



Reprinted  
March 1, 2012

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# ENGROSSED SENATE BILL No. 302

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DIGEST OF SB 302 (Updated February 29, 2012 5:28 pm - DI 92)

**Citations Affected:** IC 6-1.1; IC 6-3; noncode.

**Synopsis:** Taxation. Provides that the property tax exemption for qualified enterprise information technology equipment applies only to property located in a high technology district area designated by the fiscal body of the county or municipality. Specifies the procedure for the designation of such an area. Provides that an entity that leases qualified property for use in a facility or data center dedicated to computing, networking, or data storage activities is also eligible for the exemption. (Current law provides that only a business that operates such a facility is eligible for the exemption.) Requires that at least \$10,000,000 must be invested in the facility or data center after June 30, 2012, by the entity entering into the agreement for the exemption  
(Continued next page)

**Effective:** Upon passage; January 1, 2011 (retroactive); January 1, 2012 (retroactive); July 1, 2012.

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**Charbonneau, Hershman, Broden,  
Holdman, Landske, Zakas, Simpson,  
Taylor**

(HOUSE SPONSORS — CLERE, FRIEND, AUSTIN,  
CANDELARIA REARDON)

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January 5, 2012, read first time and referred to Committee on Commerce & Economic Development.  
January 9, 2012, pursuant to Senate Rule 68(b); reassigned to Committee on Tax and Fiscal Policy.  
January 19, 2012, reported favorably — Do Pass.  
January 23, 2012, read second time, ordered engrossed.  
January 24, 2012, engrossed. Read third time, passed. Yeas 48, nays 2.  
HOUSE ACTION  
January 31, 2012, read first time and referred to Committee on Ways and Means.  
February 27, 2012, amended, reported — Do Pass.  
February 29, 2012, read second time, amended, ordered engrossed.

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and by the lessor of the qualified property (if the business is a lessee) and all lessees of qualified property. Authorizes a political subdivision to petition the department of local government finance to increase the tax rate for its capital projects fund for taxes payable in 2013 if the political subdivision's assessed valuation and maximum tax rate decreased for taxes payable in 2012. Changes the formulas for calculating the maximum tax rates for cumulative funds and school corporation capital projects funds. Changes the due date for the first installment of 2012 property taxes to June 10. Eliminates the requirement to add back amounts deducted for federal income tax purposes as expenses of elementary and secondary school teachers for taxable years beginning after December 31, 2011.

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Reprinted  
March 1, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 302

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

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

1 SECTION 1. IC 6-1.1-7-7, AS AMENDED BY P.L.3-2008,  
2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 7. (a) The owner of a mobile home on the  
4 assessment date of a year is liable for the taxes imposed upon the  
5 mobile home for that year. Except as provided in subsection (b), the  
6 owner shall pay the taxes in two (2) equal, semi-annual installments.  
7 **Except as provided in subsection (c)**, these semi-annual installments  
8 are due on May 10 and November 10 of the year of assessment.  
9 (b) A county council may adopt an ordinance to require an owner to  
10 pay **his the owner's** property tax liability for ~~his the owner's~~ mobile  
11 home in one (1) installment, if the tax liability for a particular year is  
12 less than twenty-five dollars (\$25). If the county council has adopted  
13 such an ordinance, then whenever a tax statement mailed under  
14 IC 6-1.1-22-8.1 shows that an owner's property tax liability for a  
15 particular year for a mobile home is less than twenty-five dollars (\$25),  
16 the owner shall pay the entire tax liability for the mobile home for that  
17 year on May 10 of that year.

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1 (c) For the 2012 assessment date, the semi-annual installments  
2 are due on June 10, 2012, and November 10, 2012.

3 SECTION 2. IC 6-1.1-10-44, AS AMENDED BY P.L.173-2011,  
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2012]: Sec. 44. (a) As used in this section, "designating body"  
6 means the fiscal body of:

- 7 (1) a county that does not contain a consolidated city; or
- 8 (2) a municipality.

9 (b) As used in this section, "eligible business" means an entity that  
10 meets the following requirements:

11 (1) The entity is engaged in a business that:

12 (A) operates; or

13 (B) leases qualified property for use in:

14 one (1) or more facilities or data centers dedicated to computing,  
15 networking, or data storage activities.

16 (2) The entity's qualified property is located in at a  
17 facility or data center in Indiana that is located in an area  
18 designated as a high technology district area.

19 (3) The entity, invests the lessor of qualified property (if the  
20 entity is a lessee), and all lessees of qualified property invest  
21 in the aggregate at least ten million dollars (\$10,000,000) in real  
22 and personal property in Indiana at the facility or data center  
23 after June 30, 2009: 2012.

24 (4) The average employee wage of the entity employees who are  
25 located in the county or municipality and engaged in the  
26 operation of the facility or data center is at least one hundred  
27 twenty-five percent (125%) of the county average wage for each  
28 the county in which the entity conducts business operations:  
29 facility or data center operates.

30 (c) As used in this section, "enterprise information technology  
31 equipment" means the following:

32 (1) Hardware supporting computing, networking, or data storage  
33 functions, including servers and routers.

34 (2) Networking systems having an industry designation as  
35 equipment within the "enterprise" or "data center" class of  
36 networking systems that support the computing, networking, or  
37 data storage functions.

38 (3) Generators and other equipment used to ensure a  
39 uninterrupted power supply to equipment described in subdivision  
40 (1) or (2).

41 The term does not include computer hardware designed for single user,  
42 workstation, or departmental level use.

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1 (d) As used in this section, "fiscal body" has the meaning set forth  
2 in IC 36-1-2-6.

3 (e) As used in this section, "high technology district area" means  
4 all or any part of the area that:

5 (1) is within the corporate limits of a county or municipality;  
6 and

7 (2) has been designated as a high technology district area by  
8 the appropriate designating body under subsection (h).

9 (f) As used in this section, "municipality" has the meaning set  
10 forth in IC 36-1-2-11.

11 (g) As used in this section, "qualified property" means enterprise  
12 information technology equipment purchased after June 30, 2009;  
13 2012, and any additions to or replacements to such property.

14 (h) Before adopting a final resolution under subsection (h) to  
15 provide a property tax exemption, to designate a high technology  
16 district area, a designating body must first adopt a declaratory  
17 resolution provisionally specifying finding that qualified property  
18 owned by a particular eligible business is exempt from property  
19 taxation: all or a part of the area within the designating body's  
20 jurisdiction is a high technology district area. The designating body  
21 shall file a declaratory resolution adopted under this subsection must  
22 include a description of the affected area and must be filed with the  
23 county assessor. After a designating body adopts a declaratory  
24 resolution specifying that qualified property owned by a particular  
25 eligible business is exempt from property taxation, The designating  
26 body shall then publish notice of the adoption and the substance of the  
27 declaratory resolution in accordance with IC 5-3-1 and file a copy of  
28 the notice and the declaratory resolution with each taxing unit in the  
29 county. The notice must specify a date when the designating body will  
30 receive and hear all remonstrances and objections from interested  
31 persons. The designating body shall file the notice and the declaratory  
32 resolution with the officers of the taxing units who are authorized to fix  
33 budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10)  
34 days before the date for the public hearing. After the designating body  
35 considers the testimony presented at the public hearing, the designating  
36 body may adopt a second and final resolution under subsection (h). The  
37 second and final resolution under subsection (h) may modify, confirm,  
38 or rescind before January 1, 2017, determining whether to  
39 designate a high technology district area and modifying,  
40 confirming, or rescinding the declaratory resolution. This  
41 determination of the designating body is final.

42 (i) Before January 1, 2017, (i) A designating body may, after

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1 following the procedures of subsection (g); adopt **adopting** a final  
 2 resolution ~~providing that qualified property owned by a particular~~  
 3 **under subsection (h) designating an area as a high technology**  
 4 **district area, enter into an agreement with an** eligible business is  
 5 ~~exempt from to grant the eligible business a property taxation: tax~~  
 6 **exemption.** In the case of a county, the exemption applies only to  
 7 qualified property that is located in unincorporated territory of the  
 8 county. In the case of a municipality, the exemption applies only to  
 9 qualified property that is located in the municipality. The property tax  
 10 exemption applies to the qualified property only if the designating body  
 11 and the eligible business enter into an agreement concerning the  
 12 property tax exemption. The agreement must specify the duration of the  
 13 property tax exemption. The agreement may specify that if the  
 14 ownership of qualified property is transferred by an eligible business,  
 15 the transferee is entitled to the property tax exemption on the same  
 16 terms as the transferor. If a designating body adopts a final resolution  
 17 under ~~this~~ subsection (h) and enters into an agreement with an eligible  
 18 business, the qualified property owned by the eligible business is  
 19 exempt from property taxation as provided in the resolution and the  
 20 agreement.

21 ~~(i)~~ **(j)** If a designating body adopts a final resolution **under**  
 22 **subsection (h)** and enters into an agreement under subsection ~~(i)~~ **(j)** to  
 23 provide a property tax exemption, the property tax exemption continues  
 24 for the period specified in the agreement, notwithstanding the January  
 25 1, 2017, deadline to adopt a final resolution under subsection (h).

26 SECTION 3. IC 6-1.1-15-1.5 IS ADDED TO THE INDIANA  
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 28 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) This section applies**  
 29 **only:**

- 30 **(1) to property taxes first due and payable in 2012; and**  
 31 **(2) to a notice for review that would otherwise be filed under**  
 32 **section 1(d) of this chapter.**

33 **(b) A taxpayer may obtain a review by the county board of a**  
 34 **county or township official's action described in section 1(a) of this**  
 35 **chapter with respect to the 2011 assessment date by filing a notice**  
 36 **in writing with the township assessor, or the county assessor if the**  
 37 **township is not served by a township assessor. Notwithstanding**  
 38 **section 1(d) of this chapter, the notice to obtain a review must be**  
 39 **filed not later than the later of:**

- 40 **(1) June 10, 2012; or**  
 41 **(2) forty-five (45) days after the date of the tax statement**  
 42 **mailed by the county treasurer, regardless of whether the**

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1           **assessing official changes the taxpayer's assessment.**  
2           **(c) This section expires July 1, 2013.**  
3           SECTION 4. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011,  
4           SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5           JANUARY 1, 2011 (RETROACTIVE)]: Sec. 12. (a) For purposes of  
6           this section, "maximum rate" refers to the maximum:  
7               (1) property tax rate or rates; or  
8               (2) special benefits tax rate or rates;  
9           referred to in the statutes listed in subsection (d).  
10          (b) The maximum rate for taxes first due and payable after 2003 is  
11          the maximum rate that would have been determined under subsection  
12          (e) for taxes first due and payable in 2003 if subsection (e) had applied  
13          for taxes first due and payable in 2003.  
14          (c) The maximum rate must be adjusted each year to account for the  
15          change **increase** in assessed value of real property that results from:  
16               (1) an annual adjustment of the assessed value of real property  
17               under IC 6-1.1-4-4.5; or  
18               (2) a general reassessment of real property under IC 6-1.1-4-4.  
19          (d) The statutes to which subsection (a) refers are:  
20               (1) IC 8-10-5-17;  
21               (2) IC 8-22-3-11;  
22               (3) IC 8-22-3-25;  
23               (4) IC 12-29-1-1;  
24               (5) IC 12-29-1-2;  
25               (6) IC 12-29-1-3;  
26               (7) IC 12-29-3-6;  
27               (8) IC 13-21-3-12;  
28               (9) IC 13-21-3-15;  
29               (10) IC 14-27-6-30;  
30               (11) IC 14-33-7-3;  
31               (12) IC 14-33-21-5;  
32               (13) IC 15-14-7-4;  
33               (14) IC 15-14-9-1;  
34               (15) IC 15-14-9-2;  
35               (16) IC 16-20-2-18;  
36               (17) IC 16-20-4-27;  
37               (18) IC 16-20-7-2;  
38               (19) IC 16-22-14;  
39               (20) IC 16-23-1-29;  
40               (21) IC 16-23-3-6;  
41               (22) IC 16-23-4-2;  
42               (23) IC 16-23-5-6;

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- 1 (24) IC 16-23-7-2;  
 2 (25) IC 16-23-8-2;  
 3 (26) IC 16-23-9-2;  
 4 (27) IC 16-41-15-5;  
 5 (28) IC 16-41-33-4;  
 6 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);  
 7 (30) IC 20-46-6-5;  
 8 (31) IC 20-49-2-10;  
 9 (32) IC 36-1-19-1;  
 10 (33) IC 23-14-66-2;  
 11 (34) IC 23-14-67-3;  
 12 (35) IC 36-7-13-4;  
 13 (36) IC 36-7-14-28;  
 14 (37) IC 36-7-15.1-16;  
 15 (38) IC 36-8-19-8.5;  
 16 (39) IC 36-9-6.1-2;  
 17 (40) IC 36-9-17.5-4;  
 18 (41) IC 36-9-27-73;  
 19 (42) IC 36-9-29-31;  
 20 (43) IC 36-9-29.1-15;  
 21 (44) IC 36-10-6-2;  
 22 (45) IC 36-10-7-7;  
 23 (46) IC 36-10-7-8;  
 24 (47) IC 36-10-7.5-19;  
 25 (48) IC 36-10-13-5;  
 26 (49) IC 36-10-13-7;  
 27 (50) IC 36-10-14-4;  
 28 (51) IC 36-12-7-7;  
 29 (52) IC 36-12-7-8;  
 30 (53) IC 36-12-12-10; and  
 31 (54) any statute enacted after December 31, 2003, that:  
 32 (A) establishes a maximum rate for any part of the:  
 33 (i) property taxes; or  
 34 (ii) special benefits taxes;  
 35 imposed by a political subdivision; and  
 36 (B) does not exempt the maximum rate from the adjustment  
 37 under this section.  
 38 (e) The new maximum rate under a statute listed in subsection (d)  
 39 is the tax rate determined under STEP SEVEN of the following STEPS:  
 40 STEP ONE: Determine the **correct** maximum rate for the  
 41 political subdivision levying a property tax or special benefits tax  
 42 under the statute for the year preceding the year in which the

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1 annual adjustment or general reassessment takes effect.

2 STEP TWO: ~~Except as provided in subsection (g);~~ Determine the  
 3 actual percentage ~~change~~ **increase** (rounded to the nearest  
 4 one-hundredth percent (0.01%)) in the assessed value (before the  
 5 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 6 from the year preceding the year the annual adjustment or general  
 7 reassessment takes effect to the year that the annual adjustment or  
 8 general reassessment takes effect, **if any. If there is no change or**  
 9 **a decrease in assessed value of the taxable property from the**  
 10 **year preceding the year the annual adjustment or general**  
 11 **reassessment takes effect to the year that the annual**  
 12 **adjustment or general reassessment takes effect, the result of**  
 13 **this STEP is zero percent (0%).**

14 STEP THREE: Determine the three (3) calendar years that  
 15 immediately precede the ensuing calendar year and in which a  
 16 statewide general reassessment of real property does not first take  
 17 effect.

18 STEP FOUR: ~~Except as provided in subsection (g);~~ Compute  
 19 separately, for each of the calendar years determined in STEP  
 20 THREE, the actual percentage ~~change~~ **increase** (rounded to the  
 21 nearest one-hundredth percent (0.01%)) in the assessed value  
 22 (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable  
 23 property from the preceding year. **If there is no change or a**  
 24 **decrease in the assessed value of the taxable property for any**  
 25 **year compared to the immediately preceding year, the**  
 26 **percentage computed for the year is zero percent (0%).**

27 STEP FIVE: Divide the sum of the three (3) quotients computed  
 28 in STEP FOUR by three (3).

29 STEP SIX: Determine the greater of the following:

30 (A) Zero (0).

31 (B) The result of the STEP TWO percentage minus the STEP  
 32 FIVE percentage.

33 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 34 divided by the sum of one (1) plus the STEP SIX percentage  
 35 increase.

36 (f) The department of local government finance shall compute the  
 37 maximum rate allowed under subsection (e) and provide the rate to  
 38 each political subdivision with authority to levy a tax under a statute  
 39 listed in subsection (d).

40 (g) ~~This subsection applies to STEP TWO and STEP FOUR of~~  
 41 ~~subsection (e) for taxes first due and payable after 2011. If the assessed~~  
 42 ~~value change used in the STEPS was not an increase, the STEPS are~~

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1 applied using instead:

2 (1) the actual percentage decrease (rounded to the nearest  
3 one-hundredth percent (0.01%)) in the assessed value (before the  
4 adjustment, if any, under IC ~~6-1.1-4-4.5~~) of the taxable property;

5 or

6 (2) zero (0) if the assessed value did not increase or decrease.

7 SECTION 5. IC 6-1.1-18-12.5 IS ADDED TO THE INDIANA  
8 CODE AS A NEW SECTION TO READ AS FOLLOWS  
9 [EFFECTIVE JULY 1, 2012]: **Sec. 12.5. (a) This section applies only  
10 to property taxes first due and payable in 2013.**

11 **(b) As used in this section, "fund" refers to a political  
12 subdivision's capital projects fund.**

13 **(c) A political subdivision may petition the department to  
14 increase the tax rate for the fund in excess of the maximum rate  
15 calculated under section 12 of this chapter for taxes payable in  
16 2013, if:**

17 **(1) the assessed value of taxable property in the political  
18 subdivision decreased for taxes payable in 2012; and**

19 **(2) the fund's maximum rate calculated under section 12 of  
20 this chapter decreased for taxes payable in 2012.**

21 **(d) The department shall approve the petition of any political  
22 subdivision meeting the requirements of subsection (c). The  
23 department shall increase the tax rate for the fund of an approved  
24 political subdivision by an amount sufficient to replace the lost levy  
25 capacity resulting from the decrease in the fund's tax rate for taxes  
26 payable in 2012.**

27 **(e) A tax rate increase under subsection (d) applies only to taxes  
28 payable in 2013. The amount of the increase may not be included  
29 in a calculation of the fund's tax rate for any calendar year  
30 beginning after December 31, 2013.**

31 **(f) A maximum tax rate set forth in a statute listed in section  
32 12(d) of this chapter does not apply to a tax rate established under  
33 subsection (d).**

34 SECTION 6. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,  
35 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JANUARY 1, 2011 (RETROACTIVE)]: **Sec. 13. (a) The maximum  
37 property tax rate levied under IC 20-46-6 by each school corporation  
38 for the school corporation's capital projects fund must be adjusted each  
39 year to account for the ~~change~~ increase in assessed value of real  
40 property that results from:**

41 **(1) an annual adjustment of the assessed value of real property  
42 under IC 6-1.1-4-4.5; or**

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- 1 (2) a general reassessment of real property under IC 6-1.1-4-4.  
 2 (b) The new maximum rate under this section is the tax rate  
 3 determined under STEP SEVEN of the following formula:  
 4 STEP ONE: Determine the **correct** maximum rate for the school  
 5 corporation for the year preceding the year in which the annual  
 6 adjustment or general reassessment takes effect.  
 7 STEP TWO: Determine the actual percentage increase (rounded  
 8 to the nearest one-hundredth percent (0.01%)) in the assessed  
 9 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the  
 10 taxable property from the year preceding the year the annual  
 11 adjustment or general reassessment takes effect to the year that  
 12 the annual adjustment or general reassessment is effective, **if any.**  
 13 **If there is no change or a decrease in assessed value of the**  
 14 **taxable property from the year preceding the year the annual**  
 15 **adjustment or general reassessment takes effect to the year**  
 16 **that the annual adjustment or general reassessment takes**  
 17 **effect, the result of this STEP is zero percent (0%).**  
 18 STEP THREE: Determine the three (3) calendar years that  
 19 immediately precede the ensuing calendar year and in which a  
 20 statewide general reassessment of real property does not first  
 21 become effective.  
 22 STEP FOUR: Compute separately, for each of the calendar years  
 23 determined in STEP THREE, the actual percentage increase  
 24 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 25 assessed value (before the adjustment, if any, under  
 26 IC 6-1.1-4-4.5) of the taxable property from the preceding year.  
 27 **If there is no change or a decrease in the assessed value of the**  
 28 **taxable property for any year compared to the immediately**  
 29 **preceding year, the percentage computed for the year is zero**  
 30 **percent (0%).**  
 31 STEP FIVE: Divide the sum of the three (3) quotients computed  
 32 in STEP FOUR by three (3).  
 33 STEP SIX: Determine the greater of the following:  
 34 (A) Zero (0).  
 35 (B) The result of the STEP TWO percentage minus the STEP  
 36 FIVE percentage.  
 37 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 38 divided by the sum of one (1) plus the STEP SIX percentage  
 39 increase.  
 40 (c) The department of local government finance shall compute the  
 41 maximum rate allowed under subsection (b) and provide the rate to  
 42 each school corporation.

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1 SECTION 7. IC 6-1.1-22-9, AS AMENDED BY P.L.87-2009,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b),  
4 the property taxes assessed for a year under this article are due in two  
5 (2) equal installments on May 10 and November 10 of the following  
6 year.

7 (b) Subsection (a) does not apply if any of the following apply to the  
8 property taxes assessed for the year under this article:

- 9 (1) Subsection (c).
- 10 (2) Subsection (d).
- 11 (3) IC 6-1.1-7-7.
- 12 (4) Section 9.5 of this chapter.
- 13 (5) Section 9.7 of this chapter.
- 14 **(6) Section 9.9 of this chapter.**

15 (c) A county council may adopt an ordinance to require a person to  
16 pay the person's property tax liability in one (1) installment, if the tax  
17 liability for a particular year is less than twenty-five dollars (\$25). If the  
18 county council has adopted such an ordinance, then whenever a tax  
19 statement mailed under section 8.1 of this chapter shows that the  
20 person's property tax liability for a year is less than twenty-five dollars  
21 (\$25) for the property covered by that statement, the tax liability for  
22 that year is due in one (1) installment on May 10 of that year.

23 (d) If the county treasurer receives a copy of an appeal petition  
24 under IC 6-1.1-18.5-12(d) before the county treasurer mails or  
25 transmits statements under section 8.1 of this chapter, the county  
26 treasurer may:

- 27 (1) mail or transmit the statements without regard to the pendency  
28 of the appeal and, if the resolution of the appeal by the department  
29 of local government finance results in changes in levies, mail or  
30 transmit reconciling statements under subsection (e); or
- 31 (2) delay the mailing or transmission of statements under section  
32 8.1 of this chapter so that:
  - 33 (A) the due date of the first installment that would otherwise  
34 be due under subsection (a) is delayed by not more than sixty  
35 (60) days; and
  - 36 (B) all statements reflect any changes in levies that result from  
37 the resolution of the appeal by the department of local  
38 government finance.

39 (e) A reconciling statement under subsection (d)(1) must indicate:

- 40 (1) the total amount due for the year;
- 41 (2) the total amount of the installments paid that did not reflect  
42 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the

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1 department of local government finance;  
 2 (3) if the amount under subdivision (1) exceeds the amount under  
 3 subdivision (2), the adjusted amount that is payable by the  
 4 taxpayer:  
 5 (A) as a final reconciliation of all amounts due for the year;  
 6 and  
 7 (B) not later than:  
 8 (i) November 10; or  
 9 (ii) the date or dates established under section 9.5 of this  
 10 chapter; and  
 11 (4) if the amount under subdivision (2) exceeds the amount under  
 12 subdivision (1), that the taxpayer may claim a refund of the excess  
 13 under IC 6-1.1-26.  
 14 (f) If property taxes are not paid on or before the due date, the  
 15 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
 16 taxes.  
 17 (g) Notwithstanding any other law, a property tax liability of less  
 18 than five dollars (\$5) is increased to five dollars (\$5). The difference  
 19 between the actual liability and the five dollar (\$5) amount that appears  
 20 on the statement is a statement processing charge. The statement  
 21 processing charge is considered a part of the tax liability.  
 22 (h) This subsection applies only if a statement for payment of  
 23 property taxes and special assessments by electronic mail is transmitted  
 24 to a person under section 8.1(h) of this chapter. If a response to the  
 25 transmission of electronic mail to a person indicates that the electronic  
 26 mail was not received, the county treasurer shall mail to the person a  
 27 hard copy of the statement in the manner required by section 8.1(a) of  
 28 this chapter for persons who do not opt to receive statements by  
 29 electronic mail. The due date for the property taxes and special  
 30 assessments under a statement mailed to a person under this subsection  
 31 is the due date indicated in the statement transmitted to the person by  
 32 electronic mail.  
 33 (i) In a county in which an authorizing ordinance is adopted under  
 34 section 8.1(h) of this chapter, a person may direct the county treasurer  
 35 to transmit a reconciling statement under subsection (d)(1) by  
 36 electronic mail under section 8.1(h) of this chapter.  
 37 SECTION 8. IC 6-1.1-22-9.9 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE UPON PASSAGE]: **Sec. 9.9. (a) This section applies**  
 40 **only to property taxes first due and payable in 2012.**  
 41 **(b) Property taxes imposed with respect to the 2011 assessment**  
 42 **date are due in two (2) equal installments on June 10 and**

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**November 10.**

**(c) This section expires July 1, 2013.**

SECTION 9. IC 6-1.1-22.5-9, AS AMENDED BY P.L.172-2011, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in: ~~subsection~~

**(1) subsections (e) and (f); and**

**(2) section 12(b) of this chapter;**

tax liability billed on a provisional statement is due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

(b) The county treasurer may mail or transmit the provisional statement one (1) time each year at least fifteen (15) days before the date on which the first installment is due under subsection (a) in the manner provided in IC 6-1.1-22-8.1, regardless of whether the notice required under section 6(b) of this chapter has been published.

(c) This subsection applies to a provisional statement issued under section 6 of this chapter. Except when the second installment of a provisional statement is replaced by a final reconciling statement providing for taxes to be due on November 10, the amount of tax liability due for each installment of a provisional statement issued for a year after 2010 is fifty percent (50%) of the tax that was due for the immediately preceding year under IC 6-1.1-22 subject to any adjustments to the tax liability as prescribed by the department of local government finance. If no bill was issued in the prior year, the provisional bill shall be based on the amount that would have been due if a provisional tax statement had been issued for the immediately preceding year. The department of local government finance may prescribe standards to implement this subsection, including a method of calculating the taxes due when an abstract or other information is not complete.

(d) This subsection applies only if a provisional statement for payment of property taxes, special assessments, and any adjustment included in the provisional statement under section 8(e) of this chapter by electronic mail is transmitted to a person under IC 6-1.1-22-8.1(h). If a response to the transmission of electronic mail to a person indicates that the electronic mail was not received, the county treasurer shall mail to the person a hard copy of the provisional statement in the manner required by this chapter for persons who do not opt to receive statements by electronic mail. The due date for the property taxes, special assessments, and any adjustment included in the provisional statement under section 8(e) of this chapter under a provisional statement mailed to a person under this subsection is the due date

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1 indicated in the statement transmitted to the person by electronic mail.

2 (e) This subsection applies only to property taxes first due and  
3 payable in 2011. If a county is more than two (2) years behind in  
4 issuing property tax bills, the county treasurer of the county may  
5 petition the department in writing to extend the deadline for making the  
6 first installment payment on a provisional statement issued under this  
7 chapter. Upon receiving a petition under this subsection, the  
8 department may extend the payment deadline to a date that is not later  
9 than July 1, 2011.

10 **(f) This subsection applies only to property taxes first due and**  
11 **payable in 2012. If a county issues a provisional statement for**  
12 **property taxes first due and payable in 2012, tax liability billed on**  
13 **the provisional statement is due in two (2) equal installments on**  
14 **June 10 and November 10.**

15 SECTION 10. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011,  
16 SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND  
17 AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED  
18 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 3.5. When used in this  
20 article, the term "adjusted gross income" shall mean the following:

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

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

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

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1 taxpayer's federal gross income by Section 86 of the Internal  
2 Revenue Code.

3 ~~(13)~~ (11) In the case of a nonresident taxpayer or a resident  
4 taxpayer residing in Indiana for a period of less than the taxpayer's  
5 entire taxable year, the total amount of the deductions allowed  
6 pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to  
7 an amount which bears the same ratio to the total as the taxpayer's  
8 income taxable in Indiana bears to the taxpayer's total income.

9 ~~(14)~~ (12) In the case of an individual who is a recipient of  
10 assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or  
11 IC 12-15-7, subtract an amount equal to that portion of the  
12 individual's adjusted gross income with respect to which the  
13 individual is not allowed under federal law to retain an amount to  
14 pay state and local income taxes.

15 ~~(15)~~ (13) In the case of an eligible individual, subtract the amount  
16 of a Holocaust victim's settlement payment included in the  
17 individual's federal adjusted gross income.

18 ~~(16)~~ For taxable years beginning after December 31, 1999, (14)  
19 Subtract an amount equal to the portion of any premiums paid  
20 during the taxable year by the taxpayer for a qualified long term  
21 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the  
22 taxpayer's spouse, or both.

23 ~~(17)~~ (15) Subtract an amount equal to the lesser of:

24 (A) for a taxable year:

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

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

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

32 ~~(18)~~ (16) Subtract an amount equal to the amount of a September  
33 11 terrorist attack settlement payment included in the individual's  
34 federal adjusted gross income.

35 ~~(19)~~ (17) Add or subtract the amount necessary to make the  
36 adjusted gross income of any taxpayer that owns property for  
37 which bonus depreciation was allowed in the current taxable year  
38 or in an earlier taxable year equal to the amount of adjusted gross  
39 income that would have been computed had an election not been  
40 made under Section 168(k) of the Internal Revenue Code to apply  
41 bonus depreciation to the property in the year that it was placed  
42 in service.

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

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1 added an amount to adjusted gross income in a previous year to  
 2 offset the amount included in federal gross income as a result of  
 3 the deferral of income arising from business indebtedness  
 4 discharged in connection with the reacquisition after December  
 5 31, 2008, and before January 1, 2011, of an applicable debt  
 6 instrument, as provided in Section 108(i) of the Internal Revenue  
 7 Code.  
 8 ~~(29)~~ (27) Add the amount necessary to make the adjusted gross  
 9 income of any taxpayer that placed qualified restaurant property  
 10 in service during the taxable year and that was classified as  
 11 15-year property under Section 168(e)(3)(E)(v) of the Internal  
 12 Revenue Code equal to the amount of adjusted gross income that  
 13 would have been computed had the classification not applied to  
 14 the property in the year that it was placed in service.  
 15 ~~(30)~~ (28) Add the amount necessary to make the adjusted gross  
 16 income of any taxpayer that placed qualified retail improvement  
 17 property in service during the taxable year and that was classified  
 18 as 15-year property under Section 168(e)(3)(E)(ix) of the Internal  
 19 Revenue Code equal to the amount of adjusted gross income that  
 20 would have been computed had the classification not applied to  
 21 the property in the year that it was placed in service.  
 22 ~~(31)~~ (29) Add or subtract the amount necessary to make the  
 23 adjusted gross income of any taxpayer that claimed the special  
 24 allowance for qualified disaster assistance property under Section  
 25 168(n) of the Internal Revenue Code equal to the amount of  
 26 adjusted gross income that would have been computed had the  
 27 special allowance not been claimed for the property.  
 28 ~~(31)~~ (30) Add or subtract the amount necessary to make the  
 29 adjusted gross income of any taxpayer that made an election  
 30 under Section 179C of the Internal Revenue Code to expense  
 31 costs for qualified refinery property equal to the amount of  
 32 adjusted gross income that would have been computed had an  
 33 election for federal income tax purposes not been made for the  
 34 year.  
 35 ~~(32)~~ (31) Add or subtract the amount necessary to make the  
 36 adjusted gross income of any taxpayer that made an election  
 37 under Section 181 of the Internal Revenue Code to expense costs  
 38 for a qualified film or television production equal to the amount  
 39 of adjusted gross income that would have been computed had an  
 40 election for federal income tax purposes not been made for the  
 41 year.  
 42 ~~(32)~~ (32) Add or subtract the amount necessary to make the

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

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

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

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

14 *(33) Add the amount excluded from federal gross income under*  
15 *Section 103 of the Internal Revenue Code for interest received on*  
16 *an obligation of a state other than Indiana, or a political*  
17 *subdivision of such a state, that is acquired by the taxpayer after*  
18 *December 31, 2011.*

19 ~~(35)~~ *(34) Add the amount deducted from gross income under*  
20 *Section 198 of the Internal Revenue Code for the expensing of*  
21 *environmental remediation costs.*

22 ~~(36)~~ *(35) Add the amount excluded from gross income under*  
23 *Section 408(d)(8) of the Internal Revenue Code for a charitable*  
24 *distribution from an individual retirement plan.*

25 ~~(37)~~ *(36) Add the amount deducted from gross income under*  
26 *Section 222 of the Internal Revenue Code for qualified tuition*  
27 *and related expenses.*

28 ~~(38)~~ ~~(37)~~ *Add the amount deducted from gross income under*  
29 *Section 62(2)(D) of the Internal Revenue Code for certain*  
30 *expenses of elementary and secondary school teachers.*

31 ~~(39)~~ ~~(38)~~ *(37) Add the amount excluded from gross income under*  
32 *Section 127 of the Internal Revenue Code as annual employer*  
33 *provided education expenses.*

34 ~~(40)~~ ~~(39)~~ *(38) Add the amount deducted from gross income under*  
35 *Section 179E of the Internal Revenue Code for any qualified*  
36 *advanced mine safety equipment property.*

37 ~~(41)~~ ~~(40)~~ *(39) Add the monthly amount excluded from gross*  
38 *income under Section 132(f)(1)(A) and 132(f)(1)(B) of the*  
39 **Internal Revenue Code** *that exceeds one hundred dollars (\$100)*  
40 *a month for a qualified transportation fringe.*

41 ~~(42)~~ ~~(41)~~ *(40) Add the amount deducted from gross income under*  
42 *Section 221 of the Internal Revenue Code that exceeds the*

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1 amount the taxpayer could deduct under Section 221 of the  
 2 Internal Revenue Code before it was amended by the Tax Relief,  
 3 Unemployment Insurance Reauthorization, and Job Creation Act  
 4 of 2010 (P.L. 111-312).

5 ~~(43)~~ ~~(42)~~ **(41)** Add the amount necessary to make the adjusted  
 6 gross income of any taxpayer that placed any qualified leasehold  
 7 improvement property in service during the taxable year and that  
 8 was classified as 15-year property under Section 168(e)(3)(E)(iv)  
 9 of the Internal Revenue Code equal to the amount of adjusted  
 10 gross income that would have been computed had the  
 11 classification not applied to the property in the year that it was  
 12 placed into service.

13 ~~(44)~~ ~~(43)~~ **(42)** Add the amount necessary to make the adjusted  
 14 gross income of any taxpayer that placed a motorsports  
 15 entertainment complex in service during the taxable year and that  
 16 was classified as 7-year property under Section 168(e)(3)(C)(ii)  
 17 of the Internal Revenue Code equal to the amount of adjusted  
 18 gross income that would have been computed had the  
 19 classification not applied to the property in the year that it was  
 20 placed into service.

21 ~~(45)~~ ~~(44)~~ **(43)** Add the amount deducted under Section 195 of the  
 22 Internal Revenue Code for start-up expenditures that exceeds the  
 23 amount the taxpayer could deduct under Section 195 of the  
 24 Internal Revenue Code before it was amended by the Small  
 25 Business Jobs Act of 2010 (P.L. 111-240).

26 ~~(46)~~ ~~(45)~~ **(44)** Add the amount necessary to make the adjusted  
 27 gross income of any taxpayer for which tax was not imposed on  
 28 the net recognized built-in gain of an S corporation under Section  
 29 1374(d)(7) of the Internal Revenue Code as amended by the Small  
 30 Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of  
 31 adjusted gross income that would have been computed before  
 32 Section 1374(d)(7) of the Internal Revenue Code as amended by  
 33 the Small Business Jobs Act of 2010 (P.L. 111-240).

34 ~~(35)~~ **(45)** This subdivision does not apply to payments made for  
 35 services provided to a business that was enrolled and  
 36 participated in the E-Verify program (as defined in  
 37 IC 22-5-1.7-3) during the time the taxpayer conducted business  
 38 in Indiana in the taxable year. For a taxable year beginning after  
 39 June 30, 2011, add the amount of any trade or business deduction  
 40 allowed under the Internal Revenue Code for wages,  
 41 reimbursements, or other payments made for services provided  
 42 in Indiana by an individual for services as an employee, if the

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- 1            *individual was, during the period of service, prohibited from*
- 2            *being hired as an employee under 8 U.S.C. 1324a.*
- 3            (b) In the case of corporations, the same as "taxable income" (as
- 4 defined in Section 63 of the Internal Revenue Code) adjusted as
- 5 follows:
- 6            (1) Subtract income that is exempt from taxation under this article
- 7            by the Constitution and statutes of the United States.
- 8            (2) Add an amount equal to any deduction or deductions allowed
- 9            or allowable pursuant to Section 170 of the Internal Revenue
- 10           Code.
- 11           (3) Add an amount equal to any deduction or deductions allowed
- 12           or allowable pursuant to Section 63 of the Internal Revenue Code
- 13           for taxes based on or measured by income and levied at the state
- 14           level by any state of the United States.
- 15           (4) Subtract an amount equal to the amount included in the
- 16           corporation's taxable income under Section 78 of the Internal
- 17           Revenue Code.
- 18           (5) Add or subtract the amount necessary to make the adjusted
- 19           gross income of any taxpayer that owns property for which bonus
- 20           depreciation was allowed in the current taxable year or in an
- 21           earlier taxable year equal to the amount of adjusted gross income
- 22           that would have been computed had an election not been made
- 23           under Section 168(k) of the Internal Revenue Code to apply bonus
- 24           depreciation to the property in the year that it was placed in
- 25           service.
- 26           (6) Add an amount equal to any deduction allowed under Section
- 27           172 of the Internal Revenue Code.
- 28           (7) Add or subtract the amount necessary to make the adjusted
- 29           gross income of any taxpayer that placed Section 179 property (as
- 30           defined in Section 179 of the Internal Revenue Code) in service
- 31           in the current taxable year or in an earlier taxable year equal to
- 32           the amount of adjusted gross income that would have been
- 33           computed had an election for federal income tax purposes not
- 34           been made for the year in which the property was placed in
- 35           service to take deductions under Section 179 of the Internal
- 36           Revenue Code in a total amount exceeding twenty-five thousand
- 37           dollars (\$25,000).
- 38           (8) Add an amount equal to the amount that a taxpayer claimed as
- 39           a deduction for domestic production activities for the taxable year
- 40           under Section 199 of the Internal Revenue Code for federal
- 41           income tax purposes.
- 42           (9) Add to the extent required by IC 6-3-2-20 the amount of

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

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

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

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

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

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

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

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

31 *(19) Add the amount deducted from gross income under Section*  
 32 *198 of the Internal Revenue Code for the expensing of*  
 33 *environmental remediation costs.*

34 *(20) Add the amount deducted from gross income under Section*  
 35 *179E of the Internal Revenue Code for any qualified advanced*  
 36 *mine safety equipment property.*

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

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

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

14 ~~(19)~~ **(24)** This subdivision does not apply to payments made for  
 15 services provided to a business that was enrolled and  
 16 participated in the E-Verify program (as defined in  
 17 IC 22-5-1.7-3) during the time the taxpayer conducted business  
 18 in Indiana in the taxable year. For a taxable year beginning after  
 19 June 30, 2011, add the amount of any trade or business deduction  
 20 allowed under the Internal Revenue Code for wages,  
 21 reimbursements, or other payments made for services provided  
 22 in Indiana by an individual for services as an employee, if the  
 23 individual was, during the period of service, prohibited from  
 24 being hired as an employee under 8 U.S.C. 1324a.

25 ~~(24)~~ **(25)** Add the amount excluded from federal gross income  
 26 under Section 103 of the Internal Revenue Code for interest  
 27 received on an obligation of a state other than Indiana, or a  
 28 political subdivision of such a state, that is acquired by the  
 29 taxpayer after December 31, 2011.

30 (c) In the case of life insurance companies (as defined in Section  
 31 816(a) of the Internal Revenue Code) that are organized under Indiana  
 32 law, the same as "life insurance company taxable income" (as defined  
 33 in Section 801 of the Internal Revenue Code), adjusted as follows:

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

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

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

42 (4) Subtract an amount equal to the amount included in the

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- 1 company's taxable income under Section 78 of the Internal  
2 Revenue Code.
- 3 (5) Add or subtract the amount necessary to make the adjusted  
4 gross income of any taxpayer that owns property for which bonus  
5 depreciation was allowed in the current taxable year or in an  
6 earlier taxable year equal to the amount of adjusted gross income  
7 that would have been computed had an election not been made  
8 under Section 168(k) of the Internal Revenue Code to apply bonus  
9 depreciation to the property in the year that it was placed in  
10 service.
- 11 (6) Add an amount equal to any deduction allowed under Section  
12 172 or Section 810 of the Internal Revenue Code.
- 13 (7) Add or subtract the amount necessary to make the adjusted  
14 gross income of any taxpayer that placed Section 179 property (as  
15 defined in Section 179 of the Internal Revenue Code) in service  
16 in the current taxable year or in an earlier taxable year equal to  
17 the amount of adjusted gross income that would have been  
18 computed had an election for federal income tax purposes not  
19 been made for the year in which the property was placed in  
20 service to take deductions under Section 179 of the Internal  
21 Revenue Code in a total amount exceeding twenty-five thousand  
22 dollars (\$25,000).
- 23 (8) Add an amount equal to the amount that a taxpayer claimed as  
24 a deduction for domestic production activities for the taxable year  
25 under Section 199 of the Internal Revenue Code for federal  
26 income tax purposes.
- 27 (9) Subtract income that is:
- 28 (A) exempt from taxation under IC 6-3-2-21.7; and
- 29 (B) included in the insurance company's taxable income under  
30 the Internal Revenue Code.
- 31 (10) Add an amount equal to any income not included in gross  
32 income as a result of the deferral of income arising from business  
33 indebtedness discharged in connection with the reacquisition after  
34 December 31, 2008, and before January 1, 2011, of an applicable  
35 debt instrument, as provided in Section 108(i) of the Internal  
36 Revenue Code. Subtract from the adjusted gross income of any  
37 taxpayer that added an amount to adjusted gross income in a  
38 previous year the amount necessary to offset the amount included  
39 in federal gross income as a result of the deferral of income  
40 arising from business indebtedness discharged in connection with  
41 the reacquisition after December 31, 2008, and before January 1,  
42 2011, of an applicable debt instrument, as provided in Section

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- 1 108(i) of the Internal Revenue Code.
- 2 (11) Add the amount necessary to make the adjusted gross income
- 3 of any taxpayer that placed qualified restaurant property in service
- 4 during the taxable year and that was classified as 15-year property
- 5 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 6 to the amount of adjusted gross income that would have been
- 7 computed had the classification not applied to the property in the
- 8 year that it was placed in service.
- 9 (12) Add the amount necessary to make the adjusted gross income
- 10 of any taxpayer that placed qualified retail improvement property
- 11 in service during the taxable year and that was classified as
- 12 15-year property under Section 168(e)(3)(E)(ix) of the Internal
- 13 Revenue Code equal to the amount of adjusted gross income that
- 14 would have been computed had the classification not applied to
- 15 the property in the year that it was placed in service.
- 16 (13) Add or subtract the amount necessary to make the adjusted
- 17 gross income of any taxpayer that claimed the special allowance
- 18 for qualified disaster assistance property under Section 168(n) of
- 19 the Internal Revenue Code equal to the amount of adjusted gross
- 20 income that would have been computed had the special allowance
- 21 not been claimed for the property.
- 22 (14) Add or subtract the amount necessary to make the adjusted
- 23 gross income of any taxpayer that made an election under Section
- 24 179C of the Internal Revenue Code to expense costs for qualified
- 25 refinery property equal to the amount of adjusted gross income
- 26 that would have been computed had an election for federal
- 27 income tax purposes not been made for the year.
- 28 (15) Add or subtract the amount necessary to make the adjusted
- 29 gross income of any taxpayer that made an election under Section
- 30 181 of the Internal Revenue Code to expense costs for a qualified
- 31 film or television production equal to the amount of adjusted
- 32 gross income that would have been computed had an election for
- 33 federal income tax purposes not been made for the year.
- 34 (16) Add or subtract the amount necessary to make the adjusted
- 35 gross income of any taxpayer that treated a loss from the sale or
- 36 exchange of preferred stock in:
- 37 (A) the Federal National Mortgage Association, established
- 38 under the Federal National Mortgage Association Charter Act
- 39 (12 U.S.C. 1716 et seq.); or
- 40 (B) the Federal Home Loan Mortgage Corporation, established
- 41 under the Federal Home Loan Mortgage Corporation Act (12
- 42 U.S.C. 1451 et seq.);

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

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

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

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

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

29 (21) Add the amount deducted from gross income under Section  
 30 198 of the Internal Revenue Code for the expensing of  
 31 environmental remediation costs.

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

35 ~~(18)~~ (23) This subdivision does not apply to payments made for  
 36 services provided to a business that was enrolled and  
 37 participated in the E-Verify program (as defined in  
 38 IC 22-5-1.7-3) during the time the taxpayer conducted business  
 39 in Indiana in the taxable year. For a taxable year beginning after  
 40 June 30, 2011, add the amount of any trade or business deduction  
 41 allowed under the Internal Revenue Code for wages,  
 42 reimbursements, or other payments made for services provided

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1 *in Indiana by an individual for services as an employee, if the*  
 2 *individual was, during the period of service, prohibited from*  
 3 *being hired as an employee under 8 U.S.C. 1324a.*

4 ~~(23)~~ **(24)** *Add the amount excluded from federal gross income*  
 5 *under Section 103 of the Internal Revenue Code for interest*  
 6 *received on an obligation of a state other than Indiana, or a*  
 7 *political subdivision of such a state, that is acquired by the*  
 8 *taxpayer after December 31, 2011.*

9 (d) In the case of insurance companies subject to tax under Section  
 10 831 of the Internal Revenue Code and organized under Indiana law, the  
 11 same as "taxable income" (as defined in Section 832 of the Internal  
 12 Revenue Code), adjusted as follows:

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

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

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

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

24 (5) Add or subtract the amount necessary to make the adjusted  
 25 gross 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 income  
 28 that would have been computed had an election not been made  
 29 under Section 168(k) of the Internal Revenue Code to apply bonus  
 30 depreciation to the property in the year that it was placed in  
 31 service.

32 (6) Add an amount equal to any deduction allowed under Section  
 33 172 of the Internal Revenue Code.

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

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

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- 1 (14) Add or subtract the amount necessary to make the adjusted  
 2 gross income of any taxpayer that made an election under Section  
 3 179C of the Internal Revenue Code to expense costs for qualified  
 4 refinery property equal to the amount of adjusted gross income  
 5 that would have been computed had an election for federal  
 6 income tax purposes not been made for the year.
- 7 (15) Add or subtract the amount necessary to make the adjusted  
 8 gross income of any taxpayer that made an election under Section  
 9 181 of the Internal Revenue Code to expense costs for a qualified  
 10 film or television production equal to the amount of adjusted  
 11 gross income that would have been computed had an election for  
 12 federal income tax purposes not been made for the year.
- 13 (16) Add or subtract the amount necessary to make the adjusted  
 14 gross income of any taxpayer that treated a loss from the sale or  
 15 exchange of preferred stock in:
- 16 (A) the Federal National Mortgage Association, established  
 17 under the Federal National Mortgage Association Charter Act  
 18 (12 U.S.C. 1716 et seq.); or
- 19 (B) the Federal Home Loan Mortgage Corporation, established  
 20 under the Federal Home Loan Mortgage Corporation Act (12  
 21 U.S.C. 1451 et seq.);
- 22 as an ordinary loss under Section 301 of the Emergency  
 23 Economic Stabilization Act of 2008 in the current taxable year or  
 24 in an earlier taxable year equal to the amount of adjusted gross  
 25 income that would have been computed had the loss not been  
 26 treated as an ordinary loss.
- 27 (17) Add an amount equal to any exempt insurance income under  
 28 Section 953(e) of the Internal Revenue Code that is active  
 29 financing income under Subpart F of Subtitle A, Chapter 1,  
 30 Subchapter N of the Internal Revenue Code.
- 31 *(18) Add the amount necessary to make the adjusted gross income*  
 32 *of any taxpayer that placed any qualified leasehold improvement*  
 33 *property in service during the taxable year and that was*  
 34 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*  
 35 *the Internal Revenue Code equal to the amount of adjusted gross*  
 36 *income that would have been computed had the classification not*  
 37 *applied to the property in the year that it was placed into service.*
- 38 *(19) Add the amount necessary to make the adjusted gross income*  
 39 *of any taxpayer that placed a motorsports entertainment complex*  
 40 *in service during the taxable year and that was classified as*  
 41 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*  
 42 *Revenue Code equal to the amount of adjusted gross income that*

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

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

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

11 (22) Add the amount deducted from gross income under Section  
12 179E of the Internal Revenue Code for any qualified advanced  
13 mine safety equipment property.

14 ~~(18)~~ (23) This subdivision does not apply to payments made for  
15 services provided to a business that was enrolled and  
16 participated in the E-Verify program (as defined in  
17 IC 22-5-1.7-3) during the time the taxpayer conducted business  
18 in Indiana in the taxable year. For a taxable year beginning after  
19 June 30, 2011, add the amount of any trade or business deduction  
20 allowed under the Internal Revenue Code for wages,  
21 reimbursements, or other payments made for services provided  
22 in Indiana by an individual for services as an employee, if the  
23 individual was, during the period of service, prohibited from  
24 being hired as an employee under 8 U.S.C. 1324a.

25 ~~(23)~~ (24) Add the amount excluded from federal gross income  
26 under Section 103 of the Internal Revenue Code for interest  
27 received on an obligation of a state other than Indiana, or a  
28 political subdivision of such a state, that is acquired by the  
29 taxpayer after December 31, 2011.

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

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

35 (2) Subtract an amount equal to the amount of a September 11  
36 terrorist attack settlement payment included in the federal  
37 adjusted gross income of the estate of a victim of the September  
38 11 terrorist attack or a trust to the extent the trust benefits a victim  
39 of the September 11 terrorist attack.

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

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

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1 to the amount of adjusted gross income that would have been  
 2 computed had the classification not applied to the property in the  
 3 year that it was placed in service.

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

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

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

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

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

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

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

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

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- 1 (15) Add the amount excluded from gross income under Section  
 2 108(a)(1)(e) of the Internal Revenue Code for the discharge of  
 3 debt on a qualified principal residence.
- 4 *(16) Add the amount necessary to make the adjusted gross income*  
 5 *of any taxpayer that placed any qualified leasehold improvement*  
 6 *property in service during the taxable year and that was*  
 7 *classified as 15-year property under Section 168(e)(3)(E)(iv) of*  
 8 *the Internal Revenue Code equal to the amount of adjusted gross*  
 9 *income that would have been computed had the classification not*  
 10 *applied to the property in the year that it was placed into service.*
- 11 *(17) Add the amount necessary to make the adjusted gross income*  
 12 *of any taxpayer that placed a motorsports entertainment complex*  
 13 *in service during the taxable year and that was classified as*  
 14 *7-year property under Section 168(e)(3)(C)(ii) of the Internal*  
 15 *Revenue Code equal to the amount of adjusted gross income that*  
 16 *would have been computed had the classification not applied to*  
 17 *the property in the year that it was placed into service.*
- 18 *(18) Add the amount deducted under Section 195 of the Internal*  
 19 *Revenue Code for start-up expenditures that exceeds the amount*  
 20 *the taxpayer could deduct under Section 195 of the Internal*  
 21 *Revenue Code before it was amended by the Small Business Jobs*  
 22 *Act of 2010 (P.L. 111-240).*
- 23 *(19) Add the amount deducted from gross income under Section*  
 24 *198 of the Internal Revenue Code for the expensing of*  
 25 *environmental remediation costs.*
- 26 *(20) Add the amount deducted from gross income under Section*  
 27 *179E of the Internal Revenue Code for any qualified advanced*  
 28 *mine safety equipment property.*
- 29 *(21) Add the amount necessary to make the adjusted gross income*  
 30 *of any taxpayer for which tax was not imposed on the net*  
 31 *recognized built-in gain of an S corporation under Section*  
 32 *1374(d)(7) of the Internal Revenue Code as amended by the Small*  
 33 *Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of*  
 34 *adjusted gross income that would have been computed before*  
 35 *Section 1374(d)(7) of the Internal Revenue Code as amended by*  
 36 *the Small Business Jobs Act of 2010 (P.L. 111-240).*
- 37 ~~(16)~~ **(22)** *This subdivision does not apply to payments made for*  
 38 *services provided to a business that was enrolled and*  
 39 *participated in the E-Verify program (as defined in*  
 40 *IC 22-5-1.7-3) during the time the taxpayer conducted business*  
 41 *in Indiana in the taxable year. For a taxable year beginning after*  
 42 *June 30, 2011, add the amount of any trade or business deduction*

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1 allowed under the Internal Revenue Code for wages,  
 2 reimbursements, or other payments made for services provided  
 3 in Indiana by an individual for services as an employee, if the  
 4 individual was, during the period of service, prohibited from  
 5 being hired as an employee under 8 U.S.C. 1324a.

6 ~~(22)~~ **(23)** Add the amount excluded from federal gross income  
 7 under Section 103 of the Internal Revenue Code for interest  
 8 received on an obligation of a state other than Indiana, or a  
 9 political subdivision of such a state, that is acquired by the  
 10 taxpayer after December 31, 2011.

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

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

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

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

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

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

29 SECTION 11. [EFFECTIVE JANUARY 1, 2012  
 30 (RETROACTIVE)] **(a) IC 6-3-1-3.5, as amended by this act, applies**  
 31 **to taxable years beginning after December 31, 2011.**

32 **(b) This SECTION expires January 1, 2014.**

33 SECTION 12. An emergency is declared for this act.

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Report of the President  
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that Senate Bill 302, currently assigned to the Committee on Commerce and Economic Development, be reassigned to the Committee on Tax and Fiscal Policy.

LONG

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 302, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 302 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 302, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 4, strike "2009." and insert "**2012.**".

Page 2, line 35, strike "2009," and insert "**2012,**".

and when so amended that said bill do pass.

(Reference is to SB 302 as printed January 20, 2012.)

ESPICH, Chair

Committee Vote: yeas 20, nays 2.



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## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 302 be amended to read as follows:

Page 4, after line 6, begin a new paragraph and insert:

"SECTION 2. IC 6-3-1-3.5, AS AMENDED BY P.L.229-2011, SECTION 83, AS AMENDED BY P.L.171-2011, SECTION 4, AND AS AMENDED BY P.L.172-2011, SECTION 53, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

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

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

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

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

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

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

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

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

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

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

*(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) (10) 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) (11) 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) (12) In the case of an individual who is a recipient of*

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

~~(15)~~ (13) 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, (14) 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)~~ (15) 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)~~ (16) 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)~~ (17) 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)~~ (18) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

~~(21)~~ (19) 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).

~~(22)~~ (20) 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)~~ (21) 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)~~ (22) 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)~~ (23) 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)~~ (24) 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)~~ (25) 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)~~ (26) 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)~~ (27) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property

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

~~(30)~~ (28) 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)~~ (29) 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.

~~(31)~~ (30) 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.

~~(32)~~ (31) 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)~~ (32) 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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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.

*(33) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

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

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

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

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

*(39) (38) (37) Add the amount excluded from gross income under Section 127 of the Internal Revenue Code as annual employer provided education expenses.*

*(40) (39) (38) Add the amount deducted from gross income under Section 179E of the Internal Revenue Code for any qualified advanced mine safety equipment property.*

*(41) (40) (39) Add the monthly amount excluded from gross income under Section 132(f)(1)(A) and 132(f)(1)(B) of the **Internal Revenue Code** that exceeds one hundred dollars (\$100) a month for a qualified transportation fringe.*

*(42) (41) (40) Add the amount deducted from gross income under Section 221 of the Internal Revenue Code that exceeds the amount the taxpayer could deduct under Section 221 of the Internal Revenue Code before it was amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).*

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

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gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

~~(44)~~ ~~(43)~~ **(42)** Add the amount necessary to make the adjusted gross income of any taxpayer that placed a motorsports entertainment complex in service during the taxable year and that was classified as 7-year property under Section 168(e)(3)(C)(ii) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed into service.

~~(45)~~ ~~(44)~~ **(43)** Add the amount deducted under Section 195 of the Internal Revenue Code for start-up expenditures that exceeds the amount the taxpayer could deduct under Section 195 of the Internal Revenue Code before it was amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

~~(46)~~ ~~(45)~~ **(44)** Add the amount necessary to make the adjusted gross income of any taxpayer for which tax was not imposed on the net recognized built-in gain of an S corporation under Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240) equal to the amount of adjusted gross income that would have been computed before Section 1374(d)(7) of the Internal Revenue Code as amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

~~(35)~~ **(45)** 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.

(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

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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 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).

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- (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 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

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

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

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

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

*(23) Add the amount deducted under Section 195 of the Internal*

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

~~(19)~~ **(24)** *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.*

~~(24)~~ **(25)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

(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

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service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

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

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

(9) Subtract income that is:

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

(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

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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.

(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 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.

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

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

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

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

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

~~(18)~~ **(23)** *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.*

~~(23)~~ **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

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

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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 the Internal Revenue Code.

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(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 181 of the Internal Revenue Code to expense costs for a qualified

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

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

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

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

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

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

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

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

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

*(21) Add the amount deducted from gross income under Section 198 of the Internal Revenue Code for the expensing of*

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*environmental remediation costs.*

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

~~(18)~~ **(23)** *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.*

~~(23)~~ **(24)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.*

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

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
- (3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as

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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 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

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

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

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

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

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

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

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

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

~~(16)~~ **(22)** *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.*

~~(22)~~ **(23)** *Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the*

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taxpayer after December 31, 2011.

*(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 3. [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]

**(a) IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2011.**

**(b) This SECTION expires January 1, 2014.**

SECTION 4. **An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 302 as printed February 27, 2012.)

TRUITT

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 302 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-7-7, AS AMENDED BY P.L.3-2008, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The owner of a mobile home on the assessment date of a year is liable for the taxes imposed upon the mobile home for that year. Except as provided in subsection (b), the

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owner shall pay the taxes in two (2) equal, semi-annual installments. **Except as provided in subsection (c)**, these semi-annual installments are due on May 10 and November 10 of the year of assessment.

(b) A county council may adopt an ordinance to require an owner to pay **his the owner's** property tax liability for **his the owner's** mobile home in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under IC 6-1.1-22-8.1 shows that an owner's property tax liability for a particular year for a mobile home is less than twenty-five dollars (\$25), the owner shall pay the entire tax liability for the mobile home for that year on May 10 of that year.

**(c) For the 2012 assessment date, the semi-annual installments are due on June 10, 2012, and November 10, 2012."**

Page 4, after line 6, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-15-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) This section applies only:**

- (1) to property taxes first due and payable in 2012; and**
- (2) to a notice for review that would otherwise be filed under section 1(d) of this chapter.**

**(b) A taxpayer may obtain a review by the county board of a county or township official's action described in section 1(a) of this chapter with respect to the 2011 assessment date by filing a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. Notwithstanding section 1(d) of this chapter, the notice to obtain a review must be filed not later than the later of:**

- (1) June 10, 2012; or**
- (2) forty-five (45) days after the date of the tax statement mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.**

**(c) This section expires July 1, 2013.**

SECTION 4. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is

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the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted each year to account for the **change increase** in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;
- (33) IC 23-14-66-2;

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- (34) IC 23-14-67-3;  
 (35) IC 36-7-13-4;  
 (36) IC 36-7-14-28;  
 (37) IC 36-7-15.1-16;  
 (38) IC 36-8-19-8.5;  
 (39) IC 36-9-6.1-2;  
 (40) IC 36-9-17.5-4;  
 (41) IC 36-9-27-73;  
 (42) IC 36-9-29-31;  
 (43) IC 36-9-29.1-15;  
 (44) IC 36-10-6-2;  
 (45) IC 36-10-7-7;  
 (46) IC 36-10-7-8;  
 (47) IC 36-10-7.5-19;  
 (48) IC 36-10-13-5;  
 (49) IC 36-10-13-7;  
 (50) IC 36-10-14-4;  
 (51) IC 36-12-7-7;  
 (52) IC 36-12-7-8;  
 (53) IC 36-12-12-10; and  
 (54) any statute enacted after December 31, 2003, that:
- (A) establishes a maximum rate for any part of the:
    - (i) property taxes; or
    - (ii) special benefits taxes;
 imposed by a political subdivision; and
  - (B) does not exempt the maximum rate from the adjustment under this section.
- (e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:
- STEP ONE: Determine the **correct** maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.
- STEP TWO: ~~Except as provided in subsection (g);~~ Determine the actual percentage ~~change~~ **increase** (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect, **if any. If there is no change or a decrease in assessed value of the taxable property from the year preceding the year the annual adjustment or general**

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**reassessment takes effect to the year that the annual adjustment or general reassessment takes effect, the result of this STEP is zero percent (0%).**

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: ~~Except as provided in subsection (g);~~ Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage **change increase** (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. **If there is no change or a decrease in the assessed value of the taxable property for any year compared to the immediately preceding year, the percentage computed for the year is zero percent (0%).**

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

~~(g) This subsection applies to STEP TWO and STEP FOUR of subsection (e) for taxes first due and payable after 2011. If the assessed value change used in the STEPS was not an increase, the STEPS are applied using instead:~~

~~(1) the actual percentage decrease (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;~~  
~~or~~

~~(2) zero (0) if the assessed value did not increase or decrease.~~

SECTION 5. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation



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for the school corporation's capital projects fund must be adjusted each year to account for the ~~change~~ **increase** in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the **correct** maximum rate for the school corporation for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective, **if any. If there is no change or a decrease in assessed value of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect, the result of this STEP is zero percent (0%).**

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. **If there is no change or a decrease in the assessed value of the taxable property for any year compared to the immediately preceding year, the percentage computed for the year is zero percent (0%).**

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate

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divided by the sum of one (1) plus the STEP SIX percentage increase.

(c) The department of local government finance shall compute the maximum rate allowed under subsection (b) and provide the rate to each school corporation.

SECTION 6. IC 6-1.1-22-9, AS AMENDED BY P.L.87-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- (3) IC 6-1.1-7-7.
- (4) Section 9.5 of this chapter.
- (5) Section 9.7 of this chapter.
- (6) Section 9.9 of this chapter.**

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(d) before the county treasurer mails or transmits statements under section 8.1 of this chapter, the county treasurer may:

- (1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or
- (2) delay the mailing or transmission of statements under section 8.1 of this chapter so that:
  - (A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and
  - (B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local



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government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

- (1) the total amount due for the year;
- (2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(d) by the department of local government finance;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

- (i) November 10; or
- (ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

(h) This subsection applies only if a statement for payment of property taxes and special assessments by electronic mail is transmitted to a person under section 8.1(h) of this chapter. If a response to the transmission of electronic mail to a person indicates that the electronic mail was not received, the county treasurer shall mail to the person a hard copy of the statement in the manner required by section 8.1(a) of this chapter for persons who do not opt to receive statements by electronic mail. The due date for the property taxes and special assessments under a statement mailed to a person under this subsection is the due date indicated in the statement transmitted to the person by electronic mail.

(i) In a county in which an authorizing ordinance is adopted under section 8.1(h) of this chapter, a person may direct the county treasurer to transmit a reconciling statement under subsection (d)(1) by electronic mail under section 8.1(h) of this chapter.

SECTION 7. IC 6-1.1-22-9.9 IS ADDED TO THE INDIANA

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CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.9. (a) This section applies only to property taxes first due and payable in 2012.**

**(b) Property taxes imposed with respect to the 2011 assessment date are due in two (2) equal installments on June 10 and November 10.**

**(c) This section expires July 1, 2013.**

SECTION 8. IC 6-1.1-22.5-9, AS AMENDED BY P.L.172-2011, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in: ~~subsection~~

**(1) subsections (e) and (f); and**

**(2) section 12(b) of this chapter;**

tax liability billed on a provisional statement is due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

(b) The county treasurer may mail or transmit the provisional statement one (1) time each year at least fifteen (15) days before the date on which the first installment is due under subsection (a) in the manner provided in IC 6-1.1-22-8.1, regardless of whether the notice required under section 6(b) of this chapter has been published.

(c) This subsection applies to a provisional statement issued under section 6 of this chapter. Except when the second installment of a provisional statement is replaced by a final reconciling statement providing for taxes to be due on November 10, the amount of tax liability due for each installment of a provisional statement issued for a year after 2010 is fifty percent (50%) of the tax that was due for the immediately preceding year under IC 6-1.1-22 subject to any adjustments to the tax liability as prescribed by the department of local government finance. If no bill was issued in the prior year, the provisional bill shall be based on the amount that would have been due if a provisional tax statement had been issued for the immediately preceding year. The department of local government finance may prescribe standards to implement this subsection, including a method of calculating the taxes due when an abstract or other information is not complete.

(d) This subsection applies only if a provisional statement for payment of property taxes, special assessments, and any adjustment included in the provisional statement under section 8(e) of this chapter by electronic mail is transmitted to a person under IC 6-1.1-22-8.1(h). If a response to the transmission of electronic mail to a person indicates that the electronic mail was not received, the county treasurer shall mail to the person a hard copy of the provisional statement in the

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manner required by this chapter for persons who do not opt to receive statements by electronic mail. The due date for the property taxes, special assessments, and any adjustment included in the provisional statement under section 8(e) of this chapter under a provisional statement mailed to a person under this subsection is the due date indicated in the statement transmitted to the person by electronic mail.

(e) This subsection applies only to property taxes first due and payable in 2011. If a county is more than two (2) years behind in issuing property tax bills, the county treasurer of the county may petition the department in writing to extend the deadline for making the first installment payment on a provisional statement issued under this chapter. Upon receiving a petition under this subsection, the department may extend the payment deadline to a date that is not later than July 1, 2011.

**(f) This subsection applies only to property taxes first due and payable in 2012. If a county issues a provisional statement for property taxes first due and payable in 2012, tax liability billed on the provisional statement is due in two (2) equal installments on June 10 and November 10."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 302 as printed February 27, 2012.)

TRUITT

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 302 be amended to read as follows:

Page 4, after line 6, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-18-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12.5. (a) This section applies only to property taxes first due and payable in 2013.**

**(b) As used in this section, "fund" refers to a political subdivision's capital projects fund.**

**(c) A political subdivision may petition the department to increase the tax rate for the fund in excess of the maximum rate calculated under section 12 of this chapter for taxes payable in 2013, if:**

**(1) the assessed value of taxable property in the political**



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subdivision decreased for taxes payable in 2012; and  
(2) the fund's maximum rate calculated under section 12 of this chapter decreased for taxes payable in 2012.

(d) The department shall approve the petition of any political subdivision meeting the requirements of subsection (c). The department shall increase the tax rate for the fund of an approved political subdivision by an amount sufficient to replace the lost levy capacity resulting from the decrease in the fund's tax rate for taxes payable in 2012.

(e) A tax rate increase under subsection (d) applies only to taxes payable in 2013. The amount of the increase may not be included in a calculation of the fund's tax rate for any calendar year beginning after December 31, 2013.

(f) A maximum tax rate set forth in a statute listed in section 12(d) of this chapter does not apply to a tax rate established under subsection (d)."

Renumber all SECTIONS consecutively.

(Reference is to ESB 302 as printed February 27, 2012.)

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