
HOUSE BILL No. 1173

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-3.7.

Synopsis: Taxation of civil service annuities. Increases the civil service annuity income tax deduction from \$2,000 to \$13,000 over a seven year phase-in period. Provides that the deduction is available to a surviving spouse.

Effective: January 1, 2011 (retroactive).

Burton

January 10, 2011, read first time and referred to Committee on Ways and Means.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1173



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 6-3-2-3.7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]:
3 Sec. 3.7. ~~Each taxable year,~~ (a) **Except as provided by subsection (b),**
4 an individual **or the individual's surviving spouse** is entitled to an
5 adjusted gross income tax deduction **each taxable year** equal to the
6 remainder of:

- 7 (1) ~~the first two thousand dollars (\$2,000)~~ **for taxable years**
8 **beginning in:**
9 (A) **2011 and 2012, the first five thousand dollars (\$5,000);**
10 (B) **2013 and 2014, the first eight thousand dollars**
11 **(\$8,000);**
12 (C) **2015 and 2016, the first eleven thousand dollars**
13 **(\$11,000); and**
14 (D) **2017 and thereafter, the first thirteen thousand dollars**
15 **(\$13,000);**

16 which is received by the individual **or the individual's surviving**
17 **spouse** during the taxable year from a federal civil service annuity



1 and which is included in adjusted gross income under Section 62
2 of the Internal Revenue Code; minus
3 (2) the total amount of Social Security benefits and railroad
4 retirement benefits received by the individual **or the individual's**
5 **surviving spouse** during the taxable year. ~~However, the~~
6 **(b) An individual is ~~only~~ entitled to the deduction provided by this**
7 **section ~~only~~ if the individual is at least sixty-two (62) years of age**
8 **before the end of the taxable year. ~~This subsection does not apply to~~**
9 **the individual's surviving spouse.**
10 SECTION 2. **An emergency is declared for this act.**

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