

SENATE BILL No. 521

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-4.

Synopsis: Tax deduction for military income. Provides an income tax deduction for all military retirement and survivor's benefits and removes the age requirement for the deduction.

Effective: January 1, 2018.

Smith J

January 17, 2017, read first time and referred to Committee on Appropriations.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 521

A BILL FOR AN ACT to amend the Indiana Code concerning military and veterans.

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.250-2015,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2018]: 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 retirement or~~
7 ~~survivor's benefits~~, **excluding adjusted gross income described**
8 **in subdivision (2)**, received during the taxable year by the
9 individual, or the individual's surviving spouse, for the
10 individual's service in an active or reserve component of the
11 armed forces of the United States, including the army, navy, air
12 force, coast guard, marine corps, merchant marine, Indiana army
13 national guard, or Indiana air national guard. ~~However, a person~~
14 ~~who is less than sixty (60) years of age on the last day of the~~
15 ~~person's taxable year, is not, for that taxable year, entitled to a~~
16 ~~deduction under this section for retirement or survivor's benefits.~~
17 (2) An adjusted gross income tax deduction for all the income



1 **from retirement or survivor's benefits received during the**
2 **taxable year by the individual, or the individual's surviving**
3 **spouse, for the individual's service in an active or reserve**
4 **component of the armed forces of the United States, including**
5 **the army, navy, air force, coast guard, marine corps,**
6 **merchant marine, Indiana army national guard, or Indiana**
7 **air national guard.**

8 (b) An individual whose qualified military income is subtracted
9 from the individual's federal adjusted gross income under
10 IC 6-3-1-3.5(a)(19) for Indiana individual income tax purposes is not,
11 for that taxable year, entitled to a deduction under this section for the
12 individual's qualified military income.

13 SECTION 2. [EFFECTIVE JANUARY 1, 2018] **(a) IC 6-3-2-4, as**
14 **amended by this act, applies to taxable years beginning after**
15 **December 31, 2017.**

16 **(b) This SECTION expires July 1, 2021.**

