
HOUSE BILL No. 1025

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-33.

Synopsis: Child and dependent care tax credit. Provides a refundable income tax credit to individuals for certain household, child care, or dependent care expenses associated with an individual's gainful employment. Provides that the amount of the credit is 50% of the amount allowed for the federal child and dependent care credit. Provides that an individual whose federal adjusted gross income exceeds \$45,000 is not eligible for the credit.

Effective: January 1, 2010.

Day

January 7, 2009, read first time and referred to Committee on Small Business and Economic Development.

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First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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HOUSE BILL No. 1025



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 6-3.1-33 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2010]:

4 **Chapter 33. Child and Dependent Care Tax Credit**

5 **Sec. 1. As used in this chapter, "applicable percentage" has the**
6 **meaning set forth in Section 21(a)(2) of the Internal Revenue Code.**

7 **Sec. 2. As used in this chapter, "eligible employment-related**
8 **expenses" means the amount of employment-related expenses (as**
9 **defined in Section 21(b)(2) of the Internal Revenue Code) that**
10 **remains after applying the dollar limitations of Section 21(c) and**
11 **Section 21(d) of the Internal Revenue Code.**

12 **Sec. 3. (a) Subject to subsection (b) and the special rules of**
13 **Section 21(e) of the Internal Revenue Code, an individual may**
14 **claim a credit under this chapter in each taxable year equal to the**
15 **product of the following:**

- 16 (1) **Fifty percent (50%).**
- 17 (2) **The applicable percentage.**



1 **(3) The eligible employment-related expenses paid by the**
 2 **individual during the taxable year.**
 3 **(b) An individual whose federal adjusted gross income (as**
 4 **defined in Section 62 of the Internal Revenue Code) exceeds**
 5 **forty-five thousand dollars (\$45,000) for the taxable year is not**
 6 **eligible for the credit provided by this chapter.**
 7 **Sec. 4. If the credit amount provided by this chapter exceeds the**
 8 **taxpayer's adjusted gross income tax liability for the taxable year,**
 9 **the department shall refund the excess to the taxpayer.**
 10 **Sec. 5. To obtain a credit under this chapter, a taxpayer must**
 11 **claim the credit in the manner prescribed by the department. The**
 12 **taxpayer must submit to the department all information that the**
 13 **department determines to be necessary for the calculation of the**
 14 **credit provided by this chapter.**
 15 **SECTION 2. [EFFECTIVE JANUARY 1, 2010] IC 6-3.1-33, as**
 16 **added by this act, applies only to taxable years beginning after**
 17 **December 31, 2009.**

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