



April 5, 2019

ENGROSSED HOUSE BILL No. 1010

DIGEST OF HB 1010 (Updated April 4, 2019 11:03 am - DI 125)

Citations Affected: IC 6-3; noncode.

Synopsis: Income tax deductions. Increases the income tax deduction for income from military retirement or survivor's benefits beginning in 2019.

Effective: January 1, 2019 (retroactive).

Cherry, Cook, Gutwein, Macer

(SENATE SPONSORS — CRIDER, BUCHANAN, HOLDMAN, BOHACEK)

January 7, 2019, read first time and referred to Committee on Ways and Means.
January 24, 2019, reported — Do Pass.
January 28, 2019, read second time, ordered engrossed. Engrossed.
January 29, 2019, read third time, passed. Yeas 95, nays 3.

SENATE ACTION

February 27, 2019, read first time and referred to Committee on Appropriations.
April 4, 2019, amended, reported favorably — Do Pass.

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April 5, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1010

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.214-2018(ss),
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 4. (a) Each taxable year,
4 an individual, or the individual's surviving spouse, is entitled to the
5 following:
6 (1) An adjusted gross income tax deduction for the first five
7 thousand dollars (\$5,000) of income, excluding adjusted gross
8 income described in subdivision (2), received during the taxable
9 year by the individual, or the individual's surviving spouse, for the
10 individual's service in an active or reserve component of the
11 armed forces of the United States, including the army, navy, air
12 force, coast guard, marine corps, merchant marine, Indiana army
13 national guard, or Indiana air national guard.
14 (2) An adjusted gross income tax deduction of ~~six thousand two~~
15 ~~hundred fifty dollars~~ (\$6,250) for income from retirement or
16 survivor's benefits received during the taxable year by the
17 individual, or the individual's surviving spouse, for the

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1 individual's service in an active or reserve component of the
 2 armed forces of the United States, including the army, navy, air
 3 force, coast guard, marine corps, merchant marine, Indiana army
 4 national guard, or Indiana air national guard. **The amount of the
 5 deduction is the lesser of:**

6 **(A) the benefits included in the adjusted gross income of**
 7 **the individual or the individual's surviving spouse; or**

8 **(B) six thousand two hundred fifty dollars (\$6,250) plus the**
 9 **following:**

10 **(i) For taxable years beginning in 2019, fifteen percent**
 11 **(15%) of the amount of the benefits in excess of six**
 12 **thousand two hundred fifty dollars (\$6,250).**

13 **(ii) For taxable years beginning in 2020, thirty percent**
 14 **(30%) of the amount of the benefits in excess of six**
 15 **thousand two hundred fifty dollars (\$6,250).**

16 **(iii) For taxable years beginning in 2021, forty-five**
 17 **percent (45%) of the amount of the benefits in excess of**
 18 **six thousand two hundred fifty dollars (\$6,250).**

19 **(iv) For taxable years beginning after 2021, fifty percent**
 20 **(50%) of the amount of the benefits in excess of six**
 21 **thousand two hundred fifty dollars (\$6,250).**

22 (b) An individual whose qualified military income is subtracted
 23 from the individual's federal adjusted gross income under
 24 IC 6-3-1-3.5(a)(18) for Indiana individual income tax purposes is not,
 25 for that taxable year, entitled to a deduction under this section for the
 26 same qualified military income that is deducted under
 27 IC 6-3-1-3.5(a)(18).

28 SECTION 2. [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]

29 **(a) IC 6-3-2-4, as amended by this act, applies to taxable years**
 30 **beginning after December 31, 2018.**

31 **(b) This SECTION expires June 30, 2022.**

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



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1010, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1010 as introduced.)

HUSTON

Committee Vote: Yeas 23, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1010, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 8.

Page 9, delete lines 1 through 26.

Page 10, line 11, delete "twenty-five" and insert "**fifteen percent (15%)**".

Page 10, line 12, delete "percent (25%)".

Page 10, line 14, delete "fifty percent" and insert "**thirty percent (30%)**".

Page 10, line 15, delete "(50%)".

Page 10, line 17, delete "seventy-five" and insert "**forty-five percent (45%)**".

Page 10, line 18, delete "percent (75%)".

Page 10, line 20, delete "one hundred" and insert "**fifty percent (50%)**".

Page 10, line 21, delete "percent (100%)".

Page 10, delete lines 29 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1010 as printed January 25, 2019.)

MISHLER, Chairperson

Committee Vote: Yeas 13, Nays 0.

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