



Reprinted
April 10, 2013

ENGROSSED HOUSE BILL No. 1334

DIGEST OF HB 1334 (Updated April 9, 2013 6:47 pm - DI 71)

Citations Affected: IC 4-13; IC 6-3; IC 20-28; IC 20-31; IC 20-32; noncode.

Synopsis: Various education matters. Permits the department of administration to contract for the availability of personal liability insurance for public and nonpublic school teachers in Indiana. Deletes the provision in current law that adds back for state income tax (Continued next page)

Effective: Upon passage; January 1, 2013 (retroactive); July 1, 2013.

Thompson, Burton

(SENATE SPONSORS — KRUSE, BOOTS, SCHNEIDER)

January 17, 2013, read first time and referred to Committee on Education.
February 19, 2013, amended, reported — Do Pass.
February 21, 2013, read second time, amended, ordered engrossed.
February 22, 2013, engrossed.
February 25, 2013, read third time, passed. Yeas 62, nays 33.

SENATE ACTION

February 27, 2013, read first time and referred to Committee on Education and Career Development
March 28, 2013, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.
April 4, 2013, amended, reported favorably — Do Pass.
April 9, 2013, read second time, amended, ordered engrossed.

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Digest Continued

purposes the amount of a federal gross income deduction claimed for certain unreimbursed teacher expenses. Provides that if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as highly effective, the certificated employee is not subject to the continuing education requirements in order to renew the certificated employee's teaching license. Provides that if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as effective, the certificated employee is only required to complete either: (1) three hours of college or university course work; or (2) 50% of the professional growth experience growth points; required to renew the certificated employee's teaching license. Provides that a governing body may request the state board to waive any rule adopted by the state board for a school contained in the school corporation if the school has been placed in the two highest categories or designations of school performance. Provides that a school's reading plan must have at least two assessments made throughout the school year by grade 3 to determine a student's reading level, and place an emphasis on a home and school reading initiative.

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Reprinted
April 10, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1334

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 4-13-1-17, AS AMENDED BY P.L.35-2012,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 17. (a) A state agency may not purchase insurance
4 to cover loss or damage to property.
5 (b) This section does not prohibit any of the following:
6 (1) The purchase of title insurance by a state agency.
7 (2) The purchase of insurance by a body corporate and politic.
8 (3) The purchase of insurance to meet requirements for receipt of
9 federal funds by a state agency.
10 (4) The requiring of contractors to carry insurance.
11 (5) The purchase of insurance to cover loss or damage to real
12 property owned by the Indiana public retirement system.
13 (6) The purchase of insurance to cover loss or destruction of
14 money or securities under the control of the treasurer of state.
15 (7) The purchase of insurance by a state agency to cover loss or
16 damage to exhibits, artifacts, or other materials that are loaned to
17 the agency.

EH 1334—LS 7352/DI 97+



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1 (8) The purchase of casualty and liability insurance for foster
2 parents (as defined in IC 27-1-30-4) on a group basis.

3 **(9) The purchase of personal liability insurance under**
4 **IC 4-13-20.**

5 SECTION 2. IC 4-13-20 IS ADDED TO THE INDIANA CODE AS
6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2013]:

8 **Chapter 20. Teacher Liability Insurance**

9 **Sec. 1. As used in this chapter, "personal liability" means**
10 **liability incurred by a teacher in the performance of the teacher's**
11 **duties.**

12 **Sec. 2. As used in this chapter, "teacher" means a professional**
13 **person whose:**

14 (1) position in a public or nonpublic school requires certain
15 educational preparation and licensing; and

16 (2) primary responsibility is the instruction of students who
17 attend kindergarten through grade 12 in a public or
18 nonpublic school.

19 **Sec. 3. The Indiana department of administration may contract**
20 **with at least one (1) personal liability insurer to allow any teacher**
21 **to purchase coverage under a personal liability insurance policy**
22 **issued by the insurer.**

23 **Sec. 4. Any teacher in Indiana may, at any time, purchase**
24 **coverage under a personal liability insurance policy for which the**
25 **Indiana department of administration has contracted under section**
26 **3 of this chapter.**

27 **Sec. 5. A teacher purchasing coverage under this chapter shall**
28 **pay the full premium for the teacher's coverage.**

29 SECTION 3. IC 6-3-1-3.5, AS AMENDED BY P.L.137-2012,
30 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 3.5. When used in this
32 article, the term "adjusted gross income" shall mean the following:

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

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

38 (2) Add an amount equal to any deduction or deductions allowed
39 or allowable pursuant to Section 62 of the Internal Revenue Code
40 for taxes based on or measured by income and levied at the state
41 level by any state of the United States.

42 (3) Subtract one thousand dollars (\$1,000), or in the case of a

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- 1 joint return filed by a husband and wife, subtract for each spouse
2 one thousand dollars (\$1,000).
- 3 (4) Subtract one thousand dollars (\$1,000) for:
4 (A) each of the exemptions provided by Section 151(c) of the
5 Internal Revenue Code;
6 (B) each additional amount allowable under Section 63(f) of
7 the Internal Revenue Code; and
8 (C) the spouse of the taxpayer if a separate return is made by
9 the taxpayer and if the spouse, for the calendar year in which
10 the taxable year of the taxpayer begins, has no gross income
11 and is not the dependent of another taxpayer.
- 12 (5) Subtract:
13 (A) one thousand five hundred dollars (\$1,500) for each of the
14 exemptions allowed under Section 151(c)(1)(B) of the Internal
15 Revenue Code (as effective January 1, 2004); and
16 (B) five hundred dollars (\$500) for each additional amount
17 allowable under Section 63(f)(1) of the Internal Revenue Code
18 if the adjusted gross income of the taxpayer, or the taxpayer
19 and the taxpayer's spouse in the case of a joint return, is less
20 than forty thousand dollars (\$40,000).
21 This amount is in addition to the amount subtracted under
22 subdivision (4).
- 23 (6) Subtract an amount equal to the lesser of:
24 (A) that part of the individual's adjusted gross income (as
25 defined in Section 62 of the Internal Revenue Code) for that
26 taxable year that is subject to a tax that is imposed by a
27 political subdivision of another state and that is imposed on or
28 measured by income; or
29 (B) two thousand dollars (\$2,000).
- 30 (7) Add an amount equal to the total capital gain portion of a
31 lump sum distribution (as defined in Section 402(e)(4)(D) of the
32 Internal Revenue Code) if the lump sum distribution is received
33 by the individual during the taxable year and if the capital gain
34 portion of the distribution is taxed in the manner provided in
35 Section 402 of the Internal Revenue Code.
- 36 (8) Subtract any amounts included in federal adjusted gross
37 income under Section 111 of the Internal Revenue Code as a
38 recovery of items previously deducted as an itemized deduction
39 from adjusted gross income.
- 40 (9) Subtract any amounts included in federal adjusted gross
41 income under the Internal Revenue Code which amounts were
42 received by the individual as supplemental railroad retirement

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- 1 annuities under 45 U.S.C. 231 and which are not deductible under
2 subdivision (1).
- 3 (10) Subtract an amount equal to the amount of federal Social
4 Security and Railroad Retirement benefits included in a taxpayer's
5 federal gross income by Section 86 of the Internal Revenue Code.
- 6 (11) In the case of a nonresident taxpayer or a resident taxpayer
7 residing in Indiana for a period of less than the taxpayer's entire
8 taxable year, the total amount of the deductions allowed pursuant
9 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
10 which bears the same ratio to the total as the taxpayer's income
11 taxable in Indiana bears to the taxpayer's total income.
- 12 (12) In the case of an individual who is a recipient of assistance
13 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
14 subtract an amount equal to that portion of the individual's
15 adjusted gross income with respect to which the individual is not
16 allowed under federal law to retain an amount to pay state and
17 local income taxes.
- 18 (13) In the case of an eligible individual, subtract the amount of
19 a Holocaust victim's settlement payment included in the
20 individual's federal adjusted gross income.
- 21 (14) Subtract an amount equal to the portion of any premiums
22 paid during the taxable year by the taxpayer for a qualified long
23 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
24 or the taxpayer's spouse, or both.
- 25 (15) Subtract an amount equal to the lesser of:
26 (A) two thousand five hundred dollars (\$2,500); or
27 (B) the amount of property taxes that are paid during the
28 taxable year in Indiana by the individual on the individual's
29 principal place of residence.
- 30 (16) Subtract an amount equal to the amount of a September 11
31 terrorist attack settlement payment included in the individual's
32 federal adjusted gross income.
- 33 (17) Add or subtract the amount necessary to make the adjusted
34 gross income of any taxpayer that owns property for which bonus
35 depreciation was allowed in the current taxable year or in an
36 earlier taxable year equal to the amount of adjusted gross income
37 that would have been computed had an election not been made
38 under Section 168(k) of the Internal Revenue Code to apply bonus
39 depreciation to the property in the year that it was placed in
40 service.
- 41 (18) Add an amount equal to any deduction allowed under
42 Section 172 of the Internal Revenue Code.

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

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- 1 reacquisition after December 31, 2008, and before January 1,
 2 2011, of an applicable debt instrument, as provided in Section
 3 108(i) of the Internal Revenue Code.
- 4 (27) Add the amount necessary to make the adjusted gross income
 5 of any taxpayer that placed qualified restaurant property in service
 6 during the taxable year and that was classified as 15-year property
 7 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
 8 to the amount of adjusted gross income that would have been
 9 computed had the classification not applied to the property in the
 10 year that it was placed in service.
- 11 (28) Add the amount necessary to make the adjusted gross income
 12 of any taxpayer that placed qualified retail improvement property
 13 in service during the taxable year and that was classified as
 14 15-year property under Section 168(e)(3)(E)(ix) 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 in service.
- 18 (29) Add or subtract the amount necessary to make the adjusted
 19 gross income of any taxpayer that claimed the special allowance
 20 for qualified disaster assistance property under Section 168(n) of
 21 the Internal Revenue Code equal to the amount of adjusted gross
 22 income that would have been computed had the special allowance
 23 not been claimed for the property.
- 24 (30) Add or subtract the amount necessary to make the adjusted
 25 gross income of any taxpayer that made an election under Section
 26 179C of the Internal Revenue Code to expense costs for qualified
 27 refinery property equal to the amount of adjusted gross income
 28 that would have been computed had an election for federal
 29 income tax purposes not been made for the year.
- 30 (31) Add or subtract the amount necessary to make the adjusted
 31 gross income of any taxpayer that made an election under Section
 32 181 of the Internal Revenue Code to expense costs for a qualified
 33 film or television production equal to the amount of adjusted
 34 gross income that would have been computed had an election for
 35 federal income tax purposes not been made for the year.
- 36 (32) Add or subtract the amount necessary to make the adjusted
 37 gross income of any taxpayer that treated a loss from the sale or
 38 exchange of preferred stock in:
- 39 (A) the Federal National Mortgage Association, established
 40 under the Federal National Mortgage Association Charter Act
 41 (12 U.S.C. 1716 et seq.); or
 42 (B) the Federal Home Loan Mortgage Corporation, established

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- 1 under the Federal Home Loan Mortgage Corporation Act (12
 2 U.S.C. 1451 et seq.);
 3 as an ordinary loss under Section 301 of the Emergency
 4 Economic Stabilization Act of 2008 in the current taxable year or
 5 in an earlier taxable year equal to the amount of adjusted gross
 6 income that would have been computed had the loss not been
 7 treated as an ordinary loss.
- 8 (33) Add the amount excluded from federal gross income under
 9 Section 103 of the Internal Revenue Code for interest received on
 10 an obligation of a state other than Indiana, or a political
 11 subdivision of such a state, that is acquired by the taxpayer after
 12 December 31, 2011.
- 13 (34) Add the amount deducted from gross income under Section
 14 198 of the Internal Revenue Code for the expensing of
 15 environmental remediation costs.
- 16 (35) Add the amount excluded from gross income under Section
 17 408(d)(8) of the Internal Revenue Code for a charitable
 18 distribution from an individual retirement plan.
- 19 (36) Add the amount deducted from gross income under Section
 20 222 of the Internal Revenue Code for qualified tuition and related
 21 expenses.
- 22 ~~(37) Add the amount deducted from gross income under Section~~
 23 ~~62(a)(2)(D) of the Internal Revenue Code for certain expenses of~~
 24 ~~elementary and secondary school teachers.~~
- 25 ~~(38)~~ (37) Add the amount excluded from gross income under
 26 Section 127 of the Internal Revenue Code as annual employer
 27 provided education expenses.
- 28 ~~(39)~~ (38) Add the amount deducted from gross income under
 29 Section 179E of the Internal Revenue Code for any qualified
 30 advanced mine safety equipment property.
- 31 ~~(40)~~ (39) Add the monthly amount excluded from gross income
 32 under Section 132(f)(1)(A) and 132(f)(1)(B) of the Internal
 33 Revenue Code that exceeds one hundred dollars (\$100) a month
 34 for a qualified transportation fringe.
- 35 ~~(41)~~ (40) Add the amount deducted from gross income under
 36 Section 221 of the Internal Revenue Code that exceeds the
 37 amount the taxpayer could deduct under Section 221 of the
 38 Internal Revenue Code before it was amended by the Tax Relief,
 39 Unemployment Insurance Reauthorization, and Job Creation Act
 40 of 2010 (P.L. 111-312).
- 41 ~~(42)~~ (41) Add the amount necessary to make the adjusted gross
 42 income of any taxpayer that placed any qualified leasehold

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

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

14 ~~(44)~~ **(43)** Add the amount deducted under Section 195 of the
 15 Internal Revenue Code for start-up expenditures that exceeds the
 16 amount the taxpayer could deduct under Section 195 of the
 17 Internal Revenue Code before it was amended by the Small
 18 Business Jobs Act of 2010 (P.L. 111-240).

19 ~~(45)~~ **(44)** Add the amount necessary to make the adjusted gross
 20 income of any taxpayer for which tax was not imposed on the net
 21 recognized built-in gain of an S corporation under Section
 22 1374(d)(7) of the Internal Revenue Code as amended by the
 23 Small Business Jobs Act of 2010 (P.L. 111-240) equal to the
 24 amount of adjusted gross income that would have been computed
 25 before Section 1374(d)(7) of the Internal Revenue Code as
 26 amended by the Small Business Jobs Act of 2010 (P.L. 111-240).

27 ~~(46)~~ **(45)** This subdivision does not apply to payments made for
 28 services provided to a business that was enrolled and participated
 29 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
 30 time the taxpayer conducted business in Indiana in the taxable
 31 year. For a taxable year beginning after June 30, 2011, add the
 32 amount of any trade or business deduction allowed under the
 33 Internal Revenue Code for wages, reimbursements, or other
 34 payments made for services provided in Indiana by an individual
 35 for services as an employee, if the individual was, during the
 36 period of service, prohibited from being hired as an employee
 37 under 8 U.S.C. 1324a.

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

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

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- 1 (2) Add an amount equal to any deduction or deductions allowed
- 2 or allowable pursuant to Section 170 of the Internal Revenue
- 3 Code.
- 4 (3) Add an amount equal to any deduction or deductions allowed
- 5 or allowable pursuant to Section 63 of the Internal Revenue Code
- 6 for taxes based on or measured by income and levied at the state
- 7 level by any state of the United States.
- 8 (4) Subtract an amount equal to the amount included in the
- 9 corporation's taxable income under Section 78 of the Internal
- 10 Revenue Code.
- 11 (5) Add or subtract the amount necessary to make the adjusted
- 12 gross income of any taxpayer that owns property for which bonus
- 13 depreciation was allowed in the current taxable year or in an
- 14 earlier taxable year equal to the amount of adjusted gross income
- 15 that would have been computed had an election not been made
- 16 under Section 168(k) of the Internal Revenue Code to apply bonus
- 17 depreciation to the property in the year that it was placed in
- 18 service.
- 19 (6) Add an amount equal to any deduction allowed under Section
- 20 172 of the Internal Revenue Code.
- 21 (7) Add or subtract the amount necessary to make the adjusted
- 22 gross income of any taxpayer that placed Section 179 property (as
- 23 defined in Section 179 of the Internal Revenue Code) in service
- 24 in the current taxable year or in an earlier taxable year equal to
- 25 the amount of adjusted gross income that would have been
- 26 computed had an election for federal income tax purposes not
- 27 been made for the year in which the property was placed in
- 28 service to take deductions under Section 179 of the Internal
- 29 Revenue Code in a total amount exceeding twenty-five thousand
- 30 dollars (\$25,000).
- 31 (8) Add an amount equal to the amount that a taxpayer claimed as
- 32 a deduction for domestic production activities for the taxable year
- 33 under Section 199 of the Internal Revenue Code for federal
- 34 income tax purposes.
- 35 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 36 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 37 related intangible interest expenses (as defined in IC 6-3-2-20) for
- 38 the taxable year that reduced the corporation's taxable income (as
- 39 defined in Section 63 of the Internal Revenue Code) for federal
- 40 income tax purposes.
- 41 (10) Add an amount equal to any deduction for dividends paid (as
- 42 defined in Section 561 of the Internal Revenue Code) to

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- 1 shareholders of a captive real estate investment trust (as defined
- 2 in section 34.5 of this chapter).
- 3 (11) Subtract income that is:
- 4 (A) exempt from taxation under IC 6-3-2-21.7; and
- 5 (B) included in the corporation's taxable income under the
- 6 Internal Revenue Code.
- 7 (12) Add an amount equal to any income not included in gross
- 8 income as a result of the deferral of income arising from business
- 9 indebtedness discharged in connection with the reacquisition after
- 10 December 31, 2008, and before January 1, 2011, of an applicable
- 11 debt instrument, as provided in Section 108(i) of the Internal
- 12 Revenue Code. Subtract from the adjusted gross income of any
- 13 taxpayer that added an amount to adjusted gross income in a
- 14 previous year the amount necessary to offset the amount included
- 15 in federal gross income as a result of the deferral of income
- 16 arising from business indebtedness discharged in connection with
- 17 the reacquisition after December 31, 2008, and before January 1,
- 18 2011, of an applicable debt instrument, as provided in Section
- 19 108(i) of the Internal Revenue Code.
- 20 (13) Add the amount necessary to make the adjusted gross income
- 21 of any taxpayer that placed qualified restaurant property in service
- 22 during the taxable year and that was classified as 15-year property
- 23 under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal
- 24 to the amount of adjusted gross income that would have been
- 25 computed had the classification not applied to the property in the
- 26 year that it was placed in service.
- 27 (14) Add the amount necessary to make the adjusted gross income
- 28 of any taxpayer that placed qualified retail improvement property
- 29 in service during the taxable year and that was classified as
- 30 15-year property under Section 168(e)(3)(E)(ix) of the Internal
- 31 Revenue Code equal to the amount of adjusted gross income that
- 32 would have been computed had the classification not applied to
- 33 the property in the year that it was placed in service.
- 34 (15) Add or subtract the amount necessary to make the adjusted
- 35 gross income of any taxpayer that claimed the special allowance
- 36 for qualified disaster assistance property under Section 168(n) of
- 37 the Internal Revenue Code equal to the amount of adjusted gross
- 38 income that would have been computed had the special allowance
- 39 not been claimed for the property.
- 40 (16) Add or subtract the amount necessary to make the adjusted
- 41 gross income of any taxpayer that made an election under Section
- 42 179C of the Internal Revenue Code to expense costs for qualified

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1 refinery property equal to the amount of adjusted gross income
 2 that would have been computed had an election for federal
 3 income tax purposes not been made for the year.
 4 (17) Add or subtract the amount necessary to make the adjusted
 5 gross income of any taxpayer that made an election under Section
 6 181 of the Internal Revenue Code to expense costs for a qualified
 7 film or television production equal to the amount of adjusted
 8 gross income that would have been computed had an election for
 9 federal income tax purposes not been made for the year.
 10 (18) Add or subtract the amount necessary to make the adjusted
 11 gross income of any taxpayer that treated a loss from the sale or
 12 exchange of preferred stock in:
 13 (A) the Federal National Mortgage Association, established
 14 under the Federal National Mortgage Association Charter Act
 15 (12 U.S.C. 1716 et seq.); or
 16 (B) the Federal Home Loan Mortgage Corporation, established
 17 under the Federal Home Loan Mortgage Corporation Act (12
 18 U.S.C. 1451 et seq.);
 19 as an ordinary loss under Section 301 of the Emergency
 20 Economic Stabilization Act of 2008 in the current taxable year or
 21 in an earlier taxable year equal to the amount of adjusted gross
 22 income that would have been computed had the loss not been
 23 treated as an ordinary loss.
 24 (19) Add the amount deducted from gross income under Section
 25 198 of the Internal Revenue Code for the expensing of
 26 environmental remediation costs.
 27 (20) Add the amount deducted from gross income under Section
 28 179E of the Internal Revenue Code for any qualified advanced
 29 mine safety equipment property.
 30 (21) Add the amount necessary to make the adjusted gross income
 31 of any taxpayer that placed any qualified leasehold improvement
 32 property in service during the taxable year and that was classified
 33 as 15-year property under Section 168(e)(3)(E)(iv) 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 into service.
 37 (22) Add the amount necessary to make the adjusted gross income
 38 of any taxpayer that placed a motorsports entertainment complex
 39 in service during the taxable year and that was classified as 7-year
 40 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
 41 Code equal to the amount of adjusted gross income that would
 42 have been computed had the classification not applied to the

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1 property in the year that it was placed into service.
 2 (23) Add the amount deducted under Section 195 of the Internal
 3 Revenue Code for start-up expenditures that exceeds the amount
 4 the taxpayer could deduct under Section 195 of the Internal
 5 Revenue Code before it was amended by the Small Business Jobs
 6 Act of 2010 (P.L. 111-240).
 7 (24) This subdivision does not apply to payments made for
 8 services provided to a business that was enrolled and participated
 9 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
 10 time the taxpayer conducted business in Indiana in the taxable
 11 year. For a taxable year beginning after June 30, 2011, add the
 12 amount of any trade or business deduction allowed under the
 13 Internal Revenue Code for wages, reimbursements, or other
 14 payments made for services provided in Indiana by an individual
 15 for services as an employee, if the individual was, during the
 16 period of service, prohibited from being hired as an employee
 17 under 8 U.S.C. 1324a.
 18 (25) Add the amount excluded from federal gross income under
 19 Section 103 of the Internal Revenue Code for interest received on
 20 an obligation of a state other than Indiana, or a political
 21 subdivision of such a state, that is acquired by the taxpayer after
 22 December 31, 2011.
 23 (c) In the case of life insurance companies (as defined in Section
 24 816(a) of the Internal Revenue Code) that are organized under Indiana
 25 law, the same as "life insurance company taxable income" (as defined
 26 in Section 801 of the Internal Revenue Code), adjusted as follows:
 27 (1) Subtract income that is exempt from taxation under this article
 28 by the Constitution and statutes of the United States.
 29 (2) Add an amount equal to any deduction allowed or allowable
 30 under Section 170 of the Internal Revenue Code.
 31 (3) Add an amount equal to a deduction allowed or allowable
 32 under Section 805 or Section 831(c) of the Internal Revenue Code
 33 for taxes based on or measured by income and levied at the state
 34 level by any state.
 35 (4) Subtract an amount equal to the amount included in the
 36 company's taxable income under Section 78 of the Internal
 37 Revenue Code.
 38 (5) Add or subtract the amount necessary to make the adjusted
 39 gross income of any taxpayer that owns property for which bonus
 40 depreciation was allowed in the current taxable year or in an
 41 earlier taxable year equal to the amount of adjusted gross income
 42 that would have been computed had an election not been made

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

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

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- 1 financing income under Subpart F of Subtitle A, Chapter 1,
2 Subchapter N of the Internal Revenue Code.
- 3 (18) Add the amount necessary to make the adjusted gross income
4 of any taxpayer that placed any qualified leasehold improvement
5 property in service during the taxable year and that was classified
6 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
7 Revenue Code equal to the amount of adjusted gross income that
8 would have been computed had the classification not applied to
9 the property in the year that it was placed into service.
- 10 (19) Add the amount necessary to make the adjusted gross income
11 of any taxpayer that placed a motorsports entertainment complex
12 in service during the taxable year and that was classified as 7-year
13 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
14 Code equal to the amount of adjusted gross income that would
15 have been computed had the classification not applied to the
16 property in the year that it was placed into service.
- 17 (20) Add the amount deducted under Section 195 of the Internal
18 Revenue Code for start-up expenditures that exceeds the amount
19 the taxpayer could deduct under Section 195 of the Internal
20 Revenue Code before it was amended by the Small Business Jobs
21 Act of 2010 (P.L. 111-240).
- 22 (21) Add the amount deducted from gross income under Section
23 198 of the Internal Revenue Code for the expensing of
24 environmental remediation costs.
- 25 (22) Add the amount deducted from gross income under Section
26 179E of the Internal Revenue Code for any qualified advanced
27 mine safety equipment property.
- 28 (23) This subdivision does not apply to payments made for
29 services provided to a business that was enrolled and participated
30 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
31 time the taxpayer conducted business in Indiana in the taxable
32 year. For a taxable year beginning after June 30, 2011, add the
33 amount of any trade or business deduction allowed under the
34 Internal Revenue Code for wages, reimbursements, or other
35 payments made for services provided in Indiana by an individual
36 for services as an employee, if the individual was, during the
37 period of service, prohibited from being hired as an employee
38 under 8 U.S.C. 1324a.
- 39 (24) Add the amount excluded from federal gross income under
40 Section 103 of the Internal Revenue Code for interest received on
41 an obligation of a state other than Indiana, or a political
42 subdivision of such a state, that is acquired by the taxpayer after

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- 1 December 31, 2011.
- 2 (d) In the case of insurance companies subject to tax under Section
- 3 831 of the Internal Revenue Code and organized under Indiana law, the
- 4 same as "taxable income" (as defined in Section 832 of the Internal
- 5 Revenue Code), adjusted as 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 allowed or allowable
- 9 under Section 170 of the Internal Revenue Code.
- 10 (3) Add an amount equal to a deduction allowed or allowable
- 11 under Section 805 or Section 831(c) of the Internal Revenue Code
- 12 for taxes based on or measured by income and levied at the state
- 13 level by any state.
- 14 (4) Subtract an amount equal to the amount included in the
- 15 company's taxable income under Section 78 of the Internal
- 16 Revenue Code.
- 17 (5) Add or subtract the amount necessary to make the adjusted
- 18 gross income of any taxpayer that owns property for which bonus
- 19 depreciation was allowed in the current taxable year or in an
- 20 earlier taxable year equal to the amount of adjusted gross income
- 21 that would have been computed had an election not been made
- 22 under Section 168(k) of the Internal Revenue Code to apply bonus
- 23 depreciation to the property in the year that it was placed in
- 24 service.
- 25 (6) Add an amount equal to any deduction allowed under Section
- 26 172 of the Internal Revenue Code.
- 27 (7) Add or subtract the amount necessary to make the adjusted
- 28 gross income of any taxpayer that placed Section 179 property (as
- 29 defined in Section 179 of the Internal Revenue Code) in service
- 30 in the current taxable year or in an earlier taxable year equal to
- 31 the amount of adjusted gross income that would have been
- 32 computed had an election for federal income tax purposes not
- 33 been made for the year in which the property was placed in
- 34 service to take deductions under Section 179 of the Internal
- 35 Revenue Code in a total amount exceeding twenty-five thousand
- 36 dollars (\$25,000).
- 37 (8) Add an amount equal to the amount that a taxpayer claimed as
- 38 a deduction for domestic production activities for the taxable year
- 39 under Section 199 of the Internal Revenue Code for federal
- 40 income tax purposes.
- 41 (9) Subtract income that is:
- 42 (A) exempt from taxation under IC 6-3-2-21.7; and

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

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1 gross income of any taxpayer that made an election under Section
2 181 of the Internal Revenue Code to expense costs for a qualified
3 film or television production equal to the amount of adjusted
4 gross income that would have been computed had an election for
5 federal income tax purposes not been made for the year.
6 (16) Add or subtract the amount necessary to make the adjusted
7 gross income of any taxpayer that treated a loss from the sale or
8 exchange of preferred stock in:
9 (A) the Federal National Mortgage Association, established
10 under the Federal National Mortgage Association Charter Act
11 (12 U.S.C. 1716 et seq.); or
12 (B) the Federal Home Loan Mortgage Corporation, established
13 under the Federal Home Loan Mortgage Corporation Act (12
14 U.S.C. 1451 et seq.);
15 as an ordinary loss under Section 301 of the Emergency
16 Economic Stabilization Act of 2008 in the current taxable year or
17 in an earlier taxable year equal to the amount of adjusted gross
18 income that would have been computed had the loss not been
19 treated as an ordinary loss.
20 (17) Add an amount equal to any exempt insurance income under
21 Section 953(e) of the Internal Revenue Code that is active
22 financing income under Subpart F of Subtitle A, Chapter 1,
23 Subchapter N of the Internal Revenue Code.
24 (18) Add the amount necessary to make the adjusted gross income
25 of any taxpayer that placed any qualified leasehold improvement
26 property in service during the taxable year and that was classified
27 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal
28 Revenue Code equal to the amount of adjusted gross income that
29 would have been computed had the classification not applied to
30 the property in the year that it was placed into service.
31 (19) Add the amount necessary to make the adjusted gross income
32 of any taxpayer that placed a motorsports entertainment complex
33 in service during the taxable year and that was classified as 7-year
34 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
35 Code equal to the amount of adjusted gross income that would
36 have been computed had the classification not applied to the
37 property in the year that it was placed into service.
38 (20) Add the amount deducted under Section 195 of the Internal
39 Revenue Code for start-up expenditures that exceeds the amount
40 the taxpayer could deduct under Section 195 of the Internal
41 Revenue Code before it was amended by the Small Business Jobs
42 Act of 2010 (P.L. 111-240).

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- 1 (21) Add the amount deducted from gross income under Section
- 2 198 of the Internal Revenue Code for the expensing of
- 3 environmental remediation costs.
- 4 (22) Add the amount deducted from gross income under Section
- 5 179E of the Internal Revenue Code for any qualified advanced
- 6 mine safety equipment property.
- 7 (23) This subdivision does not apply to payments made for
- 8 services provided to a business that was enrolled and participated
- 9 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
- 10 time the taxpayer conducted business in Indiana in the taxable
- 11 year. For a taxable year beginning after June 30, 2011, add the
- 12 amount of any trade or business deduction allowed under the
- 13 Internal Revenue Code for wages, reimbursements, or other
- 14 payments made for services provided in Indiana by an individual
- 15 for services as an employee, if the individual was, during the
- 16 period of service, prohibited from being hired as an employee
- 17 under 8 U.S.C. 1324a.
- 18 (24) Add the amount excluded from federal gross income under
- 19 Section 103 of the Internal Revenue Code for interest received on
- 20 an obligation of a state other than Indiana, or a political
- 21 subdivision of such a state, that is acquired by the taxpayer after
- 22 December 31, 2011.
- 23 (e) In the case of trusts and estates, "taxable income" (as defined for
- 24 trusts and estates in Section 641(b) of the Internal Revenue Code)
- 25 adjusted as follows:
- 26 (1) Subtract income that is exempt from taxation under this article
- 27 by the Constitution and statutes of the United States.
- 28 (2) Subtract an amount equal to the amount of a September 11
- 29 terrorist attack settlement payment included in the federal
- 30 adjusted gross income of the estate of a victim of the September
- 31 11 terrorist attack or a trust to the extent the trust benefits a victim
- 32 of the September 11 terrorist attack.
- 33 (3) Add or subtract the amount necessary to make the adjusted
- 34 gross income of any taxpayer that owns property for which bonus
- 35 depreciation was allowed in the current taxable year or in an
- 36 earlier taxable year equal to the amount of adjusted gross income
- 37 that would have been computed had an election not been made
- 38 under Section 168(k) of the Internal Revenue Code to apply bonus
- 39 depreciation to the property in the year that it was placed in
- 40 service.
- 41 (4) Add an amount equal to any deduction allowed under Section
- 42 172 of the Internal Revenue Code.

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

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- 1 Revenue Code equal to the amount of adjusted gross income that
 2 would have been computed had the classification not applied to
 3 the property in the year that it was placed in service.
- 4 (11) Add or subtract the amount necessary to make the adjusted
 5 gross income of any taxpayer that claimed the special allowance
 6 for qualified disaster assistance property under Section 168(n) of
 7 the Internal Revenue Code equal to the amount of adjusted gross
 8 income that would have been computed had the special allowance
 9 not been claimed for the property.
- 10 (12) Add or subtract the amount necessary to make the adjusted
 11 gross income of any taxpayer that made an election under Section
 12 179C of the Internal Revenue Code to expense costs for qualified
 13 refinery property equal to the amount of adjusted gross income
 14 that would have been computed had an election for federal
 15 income tax purposes not been made for the year.
- 16 (13) Add or subtract the amount necessary to make the adjusted
 17 gross income of any taxpayer that made an election under Section
 18 181 of the Internal Revenue Code to expense costs for a qualified
 19 film or television production equal to the amount of adjusted
 20 gross income that would have been computed had an election for
 21 federal income tax purposes not been made for the year.
- 22 (14) Add or subtract the amount necessary to make the adjusted
 23 gross income of any taxpayer that treated a loss from the sale or
 24 exchange of preferred stock in:
- 25 (A) the Federal National Mortgage Association, established
 26 under the Federal National Mortgage Association Charter Act
 27 (12 U.S.C. 1716 et seq.); or
- 28 (B) the Federal Home Loan Mortgage Corporation, established
 29 under the Federal Home Loan Mortgage Corporation Act (12
 30 U.S.C. 1451 et seq.);
- 31 as an ordinary loss under Section 301 of the Emergency
 32 Economic Stabilization Act of 2008 in the current taxable year or
 33 in an earlier taxable year equal to the amount of adjusted gross
 34 income that would have been computed had the loss not been
 35 treated as an ordinary loss.
- 36 (15) Add the amount excluded from gross income under Section
 37 108(a)(1)(e) of the Internal Revenue Code for the discharge of
 38 debt on a qualified principal residence.
- 39 (16) Add the amount necessary to make the adjusted gross income
 40 of any taxpayer that placed any qualified leasehold improvement
 41 property in service during the taxable year and that was classified
 42 as 15-year property under Section 168(e)(3)(E)(iv) of the Internal

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- 1 Revenue Code equal to the amount of adjusted gross income that
 2 would have been computed had the classification not applied to
 3 the property in the year that it was placed into service.
 4 (17) Add the amount necessary to make the adjusted gross income
 5 of any taxpayer that placed a motorsports entertainment complex
 6 in service during the taxable year and that was classified as 7-year
 7 property under Section 168(e)(3)(C)(ii) of the Internal Revenue
 8 Code equal to the amount of adjusted gross income that would
 9 have been computed had the classification not applied to the
 10 property in the year that it was placed into service.
 11 (18) Add the amount deducted under Section 195 of the Internal
 12 Revenue Code for start-up expenditures that exceeds the amount
 13 the taxpayer could deduct under Section 195 of the Internal
 14 Revenue Code before it was amended by the Small Business Jobs
 15 Act of 2010 (P.L. 111-240).
 16 (19) Add the amount deducted from gross income under Section
 17 198 of the Internal Revenue Code for the expensing of
 18 environmental remediation costs.
 19 (20) Add the amount deducted from gross income under Section
 20 179E of the Internal Revenue Code for any qualified advanced
 21 mine safety equipment property.
 22 (21) Add the amount necessary to make the adjusted gross income
 23 of any taxpayer for which tax was not imposed on the net
 24 recognized built-in gain of an S corporation under Section
 25 1374(d)(7) of the Internal Revenue Code as amended by the
 26 Small Business Jobs Act of 2010 (P.L. 111-240) equal to the
 27 amount of adjusted gross income that would have been computed
 28 before Section 1374(d)(7) of the Internal Revenue Code as
 29 amended by the Small Business Jobs Act of 2010 (P.L. 111-240).
 30 (22) This subdivision does not apply to payments made for
 31 services provided to a business that was enrolled and participated
 32 in the E-Verify program (as defined in IC 22-5-1.7-3) during the
 33 time the taxpayer conducted business in Indiana in the taxable
 34 year. For a taxable year beginning after June 30, 2011, add the
 35 amount of any trade or business deduction allowed under the
 36 Internal Revenue Code for wages, reimbursements, or other
 37 payments made for services provided in Indiana by an individual
 38 for services as an employee, if the individual was, during the
 39 period of service, prohibited from being hired as an employee
 40 under 8 U.S.C. 1324a.
 41 (23) Add the amount excluded from federal gross income under
 42 Section 103 of the Internal Revenue Code for interest received on

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- 1 an obligation of a state other than Indiana, or a political
2 subdivision of such a state, that is acquired by the taxpayer after
3 December 31, 2011.
- 4 SECTION 4. IC 20-28-11.5-10 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) Notwithstanding any other**
7 **law or rule, if a certificated employee is required to renew the**
8 **certificated employee's license in the same year the certificated**
9 **employee receives a designation as highly effective, the certificated**
10 **employee is not subject to the continuing education requirements**
11 **provided in 515 IAC 1-7-14 in order to renew the certificated**
12 **employee's teaching license.**
- 13 **(b) Notwithstanding any other law or rule, if a certificated**
14 **employee is required to renew the certificated employee's license**
15 **in the same year the certificated employee receives a designation**
16 **as effective, the certificated employee is only required to complete**
17 **either:**
- 18 **(1) three (3) hours of college or university course work; or**
19 **(2) fifty percent (50%) of the professional growth experience**
20 **growth points necessary under 515 IAC 1-7-14;**
21 **required to renew the certificated employee's teaching license.**
- 22 SECTION 5. IC 20-31-10.5 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2013]:
- 25 **Chapter 10.5. High Performing Schools**
- 26 **Sec. 1. As used in this chapter, "high performing school" means**
27 **a school that for at least two (2) consecutive school years has been**
28 **placed in the two (2) highest categories or designations of school**
29 **performance.**
- 30 **Sec. 2. A governing body may request the state board to waive**
31 **any rule adopted by the state board for any high performing school**
32 **contained in the school corporation.**
- 33 **Sec. 3. Upon receiving a governing body's request under section**
34 **2 of this chapter, the state board shall review the governing body's**
35 **request.**
- 36 **Sec. 4. Within ninety (90) days after receiving a request under**
37 **section 3 of this chapter, the state board shall either approve or**
38 **deny, in whole or in part, the governing body's request for a**
39 **waiver.**
- 40 **Sec. 5. Except as otherwise provided in this section, the state**
41 **board shall determine how long the waiver shall remain in effect.**
42 **However, the waiver may only remain in effect for as long as the**

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1 **high performing school continues to be placed in the two (2)**
 2 **highest categories or designations of school performance.**

3 SECTION 6. IC 20-32-8.5-2, AS AMENDED BY P.L.160-2012,
 4 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b) or
 6 (c), the plan required by this chapter must include the following:

7 (1) Reading skill standards for grade 1 through grade 3.

8 (2) An emphasis on a method for making determinant evaluations
 9 by grade 3 that might require remedial action for the student, **with**
 10 **an emphasis on a growth measure at each grade level. The**
 11 **evaluations must be based on two (2) or more assessments**
 12 **made throughout the school year. The plan must require that**
 13 **the student's achievement and growth be taken into account**
 14 **when determining the appropriate remedial action, which**
 15 **may include including retention as a last resort, after other**
 16 **methods of remediation have been evaluated or used, or both, if**
 17 **reading skills are below the standard. Appropriate consultation**
 18 **with parents or guardians must be part of the plan.**

19 **(3) An emphasis on a home and school reading initiative with**
 20 **appropriate consultation with parents to accelerate the**
 21 **reading improvement of a student.**

22 (3) (4) The fiscal impact of each component of the plan, if any. In
 23 determining whether a component has a fiscal impact,
 24 consideration shall be given to whether the component will
 25 increase costs to the state or a school corporation or require the
 26 state or school corporation to reallocate resources.

27 (b) For a charter school, as defined in IC 20-24-1-4, a plan may
 28 include only the following:

29 (1) A method for making determinant evaluations of reading skills
 30 by grade 3.

31 (2) Retention as a last resort for students reading below grade
 32 level as measured by the evaluation or assessment.

33 (c) This subsection applies to a public school that is not a charter
 34 school. A school corporation may receive a waiver of the requirements
 35 provided in 511 IAC 6.2-3.1-4(a)(2) if the state board approves an
 36 alternative reading plan provided by the school corporation.

37 SECTION 7. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]

38 **(a) IC 6-3-1-3.5, as amended by this act, applies only to taxable**
 39 **years beginning after December 31, 2012.**

40 **(b) This SECTION expires July 1, 2015.**

41 SECTION 8. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1334, 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, after line 28, begin a new paragraph and insert:

"SECTION 3. IC 6-3-2-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: **Sec. 26. (a) This section applies to a taxable year beginning after December 31, 2012.**

(b) The following definitions apply throughout this section:

(1) "Elementary school" has the meaning set forth in IC 20-18-2-4.

(2) "Qualified education expenditure" means books, computer equipment or software, textbooks, workbooks, curricula, supplies, and other written materials used primarily for academic instruction or for academic tutoring, or both, that the teacher uses to provide instruction in a qualified school.

(3) "Qualified school" means an elementary or secondary school that is:

(A) a public school, including a charter school; or

(B) an accredited nonpublic school (as defined in IC 21-7-13-4).

(4) "Secondary school" has the meaning set forth in IC 20-18-2-18.

(5) "Teacher" means a taxpayer whose position in a school requires certain educational preparation and licensing and whose primary responsibility is the instruction of students.

The term includes the following:

(A) A teacher or instructor.

(B) A principal.

(C) A librarian.

(D) A counselor.

(c) A teacher who makes an unreimbursed education expenditure during the taxpayer's taxable year is entitled to a deduction against the teacher's adjusted gross income in the taxable year.

(d) The amount of the deduction is the lesser of:

(1) The amount of the qualified education expenditure made by the teacher; or

(2) one thousand dollars (\$1,000).

(e) To receive the deduction provided by this section, a taxpayer

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must claim the deduction on the taxpayer's annual state tax return in the manner prescribed by the department.

SECTION 4. IC 20-28-11.5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as highly effective, the certificated employee is not subject to the continuing education requirements provided in 515 IAC 1-7-14 in order to renew the certificated employee's teaching license.**

(b) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as effective, the certificated employee is only required to complete either:

- (1) three (3) hours of college or university course work; or**
- (2) fifty percent (50%) of the professional growth experience growth points necessary under 515 IAC 1-7-14;**

required to renew the certificated employee's teaching license.

SECTION 5. IC 20-29-5-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. **Sec. 6. (a) The school employer shall, on receipt of the written authorization of a school employee:**

- (1) deduct from the pay of the employee any dues designated or certified by the appropriate officer of a school employee organization that is an exclusive representative of any employees of the school employer; and**
- (2) remit the dues described in subdivision (1) to the school employee organization.**

(b) Deductions under this section must be consistent with:

- (1) IC 22-2-6;**
- (2) IC 22-2-7; and**
- (3) IC 20-28-9-18.**

SECTION 6. IC 20-29-5-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. A school employer may not deduct from the pay of a school employee any dues payable to a school employee organization.**

SECTION 7. IC 20-31-10.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 10.5. High Performing Schools



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Sec. 1. As used in this chapter, "high performing school" means a school that for at least two (2) consecutive school years has been placed in the two (2) highest categories or designations of school performance.

Sec. 2. A governing body may request the state board to waive any rule adopted by the state board for any high performing school contained in the school corporation.

Sec 3. Upon receiving a governing body's request under section 2 of this chapter, the state board shall review the governing body's request.

Sec. 4. Within ninety (90) days after receiving a request under section 3 of this chapter, the state board shall either approve or deny, in whole or in part, the governing body's request for a waiver.

Sec. 5. Except as otherwise provided in this section, the state board shall determine how long the waiver shall remain in effect. However, the waiver may only remain in effect for as long as the high performing school continues to be placed in the two (2) highest categories or designations of school performance.

SECTION 8. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1334 as introduced.)

BEHNING, Chair

Committee Vote: yeas 7, nays 3.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1334 be amended to read as follows:

Page 4, delete lines 14 through 18, begin a new paragraph and insert:

"SECTION 6. IC 20-29-5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. (a) Except as provided in subsection (b), a school employer may deduct dues to a school employee organization from the pay of a school employee who authorizes the deduction in accordance with subsection (c).**

(b) A school employer may not deduct under subsection (a) any

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amount that is a contribution or payment to be used for political activities.

(c) A deduction under this section must comply with IC 22-2-6 and IC 22-2-7. A school employee's authorization under this section:

- (1) is valid for one (1) year from the date the school employee signs the authorization; and
- (2) may be renewed for successive one (1) year periods if the school employee signs a new authorization each year.

(d) A school employee who believes that a violation of this section has occurred may file a complaint with the attorney general. Upon receiving a complaint under this subsection, the attorney general may:

- (1) investigate the complaint; and
- (2) enforce compliance if a violation of this section is found.

(e) The state board of accounts shall:

- (1) include in its examination under IC 5-11-1 a report concerning a school employer's compliance with this section; and
- (2) if a school employer has failed to comply with this section, provide a copy of the report documenting the failure to the attorney general, who may:
 - (A) investigate the matter; and
 - (B) enforce compliance with this section."

Renumber all SECTIONS consecutively.

(Reference is to HB 1334 as printed February 19, 2013.)

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1334, 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 and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is made to House Bill 1334 as printed February 22, 2013.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 3.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1334, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 29. IC 6-3-1-3.5, AS AMENDED BY P.L.137-2012, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (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

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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) one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

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

(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) 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.

(11) In the case of a nonresident taxpayer or a resident taxpayer

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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.

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

(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.

(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.

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

(A) 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.

(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.

(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.

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

(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

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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).

(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.

(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.

(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.

(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.

(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.

(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.

(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.

(27) 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

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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.

(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.

(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.

(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.

(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.

(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 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

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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.

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

(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.

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

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

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

~~(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.

~~(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.

~~(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).

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

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~~(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.

~~(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).

~~(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).

~~(46)~~ **(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 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

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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).

(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.

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(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 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

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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.

(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 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).

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(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.

(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 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

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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 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

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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.

(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

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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.

(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.

(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 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

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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.

(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

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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 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

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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 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.

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(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.

(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 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

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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 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

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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 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

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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).

(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.

(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 taxpayer after December 31, 2011."

Page 3, delete lines 1 through 24.

Delete page 4.

Page 5, delete lines 1 through 2.

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Page 5, line 14, delete "Sec" and insert "Sec."

Page 5, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)] (a) **IC 6-3-1-3.5, as amended by this act, applies only to taxable years beginning after December 31, 2012.**

(b) This SECTION expires July 1, 2015."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1334 as reprinted February 22, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1334 be amended to read as follows:

Page 24, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 6. IC 20-32-8.5-2, AS AMENDED BY P.L.160-2012, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b) or (c), the plan required by this chapter must include the following:

- (1) Reading skill standards for grade 1 through grade 3.
- (2) An emphasis on a method for making determinant evaluations by grade 3 that might require remedial action for the student, **with an emphasis on a growth measure at each grade level. The evaluations must be based on two (2) or more assessments made throughout the school year. The plan must require that the student's achievement and growth be taken into account when determining the appropriate remedial action, which may include including retention as a last resort, after other methods of remediation have been evaluated or used, or both, if reading skills are below the standard. Appropriate consultation with parents or guardians must be part of the plan.**
- (3) **An emphasis on a home and school reading initiative with appropriate consultation with parents to accelerate the reading improvement of a student.**

~~(3)~~ (4) The fiscal impact of each component of the plan, if any. In determining whether a component has a fiscal impact, consideration shall be given to whether the component will

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increase costs to the state or a school corporation or require the state or school corporation to reallocate resources.

(b) For a charter school, as defined in IC 20-24-1-4, a plan may include only the following:

(1) A method for making determinant evaluations of reading skills by grade 3.

(2) Retention as a last resort for students reading below grade level as measured by the evaluation or assessment.

(c) This subsection applies to a public school that is not a charter school. A school corporation may receive a waiver of the requirements provided in 511 IAC 6.2-3.1-4(a)(2) if the state board approves an alternative reading plan provided by the school corporation."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1334 as printed April 5, 2013.)

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