to**
 10 **document the foreign nationality of a cardholder, a person who**
 11 **knowingly or intentionally offers in writing, accepts, or records a**
 12 **consular identification for any public purpose commits a Class C**
 13 **infraction. However, the person commits:**

14 **(1) a Class B infraction for a second offense; and**

15 **(2) a Class A infraction for a third or subsequent offense.**

16 **Sec. 4. Except as otherwise provided under law, a person who**
 17 **knowingly or intentionally offers in writing, accepts, or records an**
 18 **individual taxpayer identification number as a valid form of**
 19 **identification for any public or private purpose, other than for**
 20 **reporting, payment, or other processing of federal or state personal**
 21 **taxation for which a Social Security number would otherwise be**
 22 **required of a United States citizen, commits a Class C infraction.**
 23 **However, the person commits:**

24 **(1) a Class B infraction for a second offense; and**

25 **(2) a Class A infraction for a third or subsequent offense.**

26 **SECTION 26. IC 35-33-1-1, AS AMENDED BY P.L.50-2005,**
 27 **SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 28 **JULY 1, 2011]: Sec. 1. (a) A law enforcement officer may arrest a**
 29 **person when the officer has:**

30 (1) a warrant commanding that the person be arrested;

31 (2) probable cause to believe the person has committed or
 32 attempted to commit, or is committing or attempting to commit,
 33 a felony;

34 (3) probable cause to believe the person has violated the
 35 provisions of IC 9-26-1-1(1), IC 9-26-1-1(2), IC 9-26-1-2(1),
 36 IC 9-26-1-2(2), IC 9-26-1-3, IC 9-26-1-4, or IC 9-30-5;

37 (4) probable cause to believe the person is committing or
 38 attempting to commit a misdemeanor in the officer's presence;

39 (5) probable cause to believe the person has committed a:

40 (A) battery resulting in bodily injury under IC 35-42-2-1; or

41 (B) domestic battery under IC 35-42-2-1.3.

42 The officer may use an affidavit executed by an individual alleged

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1 to have direct knowledge of the incident alleging the elements of
2 the offense of battery to establish probable cause;
3 (6) probable cause to believe that the person violated
4 IC 35-46-1-15.1 (invasion of privacy);
5 (7) probable cause to believe that the person violated
6 IC 35-47-2-1 (carrying a handgun without a license) or
7 IC 35-47-2-22 (counterfeit handgun license);
8 (8) probable cause to believe that the person is violating or has
9 violated an order issued under IC 35-50-7;
10 (9) probable cause to believe that the person is violating or has
11 violated IC 35-47-6-1.1 (undisclosed transport of a dangerous
12 device); ~~or~~
13 (10) probable cause to believe that the person is:
14 (A) violating or has violated IC 35-45-2-5 (interference with
15 the reporting of a crime); and
16 (B) interfering with or preventing the reporting of a crime
17 involving domestic or family violence (as defined in
18 IC 34-6-2-34.5); ~~or~~
19 **(11) probable cause to believe that the person is an alien who:**
20 **(A) is subject to:**
21 **(i) a removal order issued by an immigration court; or**
22 **(ii) a detainer or notice of action issued by the United**
23 **States Department of Homeland Security;**
24 **(B) has been indicted for or convicted of one (1) or more**
25 **aggravated felonies (as defined in 8 U.S.C. 1101(a)(43)); or**
26 **(C) has willfully failed to register with the federal**
27 **government under 8 U.S.C. 1301 et seq.**
28 (b) A person who:
29 (1) is employed full time as a federal enforcement officer;
30 (2) is empowered to effect an arrest with or without warrant for a
31 violation of the United States Code; and
32 (3) is authorized to carry firearms in the performance of the
33 person's duties;
34 may act as an officer for the arrest of offenders against the laws of this
35 state where the person reasonably believes that a felony has been or is
36 about to be committed or attempted in the person's presence.
37 SECTION 27. IC 35-33-8-4 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) The court shall
39 order the amount in which a person charged by an indictment or
40 information is to be held to bail, and the clerk shall enter the order on
41 the order book and indorse the amount on each warrant when issued.
42 If no order fixing the amount of bail has been made, the sheriff shall

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1 present the warrant to the judge of an appropriate court of criminal
2 jurisdiction, and the judge shall indorse on the warrant the amount of
3 bail.

4 (b) Bail may not be set higher than that amount reasonably required
5 to assure the defendant's appearance in court or to assure the physical
6 safety of another person or the community if the court finds by clear
7 and convincing evidence that the defendant poses a risk to the physical
8 safety of another person or the community. In setting and accepting an
9 amount of bail, the judicial officer shall take into account all facts
10 relevant to the risk of nonappearance, including:

11 (1) the length and character of the defendant's residence in the
12 community;

13 (2) the defendant's employment status and history and his ability
14 to give bail;

15 (3) the defendant's family ties and relationships;

16 (4) the defendant's character, reputation, habits, and mental
17 condition;

18 (5) the defendant's criminal or juvenile record, insofar as it
19 demonstrates instability and a disdain for the court's authority to
20 bring him to trial;

21 (6) the defendant's previous record in not responding to court
22 appearances when required or with respect to flight to avoid
23 criminal prosecution;

24 (7) the nature and gravity of the offense and the potential penalty
25 faced, insofar as these factors are relevant to the risk of
26 nonappearance;

27 (8) the source of funds or property to be used to post bail or to pay
28 a premium, insofar as it affects the risk of nonappearance; ~~and~~

29 **(9) that the defendant is a foreign national who is unlawfully**
30 **present in the United States under federal immigration law;**
31 **and**

32 ~~(9)~~ **(10)** any other factors, including any evidence of instability
33 and a disdain for authority, which might indicate that the
34 defendant might not recognize and adhere to the authority of the
35 court to bring him to trial.

36 SECTION 28. IC 35-44-5 IS ADDED TO THE INDIANA CODE
37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2011]:

39 **Chapter 5. Offenses Relating to Illegal Aliens**

40 **Sec. 1. This chapter does not apply to the following:**

41 **(1) A church or religious organization conducting activity that**
42 **is protected by the First Amendment to the United States**

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- Constitution.**
- (2) The provision of assistance for health care items and services that are necessary for the treatment of an emergency medical condition of an individual.**
- (3) A health care provider (as defined in IC 16-18-2-163(a)) that is providing health care services.**
- (4) An attorney or other person that is providing legal services.**
- (5) A person who:**
 - (A) is a spouse of an alien or who stands in relation of parent or child to an alien; and**
 - (B) would otherwise commit an offense under this chapter with respect to the alien.**
- (6) A provider that:**
 - (A) receives federal or state funding to provide services to victims of domestic violence, sexual assault, human trafficking, or stalking; and**
 - (B) is providing the services described in clause (A).**
- (7) An employee of Indiana or a political subdivision (as defined in IC 36-1-2-13) if the employee is acting in the employee's official capacity.**

Sec. 2. As used in this chapter, "alien" has the meaning set forth in 8 U.S.C. 1101(a).

Sec. 3. (a) A person who knowingly or intentionally:

- (1) transports; or**
- (2) moves;**

an alien, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of the law commits transporting an illegal alien, a Class A misdemeanor.

(b) If a violation under this section involves more than nine (9) aliens, the violation is a Class D felony.

Sec. 4. (a) A person who knowingly or intentionally:

- (1) conceals;**
- (2) harbors; or**
- (3) shields from detection;**

an alien in any place, including a building or means of transportation, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of law, commits harboring an illegal alien, a

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Class A misdemeanor.

(b) If a violation under this section involves more than nine (9) aliens, the violation is a Class D felony.

Sec. 5. It is a defense to a prosecution under section 4 of this chapter that a landlord, before renting real property to a person, was provided with and retained a copy of one (1) or more of the following from the person:

- (1) A valid state issued driver's license.**
- (2) A valid identification card issued under IC 9-24-16-1 or a similar card issued under the laws of another state or federal government.**
- (3) Documentary evidence provided to the bureau of motor vehicles to comply with IC 9-24-9-2.5 or IC 9-24-16-3.5.**
- (4) A United States birth certificate.**
- (5) A valid United States military identification card.**
- (6) Any valid document recognized by the federal government as evidence of alien registration under 8 U.S.C. 1301 et seq. that bears the person's photograph.**

A document is considered valid for purposes of this section if the document is unexpired and reasonably appears on its face to be genuine.

Sec. 6. A determination by the United States Department of Homeland Security that an alien has come to, entered, or remained in the United States in violation of law is evidence that the alien is in the United States in violation of law.

Sec. 7. A law enforcement officer shall impound a motor vehicle, other than a motor vehicle used in public transportation and owned or operated by the state or a political subdivision, that is used to commit a violation of section 3 or 4 of this chapter.

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COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 590, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 9, between lines 13 and 14, begin a new paragraph and insert:

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

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
 - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
 - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
 - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
 - (A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and
 - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under

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subdivision (4).

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

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

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

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

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

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

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

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

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

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

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's

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adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

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

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

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

(A) for a taxable year:

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

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

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

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

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

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

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

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dollars (\$25,000).

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

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

(24) Subtract income that is:

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

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

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

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

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

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

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

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year that it was placed in service.

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

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

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

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

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

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

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

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

(35) This subdivision does not apply to payments made for services provided to a business that was enrolled and

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participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in

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

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

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

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

(11) Subtract income that is:

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

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

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

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

(14) Add the amount necessary to make the adjusted gross income

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

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

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

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

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

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

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

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

(19) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted

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business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

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dollars (\$25,000).

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

(9) Subtract income that is:

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

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

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

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

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

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

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

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

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

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

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

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

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

(18) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

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the Internal Revenue Code.

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

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

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

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

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

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section

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

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

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

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

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

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

(18) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

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

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11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

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

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

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

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

(7) Subtract income that is:

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

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

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

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108(i) of the Internal Revenue Code.

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

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

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

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

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

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

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

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

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

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

(16) This subdivision does not apply to payments made for services provided to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

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

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

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

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

SECTION 9. IC 6-3.1-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) As used in this chapter, "incremental income tax withholdings" means the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from

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the compensation of new employees.

(b) The term does not include, for withholding periods beginning after June 30, 2011, any amount withheld from an individual for services provided in Indiana as an employee, if the:

- (1) individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a; and**
- (2) taxpayer was not enrolled and participating in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year.**

SECTION 10. IC 6-3.1-13-18, AS AMENDED BY P.L.137-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 18. (a) The corporation shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed ten (10) taxable years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the excess may, at the discretion of the corporation, be refunded to the taxpayer.

(b) For state fiscal year 2006 and each state fiscal year thereafter, the aggregate amount of credits awarded under this chapter for projects to retain existing jobs in Indiana may not exceed ten million dollars (\$10,000,000) per year.

(c) This subsection does not apply to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. A credit under this chapter may not be computed on any amount withheld from an individual or paid to an individual for services provided in Indiana as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

- (1) Add the following amounts:

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

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

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

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

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

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of

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the Internal Revenue Code.

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

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

(G) Income that is:

- (i) exempt from taxation under IC 6-3-2-21.7; and
- (ii) included in the taxpayer's taxable income under the Internal Revenue Code.

(H) This clause does not apply to payments made for services provided to a business that was enrolled and participated in the E-verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year. For a taxable year beginning after June 30, 2011, add the amount of any trade or business deduction allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

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

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

- (1) the aggregate of the gross payments collected by the company

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during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

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

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

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

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

- (A) a so-called bond;
- (B) a share;
- (C) a coupon;
- (D) a certificate of membership;
- (E) an agreement;
- (F) a pretended agreement; or
- (G) other evidences of obligation;

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

Page 11, between lines 34 and 35, begin a new paragraph and insert: "SECTION 15. IC 12-7-2-9, AS AMENDED BY P.L.93-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. "Agency" means the following:

- (1) For purposes of IC 12-10-12, the meaning set forth in IC 12-10-12-1.
- (2) For purposes of IC 12-12.7-2, the meaning set forth in IC 12-12.7-2-1.
- (3) For purposes of IC 12-32-1, the meaning set forth in**

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IC 12-32-1-1.

SECTION 16. IC 12-7-2-85.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2011]: **Sec. 85.1. "Federal public benefit", for purposes of IC 12-32-1, has the meaning set forth in IC 12-32-1-2.**

SECTION 17. IC 12-7-2-142 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 142. "Political subdivision", for purposes of the following statutes, has the meaning set forth in IC 36-1-2-13:

- (1) IC 12-8.
- (2) IC 12-13-4.
- (3) IC 12-32-1.**

SECTION 18. IC 12-7-2-185.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2011]: **Sec. 185.5. "State or local public benefit", for purposes of IC 12-32-1, has the meaning set forth in IC 12-32-1-3.**

SECTION 19. IC 12-32 IS ADDED TO THE INDIANA CODE AS A **NEW ARTICLE TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2011]:

ARTICLE 32. RESTRICTIONS ON PUBLIC BENEFITS**Chapter 1. Restrictions on Public Benefits to Illegal Aliens**

Sec. 1. As used in this chapter, "agency" means any state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government.

Sec. 2. As used in this chapter, "federal public benefit" has the meaning set forth in 8 U.S.C. 1611.

Sec. 3. (a) As used in this chapter, "state or local public benefit" has the meaning set forth in 8 U.S.C. 1621.

(b) The term includes:

- (1) a postsecondary award, including a scholarship, a grant, or financial aid; and**
- (2) the resident tuition rate (as determined by the state financial institution).**

Sec. 4. This chapter shall be enforced without regard to race, religion, gender, ethnicity, or national origin.

Sec. 5. (a) Notwithstanding any other provision of law and except as otherwise provided under federal law, an agency or a political subdivision shall verify, in the manner required under section 6 of this chapter, the eligibility of any individual who:

- (1) is at least eighteen (18) years of age; and**

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(2) applies for state or local public benefits or federal public benefits that are provided by the agency or the political subdivision.

(b) Notwithstanding any other provision of law and except as otherwise provided under federal law, a person that provides benefits that are funded, in whole or part, by federal, state, or local money shall verify, in the manner required under section 6 of this chapter, the eligibility of any individual who:

- (1) is at least eighteen (18) years of age; and
- (2) applies for or requests benefits from the person that provides the benefits.

Sec. 6. An agency, a political subdivision, or a person required to verify the eligibility of an individual under section 5 of this chapter shall:

- (1) require the individual to execute an affidavit stating under penalty of perjury that the individual is a:
 - (A) United States citizen; or
 - (B) qualified alien (as defined under 8 U.S.C. 1641); and
- (2) maintain an affidavit executed in accordance with subdivision (1) for at least five (5) years.

Sec. 7. A person who knowingly or intentionally makes a false, fictitious, or fraudulent statement or representation in an affidavit required by this chapter commits a Class D felony.

Sec. 8. An agency or a person may adopt a variation of the requirements set forth in this chapter to provide for an adjudication in the case of unique individual circumstances under which the procedures set forth in this chapter would impose unusual hardship on a legal resident of Indiana.

Sec. 9. The department of local government finance:

- (1) shall adopt rules under IC 4-22-2, applicable to all political subdivisions, to carry out this chapter; and
- (2) may adopt a variation of the requirements set forth in this chapter, applicable to all political subdivisions, to provide for an adjudication in the case of unique individual circumstances under which the procedures set forth in this chapter would impose an unusual hardship on a legal resident of Indiana.

Sec. 10. If an agency, a political subdivision, or a person violates this chapter, a person lawfully domiciled in Indiana may bring an action to compel the agency, political subdivision, or person to comply with this chapter.

Sec. 11. An agency may adopt rules under IC 4-22-2 to carry out this chapter."

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Page 12, delete lines 9 through 29.

Page 13, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 22. IC 22-4-39.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 39.5. Reimbursements by Employers of Unauthorized Aliens

Sec. 1. As used in this chapter, "E-Verify program" means the electronic verification of work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s. 403(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603).

Sec. 2. As used in this chapter, "knowingly" means knowledge that may fairly be inferred through notice of certain facts and circumstances that would lead a person, through the exercise of reasonable care, to know that an employee is unlawfully present in the United States.

Sec. 3. As used in this chapter, "unauthorized alien" has the meaning set forth in 8 U.S.C. 1324a(h)(3).

Sec. 4. (a) The department may file a civil action to obtain reimbursement of amounts paid by the department as unemployment insurance benefits from an employer that has knowingly employed an unauthorized alien.

(b) The action must be filed in the county in which the employer employed the unauthorized alien.

(c) In determining whether an individual is an unauthorized alien for purposes of this chapter, a court may consider only the federal government's verification or status information under 8 U.S.C. 1373(c).

(d) After holding a hearing and making a finding that the employer knowingly employed an unauthorized alien, the court shall award the following to the department:

(1) The reimbursement of unemployment insurance benefits paid by the department computed using the salary of the position held by the unauthorized alien during the period the unauthorized alien was employed by the employer.

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(2) Reasonable costs and attorney's fees.

(e) The department shall deposit the reimbursement awarded under subsection (d)(1) in the unemployment insurance benefit fund established by IC 22-4-26-1.

Sec. 5. The department may not file an action under section 4 of this chapter against an employer who used the E-Verify program to verify the employment eligibility of an individual who is determined to be an unauthorized alien.

Sec. 6. The department has the power to:

- (1) administer oaths and affirmations;**
- (2) take depositions;**
- (3) issue and serve subpoenas that compel:**
 - (A) the attendance of witnesses; and**
 - (B) the production of books, papers, correspondence, memoranda, and other records;**

as necessary for the department to administer this chapter."

Delete pages 14 through 19.

Page 20, delete lines 1 through 41.

Page 22, delete lines 32 through 42.

Page 23, line 1, delete "13." and insert "12."

Page 23, line 16, delete "14." and insert "13."

Page 23, line 18, delete "13(b)" and insert "12(b)".

Page 23, line 33, delete "15." and insert "14."

Page 23, line 35, delete "13(b)" and insert "12(b)".

Page 23, line 39, delete "14(a)" and insert "13(a)".

Page 23, line 42, delete "16." and insert "15."

Page 24, line 8, delete "17." and insert "16."

Page 24, line 9, delete "16" and insert "15".

Page 24, line 11, delete "18." and insert "17."

Page 29, delete lines 17 through 42, begin a new paragraph and insert:

"Sec. 3. (a) A person who knowingly or intentionally:

- (1) transports; or**
- (2) moves;**

an alien, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of the law commits transporting an illegal alien, a Class A misdemeanor.

(b) If a violation under this section involves more than nine (9) aliens, the violation is a Class D felony.

Sec. 4. (a) A person who knowingly or intentionally:

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- (1) conceals;
- (2) harbors; or
- (3) shields from detection;

an alien in any place, including a building or means of transportation, for the purpose of commercial advantage or private financial gain, knowing or in reckless disregard of the fact that the alien has come to, entered, or remained in the United States in violation of law, commits harboring an illegal alien, a Class A misdemeanor."

Page 30, delete lines 1 through 4.

Page 30, line 7, delete "6." and insert "5."

Page 30, line 7, delete "5(a)(2)" and insert "4".

Page 30, line 22, delete "7." and insert "6."

Page 30, line 26, delete "8." and insert "7."

Page 30, line 29, delete "5(a)(1) or 5(a)(2)" and insert "3 or 4".

Renumber all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 590 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 8, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 590, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15.

Page 2, delete lines 1 through 3.

Page 2, delete line 22.

Page 2, line 23, delete "(4)" and insert "(3)".

Page 2, delete lines 25 through 27.

Page 2, line 28, delete "5." and insert "4."

Page 3, line 4, delete "Except as provided under subsection (b), if" and insert "If".

Page 3, line 14, delete "shall" and insert "may".

Page 3, line 15, after "individual" insert "**at the site of the stop or detention**".

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Page 3, line 16, after "8 U.S.C. 1373(c)." insert "**If an individual is detained for verification purposes under this section, the duration of time that the individual is detained must be reasonable and consistent with standard law enforcement procedures. If the law enforcement officer is unable to receive verification under this section within a reasonable time, the law enforcement officer may release the individual unless the individual is being detained for another lawful purpose.**".

Page 4, delete lines 11 through 17.

Page 4, line 18, delete "8." and insert "7."

Page 4, delete lines 25 through 26.

Page 4, line 27, delete "10." and insert "8."

Page 4, line 34, delete "11." and insert "9."

Page 32, line 1, after "shall" insert ", **to the extent possible,**".

Page 32, line 8, delete "and" and insert ",".

Page 32, line 9, delete "governor,".

Page 36, delete lines 22 through 25.

Page 36, line 26, delete "11." and insert "**10.**".

Page 42, line 40, delete "reasonable suspicion" and insert "**probable cause**".

Page 46, delete lines 10 through 29.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 590 as printed February 11, 2011.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 5.

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SENATE MOTION

Madam President: I move that Senate Bill 590 be amended to read as follows:

Page 9, line 15, delete "or".

Page 9, line 18, delete "activities." and insert "**activities; or**

(7) to arrange for or provide health care services or items.".

Page 41, line 6, after "thousand" insert "**dollars**".

Page 43, line 11, after "cause" insert "**to believe**".

Page 44, delete lines 9 through 12.

Page 48, between lines 5 and 6, begin a new line blocked left and insert:

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"A document is considered valid for purposes of this section if the document is unexpired and reasonably appears on its face to be genuine."

Renumber all SECTIONS consecutively.

(Reference is to SB 590 as printed February 18, 2011.)

DELPH

SENATE MOTION

Madam President: I move that Senate Bill 590 be amended to read as follows:

Page 5, between lines 10 and 11, begin a new paragraph and insert:
"SECTION 3. IC 5-2-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 20. Prohibit Verification of Citizenship or Immigration Status

Sec. 1. As used in this chapter, "law enforcement agency" has the meaning set forth in IC 5-2-17-2.

Sec. 2. As used in this chapter, "law enforcement officer" has the meaning set forth in IC 5-2-1-2.

Sec. 3. A law enforcement agency or law enforcement officer may not request verification of the citizenship or immigration status of an individual from federal immigration authorities if the individual has contact with the law enforcement agency or law enforcement officer only:

- (1) as a witness to or victim of a crime; or**
- (2) for purposes of reporting a crime."**

Renumber all SECTIONS consecutively.

(Reference is to SB 590 as printed February 18, 2011.)

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