

HOUSE BILL No. 1140

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-4.

Synopsis: Military income tax deduction. Phases in an increase of the military income tax deduction from \$5,000 to \$7,000. Removes the minimum age requirement for an individual to deduct income received as retirement or survivor's benefits.

Effective: January 1, 2013 (retroactive).

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January 10, 2013, read first time and referred to Committee on Ways and Means.

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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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HOUSE BILL No. 1140



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 6-3-2-4, AS AMENDED BY P.L.6-2012,
 2 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 4. (a) ~~Each taxable year,~~
 4 An individual, or the individual's surviving spouse, is entitled to an
 5 adjusted gross income tax deduction for ~~the first five thousand dollars~~
 6 ~~(\$5,000) of military service related income as follows:~~
 7 (1) For a taxable year beginning in 2013, the first five
 8 thousand dollars (\$5,000) of military service related income.
 9 (2) For a taxable year beginning in 2014, the first six thousand
 10 dollars (\$6,000) of military service related income.
 11 (3) For a taxable year beginning after December 31, 2014, the
 12 first seven thousand dollars (\$7,000) of military service
 13 related income.
 14 (b) As used in this section, "military service related income"
 15 means income, including retirement or survivor's benefits, received
 16 during the taxable year by the individual, or the individual's surviving
 17 spouse, for the individual's service in an active or reserve component



1 of the armed forces of the United States, including the army, navy, air
 2 force, coast guard, marine corps, merchant marine, Indiana army
 3 national guard, or Indiana air national guard. ~~However, a person who~~
 4 ~~is less than sixty (60) years of age on the last day of the person's taxable~~
 5 ~~year; is not, for that taxable year, entitled to a deduction under this~~
 6 ~~section for retirement or survivor's benefits.~~

7 ~~(b)~~ (c) An individual whose qualified military income is subtracted
 8 from the individual's federal adjusted gross income under
 9 IC 6-3-1-3.5(a)(21) for Indiana individual income tax purposes is not,
 10 for that taxable year, entitled to a deduction under this section for the
 11 individual's qualified military income.

12 SECTION 2. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]
 13 (a) **IC 6-3-2-4, as amended by this act, applies to taxable years**
 14 **beginning after December 31, 2012.**

15 (b) **This SECTION expires January 1, 2015.**

16 SECTION 3. **An emergency is declared for this act.**

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