

SENATE BILL No. 223

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-1-3.5.

Synopsis: Deduction for long term care premiums. Provides a deduction from adjusted gross income for any premiums paid during a taxable year for a long term care insurance policy purchased in a state other than Indiana that is considered to have reciprocity with Indiana under an Indiana long term care insurance program. Provides a deduction from adjusted gross income for any premiums paid during a taxable year for a qualified long term care insurance policy under the Indiana long term care insurance partnership program.

Effective: January 1, 2024.

Walker G

January 10, 2023, read first time and referred to Committee on Insurance and Financial Institutions.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

SENATE BILL No. 223

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

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

1 SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.180-2022(ss),
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: Sec. 3.5. When used in this article, the term
4 "adjusted gross income" shall mean the following:

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

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

10 (2) Except as provided in subsection (c), add an amount equal to
11 any deduction or deductions allowed or allowable pursuant to
12 Section 62 of the Internal Revenue Code for taxes based on or
13 measured by income and levied at the state level by any state of
14 the United States.

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



- 1 (4) Subtract one thousand dollars (\$1,000) for:
 2 (A) each of the exemptions provided by Section 151(c) of the
 3 Internal Revenue Code (as effective January 1, 2017);
 4 (B) each additional amount allowable under Section 63(f) of
 5 the Internal Revenue Code; and
 6 (C) the spouse of the taxpayer if a separate return is made by
 7 the taxpayer and if the spouse, for the calendar year in which
 8 the taxable year of the taxpayer begins, has no gross income
 9 and is not the dependent of another taxpayer.
- 10 (5) Subtract:
 11 (A) One thousand five hundred dollars (\$1,500) for each of the
 12 exemptions allowed under Section 151(c)(1)(B) of the Internal
 13 Revenue Code (as effective January 1, 2004).
 14 (B) One thousand five hundred dollars (\$1,500) for each
 15 exemption allowed under Section 151(c) of the Internal
 16 Revenue Code (as effective January 1, 2017) for an individual:
 17 (i) who is less than nineteen (19) years of age or is a
 18 full-time student who is less than twenty-four (24) years of
 19 age;
 20 (ii) for whom the taxpayer is the legal guardian; and
 21 (iii) for whom the taxpayer does not claim an exemption
 22 under clause (A).
 23 (C) Five hundred dollars (\$500) for each additional amount
 24 allowable under Section 63(f)(1) of the Internal Revenue Code
 25 if the federal adjusted gross income of the taxpayer, or the
 26 taxpayer and the taxpayer's spouse in the case of a joint return,
 27 is less than forty thousand dollars (\$40,000). In the case of a
 28 married individual filing a separate return, the qualifying
 29 income amount in this clause is equal to twenty thousand
 30 dollars (\$20,000).
 31 (D) Three thousand dollars (\$3,000) for each exemption
 32 allowed under Section 151(c) of the Internal Revenue Code (as
 33 effective January 1, 2017) for an individual who is:
 34 (i) an adopted child of the taxpayer; and
 35 (ii) less than nineteen (19) years of age or is a full-time
 36 student who is less than twenty-four (24) years of age.
 37 This amount is in addition to any amount subtracted under
 38 clause (A) or (B).
 39 This amount is in addition to the amount subtracted under
 40 subdivision (4).
 41 (6) Subtract any amounts included in federal adjusted gross
 42 income under Section 111 of the Internal Revenue Code as a



- 1 recovery of items previously deducted as an itemized deduction
 2 from adjusted gross income.
- 3 (7) Subtract any amounts included in federal adjusted gross
 4 income under the Internal Revenue Code which amounts were
 5 received by the individual as supplemental railroad retirement
 6 annuities under 45 U.S.C. 231 and which are not deductible under
 7 subdivision (1).
- 8 (8) Subtract an amount equal to the amount of federal Social
 9 Security and Railroad Retirement benefits included in a taxpayer's
 10 federal gross income by Section 86 of the Internal Revenue Code.
- 11 (9) In the case of a nonresident taxpayer or a resident taxpayer
 12 residing in Indiana for a period of less than the taxpayer's entire
 13 taxable year, the total amount of the deductions allowed pursuant
 14 to subdivisions (3), (4), and (5) shall be reduced to an amount
 15 which bears the same ratio to the total as the taxpayer's income
 16 taxable in Indiana bears to the taxpayer's total income.
- 17 (10) In the case of an individual who is a recipient of assistance
 18 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
 19 subtract an amount equal to that portion of the individual's
 20 adjusted gross income with respect to which the individual is not
 21 allowed under federal law to retain an amount to pay state and
 22 local income taxes.
- 23 (11) In the case of an eligible individual, subtract the amount of
 24 a Holocaust victim's settlement payment included in the
 25 individual's federal adjusted gross income.
- 26 (12) Subtract an amount equal to the portion of any premiums
 27 paid during the taxable year by the taxpayer for:
- 28 (A) a qualified long term care policy as defined in
 29 IC 12-15-39.6-5;
- 30 **(B) a qualified long term care insurance policy as defined**
 31 **in IC 12-15-39.8-3; or**
- 32 **(C) a long term care insurance policy purchased in a state**
 33 **other than Indiana that is considered to have reciprocity**
 34 **with Indiana under a long term care insurance program**
 35 **set forth in IC 12-15-39.6 or IC 12-15-39.8;**
- 36 for the taxpayer or the taxpayer's spouse if the taxpayer and the
 37 taxpayer's spouse file a joint income tax return or the taxpayer is
 38 otherwise entitled to a deduction under this subdivision for the
 39 taxpayer's spouse, or both.
- 40 (13) Subtract an amount equal to the lesser of:
- 41 (A) two thousand five hundred dollars (\$2,500), or one
 42 thousand two hundred fifty dollars (\$1,250) in the case of a



- 1 married individual filing a separate return; or
2 (B) the amount of property taxes that are paid during the
3 taxable year in Indiana by the individual on the individual's
4 principal place of residence.
- 5 (14) Subtract an amount equal to the amount of a September 11
6 terrorist attack settlement payment included in the individual's
7 federal adjusted gross income.
- 8 (15) Add or subtract the amount necessary to make the adjusted
9 gross income of any taxpayer that owns property for which bonus
10 depreciation was allowed in the current taxable year or in an
11 earlier taxable year equal to the amount of adjusted gross income
12 that would have been computed had an election not been made
13 under Section 168(k) of the Internal Revenue Code to apply bonus
14 depreciation to the property in the year that it was placed in
15 service.
- 16 (16) Add an amount equal to any deduction allowed under
17 Section 172 of the Internal Revenue Code (concerning net
18 operating losses).
- 19 (17) Add or subtract the amount necessary to make the adjusted
20 gross income of any taxpayer that placed Section 179 property (as
21 defined in Section 179 of the Internal Revenue Code) in service
22 in the current taxable year or in an earlier taxable year equal to
23 the amount of adjusted gross income that would have been
24 computed had an election for federal income tax purposes not
25 been made for the year in which the property was placed in
26 service to take deductions under Section 179 of the Internal
27 Revenue Code in a total amount exceeding the sum of:
- 28 (A) twenty-five thousand dollars (\$25,000) to the extent
29 deductions under Section 179 of the Internal Revenue Code
30 were not elected as provided in clause (B); and
31 (B) for taxable years beginning after December 31, 2017, the
32 deductions elected under Section 179 of the Internal Revenue
33 Code on property acquired in an exchange if:
- 34 (i) the exchange would have been eligible for
35 nonrecognition of gain or loss under Section 1031 of the
36 Internal Revenue Code in effect on January 1, 2017;
37 (ii) the exchange is not eligible for nonrecognition of gain or
38 loss under Section 1031 of the Internal Revenue Code; and
39 (iii) the taxpayer made an election to take deductions under
40 Section 179 of the Internal Revenue Code with regard to the
41 acquired property in the year that the property was placed
42 into service.



- 1 The amount of deductions allowable for an item of property
2 under this clause may not exceed the amount of adjusted gross
3 income realized on the property that would have been deferred
4 under the Internal Revenue Code in effect on January 1, 2017.
- 5 (18) Subtract an amount equal to the amount of the taxpayer's
6 qualified military income that was not excluded from the
7 taxpayer's gross income for federal income tax purposes under
8 Section 112 of the Internal Revenue Code.
- 9 (19) Subtract income that is:
- 10 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
11 derived from patents); and
- 12 (B) included in the individual's federal adjusted gross income
13 under the Internal Revenue Code.
- 14 (20) Add an amount equal to any income not included in gross
15 income as a result of the deferral of income arising from business
16 indebtedness discharged in connection with the reacquisition after
17 December 31, 2008, and before January 1, 2011, of an applicable
18 debt instrument, as provided in Section 108(i) of the Internal
19 Revenue Code. Subtract the amount necessary from the adjusted
20 gross income of any taxpayer that added an amount to adjusted
21 gross income in a previous year to offset the amount included in
22 federal gross income as a result of the deferral of income arising
23 from business indebtedness discharged in connection with the
24 reacquisition after December 31, 2008, and before January 1,
25 2011, of an applicable debt instrument, as provided in Section
26 108(i) of the Internal Revenue Code.
- 27 (21) Add the amount excluded from federal gross income under
28 Section 103 of the Internal Revenue Code for interest received on
29 an obligation of a state other than Indiana, or a political
30 subdivision of such a state, that is acquired by the taxpayer after
31 December 31, 2011.
- 32 (22) Subtract an amount as described in Section 1341(a)(2) of the
33 Internal Revenue Code to the extent, if any, that the amount was
34 previously included in the taxpayer's adjusted gross income for a
35 prior taxable year.
- 36 (23) For taxable years beginning after December 25, 2016, add an
37 amount equal to the deduction for deferred foreign income that
38 was claimed by the taxpayer for the taxable year under Section
39 965(c) of the Internal Revenue Code.
- 40 (24) Subtract any interest expense paid or accrued in the current
41 taxable year but not deducted as a result of the limitation imposed
42 under Section 163(j)(1) of the Internal Revenue Code. Add any



- 1 interest expense paid or accrued in a previous taxable year but
 2 allowed as a deduction under Section 163 of the Internal Revenue
 3 Code in the current taxable year. For purposes of this subdivision,
 4 an interest expense is considered paid or accrued only in the first
 5 taxable year the deduction would have been allowable under
 6 Section 163 of the Internal Revenue Code if the limitation under
 7 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 8 (25) Subtract the amount that would have been excluded from
 9 gross income but for the enactment of Section 118(b)(2) of the
 10 Internal Revenue Code for taxable years ending after December
 11 22, 2017.
- 12 (26) For taxable years beginning after December 31, 2019, and
 13 before January 1, 2021, add an amount of the deduction claimed
 14 under Section 62(a)(22) of the Internal Revenue Code.
- 15 (27) For taxable years beginning after December 31, 2019, for
 16 payments made by an employer under an education assistance
 17 program after March 27, 2020:
- 18 (A) add the amount of payments by an employer that are
 19 excluded from the taxpayer's federal gross income under
 20 Section 127(c)(1)(B) of the Internal Revenue Code; and
- 21 (B) deduct the interest allowable under Section 221 of the
 22 Internal Revenue Code, if the disallowance under Section
 23 221(e)(1) of the Internal Revenue Code did not apply to the
 24 payments described in clause (A). For purposes of applying
 25 Section 221(b) of the Internal Revenue Code to the amount
 26 allowable under this clause, the amount under clause (A) shall
 27 not be added to adjusted gross income.
- 28 (28) Add an amount equal to the remainder of:
- 29 (A) the amount allowable as a deduction under Section 274(n)
 30 of the Internal Revenue Code; minus
- 31 (B) the amount otherwise allowable as a deduction under
 32 Section 274(n) of the Internal Revenue Code, if Section
 33 274(n)(2)(D) of the Internal Revenue Code was not in effect
 34 for amounts paid or incurred after December 31, 2020.
- 35 (29) For taxable years beginning after December 31, 2017, and
 36 before January 1, 2021, add an amount equal to the excess
 37 business loss of the taxpayer as defined in Section 461(l)(3) of the
 38 Internal Revenue Code. In addition:
- 39 (A) If a taxpayer has an excess business loss under this
 40 subdivision and also has modifications under subdivisions (15)
 41 and (17) for property placed in service during the taxable year,
 42 the taxpayer shall treat a portion of the taxable year



- 1 modifications for that property as occurring in the taxable year
 2 the property is placed in service and a portion of the
 3 modifications as occurring in the immediately following
 4 taxable year.
- 5 (B) The portion of the modifications under subdivisions (15)
 6 and (17) for property placed in service during the taxable year
 7 treated as occurring in the taxable year in which the property
 8 is placed in service equals:
- 9 (i) the modification for the property otherwise determined
 10 under this section; minus
 11 (ii) the excess business loss disallowed under this
 12 subdivision;
- 13 but not less than zero (0).
- 14 (C) The portion of the modifications under subdivisions (15)
 15 and (17) for property placed in service during the taxable year
 16 treated as occurring in the taxable year immediately following
 17 the taxable year in which the property is placed in service
 18 equals the modification for the property otherwise determined
 19 under this section minus the amount in clause (B).
- 20 (D) Any reallocation of modifications between taxable years
 21 under clauses (B) and (C) shall be first allocated to the
 22 modification under subdivision (15), then to the modification
 23 under subdivision (17).
- 24 (30) Add an amount equal to the amount excluded from federal
 25 gross income under Section 108(f)(5) of the Internal Revenue
 26 Code. For purposes of this subdivision:
- 27 (A) if an amount excluded under Section 108(f)(5) of the
 28 Internal Revenue Code would be excludible under Section
 29 108(a)(1)(B) of the Internal Revenue Code, the exclusion
 30 under Section 108(a)(1)(B) of the Internal Revenue Code shall
 31 take precedence; and
 32 (B) if an amount would have been excludible under Section
 33 108(f)(5) of the Internal Revenue Code as in effect on January
 34 1, 2020, the amount is not required to be added back under this
 35 subdivision.
- 36 (31) For taxable years ending after March 12, 2020, subtract an
 37 amount equal to the deduction disallowed pursuant to:
- 38 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 39 as modified by Sections 206 and 207 of the Taxpayer Certainty
 40 and Disaster Relief Tax Act (Division EE of Public Law
 41 116-260); and
 42 (B) Section 3134(e) of the Internal Revenue Code.



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

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

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

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

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

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

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

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

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

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

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



1 172 of the Internal Revenue Code (concerning net operating
2 losses).

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

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

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

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

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

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

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

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

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

36 (B) any directly related interest expenses (as defined in
37 IC 6-3-2-20) that reduced the corporation's adjusted gross
38 income (determined without regard to this subdivision). For
39 purposes of this clause, any directly related interest expense
40 that constitutes business interest within the meaning of Section
41 163(j) of the Internal Revenue Code shall be considered to
42 have reduced the taxpayer's federal taxable income only in the



- 1 first taxable year in which the deduction otherwise would have
 2 been allowable under Section 163 of the Internal Revenue
 3 Code if the limitation under Section 163(j)(1) of the Internal
 4 Revenue Code did not exist.
- 5 (9) Add an amount equal to any deduction for dividends paid (as
 6 defined in Section 561 of the Internal Revenue Code) to
 7 shareholders of a captive real estate investment trust (as defined
 8 in section 34.5 of this chapter).
- 9 (10) Subtract income that is:
- 10 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 11 derived from patents); and
- 12 (B) included in the corporation's taxable income under the
 13 Internal Revenue Code.
- 14 (11) Add an amount equal to any income not included in gross
 15 income as a result of the deferral of income arising from business
 16 indebtedness discharged in connection with the reacquisition after
 17 December 31, 2008, and before January 1, 2011, of an applicable
 18 debt instrument, as provided in Section 108(i) of the Internal
 19 Revenue Code. Subtract from the adjusted gross income of any
 20 taxpayer that added an amount to adjusted gross income in a
 21 previous year the amount necessary to offset the amount included
 22 in federal gross income as a result of the deferral of income
 23 arising from business indebtedness discharged in connection with
 24 the reacquisition after December 31, 2008, and before January 1,
 25 2011, of an applicable debt instrument, as provided in Section
 26 108(i) of the Internal Revenue Code.
- 27 (12) Add the amount excluded from federal gross income under
 28 Section 103 of the Internal Revenue Code for interest received on
 29 an obligation of a state other than Indiana, or a political
 30 subdivision of such a state, that is acquired by the taxpayer after
 31 December 31, 2011.
- 32 (13) For taxable years beginning after December 25, 2016:
- 33 (A) for a corporation other than a real estate investment trust,
 34 add:
- 35 (i) an amount equal to the amount reported by the taxpayer
 36 on IRC 965 Transition Tax Statement, line 1; or
- 37 (ii) if the taxpayer deducted an amount under Section 965(c)
 38 of the Internal Revenue Code in determining the taxpayer's
 39 taxable income for purposes of the federal income tax, the
 40 amount deducted under Section 965(c) of the Internal
 41 Revenue Code; and
- 42 (B) for a real estate investment trust, add an amount equal to



- 1 the deduction for deferred foreign income that was claimed by
2 the taxpayer for the taxable year under Section 965(c) of the
3 Internal Revenue Code, but only to the extent that the taxpayer
4 included income pursuant to Section 965 of the Internal
5 Revenue Code in its taxable income for federal income tax
6 purposes or is required to add back dividends paid under
7 subdivision (9).
- 8 (14) Add an amount equal to the deduction that was claimed by
9 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
10 Internal Revenue Code (attributable to global intangible
11 low-taxed income). The taxpayer shall separately specify the
12 amount of the reduction under Section 250(a)(1)(B)(i) of the
13 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
14 Internal Revenue Code.
- 15 (15) Subtract any interest expense paid or accrued in the current
16 taxable year but not deducted as a result of the limitation imposed
17 under Section 163(j)(1) of the Internal Revenue Code. Add any
18 interest expense paid or accrued in a previous taxable year but
19 allowed as a deduction under Section 163 of the Internal Revenue
20 Code in the current taxable year. For purposes of this subdivision,
21 an interest expense is considered paid or accrued only in the first
22 taxable year the deduction would have been allowable under
23 Section 163 of the Internal Revenue Code if the limitation under
24 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 25 (16) Subtract the amount that would have been excluded from
26 gross income but for the enactment of Section 118(b)(2) of the
27 Internal Revenue Code for taxable years ending after December
28 22, 2017.
- 29 (17) Add an amount equal to the remainder of:
- 30 (A) the amount allowable as a deduction under Section 274(n)
31 of the Internal Revenue Code; minus
- 32 (B) the amount otherwise allowable as a deduction under
33 Section 274(n) of the Internal Revenue Code, if Section
34 274(n)(2)(D) of the Internal Revenue Code was not in effect
35 for amounts paid or incurred after December 31, 2020.
- 36 (18) For taxable years ending after March 12, 2020, subtract an
37 amount equal to the deduction disallowed pursuant to:
- 38 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
39 as modified by Sections 206 and 207 of the Taxpayer Certainty
40 and Disaster Relief Tax Act (Division EE of Public Law
41 116-260); and
42 (B) Section 3134(e) of the Internal Revenue Code.



- 1 (19) For taxable years beginning after December 31, 2022,
 2 subtract an amount equal to the deduction disallowed under
 3 Section 280C(h) of the Internal Revenue Code.
- 4 (20) Add or subtract any other amounts the taxpayer is:
 5 (A) required to add or subtract; or
 6 (B) entitled to deduct;
 7 under IC 6-3-2.
- 8 (c) The following apply to taxable years beginning after December
 9 31, 2018, for purposes of the add back of any deduction allowed on the
 10 taxpayer's federal income tax return for wagering taxes, as provided in
 11 subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if
 12 the taxpayer is a corporation:
- 13 (1) For taxable years beginning after December 31, 2018, and
 14 before January 1, 2020, a taxpayer is required to add back under
 15 this section eighty-seven and five-tenths percent (87.5%) of any
 16 deduction allowed on the taxpayer's federal income tax return for
 17 wagering taxes.
- 18 (2) For taxable years beginning after December 31, 2019, and
 19 before January 1, 2021, a taxpayer is required to add back under
 20 this section seventy-five percent (75%) of any deduction allowed
 21 on the taxpayer's federal income tax return for wagering taxes.
- 22 (3) For taxable years beginning after December 31, 2020, and
 23 before January 1, 2022, a taxpayer is required to add back under
 24 this section sixty-two and five-tenths percent (62.5%) of any
 25 deduction allowed on the taxpayer's federal income tax return for
 26 wagering taxes.
- 27 (4) For taxable years beginning after December 31, 2021, and
 28 before January 1, 2023, a taxpayer is required to add back under
 29 this section fifty percent (50%) of any deduction allowed on the
 30 taxpayer's federal income tax return for wagering taxes.
- 31 (5) For taxable years beginning after December 31, 2022, and
 32 before January 1, 2024, a taxpayer is required to add back under
 33 this section thirty-seven and five-tenths percent (37.5%) of any
 34 deduction allowed on the taxpayer's federal income tax return for
 35 wagering taxes.
- 36 (6) For taxable years beginning after December 31, 2023, and
 37 before January 1, 2025, a taxpayer is required to add back under
 38 this section twenty-five percent (25%) of any deduction allowed
 39 on the taxpayer's federal income tax return for wagering taxes.
- 40 (7) For taxable years beginning after December 31, 2024, and
 41 before January 1, 2026, a taxpayer is required to add back under
 42 this section twelve and five-tenths percent (12.5%) of any



- 1 deduction allowed on the taxpayer's federal income tax return for
 2 wagering taxes.
- 3 (8) For taxable years beginning after December 31, 2025, a
 4 taxpayer is not required to add back under this section any amount
 5 of a deduction allowed on the taxpayer's federal income tax return
 6 for wagering taxes.
- 7 (d) In the case of life insurance companies (as defined in Section
 8 816(a) of the Internal Revenue Code) that are organized under Indiana
 9 law, the same as "life insurance company taxable income" (as defined
 10 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 11 (1) Subtract income that is exempt from taxation under this article
 12 by the Constitution and statutes of the United States.
- 13 (2) Add an amount equal to any deduction allowed or allowable
 14 under Section 170 of the Internal Revenue Code (concerning
 15 charitable contributions).
- 16 (3) Add an amount equal to a deduction allowed or allowable
 17 under Section 805 or Section 832(c) of the Internal Revenue Code
 18 for taxes based on or measured by income and levied at the state
 19 level by any state.
- 20 (4) Subtract an amount equal to the amount included in the
 21 company's taxable income under Section 78 of the Internal
 22 Revenue Code (concerning foreign tax credits).
- 23 (5) Add or subtract the amount necessary to make the adjusted
 24 gross income of any taxpayer that owns property for which bonus
 25 depreciation was allowed in the current taxable year or in an
 26 earlier taxable year equal to the amount of adjusted gross income
 27 that would have been computed had an election not been made
 28 under Section 168(k) of the Internal Revenue Code to apply bonus
 29 depreciation to the property in the year that it was placed in
 30 service.
- 31 (6) Add an amount equal to any deduction allowed under Section
 32 172 of the Internal Revenue Code (concerning net operating
 33 losses).
- 34 (7) Add or subtract the amount necessary to make the adjusted
 35 gross income of any taxpayer that placed Section 179 property (as
 36 defined in Section 179 of the Internal Revenue Code) in service
 37 in the current taxable year or in an earlier taxable year equal to
 38 the amount of adjusted gross income that would have been
 39 computed had an election for federal income tax purposes not
 40 been made for the year in which the property was placed in
 41 service to take deductions under Section 179 of the Internal
 42 Revenue Code in a total amount exceeding the sum of:



- 1 (A) twenty-five thousand dollars (\$25,000) to the extent
 2 deductions under Section 179 of the Internal Revenue Code
 3 were not elected as provided in clause (B); and
 4 (B) for taxable years beginning after December 31, 2017, the
 5 deductions elected under Section 179 of the Internal Revenue
 6 Code on property acquired in an exchange if:
 7 (i) the exchange would have been eligible for
 8 nonrecognition of gain or loss under Section 1031 of the
 9 Internal Revenue Code in effect on January 1, 2017;
 10 (ii) the exchange is not eligible for nonrecognition of gain or
 11 loss under Section 1031 of the Internal Revenue Code; and
 12 (iii) the taxpayer made an election to take deductions under
 13 Section 179 of the Internal Revenue Code with regard to the
 14 acquired property in the year that the property was placed
 15 into service.
- 16 The amount of deductions allowable for an item of property
 17 under this clause may not exceed the amount of adjusted gross
 18 income realized on the property that would have been deferred
 19 under the Internal Revenue Code in effect on January 1, 2017.
- 20 (8) Subtract income that is:
 21 (A) exempt from taxation under IC 6-3-2-21.7 (certain income
 22 derived from patents); and
 23 (B) included in the insurance company's taxable income under
 24 the Internal Revenue Code.
- 25 (9) Add an amount equal to any income not included in gross
 26 income as a result of the deferral of income arising from business
 27 indebtedness discharged in connection with the reacquisition after
 28 December 31, 2008, and before January 1, 2011, of an applicable
 29 debt instrument, as provided in Section 108(i) of the Internal
 30 Revenue Code. Subtract from the adjusted gross income of any
 31 taxpayer that added an amount to adjusted gross income in a
 32 previous year the amount necessary to offset the amount included
 33 in federal gross income as a result of the deferral of income
 34 arising from business indebtedness discharged in connection with
 35 the reacquisition after December 31, 2008, and before January 1,
 36 2011, of an applicable debt instrument, as provided in Section
 37 108(i) of the Internal Revenue Code.
- 38 (10) Add an amount equal to any exempt insurance income under
 39 Section 953(e) of the Internal Revenue Code that is active
 40 financing income under Subpart F of Subtitle A, Chapter 1,
 41 Subchapter N of the Internal Revenue Code.
- 42 (11) Add the amount excluded from federal gross income under



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

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

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

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

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

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

30 (15) Subtract the amount that would have been excluded from
 31 gross income but for the enactment of Section 118(b)(2) of the
 32 Internal Revenue Code for taxable years ending after December
 33 22, 2017.

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

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

37 (B) the amount otherwise allowable as a deduction under
 38 Section 274(n) of the Internal Revenue Code, if Section
 39 274(n)(2)(D) of the Internal Revenue Code was not in effect
 40 for amounts paid or incurred after December 31, 2020.

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



- 1 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 2 as modified by Sections 206 and 207 of the Taxpayer Certainty
 3 and Disaster Relief Tax Act (Division EE of Public Law
 4 116-260); and
 5 (B) Section 3134(e) of the Internal Revenue Code.
 6 (18) For taxable years beginning after December 31, 2022,
 7 subtract an amount equal to the deduction disallowed under
 8 Section 280C(h) of the Internal Revenue Code.
 9 (19) Add or subtract any other amounts the taxpayer is:
 10 (A) required to add or subtract; or
 11 (B) entitled to deduct;
 12 under IC 6-3-2.
 13 (e) In the case of insurance companies subject to tax under Section
 14 831 of the Internal Revenue Code and organized under Indiana law, the
 15 same as "taxable income" (as defined in Section 832 of the Internal
 16 Revenue Code), adjusted as follows:
 17 (1) Subtract income that is exempt from taxation under this article
 18 by the Constitution and statutes of the United States.
 19 (2) Add an amount equal to any deduction allowed or allowable
 20 under Section 170 of the Internal Revenue Code (concerning
 21 charitable contributions).
 22 (3) Add an amount equal to a deduction allowed or allowable
 23 under Section 805 or Section 832(c) of the Internal Revenue Code
 24 for taxes based on or measured by income and levied at the state
 25 level by any state.
 26 (4) Subtract an amount equal to the amount included in the
 27 company's taxable income under Section 78 of the Internal
 28 Revenue Code (concerning foreign tax credits).
 29 (5) Add or subtract the amount necessary to make the adjusted
 30 gross income of any taxpayer that owns property for which bonus
 31 depreciation was allowed in the current taxable year or in an
 32 earlier taxable year equal to the amount of adjusted gross income
 33 that would have been computed had an election not been made
 34 under Section 168(k) of the Internal Revenue Code to apply bonus
 35 depreciation to the property in the year that it was placed in
 36 service.
 37 (6) Add an amount equal to any deduction allowed under Section
 38 172 of the Internal Revenue Code (concerning net operating
 39 losses).
 40 (7) Add or subtract the amount necessary to make the adjusted
 41 gross income of any taxpayer that placed Section 179 property (as
 42 defined in Section 179 of the Internal Revenue Code) in service



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

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

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

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

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

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

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

26 (8) Subtract income that is:

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

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

31 (9) Add an amount equal to any income not included in gross
 32 income as a result of the deferral of income arising from business
 33 indebtedness discharged in connection with the reacquisition after
 34 December 31, 2008, and before January 1, 2011, of an applicable
 35 debt instrument, as provided in Section 108(i) of the Internal
 36 Revenue Code. Subtract from the adjusted gross income of any
 37 taxpayer that added an amount to adjusted gross income in a
 38 previous year the amount necessary to offset the amount included
 39 in federal gross income as a result of the deferral of income
 40 arising from business indebtedness discharged in connection with
 41 the reacquisition after December 31, 2008, and before January 1,
 42 2011, of an applicable debt instrument, as provided in Section



- 1 108(i) of the Internal Revenue Code.
- 2 (10) Add an amount equal to any exempt insurance income under
- 3 Section 953(e) of the Internal Revenue Code that is active
- 4 financing income under Subpart F of Subtitle A, Chapter 1,
- 5 Subchapter N of the Internal Revenue Code.
- 6 (11) Add the amount excluded from federal gross income under
- 7 Section 103 of the Internal Revenue Code for interest received on
- 8 an obligation of a state other than Indiana, or a political
- 9 subdivision of such a state, that is acquired by the taxpayer after
- 10 December 31, 2011.
- 11 (12) For taxable years beginning after December 25, 2016, add:
- 12 (A) an amount equal to the amount reported by the taxpayer on
- 13 IRC 965 Transition Tax Statement, line 1; or
- 14 (B) if the taxpayer deducted an amount under Section 965(c)
- 15 of the Internal Revenue Code in determining the taxpayer's
- 16 taxable income for purposes of the federal income tax, the
- 17 amount deducted under Section 965(c) of the Internal Revenue
- 18 Code.
- 19 (13) Add an amount equal to the deduction that was claimed by
- 20 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
- 21 Internal Revenue Code (attributable to global intangible
- 22 low-taxed income). The taxpayer shall separately specify the
- 23 amount of the reduction under Section 250(a)(1)(B)(i) of the
- 24 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
- 25 Internal Revenue Code.
- 26 (14) Subtract any interest expense paid or accrued in the current
- 27 taxable year but not deducted as a result of the limitation imposed
- 28 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 29 interest expense paid or accrued in a previous taxable year but
- 30 allowed as a deduction under Section 163 of the Internal Revenue
- 31 Code in the current taxable year. For purposes of this subdivision,
- 32 an interest expense is considered paid or accrued only in the first
- 33 taxable year the deduction would have been allowable under
- 34 Section 163 of the Internal Revenue Code if the limitation under
- 35 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 36 (15) Subtract the amount that would have been excluded from
- 37 gross income but for the enactment of Section 118(b)(2) of the
- 38 Internal Revenue Code for taxable years ending after December
- 39 22, 2017.
- 40 (16) Add an amount equal to the remainder of:
- 41 (A) the amount allowable as a deduction under Section 274(n)
- 42 of the Internal Revenue Code; minus



- 1 (B) the amount otherwise allowable as a deduction under
 2 Section 274(n) of the Internal Revenue Code, if Section
 3 274(n)(2)(D) of the Internal Revenue Code was not in effect
 4 for amounts paid or incurred after December 31, 2020.
- 5 (17) For taxable years ending after March 12, 2020, subtract an
 6 amount equal to the deduction disallowed pursuant to:
- 7 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
 8 as modified by Sections 206 and 207 of the Taxpayer Certainty
 9 and Disaster Relief Tax Act (Division EE of Public Law
 10 116-260); and
- 11 (B) Section 3134(e) of the Internal Revenue Code.
- 12 (18) For taxable years beginning after December 31, 2022,
 13 subtract an amount equal to the deduction disallowed under
 14 Section 280C(h) of the Internal Revenue Code.
- 15 (19) Add or subtract any other amounts the taxpayer is:
- 16 (A) required to add or subtract; or
 17 (B) entitled to deduct;
 18 under IC 6-3-2.
- 19 (f) In the case of trusts and estates, "taxable income" (as defined for
 20 trusts and estates in Section 641(b) of the Internal Revenue Code)
 21 adjusted as follows:
- 22 (1) Subtract income that is exempt from taxation under this article
 23 by the Constitution and statutes of the United States.
- 24 (2) Subtract an amount equal to the amount of a September 11
 25 terrorist attack settlement payment included in the federal
 26 adjusted gross income of the estate of a victim of the September
 27 11 terrorist attack or a trust to the extent the trust benefits a victim
 28 of the September 11 terrorist attack.
- 29 (3) Add or subtract the amount necessary to make the adjusted
 30 gross income of any taxpayer that owns property for which bonus
 31 depreciation was allowed in the current taxable year or in an
 32 earlier taxable year equal to the amount of adjusted gross income
 33 that would have been computed had an election not been made
 34 under Section 168(k) of the Internal Revenue Code to apply bonus
 35 depreciation to the property in the year that it was placed in
 36 service.
- 37 (4) Add an amount equal to any deduction allowed under Section
 38 172 of the Internal Revenue Code (concerning net operating
 39 losses).
- 40 (5) Add or subtract the amount necessary to make the adjusted
 41 gross income of any taxpayer that placed Section 179 property (as
 42 defined in Section 179 of the Internal Revenue Code) in service



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

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

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

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

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

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

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

26 (6) Subtract income that is:

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

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

31 (7) Add an amount equal to any income not included in gross
 32 income as a result of the deferral of income arising from business
 33 indebtedness discharged in connection with the reacquisition after
 34 December 31, 2008, and before January 1, 2011, of an applicable
 35 debt instrument, as provided in Section 108(i) of the Internal
 36 Revenue Code. Subtract from the adjusted gross income of any
 37 taxpayer that added an amount to adjusted gross income in a
 38 previous year the amount necessary to offset the amount included
 39 in federal gross income as a result of the deferral of income
 40 arising from business indebtedness discharged in connection with
 41 the reacquisition after December 31, 2008, and before January 1,
 42 2011, of an applicable debt instrument, as provided in Section



- 1 108(i) of the Internal Revenue Code.
- 2 (8) Add the amount excluded from federal gross income under
- 3 Section 103 of the Internal Revenue Code for interest received on
- 4 an obligation of a state other than Indiana, or a political
- 5 subdivision of such a state, that is acquired by the taxpayer after
- 6 December 31, 2011.
- 7 (9) For taxable years beginning after December 25, 2016, add an
- 8 amount equal to:
- 9 (A) the amount reported by the taxpayer on IRC 965
- 10 Transition Tax Statement, line 1;
- 11 (B) if the taxpayer deducted an amount under Section 965(c)
- 12 of the Internal Revenue Code in determining the taxpayer's
- 13 taxable income for purposes of the federal income tax, the
- 14 amount deducted under Section 965(c) of the Internal Revenue
- 15 Code; and
- 16 (C) with regard to any amounts of income under Section 965
- 17 of the Internal Revenue Code distributed by the taxpayer, the
- 18 deduction under Section 965(c) of the Internal Revenue Code
- 19 attributable to such distributed amounts and not reported to the
- 20 beneficiary.
- 21 For purposes of this article, the amount required to be added back
- 22 under clause (B) is not considered to be distributed or
- 23 distributable to a beneficiary of the estate or trust for purposes of
- 24 Sections 651 and 661 of the Internal Revenue Code.
- 25 (10) Subtract any interest expense paid or accrued in the current
- 26 taxable year but not deducted as a result of the limitation imposed
- 27 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 28 interest expense paid or accrued in a previous taxable year but
- 29 allowed as a deduction under Section 163 of the Internal Revenue
- 30 Code in the current taxable year. For purposes of this subdivision,
- 31 an interest expense is considered paid or accrued only in the first
- 32 taxable year the deduction would have been allowable under
- 33 Section 163 of the Internal Revenue Code if the limitation under
- 34 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 35 (11) Add an amount equal to the deduction for qualified business
- 36 income that was claimed by the taxpayer for the taxable year
- 37 under Section 199A of the Internal Revenue Code.
- 38 (12) Subtract the amount that would have been excluded from
- 39 gross income but for the enactment of Section 118(b)(2) of the
- 40 Internal Revenue Code for taxable years ending after December
- 41 22, 2017.
- 42 (13) Add an amount equal to the remainder of:



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



- 1 116-260); and
 2 (B) Section 3134(e) of the Internal Revenue Code.
 3 (16) For taxable years beginning after December 31, 2022,
 4 subtract an amount equal to the deduction disallowed under
 5 Section 280C(h) of the Internal Revenue Code.
 6 (17) Add or subtract any other amounts the taxpayer is:
 7 (A) required to add or subtract; or
 8 (B) entitled to deduct;
 9 under IC 6-3-2.
 10 (g) Subsections (a)(35), (b)(20), (d)(19), (e)(19), or (f)(17) may not
 11 be construed to require an add back or allow a deduction or exemption
 12 more than once for a particular add back, deduction, or exemption.
 13 (h) For taxable years beginning after December 25, 2016, if:
 14 (1) a taxpayer is a shareholder, either directly or indirectly, in a
 15 corporation that is an E&P deficit foreign corporation as defined
 16 in Section 965(b)(3)(B) of the Internal Revenue Code, and the
 17 earnings and profit deficit, or a portion of the earnings and profit
 18 deficit, of the E&P deficit foreign corporation is permitted to
 19 reduce the federal adjusted gross income or federal taxable
 20 income of the taxpayer, the deficit, or the portion of the deficit,
 21 shall also reduce the amount taxable under this section to the
 22 extent permitted under the Internal Revenue Code, however, in no
 23 case shall this permit a reduction in the amount taxable under
 24 Section 965 of the Internal Revenue Code for purposes of this
 25 section to be less than zero (0); and
 26 (2) the Internal Revenue Service issues guidance that such an
 27 income or deduction is not reported directly on a federal tax
 28 return or is to be reported in a manner different than specified in
 29 this section, this section shall be construed as if federal adjusted
 30 gross income or federal taxable income included the income or
 31 deduction.
 32 (i) If a partner is required to include an item of income, a deduction,
 33 or another tax attribute in the partner's adjusted gross income tax return
 34 pursuant to IC 6-3-4.5, such item shall be considered to be includible
 35 in the partner's federal adjusted gross income or federal taxable
 36 income, regardless of whether such item is actually required to be
 37 reported by the partner for federal income tax purposes. For purposes
 38 of this subsection:
 39 (1) items for which a valid election is made under IC 6-3-4.5-6,
 40 IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included
 41 in the partner's adjusted gross income or taxable income; and
 42 (2) items for which the partnership did not make an election under



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

