



February 20, 2007

# HOUSE BILL No. 1657

DIGEST OF HB 1657 (Updated February 19, 2007 8:00 pm - DI 114)

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

**Synopsis:** Forestry issues. Provides deductions to an individual in determining adjusted gross income for a taxable year for: (1) expenses incurred by the individual for property taxes imposed on property assessed as native forest land or a forest plantation; (2) expenses incurred by the individual for fees for the management of forests located on property assessed as native forest land or a forest plantation; (3) 50% of the part of federal adjusted gross income attributable to a net long term capital gain derived from the sale of timber; and (4) charitable contributions of property assessed as native forest land or a forest plantation. Provides that the deductions with respect to forest plantation apply only if: (1) the classification as forest plantation occurred before July 1, 2007; or (2) if the classification occurred after June 30, 2007, all of the trees that qualify the land for the classification are native trees. Requires the department of natural resources to equalize the salaries of district foresters and natural science managers.

**Effective:** Upon passage; January 1, 2008.

**Denbo**

January 23, 2007, read first time and referred to Committee on Natural Resources.  
February 12, 2007, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.  
February 20, 2007, amended, reported — Do Pass.

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February 20, 2007

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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## HOUSE BILL No. 1657

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A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.246-2005,  
2 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2008]: Sec. 3.5. When used in this article, the term  
4 "adjusted gross income" shall mean the following:  
5 (a) In the case of all individuals, "adjusted gross income" (as  
6 defined in Section 62 of the Internal Revenue Code), modified as  
7 follows:  
8 (1) Subtract income that is exempt from taxation under this article  
9 by the Constitution and statutes of the United States.  
10 (2) Add an amount equal to any deduction or deductions allowed  
11 or allowable pursuant to Section 62 of the Internal Revenue Code  
12 for taxes based on or measured by income and levied at the state  
13 level by any state of the United States.  
14 (3) Subtract one thousand dollars (\$1,000), or in the case of a  
15 joint return filed by a husband and wife, subtract for each spouse  
16 one thousand dollars (\$1,000).  
17 (4) Subtract one thousand dollars (\$1,000) for:

HB 1657—LS 7773/DI 77+



- 1 (A) each of the exemptions provided by Section 151(c) of the
- 2 Internal Revenue Code;
- 3 (B) each additional amount allowable under Section 63(f) of
- 4 the Internal Revenue Code; and
- 5 (C) the spouse of the taxpayer if a separate return is made by
- 6 the taxpayer and if the spouse, for the calendar year in which
- 7 the taxable year of the taxpayer begins, has no gross income
- 8 and is not the dependent of another taxpayer.
- 9 (5) Subtract:
- 10 (A) one thousand five hundred dollars (\$1,500) for each of the
- 11 exemptions allowed under Section 151(c)(1)(B) of the Internal
- 12 Revenue Code for taxable years beginning after December 31,
- 13 1996; and
- 14 (B) five hundred dollars (\$500) for each additional amount
- 15 allowable under Section 63(f)(1) of the Internal Revenue Code
- 16 if the adjusted gross income of the taxpayer, or the taxpayer
- 17 and the taxpayer's spouse in the case of a joint return, is less
- 18 than forty thousand dollars (\$40,000).
- 19 This amount is in addition to the amount subtracted under
- 20 subdivision (4).
- 21 (6) Subtract an amount equal to the lesser of:
- 22 (A) that part of the individual's adjusted gross income (as
- 23 defined in Section 62 of the Internal Revenue Code) for that
- 24 taxable year that is subject to a tax that is imposed by a
- 25 political subdivision of another state and that is imposed on or
- 26 measured by income; or
- 27 (B) two thousand dollars (\$2,000).
- 28 (7) Add an amount equal to the total capital gain portion of a
- 29 lump sum distribution (as defined in Section 402(e)(4)(D) of the
- 30 Internal Revenue Code) if the lump sum distribution is received
- 31 by the individual during the taxable year and if the capital gain
- 32 portion of the distribution is taxed in the manner provided in
- 33 Section 402 of the Internal Revenue Code.
- 34 (8) Subtract any amounts included in federal adjusted gross
- 35 income under Section 111 of the Internal Revenue Code as a
- 36 recovery of items previously deducted as an itemized deduction
- 37 from adjusted gross income.
- 38 (9) Subtract any amounts included in federal adjusted gross
- 39 income under the Internal Revenue Code which amounts were
- 40 received by the individual as supplemental railroad retirement
- 41 annuities under 45 U.S.C. 231 and which are not deductible under
- 42 subdivision (1).

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- 1 (10) Add an amount equal to the deduction allowed under Section
- 2 221 of the Internal Revenue Code for married couples filing joint
- 3 returns if the taxable year began before January 1, 1987.
- 4 (11) Add an amount equal to the interest excluded from federal
- 5 gross income by the individual for the taxable year under Section
- 6 128 of the Internal Revenue Code if the taxable year began before
- 7 January 1, 1985.
- 8 (12) Subtract an amount equal to the amount of federal Social
- 9 Security and Railroad Retirement benefits included in a taxpayer's
- 10 federal gross income by Section 86 of the Internal Revenue Code.
- 11 (13) In the case of a nonresident taxpayer or a resident taxpayer
- 12 residing in Indiana for a period of less than the taxpayer's entire
- 13 taxable year, the total amount of the deductions allowed pursuant
- 14 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
- 15 which bears the same ratio to the total as the taxpayer's income
- 16 taxable in Indiana bears to the taxpayer's total income.
- 17 (14) In the case of an individual who is a recipient of assistance
- 18 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
- 19 subtract an amount equal to that portion of the individual's
- 20 adjusted gross income with respect to which the individual is not
- 21 allowed under federal law to retain an amount to pay state and
- 22 local income taxes.
- 23 (15) In the case of an eligible individual, subtract the amount of
- 24 a Holocaust victim's settlement payment included in the
- 25 individual's federal adjusted gross income.
- 26 (16) For taxable years beginning after December 31, 1999,
- 27 subtract an amount equal to the portion of any premiums paid
- 28 during the taxable year by the taxpayer for a qualified long term
- 29 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
- 30 taxpayer's spouse, or both.
- 31 (17) Subtract an amount equal to the lesser of:
- 32 (A) for a taxable year:
- 33 (i) including any part of 2004, the amount determined under
- 34 subsection (f); and
- 35 (ii) beginning after December 31, 2004, two thousand five
- 36 hundred dollars (\$2,500); or
- 37 (B) the amount of property taxes that are paid during the
- 38 taxable year in Indiana by the individual on the individual's
- 39 principal place of residence.
- 40 (18) Subtract an amount equal to the amount of a September 11
- 41 terrorist attack settlement payment included in the individual's
- 42 federal adjusted gross income.

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- 1 (19) Add or subtract the amount necessary to make the adjusted
- 2 gross income of any taxpayer that owns property for which bonus
- 3 depreciation was allowed in the current taxable year or in an
- 4 earlier taxable year equal to the amount of adjusted gross income
- 5 that would have been computed had an election not been made
- 6 under Section 168(k) of the Internal Revenue Code to apply bonus
- 7 depreciation to the property in the year that it was placed in
- 8 service.
- 9 (20) Add an amount equal to any deduction allowed under
- 10 Section 172 of the Internal Revenue Code.
- 11 (21) Add or subtract the amount necessary to make the adjusted
- 12 gross income of any taxpayer that placed Section 179 property (as
- 13 defined in Section 179 of the Internal Revenue Code) in service
- 14 in the current taxable year or in an earlier taxable year equal to
- 15 the amount of adjusted gross income that would have been
- 16 computed had an election for federal income tax purposes not
- 17 been made for the year in which the property was placed in
- 18 service to take deductions under Section 179 of the Internal
- 19 Revenue Code in a total amount exceeding twenty-five thousand
- 20 dollars (\$25,000).
- 21 (22) Add an amount equal to the amount that a taxpayer claimed
- 22 as a deduction for domestic production activities for the taxable
- 23 year under Section 199 of the Internal Revenue Code for federal
- 24 income tax purposes.
- 25 **(23) Subtract the sum of any deductions to which a taxpayer**
- 26 **is entitled under IC 6-3-2-21 through IC 6-3-2-24.**
- 27 (b) In the case of corporations, the same as "taxable income" (as
- 28 defined in Section 63 of the Internal Revenue Code) adjusted as
- 29 follows:
- 30 (1) Subtract income that is exempt from taxation under this article
- 31 by the Constitution and statutes of the United States.
- 32 (2) Add an amount equal to any deduction or deductions allowed
- 33 or allowable pursuant to Section 170 of the Internal Revenue
- 34 Code.
- 35 (3) Add an amount equal to any deduction or deductions allowed
- 36 or allowable pursuant to Section 63 of the Internal Revenue Code
- 37 for taxes based on or measured by income and levied at the state
- 38 level by any state of the United States.
- 39 (4) Subtract an amount equal to the amount included in the
- 40 corporation's taxable income under Section 78 of the Internal
- 41 Revenue Code.
- 42 (5) Add or subtract the amount necessary to make the adjusted

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1 gross income of any taxpayer that owns property for which bonus  
 2 depreciation was allowed in the current taxable year or in an  
 3 earlier taxable year equal to the amount of adjusted gross income  
 4 that would have been computed had an election not been made  
 5 under Section 168(k) of the Internal Revenue Code to apply bonus  
 6 depreciation to the property in the year that it was placed in  
 7 service.  
 8 (6) Add an amount equal to any deduction allowed under Section  
 9 172 of the Internal Revenue Code.  
 10 (7) Add or subtract the amount necessary to make the adjusted  
 11 gross income of any taxpayer that placed Section 179 property (as  
 12 defined in Section 179 of the Internal Revenue Code) in service  
 13 in the current taxable year or in an earlier taxable year equal to  
 14 the amount of adjusted gross income that would have been  
 15 computed had an election for federal income tax purposes not  
 16 been made for the year in which the property was placed in  
 17 service to take deductions under Section 179 of the Internal  
 18 Revenue Code in a total amount exceeding twenty-five thousand  
 19 dollars (\$25,000).  
 20 (8) Add an amount equal to the amount that a taxpayer claimed as  
 21 a deduction for domestic production activities for the taxable year  
 22 under Section 199 of the Internal Revenue Code for federal  
 23 income tax purposes.  
 24 (c) In the case of life insurance companies (as defined in Section  
 25 816(a) of the Internal Revenue Code) that are organized under Indiana  
 26 law, the same as "life insurance company taxable income" (as defined  
 27 in Section 801 of the Internal Revenue Code), adjusted as follows:  
 28 (1) Subtract income that is exempt from taxation under this article  
 29 by the Constitution and statutes of the United States.  
 30 (2) Add an amount equal to any deduction allowed or allowable  
 31 under Section 170 of the Internal Revenue Code.  
 32 (3) Add an amount equal to a deduction allowed or allowable  
 33 under Section 805 or Section 831(c) of the Internal Revenue Code  
 34 for taxes based on or measured by income and levied at the state  
 35 level by any state.  
 36 (4) Subtract an amount equal to the amount included in the  
 37 company's taxable income under Section 78 of the Internal  
 38 Revenue Code.  
 39 (5) Add or subtract the amount necessary to make the adjusted  
 40 gross income of any taxpayer that owns property for which bonus  
 41 depreciation was allowed in the current taxable year or in an  
 42 earlier taxable year equal to the amount of adjusted gross income

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1 that would have been computed had an election not been made  
 2 under Section 168(k) of the Internal Revenue Code to apply bonus  
 3 depreciation to the property in the year that it was placed in  
 4 service.  
 5 (6) Add an amount equal to any deduction allowed under Section  
 6 172 or Section 810 of the Internal Revenue Code.  
 7 (7) Add or subtract the amount necessary to make the adjusted  
 8 gross income of any taxpayer that placed Section 179 property (as  
 9 defined in Section 179 of the Internal Revenue Code) in service  
 10 in the current taxable year or in an earlier taxable year equal to  
 11 the amount of adjusted gross income that would have been  
 12 computed had an election for federal income tax purposes not  
 13 been made for the year in which the property was placed in  
 14 service to take deductions under Section 179 of the Internal  
 15 Revenue Code in a total amount exceeding twenty-five thousand  
 16 dollars (\$25,000).  
 17 (8) Add an amount equal to the amount that a taxpayer claimed as  
 18 a deduction for domestic production activities for the taxable year  
 19 under Section 199 of the Internal Revenue Code for federal  
 20 income tax purposes.  
 21 (d) In the case of insurance companies subject to tax under Section  
 22 831 of the Internal Revenue Code and organized under Indiana law, the  
 23 same as "taxable income" (as defined in Section 832 of the Internal  
 24 Revenue Code), adjusted as follows:  
 25 (1) Subtract income that is exempt from taxation under this article  
 26 by the Constitution and statutes of the United States.  
 27 (2) Add an amount equal to any deduction allowed or allowable  
 28 under Section 170 of the Internal Revenue Code.  
 29 (3) Add an amount equal to a deduction allowed or allowable  
 30 under Section 805 or Section 831(c) of the Internal Revenue Code  
 31 for taxes based on or measured by income and levied at the state  
 32 level by any state.  
 33 (4) Subtract an amount equal to the amount included in the  
 34 company's taxable income under Section 78 of the Internal  
 35 Revenue Code.  
 36 (5) Add or subtract the amount necessary to make the adjusted  
 37 gross income of any taxpayer that owns property for which bonus  
 38 depreciation was allowed in the current taxable year or in an  
 39 earlier taxable year equal to the amount of adjusted gross income  
 40 that would have been computed had an election not been made  
 41 under Section 168(k) of the Internal Revenue Code to apply bonus  
 42 depreciation to the property in the year that it was placed in

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1 service.

2 (6) Add an amount equal to any deduction allowed under Section

3 172 of the Internal Revenue Code.

4 (7) Add or subtract the amount necessary to make the adjusted

5 gross income of any taxpayer that placed Section 179 property (as

6 defined in Section 179 of the Internal Revenue Code) in service

7 in the current taxable year or in an earlier taxable year equal to

8 the amount of adjusted gross income that would have been

9 computed had an election for federal income tax purposes not

10 been made for the year in which the property was placed in

11 service to take deductions under Section 179 of the Internal

12 Revenue Code in a total amount exceeding twenty-five thousand

13 dollars (\$25,000).

14 (8) Add an amount equal to the amount that a taxpayer claimed as

15 a deduction for domestic production activities for the taxable year

16 under Section 199 of the Internal Revenue Code for federal

17 income tax purposes.

18 (e) In the case of trusts and estates, "taxable income" (as defined for

19 trusts and estates in Section 641(b) of the Internal Revenue Code)

20 adjusted as follows:

21 (1) Subtract income that is exempt from taxation under this article

22 by the Constitution and statutes of the United States.

23 (2) Subtract an amount equal to the amount of a September 11

24 terrorist attack settlement payment included in the federal

25 adjusted gross income of the estate of a victim of the September

26 11 terrorist attack or a trust to the extent the trust benefits a victim

27 of the September 11 terrorist attack.

28 (3) Add or subtract the amount necessary to make the adjusted

29 gross income of any taxpayer that owns property for which bonus

30 depreciation was allowed in the current taxable year or in an

31 earlier taxable year equal to the amount of adjusted gross income

32 that would have been computed had an election not been made

33 under Section 168(k) of the Internal Revenue Code to apply bonus

34 depreciation to the property in the year that it was placed in

35 service.

36 (4) Add an amount equal to any deduction allowed under Section

37 172 of the Internal Revenue Code.

38 (5) Add or subtract the amount necessary to make the adjusted

39 gross income of any taxpayer that placed Section 179 property (as

40 defined in Section 179 of the Internal Revenue Code) in service

41 in the current taxable year or in an earlier taxable year equal to

42 the amount of adjusted gross income that would have been

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1 computed had an election for federal income tax purposes not  
 2 been made for the year in which the property was placed in  
 3 service to take deductions under Section 179 of the Internal  
 4 Revenue Code in a total amount exceeding twenty-five thousand  
 5 dollars (\$25,000).

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

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

15 STEP ONE: Determine the amount of property taxes that the  
 16 taxpayer paid after December 31, 2003, in the taxable year for  
 17 property taxes imposed for the March 1, 2002, assessment date  
 18 and the January 15, 2003, assessment date.

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

22 STEP THREE: Determine the result of the STEP ONE amount  
 23 divided by the STEP TWO amount.

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

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

28 SECTION 2. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE  
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2008]: **Sec. 21. (a) As used in this section, "eligible  
 31 land" means any of the following:**

32 **(1) Land classified under IC 6-1.1-6 as native forest land.**

33 **(2) Land classified under IC 6-1.1-6 as a forest plantation by  
 34 an application approval under IC 6-1.1-6-12 dated before July  
 35 1, 2007.**

36 **(3) Land:**

37 **(A) classified under IC 6-1.1-6 as a forest plantation by an  
 38 application approval under IC 6-1.1-6-12 dated after June  
 39 30, 2007; and**

40 **(B) on which all of the trees that qualify the land for  
 41 classification under IC 6-1.1-6 as a forest plantation are  
 42 native trees.**

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1 (b) Except as provided in subsection (c), an individual is entitled  
2 to a deduction in determining the individual's adjusted gross  
3 income for a taxable year in an amount equal to the property taxes  
4 paid or accrued by the individual during the taxable year on  
5 eligible land.

6 (c) The deduction described in subsection (b) is allowable only  
7 to the extent that the individual has not subtracted the deduction  
8 described in subsection (b) from federal gross income in calculating  
9 the individual's federal adjusted gross income for the taxable year.

10 SECTION 3. IC 6-3-2-22 IS ADDED TO THE INDIANA CODE  
11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2008]: Sec. 22. (a) As used in this section, "eligible  
13 land" has the meaning set forth in section 21(a) of this chapter.

14 (b) Except as provided in subsection (c), an individual is entitled  
15 to a deduction in determining the individual's adjusted gross  
16 income for a taxable year in an amount equal to expenses paid or  
17 accrued by the individual during the taxable year for the  
18 management of a forest located on eligible land.

19 (c) The deduction described in subsection (b) is allowable only  
20 to the extent that the individual has not subtracted the deduction  
21 described in subsection (b) from federal gross income in calculating  
22 the individual's federal adjusted gross income for the taxable year.

23 SECTION 4. IC 6-3-2-23 IS ADDED TO THE INDIANA CODE  
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
25 JANUARY 1, 2008]: Sec. 23. (a) As used in this section, "net long  
26 term capital gain" has the meaning set forth in Section 1222(7) of  
27 the Internal Revenue Code.

28 (b) An individual is entitled to a deduction in determining the  
29 individual's adjusted gross income for a taxable year with respect  
30 to the part of the individual's federal adjusted gross income  
31 attributable to the individual's net long term capital gain on the  
32 sale of timber during the taxable year, in an amount determined  
33 under subsection (c).

34 (c) The amount of the deduction described in subsection (b) for  
35 a taxable year is:

- 36 (1) the part of the individual's federal adjusted gross income  
37 attributable to a net long term capital gain on the sale of  
38 timber during the taxable year; multiplied by
- 39 (2) fifty percent (50%).

40 SECTION 5. IC 6-3-2-24 IS ADDED TO THE INDIANA CODE  
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
42 JANUARY 1, 2008]: Sec. 24. (a) As used in this section, "eligible

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1 land" has the meaning set forth in section 21(a) of this chapter.  
 2 (b) An individual is entitled to a deduction in determining the  
 3 individual's adjusted gross income for a taxable year for a  
 4 charitable contribution of eligible land to the same extent the  
 5 charitable contribution is allowed as a deduction to the individual  
 6 for the taxable year under Section 170 of the Internal Revenue  
 7 Code.  
 8 SECTION 6. [EFFECTIVE JANUARY 1, 2008] (a) IC 6-3-1-3.5,  
 9 as amended by this act, applies only to taxable years beginning  
 10 after December 31, 2007.  
 11 (b) The following statutes, as added by this act, apply only to  
 12 taxable years beginning after December 31, 2007:  
 13 (1) IC 6-3-2-21.  
 14 (2) IC 6-3-2-22.  
 15 (3) IC 6-3-2-23.  
 16 (4) IC 6-3-2-24.  
 17 (c) This SECTION expires January 1, 2012.  
 18 SECTION 7. [EFFECTIVE UPON PASSAGE] (a) This SECTION  
 19 applies only to salaries paid for pay periods beginning after June  
 20 30, 2007.  
 21 (b) As used in this SECTION, "district forester" means any  
 22 position on the state staffing table with a job code of "001LE2" and  
 23 a description of "Forester Specialist 2".  
 24 (c) As used in this SECTION, "natural sciences manager"  
 25 means any position on the state staffing table with a job code of  
 26 "00ENS7" and a description of "Natural Sciences Manager E7".  
 27 (d) As used in this SECTION, "state staffing table" means a  
 28 position classification plan and salary and wage schedule adopted  
 29 by the state personnel department (established by IC 4-15-1.8-2)  
 30 under IC 4-15-1.8-7.  
 31 (e) For pay periods beginning after June 30, 2007, the state  
 32 personnel department shall equalize the salary and wage schedules  
 33 for the positions of district forester and natural sciences manager  
 34 so that both positions share the higher of the two (2) wage and  
 35 salary schedules for these positions existing on April 1, 2007. For  
 36 pay periods beginning after June 30, 2007, the department of  
 37 natural resources (created by IC 14-9-1-1) shall increase the wages  
 38 and salaries of all district foresters and natural sciences managers  
 39 to bring the wages and salaries into conformity with the salary and  
 40 wage schedules required by this SECTION.  
 41 SECTION 8. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1657, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, line 30, delete "Except as provided in subsection" and insert **"As used in this section, "eligible land" means any of the following:**

- (1) Land classified under IC 6-1.1-6 as native forest land.**
- (2) Land classified under IC 6-1.1-6 as a forest plantation by an application approval under IC 6-1.1-6-12 dated before July 1, 2007.**
- (3) Land:**
  - (A) classified under IC 6-1.1-6 as a forest plantation by an application approval under IC 6-1.1-6-12 dated after June 30, 2007; and**
  - (B) on which all of the trees that qualify the land for classification under IC 6-1.1-6 as a forest plantation are native trees.**

**(b) Except as provided in subsection (c), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to the property taxes paid or accrued by the individual during the taxable year on eligible land."**

Page 8, delete lines 31 through 35.

Page 8, line 36, delete "(b)" and insert "(c)".

Page 8, line 36, delete "(a)" and insert "(b)".

Page 8, line 38, delete "(a)" and insert "(b)".

Page 8, line 42, delete "Except as provided in subsection" and insert **"As used in this section, "eligible land" has the meaning set forth in section 21(a) of this chapter.**

**(b) Except as provided in subsection (c), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to expenses paid or accrued by the individual during the taxable year for the management of a forest located on eligible land."**

Page 9, delete lines 1 through 6.

Page 9, line 7, delete "(b)" and insert "(c)".

Page 9, line 7, delete "(a)" and insert "(b)".

Page 9, line 9, delete "(a)" and insert "(b)".

Page 9, line 30, delete "An individual is entitled to a deduction" and insert **"(a) As used in this section, "eligible land" has the meaning set forth in section 21(a) of this chapter.**

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**(b) An individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year for a charitable contribution of eligible land to the same extent the charitable contribution is allowed as a deduction to the individual for the taxable year under Section 170 of the Internal Revenue Code."**

Page 9, delete lines 31 through 42.

Delete pages 10 through 25.

Page 26, delete lines 1 through 18.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1657 as introduced.)

BISCHOFF, Chair

Committee Vote: yeas 7, nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1657, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 10, after line 17, begin a new paragraph and insert:

**"SECTION 7. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies only to salaries paid for pay periods beginning after June 30, 2007.**

**(b) As used in this SECTION, "district forester" means any position on the state staffing table with a job code of "001LE2" and a description of "Forester Specialist 2".**

**(c) As used in this SECTION, "natural sciences manager" means any position on the state staffing table with a job code of "00ENS7" and a description of "Natural Sciences Manager E7".**

**(d) As used in this SECTION, "state staffing table" means a position classification plan and salary and wage schedule adopted by the state personnel department (established by IC 4-15-1.8-2) under IC 4-15-1.8-7.**

**(e) For pay periods beginning after June 30, 2007, the state personnel department shall equalize the salary and wage schedules for the positions of district forester and natural sciences manager so that both positions share the higher of the two (2) wage and**



**salary schedules for these positions existing on April 1, 2007. For pay periods beginning after June 30, 2007, the department of natural resources (created by IC 14-9-1-1) shall increase the wages and salaries of all district foresters and natural sciences managers to bring the wages and salaries into conformity with the salary and wage schedules required by this SECTION.**

SECTION 8. **An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1657 as printed February 13, 2007.)

CRAWFORD, Chair

Committee Vote: yeas 18, nays 2.

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