

HOUSE BILL No. 1112

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 for military service.

Effective: January 1, 2014 (retroactive).

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January 9, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1112



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, 2014 (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 2014, the first five**
8 **thousand dollars (\$5,000) of military service related income.**
9 (2) **For a taxable year beginning in 2015, the first six thousand**
10 **dollars (\$6,000) of military service related income.**
11 (3) **For a taxable year beginning after December 31, 2015, 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



1 spouse, for the individual's service in an active or reserve component
2 of the 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. ~~However, a person who~~
5 ~~is less than sixty (60) years of age on the last day of the person's taxable~~
6 ~~year, is not, for that taxable year, entitled to a deduction under this~~
7 ~~section for retirement or survivor's benefits.~~

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

13 SECTION 2. [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]:

14 (a) **IC 6-3-2-4, as amended by this act, applies to taxable years**
15 **beginning after December 31, 2013.**

16 (b) **This SECTION expires January 1, 2016.**

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

