

SENATE BILL No. 18

DIGEST OF INTRODUCED BILL

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

Synopsis: Disabled veteran renter's deduction. Provides an income tax deduction, in addition to the current renter's deduction, to a disabled veteran who rents a dwelling as a principal place of residence. Provides that the additional deduction is equal to the amount the individual is entitled to deduct under the current renter's deduction multiplied by the individual's service connected disability rating.

Effective: January 1, 2022.

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January 4, 2021, read first time and referred to Committee on Veterans Affairs and The Military.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 18

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

- 1 SECTION 1. IC 6-3-2-6, AS AMENDED BY P.L.146-2020,
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2022]: Sec. 6. (a) Each taxable year, an individual who
4 rents a dwelling for use as the individual's principal place of residence
5 may deduct from the individual's adjusted gross income (as defined in
6 IC 6-3-1-3.5(a)), the lesser of:
7 (1) the amount of rent paid by the individual with respect to the
8 dwelling during the taxable year; or
9 (2) three thousand dollars (\$3,000).
10 (b) **For taxable years beginning after December 31, 2021, an**
11 **individual who is a disabled veteran, as defined in subsection (e),**
12 **is entitled to a deduction from the individual's adjusted gross**
13 **income in addition to the deduction under subsection (a). The**
14 **amount of the deduction under this subsection is equal to the**
15 **product of:**
16 (1) **the amount the individual is entitled to deduct under**
17 **subsection (a) for the taxable year; multiplied by**



1 **(2) the individual's service connected disability rating as**
 2 **determined by the United States Department of Veterans**
 3 **Affairs.**

4 **If a married couple files a joint return for the taxable year and**
 5 **each spouse is a disabled veteran, in subdivision (2) the married**
 6 **couple shall use the disability rating of the spouse that is greater**
 7 **than or equal to the disability rating of the other spouse.**

8 ~~(b)~~ **(c) Notwithstanding ~~subsection (a)~~: subsections (a) and (b):**

9 (1) a married couple filing a joint return for a particular taxable
 10 year may not claim a deduction:

11 (A) under ~~this section~~ **subsection (a)** of more than three
 12 thousand dollars (\$3,000); ~~and or~~

13 **(B) under the combination of subsections (a) and (b) of**
 14 **more than six thousand dollars (\$6,000); and**

15 (2) a married individual filing a separate return for a particular
 16 taxable year may not claim a deduction:

17 (A) under ~~this section~~ **subsection (a)** of more than one
 18 thousand five hundred dollars (\$1,500); ~~or~~

19 **(B) under the combination of subsections (a) and (b) of**
 20 **more than three thousand dollars (\$3,000).**

21 ~~(c)~~ **(d) The deduction provided by this section does not apply to an**
 22 **individual who rents a dwelling that is exempt from Indiana property**
 23 **tax.**

24 **(e) For purposes of this section, "disabled veteran" means an**
 25 **individual who:**

26 **(1) served in the military or naval forces of the United States**
 27 **during any of its wars;**

28 **(2) received an honorable discharge; and**

29 **(3) has a total service connected disability of ten percent**
 30 **(10%) or more.**

31 ~~(d)~~ **(f) For purposes of this section, a "dwelling" includes a single**
 32 **family dwelling and unit of a multi-family dwelling.**

33 **(g) An individual claiming a deduction under this section shall**
 34 **submit to the department all information that the department**
 35 **determines is necessary for the determination of the deduction**
 36 **provided by this section.**

