

# SENATE BILL No. 255

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-22-2.3-4; IC 6-3-1-3.5; IC 6-3.1-30.5; IC 12-17.2-7.2-11; IC 20-18-2-16; IC 20-19-3; IC 20-26-5-42.2; IC 20-26.5; IC 20-28-11.5-3; IC 20-31; IC 20-32-5.1; IC 20-43-8; IC 20-51-5; IC 20-51.4-7; IC 20-53; IC 21-12.

**Synopsis:** Education accounts. Expires the Indiana choice scholarship program and Indiana education scholarship account program on June 30, 2025. Beginning July 1, 2025, establishes the Indiana funding students first grant program (program) as a pilot program through June 30, 2027. Provides that the treasurer of state shall administer the program. Allows the parents of eligible students who are homeschooled or who attend a public school or a nonpublic school to apply to the treasurer of state to establish an account for purposes of the program. Defines "eligible student". Specifies the annual grant amount to the eligible student's account. Provides that the parent of an eligible student may use money in a program account for any qualified expense. Defines "qualified expense" for purposes of the program. Requires all students who participate in the program to take the statewide assessment. Makes conforming changes and technical corrections.

**Effective:** July 1, 2024; July 1, 2025.

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January 11, 2024, read first time and referred to Committee on Appropriations.

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Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

## SENATE BILL No. 255

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A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

1 SECTION 1. IC 4-22-2.3-4, AS ADDED BY P.L.249-2023,  
2 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 4. The Indiana state board of education may adopt  
4 interim rules under the interim rule procedures in IC 4-22-2-37.2 for  
5 the provision of special education or related services to an eligible  
6 choice scholarship student who receives an amount under  
7 IC 20-51-4-4(a)(2) (**before its expiration**). An interim rule authorized  
8 under this section expires not later than one (1) year after the rule is  
9 accepted for filing by the publisher of the Indiana Register and may not  
10 be continued in another interim rule.

11 SECTION 2. IC 6-3-1-3.5, AS AMENDED BY P.L.236-2023,  
12 SECTION 63, AND AS AMENDED BY P.L.194-2023, SECTION 7,  
13 AND AS AMENDED BY P.L.201-2023, SECTION 94, AND AS  
14 AMENDED BY P.L.202-2023, SECTION 7, AND AS AMENDED BY  
15 THE TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL  
16 ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.5. When used in this



1 article, the term "adjusted gross income" shall mean the following:

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

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

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

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

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

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

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

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

24 (5) Subtract *each of the following*:

25 (A) One thousand five hundred dollars (\$1,500) for each of the  
26 exemptions allowed under Section 151(c)(1)(B) of the Internal  
27 Revenue Code (as effective January 1, 2004), *except that in*  
28 *the first taxable year in which a particular exemption is*  
29 *allowed under Section 151(c)(1)(B) of the Internal Revenue*  
30 *Code (as effective January 1, 2004), subtract three thousand*  
31 *dollars (\$3,000) for that exemption.*

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

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

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

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

41 (C) Five hundred dollars (\$500) for each additional amount  
42 allowable under Section 63(f)(1) of the Internal Revenue Code



1           if the federal adjusted gross income of the taxpayer, or the  
 2 taxpayer and the taxpayer's spouse in the case of a joint return,  
 3 is less than forty thousand dollars (\$40,000). In the case of a  
 4 married individual filing a separate return, the qualifying  
 5 income amount in this clause is equal to twenty thousand  
 6 dollars (\$20,000).

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

- 10           (i) an adopted child of the taxpayer; and  
 11           (ii) less than nineteen (19) years of age or is a full-time  
 12 student who is less than twenty-four (24) years of age.

13           This amount is in addition to any amount subtracted under  
 14 clause (A) or (B).

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

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

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

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

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

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

41           (11) In the case of an eligible individual, subtract the amount of  
 42 a Holocaust victim's settlement payment included in the



- 1 individual's federal adjusted gross income.
- 2 (12) Subtract an amount equal to the portion of any premiums  
3 paid during the taxable year by the taxpayer for a qualified long  
4 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer  
5 or the taxpayer's spouse if the taxpayer and the taxpayer's spouse  
6 file a joint income tax return or the taxpayer is otherwise entitled  
7 to a deduction under this subdivision for the taxpayer's spouse, or  
8 both.
- 9 (13) Subtract an amount equal to the lesser of:
- 10 (A) two thousand five hundred dollars (\$2,500), or one  
11 thousand two hundred fifty dollars (\$1,250) in the case of a  
12 married individual filing a separate return; or
- 13 (B) the amount of property taxes that are paid during the  
14 taxable year in Indiana by the individual on the individual's  
15 principal place of residence.
- 16 (14) Subtract an amount equal to the amount of a September 11  
17 terrorist attack settlement payment included in the individual's  
18 federal adjusted gross income.
- 19 (15) Add or subtract the amount necessary to make the adjusted  
20 gross income of any taxpayer that owns property for which bonus  
21 depreciation was allowed in the current taxable year or in an  
22 earlier taxable year equal to the amount of adjusted gross income  
23 that would have been computed had an election not been made  
24 under Section 168(k) of the Internal Revenue Code to apply bonus  
25 depreciation to the property in the year that it was placed in  
26 service.
- 27 (16) Add an amount equal to any deduction allowed under  
28 Section 172 of the Internal Revenue Code (concerning net  
29 operating losses).
- 30 (17) Add or subtract the amount necessary to make the adjusted  
31 gross income of any taxpayer that placed Section 179 property (as  
32 defined in Section 179 of the Internal Revenue Code) in service  
33 in the current taxable year or in an earlier taxable year equal to  
34 the amount of adjusted gross income that would have been  
35 computed had an election for federal income tax purposes not  
36 been made for the year in which the property was placed in  
37 service to take deductions under Section 179 of the Internal  
38 Revenue Code in a total amount exceeding the sum of:
- 39 (A) twenty-five thousand dollars (\$25,000) to the extent  
40 deductions under Section 179 of the Internal Revenue Code  
41 were not elected as provided in clause (B); and
- 42 (B) for taxable years beginning after December 31, 2017, the



- 1           deductions elected under Section 179 of the Internal Revenue  
2           Code on property acquired in an exchange if:
- 3           (i) the exchange would have been eligible for  
4           nonrecognition of gain or loss under Section 1031 of the  
5           Internal Revenue Code in effect on January 1, 2017;
- 6           (ii) the exchange is not eligible for nonrecognition of gain or  
7           loss under Section 1031 of the Internal Revenue Code; and  
8           (iii) the taxpayer made an election to take deductions under  
9           Section 179 of the Internal Revenue Code with regard to the  
10          acquired property in the year that the property was placed  
11          into service.
- 12          The amount of deductions allowable for an item of property  
13          under this clause may not exceed the amount of adjusted gross  
14          income realized on the property that would have been deferred  
15          under the Internal Revenue Code in effect on January 1, 2017.
- 16          (18) Subtract an amount equal to the amount of the taxpayer's  
17          qualified military income that was not excluded from the  
18          taxpayer's gross income for federal income tax purposes under  
19          Section 112 of the Internal Revenue Code.
- 20          (19) 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 individual's federal adjusted gross income  
24                under the Internal Revenue Code.
- 25          (20) 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 the amount necessary from the adjusted  
31          gross income of any taxpayer that added an amount to adjusted  
32          gross income in a previous year to offset the amount included in  
33          federal gross income as a result of the deferral of income arising  
34          from business indebtedness discharged in connection with the  
35          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          (21) Add the amount excluded from federal gross income under  
39          Section 103 of the Internal Revenue Code for interest received on  
40          an obligation of a state other than Indiana, or a political  
41          subdivision of such a state, that is acquired by the taxpayer after  
42          December 31, 2011. *For purposes of this subdivision:*



- 1           (A) if the taxpayer receives interest from a pass through entity,  
2           a regulated investment company, a hedge fund, or similar  
3           arrangement, the taxpayer will be considered to have  
4           acquired the obligation on the date the entity acquired the  
5           obligation;  
6           (B) if ownership of the obligation occurs by means other than  
7           a purchase, the date of acquisition of the obligation shall be  
8           the date ownership of the obligation was transferred, except  
9           to the extent provided in clause (A), and if a portion of the  
10          obligation is acquired on multiple dates, the date of  
11          acquisition shall be considered separately for each portion of  
12          the obligation; and  
13          (C) if ownership of the obligation occurred as the result of a  
14          refinancing of another obligation, the acquisition date shall be  
15          the date on which the obligation was refinanced.
- 16          (22) Subtract an amount as described in Section 1341(a)(2) of the  
17          Internal Revenue Code to the extent, if any, that the amount was  
18          previously included in the taxpayer's adjusted gross income for a  
19          prior taxable year.
- 20          (23) For taxable years beginning after December 25, 2016, add an  
21          amount equal to the deduction for deferred foreign income that  
22          was claimed by the taxpayer for the taxable year under Section  
23          965(c) of the Internal Revenue Code.
- 24          (24) Subtract any interest expense paid or accrued in the current  
25          taxable year but not deducted as a result of the limitation imposed  
26          under Section 163(j)(1) of the Internal Revenue Code. Add any  
27          interest expense paid or accrued in a previous taxable year but  
28          allowed as a deduction under Section 163 of the Internal Revenue  
29          Code in the current taxable year. For purposes of this subdivision,  
30          an interest expense is considered paid or accrued only in the first  
31          taxable year the deduction would have been allowable under  
32          Section 163 of the Internal Revenue Code if the limitation under  
33          Section 163(j)(1) of the Internal Revenue Code did not exist.
- 34          (25) Subtract the amount that would have been excluded from  
35          gross income but for the enactment of Section 118(b)(2) of the  
36          Internal Revenue Code for taxable years ending after December  
37          22, 2017.
- 38          (26) For taxable years beginning after December 31, 2019, and  
39          before January 1, 2021, add an amount of the deduction claimed  
40          under Section 62(a)(22) of the Internal Revenue Code.
- 41          (27) For taxable years beginning after December 31, 2019, for  
42          payments made by an employer under an education assistance



1 program after March 27, 2020:

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

5 (B) deduct the interest allowable under Section 221 of the  
6 Internal Revenue Code, if the disallowance under Section  
7 221(e)(1) of the Internal Revenue Code did not apply to the  
8 payments described in clause (A). For purposes of applying  
9 Section 221(b) of the Internal Revenue Code to the amount  
10 allowable under this clause, the amount under clause (A) shall  
11 not be added to adjusted gross income.

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

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

15 (B) the amount otherwise allowable as a deduction under  
16 Section 274(n) of the Internal Revenue Code, if Section  
17 274(n)(2)(D) of the Internal Revenue Code was not in effect  
18 for amounts paid or incurred after December 31, 2020.

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

23 (A) If a taxpayer has an excess business loss under this  
24 subdivision and also has modifications under subdivisions (15)  
25 and (17) for property placed in service during the taxable year,  
26 the taxpayer shall treat a portion of the taxable year  
27 modifications for that property as occurring in the taxable year  
28 the property is placed in service and a portion of the  
29 modifications as occurring in the immediately following  
30 taxable year.

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

35 (i) the modification for the property otherwise determined  
36 under this section; minus

37 (ii) the excess business loss disallowed under this  
38 subdivision;

39 but not less than zero (0).

40 (C) The portion of the modifications under subdivisions (15)  
41 and (17) for property placed in service during the taxable year  
42 treated as occurring in the taxable year immediately following





- 1 the taxable year in which the property is placed in service  
 2 equals the modification for the property otherwise determined  
 3 under this section minus the amount in clause (B).  
 4 (D) Any reallocation of modifications between taxable years  
 5 under clauses (B) and (C) shall be first allocated to the  
 6 modification under subdivision (15), then to the modification  
 7 under subdivision (17).  
 8 (30) Add an amount equal to the amount excluded from federal  
 9 gross income under Section 108(f)(5) of the Internal Revenue  
 10 Code. For purposes of this subdivision:  
 11 (A) if an amount excluded under Section 108(f)(5) of the  
 12 Internal Revenue Code would be excludible under Section  
 13 108(a)(1)(B) of the Internal Revenue Code, the exclusion  
 14 under Section 108(a)(1)(B) of the Internal Revenue Code shall  
 15 take precedence; and  
 16 (B) if an amount would have been excludible under Section  
 17 108(f)(5) of the Internal Revenue Code as in effect on January  
 18 1, 2020, the amount is not required to be added back under this  
 19 subdivision.  
 20 (31) For taxable years ending after March 12, 2020, subtract an  
 21 amount equal to the deduction disallowed pursuant to:  
 22 (A) Section 2301(e) of the CARES Act (Public Law 116-136),  
 23 as modified by Sections 206 and 207 of the Taxpayer Certainty  
 24 and Disaster Relief Tax Act (Division EE of Public Law  
 25 116-260); and  
 26 (B) Section 3134(e) of the Internal Revenue Code.  
 27 (32) **Subtract the amount of an annual grant amount**  
 28 **distributed to an Indiana enrichment scholarship account**  
 29 **under IC 20-52 that is used for qualified expenses (as defined**  
 30 **in IC 20-52-2-6), to the extent the distribution used for the**  
 31 **qualified expense is included in the taxpayer's federal**  
 32 **adjusted gross income under the Internal Revenue Code. The**  
 33 **following apply:**  
 34 (A) **For taxable years beginning before January 1, 2026,**  
 35 **subtract the amount of an *ESA* annual grant amount and, as**  
 36 ***applicable*, a *CSA* annual grant amount distributed to a**  
 37 **taxpayer's Indiana education scholarship account under**  
 38 **~~IC 20-51.4-4-2~~ IC 20-51.4 (before its expiration) that is used**  
 39 **for ~~a~~ an *ESA* or *CSA* qualified expense (as defined in**  
 40 **~~IC 20-51.4-2-9~~ IC 20-51.4-2 (before its expiration)), or to an**  
 41 **Indiana enrichment scholarship account under IC 20-52 that is**  
 42 **used for qualified expenses (as defined in IC 20-52-2-6); to the**



1 extent the distribution used for the qualified expense is  
 2 included in the taxpayer's federal adjusted gross income under  
 3 the Internal Revenue Code.

4 **(B) For taxable years beginning after December 31, 2024,**  
 5 **and before January 1, 2028, subtract the amount of an**  
 6 **annual grant amount distributed from the state general**  
 7 **fund to a taxpayer's Indiana funding students first grant**  
 8 **program account under IC 20-53, and excluding any other**  
 9 **amount deposited in the taxpayer's account from any other**  
 10 **source, that is used for a qualified expense (as defined in**  
 11 **IC 20-53-2-8), to the extent the distribution used for the**  
 12 **qualified expense is included in the taxpayer's federal**  
 13 **adjusted gross income under the Internal Revenue Code.**

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

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

21 *(35) For taxable years beginning after December 31, 2021, add*  
 22 *or subtract amounts related to specified research or experimental*  
 23 *procedures as required under IC 6-3-2-29.*

24 ~~(35)~~ (36) Subtract any other amounts the taxpayer is entitled to  
 25 deduct under IC 6-3-2.

26 ~~(36)~~ (37) *Subtract the amount of a CSA annual grant amount*  
 27 *distributed to a taxpayer's career scholarship account under*  
 28 *IC 20-51.4-4.5 that is used for a CSA qualified expense (as*  
 29 *defined in IC 20-51.4-2-3.8); to the extent the distribution used*  
 30 *for the CSA qualified expense is included in the taxpayer's federal*  
 31 *adjusted gross income under the Internal Revenue Code.*

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

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

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

40 (3) Except as provided in subsection (c), add an amount equal to  
 41 any deduction or deductions allowed or allowable pursuant to  
 42 Section 63 of the Internal Revenue Code for taxes based on or



- 1 measured by income and levied at the state level by any state of  
 2 the United States.
- 3 (4) Subtract an amount equal to the amount included in the  
 4 corporation's taxable income under Section 78 of the Internal  
 5 Revenue Code (concerning foreign tax credits).
- 6 (5) Add or subtract the amount necessary to make the adjusted  
 7 gross income of any taxpayer that owns property for which bonus  
 8 depreciation was allowed in the current taxable year or in an  
 9 earlier taxable year equal to the amount of adjusted gross income  
 10 that would have been computed had an election not been made  
 11 under Section 168(k) of the Internal Revenue Code to apply bonus  
 12 depreciation to the property in the year that it was placed in  
 13 service.
- 14 (6) Add an amount equal to any deduction allowed under Section  
 15 172 of the Internal Revenue Code (concerning net operating  
 16 losses).
- 17 (7) Add or subtract the amount necessary to make the adjusted  
 18 gross income of any taxpayer that placed Section 179 property (as  
 19 defined in Section 179 of the Internal Revenue Code) in service  
 20 in the current taxable year or in an earlier taxable year equal to  
 21 the amount of adjusted gross income that would have been  
 22 computed had an election for federal income tax purposes not  
 23 been made for the year in which the property was placed in  
 24 service to take deductions under Section 179 of the Internal  
 25 Revenue Code in a total amount exceeding the sum of:
- 26 (A) twenty-five thousand dollars (\$25,000) to the extent  
 27 deductions under Section 179 of the Internal Revenue Code  
 28 were not elected as provided in clause (B); and
- 29 (B) for taxable years beginning after December 31, 2017, the  
 30 deductions elected under Section 179 of the Internal Revenue  
 31 Code on property acquired in an exchange if:
- 32 (i) the exchange would have been eligible for  
 33 nonrecognition of gain or loss under Section 1031 of the  
 34 Internal Revenue Code in effect on January 1, 2017;
- 35 (ii) the exchange is not eligible for nonrecognition of gain or  
 36 loss under Section 1031 of the Internal Revenue Code; and
- 37 (iii) the taxpayer made an election to take deductions under  
 38 Section 179 of the Internal Revenue Code with regard to the  
 39 acquired property in the year that the property was placed  
 40 into service.
- 41 The amount of deductions allowable for an item of property  
 42 under this clause may not exceed the amount of adjusted gross



- 1 income realized on the property that would have been deferred  
2 under the Internal Revenue Code in effect on January 1, 2017.
- 3 (8) Add to the extent required by IC 6-3-2-20:
- 4 (A) the amount of intangible expenses (as defined in  
5 IC 6-3-2-20) for the taxable year that reduced the corporation's  
6 taxable income (as defined in Section 63 of the Internal  
7 Revenue Code) for federal income tax purposes; and  
8 (B) any directly related interest expenses (as defined in  
9 IC 6-3-2-20) that reduced the corporation's adjusted gross  
10 income (determined without regard to this subdivision). For  
11 purposes of this clause, any directly related interest expense  
12 that constitutes business interest within the meaning of Section  
13 163(j) of the Internal Revenue Code shall be considered to  
14 have reduced the taxpayer's federal taxable income only in the  
15 first taxable year in which the deduction otherwise would have  
16 been allowable under Section 163 of the Internal Revenue  
17 Code if the limitation under Section 163(j)(1) of the Internal  
18 Revenue Code did not exist.
- 19 (9) Add an amount equal to any deduction for dividends paid (as  
20 defined in Section 561 of the Internal Revenue Code) to  
21 shareholders of a captive real estate investment trust (as defined  
22 in section 34.5 of this chapter).
- 23 (10) Subtract income that is:
- 24 (A) exempt from taxation under IC 6-3-2-21.7 (certain income  
25 derived from patents); and  
26 (B) included in the corporation's taxable income under the  
27 Internal Revenue Code.
- 28 (11) Add an amount equal to any income not included in gross  
29 income as a result of the deferral of income arising from business  
30 indebtedness discharged in connection with the reacquisition after  
31 December 31, 2008, and before January 1, 2011, of an applicable  
32 debt instrument, as provided in Section 108(i) of the Internal  
33 Revenue Code. Subtract from the adjusted gross income of any  
34 taxpayer that added an amount to adjusted gross income in a  
35 previous year the amount necessary to offset the amount included  
36 in federal gross income as a result of the deferral of income  
37 arising from business indebtedness discharged in connection with  
38 the reacquisition after December 31, 2008, and before January 1,  
39 2011, of an applicable debt instrument, as provided in Section  
40 108(i) of the Internal Revenue Code.
- 41 (12) Add the amount excluded from federal gross income under  
42 Section 103 of the Internal Revenue Code for interest received on



1 an obligation of a state other than Indiana, or a political  
 2 subdivision of such a state, that is acquired by the taxpayer after  
 3 December 31, 2011. *For purposes of this subdivision:*

4 *(A) if the taxpayer receives interest from a pass through entity,*  
 5 *a regulated investment company, a hedge fund, or similar*  
 6 *arrangement, the taxpayer will be considered to have*  
 7 *acquired the obligation on the date the entity acquired the*  
 8 *obligation;*

9 *(B) if ownership of the obligation occurs by means other than*  
 10 *a purchase, the date of acquisition of the obligation shall be*  
 11 *the date ownership of the obligation was transferred, except*  
 12 *to the extent provided in clause (A), and if a portion of the*  
 13 *obligation is acquired on multiple dates, the date of*  
 14 *acquisition shall be considered separately for each portion of*  
 15 *the obligation; and*

16 *(C) if ownership of the obligation occurred as the result of a*  
 17 *refinancing of another obligation, the acquisition date shall be*  
 18 *the date on which the obligation was refinanced.*

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

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

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

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

29 (B) for a real estate investment trust, add an amount equal to  
 30 the deduction for deferred foreign income that was claimed by  
 31 the taxpayer for the taxable year under Section 965(c) of the  
 32 Internal Revenue Code, but only to the extent that the taxpayer  
 33 included income pursuant to Section 965 of the Internal  
 34 Revenue Code in its taxable income for federal income tax  
 35 purposes or is required to add back dividends paid under  
 36 subdivision (9).

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



- 1 Internal Revenue Code.
- 2 (15) Subtract any interest expense paid or accrued in the current
- 3 taxable year but not deducted as a result of the limitation imposed
- 4 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 5 interest expense paid or accrued in a previous taxable year but
- 6 allowed as a deduction under Section 163 of the Internal Revenue
- 7 Code in the current taxable year. For purposes of this subdivision,
- 8 an interest expense is considered paid or accrued only in the first
- 9 taxable year the deduction would have been allowable under
- 10 Section 163 of the Internal Revenue Code if the limitation under
- 11 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 12 (16) Subtract the amount that would have been excluded from
- 13 gross income but for the enactment of Section 118(b)(2) of the
- 14 Internal Revenue Code for taxable years ending after December
- 15 22, 2017.
- 16 (17) Add an amount equal to the remainder of:
- 17 (A) the amount allowable as a deduction under Section 274(n)
- 18 of the Internal Revenue Code; minus
- 19 (B) the amount otherwise allowable as a deduction under
- 20 Section 274(n) of the Internal Revenue Code, if Section
- 21 274(n)(2)(D) of the Internal Revenue Code was not in effect
- 22 for amounts paid or incurred after December 31, 2020.
- 23 (18) For taxable years ending after March 12, 2020, subtract an
- 24 amount equal to the deduction disallowed pursuant to:
- 25 (A) Section 2301(e) of the CARES Act (Public Law 116-136),
- 26 as modified by Sections 206 and 207 of the Taxpayer Certainty
- 27 and Disaster Relief Tax Act (Division EE of Public Law
- 28 116-260); and
- 29 (B) Section 3134(e) of the Internal Revenue Code.
- 30 (19) For taxable years beginning after December 31, 2022,
- 31 subtract an amount equal to the deduction disallowed under
- 32 Section 280C(h) of the Internal Revenue Code.
- 33 (20) *For taxable years beginning after December 31, 2021,*
- 34 *subtract the amount of any:*
- 35 *(A) federal, state, or local grant received by the taxpayer; and*
- 36 *(B) discharged federal, state, or local indebtedness incurred*
- 37 *by the taxpayer;*
- 38 *for purposes of providing or expanding access to broadband*
- 39 *service in this state.*
- 40 (21) *For taxable years beginning after December 31, 2021, add*
- 41 *or subtract amounts related to specified research or experimental*
- 42 *procedures as required under IC 6-3-2-29.*



1 ~~(20)~~ (22) Add or subtract any other amounts the taxpayer is:

2 (A) required to add or subtract; or

3 (B) entitled to deduct;

4 under IC 6-3-2.

5 (c) The following apply to taxable years beginning after December  
6 31, 2018, for purposes of the add back of any deduction allowed on the  
7 taxpayer's federal income tax return for wagering taxes, as provided in  
8 subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if  
9 the taxpayer is a corporation:

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

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

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

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

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

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

37 (7) For taxable years beginning after December 31, 2024, and  
38 before January 1, 2026, a taxpayer is required to add back under  
39 this section twelve and five-tenths percent (12.5%) of any  
40 deduction allowed on the taxpayer's federal income tax return for  
41 wagering taxes.

42 (8) For taxable years beginning after December 31, 2025, a



1 taxpayer is not required to add back under this section any amount  
2 of a deduction allowed on the taxpayer's federal income tax return  
3 for wagering taxes.

4 (d) In the case of life insurance companies (as defined in Section  
5 816(a) of the Internal Revenue Code) that are organized under Indiana  
6 law, the same as "life insurance company taxable income" (as defined  
7 in Section 801 of the Internal Revenue Code), adjusted as 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) Add an amount equal to any deduction allowed or allowable  
11 under Section 170 of the Internal Revenue Code (concerning  
12 charitable contributions).

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

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

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

28 (6) Add an amount equal to any deduction allowed under Section  
29 172 of the Internal Revenue Code (concerning net operating  
30 losses).

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

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





- 1 (B) for taxable years beginning after December 31, 2017, the  
 2 deductions elected under Section 179 of the Internal Revenue  
 3 Code on property acquired in an exchange if:  
 4 (i) the exchange would have been eligible for  
 5 nonrecognition of gain or loss under Section 1031 of the  
 6 Internal Revenue Code in effect on January 1, 2017;  
 7 (ii) the exchange is not eligible for nonrecognition of gain or  
 8 loss under Section 1031 of the Internal Revenue Code; and  
 9 (iii) the taxpayer made an election to take deductions under  
 10 Section 179 of the Internal Revenue Code with regard to the  
 11 acquired property in the year that the property was placed  
 12 into service.
- 13 The amount of deductions allowable for an item of property  
 14 under this clause may not exceed the amount of adjusted gross  
 15 income realized on the property that would have been deferred  
 16 under the Internal Revenue Code in effect on January 1, 2017.
- 17 (8) Subtract income that is:  
 18 (A) exempt from taxation under IC 6-3-2-21.7 (certain income  
 19 derived from patents); and  
 20 (B) included in the insurance company's taxable income under  
 21 the Internal Revenue Code.
- 22 (9) Add an amount equal to any income not included in gross  
 23 income as a result of the deferral of income arising from business  
 24 indebtedness discharged in connection with the reacquisition after  
 25 December 31, 2008, and before January 1, 2011, of an applicable  
 26 debt instrument, as provided in Section 108(i) of the Internal  
 27 Revenue Code. Subtract from the adjusted gross income of any  
 28 taxpayer that added an amount to adjusted gross income in a  
 29 previous year the amount necessary to offset the amount included  
 30 in federal gross income as a result of the deferral of income  
 31 arising from business indebtedness discharged in connection with  
 32 the reacquisition after December 31, 2008, and before January 1,  
 33 2011, of an applicable debt instrument, as provided in Section  
 34 108(i) of the Internal Revenue Code.
- 35 (10) Add an amount equal to any exempt insurance income under  
 36 Section 953(e) of the Internal Revenue Code that is active  
 37 financing income under Subpart F of Subtitle A, Chapter 1,  
 38 Subchapter N of the Internal Revenue Code.
- 39 (11) Add the amount excluded from federal gross income under  
 40 Section 103 of the Internal Revenue Code for interest received on  
 41 an obligation of a state other than Indiana, or a political  
 42 subdivision of such a state, that is acquired by the taxpayer after



- 1 December 31, 2011. *For purposes of this subdivision:*
- 2 *(A) if the taxpayer receives interest from a pass through entity,*
- 3 *a regulated investment company, a hedge fund, or similar*
- 4 *arrangement, the taxpayer will be considered to have*
- 5 *acquired the obligation on the date the entity acquired the*
- 6 *obligation;*
- 7 *(B) if ownership of the obligation occurs by means other than*
- 8 *a purchase, the date of acquisition of the obligation shall be*
- 9 *the date ownership of the obligation was transferred, except*
- 10 *to the extent provided in clause (A), and if a portion of the*
- 11 *obligation is acquired on multiple dates, the date of*
- 12 *acquisition shall be considered separately for each portion of*
- 13 *the obligation; and*
- 14 *(C) if ownership of the obligation occurred as the result of a*
- 15 *refinancing of another obligation, the acquisition date shall be*
- 16 *the date on which the obligation was refinanced.*
- 17 (12) For taxable years beginning after December 25, 2016, add:
- 18 (A) an amount equal to the amount reported by the taxpayer on
- 19 IRC 965 Transition Tax Statement, line 1; or
- 20 (B) if the taxpayer deducted an amount under Section 965(c)
- 21 of the Internal Revenue Code in determining the taxpayer's
- 22 taxable income for purposes of the federal income tax, the
- 23 amount deducted under Section 965(c) of the Internal Revenue
- 24 Code.
- 25 (13) Add an amount equal to the deduction that was claimed by
- 26 the taxpayer for the taxable year under Section 250(a)(1)(B) of the
- 27 Internal Revenue Code (attributable to global intangible
- 28 low-taxed income). The taxpayer shall separately specify the
- 29 amount of the reduction under Section 250(a)(1)(B)(i) of the
- 30 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the
- 31 Internal Revenue Code.
- 32 (14) Subtract any interest expense paid or accrued in the current
- 33 taxable year but not deducted as a result of the limitation imposed
- 34 under Section 163(j)(1) of the Internal Revenue Code. Add any
- 35 interest expense paid or accrued in a previous taxable year but
- 36 allowed as a deduction under Section 163 of the Internal Revenue
- 37 Code in the current taxable year. For purposes of this subdivision,
- 38 an interest expense is considered paid or accrued only in the first
- 39 taxable year the deduction would have been allowable under
- 40 Section 163 of the Internal Revenue Code if the limitation under
- 41 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 42 (15) Subtract the amount that would have been excluded from



1 gross income but for the enactment of Section 118(b)(2) of the  
 2 Internal Revenue Code for taxable years ending after December  
 3 22, 2017.

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

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

7 (B) the amount otherwise allowable as a deduction under  
 8 Section 274(n) of the Internal Revenue Code, if Section  
 9 274(n)(2)(D) of the Internal Revenue Code was not in effect  
 10 for amounts paid or incurred after December 31, 2020.

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

13 (A) Section 2301(e) of the CARES Act (Public Law 116-136),  
 14 as modified by Sections 206 and 207 of the Taxpayer Certainty  
 15 and Disaster Relief Tax Act (Division EE of Public Law  
 16 116-260); and

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

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

21 *(19) For taxable years beginning after December 31, 2021, add*  
 22 *or subtract amounts related to specified research or experimental*  
 23 *procedures as required under IC 6-3-2-29.*

24 ~~(19)~~ (20) Add or subtract any other amounts the taxpayer is:

25 (A) required to add or subtract; or

26 (B) entitled to deduct;

27 under IC 6-3-2.

28 (e) In the case of insurance companies subject to tax under Section  
 29 831 of the Internal Revenue Code and organized under Indiana law, the  
 30 same as "taxable income" (as defined in Section 832 of the Internal  
 31 Revenue Code), adjusted as follows:

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

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

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

41 (4) Subtract an amount equal to the amount included in the  
 42 company's taxable income under Section 78 of the Internal



- 1 Revenue Code (concerning foreign tax credits).
- 2 (5) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that owns property for which bonus
- 4 depreciation was allowed in the current taxable year or in an
- 5 earlier taxable year equal to the amount of adjusted gross income
- 6 that would have been computed had an election not been made
- 7 under Section 168(k) of the Internal Revenue Code to apply bonus
- 8 depreciation to the property in the year that it was placed in
- 9 service.
- 10 (6) Add an amount equal to any deduction allowed under Section
- 11 172 of the Internal Revenue Code (concerning net operating
- 12 losses).
- 13 (7) Add or subtract the amount necessary to make the adjusted
- 14 gross income of any taxpayer that placed Section 179 property (as
- 15 defined in Section 179 of the Internal Revenue Code) in service
- 16 in the current taxable year or in an earlier taxable year equal to
- 17 the amount of adjusted gross income that would have been
- 18 computed had an election for federal income tax purposes not
- 19 been made for the year in which the property was placed in
- 20 service to take deductions under Section 179 of the Internal
- 21 Revenue Code in a total amount exceeding the sum of:
- 22 (A) twenty-five thousand dollars (\$25,000) to the extent
- 23 deductions under Section 179 of the Internal Revenue Code
- 24 were not elected as provided in clause (B); and
- 25 (B) for taxable years beginning after December 31, 2017, the
- 26 deductions elected under Section 179 of the Internal Revenue
- 27 Code on property acquired in an exchange if:
- 28 (i) the exchange would have been eligible for
- 29 nonrecognition of gain or loss under Section 1031 of the
- 30 Internal Revenue Code in effect on January 1, 2017;
- 31 (ii) the exchange is not eligible for nonrecognition of gain or
- 32 loss under Section 1031 of the Internal Revenue Code; and
- 33 (iii) the taxpayer made an election to take deductions under
- 34 Section 179 of the Internal Revenue Code with regard to the
- 35 acquired property in the year that the property was placed
- 36 into service.
- 37 The amount of deductions allowable for an item of property
- 38 under this clause may not exceed the amount of adjusted gross
- 39 income realized on the property that would have been deferred
- 40 under the Internal Revenue Code in effect on January 1, 2017.
- 41 (8) Subtract income that is:
- 42 (A) exempt from taxation under IC 6-3-2-21.7 (certain income



- 1 derived from patents); and  
 2 (B) included in the insurance company's taxable income under  
 3 the Internal Revenue Code.
- 4 (9) Add an amount equal to any income not included in gross  
 5 income as a result of the deferral of income arising from business  
 6 indebtedness discharged in connection with the reacquisition after  
 7 December 31, 2008, and before January 1, 2011, of an applicable  
 8 debt instrument, as provided in Section 108(i) of the Internal  
 9 Revenue Code. Subtract from the adjusted gross income of any  
 10 taxpayer that added an amount to adjusted gross income in a  
 11 previous year the amount necessary to offset the amount included  
 12 in federal gross income as a result of the deferral of income  
 13 arising from business indebtedness discharged in connection with  
 14 the reacquisition after December 31, 2008, and before January 1,  
 15 2011, of an applicable debt instrument, as provided in Section  
 16 108(i) of the Internal Revenue Code.
- 17 (10) Add an amount equal to any exempt insurance income under  
 18 Section 953(e) of the Internal Revenue Code that is active  
 19 financing income under Subpart F of Subtitle A, Chapter 1,  
 20 Subchapter N of the Internal Revenue Code.
- 21 (11) Add the amount excluded from federal gross income under  
 22 Section 103 of the Internal Revenue Code for interest received on  
 23 an obligation of a state other than Indiana, or a political  
 24 subdivision of such a state, that is acquired by the taxpayer after  
 25 December 31, 2011. *For purposes of this subdivision:*
- 26 *(A) if the taxpayer receives interest from a pass through entity,*  
 27 *a regulated investment company, a hedge fund, or similar*  
 28 *arrangement, the taxpayer will be considered to have*  
 29 *acquired the obligation on the date the entity acquired the*  
 30 *obligation;*
- 31 *(B) if ownership of the obligation occurs by means other than*  
 32 *a purchase, the date of acquisition of the obligation shall be*  
 33 *the date ownership of the obligation was transferred, except*  
 34 *to the extent provided in clause (A), and if a portion of the*  
 35 *obligation is acquired on multiple dates, the date of*  
 36 *acquisition shall be considered separately for each portion of*  
 37 *the obligation; and*
- 38 *(C) if ownership of the obligation occurred as the result of a*  
 39 *refinancing of another obligation, the acquisition date shall be*  
 40 *the date on which the obligation was refinanced.*
- 41 (12) For taxable years beginning after December 25, 2016, add:  
 42 (A) an amount equal to the amount reported by the taxpayer on



- 1 IRC 965 Transition Tax Statement, line 1; or  
 2 (B) if the taxpayer deducted an amount under Section 965(c)  
 3 of the Internal Revenue Code in determining the taxpayer's  
 4 taxable income for purposes of the federal income tax, the  
 5 amount deducted under Section 965(c) of the Internal Revenue  
 6 Code.
- 7 (13) Add an amount equal to the deduction that was claimed by  
 8 the taxpayer for the taxable year under Section 250(a)(1)(B) of the  
 9 Internal Revenue Code (attributable to global intangible  
 10 low-taxed income). The taxpayer shall separately specify the  
 11 amount of the reduction under Section 250(a)(1)(B)(i) of the  
 12 Internal Revenue Code and under Section 250(a)(1)(B)(ii) of the  
 13 Internal Revenue Code.
- 14 (14) Subtract any interest expense paid or accrued in the current  
 15 taxable year but not deducted as a result of the limitation imposed  
 16 under Section 163(j)(1) of the Internal Revenue Code. Add any  
 17 interest expense paid or accrued in a previous taxable year but  
 18 allowed as a deduction under Section 163 of the Internal Revenue  
 19 Code in the current taxable year. For purposes of this subdivision,  
 20 an interest expense is considered paid or accrued only in the first  
 21 taxable year the deduction would have been allowable under  
 22 Section 163 of the Internal Revenue Code if the limitation under  
 23 Section 163(j)(1) of the Internal Revenue Code did not exist.
- 24 (15) Subtract the amount that would have been excluded from  
 25 gross income but for the enactment of Section 118(b)(2) of the  
 26 Internal Revenue Code for taxable years ending after December  
 27 22, 2017.
- 28 (16) 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 (17) For taxable years ending after March 12, 2020, subtract an  
 36 amount equal to the deduction disallowed pursuant to:  
 37 (A) Section 2301(e) of the CARES Act (Public Law 116-136),  
 38 as modified by Sections 206 and 207 of the Taxpayer Certainty  
 39 and Disaster Relief Tax Act (Division EE of Public Law  
 40 116-260); and  
 41 (B) Section 3134(e) of the Internal Revenue Code.
- 42 (18) For taxable years beginning after December 31, 2022,



1 subtract an amount equal to the deduction disallowed under  
2 Section 280C(h) of the Internal Revenue Code.

3 *(19) For taxable years beginning after December 31, 2021, add*  
4 *or subtract amounts related to specified research or experimental*  
5 *procedures as required under IC 6-3-2-29.*

6 ~~(19)~~ (20) 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 (f) In the case of trusts and estates, "taxable income" (as defined for  
11 trusts and estates in Section 641(b) of the Internal Revenue Code)  
12 adjusted as follows:

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

15 (2) Subtract an amount equal to the amount of a September 11  
16 terrorist attack settlement payment included in the federal  
17 adjusted gross income of the estate of a victim of the September  
18 11 terrorist attack or a trust to the extent the trust benefits a victim  
19 of the September 11 terrorist attack.

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

28 (4) Add an amount equal to any deduction allowed under Section  
29 172 of the Internal Revenue Code (concerning net operating  
30 losses).

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

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



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

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

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

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

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

17 (6) Subtract income that is:

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

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

22 (7) Add an amount equal to any income not included in gross  
 23 income as a result of the deferral of income arising from business  
 24 indebtedness discharged in connection with the reacquisition after  
 25 December 31, 2008, and before January 1, 2011, of an applicable  
 26 debt instrument, as provided in Section 108(i) of the Internal  
 27 Revenue Code. Subtract from the adjusted gross income of any  
 28 taxpayer that added an amount to adjusted gross income in a  
 29 previous year the amount necessary to offset the amount included  
 30 in federal gross income as a result of the deferral of income  
 31 arising from business indebtedness discharged in connection with  
 32 the reacquisition after December 31, 2008, and before January 1,  
 33 2011, of an applicable debt instrument, as provided in Section  
 34 108(i) of the Internal Revenue Code.

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

40 (A) *if the taxpayer receives interest from a pass through entity,*  
 41 *a regulated investment company, a hedge fund, or similar*  
 42 *arrangement, the taxpayer will be considered to have*





- 1           *acquired the obligation on the date the entity acquired the*  
 2           *obligation;*  
 3           *(B) if ownership of the obligation occurs by means other than*  
 4           *a purchase, the date of acquisition of the obligation shall be*  
 5           *the date ownership of the obligation was transferred, except*  
 6           *to the extent provided in clause (A), and if a portion of the*  
 7           *obligation is acquired on multiple dates, the date of*  
 8           *acquisition shall be considered separately for each portion of*  
 9           *the obligation; and*  
 10           *(C) if ownership of the obligation occurred as the result of a*  
 11           *refinancing of another obligation, the acquisition date shall be*  
 12           *the date on which the obligation was refinanced.*
- 13           (9) For taxable years beginning after December 25, 2016, add an  
 14           amount equal to:
- 15           (A) the amount reported by the taxpayer on IRC 965  
 16           Transition Tax Statement, line 1;
- 17           (B) if the taxpayer deducted an amount under Section 965(c)  
 18           of the Internal Revenue Code in determining the taxpayer's  
 19           taxable income for purposes of the federal income tax, the  
 20           amount deducted under Section 965(c) of the Internal Revenue  
 21           Code; and
- 22           (C) with regard to any amounts of income under Section 965  
 23           of the Internal Revenue Code distributed by the taxpayer, the  
 24           deduction under Section 965(c) of the Internal Revenue Code  
 25           attributable to such distributed amounts and not reported to the  
 26           beneficiary.
- 27           For purposes of this article, the amount required to be added back  
 28           under clause (B) is not considered to be distributed or  
 29           distributable to a beneficiary of the estate or trust for purposes of  
 30           Sections 651 and 661 of the Internal Revenue Code.
- 31           (10) Subtract any interest expense paid or accrued in the current  
 32           taxable year but not deducted as a result of the limitation imposed  
 33           under Section 163(j)(1) of the Internal Revenue Code. Add any  
 34           interest expense paid or accrued in a previous taxable year but  
 35           allowed as a deduction under Section 163 of the Internal Revenue  
 36           Code in the current taxable year. For purposes of this subdivision,  
 37           an interest expense is considered paid or accrued only in the first  
 38           taxable year the deduction would have been allowable under  
 39           Section 163 of the Internal Revenue Code if the limitation under  
 40           Section 163(j)(1) of the Internal Revenue Code did not exist.
- 41           (11) Add an amount equal to the deduction for qualified business  
 42           income that was claimed by the taxpayer for the taxable year



- 1 under Section 199A of the Internal Revenue Code.
- 2 (12) Subtract the amount that would have been excluded from
- 3 gross income but for the enactment of Section 118(b)(2) of the
- 4 Internal Revenue Code for taxable years ending after December
- 5 22, 2017.
- 6 (13) Add an amount equal to the remainder of:
- 7 (A) the amount allowable as a deduction under Section 274(n)
- 8 of the Internal Revenue Code; minus
- 9 (B) the amount otherwise allowable as a deduction under
- 10 Section 274(n) of the Internal Revenue Code, if Section
- 11 274(n)(2)(D) of the Internal Revenue Code was not in effect
- 12 for amounts paid or incurred after December 31, 2020.
- 13 (14) For taxable years beginning after December 31, 2017, and
- 14 before January 1, 2021, add an amount equal to the excess
- 15 business loss of the taxpayer as defined in Section 461(l)(3) of the
- 16 Internal Revenue Code. In addition:
- 17 (A) If a taxpayer has an excess business loss under this
- 18 subdivision and also has modifications under subdivisions (3)
- 19 and (5) for property placed in service during the taxable year,
- 20 the taxpayer shall treat a portion of the taxable year
- 21 modifications for that property as occurring in the taxable year
- 22 the property is placed in service and a portion of the
- 23 modifications as occurring in the immediately following
- 24 taxable year.
- 25 (B) The portion of the modifications under subdivisions (3)
- 26 and (5) for property placed in service during the taxable year
- 27 treated as occurring in the taxable year in which the property
- 28 is placed in service equals:
- 29 (i) the modification for the property otherwise determined
- 30 under this section; minus
- 31 (ii) the excess business loss disallowed under this
- 32 subdivision;
- 33 but not less than zero (0).
- 34 (C) The portion of the modifications under subdivisions (3)
- 35 and (5) for property placed in service during the taxable year
- 36 treated as occurring in the taxable year immediately following
- 37 the taxable year in which the property is placed in service
- 38 equals the modification for the property otherwise determined
- 39 under this section minus the amount in clause (B).
- 40 (D) Any reallocation of modifications between taxable years
- 41 under clauses (B) and (C) shall be first allocated to the
- 42 modification under subdivision (3), then to the modification



- 1 under subdivision (5).
- 2 (15) For taxable years ending after March 12, 2020, subtract an  
3 amount equal to the deduction disallowed pursuant to:
- 4 (A) Section 2301(e) of the CARES Act (Public Law 116-136),  
5 as modified by Sections 206 and 207 of the Taxpayer Certainty  
6 and Disaster Relief Tax Act (Division EE of Public Law  
7 116-260); and
- 8 (B) Section 3134(e) of the Internal Revenue Code.
- 9 (16) For taxable years beginning after December 31, 2022,  
10 subtract an amount equal to the deduction disallowed under  
11 Section 280C(h) of the Internal Revenue Code.
- 12 (17) Except as provided in subsection (c), for taxable years  
13 beginning after December 31, 2022, add an amount equal to any  
14 deduction or deductions allowed or allowable in determining  
15 taxable income under Section 641(b) of the Internal Revenue  
16 Code for taxes based on or measured by income and levied at the  
17 state level by any state of the United States.
- 18 *(18) For taxable years beginning after December 31, 2021, add  
19 or subtract amounts related to specified research or experimental  
20 procedures as required under IC 6-3-2-29.*
- 21 ~~(18)~~ (19) Add or subtract any other amounts the taxpayer is:
- 22 (A) required to add or subtract; or
- 23 (B) entitled to deduct;
- 24 under IC 6-3-2.
- 25 (g) For purposes of IC 6-3-2.1, IC 6-3-4-12, IC 6-3-4-13, and  
26 IC 6-3-4-15 for taxable years beginning after December 31, 2022,  
27 "adjusted gross income" of a pass through entity means the ~~aggregate~~  
28 *of* items of ordinary income and loss in the case of a partnership or a  
29 corporation described in IC 6-3-2-2.8(2), or ~~aggregate distributable net~~  
30 *income of a trust or estate as defined in Section 643 of the Internal*  
31 *Revenue Code; distributions subject to tax for state and federal income*  
32 *tax for beneficiaries in the case of a trust or estate, whichever is*  
33 *applicable, for the taxable year modified as follows:*
- 34 (1) Add the separately stated items of income and gains, or the  
35 equivalent items that must be considered separately by a  
36 beneficiary, as determined for federal purposes, attributed to the  
37 partners, shareholders, or beneficiaries of the pass through entity,  
38 determined without regard to whether the owner is permitted to  
39 exclude all or part of the income or gain or deduct any amount  
40 against the income or gain.
- 41 (2) Subtract the separately stated items of deductions or losses or  
42 items that must be considered separately by beneficiaries, as



1 determined for federal purposes, attributed to partners,  
 2 shareholders, or beneficiaries of the pass through entity and that  
 3 are deductible by an individual in determining adjusted gross  
 4 income as defined under Section 62 of the Internal Revenue  
 5 Code:

6 (A) limited as if the partners, shareholders, and beneficiaries  
 7 deducted the maximum allowable loss or deduction allowable  
 8 for the taxable year prior to any amount deductible from the  
 9 pass through entity; but

10 (B) not considering any disallowance of deductions resulting  
 11 from federal basis limitations for the partner, shareholder, or  
 12 beneficiary.

13 (3) Add or subtract any modifications to adjusted gross income  
 14 that would be required both for individuals under subsection (a)  
 15 and corporations under subsection (b) to the extent otherwise  
 16 provided in those subsections, including amounts that are  
 17 allowable for which such modifications are necessary to account  
 18 for separately stated items in subdivision (1) or (2).

19 (h) Subsections ~~(a)(35); (b)(20); (d)(19); (e)(19); or (f)(18)~~ (a)(36),  
 20 (b)(22), (d)(20), (e)(20), or (f)(19) may not be construed to require an  
 21 add back or allow a deduction or exemption more than once for a  
 22 particular add back, deduction, or exemption.

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

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

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

42 (j) If a partner is required to include an item of income, a deduction,



1 or another tax attribute in the partner's adjusted gross income tax return  
 2 pursuant to IC 6-3-4.5, such item shall be considered to be includible  
 3 in the partner's federal adjusted gross income or federal taxable  
 4 income, regardless of whether such item is actually required to be  
 5 reported by the partner for federal income tax purposes. For purposes  
 6 of this subsection:

- 7 (1) items for which a valid election is made under IC 6-3-4.5-6,  
 8 IC 6-3-4.5-8, or IC 6-3-4.5-9 shall not be required to be included  
 9 in the partner's adjusted gross income or taxable income; and  
 10 (2) items for which the partnership did not make an election under  
 11 IC 6-3-4.5-6, IC 6-3-4.5-8, or IC 6-3-4.5-9, but for which the  
 12 partnership is required to remit tax pursuant to IC 6-3-4.5-18,  
 13 shall be included in the partner's adjusted gross income or taxable  
 14 income.

15 *(k) The following apply for purposes of this section:*

16 *(1) For purposes of subsections (b) and (f), if a taxpayer is an*  
 17 *organization that has more than one (1) trade or business subject*  
 18 *to the provisions of Section 512(a)(6) of the Internal Revenue*  
 19 *Code, the following rules apply for taxable years beginning after*  
 20 *December 31, 2017:*

21 *(A) If a trade or business has federal unrelated business*  
 22 *taxable income of zero (0) or greater for a taxable year, the*  
 23 *unrelated business taxable income and modifications required*  
 24 *under this section shall be combined in determining the*  
 25 *adjusted gross income of the taxpayer and shall not be treated*  
 26 *as being subject to the provisions of Section 512(a)(6) of the*  
 27 *Internal Revenue Code if one (1) or more trades or businesses*  
 28 *have negative Indiana adjusted gross income after*  
 29 *adjustments.*

30 *(B) If a trade or business has federal unrelated business*  
 31 *taxable income of less than zero (0) for a taxable year, the*  
 32 *taxpayer shall apply the modifications under this section for*  
 33 *the taxable year against the net operating loss in the manner*  
 34 *required under IC 6-3-2-2.5 and IC 6-3-2-2.6 for separately*  
 35 *stated net operating losses. However, if the application of*  
 36 *modifications required under IC 6-3-2-2.5 or IC 6-3-2-2.6*  
 37 *results in the separately stated net operating loss for the trade*  
 38 *or business being zero (0), the modifications that increase*  
 39 *adjusted gross income under this section and remain after the*  
 40 *calculations to adjust the separately stated net operating loss*  
 41 *to zero (0) that result from the trade or business must be*  
 42 *treated as modifications to which clause (A) applies for the*



1 taxable year.

2 (C) If a trade or business otherwise described in Section

3 512(a)(6) of the Internal Revenue Code incurred a net

4 operating loss for a taxable year beginning after December

5 31, 2017, and before January 1, 2021, and the net operating

6 loss was carried back for federal tax purposes:

7 (i) if the loss was carried back to a taxable year for which

8 the requirements under Section 512(a)(6) of the Internal

9 Revenue Code did not apply, the portion of the loss and

10 modifications attributable to the loss shall be treated as

11 adjusted gross income of the taxpayer for the first taxable

12 year of the taxpayer beginning after December 31, 2022,

13 and shall be treated as part of the adjusted gross income

14 attributable to clause (A), unless, and to the extent, the loss

15 and modifications were applied to adjusted gross income for

16 a previous taxable year, as determined under this article;

17 and

18 (ii) if the loss was carried back to a taxable year for which

19 the requirements under Section 512(a)(6) of the Internal

20 Revenue Code applied, the portion of the loss and

21 modifications attributable to the loss shall be treated as

22 adjusted gross income of the taxpayer for the first taxable

23 year of the taxpayer beginning after December 31, 2022,

24 and for purposes of this clause, the inclusion of losses and

25 modifications shall be in the same manner as provided in

26 clause (B), unless, and to the extent, the loss and

27 modifications were applied to adjusted gross income for a

28 previous taxable year, as determined under this article.

29 (D) Notwithstanding any provision in this subdivision, if a

30 taxpayer computed its adjusted gross income for a taxable

31 year beginning before January 1, 2023, based on a reasonable

32 interpretation of this article, the taxpayer shall be permitted

33 to compute its adjusted gross income for those taxable years

34 based on that interpretation. However, a taxpayer must

35 continue to report any tax attributes for taxable years

36 beginning after December 31, 2022, in a manner consistent

37 with its previous interpretation.

38 (2) In the case of a corporation, other than a captive real estate

39 investment trust, for which the adjusted gross income under this

40 article is determined after a deduction for dividends paid under

41 the Internal Revenue Code, the modifications required under this

42 section shall be applied in ratio to the corporation's taxable



1 *income (as defined in Section 63 of the Internal Revenue Code)*  
 2 *after deductions for dividends paid under the Internal Revenue*  
 3 *Code compared to the corporation's taxable income (as defined*  
 4 *in Section 63 of the Internal Revenue Code) before the deduction*  
 5 *for dividends paid under the Internal Revenue Code.*

6 *(3) In the case of a trust or estate, the trust or estate is required*  
 7 *to include only the portion of the modifications not passed*  
 8 *through to beneficiaries.*

9 *(4) In the case of a taxpayer for which modifications are required*  
 10 *to be applied against a separately stated net operating loss under*  
 11 *IC 6-3-2-2.5 or IC 6-3-2-2.6, the modifications required under*  
 12 *this section must be adjusted to reflect the required application*  
 13 *of the modifications against a separately stated net operating*  
 14 *loss, in order to avoid the application of a particular*  
 15 *modification multiple times.*

16 SECTION 3. IC 6-3.1-30.5-0.5, AS ADDED BY P.L.63-2012,  
 17 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2025]: Sec. 0.5. Each provision of P.L.92-2011 is presumed  
 19 to be and is severable from the remainder to the fullest extent and  
 20 under IC 1-1-1-8. If any phrase, clause, sentence, or provision of  
 21 ~~IC 6-3.1-30.5~~ **this chapter** or IC 20-51 (**before its expiration**), as  
 22 added and amended, is held invalid for any reason, the invalidity does  
 23 not affect the other provisions that are to be given effect without the  
 24 invalid provision or application. The general assembly intends each  
 25 provision to be passed into law individually and as a whole, without  
 26 any provisions later found to be invalid or otherwise counter to  
 27 constitutional or other legal requirements.

28 SECTION 4. IC 6-3.1-30.5-3, AS AMENDED BY P.L.92-2011,  
 29 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2025]: Sec. 3. As used in this chapter, "scholarship granting  
 31 organization" refers to an organization that:

- 32 (1) is exempt from federal income taxation under Section  
 33 501(c)(3) of the Internal Revenue Code; and  
 34 (2) conducts a school scholarship program without limiting the  
 35 availability of scholarships to students of only one (1)  
 36 participating school (as defined in ~~IC 20-51-1-6~~ **IC 20-51-1-6**  
 37 **(before its expiration)**).

38 SECTION 5. IC 6-3.1-30.5-4, AS ADDED BY P.L.182-2009(ss),  
 39 SECTION 205, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2025]: Sec. 4. As used in this chapter, "school  
 41 scholarship program" refers to a scholarship program certified by the  
 42 department of education under IC 20-51 (**before its expiration**).



1 SECTION 6. IC 12-17.2-7.2-11, AS AMENDED BY P.L.201-2023,  
 2 SECTION 139, AND AS AMENDED BY P.L.246-2023, SECTION  
 3 17, AND AS AMENDED BY THE TECHNICAL CORRECTIONS  
 4 BILL OF THE 2024 GENERAL ASSEMBLY, IS CORRECTED AND  
 5 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:  
 6 Sec. 11. *Except as provided under IC 20-51-1-4.3(4)(E)*, The receipt  
 7 of a grant under the *pilot prekindergarten* program does not qualify,  
 8 nor have an effect on the qualification or eligibility, of a child for a  
 9 choice scholarship under IC 20-51-4 (**before its expiration**).

10 SECTION 7. IC 20-18-2-16, AS AMENDED BY P.L.211-2019,  
 11 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2025]: Sec. 16. (a) "School corporation", for purposes of this  
 13 title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5, IC 20-26-7,  
 14 IC 20-26-7.1, IC 20-28-11.5, IC 20-30-8, IC 20-30-16, IC 20-43, ~~and~~  
 15 IC 20-50, **and IC 20-53**), means a public school corporation  
 16 established by Indiana law. The term includes a:

- 17 (1) school city;
- 18 (2) school town;
- 19 (3) consolidated school corporation;
- 20 (4) metropolitan school district;
- 21 (5) township school corporation;
- 22 (6) county school corporation;
- 23 (7) united school corporation; or
- 24 (8) community school corporation.

25 (b) "School corporation", for purposes of IC 20-26-1 through  
 26 IC 20-26-5, IC 20-26-7, and IC 20-26-7.1, has the meaning set forth in  
 27 IC 20-26-2-4.

28 (c) "School corporation", for purposes of IC 20-20-33, IC 20-26.5,  
 29 IC 20-30-8, ~~and~~ IC 20-50, **and IC 20-53**, includes a charter school (as  
 30 defined in IC 20-24-1-4).

31 (d) "School corporation", for purposes of IC 20-43, has the meaning  
 32 set forth in IC 20-43-1-23.

33 (e) "School corporation", for purposes of IC 20-28-11.5, has the  
 34 meaning set forth in IC 20-28-11.5-3.

35 (f) "School corporation", for purposes of IC 20-35, has the meaning  
 36 set forth in IC 20-35-1-6.

37 (g) "School corporation", for purposes of IC 20-30-16, has the  
 38 meaning set forth in IC 20-30-16-4.

39 SECTION 8. IC 20-19-3-2.1, AS ADDED BY P.L.169-2016,  
 40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2025]: Sec. 2.1. (a) As used in this section, "school  
 42 corporation" includes:





1 (1) any local public school corporation established under Indiana  
2 law;

3 (2) a charter school; and

4 (3) an eligible school (as defined in ~~IC 20-51-1-4.7~~;

5 **IC 20-51-1-4.7 (before its expiration)**);

6 that are otherwise entitled to receive federal funds under federal and  
7 state law.

8 (b) If, by any act of Congress, funds are provided as federal aid to  
9 education to the several states and the disposition of the funds is not  
10 otherwise provided for by or under the act of Congress or by or under  
11 any Indiana law, the apportionment and distribution of those funds to  
12 school corporations shall, insofar as consistent with the requirements  
13 prescribed by the federal law and implementing rules and regulations,  
14 be governed by the standards set forth in this section.

15 (c) Except as otherwise provided in this title, the department is  
16 responsible for the general administration of federal grant programs  
17 under the Elementary and Secondary Education Act of 1965 (ESEA),  
18 as amended.

19 (d) The department shall make timely application for any federal  
20 funds made available for school corporations in Indiana, and shall,  
21 under the federal law and this section, direct the allocation and  
22 apportionment of the federal funds received fairly, equitably, and in a  
23 timely manner to all school corporations in accordance with federal law  
24 and this section. The department must ensure that sufficient personnel  
25 are assigned to its federal grants program to enable the department to  
26 comply with subsection (c).

27 (e) Whenever the department provides federal formula grant  
28 funding to a school corporation, the department must also provide to  
29 the school corporation the formula and the data used to calculate the  
30 funding amount.

31 SECTION 9. IC 20-19-3-15, AS AMENDED BY P.L.202-2023,  
32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2025]: Sec. 15. (a) This section does not apply to a school  
34 promotional item that has minimal monetary value.

35 (b) ~~As used in this section, "CSA participating entity" has the~~  
36 ~~meaning set forth in IC 20-51.4-2-3.2.~~

37 (c) ~~As used in this section, "ESA participating entity" has the~~  
38 ~~meaning set forth in IC 20-51.4-2-4.7.~~

39 (b) **As used in this section, "participating entity" has the**  
40 **meaning set forth in IC 20-53-2-5.**

41 (c) ~~(c)~~ As used in this section, "school" means any of the following:

42 (1) A school corporation.



- 1 (2) A charter school, including a conversion charter school or a  
 2 virtual charter school.
- 3 (3) A nonpublic school that has any students enrolled who receive  
 4 a choice scholarship under IC 20-51-4 **(before its expiration)**.
- 5 ~~(c)~~ **(d)** A school, ~~an ESA or CSA~~ a participating entity, an employee  
 6 of a school or ~~an ESA or CSA~~ a participating entity, or a member or  
 7 representative of an association affiliated with a school employee  
 8 organization (as defined in IC 20-29-2-14) may not offer or give, as an  
 9 incentive to enroll, reenroll, continue attending, or receive services  
 10 from a school or ~~an ESA or CSA~~ a participating entity, any item that  
 11 has monetary value, including cash or a gift card, to:
- 12 (1) a student or prospective student (or the parent of a student or  
 13 prospective student) in exchange for enrolling, reenrolling, or  
 14 incentivizing continued attendance of the student or prospective  
 15 student at the school or with the ~~ESA or CSA~~ participating entity;  
 16 or
- 17 (2) any person in exchange for referring a prospective student to  
 18 the school or ~~ESA or CSA~~ participating entity.
- 19 SECTION 10. IC 20-19-3-22.3, AS AMENDED BY P.L.202-2023,  
 20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2025]: Sec. 22.3. (a) The following definitions apply  
 22 throughout this section:
- 23 (1) "Advanced placement course" means an advanced course as  
 24 defined by IC 20-36-3-1.
- 25 (2) "Cambridge International course" has the meaning set forth in  
 26 IC 20-36-6-1.
- 27 (3) "Cohort" has the meaning set forth in IC 20-26-13-2.
- 28 ~~(4) "CSA program" has the meaning set forth in IC 20-51.4-2-3.4.~~
- 29 ~~(5) (4) "Dual credit course" has the meaning set forth in~~  
 30 ~~IC 21-43-1-2.5.~~
- 31 ~~(6) "ESA program" has the meaning set forth in IC 20-51.4-2-5.~~
- 32 **(5) "Indiana funding students first grant program" means the**  
 33 **program established by IC 20-53-3-1.**
- 34 ~~(7) (6) "Internet dashboard" means the department's Internet~~  
 35 ~~dashboard established under IC 20-31-8-5.5.~~
- 36 ~~(8) (7) "Management performance hub" refers to the management~~  
 37 ~~performance hub established by IC 4-3-26-8.~~
- 38 (b) Beginning with students who graduated during the 2017-2018  
 39 school year and not later than January 1, 2022, the department, in  
 40 collaboration with the management performance hub, shall report on  
 41 the department's website the median earned income of graduates of a  
 42 particular school year, for each school corporation, charter high school,



1 or state accredited nonpublic school. The median earned income of a  
 2 particular graduating class for a school corporation, charter school, or  
 3 state accredited nonpublic school shall be updated annually.

4 (c) The department shall, in collaboration with the management  
 5 performance hub and the commission for higher education, collect,  
 6 maintain, and aggregate the following data regarding each cohort,  
 7 beginning with the cohort expected to graduate in 2023:

8 (1) The median income of the cohort at:

- 9 (A) one (1) year after graduation;  
 10 (B) three (3) years after graduation;  
 11 (C) five (5) years after graduation; and  
 12 (D) ten (10) years after graduation.

13 (2) The number of students in the cohort who participated in each  
 14 of the following:

- 15 (A) Advanced placement courses.  
 16 (B) Dual placement courses.  
 17 (C) Cambridge International courses.  
 18 (D) International baccalaureate courses.

19 (3) The number of students in the cohort who enrolled in a public  
 20 university, aggregated by major.

21 (4) The number of students in the cohort who completed at least  
 22 two (2) academic years at a college or university.

23 (5) The number of students in the cohort who were employed:

- 24 (A) one (1) year after graduation;  
 25 (B) three (3) years after graduation;  
 26 (C) five (5) years after graduation; and  
 27 (D) ten (10) years after graduation;

28 aggregated by federal Standard Occupational Classification code.

29 (d) The department shall, not later than January 1, 2024, do the  
 30 following:

31 (1) Begin publishing the data described in subsection (c) on the  
 32 department's Internet dashboard. Data described in subsection

33 (c)(1) must be published under this subdivision:

- 34 (A) aggregated by secondary school; and  
 35 (B) for each secondary school, aggregated by **Indiana funding**  
 36 **students first grant program participation.**  
 37 (i) ~~ESA program participation, if applicable; and~~  
 38 (ii) ~~ESA program participation, if applicable.~~

39 (2) Begin publishing the data described in subsection (c),  
 40 aggregated by secondary school, on the department's Graduates  
 41 Prepared to Succeed website.

42 (e) The department may not disclose any personal, identifiable



1 information of any individual under this section.

2 SECTION 11. IC 20-19-3-28.5 IS REPEALED [EFFECTIVE JULY  
3 1, 2025]. Sec. 28.5: (a) As used in this section, "CSA participating  
4 entity" has the meaning set forth in ~~IC 20-51.4-2-3.2.~~

5 (b) As used in this section, "skill competency" has the meaning set  
6 forth in ~~IC 20-51.4-2-11.~~

7 (c) The department shall publish on the department's website a list  
8 of skill competencies identified by CSA participating entities who are  
9 providing training and education approved by the department and the  
10 commission for higher education under ~~IC 20-51.4-4.5-6.~~

11 SECTION 12. IC 20-26-5-42.2, AS ADDED BY P.L.29-2023,  
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2025]: Sec. 42.2. (a) This section does not apply to a  
14 nonpublic school unless the nonpublic school is an eligible school (as  
15 defined in IC 20-51-1-4.7 **(before its expiration)**).

16 (b) As used in this section, "FAFSA" refers to the Free Application  
17 for Federal Student Aid.

18 (c) Beginning with the 2023-2024 school year, each student in the  
19 student's senior year shall complete and submit the FAFSA not later  
20 than April 15 of the school year.

21 (d) A student is not required to comply with subsection (c) if:

22 (1) a parent of the student or the student, if the student is a  
23 emancipated minor, submits a signed waiver certifying that the  
24 student understands what the FAFSA is and declines to complete  
25 it; or

26 (2) the principal or school counselor of the student's high school  
27 waives the requirement for a group of students due to the  
28 principal or school counselor being unable to reach the parents of  
29 the students by April 15 of the school year after at least two (2)  
30 reasonable attempts to contact the parents.

31 (e) This section expires June 30, 2033.

32 SECTION 13. IC 20-26.5-1-2, AS AMENDED BY P.L.92-2020,  
33 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2025]: Sec. 2. As used in this article, "coalition member"  
35 refers to a school corporation, eligible school (as defined in  
36 ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its expiration)**, or state  
37 accredited nonpublic school that is approved by the state board under  
38 IC 20-26.5-2 to become a member of a coalition established under  
39 IC 20-26.5-2.

40 SECTION 14. IC 20-26.5-2-1, AS AMENDED BY P.L.92-2020,  
41 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2025]: Sec. 1. (a) The state board may approve not more than



1 one (1) coalition of continuous improvement school districts under this  
 2 chapter to offer flexibility and innovation to schools to improve student  
 3 outcomes.

4 (b) To establish a coalition under this chapter, at least four (4), but  
 5 not more than a total of eight (8), of any of the following must jointly  
 6 submit a plan to the state board in a manner prescribed by the state  
 7 board:

8 (1) A school corporation.

9 (2) An eligible school (as defined in ~~IC 20-51-1-4.7~~;  
 10 **IC 20-51-1-4.7 (before its expiration)**).

11 (3) A state accredited nonpublic school.

12 (c) The plan submitted under subsection (b) must include:

13 (1) a description of the various educational programs that will be  
 14 offered by members of the proposed coalition;

15 (2) a description that identifies potential coalition member  
 16 partnerships with:

17 (A) business or industry;

18 (B) postsecondary educational institutions; or

19 (C) community partners;

20 (3) the specific goals and the measurable student outcomes to be  
 21 obtained by the proposed coalition members; and

22 (4) an explanation of how student performance in achieving the  
 23 specific outcomes will be measured, evaluated, and reported.

24 If a plan submitted to the state board includes a request to suspend all  
 25 or portions of IC 20-30 for a proposed coalition, the plan must include  
 26 how the specific goal of the proposed coalition will be achieved by  
 27 suspending all or portions of IC 20-30. The state board may approve a  
 28 plan that proposes to suspend all or portions of IC 20-30 only if the  
 29 suspension is related to a specific goal of the proposed coalition.

30 (d) The state board may approve a coalition under this chapter if the  
 31 state board determines that the coalition will:

32 (1) improve student performance and outcomes;

33 (2) offer coalition members flexibility in the administration of  
 34 educational programs; and

35 (3) promote innovative educational approaches to student  
 36 learning.

37 (e) The plan approved by the state board under subsection (d) must  
 38 apply uniformly for each member of the coalition.

39 (f) Upon approval of the coalition by the state board under  
 40 subsection (d), the state board shall post the following on the state  
 41 board's ~~Internet web site~~: **website**:

42 (1) A copy of the plan approved by the state board under



1 subsection (d).

2 (2) Information describing how a school corporation, an eligible  
3 school (as defined in ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its**  
4 **expiration)**), or a state accredited nonpublic school may submit  
5 an application to become a coalition member to the coalition  
6 under section 2(b) of this chapter.

7 SECTION 15. IC 20-26.5-2-2, AS AMENDED BY P.L.92-2020,  
8 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2025]: Sec. 2. (a) Subject to subsection (b), if the state board  
10 approves a coalition under section 1(d) of this chapter, the applicants  
11 that jointly submitted an application under section 1 of this chapter  
12 become coalition members.

13 (b) In addition to the coalition members described in subsection (a),  
14 a school corporation, an eligible school (as defined in ~~IC 20-51-1-4.7~~);  
15 **IC 20-51-1-4.7 (before its expiration)**), or a state accredited  
16 nonpublic school may become a coalition member by submitting an  
17 application to the coalition, in a manner prescribed by the coalition.  
18 The coalition may submit a recommendation to the state board that an  
19 applicant under this subsection should be approved to participate in the  
20 coalition. Subject to subsection (c), the state board shall approve an  
21 application submitted under this subsection.

22 (c) For:

- 23 (1) the 2018-2019 school year, not more than a total of eight (8)  
24 school corporations, eligible schools (as defined in  
25 ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its expiration)**), or state  
26 accredited nonpublic schools may participate in the coalition;  
27 (2) the 2019-2020 school year, not more than a total of twelve  
28 (12) school corporations, eligible schools (as defined in  
29 ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its expiration)**), or state  
30 accredited nonpublic schools may participate in the coalition; and  
31 (3) the 2020-2021 school year, not more than a total of sixteen  
32 (16) school corporations, eligible schools (as defined in  
33 ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its expiration)**), or state  
34 accredited nonpublic schools may participate in the coalition.

35 (d) Beginning in the 2021-2022 school year and each school year  
36 thereafter, the state board shall limit the number of coalition members  
37 to thirty (30) school corporations, eligible schools (as defined in  
38 ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its expiration)**), or state  
39 accredited nonpublic schools.

40 SECTION 16. IC 20-28-11.5-3, AS AMENDED BY P.L.200-2023,  
41 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2025]: Sec. 3. As used in this chapter, "school corporation"



- 1 includes:
- 2 (1) a school corporation;
- 3 (2) a school created by an interlocal agreement under IC 36-1-7;
- 4 (3) a special education cooperative under IC 20-35-5; and
- 5 (4) a joint career and technical education program created under
- 6 IC 20-37-1.
- 7 However, for purposes of section 4(a) of this chapter, "school
- 8 corporation" includes a charter school, a virtual charter school, and an
- 9 eligible school (as defined in ~~IC 20-51-1-4.7~~: **IC 20-51-1-4.7 (before**
- 10 **its expiration)**).
- 11 SECTION 17. IC 20-31-4.1-7, AS AMENDED BY P.L.201-2023,
- 12 SECTION 169, IS AMENDED TO READ AS FOLLOWS
- 13 [EFFECTIVE JULY 1, 2025]: Sec. 7. A school or group of schools that
- 14 submits an application under section 4 of this chapter may not request
- 15 to waive any of the following provisions:
- 16 IC 20-24-8-2 (prohibited acts).
- 17 IC 20-26-5-10 (criminal history and child protection index check).
- 18 IC 20-26-12-1 (curricular material purchase and provision; public
- 19 school students).
- 20 IC 20-26-12-2 (curricular material purchase and rental).
- 21 IC 20-27-7 (school bus inspection and registration).
- 22 IC 20-27-8-1 (school bus drivers and monitors).
- 23 IC 20-27-8-2 (school bus driver driving summary).
- 24 IC 20-27-10-3 (capacity of school bus).
- 25 IC 20-28 (school teachers).
- 26 IC 20-29 (collective bargaining).
- 27 IC 20-30-5-0.5 (display of United States flag; Pledge of
- 28 Allegiance).
- 29 IC 20-30-5-1 (constitutions).
- 30 IC 20-30-5-2 (constitutions; interdisciplinary course).
- 31 IC 20-30-5-3 (protected writings).
- 32 IC 20-30-5-4 (American history).
- 33 IC 20-30-5-4.5 (moment of silence).
- 34 IC 20-30-5-5 (morals instruction).
- 35 IC 20-30-5-6 (good citizenship instruction).
- 36 IC 20-30-5-13 (human sexuality instructional requirements).
- 37 IC 20-30-5-17 (access to materials; consent for participation).
- 38 IC 20-30-5-21 (contrary student instruction not permitted).
- 39 IC 20-30-5-22 (Indiana studies).
- 40 IC 20-31 (accountability for performance and improvement).
- 41 IC 20-32-4 (graduation requirements).
- 42 IC 20-32-5.1 (Indiana's Learning Evaluation Assessment



- 1 Readiness Network (ILEARN) program).  
 2 IC 20-33-1 (equal educational opportunity).  
 3 IC 20-34 (student health and safety measures).  
 4 IC 20-35 (special education).  
 5 IC 20-35.5 (dyslexia screening and intervention).  
 6 IC 20-36 (high ability students).  
 7 IC 20-39 (accounting and financial reporting procedures).  
 8 IC 20-40 (government funds and accounts).  
 9 IC 20-41 (extracurricular funds and accounts).  
 10 IC 20-42 (fiduciary funds and accounts).  
 11 IC 20-42.5 (allocation of expenditures to student instruction and  
 12 learning).  
 13 IC 20-43 (state tuition support).  
 14 IC 20-44 (property tax levies).  
 15 IC 20-46 (levies other than general fund levies).  
 16 IC 20-47 (related entities; holding companies; lease agreements).  
 17 IC 20-48 (borrowing and bonds).  
 18 IC 20-49 (state management of common school funds; state  
 19 advances and loans).  
 20 IC 20-50 (homeless children and foster care children).  
 21 IC 20-51 (school scholarships) **(before its expiration)**.

22 SECTION 18. IC 20-31-8-4.6, AS AMENDED BY THE  
 23 TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL  
 24 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2025]: Sec. 4.6. (a) If a school corporation or a charter school  
 26 enters into an agreement with an eligible school (as defined in  
 27 ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before its expiration)** to provide  
 28 dropout recovery educational services for an at-risk student who is  
 29 enrolled at a public school, the student:

- 30 (1) may not be included in the calculation of the public school's:  
 31 (A) category or designation of school performance; and  
 32 (B) graduation rate; ~~calculation~~; and  
 33 (2) shall be included in the eligible school's graduation rate  
 34 calculation.

35 (b) The state board shall adopt rules under IC 4-22-2 and any  
 36 guidelines necessary to carry out this section.

37 SECTION 19. IC 20-32-5.1-7, AS AMENDED BY P.L.11-2023,  
 38 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2025]: Sec. 7. (a) Except as otherwise provided in this section  
 40 and in the manner provided in section 6 of this chapter, the state board  
 41 is responsible for determining the appropriate subjects, grades, and  
 42 format of a statewide assessment.





1 (b) For each school year beginning after June 30, 2018, and except  
 2 as provided in section 11 of this chapter, the statewide assessment must  
 3 be administered to all full-time students attending a school corporation,  
 4 charter school, state accredited nonpublic school, or eligible school (as  
 5 defined in ~~IC 20-51-1-4.7~~ **IC 20-51-1-4.7 (before its expiration)**) and  
 6 **all students with an Indiana funding students first grant program**  
 7 **account established by the student's parent under IC 20-53-4-1** in  
 8 grades subject to the statewide assessment required by federal law and  
 9 in a manner prescribed by the state board.

10 (c) Subject matter tested on the statewide assessment as determined  
 11 by the state board under subsection (a) must, at a minimum, do the  
 12 following:

- 13 (1) Comply with requirements established under federal law with:  
 14 (A) math and English/language arts assessed yearly in grades  
 15 3 through 8, and at least once in grades 9 through 12; and  
 16 (B) science assessed at least once in grades 3 through 5, grades  
 17 6 through 9, and grades 10 through 12.  
 18 (2) Require that United States history or United States  
 19 government be assessed at least once in grades 5 or 8.

20 (d) Except as provided under subsection (e), for each school year  
 21 beginning after June 30, 2021, a nationally recognized college entrance  
 22 exam must be administered for the high school subjects required under  
 23 subsection (c). The proficiency benchmark must be approved by the  
 24 commission for higher education, in consultation with the state  
 25 educational institutions, and may not be lower than the national college  
 26 ready benchmark established for that particular exam.

27 (e) If the state board determines that no nationally recognized  
 28 college entrance exam assesses a given high school subject that is  
 29 required under subsection (c), the state board may select another type  
 30 of assessment, including an end of course assessment, for that subject.

31 (f) The statewide assessment:

- 32 (1) may not use technology that may negatively influence the  
 33 ability to measure a student's mastery of material or a particular  
 34 academic standard being tested; and  
 35 (2) may use a technology enhanced test question only when the  
 36 technology enhanced test question is the best way to measure the  
 37 academic standard being tested.

38 (g) A statewide assessment, other than an assessment administered  
 39 under subsection (d), must use a scale score that will ensure the  
 40 statewide assessment scores are comparable to scale scores used as part  
 41 of the ISTEP program under IC 20-32-5, before its expiration.

42 SECTION 20. IC 20-32-5.1-10, AS ADDED BY P.L.242-2017,



1 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2025]: Sec. 10. (a) The governing body of each school  
3 corporation or the equivalent authority for each charter school, eligible  
4 school (as defined in ~~IC 20-51-1-4.7~~), **IC 20-51-1-4.7 (before its**  
5 **expiration)), school that is approved as a participating entity under**  
6 **IC 20-53-5-2**, or state accredited nonpublic school is entitled to acquire  
7 at no charge from the department:

- 8 (1) the statewide assessment; and
- 9 (2) the scoring reports used by the department.

10 (b) A state accredited nonpublic school, ~~or~~ an eligible school (as  
11 defined in ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before its expiration)), or**  
12 **a school that is approved as a participating entity under**  
13 **IC 20-53-5-2** shall:

- 14 (1) administer the statewide assessment to its students at the same  
15 time that school corporations administer the test under section 7  
16 of this chapter; and
- 17 (2) make available to the department the results of the statewide  
18 assessment.

19 SECTION 21. IC 20-32-5.1-12, AS AMENDED BY P.L.139-2022,  
20 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 2025]: Sec. 12. (a) The department shall establish policies and  
22 procedures that foster, to the extent possible, the scoring of student  
23 responses of an open ended writing assessment on a statewide  
24 assessment by Indiana teachers. The teacher may not grade student  
25 responses of students who are enrolled in the same school corporation,  
26 charter school, state accredited nonpublic school, ~~or~~ eligible school (as  
27 defined in ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before its expiration)), or**  
28 **school that is approved as a participating entity under IC 20-53-5-2**  
29 in which the teacher is currently employed.

- 30 (b) The scoring of student responses under a statewide assessment:  
31 (1) must adhere to scoring rubrics and anchor papers;  
32 (2) must measure student achievement relative to the academic  
33 standards established by the state board; and  
34 (3) may not reflect the scorer's judgment of the values expressed  
35 by a student in the student's responses.

36 (c) The department, in consultation with the technical advisory  
37 committee established by the state board, shall conduct a study to  
38 analyze and determine the reliability of machine scoring student  
39 responses to items on the statewide assessment. After conducting the  
40 study, the department may, if recommended by the technical advisory  
41 committee, utilize machine scoring for purposes of scoring student  
42 responses to items on the statewide assessment.



1 SECTION 22. IC 20-32-5.1-13, AS AMENDED BY P.L.30-2023,  
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2025]: Sec. 13. (a) The proficiency of students under a  
 4 statewide assessment must be reported to the state board not later than:

- 5 (1) for the 2018-2019 school year, August 15, 2019; and  
 6 (2) for each school year beginning after June 30, 2019, July 1 of  
 7 the year in which the statewide assessment is administered.

8 (b) Reports of student scores on the statewide assessment must be:

- 9 (1) returned to the school corporation, charter school, state  
 10 accredited nonpublic school, or eligible school (as defined in  
 11 IC 20-51-1-4.7 **(before its expiration)**) that administered the test;  
 12 and

13 (2) accompanied by a guide for interpreting scores.

14 (c) Subject to approval by the state board, reports of student results  
 15 on computer scored items under a statewide assessment may be  
 16 returned to schools regardless of whether the hand scored items are  
 17 returned.

18 (d) After reports of final student scores on the statewide assessment  
 19 are returned to a school corporation, charter school, state accredited  
 20 nonpublic school, ~~or~~ eligible school (as defined in ~~IC 20-51-1-4.7~~;  
 21 **IC 20-51-1-4.7 (before its expiration)**), **or school that is approved**  
 22 **as a participating entity under IC 20-53-5-2**, the school corporation  
 23 or school shall promptly do the following:

24 (1) Give each student and the student's parent the student's  
 25 statewide assessment test scores, including the summary  
 26 described in section 14.5 of this chapter.

27 (2) Make available for inspection to each student and the student's  
 28 parent the following:

29 (A) A copy of the student's scored responses.

30 (B) A copy of the anchor papers and scoring rubrics used to  
 31 score the student's responses.

32 A student's parent or the student's principal may request a rescoring of  
 33 a student's responses to a statewide assessment, including a student's  
 34 essay. A student's final score on a rescored statewide assessment must  
 35 reflect the student's actual score on the rescored statewide assessment  
 36 regardless of whether the student's score decreased or improved on the  
 37 rescored assessment.

38 (e) The department shall develop criteria to provide a student's  
 39 parent the opportunity to inspect questions in a manner that will not  
 40 compromise the validity or integrity of a statewide assessment.

41 (f) A student's statewide assessment scores may not be disclosed to  
 42 the public.



1 (g) The department may not release less than ten (10) items per  
2 subject matter per grade level. The state board and department shall:

3 (1) post:

4 (A) the questions; and

5 (B) with the permission of each student's parent, student  
6 answers that are exemplary responses to the released  
7 questions;

8 on the websites of the state board and department; and

9 (2) publicize the availability of the questions and answers to  
10 schools, educators, and the public.

11 A student answer posted under this subsection may not identify the  
12 student who provided the answer.

13 SECTION 23. IC 20-32-5.1-17, AS AMENDED BY P.L.245-2023,  
14 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2025]: Sec. 17. (a) The state board shall approve two (2) or  
16 more benchmark, formative, interim, or similar assessments to identify  
17 students that require remediation and provide individualized instruction  
18 in which a school corporation, charter school, state accredited  
19 nonpublic school, or eligible school (as defined in ~~IC 20-51-1-4.7~~)  
20 **IC 20-51-1-4.7 (before its expiration)**) may receive a grant under  
21 subsection (g).

22 (b) For a benchmark, formative, interim, or similar assessment  
23 described in subsection (a) that is administered to students in  
24 kindergarten through grade 2, the assessment must meet one (1) or  
25 more of the following:

26 (1) The assessment:

27 (A) focuses on English/language arts; and

28 (B) shows alignment, verified by a third party, to Indiana's  
29 academic standards for English/language arts domains,  
30 specifically foundational reading skills.

31 (2) The assessment is a universal screener that:

32 (A) meets the screening requirements listed in IC 20-35.5-2-2;

33 (B) measures foundational reading skills; and

34 (C) received a convincing or partially convincing rating for  
35 accuracy, reliability, and validity by the National Center on  
36 Intensive Intervention or a nationally recognized dyslexia  
37 assessment expert.

38 (3) The assessment focuses on numeracy and shows alignment,  
39 verified by a third party, to Indiana's academic standards for  
40 mathematical domains, specifically:

41 (A) number sense;

42 (B) computation and algebraic thinking; and



- 1 (C) measurement.
- 2 (c) For a benchmark, formative, interim, or similar assessment  
3 described in subsection (a) that is administered to students in grades 3  
4 through 7, the assessment must show alignment, verified by a third  
5 party, to Indiana's academic standards.
- 6 (d) For a benchmark, formative, interim, or similar assessment  
7 described in subsection (a) that is administered to students in grades 8  
8 through 10, the assessment must show alignment, verified by a third  
9 party, to:
- 10 (1) Indiana's academic standards; or  
11 (2) the nationally recognized college entrance exam required to be  
12 administered under section 7 of this chapter.
- 13 (e) This subsection does not apply to an assessment that is a  
14 universal screener described in subsection (b)(2). The majority of the  
15 benchmark, formative, interim, or similar assessment reporting must  
16 indicate the degree to which students are on track for grade level  
17 proficiency and college and career readiness. Approved assessments  
18 must also provide predictive study results for student performance on  
19 the statewide assessment under section 7 of this chapter, not later than  
20 two (2) years after the summative assessment has been first  
21 administered.
- 22 (f) This subsection does not apply to an assessment that is a  
23 universal screener described in subsection (b)(2). A school corporation,  
24 charter school, state accredited nonpublic school, or eligible school (as  
25 defined in ~~IC 20-51-1-4.7~~ **IC 20-51-1-4.7 (before its expiration)**)  
26 may elect to administer a benchmark, formative, interim, or similar  
27 assessment described in subsection (a). If a school corporation, charter  
28 school, state accredited nonpublic school, or eligible school (as defined  
29 in ~~IC 20-51-1-4.7~~ **IC 20-51-1-4.7 (before its expiration)**) administers  
30 an assessment described in subsection (a), the school corporation,  
31 charter school, state accredited nonpublic school, or eligible school (as  
32 defined in ~~IC 20-51-1-4.7~~ **IC 20-51-1-4.7 (before its expiration)**)  
33 may prescribe the time and the manner in which the assessment is  
34 administered.
- 35 (g) If a school corporation, charter school, state accredited  
36 nonpublic school, or eligible school (as defined in ~~IC 20-51-1-4.7~~)  
37 **IC 20-51-1-4.7 (before its expiration)**) elects to administer a  
38 benchmark, formative, interim, or similar assessment described in  
39 subsection (a), the school corporation, charter school, state accredited  
40 nonpublic school, or eligible school (as defined in ~~IC 20-51-1-4.7~~)  
41 **IC 20-51-1-4.7 (before its expiration)**) is entitled to receive a grant or  
42 reimbursement from the department in an amount not to exceed the



1 cost of the assessment. The department shall provide grants and  
 2 reimbursements to a school corporation, charter school, state accredited  
 3 nonpublic school, or eligible school (as defined in ~~IC 20-51-1-4.7~~)  
 4 **IC 20-51-1-4.7 (before its expiration)**) under this section from money  
 5 appropriated to the department for the purpose of carrying out this  
 6 section.

7 (h) The state board and the department may not contract with,  
 8 approve, or endorse the use of a single vendor to provide benchmark,  
 9 formative, interim, or similar assessments for any grade level or levels  
 10 of kindergarten through grade 7.

11 (i) Before the state board may approve a benchmark, formative,  
 12 interim, or similar assessment described in subsection (a), the  
 13 assessment vendor must enter into a data share agreement with the  
 14 department in the manner prescribed by the department.

15 SECTION 24. IC 20-43-8-4, AS AMENDED BY P.L.201-2023,  
 16 SECTION 206, IS AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE JULY 1, 2025]: Sec. 4. ~~(a) Except as provided under~~  
 18 ~~subsection (b)~~; In addition to the amount a school corporation is  
 19 entitled to receive in basic tuition support, each school corporation is  
 20 entitled to receive a grant for career and technical education programs.  
 21 For state fiscal years beginning after June 30, 2023, the amount of the  
 22 grant is the sum of:

- 23 (1) the aggregate amount determined under section 15 of this  
 24 chapter; plus
- 25 (2) the amount determined for the school corporation under  
 26 section 15.5 of this chapter.

27 ~~(b) A school corporation may not receive a grant under this chapter~~  
 28 ~~for a student enrolled in a career and technical education program if the~~  
 29 ~~student is enrolled in the CSA program established by~~  
 30 ~~IC 20-51.4-3-1.5.~~

31 SECTION 25. IC 20-43-8-15.5, AS AMENDED BY THE  
 32 TECHNICAL CORRECTIONS BILL OF THE 2024 GENERAL  
 33 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2025]: Sec. 15.5. (a) This section applies to a student who:

- 35 (1) has legal settlement in Indiana;
- 36 (2) is at least five (5) years of age and less than twenty-two (22)  
 37 years of age on the date in the school year specified in  
 38 IC 20-33-2-7;
- 39 (3) is enrolled in grade 10, 11, or 12 in Indiana; and
- 40 (4) ~~meets one (1) of the following requirements:~~

41 ~~(A) The student:~~

- 42 ~~(i) successfully completed a modern youth apprenticeship or~~



1 course sequence designated and approved under  
2 IC 20-51.4-4.5-6(a); and

3 (ii) received an industry recognized credential with regard  
4 to the apprenticeship or course sequence.

5 ~~(B)~~ **(B)** The student has successfully completed any other  
6 credential approved under subsection ~~(h)~~: **(d)**.

7 ~~(b)~~ **(b)** As used in this section, "CSA participating entity" has the  
8 meaning set forth in IC 20-51.4-2-3.2.

9 ~~(e)~~ **(b)** Subject to subsection ~~(f)~~; **(f)**, upon a student described in  
10 subsection (a) meeting the requirements under subsection ~~(a)(4)(A)~~ or  
11 ~~(a)(4)(B)~~; **(a)(4)**, if the student is enrolled in an accredited or  
12 nonaccredited school that has one (1) or more employees, the  
13 department shall award a credential completion grant in an amount  
14 equal to five hundred dollars (\$500) to the accredited or nonaccredited  
15 school.

16 ~~(d)~~ Subject to subsection ~~(f)~~; upon a student described in subsection  
17 ~~(a)~~ meeting the requirements under subsection ~~(a)(4)(A)~~ or ~~(a)(4)(B)~~;  
18 and in addition to the grant amount awarded under subsection ~~(c)~~; the  
19 department shall award a credential completion grant in an amount  
20 equal to five hundred dollars (\$500) to the CSA participating entity that  
21 provided the apprenticeship or course sequence described in subsection  
22 ~~(a)(4)(A)~~ or ~~(a)(4)(B)~~ that the student completed.

23 ~~(e)~~ A CSA participating entity that receives a grant amount under  
24 subsection ~~(d)~~ may enter into an agreement with one ~~(1)~~ or more  
25 intermediaries (as defined in IC 22-4-2-41) IC 21-18-1-3.5) or other  
26 CSA participating entities to share a grant amount received under  
27 subsection ~~(d)~~.

28 ~~(f)~~ An accredited or nonaccredited school that is also a CSA  
29 participating entity may receive, if eligible, a grant award under:

30 ~~(1)~~ subsection ~~(c)~~;

31 ~~(2)~~ subsection ~~(d)~~; or

32 ~~(3)~~ both subsections ~~(c)~~ and ~~(d)~~.

33 ~~(g)~~ **(c)** The department shall distribute the grants awarded under this  
34 section.

35 ~~(h)~~ **(d)** The department, in consultation with the governor's  
36 workforce cabinet, shall approve and maintain a list of credentials that  
37 are eligible for a credential completion grant under subsection  
38 ~~(a)(4)(B)~~: **(a)(4)**.

39 ~~(i)~~ The department shall approve a CSA provider that is also an  
40 employer who has partnered with an approved intermediary to offer an  
41 apprenticeship, modern youth apprenticeship, or program of study that  
42 culminates in an approved credential. The department may revoke an



1 initial approval under this subsection if the provider fails to achieve an  
2 adequate outcome as determined by the department.

3 (j) A grant awarded under this section to an eligible school (as  
4 defined in IC 20-51-1-4.7) does not count toward a student's choice  
5 scholarship amount calculated under IC 20-51-4-5 and is not subject to  
6 the maximum choice scholarship cap under IC 20-51-4-4.

7 (k) (e) The state board may adopt rules under IC 4-22-2 to  
8 implement this section.

9 (l) (f) The total amount of grants that may be awarded in a state  
10 fiscal year under this section may not exceed five million dollars  
11 (\$5,000,000).

12 (m) (g) If the total amount to be distributed as credential completion  
13 grants for a particular state fiscal year exceeds the maximum amount  
14 allowed under subsection (l) (f) for a state fiscal year, the total amount  
15 to be distributed as credential completion grants shall be  
16 proportionately reduced so that the total reduction equals the amount  
17 of the excess.

18 (n) (h) The amount of the reduction described in subsection (m) (g)  
19 for a particular recipient is equal to the total amount of the excess  
20 multiplied by a fraction. The numerator of the fraction is the amount of  
21 the credential completion grant that the recipient would have received  
22 if a reduction were not made under this section. The denominator of the  
23 fraction is the total amount that would be distributed as credential  
24 completion grants to all recipients if a reduction were not made under  
25 this section.

26 SECTION 26. IC 20-51-5 IS ADDED TO THE INDIANA CODE  
27 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2024]:

29 **Chapter 5. Expiration**

30 **Sec. 1. This article expires June 30, 2025.**

31 SECTION 27. IC 20-51.4-7 IS ADDED TO THE INDIANA CODE  
32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2024]:

34 **Chapter 7. Expiration**

35 **Sec. 1. This article expires June 30, 2025.**

36 **Sec. 2. Notwithstanding any other provision of this article, ESA**  
37 **accounts and CSA accounts shall terminate on June 30, 2025, and**  
38 **any money remaining in the accounts and any money remaining in**  
39 **the ESA program fund and CSA program fund on June 30, 2025,**  
40 **shall revert to the state general fund.**

41 **Sec. 3. The treasurer of state shall transfer money remaining in**  
42 **the Indiana education scholarship account administration fund**





1 established by IC 20-51.4-4-3.5, the Indiana education scholarship  
 2 account donation fund established by IC 20-51.4-4-3.6, the career  
 3 scholarship account administration fund established by  
 4 IC 20-51.4-4.5-5, and the career scholarship account donation fund  
 5 established by IC 20-51.4-4.5-5.3 after the expiration of this article  
 6 to the state general fund.

7 SECTION 28. IC 20-53 IS ADDED TO THE INDIANA CODE AS  
 8 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 9 2025]:

10 **ARTICLE 53. INDIANA FUNDING STUDENTS FIRST**  
 11 **GRANT PROGRAM**

12 **Chapter 1. General Provisions**

13 **Sec. 1. The Indiana funding students first grant program**  
 14 **established under this article is a pilot program.**

15 **Sec. 2. This article expires June 30, 2027.**

16 **Chapter 2. Definitions**

17 **Sec. 1. The definitions in this chapter apply throughout this**  
 18 **article.**

19 **Sec. 2. "Account" refers to an Indiana funding students first**  
 20 **grant program account established by an eligible student's parent**  
 21 **under IC 20-53-4-1.**

22 **Sec. 3. "Annual grant amount" refers to the annual grant**  
 23 **amount for an eligible student, which equals the following:**

24 **(1) For eligible students enrolled in a school corporation, fifty**  
 25 **percent (50%) of the foundation amount under IC 20-43-3-8.**

26 **An eligible student may only use the annual grant amount for**  
 27 **services used outside the jurisdiction of the school corporation**  
 28 **and not provided by the school corporation.**

29 **(2) For eligible students enrolled in a nonpublic school, ninety**  
 30 **percent (90%) of the foundation amount under IC 20-43-3-8.**

31 **(3) For eligible students who receive any services provided**  
 32 **virtually, the service shall be paid at eighty-five percent**  
 33 **(85%) of the cost of the service provided.**

34 **This amount is subject to IC 20-53-4-6 and IC 20-53-4-7.**

35 **Sec. 4. "Eligible student" means an individual who:**

36 **(1) has legal settlement in Indiana;**

37 **(2) is at least five (5) years of age and less than twenty-two**  
 38 **(22) years of age on the date in the school year specified in**  
 39 **IC 20-33-2-7; and**

40 **(3) is enrolled in a:**

41 **(A) nonpublic, nonaccredited school described in**  
 42 **IC 20-33-2-12;**



- 1                   **(B) school corporation; or**  
 2                   **(C) nonpublic school (as defined in IC 20-18-2-12);**  
 3                   **in kindergarten through grade 12 in Indiana.**  
 4           **Sec. 5. "Participating entity" refers to an individual or entity**  
 5 **authorized by the treasurer of state to participate in the program**  
 6 **under IC 20-53-5-2.**  
 7           **Sec. 6. "Program" refers to the Indiana funding students first**  
 8 **grant program established by IC 20-53-3-1.**  
 9           **Sec. 7. "Program fund" refers to the Indiana funding students**  
 10 **first grant program fund established by IC 20-53-4-3.**  
 11           **Sec. 8. "Qualified expenses" refers to the following expenses**  
 12 **provided by a participating entity related to the education of an**  
 13 **eligible student for which scholarship money in an account may be**  
 14 **used:**  
 15           **(1) Tuition and fees at a nonpublic school (as defined in**  
 16 **IC 20-18-2-12) or other participating entity.**  
 17           **(2) Fees for:**  
 18                   **(A) national norm referenced or criterion referenced**  
 19 **examinations;**  
 20                   **(B) advanced placement examinations, Cambridge**  
 21 **International courses, International Baccalaureate courses,**  
 22 **or College-Level Examination Program (CLEP)**  
 23 **examinations; or**  
 24                   **(C) statewide assessments associated with industry**  
 25 **recognized credentials.**  
 26           **(3) Educational services for an eligible student who is a**  
 27 **student with a disability. This includes, but is not limited to,**  
 28 **payment for or services related to sensory aids and assistive**  
 29 **technology tools.**  
 30           **(4) Payments associated with the use of paraprofessional or**  
 31 **educational aides.**  
 32           **(5) Services contracted for and provided by a school**  
 33 **corporation or nonpublic school (as defined in IC 20-18-2-12),**  
 34 **including:**  
 35                   **(A) individual classes;**  
 36                   **(B) extracurricular activities or programs; or**  
 37                   **(C) additional programs, resources, or staffing defined in**  
 38 **the student's education plan.**  
 39           **(6) Occupational therapy for a student with a disability,**  
 40 **provided in accordance with the eligible student's**  
 41 **individualized education program developed under IC 20-35**  
 42 **or service plan developed under 511 IAC 7-34.**



1 (7) Fees for transportation paid to a fee-for-service  
 2 transportation provider for the eligible student to travel to  
 3 and from an approved special education service provider.

4 (8) Tuition and fees to attend training programs and camps  
 5 that have a focus on:

6 (A) vocational skills;

7 (B) academic skills;

8 (C) life skills;

9 (D) independence; or

10 (E) soft job skills that are character traits and  
 11 interpersonal skills that characterize a person's  
 12 relationships with other people.

13 (9) Additional services and therapies prescribed by the  
 14 eligible student's treating physician in accordance with  
 15 generally accepted standards of care to improve outcomes for  
 16 the student in addition to any services currently being  
 17 provided by the school, insurance, or the Medicaid program.

18 (10) Expenses to enroll in and attend sequences, courses,  
 19 apprenticeships, or programs of study designated and  
 20 approved under this article, including:

21 (A) career coaching and navigation services;

22 (B) postsecondary education and training;

23 (C) transportation and equipment;

24 (D) certification and credentialing examinations; and

25 (E) any other expenses approved by the treasurer of the  
 26 state under this article.

27 **Sec. 9. "School corporation"** refers to a school corporation as  
 28 defined in IC 20-18-2-16(c).

29 **Sec. 10. "Virtually"** means services that are qualified expenses  
 30 are provided in an interactive learning environment created  
 31 through technology in which the student is separated from a  
 32 teacher by time or space, or both.

### 33 **Chapter 3. Administration of New Accounts**

34 **Sec. 1. The Indiana funding students first grant program** is  
 35 established to provide grants to a parent of an eligible student  
 36 under IC 20-53-4 after June 30, 2025.

37 **Sec. 2. (a)** The program shall be administered by the treasurer  
 38 of state in consultation with the state board and the department.

39 **(b)** The treasurer of state may contract with one (1) or more  
 40 entities to maintain and manage accounts established under  
 41 IC 20-53-4-1 after issuing a request for proposal under IC 5-22-9.  
 42 **Each entity shall:**



1 (1) meet qualification requirements established by the  
2 treasurer of state; and

3 (2) comply with generally accepted accounting principles.

4 (c) The treasurer of state shall establish reasonable fees for  
5 entities described in subsection (b) participating in the program  
6 based upon market rates.

7 Sec. 3. (a) The program is subject to annual audit by an  
8 independent public accounting firm retained by the treasurer of  
9 state.

10 (b) The treasurer of state shall promptly transmit copies of each  
11 annual audit to the governor and, in an electronic format under  
12 IC 5-14-6, the general assembly. Upon request, the treasurer of  
13 state shall make copies of the audit available to the public.

14 Sec. 4. (a) After June 30, 2026, the treasurer of state shall  
15 administer an annual survey of parents of eligible students who  
16 maintain an account under IC 20-53-4-1. The survey must request  
17 information:

18 (1) regarding when the account was established and the  
19 number of grants received;

20 (2) relating to relative satisfaction with the program; and

21 (3) regarding opinions on any topics, items, or issues that the  
22 treasurer of state determines may improve the effectiveness  
23 of the program or the education experience of the eligible  
24 student or the eligible student's family.

25 (b) Not later than November 1, 2026, the treasurer of state shall  
26 provide a summary of the surveys administered under subsection  
27 (a) to the governor, the legislative council in an electronic format  
28 under IC 5-14-6, and the budget committee.

29 Sec. 5. The treasurer of state shall provide online services and  
30 capabilities including, but not limited to, the following:

31 (1) A method for parents to submit an application agreement  
32 described in IC 20-53-4-1.

33 (2) A method for a participating entity to submit the intent of  
34 the participating entity to participate in the program.

35 (3) A method for parents to identify and select participating  
36 entities participating in the program.

37 (4) A method for parents and participating entities to initiate  
38 and receive payments from an eligible student's account.

39 (5) A method for parents to rate the parent's experience with  
40 a participating entity and the ability for other parents of  
41 eligible students to see the rating.

42 (6) Methods that are intuitive and allow for contributions to



1 be easily made to an eligible student's account.

2 (7) Resources the family of an eligible student can access to  
3 learn about advocacy groups available to provide information  
4 and resources to the eligible student's family.

5 Sec. 6. (a) The department shall provide services that offer  
6 objective advice upon request to parents of an eligible student  
7 relating to services that can help meet the eligible student's  
8 particular needs.

9 (b) The department may contract with a third party provider to  
10 provide the services described in subsection (a).

11 Chapter 4. Account Program Fund and Accounts

12 Sec. 1. (a) After June 30, 2025, a parent of an eligible student  
13 may establish an account for the eligible student by entering into  
14 a written agreement with the treasurer of state on a form prepared  
15 by the treasurer of state. The account of an eligible student shall be  
16 made in the name of the eligible student. To be eligible, a parent of  
17 an eligible student wishing to participate in the program must  
18 agree that:

19 (1) a grant deposited in the eligible student's account under  
20 this chapter will be used only for the eligible student's  
21 qualified expenses;

22 (2) money in the account when the account is terminated  
23 reverts to the state general fund; and

24 (3) the eligible student will take the statewide assessment, as  
25 applicable based on the eligible student's grade level, as  
26 provided under IC 20-32-5.1, or the assessment specified in  
27 the eligible student's:

28 (A) individualized education program developed under  
29 IC 20-35;

30 (B) service plan developed under 511 IAC 7-34;

31 (C) choice special education plan developed under 511  
32 IAC 7-49; or

33 (D) plan developed under Section 504 of the federal  
34 Rehabilitation Act of 1973 (29 U.S.C. 794).

35 The treasurer of state shall make the agreement form available on  
36 the website of the treasurer of state.

37 (b) A parent of an eligible student may enter into a separate  
38 agreement under subsection (a) for each child of the parent.  
39 However, not more than one (1) account may be established for  
40 each eligible student.

41 (c) A parent of an eligible student may apply and establish an  
42 account under this section. An application must be submitted and



1 approved not later than September 1 in the fall semester or  
2 January 1 in the spring semester. A school corporation may not  
3 receive a grant under this chapter if the eligible student is  
4 currently included in the school corporation's ADM count under  
5 IC 20-43-4. An eligible student who attends a school corporation  
6 may receive a grant equal the amount set forth in IC 20-53-2-3(1),  
7 however the school corporation may not receive grant funding, and  
8 the eligible student shall only use the grant for services used  
9 outside the jurisdiction of the school corporation. If any student  
10 utilizes any qualified expenses virtually, the service shall be paid at  
11 eighty-five percent (85%) of the cost of the service provided as set  
12 forth in IC 20-53-2-3(3).

13 (d) Except as provided in subsections (e) and (f), an agreement  
14 made under this section is valid for one (1) school year while the  
15 eligible student is in kindergarten through grade 12. An agreement  
16 may be renewed annually. An application to renew an agreement  
17 must be submitted and approved not later than September 1 for  
18 the fall semester or January 1 for the spring semester.

19 (e) Subject to subsection (h), an agreement entered into under  
20 this section terminates automatically for an eligible student if:

21 (1) the eligible student no longer resides in Indiana while the  
22 eligible student is eligible to receive grants under section 2 of  
23 this chapter; or

24 (2) the account is not renewed within three hundred  
25 ninety-five (395) days after the date the account was either  
26 established or last renewed.

27 If an account is terminated under this section, money in the eligible  
28 student's account reverts to the state general fund.

29 (f) An agreement made under this section for an eligible student  
30 while the eligible student is in kindergarten through grade 12 may  
31 be terminated before the end of the school year if the parent of the  
32 eligible student notifies the treasurer of state in a manner specified  
33 by the treasurer of state.

34 (g) The department shall establish a student test number as  
35 described in IC 20-19-3-9.4 for each eligible student. The treasurer  
36 of state shall provide the department information necessary for the  
37 department to comply with this subsection.

38 (h) All agreements entered into and accounts established under  
39 this article terminate upon the expiration of this article under  
40 IC 20-53-1-2.

41 Sec. 2. (a) Subject to the expiration of this article, an eligible  
42 student who currently maintains an account is entitled to an annual



1 grant amount for each school year. An eligible student may not  
 2 receive a grant under this section after graduating. The annual  
 3 grant amount shall be paid from the program fund. The treasurer  
 4 of state, with notice to the department, shall deposit the annual  
 5 grant amount under this section, in biannual deposits, into an  
 6 eligible student's account in a manner established by the treasurer  
 7 of state.

8 (b) Unused money remaining in an account at the end of the  
 9 state fiscal year shall revert the state general fund, except for  
 10 money from donations or gifts in the account and any interest that  
 11 may accrue in the account which shall remain in the account. Any  
 12 money remaining in an account from donations or gifts or from  
 13 accrued interest at the end of the state fiscal year shall roll over for  
 14 use in a subsequent year.

15 Sec. 3. (a) The Indiana funding students first grant program  
 16 fund is established for the purpose of providing grants to eligible  
 17 students under the program. Money appropriated to the program  
 18 fund may be used to provide grants under this chapter.

19 (b) The treasurer of state shall administer the program fund.

20 (c) The program fund consists of the following:

21 (1) Appropriations by the general assembly.

22 (2) Interest deposited in the program fund under subsection

23 (d).

24 (3) Amounts transferred to the program fund from the  
 25 Indiana account administration fund under section 4(e) of this  
 26 chapter.

27 (4) Amounts transferred to the program fund from the  
 28 Indiana account donation fund under section 5(e) of this  
 29 chapter.

30 (d) The treasurer of state shall invest money in the program  
 31 fund not currently needed to meet the obligations of the program  
 32 fund in the same manner as other public money may be invested.  
 33 Interest that accrues from these investments shall be deposited in  
 34 the program fund. Interest that accrues on money deposited in the  
 35 program fund or deposited and held in an account shall not revert  
 36 to the state general fund under subsection (e).

37 (e) Subject to subsection (d), money in the program fund at the  
 38 end of a state fiscal year reverts to the state general fund.

39 Sec. 4. (a) The Indiana account administration fund is  
 40 established for the purpose of accepting money for the program to  
 41 support administration of the program.

42 (b) The treasurer of state shall administer the Indiana account



- 1 **administration fund.**
- 2 (c) The Indiana account administration fund consists of the
- 3 following:
- 4 (1) Money appropriated from the general assembly.
- 5 (2) Interest deposited in the fund under subsection (d).
- 6 (d) The treasurer of state shall invest money in the Indiana
- 7 account administration fund not currently needed to meet the
- 8 obligations of the fund in the same manner as other public money
- 9 may be invested. Interest that accrues from these investments shall
- 10 be deposited in the fund. Interest that accrues on money deposited
- 11 in the fund shall not revert to the state general fund under
- 12 subsection (f).
- 13 (e) The treasurer of state may transfer any funds held in the
- 14 Indiana account administration fund to the program fund
- 15 established by section 3 of this chapter at any time for the purpose
- 16 of the program fund.
- 17 (f) Subject to subsection (d), money in the Indiana account
- 18 administration fund shall revert to the state general fund at the end
- 19 of each state fiscal year.
- 20 **Sec. 5. (a) The Indiana account donation fund is established for**
- 21 **the purpose of accepting donations for the program to support**
- 22 **administration of the program.**
- 23 (b) The treasurer of state shall administer the Indiana account
- 24 donation fund.
- 25 (c) The Indiana account donation fund consists of the following:
- 26 (1) Donations, gifts, and money received from any other
- 27 source, including transfers from other funds or accounts.
- 28 (2) Interest deposited in the fund under subsection (d).
- 29 (d) The treasurer of state shall invest money in the Indiana
- 30 account donation fund not currently needed to meet the obligations
- 31 of the fund in the same manner as other public money may be
- 32 invested. Interest that accrues from these investments shall be
- 33 deposited in the fund. Interest that accrues on money deposited in
- 34 the fund shall not revert to the state general fund under subsection
- 35 (g).
- 36 (e) The treasurer of state may transfer any funds held in the
- 37 Indiana account donation fund to the program fund established by
- 38 section 3 of this chapter at any time for the purpose of the program
- 39 fund.
- 40 (f) Money in the Indiana account donation fund is continuously
- 41 appropriated for purposes of the fund.
- 42 (g) Subject to subsection (d), money in the Indiana account





1 donation fund at the end of a state fiscal year does not revert to the  
2 state general fund but remains in the fund for the purposes of the  
3 fund.

4 **Sec. 6. (a)** An eligible student may choose to receive special  
5 education services from the school corporation required to provide  
6 the special education services to the eligible student under 511  
7 IAC 7-34-1. However, if an eligible student chooses not to receive  
8 special education or related services from a school corporation  
9 required to provide the services to the eligible student under 511  
10 IAC 7-34-1, the annual grant amount for the eligible student shall,  
11 in addition to the amount described in IC 20-53-2-3, include the  
12 amount the school corporation would receive under IC 20-43-7 for  
13 the eligible student if the eligible student attended the school  
14 corporation.

15 (b) The annual grant amounts provided in subsection (a) shall  
16 be rounded as provided in IC 20-43-3-1(4).

17 **Sec. 7. (a)** The parent of an eligible student may use money in an  
18 account for any qualified expense the parent may choose, subject  
19 to any limitation in section 8 of this chapter.

20 (b) Upon entering into or renewing an agreement under this  
21 chapter, the treasurer of state shall provide to the parent of an  
22 eligible student a written explanation of the qualified expenses and  
23 authorized uses of the money in the account and the responsibilities  
24 of the parent of an eligible student and the treasurer of state  
25 regarding an account.

26 **Sec. 8. (a)** A parent of an eligible student may use not more than  
27 seven hundred fifty dollars (\$750) of the annual grant amount  
28 received under this chapter each school year for fees for  
29 transportation paid to a fee-for-service transportation provider for  
30 the eligible student to travel to and from an approved service  
31 provider. However, the treasurer of state, in consultation with the  
32 department, shall establish criteria and a process by which a  
33 parent of an eligible student may receive a waiver from the limit  
34 imposed on transportation fees under this section.

35 (b) The annual grant amount received under this chapter may  
36 only be used by eligible schools for curricular materials for those  
37 students who are not eligible for the curricular material program  
38 under IC 20-40-22.

39 (c) A parent of an eligible student may not use funds from the  
40 parent's eligible student's account to compensate the parent for the  
41 parent's own teaching of courses or programs for the eligible  
42 student.



1           (d) Two (2) or more eligible students who attend a nonpublic,  
2 nonaccredited school described in IC 20-33-2-12 may combine  
3 funding from their annual grant amount received under this  
4 chapter to use for courses or programs that are offered to the  
5 group of eligible students. However, a parent of an eligible student  
6 who participates in combining funding under this subsection may  
7 not teach any of the courses or programs offered to the group,  
8 unless the parent is licensed as a teacher by the department, or  
9 receive any benefit from the eligible student's participation.

10          Sec. 9. This chapter does not prohibit a parent of an eligible  
11 student from making a payment for any qualified expense from a  
12 source other than the eligible student's account. The parent of an  
13 eligible student is responsible for the payment of any tuition  
14 required by a nonpublic school (as defined in IC 20-18-2-12) that  
15 is not paid from the eligible student's account.

16          Sec. 10. A participating entity that receives a payment for a  
17 qualified expense may not refund any part of the payment directly  
18 to the parent of the eligible student. Any refund provided by a  
19 participating entity shall be deposited into the eligible student's  
20 account.

21          Sec. 11. (a) The treasurer of state shall freeze the account of any  
22 parent of an eligible student who:

- 23           (1) fails to comply with the terms of the agreement;  
24           (2) fails to comply with applicable laws or regulations; or  
25           (3) substantially misuses funds in the account.

26          (b) The treasurer of state shall send written notice to the parent  
27 of the eligible student stating the reason for the freeze under  
28 subsection (a). The treasurer of state may also send notice to the  
29 attorney general or the prosecuting attorney in the county in which  
30 the parent of the eligible student resides if the treasurer of state  
31 believes a crime has been committed or a civil action relating to the  
32 account is necessary.

33          (c) A parent of an eligible student whose account has been  
34 frozen under subsection (a) may petition the treasurer of state for  
35 redetermination of the decision under subsection (a) within thirty  
36 (30) days after the date the treasurer of state sends notice to the  
37 parent of the eligible student under subsection (b). The petition  
38 must contain a written explanation stating why the treasurer of  
39 state was incorrect in freezing the account under subsection (a). If  
40 the treasurer of state does not receive a timely submitted petition  
41 from a parent of an eligible student under this subsection, the  
42 treasurer of state shall terminate the account.



1           (d) The treasurer of state shall review a petition received under  
 2 subsection (c) within fifteen (15) business days of receipt of the  
 3 petition and issue a redetermination letter to the parent of the  
 4 eligible student. If the treasurer of state overturns the treasurer of  
 5 state's initial decision under subsection (a), the treasurer of state  
 6 shall immediately unfreeze the account. If the treasurer of state  
 7 affirms the decision under subsection (a), the treasurer of state  
 8 shall give notice of the affirmation to the parent of the eligible  
 9 student and terminate the account.

10           Sec. 12. Notwithstanding 511 IAC 7-34-1(d)(4), a public school  
 11 is not required to make available special education and related  
 12 services to an eligible student if the eligible student receives funds  
 13 under this chapter and the special education services are provided  
 14 to the eligible student by the participating entity. This section may  
 15 not be construed as a restriction or limitation on any of the rights,  
 16 benefits, and protections granted to an individual under the federal  
 17 Individuals with Disabilities Education Improvement Act of 2004  
 18 (20 U.S.C. 1400 et seq.).

19           Sec. 13. Distributions made to an account under this chapter or  
 20 money in the account may not be treated as income or a resource  
 21 for purposes of qualifying for any other federal or state grant or  
 22 program administered by the state or a political subdivision.

23           **Chapter 5. Participating Entities**

24           Sec. 1. It is the intent of the general assembly to honor the  
 25 autonomy of nonpublic schools that choose and are authorized to  
 26 become participating entities under this article. A nonpublic  
 27 eligible school is not an agent of the state or federal government,  
 28 and therefore:

29           (1) the treasurer of state, state board, department, or any  
 30 other state agency may not in any way regulate the  
 31 educational program of a nonpublic school that accepts  
 32 money from an account under this article, including the  
 33 regulation of curriculum content, religious instruction or  
 34 activities, classroom teaching, teacher and staff hiring  
 35 requirements, and other activities carried out by the  
 36 nonpublic school;

37           (2) the creation of the program does not expand the  
 38 regulatory authority of the state or the state's officers to  
 39 impose additional regulation of nonpublic schools beyond  
 40 those necessary to enforce the requirements of the program;  
 41 and

42           (3) an accredited nonpublic school that is a participating



1           entity may provide for the educational needs of students  
2           without governmental control.

3           **Sec. 2. (a) The following individuals or entities may become a**  
4 **participating entity by submitting an application to the treasurer**  
5 **of state in a manner prescribed by the treasurer of state:**

6           (1) A nonpublic school (as defined in IC 20-18-2-12).

7           (2) An individual who or tutoring agency that provides  
8 private tutoring.

9           (3) An individual who or entity that provides services to a  
10 student with a disability in accordance with an individualized  
11 education program developed under IC 20-35 or a service  
12 plan developed under 511 IAC 7-34 or generally accepted  
13 standards of care prescribed by the eligible student's treating  
14 physician.

15           (4) An individual who or entity that offers a course or  
16 program to an eligible student, including a nonpublic,  
17 nonaccredited school described in IC 20-33-2-12 and a course  
18 or program offered to a group of eligible students as  
19 described in IC 20-53-4-8(d).

20           (5) A licensed occupational therapist.

21           (6) Entities that provide assessments.

22           **(b) The treasurer of state may approve an application submitted**  
23 **under subsection (a) if the individual or entity meets the criteria to**  
24 **serve as a participating entity.**

25           **(c) If it is reasonably expected by the treasurer of state that a**  
26 **participating entity will receive, from payments made under the**  
27 **program, more than fifty thousand dollars (\$50,000) during a**  
28 **particular school year, the participating entity shall, on or before**  
29 **a date prescribed by the treasurer of state, provide the treasurer**  
30 **of state evidence, in a manner prescribed by the treasurer of state,**  
31 **indicating that the participating entity has unencumbered assets**  
32 **sufficient to pay the treasurer of state an amount equal to the**  
33 **amount expected to be paid to the participating entity under the**  
34 **program during the particular school year.**

35           **(d) Each participating entity that accepts payments made from**  
36 **an account under this article shall provide a receipt to the parent**  
37 **of an eligible student for each payment made.**

38           **Sec. 3. (a) Each nonpublic school that is a participating entity**  
39 **that accepts payments for tuition and fees, or a nonpublic,**  
40 **nonaccredited school described in IC 20-33-2-12 that is a**  
41 **participating entity that accepts payments made from an account**  
42 **under the program, shall administer to its eligible students, for the**



1 applicable grade levels as provided under IC 20-32-5.1, the  
 2 statewide assessment unless otherwise prescribed by the eligible  
 3 student's:

- 4 (1) individualized education program;  
 5 (2) service plan developed under 511 IAC 7-34;  
 6 (3) choice special education plan developed under 511  
 7 IAC 7-49; or  
 8 (4) plan developed under Section 504 of the federal  
 9 Rehabilitation Act of 1973 (29 U.S.C. 794).

10 (b) Upon receipt of the statewide assessment test results, the  
 11 department shall, subject to the federal Family Educational Rights  
 12 and Privacy Act (20 U.S.C. 1232g) and any regulations adopted  
 13 under that act:

- 14 (1) aggregate the statewide assessment test results according  
 15 to the grade level, gender, race, and family income level of all  
 16 eligible students; and  
 17 (2) make the results determined under subdivision (1)  
 18 available on the department's website.

19 Sec. 4. (a) The treasurer of state may refuse to allow a  
 20 participating entity to continue participation in the program and  
 21 revoke the participating entity's status as a participating entity if  
 22 the treasurer of state determines that the participating entity  
 23 accepts payments made from an account under this article and:

- 24 (1) has failed to provide any educational service required by  
 25 state or federal law to an eligible student receiving instruction  
 26 from the participating entity; or  
 27 (2) has routinely failed to meet the requirements of a  
 28 participating entity under the program.

29 (b) If the treasurer of state revokes a participating entity's  
 30 status as a participating entity in the program, the treasurer of  
 31 state shall provide notice of the revocation within thirty (30) days  
 32 of the revocation to each parent of an eligible student receiving  
 33 instruction from the participating entity who has paid the  
 34 participating entity from the eligible student's account.

35 (c) The treasurer of state may permit a former participating  
 36 entity described in subsection (a) to reapply with the treasurer of  
 37 state for authorization to be a participating entity on a date  
 38 established by the treasurer of state, which may not be earlier than  
 39 one (1) year after the date on which the former participating  
 40 entity's status as a participating entity was revoked under  
 41 subsection (a). The treasurer of state may establish reasonable  
 42 criteria or requirements that the former participating entity must



1 meet before being reapproved by the treasurer of state as a  
2 participating entity.

3 **Sec. 5. An approved participating entity:**

4 (1) may not charge an eligible student participating in the  
5 program an amount greater than a similarly situated student  
6 who is receiving the same or similar services; and

7 (2) shall provide a receipt to a parent of an eligible student for  
8 each qualified expense charged for education or related  
9 services provided to the eligible student.

10 **Sec. 6. The treasurer of state shall annually make available on  
11 the treasurer of state's website a list of participating entities.**

12 SECTION 29. IC 21-12-16-5, AS AMENDED BY P.L.161-2023,  
13 SECTION 1, AND AS AMENDED BY P.L.242-2023, SECTION 1,  
14 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL  
15 OF THE 2024 GENERAL ASSEMBLY, IS CORRECTED AND  
16 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

17 Sec. 5. (a) An applicant who is enrolled in an accredited postsecondary  
18 educational institution after June 30, 2017, may qualify for a  
19 scholarship under this ~~chapter~~ section. To qualify for a scholarship, an  
20 applicant must:

21 (1) apply for a scholarship on a form supplied by the commission;  
22 (2) except as provided in subsection (b), have graduated from an  
23 Indiana nonaccredited nonpublic or state accredited high school  
24 accredited under IC 20-31-4.1 and:

25 (A) graduated in the highest twenty percent (20%) of students  
26 in the applicant's high school graduating class;

27 (B) received a score in the top twentieth percentile on the SAT  
28 or ACT examination; or

29 (C) achieved a cumulative grade point average upon  
30 graduation of at least ~~3.5~~ 3.0 on a 4.0 grading scale (or its  
31 equivalent if another grading scale is used) for courses taken  
32 during grades 9, 10, 11, and 12;

33 (3) have participated in school activities and community service  
34 activities during high school;

35 (4) have applied to and been accepted for enrollment in an  
36 accredited postsecondary educational institution approved by the  
37 commission under section 10 of this chapter;

38 (5) agree in writing to:

39 (A) obtain a license to teach under IC 20-28-5; and

40 (B) teach for at least five (5) consecutive years in a public  
41 school or an eligible school (as defined in ~~IC 20-51-1-4.7~~)

42 **IC 20-51-1-4.7 (before its expiration))** in Indiana after



1           graduating with a baccalaureate degree from the accredited  
2           postsecondary educational institution described in subdivision  
3           (4); and

4           (6) meet any other criteria established by the commission.

5           (b) A student who graduates from a nonaccredited nonpublic school  
6           must meet the requirement described in subsection (a)(2)(B) in order  
7           to meet the eligibility requirement described in subsection (a)(2).

8           SECTION 30. IC 21-12-16-5.5, AS ADDED BY P.L.242-2023,  
9           SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10          JULY 1, 2025]: Sec. 5.5. An applicant who is enrolled in a transition  
11          to teaching program after June 30, 2023, may qualify for a scholarship  
12          under section 8.5 of this chapter. To qualify for a scholarship, an  
13          applicant must:

14          (1) apply for a scholarship on a form supplied by the commission;

15          (2) possess a baccalaureate degree from an accredited  
16          postsecondary four (4) year institution;

17          (3) have enrolled in a transition to teaching program described in  
18          IC 20-28-4;

19          (4) agree in writing to:

20                  (A) complete a transition to teaching program described in  
21                  IC 20-28-4 and obtain an initial practitioner license under  
22                  IC 20-28; and

23                  (B) teach for at least five (5) consecutive years in a public  
24                  school or an eligible school (as defined in ~~IC 20-51-1-4.7~~  
25                  **IC 20-51-1-4.7 (before its expiration)**) in Indiana after  
26                  obtaining the initial practitioner license under IC 20-28-4-6;  
27                  and

28          (5) meet any other criteria established by the commission.

29          SECTION 31. IC 21-12-16-12, AS AMENDED BY P.L.242-2023,  
30          SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31          JULY 1, 2025]: Sec. 12. (a) Except as provided in subsections (b) and  
32          (c), if an individual:

33                  (1) receives a scholarship under section 5 or 5.5 of this chapter;  
34                  and

35                  (2) fails to teach in a public school or an eligible school (as  
36                  defined in ~~IC 20-51-1-4.7~~ **IC 20-51-1-4.7 (before its**  
37                  **expiration)**) in Indiana for at least five (5) consecutive years as  
38                  described in section 5(a)(5) or 5.5(4) of this chapter, as  
39                  applicable;

40          the individual shall repay the total amount of the scholarship awarded  
41          to the individual under this chapter in a timely fashion. The total  
42          amount that an individual is required to repay shall be reduced by



1 twenty percent (20%), as determined by the commission, for each  
 2 consecutive year the individual teaches at a public school or eligible  
 3 school (as defined in ~~IC 20-51-1-4.7~~: **IC 20-51-1-4.7 (before its**  
 4 **expiration)**).

5 (b) The commission may extend the length of time in which an  
 6 individual must complete the requirements of an agreement described  
 7 in section 5(a)(5) or 5.5(4) of this chapter if the individual submits a  
 8 petition to the commission in a manner prescribed by the commission  
 9 and the commission makes a determination that extenuating  
 10 circumstances, as determined by the commission, prevented the  
 11 individual from timely meeting the requirements described in section  
 12 5(a)(5) or 5.5(4) of this chapter, as applicable.

13 (c) The commission may waive repayment under subsection (a) if  
 14 the individual has been declared to be totally and permanently disabled  
 15 under 34 CFR 685.213.

16 (d) The commission may enter into an agreement with the  
 17 department of state revenue established by IC 6-8.1-2-1 or another third  
 18 party vendor to assist in the enforcement of subsection (a) and section  
 19 11 of this chapter.

20 SECTION 32. IC 21-12-16-13, AS ADDED BY P.L.105-2016,  
 21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2025]: Sec. 13. An individual who receives a scholarship  
 23 under this chapter is not required to teach at the same public school or  
 24 eligible school (as defined in ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before**  
 25 **its expiration)** in Indiana for five (5) consecutive years.

26 SECTION 33. IC 21-12-16.5-5, AS ADDED BY P.L.161-2023,  
 27 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2025]: Sec. 5. (a) An applicant who is enrolled in an  
 29 accredited postsecondary educational institution may qualify for a  
 30 scholarship under this chapter. To qualify for a scholarship, an  
 31 applicant must:

32 (1) apply for a scholarship on a form supplied by the commission;  
 33 (2) except as provided in subsection (b), have graduated from an  
 34 Indiana nonaccredited nonpublic or state accredited high school  
 35 accredited under IC 20-31-4.1 and:

36 (A) graduated in the highest twenty percent (20%) of students  
 37 in the applicant's high school graduating class;

38 (B) received a score in the top twentieth percentile on the SAT  
 39 or ACT examination; or

40 (C) achieved a cumulative grade point average upon  
 41 graduation of at least 3.0 on a 4.0 grading scale (or its  
 42 equivalent if another grading scale is used) for courses taken





- 1 during grades 9, 10, 11, and 12;
- 2 (3) have participated in school activities and community service
- 3 activities during high school;
- 4 (4) have applied to and been accepted for enrollment in an
- 5 accredited postsecondary educational institution approved by the
- 6 commission under section 10 of this chapter;
- 7 (5) agree in writing to:
- 8 (A) obtain a license to teach under IC 20-28-5; and
- 9 (B) teach for at least five (5) consecutive years in a public
- 10 school or an eligible school (as defined in ~~IC 20-51-1-4.7~~)
- 11 **IC 20-51-1-4.7 (before its expiration)**) in Indiana after
- 12 graduating with a baccalaureate degree from the accredited
- 13 postsecondary educational institution described in subdivision
- 14 (4);
- 15 (6) meet the definition of a minority under IC 21-13-1-6; and
- 16 (7) meet any other criteria established by the commission.
- 17 (b) A student who graduates from a nonaccredited nonpublic school
- 18 must meet the requirement described in subsection (a)(2)(B) in order
- 19 to meet the eligibility requirement described in subsection (a)(2).
- 20 SECTION 34. IC 21-12-16.5-12, AS ADDED BY P.L.161-2023,
- 21 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 22 JULY 1, 2025]: Sec. 12. (a) Except as provided in subsections (b) and
- 23 (c), if an individual:
- 24 (1) receives a scholarship under this chapter; and
- 25 (2) fails to teach in a public school or an eligible school (as
- 26 defined in ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before its**
- 27 **expiration)**) in Indiana for at least five (5) consecutive years as
- 28 described in section 5(a)(5) of this chapter;
- 29 the individual shall repay the total amount of the scholarship awarded
- 30 to the individual under this chapter in a timely fashion. The total
- 31 amount that an individual is required to repay shall be reduced by
- 32 twenty percent (20%), as determined by the commission, for each
- 33 consecutive year the individual teaches at a public school or eligible
- 34 school (as defined in ~~IC 20-51-1-4.7~~): **IC 20-51-1-4.7 (before its**
- 35 **expiration)**).
- 36 (b) The commission may extend the length of time in which an
- 37 individual must complete the requirements of an agreement described
- 38 in section 5(a)(5) of this chapter if the individual submits a petition to
- 39 the commission in a manner prescribed by the commission and the
- 40 commission makes a determination that extenuating circumstances, as
- 41 determined by the commission, prevented the individual from timely
- 42 meeting the requirements described in section 5(a)(5) of this chapter.



1 (c) The commission may waive repayment under subsection (a) if  
2 the individual has been declared to be totally and permanently disabled  
3 under 34 CFR 685.213.

4 (d) The commission may enter into an agreement with the  
5 department of state revenue established by IC 6-8.1-2-1 or another third  
6 party vendor to assist in the enforcement of subsection (a) and section  
7 11 of this chapter.

8 SECTION 35. IC 21-12-16.5-13, AS ADDED BY P.L.161-2023,  
9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2025]: Sec. 13. An individual who receives a scholarship  
11 under this chapter is not required to teach at the same public school or  
12 eligible school (as defined in ~~IC 20-51-1-4.7~~) **IC 20-51-1-4.7 (before**  
13 **its expiration)**) in Indiana for five (5) consecutive years.

