

# HOUSE BILL No. 1638

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3-15; IC 6-3.6-8-5.

**Synopsis:** State income tax credit for licensed teachers. Provides a state income tax credit for an individual who is a licensed K-12 classroom teacher. Specifies that the credit is limited to state income taxes on the income earned from the individual's employment as a classroom teacher.

**Effective:** January 1, 2018.

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January 24, 2017, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE BILL No. 1638

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 6-3-3-15 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2018]: **Sec. 15. (a) An individual is entitled to a credit**  
4 **against the individual's state adjusted gross income tax liability if,**  
5 **for the taxable year, the individual:**

6 (1) held a license under IC 20-28 to be employed as a teacher  
7 in Indiana; and

8 (2) was employed to primarily provide direct classroom  
9 instruction to students in kindergarten through grade 12 in  
10 Indiana.

11 (b) The amount of the credit is the total amount of state  
12 adjusted gross income tax imposed on that part of the individual's  
13 adjusted gross income that was earned from the individual's  
14 employment as a teacher in Indiana during the taxable year.

15 (c) The credit provided by this section may not exceed the  
16 amount of the individual's state adjusted gross income tax liability  
17 for the taxable year, reduced by the sum of all credits for the



1 **taxable year that are applied before the application of the credit**  
 2 **provided by this section. The amount of any unused credit under**  
 3 **this section for a taxable year may not be carried forward to a**  
 4 **succeeding taxable year, carried back to a preceding taxable year,**  
 5 **or refunded.**

6 SECTION 2. IC 6-3.6-8-5, AS AMENDED BY P.L.197-2016,  
 7 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JANUARY 1, 2018]: Sec. 5. (a) Except as otherwise provided in  
 9 subsection (b) and the other provisions of this article, all provisions of  
 10 the adjusted gross income tax law (IC 6-3) concerning:

- 11 (1) definitions;
- 12 (2) declarations of estimated tax;
- 13 (3) filing of returns;
- 14 (4) deductions or exemptions from adjusted gross income;
- 15 (5) remittances;
- 16 (6) incorporation of the provisions of the Internal Revenue Code;
- 17 (7) penalties and interest; and
- 18 (8) exclusion of military pay credits for withholding;

19 apply to the imposition, collection, and administration of the tax  
 20 imposed by this article.

21 (b) IC 6-3-3-3, IC 6-3-3-5, **IC 6-3-3-15**, and IC 6-3-5-1 do not apply  
 22 to the tax imposed by this article.

23 (c) Notwithstanding subsections (a) and (b), each employer shall  
 24 report to the department of state revenue the amount of withholdings  
 25 attributable to each county. This report shall be submitted to the  
 26 department of state revenue:

- 27 (1) each time the employer remits to the department the tax that  
 28 is withheld; and
- 29 (2) annually along with the employer's annual withholding report.

30 SECTION 3. [EFFECTIVE JANUARY 1, 2018] **(a) IC 6-3-3-15,**  
 31 **as added by this act, applies only to taxable years beginning after**  
 32 **December 31, 2017.**

33 **(b) This SECTION expires June 30, 2019.**

