

SENATE BILL No. 185

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-35.

Synopsis: Developmental disability care provider tax credit. Provides a tax credit against adjusted gross income tax liability for donations to a qualified developmental disability care provider. Defines a "qualified developmental disability care provider" as a nonprofit organization that provides services to persons with developmental disabilities and that is either: (1) accredited; or (2) under contract with the division of disability and rehabilitative services. The amount of the credit is the lesser of \$1,000 or 50% of the aggregate amount of donations made during a taxable year.

Effective: January 1, 2016.

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January 6, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 185

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 6-3.1-35 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2016]:
- 4 **Chapter 35. Developmental Disability Care Provider Tax Credit**
- 5 **Sec. 1. As used in this chapter, "donation" means an irrevocable**
- 6 **gift of money or property.**
- 7 **Sec. 2. As used in this chapter, "pass through entity" has the**
- 8 **meaning set forth in IC 6-3-1-35.**
- 9 **Sec. 3. As used in this chapter, "qualified developmental**
- 10 **disability care provider" means an organization that:**
- 11 **(1) is exempt from federal income taxation under Section**
- 12 **501(c)(3) of the Internal Revenue Code;**
- 13 **(2) provides services to persons with developmental**
- 14 **disabilities in Indiana; and**
- 15 **(3) is either:**
- 16 **(A) accredited as a service provider by:**



- 1 (i) the Commission on Accreditation of Rehabilitation
2 Facilities (CARF), or its successor;
3 (ii) the Council on Quality and Leadership in Supports
4 for People with Disabilities, or its successor;
5 (iii) the Joint Commission on Accreditation of
6 Healthcare Organizations (JCAHO), or its successor;
7 (iv) the National Commission on Quality Assurance, or
8 its successor; or
9 (v) an independent national accreditation organization
10 approved by the appropriate state agency; or
11 (B) under contract with the division of disability and
12 rehabilitative services as a service provider.

13 Sec. 4. As used in this chapter, "state tax liability" means the
14 taxpayer's total tax liability that is incurred under IC 6-3-1
15 through IC 6-3-7 (the adjusted gross income tax).

16 Sec. 5. As used in this chapter, "taxpayer" means an individual
17 or entity that has any state tax liability.

18 Sec. 6. A taxpayer that makes a donation to a qualified
19 developmental disability care provider is entitled to a credit
20 against the taxpayer's state tax liability in the taxable year in
21 which the taxpayer makes the donation.

22 Sec. 7. The amount of a taxpayer's credit is the lesser of:

- 23 (1) one thousand dollars (\$1,000); or
24 (2) fifty percent (50%) of the aggregate amount of donations
25 made by the taxpayer during a taxable year.

26 Sec. 8. If a pass through entity is entitled to a credit under
27 section 6 of this chapter but does not have state tax liability against
28 which the tax credit may be applied, a shareholder, partner, or
29 member of the pass through entity is entitled to a tax credit equal
30 to:

- 31 (1) the tax credit determined for the pass through entity for
32 the taxable year; multiplied by
33 (2) the percentage of the pass through entity's distributive
34 income to which the shareholder, partner, or member is
35 entitled.

36 Sec. 9. The credit provided by this chapter may not exceed the
37 amount of the taxpayer's adjusted gross income tax liability for the
38 taxable year, reduced by the sum of all credits for the taxable year
39 that are applied before the application of the credit provided by
40 this chapter. The amount of any unused credit under this chapter
41 for a taxable year may not be carried forward to a succeeding
42 taxable year, carried back to a preceding taxable year, or



1 **refunded.**
2 SECTION 2. [EFFECTIVE JANUARY 1, 2016] IC 6-3.1-35, as
3 **added by this act, applies to taxable years beginning after**
4 **December 31, 2015.**

