
HOUSE BILL No. 1674

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-16; IC 6-3.1-31.

Synopsis: Employee wellness programs. Requires a public employer to provide a wellness program for the public employer's employees. Provides a tax credit for a taxpayer that provides a wellness program to employees.

Effective: July 1, 2007; January 1, 2008.

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January 23, 2007, read first time and referred to Committee on Public Health.

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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. 1674



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 5-10-16 IS ADDED TO THE INDIANA CODE AS
 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2007]:
 4 **Chapter 16. Public Employee Wellness Programs**
 5 **Sec. 1. As used in this chapter, "employee" has the meaning set**
 6 **forth in IC 5-10-8-1.**
 7 **Sec. 2. As used in this chapter, "public employer" has the**
 8 **meaning set forth in IC 5-10-8-1.**
 9 **Sec. 3. As used in this chapter, "wellness program" means a**
 10 **program that rewards:**
 11 **(1) overweight employees for losing weight and all employees**
 12 **for maintaining a healthy weight; or**
 13 **(2) employees for not using tobacco.**
 14 **Sec. 4. A public employer shall, not later than December 31,**
 15 **2007, provide a wellness program for the public employer's**
 16 **employees.**
 17 SECTION 2. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2008]:

3 **Chapter 31. Employee Wellness Program Tax Credit**

4 **Sec. 1. As used in this chapter, "pass through entity" means:**

- 5 (1) a corporation that is exempt from the adjusted gross
- 6 income tax under IC 6-3-2-2.8(2);
- 7 (2) a partnership;
- 8 (3) a limited liability company; or
- 9 (4) a limited liability partnership.

10 **Sec. 2. As used in this chapter, "state tax liability" means a**
11 **taxpayer's total tax liability that is incurred under:**

- 12 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 13 (2) IC 6-5.5 (the financial institutions tax); and
- 14 (3) IC 27-1-18-2 (the insurance premiums tax);

15 **as computed after the application of the credits that under**
16 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
17 **chapter.**

18 **Sec. 3. As used in this chapter, "taxpayer" means an individual**
19 **or entity that has any state tax liability.**

20 **Sec. 4. As used in this chapter, "wellness program" means a**
21 **program that rewards:**

- 22 (1) overweight employees for losing weight and all employees
- 23 for maintaining a healthy weight; or
- 24 (2) employees for not using tobacco.

25 **Sec. 5. A taxpayer is entitled to a credit against the taxpayer's**
26 **state tax liability for a taxable year in an amount equal to fifty**
27 **percent (50%) of the costs incurred by the taxpayer during the**
28 **taxable year for providing a wellness program for the taxpayer's**
29 **employees during the taxable year.**

30 **Sec. 6. If a pass through entity is entitled to a credit under**
31 **section 5 of this chapter but does not have state tax liability against**
32 **which the tax credit may be applied, a shareholder, partner, or**
33 **member of the pass through entity is entitled to a tax credit equal**
34 **to:**

- 35 (1) the tax credit determined for the pass through entity for
- 36 the taxable year; multiplied by
- 37 (2) the percentage of the pass through entity's distributive
- 38 income to which the shareholder, partner, or member is
- 39 entitled.

40 **Sec.7. (a) If the credit provided by this chapter exceeds the**
41 **taxpayer's state tax liability for the taxable year for which the**
42 **credit is first claimed, the excess may be carried forward to**

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1 succeeding taxable years and used as a credit against the
2 taxpayer's state tax liability during those taxable years. Each time
3 that the credit is carried forward to a succeeding taxable year, the
4 credit is to be reduced by the amount that was used as a credit
5 during the immediately preceding taxable year.

6 (b) A taxpayer is not entitled to any carryback or refund of any
7 unused credit.

8 Sec. 8. To receive the credit provided by this chapter, a taxpayer
9 must claim the credit on the taxpayer's state tax return or returns
10 in the manner prescribed by the department. The taxpayer shall
11 submit to the department all information that the department
12 determines is necessary for the calculation of the credit provided
13 by this chapter.

14 SECTION 3. [EFFECTIVE JANUARY 1, 2008] IC 6-3.1-31, as
15 added by this act, applies to taxable years beginning after
16 December 31, 2007.

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