

SENATE BILL No. 383

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-20.

Synopsis: Income tax credit for homesteads in Lake County. Changes the definition of income for purposes of the income tax credit for property taxes paid on homesteads in Lake County from employee and self-employment earned income to Indiana adjusted gross income.

Effective: January 1, 2015.

Charbonneau

January 14, 2014, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 383

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

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

1 SECTION 1. IC 6-3.1-20-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. As used in this
 3 chapter, "earned **Indiana** income" means the ~~sum of the:~~
 4 ~~(1) wages, salaries, tips, and other employee compensation; and~~
 5 ~~(2) net earnings from self-employment (as computed under~~
 6 ~~Section 32(c)(2) of the Internal Revenue Code);~~
 7 **adjusted gross income** of an individual taxpayer, and the individual's
 8 spouse, if the individual files a joint adjusted gross income tax return.
 9 SECTION 2. IC 6-3.1-20-4, AS AMENDED BY P.L.13-2013,
 10 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2015]: Sec. 4. (a) Except as provided in subsection (b),
 12 an individual is entitled to a credit under this chapter if:
 13 (1) the individual's **earned Indiana** income for the taxable year is
 14 less than eighteen thousand six hundred dollars (\$18,600); and
 15 (2) the individual pays property taxes in the taxable year on a
 16 homestead that:



- 1 (A) the individual:
 2 (i) owns; or
 3 (ii) is buying under a contract that requires the individual to
 4 pay property taxes on the homestead, if the contract or a
 5 memorandum of the contract is recorded in the county
 6 recorder's office; and
 7 (B) is located in a county having a population of more than
 8 four hundred thousand (400,000) but less than seven hundred
 9 thousand (700,000).
- 10 (b) An individual is not entitled to a credit under this chapter for a
 11 taxable year for property taxes paid on the individual's homestead if the
 12 individual claims the deduction under IC 6-3-1-3.5(a)(15) for the
 13 homestead for that same taxable year.
- 14 SECTION 3. IC 6-3.1-20-5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 5. (a) Each year,
 16 an individual described in section 4 of this chapter is entitled to a
 17 refundable credit against the individual's state income tax liability in
 18 the amount determined under this section.
- 19 (b) In the case of an individual with **earned Indiana** income of less
 20 than eighteen thousand dollars (\$18,000) for the taxable year, the
 21 amount of the credit is equal to the lesser of:
 22 (1) three hundred dollars (\$300); or
 23 (2) the amount of property taxes described in section 4(a)(2) of
 24 this chapter paid by the individual in the taxable year.
- 25 (c) In the case of an individual with **earned Indiana** income that is
 26 at least eighteen thousand dollars (\$18,000) but less than eighteen
 27 thousand six hundred dollars (\$18,600) for the taxable year, the amount
 28 of the credit is equal to the lesser of the following:
 29 (1) An amount determined under the following STEPS:
 30 STEP ONE: Determine the result of:
 31 (i) eighteen thousand six hundred dollars (\$18,600); minus
 32 (ii) the individual's **earned Indiana** income for the taxable
 33 year.
 34 STEP TWO: Determine the result of:
 35 (i) the STEP ONE amount; multiplied by
 36 (ii) five-tenths (0.5).
 37 (2) The amount of property taxes described in section 4(a)(2) of
 38 this chapter paid by the individual in the taxable year.
- 39 (d) If the amount of the credit under this chapter exceeds the
 40 individual's state tax liability for the taxable year, the excess shall be
 41 refunded to the taxpayer.
- 42 SECTION 4. [EFFECTIVE JANUARY 1, 2015] (a) **IC 6-3.1-20-1,**



1 **IC 6-3.1-20-4, and IC 6-3.1-20-5, all as amended by this act, apply**
2 **to taxable years beginning after December 31, 2014.**
3 **(b) This SECTION expires January 1, 2018.**

