

HOUSE BILL No. 1132

DIGEST OF INTRODUCED BILL

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

Synopsis: Military income tax exemption. Provides a 100% state income tax deduction for all income for service in an active or reserve component of the armed forces of the United States and for all income from retirement or survivor's benefits.

Effective: January 1, 2020.

Judy, Lindauer

January 7, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1132

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.214-2018(ss),
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020]: Sec. 4. (a) Each taxable year, an individual, or the
4 individual's surviving spouse, is entitled to the following:
5 (1) An adjusted gross income tax deduction for ~~the first five~~
6 ~~thousand dollars (\$5,000)~~ **all of the** income, excluding adjusted
7 gross income described in subdivision (2), received during the
8 taxable year by the individual, or the individual's surviving
9 spouse, for the individual's service in an active or reserve
10 component of the armed forces of the United States, including the
11 army, navy, air force, coast guard, marine corps, merchant marine,
12 Indiana army national guard, or Indiana air national guard.
13 (2) An adjusted gross income tax deduction of ~~six thousand two~~
14 ~~hundred fifty dollars (\$6,250)~~ for **all of the** income from
15 retirement or survivor's benefits received during the taxable year
16 by the individual, or the individual's surviving spouse, for the
17 individual's service in an active or reserve component of the



1 armed forces of the United States, including the army, navy, air
2 force, coast guard, marine corps, merchant marine, Indiana army
3 national guard, or Indiana air national guard.

4 (b) An individual whose qualified military income is subtracted
5 from the individual's federal adjusted gross income under
6 IC 6-3-1-3.5(a)(18) for Indiana individual income tax purposes is not,
7 for that taxable year, entitled to a deduction under this section for the
8 same qualified military income that is deducted under
9 IC 6-3-1-3.5(a)(18).

10 SECTION 2. [EFFECTIVE JANUARY 1, 2020] (a) **IC 6-3-2-4, as**
11 **amended by this act, applies to taxable years beginning after**
12 **December 31, 2019.**

13 (b) **This SECTION expires June 30, 2021.**

