

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1269 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 6-3-1-3.5, AS AMENDED BY P.L.144-2007,
- 4 SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND
- 5 AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED
- 6 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JANUARY 1, 2009]: Sec. 3.5. When used in this article, the term
- 8 "adjusted gross income" shall mean the 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 under this article
- 13 by the Constitution and statutes of the United States.
- 14 (2) Add an amount equal to any deduction or deductions allowed
- 15 or allowable pursuant to Section 62 of the Internal Revenue Code
- 16 for taxes based on or measured by income and levied at the state
- 17 level by any state of the United States.
- 18 (3) Subtract one thousand dollars (\$1,000), or in the case of a
- 19 joint return filed by a husband and wife, subtract for each spouse
- 20 one thousand dollars (\$1,000).
- 21 (4) Subtract one thousand dollars (\$1,000) for **not more than one**
- 22 **(1) of the following:**
- 23 (A) ~~each of the exemptions~~ **An exemption** provided by
- 24 Section 151(c) of the Internal Revenue Code.

- 1 (B) ~~each~~ **An** additional amount allowable under Section 63(f)
 2 of the Internal Revenue Code. ~~and~~
- 3 (C) The spouse of the taxpayer if a separate return is made by
 4 the taxpayer and if the spouse, for the calendar year in which
 5 the taxable year of the taxpayer begins, has no gross income
 6 and is not the dependent of another taxpayer.
- 7 (5) Subtract:
- 8 (A) for taxable years beginning after December 31, 2004, one
 9 thousand five hundred dollars (\$1,500) ~~for each of if:~~
- 10 **(i) the taxpayer subtracted the amount provided under**
 11 **subdivision (4) based on subdivision (4)(A); and**
- 12 **(ii) the exemptions exemption under subdivision (4)(A) is**
 13 allowed under Section 151(c)(1)(B) of the Internal Revenue
 14 Code (as effective January 1, 2004); ~~and or~~
- 15 (B) five hundred dollars (\$500) ~~for each if:~~
- 16 **(i) the taxpayer subtracted the amount provided under**
 17 **subdivision (4) based on subdivision (4)(B);**
- 18 **(ii) the additional amount under subdivision (4)(B) is**
 19 allowable under Section 63(f)(1) of the Internal Revenue
 20 Code; **if and**
- 21 **(iii) the adjusted gross income of the taxpayer, or the**
 22 taxpayer and the taxpayer's spouse in the case of a joint
 23 return, is less than forty thousand dollars (\$40,000).
- 24 This amount is in addition to the amount subtracted under
 25 subdivision (4).
- 26 (6) Subtract an amount equal to the lesser of:
- 27 (A) that part of the individual's adjusted gross income (as
 28 defined in Section 62 of the Internal Revenue Code) for that
 29 taxable year that is subject to a tax that is imposed by a
 30 political subdivision of another state and that is imposed on or
 31 measured by income; or
- 32 (B) two thousand dollars (\$2,000).
- 33 (7) Add an amount equal to the total capital gain portion of a
 34 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 35 Internal Revenue Code) if the lump sum distribution is received
 36 by the individual during the taxable year and if the capital gain
 37 portion of the distribution is taxed in the manner provided in
 38 Section 402 of the Internal Revenue Code.
- 39 (8) Subtract any amounts included in federal adjusted gross
 40 income under Section 111 of the Internal Revenue Code as a
 41 recovery of items previously deducted as an itemized deduction
 42 from adjusted gross income.
- 43 (9) Subtract any amounts included in federal adjusted gross
 44 income under the Internal Revenue Code which amounts were
 45 received by the individual as supplemental railroad retirement
 46 annuities under 45 U.S.C. 231 and which are not deductible under

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

- 1 earlier taxable year equal to the amount of adjusted gross income
 2 that would have been computed had an election not been made
 3 under Section 168(k) of the Internal Revenue Code to apply bonus
 4 depreciation to the property in the year that it was placed in
 5 service.
- 6 (20) Add an amount equal to any deduction allowed under
 7 Section 172 of the Internal Revenue Code.
- 8 (21) Add or subtract the amount necessary to make the adjusted
 9 gross income of any taxpayer that placed Section 179 property (as
 10 defined in Section 179 of the Internal Revenue Code) in service
 11 in the current taxable year or in an earlier taxable year equal to
 12 the amount of adjusted gross income that would have been
 13 computed had an election for federal income tax purposes not
 14 been made for the year in which the property was placed in
 15 service to take deductions under Section 179 of the Internal
 16 Revenue Code in a total amount exceeding twenty-five thousand
 17 dollars (\$25,000).
- 18 (22) Add an amount equal to the amount that a taxpayer claimed
 19 as a deduction for domestic production activities for the taxable
 20 year under Section 199 of the Internal Revenue Code for federal
 21 income tax purposes.
- 22 *(23) Subtract an amount equal to the amount of the taxpayer's*
 23 *qualified military income that was not excluded from the*
 24 *taxpayer's gross income for federal income tax purposes under*
 25 *Section 112 of the Internal Revenue Code.*
- 26 ~~(23)~~ **(24)** Subtract income that is:
- 27 (A) exempt from taxation under IC 6-3-2-21.7; and
 28 (B) included in the individual's federal adjusted gross income
 29 under the Internal Revenue Code.
- 30 (b) In the case of corporations, the same as "taxable income" (as
 31 defined in Section 63 of the Internal Revenue Code) adjusted as
 32 follows:
- 33 (1) Subtract income that is exempt from taxation under this article
 34 by the Constitution and statutes of the United States.
- 35 (2) Add an amount equal to any deduction or deductions allowed
 36 or allowable pursuant to Section 170 of the Internal Revenue
 37 Code.
- 38 (3) Add an amount equal to any deduction or deductions allowed
 39 or allowable pursuant to Section 63 of the Internal Revenue Code
 40 for taxes based on or measured by income and levied at the state
 41 level by any state of the United States.
- 42 (4) Subtract an amount equal to the amount included in the
 43 corporation's taxable income under Section 78 of the Internal
 44 Revenue Code.
- 45 (5) Add or subtract the amount necessary to make the adjusted
 46 gross income of any taxpayer that owns property for which bonus

- 1 depreciation was allowed in the current taxable year or in an
 2 earlier taxable year equal to the amount of adjusted gross income
 3 that would have been computed had an election not been made
 4 under Section 168(k) of the Internal Revenue Code to apply bonus
 5 depreciation to the property in the year that it was placed in
 6 service.
- 7 (6) Add an amount equal to any deduction allowed under Section
 8 172 of the Internal Revenue Code.
- 9 (7) Add or subtract the amount necessary to make the adjusted
 10 gross income of any taxpayer that placed Section 179 property (as
 11 defined in Section 179 of the Internal Revenue Code) in service
 12 in the current taxable year or in an earlier taxable year equal to
 13 the amount of adjusted gross income that would have been
 14 computed had an election for federal income tax purposes not
 15 been made for the year in which the property was placed in
 16 service to take deductions under Section 179 of the Internal
 17 Revenue Code in a total amount exceeding twenty-five thousand
 18 dollars (\$25,000).
- 19 (8) Add an amount equal to the amount that a taxpayer claimed as
 20 a deduction for domestic production activities for the taxable year
 21 under Section 199 of the Internal Revenue Code for federal
 22 income tax purposes.
- 23 (9) Add to the extent required by IC 6-3-2-20 the amount of
 24 intangible expenses (as defined in IC 6-3-2-20) and any directly
 25 related intangible interest expenses (as defined in IC 6-3-2-20) for
 26 the taxable year that reduced the corporation's taxable income (as
 27 defined in Section 63 of the Internal Revenue Code) for federal
 28 income tax purposes.
- 29 *(10) Add an amount equal to any deduction for dividends paid (as*
 30 *defined in Section 561 of the Internal Revenue Code) to*
 31 *shareholders of a captive real estate investment trust (as defined*
 32 *in section 34.5 of this chapter).*
- 33 ~~(10)~~ **(11) Subtract income that is:**
- 34 *(A) exempt from taxation under IC 6-3-2-21.7; and*
- 35 *(B) included in the corporation's taxable income under the*
 36 *Internal Revenue Code.*
- 37 (c) In the case of life insurance companies (as defined in Section
 38 816(a) of the Internal Revenue Code) that are organized under Indiana
 39 law, the same as "life insurance company taxable income" (as defined
 40 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 41 (1) Subtract income that is exempt from taxation under this article
 42 by the Constitution and statutes of the United States.
- 43 (2) Add an amount equal to any deduction allowed or allowable
 44 under Section 170 of the Internal Revenue Code.
- 45 (3) Add an amount equal to a deduction allowed or allowable
 46 under Section 805 or Section 831(c) of the Internal Revenue Code

- 1 for taxes based on or measured by income and levied at the state
 2 level by any state.
- 3 (4) Subtract an amount equal to the amount included in the
 4 company's taxable income under Section 78 of the Internal
 5 Revenue Code.
- 6 (5) Add or subtract the amount necessary to make the adjusted
 7 gross income of any taxpayer that owns property for which bonus
 8 depreciation was allowed in the current taxable year or in an
 9 earlier taxable year equal to the amount of adjusted gross income
 10 that would have been computed had an election not been made
 11 under Section 168(k) of the Internal Revenue Code to apply bonus
 12 depreciation to the property in the year that it was placed in
 13 service.
- 14 (6) Add an amount equal to any deduction allowed under Section
 15 172 or Section 810 of the Internal Revenue Code.
- 16 (7) Add or subtract the amount necessary to make the adjusted
 17 gross income of any taxpayer that placed Section 179 property (as
 18 defined in Section 179 of the Internal Revenue Code) in service
 19 in the current taxable year or in an earlier taxable year equal to
 20 the amount of adjusted gross income that would have been
 21 computed had an election for federal income tax purposes not
 22 been made for the year in which the property was placed in
 23 service to take deductions under Section 179 of the Internal
 24 Revenue Code in a total amount exceeding twenty-five thousand
 25 dollars (\$25,000).
- 26 (8) Add an amount equal to the amount that a taxpayer claimed as
 27 a deduction for domestic production activities for the taxable year
 28 under Section 199 of the Internal Revenue Code for federal
 29 income tax purposes.
- 30 (9) *Subtract income that is:*
- 31 (A) *exempt from taxation under IC 6-3-2-21.7; and*
- 32 (B) *included in the insurance company's taxable income under*
 33 *the Internal Revenue Code.*
- 34 (d) In the case of insurance companies subject to tax under Section
 35 831 of the Internal Revenue Code and organized under Indiana law, the
 36 same as "taxable income" (as defined in Section 832 of the Internal
 37 Revenue Code), adjusted as follows:
- 38 (1) Subtract income that is exempt from taxation under this article
 39 by the Constitution and statutes of the United States.
- 40 (2) Add an amount equal to any deduction allowed or allowable
 41 under Section 170 of the Internal Revenue Code.
- 42 (3) Add an amount equal to a deduction allowed or allowable
 43 under Section 805 or Section 831(c) of the Internal Revenue Code
 44 for taxes based on or measured by income and levied at the state
 45 level by any state.
- 46 (4) Subtract an amount equal to the amount included in the

- 1 company's taxable income under Section 78 of the Internal
2 Revenue Code.
- 3 (5) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that owns property for which bonus
5 depreciation was allowed in the current taxable year or in an
6 earlier taxable year equal to the amount of adjusted gross income
7 that would have been computed had an election not been made
8 under Section 168(k) of the Internal Revenue Code to apply bonus
9 depreciation to the property in the year that it was placed in
10 service.
- 11 (6) Add an amount equal to any deduction allowed under Section
12 172 of the Internal Revenue Code.
- 13 (7) Add or subtract the amount necessary to make the adjusted
14 gross income of any taxpayer that placed Section 179 property (as
15 defined in Section 179 of the Internal Revenue Code) in service
16 in the current taxable year or in an earlier taxable year equal to
17 the amount of adjusted gross income that would have been
18 computed had an election for federal income tax purposes not
19 been made for the year in which the property was placed in
20 service to take deductions under Section 179 of the Internal
21 Revenue Code in a total amount exceeding twenty-five thousand
22 dollars (\$25,000).
- 23 (8) Add an amount equal to the amount that a taxpayer claimed as
24 a deduction for domestic production activities for the taxable year
25 under Section 199 of the Internal Revenue Code for federal
26 income tax purposes.
- 27 (9) *Subtract income that is:*
- 28 (A) *exempt from taxation under IC 6-3-2-21.7; and*
- 29 (B) *included in the insurance company's taxable income under*
30 *the Internal Revenue Code.*
- 31 (e) In the case of trusts and estates, "taxable income" (as defined for
32 trusts and estates in Section 641(b) of the Internal Revenue Code)
33 adjusted as follows:
- 34 (1) Subtract income that is exempt from taxation under this article
35 by the Constitution and statutes of the United States.
- 36 (2) Subtract an amount equal to the amount of a September 11
37 terrorist attack settlement payment included in the federal
38 adjusted gross income of the estate of a victim of the September
39 11 terrorist attack or a trust to the extent the trust benefits a victim
40 of the September 11 terrorist attack.
- 41 (3) Add or subtract the amount necessary to make the adjusted
42 gross income of any taxpayer that owns property for which bonus
43 depreciation was allowed in the current taxable year or in an
44 earlier taxable year equal to the amount of adjusted gross income
45 that would have been computed had an election not been made
46 under Section 168(k) of the Internal Revenue Code to apply bonus

- 1 depreciation to the property in the year that it was placed in
2 service.
- 3 (4) Add an amount equal to any deduction allowed under Section
4 172 of the Internal Revenue Code.
- 5 (5) Add or subtract the amount necessary to make the adjusted
6 gross income of any taxpayer that placed Section 179 property (as
7 defined in Section 179 of the Internal Revenue Code) in service
8 in the current taxable year or in an earlier taxable year equal to
9 the amount of adjusted gross income that would have been
10 computed had an election for federal income tax purposes not
11 been made for the year in which the property was placed in
12 service to take deductions under Section 179 of the Internal
13 Revenue Code in a total amount exceeding twenty-five thousand
14 dollars (\$25,000).
- 15 (6) Add an amount equal to the amount that a taxpayer claimed as
16 a deduction for domestic production activities for the taxable year
17 under Section 199 of the Internal Revenue Code for federal
18 income tax purposes.
- 19 (7) *Subtract income that is:*
- 20 (A) *exempt from taxation under IC 6-3-2-21.7; and*
- 21 (B) *included in the taxpayer's taxable income under the*
22 *Internal Revenue Code.*
- 23 (f) This subsection applies only to the extent that an individual paid
24 property taxes in 2004 that were imposed for the March 1, 2002,
25 assessment date or the January 15, 2003, assessment date. The
26 maximum amount of the deduction under subsection (a)(17) is equal
27 to the amount determined under STEP FIVE of the following formula:
- 28 STEP ONE: Determine the amount of property taxes that the
29 taxpayer paid after December 31, 2003, in the taxable year for
30 property taxes imposed for the March 1, 2002, assessment date
31 and the January 15, 2003, assessment date.
- 32 STEP TWO: Determine the amount of property taxes that the
33 taxpayer paid in the taxable year for the March 1, 2003,
34 assessment date and the January 15, 2004, assessment date.
- 35 STEP THREE: Determine the result of the STEP ONE amount
36 divided by the STEP TWO amount.
- 37 STEP FOUR: Multiply the STEP THREE amount by two
38 thousand five hundred dollars (\$2,500).
- 39 STEP FIVE: Determine the sum of the STEP FOUR amount and
40 two thousand five hundred dollars (\$2,500)."
- 41 Page 15, after line 22, begin a new paragraph and insert:
42 "SECTION 9. [EFFECTIVE JANUARY 1, 2009] **IC 6-3-1-3.5, as**
43 **amended by this act, applies only to taxable years beginning after**
44 **December 31, 2008.**"
- 45 Renumber all SECTIONS consecutively.
(Reference is to HB 1269 as printed January 22, 2008.)

Representative Walorski