

HOUSE BILL No. 1201

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-13.

Synopsis: Tax credit for top STEM graduates. Provides an income tax credit each year for Indiana residents who graduate in 2014, and each year thereafter, from an Indiana college or university with a baccalaureate or more advanced degree as one of the top 1,000 graduates in Indiana in science, technology, engineering, or mathematics (STEM) in that year. Provides that the tax credit is equal to the amount of the individual's Indiana adjusted gross income tax liability in each of the first five taxable years that begin after December 31 of the individual's year of graduation. Requires the commission for higher education to determine and certify an individual's eligibility for the tax credit.

Effective: July 1, 2014.

Pelath

January 14, 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. 1201



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 6-3-3-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 13. (a) As used in this section, "commission" means**
4 **the commission for higher education.**
5 **(b) As used in this section, "qualified individual" means an**
6 **individual who satisfies each of the following criteria:**
7 **(1) The individual is an Indiana resident.**
8 **(2) The individual has been issued a certificate of eligibility by**
9 **the commission certifying the following:**
10 **(A) The individual graduated after December 31, 2013,**
11 **from a state educational institution or a nonprofit college**
12 **or university that is described in IC 20-24-1-2.5 and is**
13 **located in Indiana.**
14 **(B) The individual graduated with a baccalaureate or more**
15 **advanced degree in science, technology, engineering, or**
16 **mathematics.**



1 **(C) The individual graduated as one (1) of the top one**
2 **thousand (1,000) graduates in Indiana in science,**
3 **technology, engineering, or mathematics in the calendar**
4 **year of the student's graduation as determined by the**
5 **commission.**

6 **(c) As used in this section, "qualified taxable year" refers to**
7 **each of the first five (5) taxable years beginning after December 31**
8 **of the calendar year in which a qualified individual's graduation**
9 **with a baccalaureate or more advanced degree in science,**
10 **technology, engineering, or mathematics occurs.**

11 **(d) As used in this section, "state tax liability" means a**
12 **taxpayer's total tax liability that is incurred under IC 6-3-1**
13 **through IC 6-3-7 (the adjusted gross income tax), as computed**
14 **after the application of the credits that, under IC 6-3.1-1-2, are to**
15 **be applied before the credit provided by this section.**

16 **(e) For a qualified taxable year beginning after December 31,**
17 **2014, a qualified individual is allowed a credit against the qualified**
18 **individual's state tax liability. The credit is equal to the amount of**
19 **the qualified individual's state tax liability for that particular**
20 **qualified taxable year.**

21 **(f) Before filing a tax return for the first qualified taxable year**
22 **for which a taxpayer wishes to claim a tax credit under this section,**
23 **the taxpayer must apply to the commission for a certificate of**
24 **eligibility on a form prescribed by the commission. A taxpayer**
25 **shall attach to the application a transcript and any other**
26 **information requested by the commission to enable the commission**
27 **to determine whether the taxpayer satisfies the criteria described**
28 **in subsection (b)(2).**

29 **(g) The commission shall issue a certificate of eligibility to each**
30 **applicant taxpayer determined by the commission to have satisfied**
31 **the criteria described in subsection (b)(2). A certificate of eligibility**
32 **issued by the commission applies to each qualified taxable year for**
33 **which a taxpayer claims a credit under this section. The maximum**
34 **number of certificates of eligibility that may be issued to taxpayers**
35 **graduating in a particular calendar year is one thousand (1,000).**

36 **(h) To receive the tax credit provided by this section, a qualified**
37 **individual must claim the credit on the qualified individual's**
38 **annual state tax return or returns in the manner prescribed by the**
39 **department. The qualified individual shall submit to the**
40 **department a copy of the certificate of eligibility issued under**
41 **subsection (g) and all information that the department determines**
42 **is necessary for the determination of the tax credit provided by this**



- 1 **section.**
- 2 **(i) The commission shall adopt rules under IC 4-22-2:**
- 3 **(1) establishing the criteria for determining the top one**
- 4 **thousand (1,000) graduates in science, technology,**
- 5 **engineering, or mathematics in Indiana in a particular**
- 6 **calendar year; and**
- 7 **(2) prescribing any procedures necessary to implement this**
- 8 **section.**

