

Special Session of the 122nd General Assembly (2022)(ss)

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.

SENATE ENROLLED ACT No. 2(ss)

AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-10-22-3, AS AMENDED BY P.L.146-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) This subsection does not apply in calendar year 2016. If, after completing the presentation to the state budget committee described in section 2 of this chapter, the amount of the excess reserves is fifty million dollars (\$50,000,000) or more, the governor shall do the following:

- (1) If the year is calendar year 2013, transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. If the year is calendar year 2014 or the calendar year is 2017 or an odd-numbered year thereafter **other than calendar year 2023**, transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. **If the year is calendar year 2023, transfer the first one billion dollars (\$1,000,000,000) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.**
- (2) If the year is calendar year 2014 or the calendar year is 2017 or an odd-numbered year thereafter **other than calendar year**

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2023, use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter. **If the year is calendar year 2023, after transferring the first one billion dollars (\$1,000,000,000) to the pension stabilization fund under subdivision (1), use the remaining excess reserves, if any, for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.**

(b) This subsection applies in calendar year 2016. If excess reserves exist, and after completing the calculation required in section 1 of this chapter and the presentation to the state budget committee described in section 2 of this chapter, the governor shall transfer one hundred percent (100%) of the excess reserves as follows:

- (1) Fifty-five percent (55%) of the excess reserves transferred shall be transferred to the state highway fund.
- (2) Forty-five percent (45%) of the excess reserves transferred shall be transferred to the local road and bridge matching grant fund established by IC 8-23-30.

This transfer shall be made from the state general fund. Money transferred to the state highway fund under this subsection is appropriated from the state highway fund to the Indiana department of transportation for the Indiana department of transportation's use for preserving and reconstructing existing state highways and bridges for which the Indiana department of transportation is responsible. Money transferred to the state highway fund under this subsection does not revert to the state general fund at the end of a state fiscal year.

SECTION 2. IC 4-10-22-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:** **Sec. 4.5. (a) If a taxpayer is eligible for an automatic taxpayer refund under section 4 of this chapter as a result of a determination under section 1 of this chapter made during calendar year 2021, the taxpayer is eligible for an additional automatic taxpayer refund equal to two hundred dollars (\$200) to be paid in calendar year 2022.**

(b) A taxpayer who:

- (1) is not eligible for an additional taxpayer refund under subsection (a);**
- (2) was not claimed as a dependent of any other taxpayer for taxable year 2022;**
- (3) received Social Security benefits in calendar year 2022;**
and
- (4) files, before January 1, 2024, an Indiana resident**

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individual adjusted gross income tax return for the taxpayer's 2022 taxable year;
is eligible for a refundable tax credit equal to two hundred dollars (\$200), regardless of whether the Social Security benefits described in subdivision (3) are included in the taxpayer's federal adjusted gross income by Section 86 of the Internal Revenue Code for the 2022 taxable year. The department shall amend the applicable Indiana individual income tax forms to allow a taxpayer to claim the refundable tax credit under this subsection. The department may also prescribe any other tax forms, and require a taxpayer to provide any other information, the department deems necessary to verify a taxpayer's eligibility for a refundable tax credit under this subsection.

(c) The department of state revenue may issue the automatic taxpayer refund for taxable year 2021 and the additional automatic taxpayer refund under subsection (a) as one (1) combined payment or separate payments. However, the department shall issue one (1) combined payment to the extent allowable and practicable for refunds issued after August 1, 2022.

(d) This section expires June 30, 2023.

SECTION 3. IC 4-12-1-17.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.2. (a) As used in this section, "fund" refers to the Hoosier Families First Fund established by subsection (b).

(b) The Hoosier Families First Fund is established for the purposes of this section. The fund shall be administered by the budget agency.

(c) Forty-five million dollars (\$45,000,000) is appropriated from the state general fund to the fund for the state fiscal year beginning July 1, 2022, and ending June 30, 2023, for allotment as set forth in subsection (d).

(d) The budget agency may allot money from the fund to the department of child services, the family and social services administration, the Indiana department of health, and the department of homeland security to provide additional funding for existing programs and new programs with the following purposes:

- (1) To support the health of pregnant women, postpartum mothers, and infants.**
- (2) To support pregnancy planning, including addressing barriers to long acting reversible contraception.**
- (3) To support the needs of families with children less than**



four (4) years of age who are low income or lack access to resources.

(4) To increase the number of families served under the Child Care Development Fund.

(5) To support Indiana's foster families and adoptive families.

(6) To support prevention based programming that would prevent children from entering the department of child services system.

(7) To support funding for newborn safety devices as described in IC 31-34-2.5-1.

(8) To provide funding to providers of maternal support services and services to help pregnant women and their families bring their pregnancy to term. To be eligible for funding under this subdivision, providers may not be affiliated with any abortion clinic (as defined in IC 16-18-2-1.5).

(e) A provider of services described in subsection (d)(8) that wishes to receive money from the fund must apply to, and in the manner prescribed by, the budget agency or the agency administering the program. Any funds awarded to providers under subsection (d)(8) must be awarded on a competitive basis following receipt and review of providers' applications.

(f) Money in the fund at the end of the state fiscal year ending June 30, 2023, reverts to the state general fund.

(g) The budget committee shall review the money allotted under this section at the next regularly scheduled meeting of the budget committee following the release of the funds.

SECTION 4. IC 6-2.5-1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.5. "Children's diapers" means disposable or reusable diapers marketed to be worn by children.**

SECTION 5. IC 6-2.5-1-15.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.7. "Diaper" means an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements.**

SECTION 6. IC 6-2.5-3.5-15, AS ADDED BY P.L.227-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) Before the twenty-second day of each month, the department shall determine and provide a notice of the gasoline use tax rate to be used during the following month and the**

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source of the data used to determine the gasoline use tax rate and the statewide average retail price per gallon of gasoline. The notice shall be published on the department's Internet web site in a departmental notice.

(b) In determining the gasoline use tax rate under this section, the department shall use:

- (1) the statewide average retail price per gallon of gasoline (based on the retail price per gallon of gasoline from the sixteenth day of the previous month to the fifteenth day of the current month), excluding the Indiana gasoline tax, federal gasoline tax, the Indiana gasoline use tax, and Indiana gross retail tax (if any); multiplied by
- (2) seven percent (7%).

To determine the statewide average retail price, the department shall use a data service that updates the most recent retail price of gasoline. The gasoline use tax rate per gallon of gasoline determined by the department under this section shall be rounded to the nearest one-tenth of one cent (\$0.001).

(c) Notwithstanding subsections (a) and (b), the gasoline use tax rate imposed on a transaction that occurs beginning on the first day following the enactment into law of this subsection and continuing through June 30, 2023, is the lesser of:

- (1) the monthly gasoline use tax rate per gallon of gasoline as determined by the department under subsections (a) and (b);**
- or**
- (2) twenty-nine and five-tenths cents (\$0.295) per gallon of gasoline.**

This subsection expires July 1, 2023.

SECTION 7. IC 6-2.5-5-57 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 57. Sales of children's diapers are exempt from the state gross retail tax.**

SECTION 8. IC 6-3-1-3.5, AS AMENDED BY P.L.178-2022(ts), SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Except as provided in subsection (c), add an amount equal to

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any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code (as effective January 1, 2017);

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) One thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).

(B) One thousand five hundred dollars (\$1,500) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual:

(i) who is less than nineteen (19) years of age or is a full-time student who is less than twenty-four (24) years of age;

(ii) for whom the taxpayer is the legal guardian; and

(iii) for whom the taxpayer does not claim an exemption under clause (A). ~~and~~

(C) Five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the federal adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000). In the case of a married individual filing a separate return, the qualifying income amount in this clause is equal to twenty thousand dollars (\$20,000).

(D) Three thousand dollars (\$3,000) for each exemption allowed under Section 151(c) of the Internal Revenue Code (as effective January 1, 2017) for an individual who is:

(i) an adopted child of the taxpayer; and

(ii) less than nineteen (19) years of age or is a full-time



**student who is less than twenty-four (24) years of age.
This amount is in addition to any amount subtracted under
clause (A) or (B).**

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(7) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(8) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(9) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), and (5) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(10) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(11) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(12) Subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse if the taxpayer and the taxpayer's spouse file a joint income tax return or the taxpayer is otherwise entitled to a deduction under this subdivision for the taxpayer's spouse, or both.

(13) Subtract an amount equal to the lesser of:

(A) two thousand five hundred dollars (\$2,500), or one thousand two hundred fifty dollars (\$1,250) in the case of a



married individual filing a separate return; or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(14) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(16) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

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The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(18) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(19) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(20) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(21) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(22) Subtract an amount as described in Section 1341(a)(2) of the Internal Revenue Code to the extent, if any, that the amount was previously included in the taxpayer's adjusted gross income for a prior taxable year.

(23) For taxable years beginning after December 25, 2016, add an amount equal to the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code.

(24) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any



interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(25) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(26) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount of the deduction claimed under Section 62(a)(22) of the Internal Revenue Code.

(27) For taxable years beginning after December 31, 2019, for payments made by an employer under an education assistance program after March 27, 2020:

(A) add the amount of payments by an employer that are excluded from the taxpayer's federal gross income under Section 127(c)(1)(B) of the Internal Revenue Code; and

(B) deduct the interest allowable under Section 221 of the Internal Revenue Code, if the disallowance under Section 221(e)(1) of the Internal Revenue Code did not apply to the payments described in clause (A). For purposes of applying Section 221(b) of the Internal Revenue Code to the amount allowable under this clause, the amount under clause (A) shall not be added to adjusted gross income.

(28) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(29) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:

(A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (15) and (17) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year



modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.

(B) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:

- (i) the modification for the property otherwise determined under this section; minus
- (ii) the excess business loss disallowed under this subdivision;

but not less than zero (0).

(C) The portion of the modifications under subdivisions (15) and (17) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).

(D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (15), then to the modification under subdivision (17).

(30) Add an amount equal to the amount excluded from federal gross income under Section 108(f)(5) of the Internal Revenue Code. For purposes of this subdivision:

(A) if an amount excluded under Section 108(f)(5) of the Internal Revenue Code would be excludible under Section 108(a)(1)(B) of the Internal Revenue Code, the exclusion under Section 108(a)(1)(B) of the Internal Revenue Code shall take precedence; and

(B) if an amount would have been excludible under Section 108(f)(5) of the Internal Revenue Code as in effect on January 1, 2020, the amount is not required to be added back under this subdivision.

(31) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.



(32) Subtract the amount of an annual grant amount distributed to a taxpayer's Indiana education scholarship account under IC 20-51.4-4-2 that is used for a qualified expense (as defined in IC 20-51.4-2-9) or to an Indiana enrichment scholarship account under IC 20-52 that is used for qualified expenses (as defined in IC 20-52-2-6), to the extent the distribution used for the qualified expense is included in the taxpayer's federal adjusted gross income under the Internal Revenue Code.

(33) For taxable years beginning after December 31, 2019, and before January 1, 2021, add an amount equal to the amount of unemployment compensation excluded from federal gross income under Section 85(c) of the Internal Revenue Code.

(34) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(35) Subtract any other amounts the taxpayer is entitled to deduct under IC 6-3-2.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Except as provided in subsection (c), add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section

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172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Add to the extent required by IC 6-3-2-20:

(A) the amount of intangible expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes; and

(B) any directly related interest expenses (as defined in IC 6-3-2-20) that reduced the corporation's adjusted gross income (determined without regard to this subdivision). For purposes of this clause, any directly related interest expense that constitutes business interest within the meaning of Section 163(j) of the Internal Revenue Code shall be considered to have reduced the taxpayer's federal taxable income only in the



first taxable year in which the deduction otherwise would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(9) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(10) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(11) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(12) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(13) For taxable years beginning after December 25, 2016:

(A) for a corporation other than a real estate investment trust, add:

(i) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(ii) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(B) for a real estate investment trust, add an amount equal to



the deduction for deferred foreign income that was claimed by the taxpayer for the taxable year under Section 965(c) of the Internal Revenue Code, but only to the extent that the taxpayer included income pursuant to Section 965 of the Internal Revenue Code in its taxable income for federal income tax purposes or is required to add back dividends paid under subdivision (9).

(14) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(15) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(16) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(17) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(18) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.



(19) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(20) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:

(1) For taxable years beginning after December 31, 2018, and before January 1, 2020, a taxpayer is required to add back under this section eighty-seven and five-tenths percent (87.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(2) For taxable years beginning after December 31, 2019, and before January 1, 2021, a taxpayer is required to add back under this section seventy-five percent (75%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(3) For taxable years beginning after December 31, 2020, and before January 1, 2022, a taxpayer is required to add back under this section sixty-two and five-tenths percent (62.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(4) For taxable years beginning after December 31, 2021, and before January 1, 2023, a taxpayer is required to add back under this section fifty percent (50%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(5) For taxable years beginning after December 31, 2022, and before January 1, 2024, a taxpayer is required to add back under this section thirty-seven and five-tenths percent (37.5%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(6) For taxable years beginning after December 31, 2023, and before January 1, 2025, a taxpayer is required to add back under this section twenty-five percent (25%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(7) For taxable years beginning after December 31, 2024, and before January 1, 2026, a taxpayer is required to add back under this section twelve and five-tenths percent (12.5%) of any



deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(8) For taxable years beginning after December 31, 2025, a taxpayer is not required to add back under this section any amount of a deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(d) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

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(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

- (i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;
- (ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and
- (iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under



Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(12) For taxable years beginning after December 25, 2016, add:

(A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(16) Add an amount equal to the remainder of:

(A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus

(B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.

(17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:

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(A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(19) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(e) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code (concerning charitable contributions).

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 832(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code (concerning foreign tax credits).

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service



in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(8) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(9) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section



108(i) of the Internal Revenue Code.

(10) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(11) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(12) For taxable years beginning after December 25, 2016, add:
 (A) an amount equal to the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1; or
 (B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code.

(13) Add an amount equal to the deduction that was claimed by the taxpayer for the taxable year under Section 250(a)(1)(B) of the Internal Revenue Code (attributable to global intangible low-taxed income). The taxpayer shall separately specify the amount of the reduction under Section 250(a)(1)(B)(i) of the Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the Internal Revenue Code.

(14) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(15) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(16) Add an amount equal to the remainder of:
 (A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus



- (B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.
- (17) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
- (A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law 116-260); and
 - (B) Section 3134(e) of the Internal Revenue Code.
- (18) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.
- (19) Add or subtract any other amounts the taxpayer is:
- (A) required to add or subtract; or
 - (B) entitled to deduct;
- under IC 6-3-2.
- (f) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:
- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
 - (2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
 - (3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
 - (4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code (concerning net operating losses).
 - (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service



in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding the sum of:

(A) twenty-five thousand dollars (\$25,000) to the extent deductions under Section 179 of the Internal Revenue Code were not elected as provided in clause (B); and

(B) for taxable years beginning after December 31, 2017, the deductions elected under Section 179 of the Internal Revenue Code on property acquired in an exchange if:

(i) the exchange would have been eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code in effect on January 1, 2017;

(ii) the exchange is not eligible for nonrecognition of gain or loss under Section 1031 of the Internal Revenue Code; and

(iii) the taxpayer made an election to take deductions under Section 179 of the Internal Revenue Code with regard to the acquired property in the year that the property was placed into service.

The amount of deductions allowable for an item of property under this clause may not exceed the amount of adjusted gross income realized on the property that would have been deferred under the Internal Revenue Code in effect on January 1, 2017.

(6) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7 (certain income derived from patents); and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(7) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section



108(i) of the Internal Revenue Code.

(8) Add the amount excluded from federal gross income under Section 103 of the Internal Revenue Code for interest received on an obligation of a state other than Indiana, or a political subdivision of such a state, that is acquired by the taxpayer after December 31, 2011.

(9) For taxable years beginning after December 25, 2016, add an amount equal to:

(A) the amount reported by the taxpayer on IRC 965 Transition Tax Statement, line 1;

(B) if the taxpayer deducted an amount under Section 965(c) of the Internal Revenue Code in determining the taxpayer's taxable income for purposes of the federal income tax, the amount deducted under Section 965(c) of the Internal Revenue Code; and

(C) with regard to any amounts of income under Section 965 of the Internal Revenue Code distributed by the taxpayer, the deduction under Section 965(c) of the Internal Revenue Code attributable to such distributed amounts and not reported to the beneficiary.

For purposes of this article, the amount required to be added back under clause (B) is not considered to be distributed or distributable to a beneficiary of the estate or trust for purposes of Sections 651 and 661 of the Internal Revenue Code.

(10) Subtract any interest expense paid or accrued in the current taxable year but not deducted as a result of the limitation imposed under Section 163(j)(1) of the Internal Revenue Code. Add any interest expense paid or accrued in a previous taxable year but allowed as a deduction under Section 163 of the Internal Revenue Code in the current taxable year. For purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under Section 163 of the Internal Revenue Code if the limitation under Section 163(j)(1) of the Internal Revenue Code did not exist.

(11) Add an amount equal to the deduction for qualified business income that was claimed by the taxpayer for the taxable year under Section 199A of the Internal Revenue Code.

(12) Subtract the amount that would have been excluded from gross income but for the enactment of Section 118(b)(2) of the Internal Revenue Code for taxable years ending after December 22, 2017.

(13) Add an amount equal to the remainder of:

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- (A) the amount allowable as a deduction under Section 274(n) of the Internal Revenue Code; minus
- (B) the amount otherwise allowable as a deduction under Section 274(n) of the Internal Revenue Code, if Section 274(n)(2)(D) of the Internal Revenue Code was not in effect for amounts paid or incurred after December 31, 2020.
- (14) For taxable years beginning after December 31, 2017, and before January 1, 2021, add an amount equal to the excess business loss of the taxpayer as defined in Section 461(l)(3) of the Internal Revenue Code. In addition:
- (A) If a taxpayer has an excess business loss under this subdivision and also has modifications under subdivisions (3) and (5) for property placed in service during the taxable year, the taxpayer shall treat a portion of the taxable year modifications for that property as occurring in the taxable year the property is placed in service and a portion of the modifications as occurring in the immediately following taxable year.
- (B) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year in which the property is placed in service equals:
- (i) the modification for the property otherwise determined under this section; minus
- (ii) the excess business loss disallowed under this subdivision;
- but not less than zero (0).
- (C) The portion of the modifications under subdivisions (3) and (5) for property placed in service during the taxable year treated as occurring in the taxable year immediately following the taxable year in which the property is placed in service equals the modification for the property otherwise determined under this section minus the amount in clause (B).
- (D) Any reallocation of modifications between taxable years under clauses (B) and (C) shall be first allocated to the modification under subdivision (3), then to the modification under subdivision (5).
- (15) For taxable years ending after March 12, 2020, subtract an amount equal to the deduction disallowed pursuant to:
- (A) Section 2301(e) of the CARES Act (Public Law 116-136), as modified by Sections 206 and 207 of the Taxpayer Certainty and Disaster Relief Tax Act (Division EE of Public Law



116-260); and

(B) Section 3134(e) of the Internal Revenue Code.

(16) For taxable years beginning after December 31, 2022, subtract an amount equal to the deduction disallowed under Section 280C(h) of the Internal Revenue Code.

(17) Add or subtract any other amounts the taxpayer is:

(A) required to add or subtract; or

(B) entitled to deduct;

under IC 6-3-2.

(g) Subsections (a)(35), (b)(20), (d)(19), (e)(19), or (f)(17) may not be construed to require an add back or allow a deduction or exemption more than once for a particular add back, deduction, or exemption.

(h) For taxable years beginning after December 25, 2016, if:

(1) a taxpayer is a shareholder, either directly or indirectly, in a corporation that is an E&P deficit foreign corporation as defined in Section 965(b)(3)(B) of the Internal Revenue Code, and the earnings and profit deficit, or a portion of the earnings and profit deficit, of the E&P deficit foreign corporation is permitted to reduce the federal adjusted gross income or federal taxable income of the taxpayer, the deficit, or the portion of the deficit, shall also reduce the amount taxable under this section to the extent permitted under the Internal Revenue Code, however, in no case shall this permit a reduction in the amount taxable under Section 965 of the Internal Revenue Code for purposes of this section to be less than zero (0); and

(2) the Internal Revenue Service issues guidance that such an income or deduction is not reported directly on a federal tax return or is to be reported in a manner different than specified in this section, this section shall be construed as if federal adjusted gross income or federal taxable income included the income or deduction.

(i) If a partner is required to include an item of income, a deduction, or another tax attribute in the partner's adjusted gross income tax return pursuant to IC 6-3-4.5, such item shall be considered to be includible in the partner's federal adjusted gross income or federal taxable income, regardless of whether such item is actually required to be reported by the partner for federal income tax purposes. For purposes of this subsection:

(1) items for which a valid election is made under IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included in the partner's adjusted gross income or taxable income; and

(2) items for which the partnership did not make an election under

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IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the partnership is required to remit tax pursuant to IC 6-3-4.5-18, shall be included in the partner's adjusted gross income or taxable income.

SECTION 9. IC 6-3-3-13, AS ADDED BY P.L.132-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)]: Sec. 13. (a) This section applies only to taxable years beginning after December 31, 2014.

(b) Each taxable year, an individual who is eligible to claim the credit provided by Section 23 of the Internal Revenue Code on the individual's federal return for the taxable year is entitled to a credit against the individual's adjusted gross income tax liability for the taxable year equal to the lesser of:

- (1) the amount of the credit allowable under Section 23 of the Internal Revenue Code for each eligible child on the individual's federal return for the taxable year multiplied by ~~ten percent (10%)~~; **twenty percent (20%)**; or
- (2) ~~one thousand dollars (\$1,000)~~ **two thousand five hundred dollars (\$2,500)** for each eligible child.

(c) ~~The credit provided by this section may not exceed the amount of the taxpayer's adjusted gross income tax liability for the taxable year, reduced by the sum of all credits for the taxable year that are applied before the application of the credit provided by this section. The amount of any unused credit under this section for a taxable year may not be carried forward to a succeeding taxable year, carried back to a preceding taxable year, or refunded.~~

(c) If the amount of the credit under this section exceeds the taxpayer's state income tax liability for the taxable year, the excess shall be refunded to the taxpayer.

(d) If all or part of the credit allowed under Section 23 of the Internal Revenue Code for a taxable year beginning after December 31, 2014, is required to be claimed in, or carried forward to, a taxable year after the taxable year in which the credit is first allowed, the part carried forward and allowed to be claimed as a credit shall be treated as allowable under subsection (b), **however, to the extent that a portion of a taxpayer's federal credit under Section 23 of the Internal Revenue Code is carried forward to a subsequent taxable year, the aggregate sum of credits claimed by the taxpayer under this section over the applicable taxable years may not exceed two thousand five hundred dollars (\$2,500).** A credit first allowed under Section 23 of the Internal Revenue Code for a taxable year beginning before January 1, 2015, and required to be claimed in, or carried

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forward to, a taxable year after the taxable year in which the credit is first allowed shall not be treated as allowable under subsection (b).

SECTION 10. IC 12-7-2-22, AS AMENDED BY P.L.86-2018, SECTION 152, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. "Board" means the following:

(1) For purposes of IC 12-8-6.5-14, the meaning set forth in IC 12-8-6.5-14(a).

(2) For purposes of IC 12-10-10 and IC 12-10-11, the community and home options to institutional care for the elderly and disabled board established by IC 12-10-11-1.

(3) For purposes of IC 12-11-14, the meaning set forth in IC 12-11-14-3.

(4) For purposes of IC 12-12-7-5, the meaning set forth in IC 12-12-7-5(a).

(5) For purposes of IC 12-15-35, the meaning set forth in IC 12-15-35-2.

SECTION 11. IC 12-7-2-69.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 69.7. "Doula" means an individual who is trained and certified by a nationally recognized institution in providing emotional and physical support, but not medical or midwife care, to pregnant women before, during, and after childbirth.**

SECTION 12. IC 12-8-6.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. (a) Before November 1, 2022, the office shall research and compile data concerning the total Medicaid reimbursement for inpatient hospital services and outpatient hospital and clinical services, distinguishing base rates, supplemental payment rates, and any other payment that contributes to total Medicaid reimbursement, for Indiana and all states bordering Indiana, by Medicaid provider type, for the following services:**

(1) Prenatal obstetric and gynecological services.

(2) Pregnancy delivery care.

(3) Postnatal care.

(4) Wellness pediatric services.

(b) Not later than December 1, 2022, the office shall prepare a report of the office's findings under subsection (a) and submit the report to the general assembly in an electronic format under IC 5-14-6. The report must include base Medicaid reimbursement

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rates for each state and a comparison with Indiana base Medicaid reimbursement rates.

(c) This section expires January 1, 2023.

SECTION 13. IC 12-8-6.5-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section, "board" refers to the doula reimbursement advisory board established by subsection (b).**

(b) The doula reimbursement advisory board is established for the purpose of making recommendations to the office of the secretary regarding appropriate reimbursement methodologies for doula services.

(c) The board is comprised of the following members:

(1) Four (4) legislative members appointed as follows:

(A) One (1) member of the senate, appointed by the president pro tempore of the senate.

(B) One (1) member of the senate, appointed by the minority leader of the senate.

(C) One (1) member of the house of representatives, appointed by the speaker of the house of representatives.

(D) One (1) member of the house of representatives, appointed by the minority leader of the house of representatives.

(2) Nine (9) lay members appointed as follows, subject to subsections (d) and (e):

(A) One (1) member appointed by the governor.

(B) One (1) member appointed by the president pro tempore of the senate.

(C) One (1) member appointed by the minority leader of the senate.

(D) One (1) member appointed by the speaker of the house of representatives.

(E) One (1) member appointed by the minority leader of the house of representatives.

(F) One (1) member appointed by the secretary.

(G) One (1) member appointed by the state health commissioner.

(H) One (1) member appointed by the director of the department of child services.

(I) One (1) member appointed by the chief operating officer of the Indiana Minority Health Coalition.

(d) A lay member of the board must be a doula, doula



administrator, or other birthing professional.

(e) The lay membership of the board must be racially and ethnically diverse.

(f) In making recommendations to the office of the secretary under subsection (b), the board shall study and take into account doula reimbursement methodologies used by other states.

SECTION 14. IC 12-15-2-13, AS AMENDED BY P.L.117-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A pregnant woman whose family income does not exceed the income level established in subsection (b) is eligible to receive Medicaid coverage under 42 CFR 435.116.

(b) A pregnant woman described in this section is eligible to receive Medicaid, subject to subsection (c) and 42 U.S.C. 1396a et seq., if her family income does not exceed two hundred eight percent (208%) of the federal income poverty level for the same size family.

(c) Medicaid is available to a pregnant woman described in this section for:

- (1) the duration of the pregnancy; and
- (2) a period of time determined by the office of the secretary.

The postpartum period of time determined by the office of the secretary must **not** be ~~at least sixty (60) days but not more less~~ than twelve (12) months of a postpartum period that begins on the last day of the pregnancy, without regard to any change in income of the family of which she is a member during that time.

SECTION 15. IC 12-15-5-1, AS AMENDED BY P.L.117-2022, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** Except as provided in IC 12-15-2-12, IC 12-15-6, and IC 12-15-21, the following services and supplies are provided under Medicaid:

- (1) Inpatient hospital services.
- (2) Nursing facility services.
- (3) Physician's services, including services provided under IC 25-10-1 and IC 25-22.5-1.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.
- (7) Physical therapy and related services.
- (8) Dental services.
- (9) Prescribed laboratory and x-ray services.
- (10) Prescribed drugs and pharmacist services.
- (11) Eyeglasses and prosthetic devices.
- (12) Optometric services.

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- (13) Diagnostic, screening, preventive, and rehabilitative services.
 - (14) Podiatric medicine services.
 - (15) Hospice services.
 - (16) Services or supplies recognized under Indiana law and specified under rules adopted by the office.
 - (17) Family planning services except the performance of abortions.
 - (18) Nonmedical nursing care given in accordance with the tenets and practices of a recognized church or religious denomination to an individual qualified for Medicaid who depends upon healing by prayer and spiritual means alone in accordance with the tenets and practices of the individual's church or religious denomination.
 - (19) Services provided to individuals described in IC 12-15-2-8.
 - (20) Services provided under IC 12-15-34 and IC 12-15-32.
 - (21) Case management services provided to individuals described in IC 12-15-2-13.
 - (22) Any other type of remedial care recognized under Indiana law and specified by the United States Secretary of Health and Human Services.
 - (23) Examinations required under IC 16-41-17-2(a)(10).
 - (24) Inpatient substance abuse detoxification services.
 - (25) Chronic pain management.
 - (26) Donated breast milk that meets requirements developed by the office of Medicaid policy and planning.**
- (b) The office shall do the following:**
- (1) Apply to the United States Department of Health and Human Services for any state plan amendment or waiver necessary to implement the services or supplies described in subsection (a)(26).**
 - (2) Develop requirements for donated breast milk as described in subsection (a)(26).**
 - (3) As soon as practicable, but not later than January 1, 2023, the office shall:**
 - (A) seek any necessary approval from the United States Department of Health and Human Services; and**
 - (B) adopt any written policies, procedures, or regulations determined necessary;****to provide reimbursement for long-acting reversible contraception. This subdivision expires June 30, 2023.**
- SECTION 16. IC 12-15-44.5-3.5, AS ADDED BY P.L.30-2016, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) The plan must include the following

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in a manner and to the extent determined by the office:

- (1) Mental health care services.
- (2) Inpatient hospital services.
- (3) Prescription drug coverage, including coverage of a long acting, nonaddictive medication assistance treatment drug if the drug is being prescribed for the treatment of substance abuse.
- (4) Emergency room services.
- (5) Physician office services.
- (6) Diagnostic services.
- (7) Outpatient services, including therapy services.
- (8) Comprehensive disease management.
- (9) Home health services, including case management.
- (10) Urgent care center services.
- (11) Preventative care services.
- (12) Family planning services:
 - (A) including contraceptives and sexually transmitted disease testing, as described in federal Medicaid law (42 U.S.C. 1396 et seq.); and
 - (B) not including abortion or abortifacients.
- (13) Hospice services.
- (14) Substance abuse services.
- (15) ~~Pregnancy services.~~ **Donated breast milk that meets requirements developed by the office of Medicaid policy and planning.**
- (16) A service determined by the secretary to be required by federal law as a benchmark service under the federal Patient Protection and Affordable Care Act.

(b) The plan may not permit treatment limitations or financial requirements on the coverage of mental health care services or substance abuse services if similar limitations or requirements are not imposed on the coverage of services for other medical or surgical conditions.

(c) The plan may provide vision services and dental services only to individuals who regularly make the required monthly contributions for the plan as set forth in section 4.7(c) of this chapter.

(d) The benefit package offered in the plan:

- (1) must be benchmarked to a commercial health plan described in 45 CFR 155.100(a)(1) or 45 CFR 155.100(a)(4); and
- (2) may not include a benefit that is not present in at least one (1) of these commercial benchmark options.

(e) The office shall provide to an individual who participates in the plan a list of health care services that qualify as preventative care

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services for the age, gender, and preexisting conditions of the individual. The office shall consult with the federal Centers for Disease Control and Prevention for a list of recommended preventative care services.

(f) The plan shall, at no cost to the individual, provide payment of preventative care services described in 42 U.S.C. 300gg-13 for an individual who participates in the plan.

(g) The plan shall, at no cost to the individual, provide payments of not more than five hundred dollars (\$500) per year for preventative care services not described in subsection (f). Any additional preventative care services covered under the plan and received by the individual during the year are subject to the deductible and payment requirements of the plan.

(h) The office shall apply to the United States Department of Health and Human Services for any amendment to the waiver necessary to implement the providing of the services or supplies described in subsection (a)(15). This subsection expires July 1, 2024.

SECTION 17. IC 16-46-14-3, AS AMENDED BY P.L.204-2016, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A person seeking a grant under this chapter must submit a proposal to the state department.

(b) **Except as provided in section 4.5(b) or 4.6 of this chapter,** a proposal for a grant under this chapter must include the following:

- (1) The targeted area.
- (2) Measurable behavioral or secondary outcomes within the target area.
- (3) A proposed specific reduction in the rate of infant mortality among the targeted area that is measurable based on available information to the state department.
- (4) The time frame in which to achieve the reduction described in subdivision (3).

(c) The state department shall determine whether to approve a grant proposal. **Except as provided in section 4.5(c) or 4.6 of this chapter,** if the state department approves a proposal, the initial award amount shall not exceed sixty percent (60%) of the total grant amount approved for the proposal. The state department shall distribute the remaining amount of the approved grant to the grantee when the state department determines that the reduction in the infant mortality rate among the proposal's targeted area has been achieved within the time frame specified in the grant proposal.

SECTION 18. IC 16-46-14-4, AS ADDED BY P.L.125-2015,

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SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) In awarding grants under this chapter, the state department shall give preference to proposals that seek to do any of the following:

- (1) Improve access and coordination through outreach and follow-up services for pregnant women and fathers who are at risk of not receiving prenatal care and support.
- (2) Incentivize at-risk pregnant women and fathers to obtain prenatal care and support, **including behavioral health counseling before and after the birth of the child.**
- (3) Decrease smoking rates among pregnant women and fathers.
- (4) Promote evidence based home visitation by a trained provider or coordinator.
- (5) Incentivize collaboration between health care providers and other human services providers in providing outreach to at-risk pregnant women and fathers.
- (6) Address the issue of infant mortality on a regional basis.
- (7) Allow local health departments, health care providers, and other human services providers to receive grants under this chapter to assist individuals seeking contraceptives.**
- (8) Provide instruction on the use of fertility awareness-based family planning methods.**

(b) The state department shall develop regions for purposes of subsection (a)(6).

(c) The state department may not award a grant that will be used for any of the following purposes:

- (1) Distribute a contraceptive to a student of:**
 - (A) a nonpublic school (as defined in IC 20-18-2-12); or**
 - (B) a public school (as defined in IC 20-18-2-15);****through a school run program.**
- (2) Distribute a contraceptive to an individual who is less than eighteen (18) years of age without the consent of a parent or guardian of the individual.**

SECTION 19. IC 16-46-14-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. (a) A local health department, health care provider, or other human services provider may submit a proposal for a grant under this chapter to be used to assist individuals seeking contraceptives.**

(b) A proposal for a grant to be used to assist individuals seeking contraceptives is not subject to the requirements of section 3(b) of this chapter.

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(c) The grant distribution limitations in section 3(c) of this chapter do not apply to a grant awarded to assist individuals seeking contraceptives.

(d) Not later than July 1 of each year, the state department shall submit a report to the governor, and, in an electronic format under IC 5-14-6, to the legislative council, that provides information concerning grants awarded for the purpose of assisting individuals seeking contraceptives. The report must include at least the following:

- (1) The amount of each grant awarded for the purpose of assisting individuals seeking contraceptives.
- (2) A description of how the proceeds from each grant were used.

SECTION 20. IC 16-46-14-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. (a) A local health department, health care provider, or other human services provider may submit a proposal for a grant under this chapter to be used to provide instruction on the use of fertility awareness-based family planning methods.

(b) A proposal for a grant to be used to provide instruction on the use of fertility awareness-based family planning methods is not subject to the requirements of section 3(b) of this chapter.

(c) The grant distribution limitations in section 3(c) of this chapter do not apply to a grant awarded to provide instruction on the use of fertility awareness-based family planning methods.

(d) Not later than July 1 of each year, the state department shall submit a report to the governor, and, in an electronic format under IC 5-14-6, to the legislative council, that provides information concerning grants awarded for the purpose of providing instruction on the use of fertility awareness-based family planning methods. The report must include at least the following:

- (1) The amount of each grant awarded for the purpose of providing instruction on the use of fertility awareness-based family planning methods.
- (2) A description of how the proceeds from each grant were used.

SECTION 21. [EFFECTIVE UPON PASSAGE] (a) In addition to any amounts appropriated in P.L.165-2021 (HEA 1001-2021), money is appropriated from the state general fund for the state fiscal year beginning July 1, 2022, and ending June 30, 2023, to the state department of health established by IC 16-19-1-1 to be



expended as follows:

- (1) Two million dollars (\$2,000,000) to be distributed to Real Alternatives, Inc. to be used to provide pregnancy and parenting support services.
- (2) Ten million dollars (\$10,000,000) to be used to support the expansion of the Nurse Family Partnership program statewide and to expand capacity in currently served areas.
- (3) Five million five hundred thousand dollars (\$5,500,000) to be deposited in the safety PIN (protecting Indiana's newborns) grant fund established by IC 16-46-14-2 for purposes of the fund.
- (4) One million dollars (\$1,000,000) to be used for either or both of the following:
 - (A) Awarding grants to communities for purchase of newborn safety devices. In awarding grants under this clause, the state department of health shall give preference to requests from communities located in areas that do not currently have newborn safety devices. A grant awarded under this clause may not exceed ten thousand dollars (\$10,000) per newborn safety device.
 - (B) Awarding grants to communities to fund public awareness campaigns regarding newborn safety devices. In awarding grants under this clause, the state department of health shall give preference to requests from communities located in areas that currently have one (1) or more newborn safety devices. A grant awarded under this clause may not exceed ten thousand dollars (\$10,000).

(b) This SECTION expires July 1, 2024.

SECTION 22. [EFFECTIVE UPON PASSAGE] (a) In addition to any amounts appropriated in P.L.165-2021 (HEA 1001-2021), money is appropriated from the state general fund for the state fiscal year beginning July 1, 2022, and ending June 30, 2023, to the family and social services administration to be expended as follows:

- (1) Ten million dollars (\$10,000,000) to be used to provide:
 - (A) benefits to children who are eligible for the Child Care and Development Fund voucher program but have not yet received benefits; and
 - (B) grants to child care providers to expand capacity for Child Care and Development Fund voucher eligible children and to increase family utilization.
- (2) Seven hundred thousand dollars (\$700,000) to be used to

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provide Medicaid coverage for:

(A) supplies and services described in IC 12-15-5-1(a)(26), as added by this act; and

(B) reimbursement described in IC 12-15-5-1(b)(3).

(b) This SECTION expires July 1, 2024.

SECTION 23. [EFFECTIVE UPON PASSAGE] (a) IC 6-2.5-5-57, as added by this act, applies only to retail transactions occurring on or after the first day of the month following the effective date of this SECTION.

(b) Except as provided in subsection (c), for purposes of this SECTION, a retail transaction is considered to have occurred on or after the first day of the month following the effective date of this SECTION if the property whose transfer constitutes selling at retail is delivered to the purchaser or to the place of delivery designated by the purchaser on or after the first day of the month following the effective date of this SECTION.

(c) For purposes of this SECTION, notwithstanding the delivery of the property constituting selling at retail on or after the first day of the month following the effective date of this SECTION, a transaction is considered to have occurred before the first day of the month following the effective date of this SECTION, to the extent that:

(1) the agreement of the parties to the transaction is entered into before the first day of the month following the effective date of this SECTION; and

(2) payment for the property furnished in the transaction is made before the first day of the month following the effective date of this SECTION.

(d) This SECTION expires January 1, 2025.

SECTION 24. [EFFECTIVE JANUARY 1, 2022 (RETROACTIVE)] (a) IC 6-3-1-3.5 and IC 6-3-3-13, both as amended by this act, apply to taxable years beginning after December 31, 2021.

(b) This SECTION expires July 1, 2025.

SECTION 25. [EFFECTIVE UPON PASSAGE] (a) The state department of health established by IC 16-19-1-1 shall contract with one (1) or more third party vendors to evaluate:

(1) the feasibility of the state department of health providing and the need for the state department of health to provide:

(A) access to birth control at low or no cost; and

(B) education and access to women's health services concerning the prevention of unwanted pregnancies;



to each county; and

(2) the potential implementation by the state department of health of the services described in subdivision (1) in each county.

(b) This SECTION expires July 1, 2025.

SECTION 26. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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