
HOUSE BILL No. 1042

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-4.

Synopsis: Military income tax deduction. Phases in an increase of the military income tax deduction from \$5,000 to \$7,000. Removes the minimum age requirement for an individual to deduct a military pension benefit.

Effective: January 1, 2010 (retroactive).

Blanton

January 5, 2010, read first time and referred to Committee on Ways and Means.

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Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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HOUSE BILL No. 1042



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 6-3-2-4, AS AMENDED BY P.L.144-2007,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4. (a) ~~Each taxable year,~~
4 An individual, or the individual's surviving spouse, is entitled to an
5 adjusted gross income tax deduction for ~~the first five thousand dollars~~
6 ~~(\$5,000)~~ of income, including retirement or survivor's benefits,
7 received during the taxable year by the individual, or the individual's
8 surviving spouse, for the individual's service in an active or reserve
9 component of the armed forces of the United States, including the
10 army, navy, air force, coast guard, marine corps, merchant marine,
11 Indiana army national guard, or Indiana air national guard. ~~However,~~
12 ~~a person who is less than sixty (60) years of age on the last day of the~~
13 ~~person's taxable year, is not, for that taxable year, entitled to a~~
14 ~~deduction under this section for retirement or survivor's benefits. The~~
15 **amount of the deduction is as follows:**

16 (1) **For the taxable year beginning in 2010, the first five**
17 **thousand dollars (\$5,000) of income.**



1 **(2) For the taxable year beginning in 2011, the first six**
 2 **thousand dollars (\$6,000) of income.**
 3 **(3) For taxable years beginning in 2012 and thereafter, the**
 4 **first seven thousand dollars (\$7,000) of income.**
 5 (b) An individual whose qualified military income is subtracted
 6 from the individual's federal adjusted gross income under
 7 IC 6-3-1-3.5(a)(23) for Indiana individual income tax purposes is not,
 8 for that taxable year, entitled to a deduction under this section for the
 9 individual's qualified military income.
 10 SECTION 2. [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]
 11 **IC 6-3-2-4, as amended by this act, applies to taxable years**
 12 **beginning after December 31, 2009.**
 13 SECTION 3. **An emergency is declared for this act.**

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