
HOUSE BILL No. 1889

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-25.

Synopsis: Tax credit for worksite health programs. Provides a credit against state tax liability for a taxpayer that provides a worksite health and productivity process for the taxpayer's Indiana employees. For a taxpayer providing a basic qualified health and productivity process, the credit equals the lesser of: (1) 2% of state tax liability; or (2) \$50 multiplied by the number of the taxpayer's employees. For a taxpayer providing a comprehensive qualified health and productivity process, the credit equals the lesser of: (1) 4% of state tax liability; or (2) \$100 multiplied by the number of employees. Allows a taxpayer to receive a credit only if the department of workforce development certifies the taxpayer's worksite health and productivity process.

Effective: January 1, 2003 (retroactive).

Friend, Scholer, Welch, Brown C

January 23, 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. 1889



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 6-3.1-25 IS ADDED TO THE INDIANA CODE
 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003 (RETROACTIVE)]:
 4 **Chapter 25. Credit for Worksite Health and Productivity**
 5 **Processes**
 6 **Sec. 1. As used in this chapter, "pass through entity" means:**
 7 (1) a corporation that is exempt from the adjusted gross
 8 income tax under IC 6-3-2-2.8(2);
 9 (2) a partnership;
 10 (3) a limited liability company; or
 11 (4) a limited liability partnership.
 12 **Sec. 2. As used in this chapter, "state tax liability" means a**
 13 **taxpayer's total tax liability that is incurred under:**
 14 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
 15 (2) IC 6-5.5 (financial institutions tax); and
 16 (3) IC 27-1-18-2 (insurance premiums tax);
 17 **as computed after the application of the credits that under**



1 IC 6-3.1-1-2 are to be applied before the credit provided by this
2 chapter.

3 Sec. 3. As used in this chapter, "taxpayer" means an individual
4 or entity that has state tax liability.

5 Sec. 4. As used in this chapter, "worksite health and
6 productivity process" includes:

7 (1) a tier 2 program (a basic qualified health and productivity
8 process); and

9 (2) a tier 3 program (a comprehensive qualified health and
10 productivity process);

11 that satisfies the standards adopted by the Worksite Health
12 Promotion Alliance.

13 Sec. 5. (a) A taxpayer that provides a tier 2 program in Indiana
14 that is certified by the department of workforce development and
15 in which all the taxpayer's Indiana employees are entitled to
16 participate is entitled to a credit against the taxpayer's state tax
17 liability for a taxable year equal to the lesser of:

18 (1) two percent (2%) of the taxpayer's state tax liability; or

19 (2) an amount equal to fifty dollars (\$50) multiplied by the
20 number of the taxpayer's Indiana employees.

21 (b) A taxpayer that provides a tier 3 program in Indiana that is
22 certified by the department of workforce development and in
23 which all the taxpayer's Indiana employees are entitled to
24 participate is entitled to a credit against the taxpayer's state tax
25 liability for a taxable year equal to the lesser of:

26 (1) four percent (4%) of the taxpayer's state tax liability; or

27 (2) an amount equal to one hundred dollars (\$100) multiplied
28 by the number of the taxpayer's Indiana employees.

29 Sec. 6. (a) If the amount determined under section 5 of this
30 chapter for a taxpayer in a taxable year exceeds the taxpayer's
31 state tax liability for that taxable year, the taxpayer may carry the
32 excess over to the following taxable years. The amount of the credit
33 carryover from a taxable year shall be reduced to the extent that
34 the carryover is used by the taxpayer to obtain a credit under this
35 chapter for any subsequent taxable year. A taxpayer is not entitled
36 to a carryback.

37 (b) A taxpayer is not entitled to a refund of any unused credit.

38 Sec. 7. If a pass through entity does not have state income tax
39 liability against which the tax credit may be applied, a shareholder
40 or partner of the pass through entity is entitled to a tax credit equal
41 to:

42 (1) the tax credit determined for the pass through entity for

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1 the taxable year; multiplied by

2 (2) the percentage of the pass through entity's distributive
3 income to which the shareholder or partner is entitled.

4 **Sec. 8. (a) A taxpayer who seeks to obtain the credit provided by**
5 **this chapter must file an application for certification of the**
6 **taxpayer's worksite health and productivity process with the**
7 **department of workforce development. The department of**
8 **workforce development shall prescribe the form and content of the**
9 **application.**

10 (b) Upon receipt of an application filed under subsection (a), the
11 department of workforce development shall determine if the
12 taxpayer has a tier 2 program or a tier 3 program. If the
13 department of workforce development approves the application, it
14 shall issue a certificate to the taxpayer for the taxable year. The
15 taxpayer must attach the certificate to the income tax return that
16 is filed for the taxable year for which the credit is claimed.

17 (c) To receive the credit provided by this chapter, a taxpayer
18 must claim the credit on the taxpayer's state tax return or returns
19 in the manner prescribed by the department. The taxpayer must
20 submit to the department all information that the department
21 determines is necessary for the calculation of the credit provided
22 by this chapter and for the determination of the taxpayer's
23 eligibility for the credit.

24 SECTION 2. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]
25 IC 6-3.1-25, as added by this act, applies only to taxable years that
26 begin after December 31, 2002.

27 SECTION 3. An emergency is declared for this act.

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