
HOUSE BILL No. 1158

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-33.

Synopsis: Income tax credit for textbook fees. Provides a refundable income tax credit for textbook expenses paid by a taxpayer whose household income does not exceed 350% of the federal income poverty level for dependents of the taxpayer who are enrolled in a public school or an accredited nonpublic school.

Effective: January 1, 2009 (retroactive).

VanDenburgh

January 12, 2009, read first time and referred to Committee on Education.

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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. 1158



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, 2009 (RETROACTIVE)]:

4 **Chapter 33. Tax Credit for Elementary and Secondary**
5 **Education Textbooks**

6 **Sec. 1. As used in this chapter, "eligible dependent" means a**
7 **dependent who is enrolled in any grade from kindergarten through**
8 **grade 12 in a public school or an accredited nonpublic school.**

9 **Sec. 2. As used in this chapter, "public school" has the meaning**
10 **set forth in IC 20-18-2-15.**

11 **Sec. 3. As used in this chapter, "qualifying taxpayer" means a**
12 **taxpayer with a household income that does not exceed three**
13 **hundred fifty percent (350%) of the federal income poverty level.**

14 **Sec. 4. As used in this chapter, "textbook expense" means an**
15 **expense that is:**

16 **(1) incurred by a qualifying taxpayer and paid to a public**
17 **school or an accredited nonpublic school for textbooks and**



- 1 instructional materials for an eligible dependent;
- 2 (2) paid on or before the deadline for the payment as
- 3 determined by the public school or accredited nonpublic
- 4 school; and
- 5 (3) not reimbursed to the qualifying taxpayer.

6 **Sec. 5.** Each taxable year, a qualifying taxpayer who incurs a
 7 textbook expense during the taxable year is entitled to a credit
 8 against adjusted gross income tax imposed on the qualifying
 9 taxpayer under IC 6-3 for the taxable year. The amount of the
 10 credit is as follows:

- 11 (1) In the case of a qualifying taxpayer with a household
- 12 income that does not exceed two hundred fifty percent (250%)
- 13 of the federal poverty level, the amount of the credit is equal
- 14 to the qualifying taxpayer's textbook expense.
- 15 (2) In the case of a qualifying taxpayer with a household
- 16 income that:
- 17 (A) exceeds two hundred fifty percent (250%); and
- 18 (B) does not exceed three hundred fifty percent (350%);
- 19 of the federal poverty level, the amount of the credit is equal
- 20 to fifty percent (50%) of the qualifying taxpayer's textbook
- 21 expense.

22 **Sec. 6.** If the amount of the credit provided by this chapter to a
 23 qualifying taxpayer for a taxable year exceeds the sum of the taxes
 24 imposed on the qualifying taxpayer under IC 6-3 for the taxable
 25 year after the application of all credits that under IC 6-3.1-1-2 are
 26 to be applied before the credit provided by this chapter, the excess
 27 shall be returned to the qualifying taxpayer as a refund.

28 **Sec. 7. (a)** A qualifying taxpayer claiming a credit under this
 29 chapter must claim the credit on the qualifying taxpayer's annual
 30 state tax return or returns in the manner prescribed by the
 31 department.

32 (b) The qualifying taxpayer shall submit to the department all
 33 information that the department determines is necessary for the
 34 calculation of the credit provided by this chapter and the
 35 determination of whether the credit was properly claimed.

36 **Sec. 8.** The department shall adopt rules under IC 4-22-2 to
 37 carry out this chapter.

38 SECTION 2. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]
 39 IC 6-3.1-33, as added by this act, applies only to taxable years
 40 beginning after December 31, 2008.

41 SECTION 3. An emergency is declared for this act.

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