

HOUSE BILL No. 1381

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-4; IC 10-17-12.5.

Synopsis: Remove age limit on military service tax deduction. Eliminates the age requirement for deducting the first \$5,000 of military service income received by an individual for retirement or survivor's benefits. Establishes the veterans disability clinic fund to provide funding for grants to Indiana law schools that establish or maintain a clinical program that provides law students the opportunity to represent veterans in claims for veterans disability compensation. Appropriates money in the fund.

Effective: January 1, 2014 (retroactive); July 1, 2014.

Speedy

January 15, 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. 1381



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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 income, including retirement or survivor's benefits,
7 received during the taxable year by the individual, or the individual's
8 surviving spouse, for the individual's service in an active or reserve
9 component of the armed forces of the United States, including the
10 army, navy, air force, coast guard, marine corps, merchant marine,
11 Indiana army national guard, or Indiana air national guard. ~~However,~~
12 ~~a person who is less than sixty (60) years of age on the last day of the~~
13 ~~person's taxable year, is not, for that taxable year, entitled to a~~
14 ~~deduction under this section for retirement or survivor's benefits.~~
15 (b) An individual whose qualified military income is subtracted
16 from the individual's federal adjusted gross income under



1 IC 6-3-1-3.5(a)(21) for Indiana individual income tax purposes is not,
 2 for that taxable year, entitled to a deduction under this section for the
 3 individual's qualified military income.

4 SECTION 2. IC 10-17-12.5 IS ADDED TO THE INDIANA CODE
 5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2014]:

7 **Chapter 12.5. Veterans Disability Clinic Fund**

8 **Sec. 1. As used in this chapter, "commission" refers to the**
 9 **Indiana veterans' affairs commission established by IC 10-17-13-4.**

10 **Sec. 2. As used in this chapter, "department" refers to the**
 11 **Indiana department of veterans' affairs established by**
 12 **IC 10-17-1-2.**

13 **Sec. 3. As used in this chapter, "director" refers to the director**
 14 **of veterans' affairs.**

15 **Sec. 4. As used in this chapter, "fund" refers to the veterans**
 16 **disability clinic fund established by section 7 of this chapter.**

17 **Sec. 5. As used in this chapter, "qualified law school" means a**
 18 **law school:**

19 (1) located in Indiana; and

20 (2) approved by the American Bar Association;

21 that operates a veterans disability clinic.

22 **Sec. 6. As used in this chapter, "veterans disability clinic"**
 23 **means a law school clinical program that:**

24 (1) offers practice opportunities to law students to counsel or
 25 represent veterans in claims for veterans disability
 26 compensation;

27 (2) is part of the educational curriculum of the law school;

28 (3) is under the direction of a law school faculty member; and

29 (4) provides legal services at no cost or nominal cost to
 30 veterans.

31 **Sec. 7. (a) The veterans disability clinic fund is established to**
 32 **provide funding for grants to qualified law schools that establish**
 33 **or maintain a veterans disability clinic.**

34 (b) The fund shall be administered by the commission.

35 (c) The fund consists of the following:

36 (1) Appropriations made by the general assembly.

37 (2) Donations to the fund.

38 (3) Interest.

39 (4) Money transferred to the fund from other funds.

40 (5) Money from any other source authorized or appropriated
 41 for the fund.

42 (d) Money in the fund at the end of a state fiscal year does not



1 revert to the state general fund or to any other fund.

2 (e) Money in the fund is continually appropriated to carry out
3 the purposes of the fund.

4 Sec. 8. A qualifying law school that wishes to receive a grant to
5 establish or maintain a veterans disability clinic under this chapter
6 shall consult with the department to:

7 (1) identify veterans in need of counsel or representation in a
8 claim for veterans disability compensation;

9 (2) inform veterans about the availability of legal services
10 through the veterans disability clinic; and

11 (3) develop an educational outreach program as part of the
12 veterans disability clinic to advise veterans of their rights in
13 the claims process for veterans disability compensation.

14 Sec. 9. The commission may adopt rules under IC 4-22-2 to
15 implement this chapter.

16 Sec. 10. The director or a member of the commission may make
17 a request to the general assembly for an appropriation to the fund.

18 SECTION 3. [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]

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

21 (b) This SECTION expires January 1, 2017.

22 SECTION 4. An emergency is declared for this act.

