

SENATE BILL No. 192

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-1.

Synopsis: Income tax rates. Phases down the state adjusted gross income tax rate on noncorporate taxpayers from 3.4% to 3.0% over four years.

Effective: July 1, 2013.

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January 7, 2013, read first time and referred to Committee on Appropriations.

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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.

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SENATE BILL No. 192



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

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

1 SECTION 1. IC 6-3-2-1, AS AMENDED BY P.L.172-2011,
 2 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2013]: Sec. 1. (a) Each taxable year, a tax at the ~~rate of three~~
 4 ~~and four-tenths percent (3.4%)~~ **following rate** of adjusted gross income
 5 is imposed upon the adjusted gross income of every resident person,
 6 and on that part of the adjusted gross income derived from sources
 7 within Indiana of every nonresident person:
 8 (1) **For taxable years beginning before January 1, 2014, three**
 9 **and four-tenths percent (3.4%).**
 10 (2) **For taxable years beginning after December 31, 2013, and**
 11 **before January 1, 2015, three and three-tenths percent**
 12 **(3.3%).**
 13 (3) **For taxable years beginning after December 31, 2014, and**
 14 **before January 1, 2016, three and two-tenths percent (3.2%).**
 15 (4) **For taxable years beginning after December 31, 2015, and**
 16 **before January 1, 2017, three and one-tenth percent (3.1%).**
 17 (5) **For taxable years beginning after December 31, 2016,**



- 1 **three percent (3.0%).**
 2 (b) Except as provided in section 1.5 of this chapter, each taxable
 3 year, a tax at the following rate of adjusted gross income is imposed on
 4 that part of the adjusted gross income derived from sources within
 5 Indiana of every corporation:
 6 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).
 7 (2) After June 30, 2012, and before July 1, 2013, eight percent
 8 (8.0%).
 9 (3) After June 30, 2013, and before July 1, 2014, seven and
 10 five-tenths percent (7.5%).
 11 (4) After June 30, 2014, and before July 1, 2015, seven percent
 12 (7.0%).
 13 (5) After June 30, 2015, six and five-tenths percent (6.5%).
 14 (c) If for any taxable year a taxpayer is subject to different tax rates
 15 under subsection (b), the taxpayer's tax rate for that taxable year is the
 16 rate determined in the last STEP of the following STEPS:
 17 STEP ONE: Multiply the number of months in the taxpayer's
 18 taxable year that precede the month the rate changed by the rate
 19 in effect before the rate change.
 20 STEP TWO: Multiply the number of months in the taxpayer's
 21 taxable year that follow the month before the rate changed by the
 22 rate in effect after the rate change.
 23 STEP THREE: Divide the sum of the amounts determined under
 24 STEPS ONE and TWO by twelve (12).
 25 However, the rate determined under this subsection shall be rounded
 26 to the nearest one-hundredth of one percent (0.01%).

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