

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1812 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 20-8.1-1-19 IS ADDED TO THE INDIANA
- 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 2005]: **Sec. 19. As used in this article,**
- 6 **"dependent" has the meaning set forth in Section 152(a) of the**
- 7 **Internal Revenue Code.**
- 8 SECTION 2. IC 20-8.1-1-20 IS ADDED TO THE INDIANA
- 9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 10 [EFFECTIVE JULY 1, 2005]: **Sec. 20. As used in this article,**
- 11 **"qualified education expenditures" means expenditures made by**
- 12 **a taxpayer during the twelve (12) month period beginning July 1**
- 13 **and ending June 30 of the taxable year for a dependent with**
- 14 **respect to a school of choice for any of the following:**
- 15 (1) **Fees for academic tuition or instruction.**
- 16 (2) **If the dependent is not enrolled in a school that charges**
- 17 **tuition, expenditures for computer software, textbooks,**
- 18 **workbooks, curricula, school supplies other than personal**
- 19 **computers, and other written materials used primarily for**
- 20 **academic instruction and for academic tutoring.**
- 21 (3) **Expenditures for transporting the dependent to and from**
- 22 **the school of choice in which the dependent is enrolled,**
- 23 **excluding transportation for extracurricular activities.**
- 24 SECTION 3. IC 20-8.1-1-21 IS ADDED TO THE INDIANA
- 25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2005]: **Sec. 21. As used in this chapter,**
 2 **"school of choice" means:**

- 3 (1) a nonpublic school (as defined in IC 20-10.1-1-3); or
- 4 (2) a public school (as defined in IC 20-10.1-1-2) in which a
- 5 dependent is enrolled but that is not the dependent's school of
- 6 legal settlement for purposes of the general school tuition
- 7 support formula.

8 SECTION 4. IC 20-8.1-1-22 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2005]: **Sec. 22. As used in this article,**

11 **"taxpayer" means:**
 12 (1) an individual who is; or
 13 (2) an individual and the individual's spouse, in the case of a
 14 joint return, who are;

15 **subject to the adjusted gross income tax.**

16 Page 4, between lines 21 and 22, begin a new paragraph and insert:
 17 "SECTION 6. IC 20-8.1-6.1-3.1 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2005]: **Sec. 3.1 (a) This section applies to a**
 20 **taxpayer who has a dependent who has legal settlement in a school**
 21 **corporation located in Indiana.**

22 (b) Except as provided in subsection (c), a taxpayer who makes
 23 qualified education expenditures for a dependent is entitled to a
 24 credit against the adjusted gross income tax imposed by IC 6-3 for
 25 the taxable year. The credit to which the taxpayer is entitled for all
 26 the taxpayer's dependents combined is equal to the lesser of:

- 27 (1) the qualified education expenditures of the taxpayer; or
- 28 (2) the following amount per taxpayer:

29 Taxable Year Ending In	Amount
30 2006 and 2007	\$1,000
31 2008 and 2009	\$1,500
32 2010 and 2011	\$2,000
33 2012 and 2013	\$2,500
34 2014 and thereafter	\$3,000

35 The credit amount under this subsection with respect to a
 36 dependent is reduced by any credit amount with respect to other
 37 dependents under subsection (c) of this chapter.

38 (c) This subsection applies to the determination of a credit for
 39 any taxpayer with respect to any dependent who is:

- 40 (1) not enrolled in a public school in 2005 but who is eligible
- 41 for enrollment in a public school in 2005; or
- 42 (2) is a member of a household with an annual household
- 43 income that is more than three hundred fifty percent (350%)
- 44 of the federal income poverty level as determined annually by
- 45 the federal Office of Management and Budget under 42 U.S.C.
- 46 9902.

1 A taxpayer described in this subsection is not entitled to a credit
 2 under this chapter for expenditures made before July 1, 2007, with
 3 respect to the dependent described in this subsection. The credit for
 4 such a taxpayer for expenditures made with respect to the
 5 dependent after June 30, 2007, is equal to the lesser of the qualified
 6 education expenditures of the taxpayer or the following amount per
 7 taxpayer:

8 Taxable Year Ending In	Amount
9 2008 and 2009	\$500
10 2010 and 2011	\$1,000
11 2012 and 2013	\$1,500
12 2014 and 2015	\$2,000
13 2016 and 2017	\$2,500
14 2018	\$3,000

15 This subsection expires for taxable years ending after 2018.

16 (d) The department shall develop a process and create forms
 17 that will:

18 (1) permit the taxpayer to assign credits under this chapter to
 19 the school of choice in which the taxpayer's dependent is
 20 enrolled; and

21 (2) allow the school that receives an assignment of credits to
 22 claim and receive the amount of the credit as soon as the
 23 taxpayer has filed the required income tax return for the
 24 taxable year.

25 (e) If the amount of the credit provided by this section that a
 26 taxpayer uses during a particular taxable year exceeds the sum of
 27 the taxes imposed on the taxpayer by IC 6-3 for the taxable year
 28 after the application of all credits that under IC 6-3.1-1-2 are to be
 29 applied before the credit provided by this section, the excess shall
 30 be returned to the taxpayer as a refund.

31 (f) Acceptance by a taxpayer of a credit for qualified education
 32 expenditures for a dependent under this section does not provide
 33 any governmental entity or agency of the state with jurisdiction,
 34 authority, or control over the dependent's educational provider.

35 SECTION 7. [EFFECTIVE JULY 1, 2005] IC 20-8.1-6.1-3.1, as
 36 added by this act, applies to taxable years beginning after
 37 December 31, 2005."

38 Renumber all SECTIONS consecutively.

(Reference is to HB 1812 as printed February 9, 2005.)

Representative Behning