

# HOUSE BILL No. 1532

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3-5.2.

**Synopsis:** Tax credit for school fine arts programs. Allows an adjusted gross income tax credit for fees paid and contributions made by a taxpayer to a public school or charter school for fine arts education. Provides that the credit is the amount of the fees or contributions paid by the taxpayer. Provides that the credit may not exceed \$200 for a single return or \$400 for a joint return. Allows a taxpayer to carry forward any unused credit for four years.

**Effective:** January 1, 2008.

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**Koch, Klinker**

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January 23, 2007, read first time and referred to Committee on Ways and Means.

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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. 1532



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 6-3-3-5.2 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2008]: **Sec. 5.2. (a) As used in this section, "charter  
4 school" has the meaning set forth in IC 20-24-1-4.**

5 **(b) As used in this section, "fine arts education" means  
6 instruction in art, music, and other arts areas that encompass  
7 visual, aural, performing, and creative modes of student learning.  
8 The term does not include any salaries, payment, or stipends for  
9 teachers, staff, or administrators.**

10 **(c) As used in this section, "public school" has the meaning as  
11 set forth in IC 20-18-2-15.**

12 **(d) As used in this section, "state tax liability" means a  
13 taxpayer's total tax liability that is incurred under IC 6-3-1  
14 through IC 6-3-7 (the adjusted gross income tax).**

15 **(e) A taxpayer that pays any fees or makes cash contributions  
16 during the taxable year to a public school or charter school located  
17 in Indiana for the support of fine arts education is entitled to a**



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credit against the taxpayer's state tax liability.

(f) The amount of the credit allowed under this section is the lesser of the following:

(1) The aggregate amount of fees paid or cash contributions made under subsection (e).

(2) Either:

(A) two hundred dollars (\$200) in the case of a single return; or

(B) four hundred dollars (\$400) in the case of a joint return.

(g) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's state tax liability for the taxable year. If the credit provided by this section exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time that the credit is carried forward to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for four (4) taxable years following the unused credit year. A taxpayer is not entitled to any carryback or refund of any unused credit.

(h) To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

SECTION 2. [EFFECTIVE JANUARY 1, 2008] IC 6-3-3-5.2, as added by this act, applies to taxable years beginning after December 31, 2007.

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