

SENATE BILL No. 232

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-22.

Synopsis: Deduction for unreimbursed education expenditures. Adds students who attend public schools for purposes of eligibility for the unreimbursed education expenditure tax deduction. Provides that the amount of the deduction is the lesser of: (1) \$1,000 multiplied by the number of the taxpayer's dependent children for whom the taxpayer made education expenditures in the taxable year; or (2) the total amount of actual unreimbursed education expenditures that the taxpayer incurs for each of the taxpayer's dependent children in the taxable year. (Under current law the amount is \$1,000 multiplied by the number of the taxpayer's dependent children for whom the taxpayer made education expenditures in the taxable year.) Defines "public school".

Effective: January 1, 2023 (retroactive).

Hunley

January 10, 2023, read first time and referred to Committee on Tax and Fiscal Policy.



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. 232

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 6-3-2-22, AS AMENDED BY P.L.92-2020,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 22. (a) The following
4 definitions apply throughout this section:
5 (1) "Dependent child" means an individual who:
6 (A) is eligible to receive a free elementary or high school
7 education in an Indiana school corporation;
8 (B) qualifies as a dependent (as defined in Section 152 of the
9 Internal Revenue Code) of the taxpayer; and
10 (C) is the natural or adopted child of the taxpayer or, if custody
11 of the child has been awarded in a court proceeding to
12 someone other than the mother or father, the court appointed
13 guardian or custodian of the child.
14 If the parents of a child are divorced, the term refers to the parent
15 who is eligible to take the exemption for the child under Section
16 151 of the Internal Revenue Code.
17 (2) "Education expenditure" refers to any expenditures made in



1 connection with enrollment, attendance, or participation of the
 2 taxpayer's dependent child in a **public school or** private
 3 elementary or high school education program. The term includes
 4 tuition, fees, computer software, textbooks, workbooks, curricula,
 5 school supplies, ~~(other than personal computers)~~; and other
 6 written materials used primarily for academic instruction or for
 7 academic tutoring, or both.

8 (3) "Private elementary or high school education program" means
 9 attendance at:

10 (A) a nonpublic school (as defined in IC 20-18-2-12); or

11 (B) a state accredited nonpublic school (as defined in
 12 IC 20-18-2-18.7);

13 in Indiana that satisfies a child's obligation under IC 20-33-2 for
 14 compulsory attendance at a school. ~~The term does not include the~~
 15 ~~delivery of instructional service in a home setting to a dependent~~
 16 ~~child who is enrolled in a school corporation or a charter school.~~

17 **(4) "Public school" means attendance at:**

18 **(A) a public school (as defined in IC 20-18-2-15); or**

19 **(B) a charter school (as defined in IC 20-24-1-4);**

20 **in Indiana that satisfies a child's obligation under IC 20-33-2**
 21 **for compulsory attendance at a school.**

22 (b) This section applies to taxable years beginning after December
 23 31, 2010.

24 (c) A taxpayer who makes an unreimbursed education expenditure
 25 during the taxpayer's taxable year is entitled to a deduction against the
 26 taxpayer's adjusted gross income in the taxable year.

27 (d) The amount of the deduction is **equal to the lesser of the**
 28 **following:**

29 **(1) The product of:**

30 **(A) one thousand dollars (\$1,000); multiplied by**

31 ~~(2) (B) the number of the taxpayer's dependent children for~~
 32 ~~whom the taxpayer made education expenditures in the taxable~~
 33 ~~year.~~

34 **(2) The total amount of actual unreimbursed education**
 35 **expenditures that the taxpayer incurs for each of the**
 36 **taxpayer's dependent children in the taxable year.**

37 A husband and wife are entitled to only one (1) deduction under this
 38 section.

39 (e) To receive the deduction provided by this section, a taxpayer
 40 must claim the deduction on the taxpayer's annual state tax return or
 41 returns in the manner prescribed by the department.

42 SECTION 2. [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]



- 1 **(a) IC 6-3-2-22, as amended by this act, applies to taxable years**
- 2 **beginning after December 31, 2022.**
- 3 **(b) This SECTION expires December 31, 2027.**
- 4 **SECTION 3. An emergency is declared for this act.**

