



January 21, 2015

SENATE BILL No. 262

DIGEST OF SB 262 (Updated January 20, 2015 11:38 am - DI 109)

Citations Affected: IC 6-3; noncode.

Synopsis: Tax deduction for military retirement income. Increases the income tax deduction for military retirement or survivor's benefits from \$5,000 to \$25,000.

Effective: January 1, 2016.

Miller Pete, Arnold J, Alting

January 7, 2015, read first time and referred to Committee on Veterans Affairs & The Military.

January 20, 2015, reported favorably — Do Pass; reassigned to Committee on Appropriations.

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January 21, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 262

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

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

1 SECTION 1. IC 6-3-2-4, AS AMENDED BY P.L.6-2012,
2 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 4. (a) Each taxable year, an individual, or the
4 individual's surviving spouse, is entitled to **the following**:
5 (1) An adjusted gross income tax deduction for the first five
6 thousand dollars (\$5,000) of income, ~~including~~ **excluding**
7 retirement or survivor's benefits, received during the taxable year
8 by the individual, or the individual's surviving spouse, for the
9 individual's service in an active or reserve component of the
10 armed forces of the United States, including the army, navy, air
11 force, coast guard, marine corps, merchant marine, Indiana army
12 national guard, or Indiana air national guard.
13 (2) An adjusted gross income tax deduction for the first
14 twenty-five thousand dollars (\$25,000) of income from
15 retirement or survivor's benefits received during the taxable
16 year by the individual, or the individual's surviving spouse,

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1 **for the individual's service in an active or reserve component**
2 **of the armed forces of the United States, including the army,**
3 **navy, air force, coast guard, marine corps, merchant marine,**
4 **Indiana army national guard, or Indiana air national guard.**

5 However, a person who is less than sixty (60) years of age on the
6 last day of the person's taxable year, is not, for that taxable year,
7 entitled to a deduction under this ~~section~~ **subdivision** for
8 retirement or survivor's benefits.

9 (b) An individual whose qualified military income is subtracted
10 from the individual's federal adjusted gross income under
11 IC 6-3-1-3.5(a)(21) for Indiana individual income tax purposes is not,
12 for that taxable year, entitled to a deduction under this section for the
13 individual's qualified military income.

14 SECTION 2. [EFFECTIVE JANUARY 1, 2016] (a) **IC 6-3-2-4, as**
15 **amended by this act, applies to taxable years beginning after**
16 **December 31, 2015.**

17 **(b) This SECTION expires July 1, 2019.**



COMMITTEE REPORT

Madam President: The Senate Committee on Veterans Affairs & The Military, to which was referred Senate Bill No. 262, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 262 as introduced.)

CRIDER, Chairperson

Committee Vote: Yeas 7, Nays 0

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