

HOUSE BILL No. 1235

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-1.

Synopsis: Reduction of the individual income tax rate. For taxable years beginning after December 31, 2021, reduces the state individual adjusted gross income tax rate from 3.23% to 2.15%.

Effective: January 1, 2022 (retroactive).

Payne, Prescott, Lucas, Jeter

January 6, 2022, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1235

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 6-3-2-1, AS AMENDED BY P.L.212-2018(ss),
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2022 (RETROACTIVE)]: Sec. 1. (a) Each taxable year,
4 a tax at the following rate of adjusted gross income is imposed upon the
5 adjusted gross income of every resident person, and on that part of the
6 adjusted gross income derived from sources within Indiana of every
7 nonresident person:
8 (1) For taxable years beginning before January 1, 2015, three and
9 four-tenths percent (3.4%).
10 (2) For taxable years beginning after December 31, 2014, and
11 before January 1, 2017, three and three-tenths percent (3.3%).
12 (3) For taxable years beginning after December 31, 2016, **and**
13 **before January 1, 2022**, three and twenty-three hundredths
14 percent (3.23%).
15 (4) **For taxable years beginning after December 31, 2021, two**
16 **and fifteen hundredths percent (2.15%).**
17 (b) Except as provided in section 1.5 of this chapter (before its



1 expiration), each taxable year, a tax at the following rate of adjusted
 2 gross income is imposed on that part of the adjusted gross income
 3 derived from sources within Indiana of every corporation:

4 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).

5 (2) After June 30, 2012, and before July 1, 2013, eight percent
 6 (8.0%).

7 (3) After June 30, 2013, and before July 1, 2014, seven and
 8 five-tenths percent (7.5%).

9 (4) After June 30, 2014, and before July 1, 2015, seven percent
 10 (7.0%).

11 (5) After June 30, 2015, and before July 1, 2016, six and
 12 five-tenths percent (6.5%).

13 (6) After June 30, 2016, and before July 1, 2017, six and
 14 twenty-five hundredths percent (6.25%).

15 (7) After June 30, 2017, and before July 1, 2018, six percent
 16 (6.0%).

17 (8) After June 30, 2018, and before July 1, 2019, five and
 18 seventy-five hundredths percent (5.75%).

19 (9) After June 30, 2019, and before July 1, 2020, five and
 20 five-tenths percent (5.5%).

21 (10) After June 30, 2020, and before July 1, 2021, five and
 22 twenty-five hundredths percent (5.25%).

23 (11) After June 30, 2021, four and nine-tenths percent (4.9%).

24 (c) If for any taxable year a taxpayer is subject to different tax rates
 25 under subsection (b), the taxpayer's tax rate for that taxable year is the
 26 rate determined in the last STEP of the following STEPS:

27 STEP ONE: Multiply the number of days in the taxpayer's taxable
 28 year that precede the day the rate changed by the rate in effect
 29 before the rate change.

30 STEP TWO: Multiply the number of days in the taxpayer's
 31 taxable year that follow the day before the rate changed by the
 32 rate in effect after the rate change.

33 STEP THREE: Divide the sum of the amounts determined under
 34 STEPS ONE and TWO by the number of days in the taxpayer's
 35 tax period.

36 However, the rate determined under this subsection shall be rounded
 37 to the nearest one-hundredth of one percent (0.01%).

38 **SECTION 2. An emergency is declared for this act.**

