

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7042**  
**BILL NUMBER: HB 2040**

**DATE PREPARED:** Jan 10, 2001  
**BILL AMENDED:**

**SUBJECT:** Income tax credits and deductions.

**FISCAL ANALYST:** Brian Tabor  
**PHONE NUMBER:** 233-9456

<b>FUNDS AFFECTED:</b>	<b>GENERAL</b> <b>DEDICATED</b> <b>FEDERAL</b>	<b>IMPACT:</b> Pending
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**Summary of Legislation:** Provides that a taxpayer filing a single return may not claim the additional \$500 income tax deduction for the elderly if the taxpayer's adjusted gross income is more than \$20,000. (Under current law, a \$40,000 income limitation applies to taxpayers filing a single return and to married taxpayers filing a joint return.) Increases the amount of the unified income tax credit for the elderly for a claimant that resides with a spouse who is also eligible for the credit. Provides that married taxpayers filing a joint return with income of less than \$24,000 may claim the earned income tax credit. (Under current law, a \$12,000 income limitation applies to taxpayers filing a single return and to married taxpayers filing a joint return.)

**Effective Date:** January 1, 2002.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**