SENATE BILL No. 161

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-1-34.

Synopsis: Taxation of active duty military pay. Exempts from the individual income tax any wages that are paid to an individual who is: (1) an Indiana resident; and (2) a member of an active component of the armed forces; for the individual's active duty service outside Indiana. (Current law exempts wages earned by members of the National Guard and reserve components of the United States armed forces while serving on active duty.)

Effective: January 1, 2014.

Delph

January 7, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

C o p y

Introduced

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.

C o p y

SENATE BILL No. 161

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

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

SECTION 1. IC 6-3-1-34, AS ADDED BY P.L.144-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 34. "Qualified military income" means wages that are paid ~~(1)~~ to:

(1) an individual who is:

(A) an Indiana resident; and

(B) a member of **an active component of the armed forces of the United States;**

for the individual's active duty service outside Indiana; or ~~(A)~~

(2) an individual who is a member of a reserve component of the armed forces of the United States or ~~(B)~~ the National Guard ~~and~~ ~~(2)~~ for any of the following applicable periods, or any combination of the following applicable periods, in a calendar year:

(A) The member's full-time service on involuntary orders in:

(i) a reserve component of the armed forces of the United States; or

(ii) the National Guard.

(B) The period during which the member is mobilized and deployed for full-time service in:

(i) a reserve component of the armed forces of the United States; or

(ii) the National Guard.

(C) The period during which the member's National Guard unit is federalized.

SECTION 2. [EFFECTIVE JANUARY 1, 2014] **(a) IC 6-3-1-34, as amended by this act, applies to taxable years beginning after December 31, 2013.**

(b) This SECTION expires July 1, 2016.

C o p y