

# HOUSE BILL No. 1143

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-34.

**Synopsis:** Child and dependent tax credit. Provides a refundable income tax credit to individuals for certain household, child care, or dependent care expenses associated with an individual's gainful employment. Provides that the amount of the credit is 50% of the amount allowed for the federal child and dependent care credit. Provides that an individual whose federal adjusted gross income exceeds \$45,000 is not eligible for the credit.

**Effective:** July 1, 2012.

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**Day, Heuer, Crouch, Truitt**

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January 9, 2012, read first time and referred to Committee on Ways and Means.

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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.

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## HOUSE BILL No. 1143



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

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

1 SECTION 1. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2012]:

4 **Chapter 34. Child and Dependent Care Tax Credit**

5 **Sec. 1. This chapter applies only to taxable years beginning after**  
6 **December 31, 2012.**

7 **Sec. 2. As used in this chapter, "applicable percentage" has the**  
8 **meaning set forth in Section 21(a)(2) of the Internal Revenue Code.**

9 **Sec. 3. As used in this chapter, "eligible employment-related**  
10 **expenses" means the amount of employment-related expenses (as**  
11 **defined in Section 21(b)(2) of the Internal Revenue Code) that**  
12 **remains after applying the dollar limitations of Section 21(c) and**  
13 **21(d) of the Internal Revenue Code.**

14 **Sec. 4. (a) Subject to subsection (b) and the special rules of**  
15 **Section 21(e) of the Internal Revenue Code, an individual filing a**  
16 **single return or a married couple filing a joint return may claim a**  
17 **credit under this chapter in each taxable year equal to the product**



1 of the following:  
2 (1) Fifty percent (50%).  
3 (2) The applicable percentage.  
4 (3) The eligible employment-related expenses paid by the  
5 individual or married couple, as applicable, during the  
6 taxable year.  
7 (b) An individual filing a single return or a married couple filing  
8 a joint return whose federal adjusted gross income (as defined in  
9 Section 62 of the Internal Revenue Code) exceeds forty-five  
10 thousand dollars (\$45,000) for the taxable year is not eligible for  
11 the credit provided by this chapter.  
12 Sec. 5. If the credit amount provided by this chapter exceeds the  
13 taxpayer's adjusted gross income tax liability for the taxable year,  
14 the department shall refund the excess to the taxpayer.  
15 Sec. 6. To obtain a credit under this chapter, a taxpayer must  
16 claim the credit in the manner prescribed by the department. The  
17 taxpayer must submit to the department all information that the  
18 department determines to be necessary for the calculation of the  
19 credit provided by this chapter.

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