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# HOUSE BILL No. 1706

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3; IC 6-3.5.

**Synopsis:** Education income tax credits. Provides income tax credits related to elementary and secondary education for the following expenditures: (1) Charitable contributions to foundations that provide tuition scholarships for nonpublic schools and home school students. (2) Donations to public schools for certain academic purposes. (3) Expenditures for dependents who attend nonpublic schools. (4) Expenditures for the home schooling of dependents. (5) Expenditures for out of school education of dependents who attend public schools. Phases in the amount of each type of credit over a three year period.

**Effective:** January 1, 2003 (retroactive).

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January 21, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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## HOUSE BILL No. 1706



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 6-3-3-5.2 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 5.2. (a) As used in this**
- 4 **section, "dependent" has the meaning set forth in Section**
- 5 **151(c)(1)(B) of the Internal Revenue Code.**
- 6 **(b) As used in this section, "qualified home school expense"**
- 7 **means an expense for academic instruction, including instructional**
- 8 **materials, in the core curriculum areas of language arts,**
- 9 **mathematics, science, social studies, or foreign language.**
- 10 **(c) As used in this section, "qualified nonpublic school" means**
- 11 **a nonpublic school (as defined in IC 20-10.1-1-3) that:**
- 12 **(1) is an elementary or a secondary school;**
- 13 **(2) does not discriminate on the basis of race, gender, color,**
- 14 **familial status, or national origin; and**
- 15 **(3) agrees to accept students who receive scholarships from a**
- 16 **school scholarship organization.**
- 17 **(d) As used in this section, "qualified nonpublic school expense"**



1 means an expense for:

- 2 (1) tuition;
- 3 (2) academic instruction, including instructional materials, in
- 4 the core curriculum areas of language arts, mathematics,
- 5 science, social studies, or foreign language; or
- 6 (3) school transportation.

7 (e) As used in this section, "school scholarship organization"

8 means a charitable organization in Indiana that meets the

9 following requirements:

10 (1) Is exempt from federal income taxation under Section

11 501(c)(3) of the Internal Revenue Code.

12 (2) Allocates at least ninety percent (90%) of its annual

13 revenue for scholarships for one (1) or more of the following

14 purposes:

15 (A) To pay qualified nonpublic school expenses of students

16 who attend qualified nonpublic schools.

17 (B) To pay qualified home school expenses of students who

18 are:

19 (i) eligible for enrollment in a public school in

20 kindergarten through grade 12;

21 (ii) not enrolled in a school (public or nonpublic); and

22 (iii) excused under IC 20-8.1-3-34 from compulsory

23 school attendance.

24 (3) Provides scholarships for more than one (1) nonpublic

25 school or home school family unrelated by blood or marriage.

26 (4) Files an annual financial report with the department of

27 education established by IC 20-1-1.1-2 that:

28 (A) the department of education makes available to the

29 public free of charge; and

30 (B) contains the following information:

31 (i) The total dollar amount of donations the school

32 scholarship organization received during the preceding

33 year.

34 (ii) The total dollar amount the school scholarship

35 organization awarded in scholarships to individuals

36 during the preceding year.

37 (iii) Qualifications, if any, that the school scholarship

38 organization requires for an individual to receive a

39 scholarship, including grade level and family income

40 qualifications.

41 (f) A taxpayer may claim a credit against the adjusted gross

42 income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable

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1 year in an amount (subject to the applicable limitations provided  
2 by this section) equal to the total amount of charitable  
3 contributions:

4 (1) made by the taxpayer during the year to a school  
5 scholarship organization; and

6 (2) not designated by the taxpayer to be used for the direct  
7 benefit of a dependent of the taxpayer.

8 (g) In the case of a taxpayer other than a corporation, the  
9 amount allowable as a credit under this section for any taxable  
10 year may not exceed five hundred dollars (\$500) in the case of a  
11 single return or one thousand dollars (\$1,000) in the case of a joint  
12 return.

13 (h) In the case of a corporation, the amount allowable as a credit  
14 under this section for any taxable year may not exceed the lesser  
15 of:

16 (1) ten percent (10%) of the corporation's total adjusted gross  
17 income tax liability under IC 6-3-1 through IC 6-3-7 for the  
18 year (as determined without regard to any credits against that  
19 tax liability); or

20 (2) five hundred dollars (\$500).

21 (i) The credit under this section may not exceed the amount of  
22 the adjusted gross income tax liability imposed by IC 6-3-1 through  
23 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as  
24 determined without regard to this section) allowed by IC 6-3-1  
25 through IC 6-3-7.

26 (j) For purposes of IC 1-1-1-8, if this section is held invalid,  
27 sections 5.3 through 5.6 of this chapter are void.

28 SECTION 2. IC 6-3-3-5.3 IS ADDED TO THE INDIANA CODE  
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
30 JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 5.3. (a) As used in this  
31 section, "dependent" has the meaning set forth in Section  
32 151(c)(1)(B) of the Internal Revenue Code.**

33 (b) As used in this section, "public school" has the meaning set  
34 forth in IC 20-10.1-1-2.

35 (c) As used in this section, "qualified school expense" means  
36 expenses for academic instruction as determined by a majority of  
37 the teaching staff of a school:

38 (1) including instructional materials in the core curriculum  
39 areas of language arts, mathematics, science, social studies, or  
40 foreign language; and

41 (2) excluding teacher salaries.

42 (d) A taxpayer may claim a credit against the adjusted gross

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1 income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable  
 2 year in an amount (subject to the applicable limitations provided  
 3 by this section) equal to the aggregate amount of charitable  
 4 contributions:

- 5 (1) made by the taxpayer during the year to a public school;
- 6 (2) designated by the taxpayer for use for a qualified school  
 7 expense; and
- 8 (3) not designated by the taxpayer to be used for the direct  
 9 benefit of a dependent of the taxpayer.

10 (e) In the case of a taxpayer other than a corporation, the credit  
 11 under this section for any taxable year may not exceed one  
 12 hundred dollars (\$100) in the case of a single return or two  
 13 hundred dollars (\$200) in the case of a joint return.

14 (f) In the case of a corporation, the credit under this section for  
 15 any taxable year may not exceed the lesser of:

- 16 (1) ten percent (10%) of the corporation's total adjusted gross  
 17 income tax liability under IC 6-3-1 through IC 6-3-7 for the  
 18 year (as determined without regard to any credits against that  
 19 tax liability); or
- 20 (2) one hundred dollars (\$100).

21 (g) The credit under this section may not exceed the amount of  
 22 the adjusted gross income tax liability imposed by IC 6-3-1 through  
 23 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as  
 24 determined without regard to this section) allowed by IC 6-3-1  
 25 through IC 6-3-7.

26 (h) For purposes of IC 1-1-1-8, if this section is held invalid,  
 27 sections 5.2 and 5.4 through 5.6 of this chapter are void.

28 SECTION 3. IC 6-3-3-5.4 IS ADDED TO THE INDIANA CODE  
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 5.4. (a) As used in this  
 31 section, "dependent" has the meaning set forth in Section  
 32 151(c)(1)(B) of the Internal Revenue Code.**

33 (b) As used in this chapter, "nonpublic school" has the meaning  
 34 set forth in IC 20-10.1-1-3.

35 (c) As used in this chapter, "qualified education expense" means  
 36 an expenditure for one (1) or more of the following incurred by a  
 37 taxpayer and paid to others for a dependent who is enrolled in a  
 38 nonpublic school:

- 39 (1) Tuition.
- 40 (2) Academic instruction, including instructional materials, in  
 41 the core curriculum areas of language arts, mathematics,  
 42 science, social studies, or foreign language.

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1           **(3) School transportation.**

2           **(d) As used in this chapter, "taxpayer" means an individual who**  
 3 **has adjusted gross income tax liability.**

4           **(e) A taxpayer may claim a credit against the adjusted gross**  
 5 **income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable**  
 6 **year in an amount (subject to the applicable limitations provided**  
 7 **by this section) equal to the total amount of qualified education**  
 8 **expense incurred by a taxpayer for a dependent of the taxpayer**  
 9 **who is:**

10           **(1) enrolled in a nonpublic school;**

11           **(2) not a recipient of a scholarship from a school scholarship**  
 12 **organization (as defined in section 5.2(e) of this chapter); and**

13           **(3) not claimed for a credit under section 5.5 of this chapter.**

14           **(f) In the case of a taxpayer other than a corporation, the credit**  
 15 **under this section for any taxable year may not exceed one**  
 16 **thousand dollars (\$1,000) for each dependent described in**  
 17 **subsection (e) in the case of a single return or a joint return.**

18           **(g) A corporation may not receive a credit under this section for**  
 19 **any taxable year.**

20           **(h) The credit under this section may not exceed the amount of**  
 21 **the adjusted gross income tax liability imposed by IC 6-3-1 through**  
 22 **IC 6-3-7 for the taxable year, reduced by the sum of all credits (as**  
 23 **determined without regard to this section) allowed by IC 6-3-1**  
 24 **through IC 6-3-7.**

25           **(i) For purposes of IC 1-1-1-8, if this section is held invalid,**  
 26 **sections 5.2 through 5.3 and 5.5 through 5.6 of this chapter are**  
 27 **void.**

28           SECTION 4. IC 6-3-3-5.5 IS ADDED TO THE INDIANA CODE  
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 5.5. (a) As used in this**  
 31 **section, "dependent" has the meaning set forth in Section**  
 32 **151(c)(1)(B) of the Internal Revenue Code.**

33           **(b) As used in this section, "qualified education expense" means**  
 34 **expenses for academic instruction, including instructional**  
 35 **materials, in the core curriculum areas of language arts,**  
 36 **mathematics, science, social studies, or foreign language.**

37           **(c) A taxpayer may claim a credit against the adjusted gross**  
 38 **income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable**  
 39 **year in an amount (subject to the applicable limitations provided**  
 40 **by this section) equal to the total amount of qualified education**  
 41 **expense incurred by a taxpayer for a dependent of the taxpayer**  
 42 **who is:**

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1 (1) eligible for enrollment in a public school in kindergarten  
2 through grade 12;

3 (2) not enrolled in a school (public or nonpublic);

4 (3) excused under IC 20-8.1-3-34 from compulsory school  
5 attendance;

6 (4) not a recipient of a scholarship from a school scholarship  
7 organization (as defined in section 5.2(e) of this chapter); and

8 (5) not claimed for a credit under section 5.4 of this chapter.

9 (d) In the case of a taxpayer other than a corporation, the credit  
10 under this section for any taxable year may not exceed one  
11 thousand dollars (\$1,000) for each dependent described in  
12 subsection (c) in the case of a single return or a joint return.

13 (e) A corporation may not receive a credit under this section for  
14 any taxable year.

15 (f) The credit under this section may not exceed the amount of  
16 the adjusted gross income tax liability imposed by IC 6-3-1 through  
17 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as  
18 determined without regard to this section) allowed by IC 6-3-1  
19 through IC 6-3-7.

20 (g) For purposes of IC 1-1-1-8, if this section is held invalid,  
21 sections 5.2 through 5.4 and 5.6 of this chapter are void.

22 SECTION 5. IC 6-3-3-5.6 IS ADDED TO THE INDIANA CODE  
23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
24 JANUARY 1, 2003 (RETROACTIVE)]: Sec. 5.6. (a) As used in this  
25 section, "dependent" has the meaning set forth in Section  
26 151(c)(1)(B) of the Internal Revenue Code.

27 (b) As used in this section, "public school" has the meaning set  
28 forth in IC 20-10.1-1-2.

29 (c) As used in this section, "qualified education expense" means  
30 an expense for academic instruction incurred by a taxpayer for a  
31 dependent who is enrolled in a public school for a grade from  
32 kindergarten through grade 12. The academic instruction must be:

33 (1) in grade or age appropriate curricula outside a regular  
34 school year or school day; and

35 (2) in the core curriculum areas of language arts,  
36 mathematics, science, or social studies.

37 (d) As used in this section, "taxpayer" means an individual who  
38 has any adjusted gross income tax liability.

39 (e) A taxpayer may claim a credit against the adjusted gross  
40 income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable  
41 year in an amount (subject to the applicable limitations provided  
42 by this section) equal to the total amount of qualified education

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1 expense incurred by a taxpayer for a dependent of the taxpayer  
 2 who is enrolled in a public school for a grade from kindergarten  
 3 through grade 12.

4 (f) In the case of a taxpayer other than a corporation, the credit  
 5 under this section for a taxable year may not exceed five hundred  
 6 dollars (\$500) for each dependent in the case of a single return or  
 7 a joint return.

8 (g) A corporation may not receive a credit under this section for  
 9 any taxable year.

10 (h) The credit under this section may not exceed the amount of  
 11 the adjusted gross income tax liability imposed by IC 6-3-1 through  
 12 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as  
 13 determined without regard to this section) allowed by IC 6-3-1  
 14 through IC 6-3-7.

15 (i) For purposes of IC 1-1-1-8, if this section is held invalid,  
 16 sections 5.2 through 5.5 of this chapter are void.

17 SECTION 6. IC 6-3.5-1.1-18 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:  
 19 Sec. 18. (a) Except as otherwise provided in this chapter, all provisions  
 20 of the adjusted gross income tax law (IC 6-3) concerning:

- 21 (1) definitions;
- 22 (2) declarations of estimated tax;
- 23 (3) filing of returns;
- 24 (4) remittances;
- 25 (5) incorporation of the provisions of the Internal Revenue Code;
- 26 (6) penalties and interest;
- 27 (7) exclusion of military pay credits for withholding; and
- 28 (8) exemptions and deductions;

29 apply to the imposition, collection, and administration of the tax  
 30 imposed by this chapter.

31 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5,  
 32 IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,  
 33 and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

34 (c) Notwithstanding subsections (a) and (b), each employer shall  
 35 report to the department the amount of withholdings attributable to  
 36 each county. This report shall be submitted annually along with the  
 37 employer's annual withholding report.

38 SECTION 7. IC 6-3.5-6-22 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:  
 40 Sec. 22. (a) Except as otherwise provided in subsection (b) and the  
 41 other provisions of this chapter, all provisions of the adjusted gross  
 42 income tax law (IC 6-3) concerning:

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- 1 (1) definitions;
- 2 (2) declarations of estimated tax;
- 3 (3) filing of returns;
- 4 (4) deductions or exemptions from adjusted gross income;
- 5 (5) remittances;
- 6 (6) incorporation of the provisions of the Internal Revenue Code;
- 7 (7) penalties and interest; and
- 8 (8) exclusion of military pay credits for withholding;

9 apply to the imposition, collection, and administration of the tax  
10 imposed by this chapter.

11 (b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5,  
12 **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,**  
13 and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

14 (c) Notwithstanding subsections (a) and (b), each employer shall  
15 report to the department the amount of withholdings attributable to  
16 each county. This report shall be submitted along with the employer's  
17 other withholding report.

18 SECTION 8. IC 6-3.5-7-18 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:  
20 Sec. 18. (a) Except as otherwise provided in this chapter, all provisions  
21 of the adjusted gross income tax law (IC 6-3) concerning:

- 22 (1) definitions;
- 23 (2) declarations of estimated tax;
- 24 (3) filing of returns;
- 25 (4) remittances;
- 26 (5) incorporation of the provisions of the Internal Revenue Code;
- 27 (6) penalties and interest;
- 28 (7) exclusion of military pay credits for withholding; and
- 29 (8) exemptions and deductions;

30 apply to the imposition, collection, and administration of the tax  
31 imposed by this chapter.

32 (b) The provisions of ~~IC~~ IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5,  
33 **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, IC 6-3-3-5.6,**  
34 and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

35 (c) Notwithstanding subsections (a) and (b), each employer shall  
36 report to the department the amount of withholdings attributable to  
37 each county. This report shall be submitted annually along with the  
38 employer's annual withholding report.

39 SECTION 9. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]  
40 **IC 6-3-3-5.2, IC 6-3-3-5.3, IC 6-3-3-5.4, IC 6-3-3-5.5, and**  
41 **IC 6-3-3-5.6, all as added by this act, apply only to taxable years**  
42 **beginning after December 31, 2002.**



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1 SECTION 10. [EFFECTIVE JANUARY 1, 2003  
2 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.2, as added by  
3 this act:

4 (1) in the case of a taxpayer other than a corporation, the  
5 credit under IC 6-3-3-5.2, as added by this act, for a taxable  
6 year beginning after December 31, 2002, and ending  
7 December 31, 2003, may not exceed two hundred dollars  
8 (\$200) in the case of a single return or four hundred dollars  
9 (\$400) in the case of a joint return;

10 (2) in the case of a taxpayer other than a corporation, the  
11 credit under IC 6-3-3-5.2, as added by this act, for a taxable  
12 year beginning after December 31, 2003, and ending  
13 December 31, 2004, may not exceed three hundred dollars  
14 (\$300) in the case of a single return or six hundred dollars  
15 (\$600) in the case of a joint return;

16 (3) in the case of a corporation, the credit under IC 6-3-3-5.2,  
17 as added by this act, for a taxable year beginning after  
18 December 31, 2002, and ending December 31, 2003, may not  
19 exceed the lesser of:

20 (A) ten percent (10%) of the corporation's total adjusted  
21 gross income tax liability under IC 6-3-1 through IC 6-3-7  
22 for the year (as determined without regard to any credits  
23 against that tax); or

24 (B) two hundred dollars (\$200); and

25 (4) in the case of a corporation, the credit under IC 6-3-3-5.2,  
26 as added by this act, for a taxable year beginning after  
27 December 31, 2003, and ending December 31, 2004, may not  
28 exceed the lesser of:

29 (A) ten percent (10%) of the corporation's total adjusted  
30 gross income tax liability under IC 6-3-1 through IC 6-3-7  
31 for the year (as determined without regard to any credits  
32 against that tax); or

33 (B) three hundred dollars (\$300).

34 (b) This SECTION expires January 1, 2005.

35 SECTION 11. [EFFECTIVE JANUARY 1, 2003  
36 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.3, as added by  
37 this act:

38 (1) in the case of a taxpayer other than a corporation, the  
39 credit under IC 6-3-3-5.3, as added by this act, for a taxable  
40 year beginning after December 31, 2002, and ending  
41 December 31, 2003, may not exceed fifty dollars (\$50) in the  
42 case of a single return or one hundred dollars (\$100) in the

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1 case of a joint return;

2 (2) in the case of a taxpayer other than a corporation, the

3 credit under IC 6-3-3-5.3, as added by this act, for a taxable

4 year beginning after December 31, 2003, and ending

5 December 31, 2004, may not exceed seventy-five dollars (\$75)

6 in the case of a single return or one hundred fifty dollars

7 (\$150) in the case of a joint return;

8 (3) in the case of a corporation, the credit under IC 6-3-3-5.3,

9 as added by this act, for a taxable year beginning after

10 December 31, 2002, and ending December 31, 2003, may not

11 exceed the lesser of:

12 (A) ten percent (10%) of the corporation's total adjusted

13 gross income tax liability under IC 6-3-1 through IC 6-3-7

14 for the year (as determined without regard to any credits

15 against that tax); or

16 (B) fifty dollars (\$50); and

17 (4) in the case of a corporation, the credit under IC 6-3-3-5.3,

18 as added by this act, for a taxable year beginning after

19 December 31, 2003, and ending December 31, 2004, may not

20 exceed the lesser of:

21 (A) ten percent (10%) of the corporation's total adjusted

22 gross income tax liability under IC 6-3-1 through IC 6-3-7

23 for the year (as determined without regard to any credits

24 against that tax); or

25 (B) seventy-five dollars (\$75).

26 (b) This SECTION expires January 1, 2005.

27 SECTION 12. [EFFECTIVE JANUARY 1, 2003

28 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.4, as added by

29 this act:

30 (1) in the case of a taxpayer other than a corporation, the

31 credit under IC 6-3-3-5.4, as added by this act, for a taxable

32 year beginning after December 31, 2002, and ending

33 December 31, 2003, may not exceed four hundred dollars

34 (\$400) for each dependent in the case of a single return or in

35 the case of a joint return; and

36 (2) in the case of a taxpayer other than a corporation, the

37 credit under IC 6-3-3-5.4, as added by this act, for a taxable

38 year beginning after December 31, 2003, and ending

39 December 31, 2004, may not exceed seven hundred dollars

40 (\$700) for each dependent in the case of a single return or in

41 the case of a joint return.

42 (b) This SECTION expires January 1, 2005.

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1 SECTION 13. [EFFECTIVE JANUARY 1, 2003  
2 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.5, as added by  
3 this act:

4 (1) in the case of a taxpayer other than a corporation, the  
5 credit under IC 6-3-3-5.5, as added by this act, for a taxable  
6 year beginning after December 31, 2002, and ending  
7 December 31, 2003, may not exceed four hundred dollars  
8 (\$400) for each dependent in the case of a single return or in  
9 the case of a joint return; and

10 (2) in the case of a taxpayer other than a corporation, the  
11 credit under IC 6-3-3-5.5, as added by this act, for a taxable  
12 year beginning after December 31, 2003, and ending  
13 December 31, 2004, may not exceed seven hundred dollars  
14 (\$700) for each dependent in the case of a single return or in  
15 the case of a joint return.

16 (b) This SECTION expires January 1, 2005.

17 SECTION 14. [EFFECTIVE JANUARY 1, 2003  
18 (RETROACTIVE)] (a) Notwithstanding IC 6-3-3-5.6, as added by  
19 this act:

20 (1) in the case of a taxpayer other than a corporation, the  
21 credit under IC 6-3-3-5.6, as added by this act, for a taxable  
22 year beginning after December 31, 2002, and ending  
23 December 31, 2003, may not exceed one hundred fifty dollars  
24 (\$150) for each dependent in the case of a single return or in  
25 the case of a joint return; and

26 (2) in the case of a taxpayer other than a corporation, the  
27 credit under IC 6-3-3-5.6, as added by this act, for a taxable  
28 year beginning after December 31, 2003, and ending  
29 December 31, 2004, may not exceed three hundred fifty  
30 dollars (\$350) for each dependent in the case of a single return  
31 or in the case of a joint return.

32 (b) This SECTION expires January 1, 2005.

33 SECTION 15. An emergency is declared for this act.

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