
HOUSE BILL No. 1741

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-8.

Synopsis: Enterprise zone employee wage deductions. Provides that a person who resides in an enterprise zone and who performs services as an employee of a nonprofit entity in the enterprise zone is eligible for the enterprise zone qualified employee wage deduction under certain circumstances.

Effective: January 1, 2002.

Kruzan

January 17, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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HOUSE BILL No. 1741



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 6-3-2-8 IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2002]: Sec. 8. (a) For purposes of this
 3 section, "qualified employee" means an individual who is employed by
 4 a taxpayer, ~~or~~ by an employer exempt from adjusted gross income tax
 5 (IC 6-3-1 through IC 6-3-7) under ~~IC 6-3-2-2.8(3), (4), or (5)~~ **section**
 6 **2.8(3), 2.8(4), or 2.8(5), or by a nonprofit entity**, and who:
 7 (1) has the employee's principal place of residence in the
 8 enterprise zone in which the employee is employed;
 9 (2) performs services for the taxpayer, ~~or the employer, or the~~
 10 **nonprofit entity**, ninety percent (90%) of which are directly
 11 related to:
 12 (A) the conduct of the taxpayer's or employer's trade or
 13 business; ~~or~~
 14 (B) **the activities of the nonprofit entity**;
 15 that ~~is~~ **are** located in an enterprise zone; and
 16 (3) performs at least fifty percent (50%) of the employee's service



1 for the taxpayer, ~~or~~ employer, **or nonprofit entity** during the
2 taxable year in the enterprise zone.
3 (b) Except as provided in subsection (c), a qualified employee is
4 entitled to **a** deduction from his adjusted gross income in each taxable
5 year in the amount of the lesser of:
6 (1) one-half (1/2) of his adjusted gross income for the taxable year
7 that he earns as a qualified employee; or
8 (2) seven thousand five hundred dollars (\$7,500).
9 (c) No qualified employee is entitled to a deduction under this
10 section for a taxable year that begins after the termination of the
11 enterprise zone in which he resides.
12 SECTION 2. [EFFECTIVE JANUARY 1, 2002] **IC 6-3-2-8, as**
13 **amended by this act, applies only to taxable years beginning after**
14 **December 31, 2001.**

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