PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION ____

MR. SPEAKER:

I move that Engrossed Senate Bill 459 be amended to read as follows:

1   Page 1, between lines 14 and 15, begin a new paragraph and insert:
2   "SECTION 2. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE
3   AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
4   JANUARY 1, 2005 (RETROACTIVE)]: **Sec. 21. (a) As used in this**
5   **section, "student loan" refers to a qualified education loan (as**
6   **defined in Section 221 of the Internal Revenue Code).**
7   **(b) Subject to subsection (d), in each taxable year, an individual**
8   **who is obligated to repay a student loan may deduct in computing**
9   **the individual's adjusted gross income the amount determined**
10   **under STEP TWELVE of the following formula:**
11   **STEP ONE: Determine the total amount of payments paid by**
12   **the individual with respect to the individual's student loans**
13   **during the taxable year.**
14   **STEP TWO: Determine the part of the STEP ONE result that**
15   **is attributable to interest and other financing charges.**
16   **STEP THREE: Subtract the STEP TWO result from the**
17   **STEP ONE result to determine the part of the STEP ONE**
18   **result attributable to principal.**
19   **STEP FOUR: Determine the part of the STEP TWO result**
20   **deducted by the individual in computing the individual's**
21   **federal adjusted gross income under Section 62 of the Internal**
22   **Revenue Code.**
23   **STEP FIVE: Subtract the STEP FOUR result from the STEP**
24   **TWO result.**

1　　**STEP SIX: Determine the initial outstanding principal**
2　　**balance on the student loan as of the expiration of the most**
3　　**recent grace period following the final date of attendance at**
4　　**the most recently attended institution of higher education. In**
5　　**the case of a husband and wife filing a joint return, determine**
6　　**this amount independently for each individual, and add the**
7　　**two (2) amounts.**
8　　**STEP SEVEN: Determine the part of the STEP SIX amount**
9　　**deducted by the individual in computing the individual's**
10　　**federal adjusted gross income under Section 62 of the Internal**
11　　**Revenue Code in the current and any prior taxable years.**
12　　**STEP EIGHT: Divide the STEP SEVEN result by the STEP**
13　　**SIX result, rounding to the nearest one thousandth (0.001).**
14　　**STEP NINE: Subtract the STEP EIGHT result from one (1).**
15　　**STEP TEN: Multiply the STEP THREE result by the STEP**
16　　**NINE result.**
17　　**STEP ELEVEN: Add the STEP FIVE result and the STEP**
18　　**TEN result.**
19　　**STEP TWELVE: Determine the lesser of the following:**
20　　**(A) The STEP ELEVEN result.**
21　　**(B) Two thousand dollars ($2,000).**
22　　**(c) A husband and wife filing a joint adjusted gross income tax**
23　　**return for a particular taxable year may not claim a deduction**
24　　**under this section of more than two thousand dollars ($2,000) in**
25　　**any taxable year.**
26　　**(d) An individual may not claim the deduction provided by this**
27　　**section for more than ten (10) taxable years during the individual's**
28　　**lifetime. For purposes of applying this subsection to an individual**
29　　**who files a joint return with the individual's spouse, the question of**
30　　**whether a joint return counts toward each spouse's lifetime**
31　　**allotment is determined independently for each spouse with**
32　　**reference to the underlying student loan. A joint return on which**
33　　**the deduction provided by this section is claimed counts towards a**
34　　**spouse's lifetime allotment only to the extent that the spouse is**
35　　**obligated to repay some part of the underlying student loan**
36　　**payments that are being deducted.**".
37　　Page 6, between lines 35 and 36, begin a new paragraph and insert:
38　　"SECTION　8.　[EFFECTIVE　JANUARY　1,　2005
39　　(RETROACTIVE)] **IC 6-3-2-21, as added by this act, applies only**
40　　**to taxable years beginning after December 31, 2004.**".

1 Page 6, after line 38, begin a new paragraph and insert:

2 "SECTION 10. **An emergency is declared for this act.**".

3 Renumber all SECTIONS consecutively.

  (Reference is to ESB 459 as printed March 25, 2005.)

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Representative Van Haaften