

SENATE BILL No. 584

DIGEST OF INTRODUCED BILL

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

Synopsis: Individual income tax rate reduction. Reduces the state individual adjusted gross income tax rate to 3.23% for tax years beginning in 2014 and to 3.06% for tax years beginning in 2015 and thereafter.

Effective: July 1, 2013.

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January 15, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

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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. 584



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 **following** rate
4 of ~~three and four-tenths percent (3.4%)~~ of adjusted gross income is
5 imposed upon the adjusted gross income of every resident person, and
6 on that part of the adjusted gross income derived from sources within
7 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 twenty-three hundredths**
12 **percent (3.23%).**

13 (3) **For taxable years beginning after December 31, 2014,**
14 **three and six-hundredths percent (3.06%).**

15 (b) Except as provided in section 1.5 of this chapter, each taxable
16 year, a tax at the following rate of adjusted gross income is imposed on
17 that part of the adjusted gross income derived from sources within



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

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