

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1170 be amended to read as follows:

- 1 Page 2, after line 12, begin a new paragraph and insert:
2 "SECTION 2. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2013]:
5 **Chapter 34. Employer Tax Credit for Tuition Expenses**
6 **Sec. 1. This chapter applies only to taxable years beginning after**
7 **December 31, 2013.**
8 **Sec. 2. As used in this chapter, "employer" means an entity that**
9 **has employees, including:**
10 (1) an individual acting as a sole proprietor;
11 (2) a pass through entity; and
12 (3) a corporation.
13 **Sec. 3. As used in this chapter, "pass through entity" means:**
14 (1) a corporation that is exempt from the adjusted gross
15 income tax under IC 6-3-2-2.8(2);
16 (2) a partnership;
17 (3) a limited liability company; or
18 (4) a limited liability partnership.
19 **Sec. 4. As used in this chapter, "state educational institution"**
20 **has the meaning set forth in IC 21-7-13-32.**
21 **Sec. 5. As used in this chapter, "state tax liability" means a**
22 **taxpayer's total tax liability that is incurred under:**
23 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
24 (2) IC 6-5.5 (the financial institutions tax); and
25 (3) IC 27-1-18-2 (the insurance premiums tax);

1 as computed after the application of the credits that under
2 IC 6-3.1-1-2 are to be applied before the credit provided by this
3 chapter.

4 Sec. 6. As used in this chapter, "taxpayer" means a person,
5 corporation, partnership, or other entity that has any state tax
6 liability.

7 Sec. 7. As used in this chapter, "tuition" includes required
8 books, course supplies, and course fees.

9 Sec. 8. (a) Each taxable year, subject to subsection (b), an
10 employer that incurs tuition expenses for an employee who attends
11 a state educational institution during the taxable year is entitled to
12 a credit against state tax liability for the amount of tuition expenses
13 incurred during the taxable year for a course in which the
14 employee achieves a final grade of at least:

15 (1) 2.0, if a 4.0 grading scale is used; or

16 (2) a grade equivalent to the grade specified in subdivision (1),
17 if another grading scale is used.

18 (b) The credit provided by subsection (a) is not allowed for
19 tuition expenses to the extent a taxpayer has claimed a deduction
20 from the taxpayer's federal gross income for the tuition expenses
21 in determining the taxpayer's Indiana adjusted gross income.

22 Sec. 9. An employer that claims the credit provided by this
23 chapter shall keep the following records for each tuition payment
24 the employer makes for a course taken by an employee at a state
25 educational institution:

26 (1) The name of the employee.

27 (2) The state educational institution at which the course was
28 taken.

29 (3) The name of the course.

30 (4) The academic semester or other period in which the course
31 was taken.

32 (5) The amount of the tuition payment.

33 (6) The employee's final grade in the course.

34 (7) Any other reasonable information required by the
35 department.

36 Sec. 10. If a pass through entity does not have state tax liability
37 for a taxable year but is otherwise entitled to the tax credit
38 provided by this chapter, each shareholder, partner, or member of
39 the pass through entity is entitled to a share of the tax credit equal
40 to:

41 (1) the amount of the tax credit determined for the pass
42 through entity for the taxable year; multiplied by

43 (2) the percentage of the pass through entity's distributive
44 income to which the shareholder, partner, or member is
45 entitled.

46 Sec. 11. (a) If the credit provided by this chapter exceeds a

1 taxpayer's state tax liability for the taxable year for which the
2 credit is first claimed, the excess may be carried forward to
3 succeeding taxable years and used as a credit against the taxpayer's
4 state tax liability during those taxable years. Each time the credit
5 is carried forward to a succeeding taxable year, the credit is to be
6 reduced by the amount that was used as a credit during the
7 immediately preceding taxable year. The credit provided by this
8 chapter may be carried forward and applied to succeeding taxable
9 years for not more than five (5) taxable years following the first
10 year for which the credit is claimed.

11 (b) A taxpayer is not entitled to a carryback or refund of any
12 unused credit under this chapter.

13 **Sec. 12. To receive the tax credit under this chapter, a taxpayer**
14 **must claim the credit on the taxpayer's annual state tax return or**
15 **returns in the manner prescribed by the department."**

(Reference is to HB 1170 as printed January 18, 2013.)

Representative Battles