
HOUSE BILL No. 1547

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-34.

Synopsis: Indiana college graduate employment credit. Provides a nonrefundable adjusted gross income tax credit of up to \$1,000 for a taxpayer who: (1) graduates from an Indiana institution of higher education after December 31, 2013; and (2) resides and is employed in Indiana for any part of a taxable year. Provides that the amount of the credit for a taxable year is based on the number of months in which the taxpayer resides and is employed in Indiana. Provides that a taxpayer's eligibility for the credit ends when the taxpayer: (1) has received the credit for 10 consecutive years; or (2) no longer resides or remains employed in Indiana; whichever occurs first.

Effective: July 1, 2013.

Turner

January 22, 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. 1547



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 6-3.1-34 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2013]:
- 4 **Chapter 34. Indiana College Graduate Employment Credit**
- 5 **Sec. 1. This chapter applies only to taxable years beginning after**
- 6 **December 31, 2013.**
- 7 **Sec. 2. The following definitions apply throughout this chapter:**
- 8 (1) "Eligible degree" means any of the following:
- 9 (A) A bachelor's degree.
- 10 (B) A master's degree.
- 11 (C) A doctorate degree.
- 12 (2) "Institution of higher education" means a public or
- 13 private educational institution located within Indiana that:
- 14 (A) normally maintains a regular faculty and curriculum
- 15 and normally has a regularly organized body of students
- 16 in attendance at the location where its educational
- 17 activities are carried out;



1 (B) regularly offers education at a level above grade 12;
 2 (C) regularly awards bachelor's, master's, or doctorate
 3 degrees, or any combination thereof; and
 4 (D) is accredited by the North Central Association of
 5 Colleges and Schools, the Indiana state board of education,
 6 or the Association of Theological Schools in the United
 7 States and Canada.

8 (3) "Period of eligibility" means a period of consecutive
 9 taxable years of an individual:

10 (A) beginning with the individual's taxable year specified
 11 in section 3(c) of this chapter; and

12 (B) ending with the individual's taxable year specified in
 13 section 3(d) of this chapter.

14 (4) "State tax liability" means a taxpayer's total tax liability
 15 incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross
 16 income tax) as computed after the application of all credits
 17 that under IC 6-3.1-1-2 are to be applied before the credit
 18 provided by this chapter.

19 (5) "Taxpayer" means any individual who has any state tax
 20 liability.

21 **Sec. 3. (a) An individual who obtains an eligible degree from an**
 22 **institution of higher education after December 31, 2013, is entitled**
 23 **to a credit against the individual's state tax liability for each**
 24 **taxable year in the individual's period of eligibility during which**
 25 **the individual resides and is employed in Indiana for any part of**
 26 **the taxable year. For purposes of the credit provided by this**
 27 **chapter, employment in Indiana includes self-employment.**

28 **(b) For each taxable year in a taxpayer's period of eligibility, the**
 29 **amount of the credit provided by subsection (a) is equal to:**

30 **(1) one thousand dollars (\$1,000); multiplied by**

31 **(2) a fraction equal to:**

32 **(A) the number of whole months during the taxpayer's**
 33 **taxable year during which the taxpayer resides in and is**
 34 **employed in Indiana; divided by**

35 **(B) twelve (12).**

36 **If a husband and wife file a joint income tax return and each**
 37 **spouse is eligible for the credit during a taxable year, the amount**
 38 **of the credit that may be claimed on the joint return is equal to the**
 39 **amount of the credit the husband is entitled to under this**
 40 **subsection plus the amount of the credit the wife is entitled to**
 41 **under this subsection.**

42 **(c) A taxpayer is first entitled to the credit provided by**

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1 subsection (a) in one (1) of the following taxable years, as
2 applicable:

3 (1) The first taxable year:

4 (A) in which the taxpayer obtains an eligible degree from
5 an institution of higher education; or

6 (B) that begins after the final day of the calendar year in
7 which the taxpayer obtains an eligible degree from an
8 institution of higher education, if the taxpayer obtains the
9 degree in December;

10 if the taxpayer resides and is employed in Indiana not later
11 than three (3) months after the date of the taxpayer's
12 graduation.

13 (2) The first taxable year that begins not later than five (5)
14 years after the taxpayer obtains an eligible degree from an
15 institution of higher education and during which the taxpayer
16 resides and is employed in Indiana for any part of the taxable
17 year, if:

18 (A) subdivision (1) does not apply; and

19 (B) the taxpayer has not previously claimed the credit
20 provided by this chapter.

21 (d) The final taxable year in which a taxpayer may claim the
22 credit provided by this chapter is:

23 (1) the ninth consecutive taxable year following the taxable
24 year described in subsection (c); or

25 (2) the first taxable year following the taxable year described
26 in subsection (c) in which the taxpayer does not reside in or is
27 not employed in Indiana for any part of the taxable year;

28 whichever occurs first. A taxpayer may not claim the credit in any
29 taxable year after the taxpayer's eligibility for the credit
30 terminates under this subsection, even if the taxpayer would
31 otherwise be entitled to receive the credit.

32 Sec. 4. (a) The amount of the credit allowed under this chapter
33 for a taxpayer in a taxable year may not exceed the taxpayer's state
34 tax liability for that taxable year. A taxpayer may not:

35 (1) carry forward the amount of any unused credit to
36 subsequent taxable years; or

37 (2) carry back the amount of any unused credit to prior
38 taxable years.

39 (b) A taxpayer is not entitled to a refund of any unused credit.

40 Sec. 5. To receive the credit provided under this chapter, a
41 taxpayer must claim the credit on the taxpayer's state tax return
42 or returns in the manner prescribed by the department. The

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1 taxpayer shall submit to the department proof of the taxpayer's
2 graduation from an institution of higher education and all
3 information that the department determines is necessary for the
4 calculation of the credit provided by this chapter.

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