

# HOUSE BILL No. 1475

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-35.

**Synopsis:** Veterinarian tax credit. Provides a tax credit against the adjusted gross income tax liability of a veterinary services provider that performs a spay-neuter procedure on a companion animal at no cost to the owner of the companion animal. Defines a "companion animal" as a dog or a cat. Defines "veterinary services provider" as a: (1) veterinarian, if the veterinarian provides veterinary services as a sole proprietor; or (2) professional services corporation or other business entity, if a veterinarian provides veterinary services through the veterinarian's affiliation with the professional services corporation or other business entity. Specifies that the amount of the credit is the lesser of: (1) an amount equal to the total number of spay-neuter procedures performed by the veterinary services provider at no cost during the taxable year, multiplied by the average cost of a spay-neuter procedure otherwise charged by the veterinary services provider during the taxable year, multiplied by 5%; or (2) \$2,000.

**Effective:** January 1, 2019 (retroactive).

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## Abbott, Bacon

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January 15, 2019, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## HOUSE BILL No. 1475

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 6-3.1-35 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2019 (RETROACTIVE)];

4 **Chapter 35. Veterinarian Tax Credit**

5 **Sec. 1. As used in this chapter, "companion animal" means a**  
6 **dog or a cat.**

7 **Sec. 2. As used in this chapter, "pass through entity" means:**

- 8 (1) a corporation that is exempt from the adjusted gross
- 9 income tax under IC 6-3-2-2.8(2);
- 10 (2) a partnership;
- 11 (3) a trust;
- 12 (4) a limited liability company; or
- 13 (5) a limited liability partnership.

14 **Sec. 3. As used in this chapter, "spay-neuter procedure" means**  
15 **a procedure performed by a veterinarian to:**

- 16 (1) sterilize a female companion animal by removing the
- 17 ovaries; or



1           (2) castrate a male companion animal by removing the  
2           testicles or by a federal Food and Drug Administration  
3           approved pharmaceutical sterilization.

4           **Sec. 4.** As used in this chapter, "taxpayer" means an individual  
5           or entity that has any state tax liability.

6           **Sec. 5.** As used in this chapter, "veterinary services provider"  
7           means:

8           (1) a veterinarian (as defined in IC 15-17-2-102), if the  
9           veterinarian provides veterinary services as a sole proprietor;  
10          or

11          (2) a professional services corporation or other business entity  
12          authorized under Indiana law to provide veterinary services,  
13          if a veterinarian provides veterinary services through the  
14          veterinarian's affiliation with the professional services  
15          corporation or other business entity.

16          **Sec. 6.** Each taxable year, a taxpayer that:

17          (1) is a veterinary services provider; and  
18          (2) performs a spay-neuter procedure on a companion animal  
19          at no cost to the owner of the companion animal;

20          is entitled to a credit against the taxpayer's adjusted gross income  
21          tax liability in the taxable year in which the taxpayer performs the  
22          spay-neuter procedure.

23          **Sec. 7.** The amount of the taxpayer's credit is the lesser of:

24          (1) an amount equal to the product of:  
25                (A) the total number of spay-neuter procedures performed  
26                on a companion animal by the veterinary services provider  
27                at no cost to the owner of the companion animal during the  
28                taxable year; multiplied by

29                (B) the average amount otherwise charged by the  
30                veterinary services provider for a spay-neuter procedure  
31                performed on a companion animal during the taxable  
32                year; multiplied by

33                (C) five percent (5%); or

34          (2) two thousand dollars (\$2,000).

35          **Sec. 8.** If a pass through entity is entitled to a credit under  
36          section 6 of this chapter but does not have state tax liability against  
37          which the tax credit may be applied, a shareholder, partner,  
38          beneficiary, or member of the pass through entity is entitled to a  
39          tax credit equal to:

40          (1) the tax credit determined for the pass through entity for  
41          the taxable year; multiplied by

42          (2) the percentage of the pass through entity's distributive



1 income to which the shareholder, partner, beneficiary, or  
2 member is entitled.

3 The credit provided under this section is in addition to a tax credit  
4 to which a shareholder, partner, beneficiary, or member of a pass  
5 through entity is entitled. However, a pass through entity and an  
6 individual who is a shareholder, partner, beneficiary, or member  
7 of a pass through entity may not claim more than one (1) credit for  
8 the qualified expenditure.

9 Sec. 9. The credit provided by this chapter may not exceed the  
10 amount of the taxpayer's adjusted gross income tax liability for the  
11 taxable year, reduced by the sum of all credits for the taxable year  
12 that are applied before the application of the credit provided by  
13 this chapter. The amount of any unused credit under this chapter  
14 for a taxable year may not be carried forward to a succeeding  
15 taxable year, carried back to a preceding taxable year, or  
16 refunded.

17 SECTION 2. [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]  
18 (a) IC 6-3.1-35, as added by this act, applies to taxable years  
19 beginning after December 31, 2018.

20 (b) This SECTION expires January 1, 2022.

21 SECTION 3. An emergency is declared for this act.

