

HOUSE BILL No. 1358

DIGEST OF INTRODUCED BILL

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

Synopsis: Taxation of civil service annuities. Increases the maximum state income tax deduction for federal civil service annuity income from \$2,000 to \$5,000. Provides that the deduction is also available to a surviving spouse.

Effective: January 1, 2012 (retroactive).

Clere, Crouch, Stemler, Koch

January 11, 2012, read first time and referred to Committee on Ways and Means.

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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.

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HOUSE BILL No. 1358



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

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

1 SECTION 1. IC 6-3-2-3.7 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]:
 3 Sec. 3.7. **(a)** Each taxable year, an individual **or the individual's**
 4 **surviving spouse** is entitled to an adjusted gross income tax deduction
 5 equal to the remainder of:
 6 (1) the first ~~two~~ **five** thousand dollars (~~\$2,000~~) (**\$5,000**) which is
 7 received by the individual **or the individual's surviving spouse**
 8 during the taxable year from a federal civil service annuity, and
 9 which is included in adjusted gross income under Section 62 of
 10 the Internal Revenue Code; minus
 11 (2) the total amount of Social Security benefits and railroad
 12 retirement benefits received by the individual **or the individual's**
 13 **surviving spouse** during the taxable year.
 14 **(b)** ~~However,~~ The individual is only entitled to the deduction
 15 provided by this section if the individual is at least sixty-two (62) years
 16 of age before the end of the taxable year. **This subsection does not**
 17 **apply to the individual's surviving spouse.**



1 **SECTION 2. An emergency is declared for this act.**

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