

# SENATE BILL No. 396

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-1-34.

**Synopsis:** Income tax exemption for military pay. Exempts military pay earned by members of an active component of the armed forces of the United States from the individual income tax. (Current law exempts from the individual income tax the military pay earned by members of the National Guard and reserve components of the armed forces of the United States while serving on active duty.)

**Effective:** January 1, 2019 (retroactive).

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## Alting

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January 14, 2019, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## SENATE BILL No. 396

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 6-3-1-34, AS ADDED BY P.L.144-2007,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 34. "Qualified military  
4 income" means wages that are paid:  
5 (1) to a member of **an active component of the armed forces of**  
6 **the United States for service in the active component; or (A)**  
7 **(2) to a member of** a reserve component of the armed forces of  
8 the United States or ~~(B)~~ the National Guard ~~and (2)~~ for any of the  
9 following applicable periods, or any combination of the following  
10 applicable periods, in a calendar year:  
11 (A) The member's full-time service on involuntary orders in:  
12 (i) a reserve component of the armed forces of the United  
13 States; or  
14 (ii) the National Guard.  
15 (B) The period during which the member is mobilized and  
16 deployed for full-time service in:  
17 (i) a reserve component of the armed forces of the United



1 States; or  
2 (ii) the National Guard.  
3 (C) The period during which the member's National Guard  
4 unit is federalized.  
5 SECTION 2. [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]  
6 **(a) IC 6-3-1-34, as amended by this act, applies to taxable years**  
7 **beginning after December 31, 2018.**  
8 **(b) This SECTION expires July 1, 2022.**  
9 SECTION 3. **An emergency is declared for this act.**

