

HOUSE BILL No. 1019

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-11.

Synopsis: Education foundation tax credit. Provides for an adjusted gross income tax credit for donations to a public school foundation. Provides that the maximum individual taxpayer credit is \$1,000 in the case of a single return or \$2,000 in the case of a joint return. Provides that the maximum corporate taxpayer credit is the greater of 10% of the corporation's total adjusted gross income tax liability or \$5,000.

Effective: January 1, 2024.

Hamilton, Cherry

January 9, 2023, read first time and referred to Committee on Ways and Means.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1019

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 6-3-3-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: **Sec. 11. (a) As used in this section, "public**
4 **school foundation" means an organization that is:**

- 5 (1) **exempt from federal income taxation under Section**
- 6 **501(c)(3) of the Internal Revenue Code; and**
- 7 (2) **organized as an Indiana nonprofit corporation for the**
- 8 **purposes of providing educational funds for scholarships,**
- 9 **teacher education, capital programs, and special programs**
- 10 **for school corporations.**

11 **The term includes a public school foundation established under**
12 **IC 20-26-5-22.5.**

13 (b) **At the election of the taxpayer, a credit is allowed against the**
14 **taxpayer's adjusted gross income tax liability imposed by IC 6-3-1**
15 **through IC 6-3-7 for the taxable year. Subject to the limitations**
16 **provided by this section, the amount allowed is equal to fifty**
17 **percent (50%) of the total amount of all charitable contributions**



1 made by the taxpayer during a taxable year to a public school
2 foundation for use by the public school foundation as provided in
3 IC 20-26-5-22.5.

4 (c) In the case of a taxpayer other than a corporation, the
5 amount allowable as a credit under this section for any taxable
6 year may not exceed:

7 (1) one thousand dollars (\$1,000) in the case of a single return;

8 or

9 (2) two thousand dollars (\$2,000) in the case of a joint return.

10 (d) In the case of a taxpayer that is a corporation, the amount
11 allowable as a credit under this section for any taxable year may
12 not exceed the greater of the following amounts:

13 (1) Ten percent (10%) of the corporation's total adjusted
14 gross income tax liability under IC 6-3-1 through IC 6-3-7 for
15 the taxable year (as determined after applying all other
16 credits against that tax).

17 (2) Five thousand dollars (\$5,000).

18 (e) The credit allowed by this section may not exceed the amount
19 of the adjusted gross income tax liability imposed by IC 6-3-1
20 through IC 6-3-7 for the taxable year, reduced by the sum of all
21 credits (as determined without regard to this section) allowed by
22 IC 6-3-1 through IC 6-3-7.

23 SECTION 2. [EFFECTIVE JANUARY 1, 2024] (a) IC 6-3-3-11,
24 as added by this act, applies to taxable years beginning after
25 December 31, 2023.

26 (b) This SECTION expires December 31, 2027.

