

HOUSE BILL No. 1361

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-2-1-2; IC 6-3; IC 36-8-3-20.

Synopsis: Tax incentives for public safety volunteers. Provides that an individual who is a volunteer firefighter or a police reserve officer and meets certain requirements is entitled to a credit of \$1,000 against the individual's adjusted gross income tax liability each taxable year. Provides that a clothing or uniform allowance received by a volunteer firefighter or police reserve officer is exempt from the adjusted gross income tax imposed on the income of the individual.

Effective: July 1, 2019.

Bartels, Lucas, Moseley, Lindauer

January 14, 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. 1361

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 5-2-1-2, AS AMENDED BY P.L.180-2017,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 2. For the purposes of this chapter, and unless the
4 context clearly denotes otherwise, the following definitions apply
5 throughout this chapter:

6 (1) "Law enforcement officer" means an appointed officer or
7 employee hired by and on the payroll of the state, any of the
8 state's political subdivisions, or a public or private postsecondary
9 educational institution whose board of trustees has established a
10 police department under IC 21-17-5-2 or IC 21-39-4-2 who is
11 granted lawful authority to enforce all or some of the penal laws
12 of the state of Indiana and who possesses, with respect to those
13 laws, the power to effect arrests for offenses committed in the
14 officer's or employee's presence. However, the following are
15 expressly excluded from the term "law enforcement officer" for
16 the purposes of this chapter:

17 (A) A constable.



- 1 (B) A special officer whose powers and duties are described
 2 in IC 36-8-3-7 or a special deputy whose powers and duties are
 3 described in IC 36-8-10-10.6.
- 4 (C) A county police reserve officer who receives compensation
 5 for lake patrol duties under ~~IC 36-8-3-20(f)(3)~~.
 6 **IC 36-8-3-20(f)(2)**.
- 7 (D) A conservation reserve officer who receives compensation
 8 for lake patrol duties under IC 14-9-8-27.
- 9 (E) An employee of the gaming commission whose powers
 10 and duties are described in IC 4-32.2-9.
- 11 (F) A correctional police officer described in IC 11-8-9.
- 12 (2) "Board" means the law enforcement training board created by
 13 this chapter.
- 14 (3) "Executive training program" means the police chief executive
 15 training program developed by the board under section 9 of this
 16 chapter.
- 17 (4) "Law enforcement training council" means one (1) of the
 18 confederations of law enforcement agencies recognized by the
 19 board and organized for the sole purpose of sharing training,
 20 instructors, and related resources.
- 21 (5) "Training regarding the lawful use of force" includes
 22 classroom and skills training in the proper application of hand to
 23 hand defensive tactics, use of firearms, and other methods of:
- 24 (A) overcoming unlawful resistance; or
 25 (B) countering other action that threatens the safety of the
 26 public or a law enforcement officer.
- 27 (6) "Hiring or appointing authority" means:
 28 (A) the chief executive officer, board, or other entity of a
 29 police department or agency with authority to appoint and hire
 30 law enforcement officers; or
 31 (B) the governor, mayor, board, or other entity with the
 32 authority to appoint a chief executive officer of a police
 33 department or agency.
- 34 (7) "Crisis intervention team" refers to a local coalition with a
 35 goal of improving the manner in which law enforcement and the
 36 community respond to crisis situations in which an individual is
 37 experiencing a mental health or addictive disorder crisis.
- 38 SECTION 2. IC 6-3-2-27 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2019]: **Sec. 27. (a) As used in this section, "police reserve officer"**
 41 **means an individual described in IC 36-8-3-20.**
 42 **(b) As used in this section, "volunteer firefighter" has the**



1 meaning set forth in IC 36-8-12-2.

2 (c) In each taxable year, the amount of money that is provided
3 to a:

4 (1) volunteer firefighter under IC 36-8-12-5(a)(1); or

5 (2) police reserve officer under IC 36-8-3-20(n);

6 for a clothing or uniform allowance is exempt from the adjusted
7 gross income tax imposed by IC 6-3-1 through IC 6-3-7 as income
8 of the individual.

9 SECTION 3. IC 6-3-3-15 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2019]: Sec. 15. (a) The following definitions apply throughout
12 this section:

13 (1) "Fire department" has the meaning set forth in
14 IC 22-12-1-12.

15 (2) "Police reserve officer" means an individual described in
16 IC 36-8-3-20.

17 (3) "Volunteer firefighter" has the meaning set forth in
18 IC 36-8-12-2.

19 (b) Subject to subsection (c), each taxable year, an individual
20 who is:

21 (1) an active volunteer firefighter in Indiana and completed at
22 least:

23 (A) one (1) run per month; and

24 (B) fifty (50) total runs; or

25 (2) a police reserve officer in Indiana and completed at least:

26 (A) one (1) shift per month; and

27 (B) fifty (50) total shifts;

28 during the taxable year is entitled to a credit against the
29 individual's adjusted gross income tax liability for the taxable year
30 equal to one thousand dollars (\$1,000).

31 (c) The credit provided by this section may not exceed the
32 amount of the adjusted gross income tax imposed by IC 6-3-1
33 through IC 6-3-7 on the taxpayer's income for the taxable year,
34 reduced by the sum of all credits for the taxable year that are
35 applied before the application of the credit provided by this
36 section. The amount of any unused credit under this section for a
37 taxable year may not be carried forward to a succeeding taxable
38 year, carried back to a preceding taxable year, or refunded.

39 (d) The department shall prescribe a standard form that a:

40 (1) fire department must use to confirm a volunteer
41 firefighter's service for the fire department during a calendar
42 year; and



1 (2) law enforcement department or agency must use to
2 confirm a police reserve officer's service for the law
3 enforcement department or agency during a calendar year.

4 (e) Before February 1 each year, a:

5 (1) fire department shall issue a confirmation of service, using
6 the form prescribed by the department under subsection (d),
7 to each volunteer firefighter who served with the fire
8 department during the immediately preceding calendar year;
9 and

10 (2) law enforcement department or agency shall issue a
11 confirmation of service, using the form prescribed by the
12 department under subsection (d), to each police reserve
13 officer who served with the law enforcement department or
14 agency during the immediately preceding calendar year.

15 (f) If a volunteer firefighter or police reserve officer wishing to
16 claim the credit provided by this section files a return for a taxable
17 year using paper forms, the volunteer firefighter or police reserve
18 officer shall submit the confirmation of service issued to the:

19 (1) volunteer firefighter under subsection (e)(1) with the
20 volunteer firefighter's return for the taxable year; or

21 (2) police reserve officer under subsection (e)(2) with the
22 police reserve officer's return for the taxable year.

23 If a volunteer firefighter or police reserve officer wishing to claim
24 the credit provided by this section files a return electronically for
25 the taxable year, the volunteer firefighter or police reserve officer
26 shall retain the confirmation of service with the volunteer
27 firefighter's or police reserve officer's records for the taxable year.
28 A volunteer firefighter or police reserve officer who files a return
29 electronically for a taxable year shall submit the confirmation of
30 service to the department, if requested by the department.

31 SECTION 4. IC 36-8-3-20, AS AMENDED BY P.L.180-2017,
32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2019]: Sec. 20. (a) This section applies to counties and towns
34 as well as cities.

35 (b) A unit may provide by ordinance for any number of police
36 reserve officers.

37 (c) Police reserve officers shall be appointed by the same authority
38 that appoints regular members of the department.

39 (d) Police reserve officers may be designated by another name
40 specified by ordinance.

41 (e) Police reserve officers may not be members of the regular police
42 department but have all of the same police powers as regular members,



1 except as limited by the rules of the department. Each department may
2 adopt rules to limit the authority of police reserve officers.

3 (f) To the extent that money is appropriated for a purpose listed in
4 this subsection, police reserve officers may receive any of the
5 following:

6 ~~(1) A uniform allowance.~~

7 ~~(2) (1) Compensation for time lost from other employment~~
8 ~~because of court appearances.~~

9 ~~(3) (2) In the case of county police reserve officers, compensation~~
10 ~~for lake patrol duties that the county sheriff assigns and approves~~
11 ~~for compensation.~~

12 (g) Police reserve officers are not eligible to participate in any
13 pension program provided for regular members of the department.

14 (h) A police reserve officer may not be appointed until the officer
15 has completed the training and probationary period specified by rules
16 of the department.

17 (i) A police reserve officer appointed by the department after June
18 30, 1993, may not:

19 (1) make an arrest;

20 (2) conduct a search or a seizure of a person or property; or

21 (3) carry a firearm;

22 unless the police reserve officer successfully completes a pre-basic
23 course under IC 5-2-1-9(f).

24 (j) A police reserve officer carrying out lake patrol duties under this
25 chapter is immune from liability under IC 34-30-12, notwithstanding
26 the payment of compensation to the officer.

27 (k) After June 30, 2015, a police reserve officer who has
28 satisfactorily completed pre-basic training and has been appointed to
29 a law enforcement department or agency on either a full-time or
30 part-time basis is not eligible for continued employment unless the
31 police reserve officer satisfactorily completes the mandatory inservice
32 training requirements established by rules adopted by the law
33 enforcement training board (created by IC 5-2-1-3). Inservice training
34 must include training in interacting with persons with mental illness,
35 addictive disorders, intellectual disabilities, autism, developmental
36 disabilities, and Alzheimer's disease or related senile dementia, to be
37 provided by persons approved by the secretary of family and social
38 services and the board. The inservice training must also concern human
39 and sexual trafficking and high risk missing persons (as defined in
40 IC 5-2-17-1). The board may approve courses offered by other public
41 or private training entities, including postsecondary educational
42 institutions, as necessary in order to ensure the availability of an



1 adequate number of inservice training programs. The board may waive
 2 a police reserve officer's inservice training requirements if the board
 3 determines that the police reserve officer's reason for lacking the
 4 required amount of inservice training hours is due to either of the
 5 following:

6 (1) An emergency situation.

7 (2) The unavailability of courses.

8 (l) After December 31, 2017, a unit shall:

9 (1) provide the coverage specified in section 22 of this chapter;
 10 and

11 (2) pay the amounts specified in section 23 of this chapter;

12 for a police reserve officer who is injured or contracts an illness in the
 13 course of or as the result of the performance of duties as a police
 14 reserve officer.

15 (m) A unit may purchase policies of group insurance or establish a
 16 plan of self-insurance to meet its obligations under section 22 or 23 of
 17 this chapter. The establishment of a self-insurance program under this
 18 subsection is subject to the approval of the unit's fiscal body. Expenses
 19 incurred for premiums for insurance or for other charges or expenses
 20 under sections 22 and 23 of this chapter shall be paid out of the unit's
 21 general fund in the same manner as other expenses of the unit are paid.

22 (n) **A unit shall pay to each police reserve officer a uniform**
 23 **allowance of not less than one hundred dollars (\$100) per year.**

24 SECTION 5. [EFFECTIVE JULY 1, 2019] (a) **IC 6-3-3-15, as**
 25 **added by this act, applies to taxable years beginning after**
 26 **December 31, 2019.**

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

