

HOUSE BILL No. 1115

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-38.5.

Synopsis: Zero cost adoption fund. Establishes the zero cost adoption fund (fund). Allows for a credit against a qualified taxpayer's state tax liability in an amount equal to 50% of the qualified taxpayer's contribution to the fund.

Effective: January 1, 2024.

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January 10, 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. 1115

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 6-3.1-38.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]:

4 **Chapter 38.5. Zero Cost Adoption Fund**

5 **Sec. 1. This chapter applies only to taxable years beginning after**
6 **December 31, 2023.**

7 **Sec. 2. As used in this chapter, "fund" means the zero cost**
8 **adoption fund established in section 5 of this chapter.**

9 **Sec. 3. As used in this chapter, "qualified taxpayer" means an**
10 **individual, corporation, limited liability company, partnership, or**
11 **other entity that has any state tax liability and that makes a**
12 **contribution to the fund.**

13 **Sec. 4. As used in this chapter, "state tax liability" means a**
14 **qualified taxpayer's total tax liability that is incurred under:**

- 15 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 16 (2) IC 27-1-18-2 (the insurance premiums tax) or IC 6-8-15
- 17 (the nonprofit agricultural organization health coverage tax);



1 and

2 (3) IC 6-5.5 (the financial institutions tax);
3 as computed after the application of the credits that, under
4 IC 6-3.1-1-2, are to be applied before the credit provided by this
5 chapter.

6 Sec. 5. (a) The zero cost adoption fund is established.

7 (b) The family and social services administration shall
8 administer the fund.

9 (c) The fund consists of:

10 (1) appropriations from the state general fund;

11 (2) private sector contributions;

12 (3) all gifts, grants, devises, and bequests in money, property,
13 or other form made to the fund; and

14 (4) all earnings on investments or on deposits of the fund.

15 (d) The purpose of the fund is to:

16 (1) support proven community based intervention methods to
17 prevent more children from entering foster care;

18 (2) promote adoption and recruit potential adoptive families;

19 (3) award grants to implement adoption sensitive care in
20 health care settings;

21 (4) provide postadoption assistance for reimbursement of
22 up-front adoption costs, counseling services, and other vital
23 care; and

24 (5) make education more affordable for adoptees by
25 contributing ten thousand dollars (\$10,000) per adopted child
26 into a plan under 26 U.S.C. 529 and negotiating with Indiana
27 based public and private colleges for reduced tuition for
28 Indiana adoptees.

29 (e) The family and social services administration shall pay the
30 expenses of administering the fund from money in the fund.

31 Sec. 6. A qualified taxpayer is entitled to a credit against the
32 qualified taxpayer's state tax liability for a contribution to the fund
33 in an amount equal to fifty percent (50%) of the qualified
34 taxpayer's contribution to the fund for a taxable year.

35 Sec. 7. To receive the credit provided by this chapter, a qualified
36 taxpayer must claim the credit on the qualified taxpayer's state tax
37 return or returns in the manner prescribed by the department.

38 Sec. 8. (a) The amount of the credit provided by this chapter
39 that a qualified taxpayer uses during a particular taxable year may
40 not exceed the state tax liability of the taxpayer.

41 (b) If the amount determined under section 6 of this chapter for
42 a particular qualified taxpayer and a particular taxable year



1 exceeds the qualified taxpayer's state tax liability for that taxable
2 year, then the qualified taxpayer may carry the excess over to the
3 immediately succeeding taxable years. The credit carryover may
4 not be used for any taxable year that begins more than ten (10)
5 years after the date on which the donation from which the credit
6 results is made. The amount of the credit carryover from a taxable
7 year shall be reduced to the extent that the carryover is used by the
8 qualified taxpayer to obtain a credit under this chapter for any
9 subsequent taxable year.
10 (c) A qualified taxpayer is not entitled to a carryback or refund
11 of any unused credit.

