

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

Brown T

I move that House Bill 1008 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert the following:
- 3 "SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006,
- 4 SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24,
- 5 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
- 6 [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 3.5. When
- 7 used in this article, the term "adjusted gross income" shall mean the
- 8 following:
- 9 (a) In the case of all individuals, "adjusted gross income" (as
- 10 defined in Section 62 of the Internal Revenue Code), modified as
- 11 follows:
- 12 (1) Subtract income that is exempt from taxation
- 13 under this article by the Constitution and statutes of
- 14 the United States.
- 15 (2) Add an amount equal to any deduction or
- 16 deductions allowed or allowable pursuant to Section
- 17 62 of the Internal Revenue Code for taxes based on or
- 18 measured by income and levied at the state level by
- 19 any state of the United States.
- 20 (3) Subtract one thousand dollars (\$1,000), or in the
- 21 case of a joint return filed by a husband and wife,
- 22 subtract for each spouse one thousand dollars
- 23 (\$1,000).
- 24 (4) Subtract one thousand dollars (\$1,000) for:

- 1 (A) each of the exemptions provided by
2 Section 151(c) of the Internal Revenue Code;
3 (B) each additional amount allowable under
4 Section 63(f) of the Internal Revenue Code;
5 and
6 (C) the spouse of the taxpayer if a separate
7 return is made by the taxpayer and if the
8 spouse, for the calendar year in which the
9 taxable year of the taxpayer begins, has no
10 gross income and is not the dependent of
11 another taxpayer.

12 (5) Subtract:

- 13 (A) *for taxable years beginning after*
14 *December 31, 2004*, one thousand five
15 hundred dollars (\$1,500) for each of the
16 exemptions allowed under Section
17 151(c)(1)(B) of the Internal Revenue Code
18 *for taxable years beginning after December*
19 *~~31, 1996~~ (as effective January 1, 2004)*; and
20 (B) five hundred dollars (\$500) for each
21 additional amount allowable under Section
22 63(f)(1) of the Internal Revenue Code if the
23 adjusted gross income of the taxpayer, or the
24 taxpayer and the taxpayer's spouse in the
25 case of a joint return, is less than forty
26 thousand dollars (\$40,000).

27 This amount is in addition to the amount subtracted
28 under subdivision (4).

29 (6) Subtract an amount equal to the lesser of:

- 30 (A) that part of the individual's adjusted
31 gross income (as defined in Section 62 of the
32 Internal Revenue Code) for that taxable year
33 that is subject to a tax that is imposed by a
34 political subdivision of another state and that
35 is imposed on or measured by income; or
36 (B) two thousand dollars (\$2,000).

37 (7) Add an amount equal to the total capital gain
38 portion of a lump sum distribution (as defined in
39 Section 402(e)(4)(D) of the Internal Revenue Code)
40 if the lump sum distribution is received by the
41 individual during the taxable year and if the capital
42 gain portion of the distribution is taxed in the manner
43 provided in Section 402 of the Internal Revenue
44 Code.

45 (8) Subtract any amounts included in federal adjusted
46 gross income under Section 111 of the Internal

- 1 Revenue Code as a recovery of items previously
2 deducted as an itemized deduction from adjusted
3 gross income.
- 4 (9) Subtract any amounts included in federal adjusted
5 gross income under the Internal Revenue Code which
6 amounts were received by the individual as
7 supplemental railroad retirement annuities under 45
8 U.S.C. 231 and which are not deductible under
9 subdivision (1).
- 10 (10) Add an amount equal to the deduction allowed
11 under Section 221 of the Internal Revenue Code for
12 married couples filing joint returns if the taxable year
13 began before January 1, 1987.
- 14 (11) Add an amount equal to the interest excluded
15 from federal gross income by the individual for the
16 taxable year under Section 128 of the Internal
17 Revenue Code if the taxable year began before
18 January 1, 1985.
- 19 (12) Subtract an amount equal to the amount of
20 federal Social Security and Railroad Retirement
21 benefits included in a taxpayer's federal gross income
22 by Section 86 of the Internal Revenue Code.
- 23 (13) In the case of a nonresident taxpayer or a resident
24 taxpayer residing in Indiana for a period of less than
25 the taxpayer's entire taxable year, the total amount of
26 the deductions allowed pursuant to subdivisions (3),
27 (4), (5), and (6) shall be reduced to an amount which
28 bears the same ratio to the total as the taxpayer's
29 income taxable in Indiana bears to the taxpayer's total
30 income.
- 31 (14) In the case of an individual who is a recipient of
32 assistance under IC 12-10-6-1, IC 12-10-6-2.1,
33 IC 12-15-2-2, or IC 12-15-7, subtract an amount equal
34 to that portion of the individual's adjusted gross
35 income with respect to which the individual is not
36 allowed under federal law to retain an amount to pay
37 state and local income taxes.
- 38 (15) In the case of an eligible individual, subtract the
39 amount of a Holocaust victim's settlement payment
40 included in the individual's federal adjusted gross
41 income.
- 42 ~~(16) For taxable years beginning after December 31,~~
43 ~~1999, subtract an amount equal to the portion of any~~
44 ~~premiums paid during the taxable year by the~~
45 ~~taxpayer for a qualified long term care policy (as~~
46 ~~defined in IC 12-15-39.6-5) for the taxpayer or the~~

- 1 taxpayer's spouse, or both.
- 2 ~~(17)~~ **(16)** Subtract an amount equal to the lesser of:
- 3 (A) for a taxable year:
- 4 (i) including any part of 2004, the
- 5 amount determined under
- 6 subsection (f); and
- 7 (ii) beginning after December 31,
- 8 2004, two thousand five hundred
- 9 dollars (\$2,500); or
- 10 (B) the amount of property taxes that are paid
- 11 during the taxable year in Indiana by the
- 12 individual on the individual's principal place
- 13 of residence.
- 14 ~~(18)~~ **(17)** Subtract an amount equal to the amount of
- 15 a September 11 terrorist attack settlement payment
- 16 included in the individual's federal adjusted gross
- 17 income.
- 18 ~~(19)~~ **(18)** Add or subtract the amount necessary to
- 19 make the adjusted gross income of any taxpayer that
- 20 owns property for which bonus depreciation was
- 21 allowed in the current taxable year or in an earlier
- 22 taxable year equal to the amount of adjusted gross
- 23 income that would have been computed had an
- 24 election not been made under Section 168(k) of the
- 25 Internal Revenue Code to apply bonus depreciation to
- 26 the property in the year that it was placed in service.
- 27 ~~(20)~~ **(19)** Add an amount equal to any deduction
- 28 allowed under Section 172 of the Internal Revenue
- 29 Code.
- 30 ~~(21)~~ **(20)** Add or subtract the amount necessary to
- 31 make the adjusted gross income of any taxpayer that
- 32 placed Section 179 property (as defined in Section
- 33 179 of the Internal Revenue Code) in service in the
- 34 current taxable year or in an earlier taxable year equal
- 35 to the amount of adjusted gross income that would
- 36 have been computed had an election for federal
- 37 income tax purposes not been made for the year in
- 38 which the property was placed in service to take
- 39 deductions under Section 179 of the Internal Revenue
- 40 Code in a total amount exceeding twenty-five
- 41 thousand dollars (\$25,000).
- 42 ~~(22)~~ **(21)** Add an amount equal to the amount that a
- 43 taxpayer claimed as a deduction for domestic
- 44 production activities for the taxable year under
- 45 Section 199 of the Internal Revenue Code for federal
- 46 income tax purposes.

1 (b) In the case of corporations, the same as "taxable income"
2 (as defined in Section 63 of the Internal Revenue Code) adjusted as
3 follows:

4 (1) Subtract income that is exempt from taxation
5 under this article by the Constitution and statutes of
6 the United States.

7 (2) Add an amount equal to any deduction or
8 deductions allowed or allowable pursuant to Section
9 170 of the Internal Revenue Code.

10 (3) Add an amount equal to any deduction or
11 deductions allowed or allowable pursuant to Section
12 63 of the Internal Revenue Code for taxes based on or
13 measured by income and levied at the state level by
14 any state of the United States.

15 (4) Subtract an amount equal to the amount included
16 in the corporation's taxable income under Section 78
17 of the Internal Revenue Code.

18 (5) Add or subtract the amount necessary to make the
19 adjusted gross income of any taxpayer that owns
20 property for which bonus depreciation was allowed in
21 the current taxable year or in an earlier taxable year
22 equal to the amount of adjusted gross income that
23 would have been computed had an election not been
24 made under Section 168(k) of the Internal Revenue
25 Code to apply bonus depreciation to the property in
26 the year that it was placed in service.

27 (6) Add an amount equal to any deduction allowed
28 under Section 172 of the Internal Revenue Code.

29 (7) Add or subtract the amount necessary to make the
30 adjusted gross income of any taxpayer that placed
31 Section 179 property (as defined in Section 179 of the
32 Internal Revenue Code) in service in the current
33 taxable year or in an earlier taxable year equal to the
34 amount of adjusted gross income that would have
35 been computed had an election for federal income tax
36 purposes not been made for the year in which the
37 property was placed in service to take deductions
38 under Section 179 of the Internal Revenue Code in a
39 total amount exceeding twenty-five thousand dollars
40 (\$25,000).

41 (8) Add an amount equal to the amount that a
42 taxpayer claimed as a deduction for domestic
43 production activities for the taxable year under
44 Section 199 of the Internal Revenue Code for federal
45 income tax purposes.

46 (9) Add to the extent required by IC 6-3-2-20 the

1 *amount of intangible expenses (as defined in*
 2 *IC 6-3-2-20) and any directly related intangible*
 3 *interest expenses (as defined in IC 6-3-2-20) for the*
 4 *taxable year that reduced the corporation's taxable*
 5 *income (as defined in Section 63 of the Internal*
 6 *Revenue Code) for federal income tax purposes.*

7 (c) In the case of life insurance companies (as defined in
 8 Section 816(a) of the Internal Revenue Code) that are organized under
 9 Indiana law, the same as "life insurance company taxable income" (as
 10 defined in Section 801 of the Internal Revenue Code), adjusted as
 11 follows:

12 (1) Subtract income that is exempt from taxation
 13 under this article by the Constitution and statutes of
 14 the United States.

15 (2) Add an amount equal to any deduction allowed or
 16 allowable under Section 170 of the Internal Revenue
 17 Code.

18 (3) Add an amount equal to a deduction allowed or
 19 allowable under Section 805 or Section 831(c) of the
 20 Internal Revenue Code for taxes based on or
 21 measured by income and levied at the state level by
 22 any state.

23 (4) Subtract an amount equal to the amount included
 24 in the company's taxable income under Section 78 of
 25 the Internal Revenue Code.

26 (5) Add or subtract the amount necessary to make the
 27 adjusted gross income of any taxpayer that owns
 28 property for which bonus depreciation was allowed in
 29 the current taxable year or in an earlier taxable year
 30 equal to the amount of adjusted gross income that
 31 would have been computed had an election not been
 32 made under Section 168(k) of the Internal Revenue
 33 Code to apply bonus depreciation to the property in
 34 the year that it was placed in service.

35 (6) Add an amount equal to any deduction allowed
 36 under Section 172 or Section 810 of the Internal
 37 Revenue Code.

38 (7) Add or subtract the amount necessary to make the
 39 adjusted gross income of any taxpayer that placed
 40 Section 179 property (as defined in Section 179 of the
 41 Internal Revenue Code) in service in the current
 42 taxable year or in an earlier taxable year equal to the
 43 amount of adjusted gross income that would have
 44 been computed had an election for federal income tax
 45 purposes not been made for the year in which the
 46 property was placed in service to take deductions

- 1 under Section 179 of the Internal Revenue Code in a
2 total amount exceeding twenty-five thousand dollars
3 (\$25,000).
- 4 (8) Add an amount equal to the amount that a
5 taxpayer claimed as a deduction for domestic
6 production activities for the taxable year under
7 Section 199 of the Internal Revenue Code for federal
8 income tax purposes.
- 9 (d) In the case of insurance companies subject to tax under
10 Section 831 of the Internal Revenue Code and organized under Indiana
11 law, the same as "taxable income" (as defined in Section 832 of the
12 Internal Revenue Code), adjusted as follows:
- 13 (1) Subtract income that is exempt from taxation
14 under this article by the Constitution and statutes of
15 the United States.
- 16 (2) Add an amount equal to any deduction allowed or
17 allowable under Section 170 of the Internal Revenue
18 Code.
- 19 (3) Add an amount equal to a deduction allowed or
20 allowable under Section 805 or Section 831(c) of the
21 Internal Revenue Code for taxes based on or
22 measured by income and levied at the state level by
23 any state.
- 24 (4) Subtract an amount equal to the amount included
25 in the company's taxable income under Section 78 of
26 the Internal Revenue Code.
- 27 (5) Add or subtract the amount necessary to make the
28 adjusted gross income of any taxpayer that owns
29 property for which bonus depreciation was allowed in
30 the current taxable year or in an earlier taxable year
31 equal to the amount of adjusted gross income that
32 would have been computed had an election not been
33 made under Section 168(k) of the Internal Revenue
34 Code to apply bonus depreciation to the property in
35 the year that it was placed in service.
- 36 (6) Add an amount equal to any deduction allowed
37 under Section 172 of the Internal Revenue Code.
- 38 (7) Add or subtract the amount necessary to make the
39 adjusted gross income of any taxpayer that placed
40 Section 179 property (as defined in Section 179 of the
41 Internal Revenue Code) in service in the current
42 taxable year or in an earlier taxable year equal to the
43 amount of adjusted gross income that would have
44 been computed had an election for federal income tax
45 purposes not been made for the year in which the
46 property was placed in service to take deductions

1 under Section 179 of the Internal Revenue Code in a
2 total amount exceeding twenty-five thousand dollars
3 (\$25,000).

4 (8) Add an amount equal to the amount that a
5 taxpayer claimed as a deduction for domestic
6 production activities for the taxable year under
7 Section 199 of the Internal Revenue Code for federal
8 income tax purposes.

9 (e) In the case of trusts and estates, "taxable income" (as
10 defined for trusts and estates in Section 641(b) of the Internal Revenue
11 Code) adjusted as follows:

12 (1) Subtract income that is exempt from taxation
13 under this article by the Constitution and statutes of
14 the United States.

15 (2) Subtract an amount equal to the amount of a
16 September 11 terrorist attack settlement payment
17 included in the federal adjusted gross income of the
18 estate of a victim of the September 11 terrorist attack
19 or a trust to the extent the trust benefits a victim of the
20 September 11 terrorist attack.

21 (3) Add or subtract the amount necessary to make the
22 adjusted gross income of any taxpayer that owns
23 property for which bonus depreciation was allowed in
24 the current taxable year or in an earlier taxable year
25 equal to the amount of adjusted gross income that
26 would have been computed had an election not been
27 made under Section 168(k) of the Internal Revenue
28 Code to apply bonus depreciation to the property in
29 the year that it was placed in service.

30 (4) Add an amount equal to any deduction allowed
31 under Section 172 of the Internal Revenue Code.

32 (5) Add or subtract the amount necessary to make the
33 adjusted gross income of any taxpayer that placed
34 Section 179 property (as defined in Section 179 of the
35 Internal Revenue Code) in service in the current
36 taxable year or in an earlier taxable year equal to the
37 amount of adjusted gross income that would have
38 been computed had an election for federal income tax
39 purposes not been made for the year in which the
40 property was placed in service to take deductions
41 under Section 179 of the Internal Revenue Code in a
42 total amount exceeding twenty-five thousand dollars
43 (\$25,000).

44 (6) Add an amount equal to the amount that a
45 taxpayer claimed as a deduction for domestic
46 production activities for the taxable year under

1 Section 199 of the Internal Revenue Code for federal
2 income tax purposes.

3 (f) This subsection applies only to the extent that an individual
4 paid property taxes in 2004 that were imposed for the March 1, 2002,
5 assessment date or the January 15, 2003, assessment date. The
6 maximum amount of the deduction under subsection (a)(17) is equal
7 to the amount determined under STEP FIVE of the following formula:

8 STEP ONE: Determine the amount of property taxes
9 that the taxpayer paid after December 31, 2003, in the
10 taxable year for property taxes imposed for the March
11 1, 2002, assessment date and the January 15, 2003,
12 assessment date.

13 STEP TWO: Determine the amount of property taxes
14 that the taxpayer paid in the taxable year for the
15 March 1, 2003, assessment date and the January 15,
16 2004, assessment date.

17 STEP THREE: Determine the result of the STEP
18 ONE amount divided by the STEP TWO amount.

19 STEP FOUR: Multiply the STEP THREE amount by
20 two thousand five hundred dollars (\$2,500).

21 STEP FIVE: Determine the sum of the STEP FOUR
22 amount and two thousand five hundred dollars
23 (\$2,500).

24 SECTION 2. IC 6-3-3-13 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 13. An**
27 **individual is entitled to a credit against the individual's adjusted**
28 **gross income for a taxable year for any premiums paid by the**
29 **individual during the taxable year for a qualified long term care**
30 **policy (as defined in IC 12-15-39.6-5) for the individual, the**
31 **individual's spouse, or a dependent of the individual. The amount**
32 **of the credit is equal to thirty-four percent (34%) of the amount**
33 **paid by the individual in the individual's taxable year.**

34 SECTION 3. IC 6-3.1-20-4 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:
36 Sec. 4. (a) Except as provided in subsection (b), an individual is
37 entitled to a credit under this chapter if the:

38 (1) individual's earned income for the taxable year is
39 less than eighteen thousand six hundred (\$18,600);
40 and

41 (2) the individual pays property taxes in the taxable
42 year on a homestead that:

43 (A) the individual:

44 (i) owns; or

45 (ii) is buying under a contract that
46 requires the individual to pay

1 property taxes on the homestead, if
 2 the contract or a memorandum of
 3 the contract is recorded in the
 4 county recorder's office; and
 5 (B) is located in a county having a population
 6 of more than four hundred thousand
 7 (400,000) but less than seven hundred
 8 thousand (700,000).
 9 (b) An individual is not entitled to a credit under this chapter
 10 for a taxable year for property taxes paid on the individual's homestead
 11 if the individual claims the deduction under ~~IC 6-3-1-3.5(a)(17)~~
 12 **IC 6-3-1-3.5(a)(16)** for the homestead for that same taxable year."
 13 Page 15, between lines 26 and 27, begin a new paragraph and
 14 insert:

1 "SECTION 21. [EFFECTIVE JANUARY 1, 2007
2 (RETROACTIVE)] **IC 6-3-3-13, as added by this act, applies to**
3 **taxable years beginning after December 31, 2006.**"

4 Renumber all SECTIONS consecutively.
 (Reference is to HB 1008 as printed February 20, 2007.)

Representative Brown T