

## SENATE BILL No. 338

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-27.

**Synopsis:** Graduate retention incentives. Provides for an exemption from the adjusted gross income tax for up to five years for an individual who graduates from a public or private four year college or university if the individual accepts a full-time position of employment in Indiana after graduation. Provides that if an individual leaves a full-time position in Indiana and subsequently accepts another full-time position in Indiana, the exemption carries over for the balance of the five year period. Provides that the department of state revenue shall prescribe a form requiring the Indiana employer to notify the department if the individual leaves employment with the Indiana employer before the end of the five year exemption.

**Effective:** January 1, 2023.

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January 10, 2022, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

## SENATE BILL No. 338

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 6-3-2-27 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** SECTION TO READ AS FOLLOW [EFFECTIVE  
3       JANUARY 1, 2023]: **Sec. 27. (a) Notwithstanding any provision of**  
4       **IC 6-3-1 through IC 6-3-7, there shall be no tax on the adjusted**  
5       **gross income of an individual who:**

6               **(1) is a graduate of a public or private four year college or**  
7               **university; and**

8               **(2) upon graduation from the public or private college or**  
9               **university, and before accepting a full-time position of**  
10              **employment in a state other than Indiana, accepts a full-time**  
11              **position of employment in Indiana.**

12              **(b) The exemption from tax on adjusted gross income described**  
13              **in subsection (a) applies for the first five (5) taxable years during**  
14              **which the individual is consecutively employed in the full-time**  
15              **position in Indiana.**

16              **(c) If the individual leaves a full-time position of employment in**  
17              **Indiana and accepts a subsequent full-time position in Indiana,**



1 before accepting a full-time position in a state other than Indiana,  
 2 within the five (5) year exemption period that commenced at the  
 3 time the individual accepted the first position, the exemption  
 4 carries over for the balance of the exemption period or until the  
 5 individual leaves the full-time position in Indiana. For the  
 6 exemption to remain in effect, each time the individual accepts a  
 7 subsequent full-time position in Indiana within the original five (5)  
 8 year exemption period, the individual shall reapply for the  
 9 exemption on the form described in subsection (d).

10 (d) The department of state revenue shall prescribe a form for  
 11 purposes of this section. The form shall:

12 (1) serve as the application for the individual seeking the  
 13 exemption of adjusted gross income described in subsection

14 (a);

15 (2) require the signature of the Indiana employer of the  
 16 individual seeking the exemption; and

17 (3) provide that if the individual leaves employment with the  
 18 Indiana employer before the end of the five (5) year  
 19 exemption period, the Indiana employer shall notify the  
 20 department of state revenue of the individual's last day of  
 21 employment.

22 SECTION 2. [EFFECTIVE JANUARY 1, 2023] (a) IC 6-3-2-27,  
 23 as added by this act, applies to taxable years beginning after  
 24 December 31, 2022.

25 (b) This SECTION expires July 1, 2025.

