

HOUSE BILL No. 1587

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-37.7.

Synopsis: Adoption loan interest tax credit. Provides a state tax credit for interest payments made on adoption related expense loans for taxable years beginning after December 31, 2023.

Effective: July 1, 2023.

McGuire

January 19, 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. 1587

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 6-3.1-37.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]:

4 **Chapter 37.7. Adoption Loan Interest Tax Credit**

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

7 **Sec. 2. As used in this chapter, "credit" refers to a credit**
8 **granted under this chapter.**

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

14 **Sec. 4. As used in this chapter, "taxpayer" means:**

- 15 (1) an individual filing a single return; or
16 (2) a married couple filing a joint return;
17 **that has any state tax liability.**



1 **Sec. 5. At the election of the taxpayer, a credit is allowed against**
2 **the taxpayer's state tax liability for the taxable year equal to the**
3 **amount of interest payments made by the taxpayer during the**
4 **taxable year on loans attributed to expenses incurred for the**
5 **purposes of adopting a child or children.**

6 **Sec. 6. (a) Subject to section 1 of this chapter, if the credit**
7 **provided by this chapter exceeds the taxpayer's state tax liability**
8 **for the taxable year for which the credit is first claimed, the excess**
9 **may be carried forward to succeeding taxable years and used as a**
10 **credit against the taxpayer's state tax liability during those taxable**
11 **years. Each time the credit is carried forward to a succeeding**
12 **taxable year, the credit is reduced by the amount that was used as**
13 **a credit during the immediately preceding taxable year.**

14 **(b) A taxpayer is not entitled to a carryback or refund of any**
15 **unused credit.**

16 **Sec. 7. To apply a credit against the taxpayer's state tax liability,**
17 **a taxpayer must claim the credit on the taxpayer's annual state tax**
18 **return or returns in the manner prescribed by the department. The**
19 **taxpayer shall submit to the department the information that the**
20 **department determines is necessary for the department to**
21 **determine whether the taxpayer is eligible for the credit.**

